



City of Sierra Madre

232 West Sierra Madre Boulevard • Sierra Madre, California 91024
Tel: (626) 355-7135 • www.cityofsierramadre.com

SPECIAL JOINT STUDY SESSION OF THE CITY COUNCIL AND PLANNING COMMISSION

**CITY HALL COUNCIL CHAMBER
232 W. SIERRA MADRE BLVD.
SIERRA MADRE, CA 91024
(626) 355-7135**

**Tuesday, October 23, 2018
7:00 PM**

City Council

**Mayor Denise Delmar
Mayor Pro Tem John Harabedian
Council Member Rachelle Arizmendi
Council Member John Capoccia
Council Member Gene Goss**

Planning Commission

**John Hutt, Chair
Tom Denison, Vice Chair
Joe Catalano
Manish Desai
Gina Fierman-Hunt
Bill Pevsner
Bob Spears**

PUBLIC COMMENT

The Council will listen to the public on any item on the agenda. Under the Brown Act, Council is prohibited from taking action on items not on the agenda, but the matter may be referred to staff or to a subsequent meeting. Each speaker will be limited to three continuous minutes, which may not be delegated. These rules will be enforced but may be changed by appropriate City Council action.

CALL TO ORDER/ROLL CALL

City Clerk Spears will call roll.

Items for Discussion:

- 1. Consideration of Citywide Historic Resources Survey**
- 2. Mills Act Contract Update**
- 3. First soft-story and Unreinforced Masonry Buildings**

PUBLIC COMMENT

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ACTION ITEMS

Regardless of staff recommendation on any agenda item, the City Council will consider such matters, including action to approve, conditionally approve, reject, or continue such item. Further information on each item may be procured from the Office of the City Manager.

AVAILABILITY OF AGENDA MATERIALS

Materials related to an item on this Agenda submitted to the Council after distribution of the agenda packet, are available for public inspection at the public counter at City Hall, 232 W. Sierra Madre Blvd., at the Library, 440 W. Sierra Madre Blvd., during normal business hours and on the City 's website at www.cityofsierramadre.com

MEETING ASSISTANCE

The City Hall Council Chamber is physically accessible and assistive listening devices are available at the meeting. If you require special assistance to participate in this meeting, please call the City Clerk's office at (626) 355-7135 at least 48 hours prior to the meeting.

ADJOURNMENT

The City Council will adjourn to a Regular Meeting at this same place on Tuesday, November 13, 2018.

As a courtesy to others, we ask that cellular phones be turned off during the meeting.

**AGENDA
REGULAR MEETING
SIERRA MADRE CITY COUNCIL,
SUCCESSOR AGENCY, AND
PUBLIC FINANCE AUTHORITY**

Tuesday, October 23, 2018

6:30 pm

**City Hall Council Chambers
232 W. Sierra Madre Boulevard
Sierra Madre, California 91024**

*Denise Delmar, Mayor
John Harabedian, Mayor Pro Tem
Rachelle Arizmendi, Council Member
John Capoccia, Council Member
Gene Goss, Council Member*

*Sue Spears, City Clerk
Michael Amerio, City Treasurer*



PUBLIC COMMENT

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PUBLIC COMMENT FOR ITEMS ON THE AGENDA:

Persons wishing to speak on any item on the agenda will be called at the time the agenda item is brought forward. Persons wishing to speak on closed session items have a choice of doing so either immediately prior to the closed session or at the time for comments on items at the open session.

PUBLIC COMMENT FOR ITEMS NOT ON THE AGENDA:

Time shall be devoted to audience participation early on the agenda.

**CALL TO ORDER/ROLL CALL
MEMBERS OF THE CITY COUNCIL**

Mayor Delmar, Mayor Pro Tem Harabedian, Council Member Arizmendi, Council Member Capoccia, and Council Member Goss

**PLEDGE OF ALLEGIANCE AND
INVOCATION/INSPIRATION**

Council Member John Capoccia

APPROVAL OF AGENDA

Vote of the Council to proceed with City business.

APPROVAL OF MEETING MINUTES

Approval of City Council minutes from the regular meeting on October 9, 2018.

REPORT OUT FROM CLOSED SESSION

City Attorney report from the closed session.

MAYOR AND CITY COUNCIL REPORTS

Council Member activities relating to City business.

PUBLIC COMMENT

Regarding items not on the Agenda.

ACTION ITEMS

1. CONSENT

a) **ADOPTION OF RESOLUTION 18-55 OF THE CITY COUNCIL OF THE CITY OF SIERRA MADRE APPROVING CERTAIN DEMANDS**

Recommendation that the City Council approve Resolution 18-55 for approval of payment of City warrants in aggregate amount of \$578,210.75; Library warrants in the aggregate amount of \$4,453.65, and payroll transfer in the aggregate amount of \$312,629.61 for fiscal years ending June 2018 and June 2019.

b) **SECOND READING OF ORDINANCE 1404 AMENDING TITLE 17 (“ZONING”), CHAPTER 17.22 (“SECOND UNITS”) OF THE SIERRA MADRE MUNICIPAL CODE, OMITTING THE PERIODIC INSPECTION REQUIREMENT FOR A SECOND UNIT PERMIT**

Recommendation that the City Council read by title only, waive further reading, and adopt Ordinance 1404, Municipal Code Text Amendment 18-02, amending Chapter 17.22 (“Second Units”), Section 17.30.130 (“Recordation”), omitting the periodic inspection requirement for a second unit permit.

c) **CONSIDERATION OF RESOLUTION 18-56 ADOPTING THE CITY’S FRAUD POLICY**

Recommendation that the City Council read by title only, waive further reading, and adopt Resolution 18-56, approving and adopting a fraud policy and protocol.

d) **CONSIDERATION OF CANCELLATION OF DECEMBER 25, 2018 CITY COUNCIL MEETING**

Recommendation that the City Council approve the cancellation of the December 25, 2018 City Council meeting and direct staff to pay all necessary expenses during that time.

DISCUSSION

2. **CONSIDERATION OF RESOLUTION 18-54 IN OPPOSITION OF LOS ANGELES COUNTY BALLOT MEASURE W**

Recommendation that the City Council adopt Resolution 18-54 opposing the County of Los Angeles Clean, Safe Water Program – Los Angeles County Ballot Measure W.

ACTION ITEMS

Regardless of staff recommendation on any agenda item, the City Council will consider such matters, including action to approve, conditionally approve, reject, or continue such item.

AVAILABILITY OF AGENDA MATERIALS

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LIVE BROADCASTS

Regular City Council meetings are broadcasted live on Cable Channel 3 and rebroadcast on Wednesday and Saturday at 5:30 p.m.

MEETING ASSISTANCE

If you require special assistance to participate in this meeting, please call the City Manager's office at (626) 355-7135 at least 48 hours prior to the meeting.

ADJOURNMENT

The City Council will adjourn to a Public Hearing at this same place on Tuesday, November 13, 2018.

**AGENDA
SPECIAL MEETING
SIERRA MADRE CITY COUNCIL,**

Tuesday, October 23, 2018

Closed Session 5:30 pm

**City Hall Council Chambers
232 W. Sierra Madre Boulevard
Sierra Madre, California 91024**

*Denise Delmar, Mayor
John Harabedian, Mayor Pro Tem
Rachelle Arizmendi, Council Member
John Capoccia, Council Member
Gene Goss, Council Member*

*Sue Spears, City Clerk
Michael Amerio, City Treasurer*



PUBLIC COMMENT

The Council will listen to the public on any item on the agenda. Under the Brown Act, Council is prohibited from taking action on items not on the agenda, but the matter may be referred to staff or to a subsequent meeting. Each speaker will be limited to three continuous minutes, which may not be delegated. These rules will be enforced but may be changed by appropriate City Council action.

PUBLIC COMMENT FOR ITEMS ON THE AGENDA:

Persons wishing to speak on closed session items have a choice of doing so either immediately prior to the closed session or at the time for comments on items at the open session.

CLOSED SESSION

CALL TO ORDER/ROLL CALL

Mayor Delmar, Mayor Pro Tem Harabedian, Council Member Arizmendi, Council Member Capoccia, and Council Member Goss

PUBLIC COMMENT

Regarding Closed Session Items

RECESS TO CLOSED SESSION REGARDING:

CONFERENCE WITH LEGAL COUNSEL-ANTICIPATED LITIGATION
(Govt. Code Section 54956.9 (d)(2))
Number of Potential Cases: One

ACTION ITEMS

Regardless of staff recommendation on any agenda item, the City Council will consider such matters, including action to approve, conditionally approve, reject, or continue such item.

MEETING ASSISTANCE

If you require special assistance to participate in this meeting, please call the City Manager's office at (626) 355-7135 at least 48 hours prior to the meeting.



CITY OF SIERRA MADRE
CITY COUNCIL REGULAR MEETING MINUTES

SIERRA MADRE CITY COUNCIL
SUCCESSOR AGENCY AND
PUBLIC FINANCE AUTHORITY

Tuesday, October 9, 2018 - 6:30 pm

Sierra Madre City Hall Council Chambers
232 W. Sierra Madre Blvd., Sierra Madre, CA 91024

CALL TO ORDER/ROLL CALL MEMBERS OF THE CITY COUNCIL

Mayor Denise Delmar called the meeting to order at 6:32 p.m. City Clerk Sue Spears called the roll.

Present: Mayor Denise Delmar, Mayor Pro Tem John Harabedian, Council Members Rachelle Arizmendi, John Capoccia, and Gene Goss

Absent: None

Also Present: Gabe Engeland, City Manager
Teresa Highsmith, City Attorney
Laura Aguilar, Assistant City Clerk
James Carlson, Management Analyst
Chris Cimino, Director of Public Works
Vincent Gonzalez, Planning & Community Preservation Director
Miguel Hernandez, Human Resources Manager
Joe Nocella, Interim Finance Director
Joe Ortiz, Police Chief
Jose Reynoso, Utility Services Director
Christine Smart, Library Services Manager
Rebecca Silva-Barrón, Community Services Manager
Sue Spears, City Clerk

PLEDGE OF ALLEGIANCE AND INVOCATION/INSPIRATION

Council Member Arizmendi led the Pledge of Allegiance and commented that October is Filipino American History Month and said that she recently spoke at related events in London and at the White House. Council Member Arizmendi also encouraged everyone to make their voices heard and vote, as it is a civic duty.

APPROVAL OF MINUTES

Mayor Delmar asked for the approval of the Minutes of the Regular Council Meeting of September 25, 2018.

Mayor Pro Tem Harabedian moved to approve the Minutes of the Regular Council Meeting of September 25, 2018 as presented.

Council Member Arizmendi seconded the motion to approve.

Ayes: Mayor Pro Tem John Harabedian and Council Members Rachele Arizmendi, John Capoccia, and Gene Goss
Noes: None
Absent: None
Abstain: Mayor Denise Delmar

The motion to approve the Minutes of the Regular Council Meeting of September 25, 2018 as presented was passed by a vote of four (4) yes and one (1) abstain.

REPORT ON THE CLOSED SESSION SPECIAL MEETING

There was no Closed Session Special Meeting.

MAYOR AND CITY COUNCIL REPORTS

- A. Mayor Denise Delmar reported that her grandson, Theo, was born on 9-13-18 and that mother and baby are doing well.
- B. Pro Tem John Harabedian did not make a report.
- C. Council Member Rachele Arizmendi did not make a report.
- D. Council Member John Capoccia reminded people of the treasure that we have in town, which is the Sierra Madre Playhouse, said that he attended a fantastic performance of "The Gin Game" at the Sierra Madre Playhouse, and encouraged people to attend "A Christmas Story" there, which starts after Thanksgiving.
- E. Council Member Gene Goss did not make a report.

PUBLIC COMMENT ON NON-AGENDA ITEMS

Mayor Delmar opened the meeting for Public Comment on items not on the agenda.

- Darlene Papas, Lifeline for Pets, said that (1) Lifeline for Pets is an animal rescue organization, (2) she brought kittens available for adoption, Spunkster, Sweet Pea, and Tiger, (2) the kittens come spayed/neutered and microchipped, (3) Lifeline for Pets is in need of foster homes for dogs and cats, and (4) for more information to sign up as a foster family or to adopt a cat/dog, the website is Lifelineforpets.org.

Mayor Delmar asked if anyone else would like to come forward to speak on items not on the agenda. Seeing no one come forward, Mayor Delmar closed Public Comment.

PRESENTATIONS – RECOGNITION OF SIERRA MADRE GIRLS SOFTBALL 12U ALL STARS

Mayor Delmar congratulated the Sierra Madre Girls Softball 12U (Age 12 & Under) All Star Team manager, coaches, and players on their recent victories as (1) Undefeated 1st Place Northern District Champions, (2) 3rd Place Finishers of the Southern California State Championship in Lancaster, (3) 2nd Place winners of the Western Regional Junior Olympics in San Diego, and (4) for being qualified and

invited to the State Games of America (National Championship of USA Softball) to be held during the first week of August 2019 in Virginia.

Mayor Delmar read the City Council Proclamation and individually presented, along with Mayor Pro Tem Harabedian, a certificate to Manager Jeff Reisbeck, Coach David Ferrari, Coach, Tom McCarthy, Coach Jeremy Thomas, and the team members as follows:

Nevaeh Covarrubias	Ellie McCarthy
Bella Ferrari	Veronica Meyers
Destinee Kaya	Marissa Moreno
Alexi Lopez	Julie Pevsner
Alyssa Marquez	Madison Soto
Bryanna Marquez	Zoe Thomas

APPROVAL OF AGENDA

Mayor Delmar asked for a motion to approve the agenda as presented.

Council Member Goss moved to approve the agenda as presented.

Mayor Pro Tem Harabedian seconded the motion to approve.

Ayes: Mayor Denise Delmar, Mayor Pro Tem John Harabedian, Council Members Rachelle Arizmendi, John Capoccia, and Gene Goss

Noes: None

Absent: None

Abstain: None

The motion to approve the agenda as presented was passed unanimously.

AGENDA ACTION ITEMS:

1. CONSENT CALENDAR

City Clerk Spears read the following reports under the Consent Calendar:

- a) ISSUANCE OF REQUEST FOR PROPOSAL FOR PROFESSIONAL AUDITING SERVICES FOR THE CITY FISCAL YEARS ENDING 2019, 2020, AND 2021 – Recommendation that the City Council approve the issuance and distribution of the Request for Proposal for Professional Auditing Services for the City for Fiscal Years ending 2019, 2020, and 2021.
- b) CONSIDERATION OF AWARD OF CONTRACT TO LAWRENCE R. MOSS AND ASSOCIATES FOR THE KERSTING COURT REDESIGN PROJECT – Recommendation that the City Council award a contract for the Kersting Court Redesign Project to Lawrence R. Moss and Associates for an amount not to exceed \$63,300.00, contingent upon the City being awarded the Los Angeles County Regional Park and Open Space District Grant Fund in the amount of \$300,000.
- c) SECOND READING OF ORDINANCE 1403 AMENDING SMMC 13.24.060 AND SMMC 13.24.230 TO INCLUDE STATE REQUIRED PROHIBITED WATER USE RESTRICTIONS.

EXPAND PROHIBITED IRRIGATION HOURS AND ALLOW FOR THREE DAYS OUTDOOR WATERING AS A PERMANENT CONSERVATION PRACTICE – Recommendation that the City Council read by title only, waive further reading, and adopt Ordinance 1403 amending Section 13.24.060 (“Prohibited Uses Applicable to all Customers”) of Chapter 13.24 (“Mandatory Water Conservation Plan”) of Title 13 (“Public Services”) of the Sierra Madre Municipal Code relating to the Mandatory Water Conservation Plan.

- d) AWARD OF CONTRACT TO MICHAEL BAKER INTL. FOR CONTRACT PLANNING SERVICES FOR ENTITLEMENT PROCESSING OF ONE-CARTER PROJECTS - Recommendation that the City Council award a professional services agreement to Michael Baker International for professional planning services for the One-Carter projects and authorize the City Manager to execute the agreement with said firm in a form acceptable to the City Attorney.
- e) ADOPTION OF RESOLUTION 18-52 OF THE CITY COUNCIL OF THE CITY OF SIERRA MADRE APPROVING CERTAIN DEMANDS - Recommendation that the City Council approve Resolution 18-52 for approval of payment of City warrants in aggregate amount of \$153,097.49; Library warrants in the aggregate amount of \$10,925.36, and payroll transfer in the aggregate amount of \$313,915.24 for fiscal years ending June 2018 and June 2019.
- f) CONSIDERATION OF AWARD OF CONSTRUCTION CONTRACT FOR THE FISCAL YEAR 2018-2019 WATER MAIN REPLACEMENT PROJECT TO T.A. RIVARD, INC., IN AN AMOUNT NOT TO EXCEED \$1,400,000 - Recommendation that the City Council award a construction contract to T.A. Rivard, Inc. for the FY 2018-2019 Water Main Replacement in an amount not to exceed \$1,400,000 plus alternate #1 of the RFP.

Mayor Delmar asked if any Member of the Council had questions on items on the Consent Calendar. There were no questions, but it was decided to pull Consent Item 1b now and wait until after discussion on Agenda Item #3 – Kersting Court Remodel Project Update.

Mayor Delmar opened the meeting for Public Comment on the Consent Calendar. Seeing no one, Mayor Delmar closed Public Comment and brought the matter back to the Council for discussion.

Council Member Capoccia made a motion to approve Consent Items 1a, 1c, 1d, 1e, and 1f as presented.

Council Member Arizmendi seconded the motion to approve.

Ayes: Mayor Denise Delmar, Mayor Pro Tem John Harabedian, Council Members Rachelle Arizmendi, John Capoccia, and Gene Goss

Noes: None

Absent: None

Abstain: None

The motion to approve Consent Calendar Items 1a, 1c, 1d, 1e, and 1f as presented was passed unanimously.

- 2. PUBLIC HEARING - FIRST READING OF ORDINANCE 1404 AMENDING TITLE 17 (“ZONING”), CHAPTER 17.22 (“SECOND UNITS”) OF THE SIERRA MADRE MUNICIPAL CODE, OMITTING THE PERIODIC INSPECTION REQUIREMENT FOR A SECOND UNIT PERMIT - Recommendation that the City Council open a Public Hearing, waive reading in full, and

authorize reading by title only Ordinance 1404 amending Title 17 (“Zoning”), Chapter 17.22 (“Second Units”) of the Sierra Madre Municipal Code, omitting the Periodic Inspection Requirement for a second unit permit.

Mayor Delmar opened the issue for Public Hearing.

Planning & Community Preservation Director Gonzalez gave a report on this item concerning provisions of the Second Unit Ordinance, which was a follow-up to direction provided by the City Council at the July 31, 2018 meeting as follows:

- That the covenant and deed restriction be retained in full, stating that the recordation informs new property owners of the covenant requirements upon transfer of ownership, and that such property owners are bound by the provisions of the covenants; and
- That the provision in the covenant and deed restriction to Section 9(h) “Prevailing Party,” of said document offers the City certain protections in the event of a potential lawsuit, and
- Directed staff to omit the language authorizing the City to conduct periodic inspections in Section 17.22.130 – Recordation, since the City already has the right to inspect a property when a code violation is suspected.

Director Gonzalez said that Staff is recommending that the City Council introduce, waive reading in full, and authorize reading by title only of Ordinance 1404, Municipal Code Text Amendment 18-02, amending Chapter 17.22 (“Second Units”), Section 17.30.130 (“Recordation”), omitting the periodic inspection requirement for a second unit permit.

Mayor Delmar asked if any member of the Council had any questions. There were no questions.

Mayor Delmar said that this is a Public Hearing and asked if anyone would like to come forward to comment on this item.

- Jim Watson, Sierra Madre, said that he believes the 2nd Unit deed and covenant requirement is unfair, overreaching, and he is requesting that it be rescinded.
- Kathy Watson, Sierra Madre, thanked the Council for the elimination of the periodic inspection requirement and expressed hope that the 2nd Unit deed & recordation requirement be eliminated.

Mayor Delmar asked if anyone else would like to come forward to speak on this item. Seeing no one, Mayor Delmar closed the Public Hearing and brought the matter back to Council for discussion.

In response to a question by Mayor Pro Tem Harabedian, Director Gonzalez said that one of the important reasons for the covenant not only speaks to the way the 2nd unit was built initially, but to ongoing use as well, i.e. to make sure that it is not being used for illegal purposes, short term rentals, a hotel, etc. In addition, he stated that it goes further as to inform a new buyer of the property of the requirements that they have a legal 2nd unit and what that entails.

Council Member Arizmendi commented that she is comfortable for the reasons with keeping the covenant and deed restrictions but is glad that we are able to eliminate the periodic inspection language.

Council Member Goss said that he thinks that the 2nd language covenant language tells people that the City is focused on that, does not believe that 2nd units should be treated differently, and supports eliminating the 2nd Unit deed and recordation requirement, as well as the periodic inspection language.

Council Member Capoccia stated that 2nd units should be treated differently, because we are putting 2nd units in single-family zoning areas. In addition, he commented that the 2nd unit deed & recordation requirement is a generally accepted best practice among our neighboring cities and would be cautious about Sierra Madre going out on its own, without a really compelling reason for so. Furthermore, Council Member Capoccia said that this requirement is not overly burdensome to property owners and supports the amendment to the Municipal Code as written.

Mayor Delmar said that she supports the Staff recommendation.

Mayor Pro Tem Harabedian made a motion to approve Ordinance 1404 as written.

Council Member Arizmendi seconded the motion to approve.

Ayes: Mayor Denise Delmar, Mayor Pro Tem John Harabedian, and Council Members Rachelle Arizmendi and John Capoccia

Noes: Council Member Gene Goss

Absent: None

Abstain: None

The motion to approve Ordinance 1404 as written was passed with a vote of four (4) yes votes and one (1) no vote.

3. DISCUSSION ITEM – COMMUNITY SERVICES COMMISSION UPDATE REGARDING KERSTING COURT REMODEL PROJECT - Recommendation that the City Council receive and file.

Community Services Manager Silva-Barrón gave a report on this item, which included naming the members of the Kersting Court Remodel Project Steering Committee:

- David Ouch, Community Services Commission Chair
- Tom Sullivan, Community Services Commission Vice-Chair
- Pat Alcorn, Sierra Madre resident
- Michelle Keith, Sierra Madre resident

Manager Silva-Barrón said that Steering Committee has been meeting over the past eight months and introduced David Ouch, who outlined the following Core Goals and Guiding Principles, as established by the Steering Committee:

Core Goals

- Compliance of the ADA Report.
- Use of Public Art Funds.
- Community gathering place.
- Preservation of the existing character and elements.
- Sierra Madre landmark sign.

Guiding Principles

- Preservation of the Pepper Tree.
- Update the existing kiosk.
- Preservation of the Bell Tower, including adding a historical educational component.
- Maintain the flag pole.
- Native drought landscaping and plentiful seating.

Mayor Delmar asked if any Member of the Council had questions on this item.

Council Member Capoccia expressed that any Kersting Court design should take into account the interests of the youth and seniors. He asked about the (1) status of this project, which really started a couple of years ago and included a community member doing drawings, (2) questioned how we went from what was to be a volunteer effort to a request for proposal (RFP) for design services, and (3) requested to know how the design architect would be gathering input from the various focus groups to incorporate that into the design.

Public Works Director Cimino said that he was not around when the volunteer design was done about three years ago, does not know what happened to those drawings, the project may have grown into something bigger than what the volunteer wanted, and the relationship ended there.

Public Works Director Cimino said the design RFP has several hours allotted for the architect to get input from various groups, committees, and the Community Services Commission, in order to prepare the design.

Council Member Arizmendi commented on the importance of engaging the business community around Kersting Court and the surrounding areas in the discussions of the redesign for Kersting Court.

In response to a question from Mayor Pro Tem Harabedian, City Manager Engeland said that Staff is proposing that the City hire a professional architect to prepare a design after receiving feedback from the community, led by the Community Services Commission Steering Committee.

Mayor Delmar invited Pat Alcorn, Steering Committee member, to speak. Ms. Alcorn said that the goal of the committee is to keep the design simple and the same.

Mayor Delmar opened the meeting for Public Comment on this item. Seeing no one, Mayor Delmar closed Public Comment and the report was received and filed.

Council Member Arizmendi made a motion to approve Consent Items 1b as presented.

Council Member Capoccia seconded the motion to approve.

Ayes: Mayor Denise Delmar, Mayor Pro Tem John Harabedian, Council Members Rachelle Arizmendi, John Capoccia, and Gene Goss

Noes: None

Absent: None

Abstain: None

The motion to approve Consent Calendar Items 1b as presented was passed unanimously.

4. DISCUSSION ITEM – NOMINATION TO SAN GABRIEL BASIN WATER QUALITY AUTHORITY BOARD - Recommendation that the City Council provide Staff with direction regarding a nomination to the San Gabriel Basin Water Quality Authority Board.

Management Analyst Carlson gave a report regarding a nomination for Board Member to the San Gabriel Basin Water Quality Authority Board, in which the City Council may nominate a Sierra Madre Council Member or nominate or send a letter of support for the nomination of Margaret Clark, Rosemead Mayor Pro Tem.

Mayor Delmar asked if any Member of the Council were interested in serving on the San Gabriel Basin Water Quality Authority Board and no one responded in the affirmative.

Mayor Delmar opened the meeting for Public Comment on this item. Seeing no one, Mayor Delmar closed Public Comment and brought the matter back to the Council for discussion.

Discussion occurred and there was consensus among the Council Members to nominate Margaret Clark to serve on the Board.

Council Member Arizmendi made a motion to approve the nomination of Margaret Clark to serve on the San Gabriel Basin Water Quality Authority Board.

Council Member Capoccia seconded the motion to approve.

Ayes: Mayor Denise Delmar, Mayor Pro Tem John Harabedian, and Council Members Rachelle Arizmendi, John Capoccia and Gene Goss

Noes: None

Absent: None

Abstain: None

The motion to approve the nomination of Margaret Clark to serve on the San Gabriel Basin Water Quality Authority Board was passed unanimously.

NEW ITEMS PLACED FOR FUTURE AGENDA:

Mayor Delmar asked the members of the City Council if there are any new items for future meeting agendas.

Council Member Capoccia requested to agendize a discussion on how City Council members engage with the various City Commissions.

ADJOURNMENT

Mayor Delmar asked for a motion to adjourn.

Mayor Pro Tem Harabedian made a motion to adjourn the meeting.

The motion to adjourn was seconded by Council Member Goss.

Ayes: Mayor Denise Delmar, Mayor Pro Tem John Harabedian, and Council Members Rachelle Arizmendi, John Capoccia and Gene Goss
Noes: None
Absent: None
Abstain: None

The motion to adjourn was passed unanimously.

THIS SIERRA MADRE CITY COUNCIL REGULAR MEETING WAS ADJOURNED at 7:36 p.m. to a Regular Meeting to be held on Tuesday, October 23, 2018, in the Sierra Madre City Hall Council Chambers.

Denise Delmar, Mayor

Minutes taken and prepared by:

Sue Spears, City Clerk

RESOLUTION NUMBER 18-55

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SIERRA MADRE
APPROVING CERTAIN DEMANDS**

WHEREAS, the following demands have been reviewed and approved by the Interim Finance Director; and,

WHEREAS, the Interim Finance Director has verified that appropriated funds are available for payment thereof; and,

WHEREAS, the register of audited demands has been submitted to the City Council for approval; and

WHEREAS, City Warrants are the payment of bills, invoices and contractual obligations incurred by the City of Sierra Madre during the period enumerated therein, based on the approved fiscal year budget and existing budgetary authority, Municipal Code authority, or prior policy direction by the City Council; and

WHEREAS, Payroll Transfer is the transfer of funds to cover the payroll costs for all City employees for the period enumerated therein.

NOW, THEREFORE, BE IT RESOLVED, that the City Council of the City of Sierra Madre does hereby approve payment of City Warrants in the aggregate amount of \$578,210.75; Sierra Madre Library Warrants in aggregate amount of \$4,453.65 and Payroll Transfer in the aggregate amount of \$312,629.61 the fiscal year ending June 30, 2018 and 2019.

APPROVED AND ADOPTED this 23th day of October, 2018.

Mayor, City of Sierra Madre, California

I hereby certify that the foregoing Resolution Number 18-55 was adopted by the City Council of the City of Sierra Madre at a regular meeting held on the 23th day of October, 2018.

AYES:

NOES:

ABSTAIN:

**City of Sierra Madre
Department of Finance
Warrant Register Recap
City Council Meeting of October 23, 2018**

CITY OF SIERRA MADRE AND SIERRA MADRE LIBRARY

City of Sierra Madre Warrants	\$578,210.75
Sierra Madre Library Warrants	\$4,453.65
Payroll #21 Transfer.....	\$312,629.61



Packet: APPKT04248 - CC101218
Vendor Set: 01 - Vendor Set 01

Check Date: 10/09/2018

Vendor Number	Vendor Name	Invoice #	Invoice Description	Account Number	Distribution Amount
Fund: 10000 - GENERAL FUND					
0823	BANK OF AMERICA				
APBWEST	Check	INV023386	DC- EMPLOYEE TRAINING	10000.50000.52205	150.00
		INV023385	DC- BATTERIES FOR PD HEADSETS	10000.50000.53100	148.88
		INV023387	DC- BATTERIES	10000.50000.53100	103.90
		INV023390	KN- VEHICLE MAINTENANCE	10000.61000.52302	36.27
		INV023388	KN- EQUIP MAINTENANCE	10000.61000.52302	20.16
		INV023404	KN- FD LA CNTY CONFERENCE	10000.61000.53402	775.00
		INV023400	CS- BOOK SUPPLIES	10000.90000.53406	69.65
Fund 10000 Total:					1,303.86
Fund: 37006 - SENIOR CENTER					
0823	BANK OF AMERICA				
APBWEST	Check	INV023393	RS- WATER DISPENSER SYSTEM FOR SR. CTR	37006.72000.53999	141.94
		INV023391	RS- SENIOR CONTEST SUPPLIES	37006.72000.53999	27.38
		INV023392	RS- SENIOR GAME PRIZES	37006.72000.53999	27.38
Fund 37006 Total:					196.70
Fund: 39006 - FRIENDS OF THE LIBRARY DONATION FUND					
0823	BANK OF AMERICA				
APBWEST	Check	INV023398	CS- LIBRARY MEDIA	39006.90000.53406	35.99
		INV023395	CS-BOOKS FOR FRIEND'S PRGRM BUD	39006.90000.53999	38.27
		INV023399	CS- TEEN PARTY SUPPLIES	39006.90000.53999	78.81
		INV023403	CS- SUPPLIES FOR TEEN PROGRAM	39006.90000.53999	21.87
		INV023402	CS- SUPPLIES FOR TEEN PROGRAM	39006.90000.53999	4.47
		INV023397	CS- SUPPLIES	39006.90000.53999	21.94
		INV023396	CS- TEEN PROGRAM	39006.90000.53999	29.31
Fund 39006 Total:					230.66
Fund: 60007 - INT SVC FND - PERSONNEL AND RISK MGMT					
0823	BANK OF AMERICA				
APBWEST	Check	INV023384	GE- INTERVIEW PANEL SUPPLIES	60007.70100.53999	19.89
0378	SMART & FINAL				
APBWEST	Check	3056650052308	EMPLOYEE TRAINING	60007.70100.52205	88.33
Fund 60007 Total:					108.22
Fund: 71000 - WATER ENTERPRISE FUND					
0823	BANK OF AMERICA				
APBWEST	Check	6398187	JR- DIST SYSTEM REPAIR	71000.81100.53200	77.07
		GR1864	JR- RESERVAR REPAIR	71000.81100.53200	631.92
Fund 71000 Total:					708.99
Report Total:					2,548.43



Packet: APPKT04259 - UB100518
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Check Date: 10/17/2018

Vendor Number	Vendor Name	Bank Code	Payment Type	Invoice #	Invoice Description	Account Number	Distribution Amount
Fund: 10000 - GENERAL FUND							
<u>0129</u>	AT&T						
APBWEST	Check			<u>81824637835914-092</u>	TELECOM DIV 9/23-10/22/18	10000.50000.55005	210.86
				<u>8182910241661-1004</u>	TELEPHONE 10/4-11/3/18	10000.50000.55005	218.91
<u>VEN02792</u>	FRONTIER CALIFORNIA INC						
APBWEST	Check			<u>62635502640124985</u>	PH CHGS 10/4-11/3/18	10000.50000.55005	202.86
<u>1439</u>	TIME WARNER CABLE						
APBWEST	Check			<u>8448300220164625-1</u>	CABLE SVCS PD 10/12-11/11/18	10000.50000.55005	215.76
Fund 10000 Total:							848.39
Fund: 32005 - LIGHTING DISTRICT #1 - OAKWOOD/VISTA							
<u>0384</u>	SOUTHERN CALIF. EDISON CO.						
APBWEST	Check			<u>2011946423-100518</u>	ELECT CHGS 9/1-10/1/18	32005.83500.55003	136.62
Fund 32005 Total:							136.62
Fund: 32006 - LIGHTING DISTRICT - ZONE A							
<u>0384</u>	SOUTHERN CALIF. EDISON CO.						
APBWEST	Check			<u>2011946423-100518</u>	ELECT CHGS 9/1-10/1/18	32006.83000.55003	235.07
Fund 32006 Total:							235.07
Fund: 32007 - LIGHTING DISTRICT - ZONE B							
<u>0384</u>	SOUTHERN CALIF. EDISON CO.						
APBWEST	Check			<u>2011946423-100518</u>	ELECT CHGS 9/1-10/1/18	32007.83000.55003	992.89
Fund 32007 Total:							992.89
Fund: 32008 - PARKING ASSMNT DIST							
<u>0384</u>	SOUTHERN CALIF. EDISON CO.						
APBWEST	Check			<u>2037520756-100918</u>	ELEC CHGS 9/6-10/5/18	32008.83000.55003	324.53
Fund 32008 Total:							324.53
Fund: 38005 - GAS TAX FUND							
<u>0384</u>	SOUTHERN CALIF. EDISON CO.						
APBWEST	Check			<u>2011946423-100518</u>	ELECT CHGS 9/1-10/1/18	38005.83500.55003	4,039.98
				<u>2037520756-100918</u>	ELEC CHGS 9/6-10/5/18	38005.83500.55003	47.64
Fund 38005 Total:							4,087.62
Fund: 60001 - INT SVC FND - FACILITIES MGT							
<u>0384</u>	SOUTHERN CALIF. EDISON CO.						
APBWEST	Check			<u>2011946423-100518</u>	ELECT CHGS 9/1-10/1/18	60001.83200.55003	159.52
				<u>2037520756-100918</u>	ELEC CHGS 9/6-10/5/18	60001.83200.55003	8,773.55
				<u>2036613305-100318</u>	ELECTRICAL CHGS 8/31-10/2/18	60001.83200.55003	1,821.97
<u>0216</u>	THE GAS COMPANY						
APBWEST	Check			<u>19591871009-100818</u>	GAS CHGS LIBRARY 9/4-10/4/18	60001.83200.55004	20.58
				<u>16861877005-100818</u>	GAS CHGS 6/4-10/4/18	60001.83200.55004	81.40
				<u>16651877009-100818</u>	GAS CHGS 9/4-10/4/18	60001.83200.55004	2.89
				<u>13511935002-100918</u>	GAS CHGS 9/5-10/5/18	60001.83200.55004	46.55
Fund 60001 Total:							10,906.46
Fund: 60003 - INT SVC FND - TECHNOLOGY							
<u>VEN02792</u>	FRONTIER CALIFORNIA INC						
APBWEST	Check			<u>20918837570307075</u>	PH CHGS 10/4-11/3/18	60003.30000.55005	1,750.56
<u>1439</u>	TIME WARNER CABLE						
APBWEST	Check			<u>8448300220131806-1</u>	CABLE SVCS PD EQUIP 1-12	60003.30000.52200	439.29
<u>0642</u>	VERIZON WIRELESS - LA						
APBWEST	Check			<u>9815392614-092518</u>	CELL PH CHGS 9/26-10/25/18	60003.30000.55005	2,817.86
Fund 60003 Total:							5,007.71
Fund: 71000 - WATER ENTERPRISE FUND							
<u>VEN02792</u>	FRONTIER CALIFORNIA INC						

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Vendor Number	Vendor Name	Invoice #	Invoice Description	Account Number	Distribution Amount
APBWEST	Check	20918837570307075	PH CHGS 10/4-11/3/18	71000.81100.55005	51.78
<u>0384</u>	SOUTHERN CALIF. EDISON CO.				
APBWEST	Check	2037520756-100918	ELEC CHGS 9/6-10/5/18	71000.81100.55003	41,023.06
Fund 71000 Total:					41,074.84
Report Total:					63,614.13



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Check Date: 10/17/2018

Vendor Number	Vendor Name	Invoice #	Invoice Description	Account Number	Distribution Amount
Fund: 10000 - GENERAL FUND					
<u>1053</u>	WITTMAN ENTERPRISES, LLC				
APBWEST	Check	<u>1809056A</u>	BILLING SERVICES SEPT 2018	10000.64000.52200	6,079.89
		<u>1809056</u>	FY 2017-18 EMS BILLING SERVICES	10000.64000.52200	1,213.04
				Fund 10000 Total:	7,292.93
				Report Total:	7,292.93



Packet: APPKT04256 - GEN102318(FY1819)
Vendor Set: 01 - Vendor Set 01

Check Date: 10/17/2018

Vendor Number	Vendor Name	Invoice #	Invoice Description	Account Number	Distribution Amount
Fund: 10000 - GENERAL FUND					
<u>0109</u>	AIRGAS USA				
APBWEST	Check	<u>9956782368</u>	Medical Oxygen	10000.64000.53300	434.55
<u>1484</u>	ALLIANT INSURANCE SERVICES				
APBWEST	Check	<u>918344</u>	INSURANCE HALLOWEEN HAPPENINGS	10000.79004.53999	1,311.00
<u>0433</u>	ALLSTAR FIRE EQUIPMENT, INC.				
APBWEST	Check	<u>210347</u>	Suppression Safety Equipment and PPE	10000.61000.53300	1,709.03
		<u>210337</u>	Suppression Safety Equipment and PPE	10000.61000.53300	2,443.00
		<u>210726</u>	Suppression Safety Equipment and PPE	10000.61000.53300	63.27
		<u>210391</u>	Suppression Safety Equipment and PPE	10000.61000.53300	1,298.00
<u>VEN02889</u>	AVTEC, INC				
APBWEST	Check	<u>33633</u>	FY 18-19 BPO -SMPD AVTEC RADIO CONSOLE	10000.50000.52200	8,963.00
<u>1087</u>	CITY OF ARCADIA				
APBWEST	Check	<u>18-03</u>	Battalion Chief Coverage-City of Arcadia	10000.61000.52100	595.00
<u>0326</u>	CITY OF PASADENA				
APBWEST	Check	<u>30004362</u>	FY 18-19 BPO- INMATE HOUSING	10000.50000.52003	924.00
<u>1121</u>	COLANTUONO, HIGHSMITH & WHATLEY, PC				
APBWEST	Check	<u>36824</u>	FY 18-19 BPO - LEGAL SVCS RETAINER	10000.21000.52201	8,400.00
		<u>36825A</u>	LEGAL SERVICES SEPT 2018	10000.21000.52201	481.00
		<u>36846</u>	LEGAL SERVICES SEPT 2018	10000.21000.52201	1,175.00
		<u>36847</u>	LEGAL SERVICES SEPT2018	10000.40000.52201	1,026.00
		<u>36867</u>	LEGAL SERVICES SEPT 2018	10000.81201.52202	5.00
<u>VEN02871</u>	CYBERREEF SOLUTIONS INC				
APBWEST	Check	<u>2461</u>	CARRIER FEES AND SURCHARGES	10000.50000.52200	299.78
<u>0841</u>	DAPEER, ROSENBLIT & LITVAK,LLP				
APBWEST	Check	<u>14957</u>	Specialized Legal Services	10000.40000.52201	2,244.74
<u>1681</u>	DEPT OF CONSERVATION				
APBWEST	Check	<u>INV023411</u>	QUARTERLY FEES JUL-SEPT 2018	10000.00000.23206	136.90
<u>0713</u>	DEPT OF JUSTICE				
APBWEST	Check	<u>331371</u>	FY 18-19 BLANKET PO	10000.50000.52200	81.00
<u>VEN03207</u>	DIANA BOHLER				
APBWEST	Check	<u>2003585.001</u>	REFUND SECURITY DEP	10000.00000.23200	519.00
<u>VEN01935</u>	DIVISION OF THE STATE ARCHITECT				
APBWEST	Check	<u>INV023394</u>	DISABILITY ACCESS & EDUC FEE/ JULY -SEPT 201	10000.00000.23400	54.40
<u>VEN01153</u>	DONNA CAYSON				
APBWEST	Check	<u>INV023405</u>	IAWP CONFERENCE REIMB	10000.50000.53402	643.48
<u>VEN03194</u>	DOUG'S SPRAYING AND FERTILIZING SERVICE				
APBWEST	Check	<u>3789</u>	MATERIALS AND SUPPLIES	10000.83300.53001	520.00
<u>VEN02088</u>	JCL TRAFFIC SERVICES				
APBWEST	Check	<u>97185</u>	SAFETY PRODUCT	10000.83500.53206	172.46
		<u>97163</u>	SAFETY PRODUCT	10000.83500.53206	81.25
<u>0397</u>	KEVORK TCHARKHOUTIAN				
APBWEST	Check	<u>2018-009D</u>	FY 18-19 CITY ENGINEER SERVICES	10000.82000.52100	2,320.00
		<u>2018-009R</u>	CITY ENGINEER RETAINER	10000.82000.52100	800.00
<u>0515</u>	LANDSCAPE WAREHOUSE				
APBWEST	Check	<u>2573115</u>	FY 18-19 IRRIGATION SUPPLIES	10000.83300.53001	125.48
<u>1551</u>	LAURA AGUILAR				
APBWEST	Check	<u>INV023408</u>	CONFERENCE MILEAGE	10000.12000.53402	145.77
<u>VEN01628</u>	LAW ENFORCEMENT MEDICAL SERVICES, INC				
APBWEST	Check	<u>13909</u>	BLOOD WITHDRAWAL	10000.50000.52107	55.00
<u>0274</u>	LEAGUE OF CALIFORNIA CITIES				
APBWEST	Check	<u>104584</u>	CONFERENCE LEAGUE OF CITIES	10000.11000.53402	300.00
<u>0640</u>	LIFE-ASSIST INC.				
APBWEST	Check	<u>879104</u>	Paramedic Medical Supplies	10000.64000.53300	2,333.42

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Vendor Number	Vendor Name	Bank Code	Payment Type	Invoice #	Invoice Description	Account Number	Distribution Amount
<u>VEN03208</u>	LORRAINE GIROD						
APBWEST	Check			<u>2003586.001</u>	REFUND SECURITY DEP	10000.00000.23200	500.00
<u>1446</u>	LOS ANGELES COUNTY REGISTRAR-RECORDER						
APBWEST	Check			<u>INV023406</u>	GENERAL ELECTIONS 2018	10000.12000.52207	3,311.21
<u>VEN02976</u>	MEDICO PROFESSIONAL LINEN SERVICE						
APBWEST	Check			<u>2258875</u>	Medical Waste	10000.64000.53300	52.00
<u>1690</u>	MERCHANTS LANDSCAPE SVC INC						
APBWEST	Check			<u>52791</u>	Exterior Landscape Maintenance	10000.81201.52200	212.40
						10000.83300.52200	6,810.00
<u>1613</u>	MUNICIPAL CODE CORPORATION						
APBWEST	Check			<u>00311323</u>	ADM SUPP FEE 6/1/18-5/31/19	10000.12000.52206	350.00
<u>0323</u>	PASADENA HUMANE SOCIETY						
APBWEST	Check			<u>OCT2018CtySM</u>	FY 18-19 BPO- ANIMAL CONTROL	10000.50000.52004	2,484.08
<u>0333</u>	PETTY CASH FUND-PD						
APBWEST	Check			<u>INV023409</u>	EMPLOYEE RECOGNITION	10000.50000.53999	54.75
<u>VEN01608</u>	PHOENIX GROUP INFORMATION SYSTEMS						
APBWEST	Check			<u>0000051</u>	FY 18-19 BPO- PARKING CITATION SVCS	10000.50000.52200	1,976.83
				<u>082018200</u>	FY 18-19 BPO- PARKING CITATION SVCS	10000.50000.52200	3,477.48
<u>0691</u>	RIO HONDO COLLEGE						
APBWEST	Check			<u>F18-112-ZSRM</u>	TRAINING	10000.50000.52005	36.80
<u>0500</u>	SASE COMPANY, INC.						
APBWEST	Check			<u>207631</u>	EQUIP MAINTENANCE	10000.83300.53202	1,109.79
<u>0381</u>	SOUTHEAST CONSTRUCTION PRODUCT						
APBWEST	Check			<u>1809-133543</u>	FY 18/19 CONSTRUCTION MATERIAL	10000.83500.53206	67.45
				<u>1809-136073</u>	FY 18/19 CONSTRUCTION MATERIAL	10000.83500.53206	48.88
<u>VEN02018</u>	SUZETTE OTLEWIS						
APBWEST	Check			<u>INV023412</u>	Paramedic QI and CE	10000.64000.52205	500.00
<u>0404</u>	TOM'S UNIFORMS						
APBWEST	Check			<u>12550</u>	Paramedic Uniforms	10000.64000.53303	249.60
<u>VEN02639</u>	TURNOUT MAINTENANCE COMPANY						
APBWEST	Check			<u>19550</u>	Turnout Maintenance	10000.61000.52302	745.50
<u>0425</u>	WILLDAN ASSOCIATES						
APBWEST	Check			<u>002-19879</u>	Plan Check and Inspection services	10000.40000.52100	18,239.45
<u>1053</u>	WITTMAN ENTERPRISES, LLC						
APBWEST	Check			<u>1809056B</u>	Ambulance Billing Service	10000.64000.52200	8,196.35
						Fund 10000 Total:	88,083.10
Fund: 32002 - LANDSCAPE DIST #3-CENTRAL BUSINESS ASSMNT DIST							
<u>1690</u>	MERCHANTS LANDSCAPE SVC INC						
APBWEST	Check			<u>52791</u>	Exterior Landscape Maintenance	32002.83000.52200	560.40
						Fund 32002 Total:	560.40
Fund: 32003 - LANDSCAPE DIST #2-FANE/WINWOOD LANE							
<u>1690</u>	MERCHANTS LANDSCAPE SVC INC						
APBWEST	Check			<u>52791</u>	Exterior Landscape Maintenance	32003.83000.52200	172.80
						Fund 32003 Total:	172.80
Fund: 32005 - LIGHTING DISTRICT #1 - OAKWOOD/VISTA							
<u>1690</u>	MERCHANTS LANDSCAPE SVC INC						
APBWEST	Check			<u>52791</u>	Exterior Landscape Maintenance	32005.83000.52200	524.40
						Fund 32005 Total:	524.40
Fund: 32006 - LIGHTING DISTRICT - ZONE A							
<u>1690</u>	MERCHANTS LANDSCAPE SVC INC						
APBWEST	Check			<u>52791</u>	Exterior Landscape Maintenance	32006.83000.52200	105.60
						Fund 32006 Total:	105.60
Fund: 32007 - LIGHTING DISTRICT - ZONE B							
<u>1690</u>	MERCHANTS LANDSCAPE SVC INC						
APBWEST	Check			<u>52791</u>	Exterior Landscape Maintenance	32007.83000.52200	655.20
						Fund 32007 Total:	655.20
Fund: 32008 - PARKING ASSMNT DIST							
<u>1690</u>	MERCHANTS LANDSCAPE SVC INC						
APBWEST	Check			<u>52791</u>	Exterior Landscape Maintenance	32008.83000.52200	992.40

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Fund 32008 Total: 992.40
 Check Date: 10/17/2018

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Vendor Number	Vendor Name	Bank Code	Payment Type	Invoice #	Invoice Description	Account Number	Distribution Amount	
Fund: 37004 - LOCAL TRANSPORTATION/PROP A								
<u>1455</u>	FIRST TRANSIT INC	APBWEST	Check	<u>11502325</u>	Dial a ride Services	37004.70000.52203	12,315.25	
							Fund 37004 Total:	12,315.25
Fund: 38005 - GAS TAX FUND								
<u>1690</u>	MERCHANTS LANDSCAPE SVC INC	APBWEST	Check	<u>52791</u>	Exterior Landscape Maintenance	38005.83500.52200	595.20	
							Fund 38005 Total:	595.20
Fund: 50003 - REDEVELOPMENT OBLIGATION RETIREMENT FND								
<u>0688</u>	BNY MELLON TRUST COMPANY	AP EFT WEST	Electronic Funds Transfer	<u>SIERRAMA9802-0921</u>	SM FIN TAX INCREV BND SERIES 1998A PRIN & II	50003.30000.58002 50003.30000.58006	14,871.95 360,000.00	
							Fund 50003 Total:	374,871.95
Fund: 60000 - INT SVC FND - FLEET								
<u>0125</u>	ARROW AUTOMOTIVE SERVICE	APBWEST	Check	<u>1041124</u>	VEHICLE MAINTENANCE	60000.83100.53208	80.00	
<u>VEN03180</u>	DICKS AUTO SUPPLY	APBWEST	Check	<u>157968</u>	Vehicle maintenance supplies	60000.83100.53208	6.66	
				<u>157182</u>	Vehicle maintenance supplies	60000.83100.53208	59.02	
				<u>157934</u>	Vehicle maintenance supplies	60000.83100.53208	421.79	
<u>0937</u>	INTERSTATE BATTERY SYSTEM OF	APBWEST	Check	<u>50142202</u>	VEHICLE MAINTENANCE	60000.83100.53208	113.25	
<u>VEN01194</u>	THORSON MOTOR CENTER	APBWEST	Check	<u>336511</u>	FY 18-19 AUTO PARTS	60000.83100.53208	151.01	
							Fund 60000 Total:	831.73
Fund: 60001 - INT SVC FND - FACILITIES MGT								
<u>VEN02961</u>	ARAMARK UNIFORM & CAREER APPAREL GROUP INC	APBWEST	Check	<u>533699635</u>	FY 18/19 JANITORIAL SUPPLIES	60001.83200.53200	296.50	
				<u>533682413</u>	FY 18/19 JANITORIAL SUPPLIES	60001.83200.53200	296.50	
				<u>533665124</u>	FY 18/19 JANITORIAL SUPPLIES	60001.83200.53200	296.50	
				<u>533699634</u>	FY 18-19 UNIFORM - T-SHIRT	60001.83200.53303	65.00	
				<u>533665123</u>	FY 18-19 UNIFORM - T-SHIRT	60001.83200.53303	65.00	
				<u>533682412</u>	FY 18-19 UNIFORM - T-SHIRT	60001.83200.53303	117.10	
<u>0714</u>	CINTAS CORPORATION #693	APBWEST	Check	<u>693149781</u>	CLEANING	60001.83200.53303	128.17	
<u>0169</u>	CITY ELECTRIC SUPPLY	APBWEST	Check	<u>PDA/006944</u>	FY 18-19 ELECTRICAL SUPPLIES/ FACILITY	60001.83200.53200	503.70	
				<u>PDA/006938</u>	FY 18-19 ELECTRICAL SUPPLIES/ FACILITY	60001.83200.53200	260.07	
<u>VEN02997</u>	DYNAMIC BUILDING MAINT INC	APBWEST	Check	<u>17</u>	FY18-19 DYNAMIC BUILDING MAINTENANCE	60001.83200.52200	2,919.00	
<u>0551</u>	FOOTHILL LOCK & KEY	APBWEST	Check	<u>11175</u>	LOCK REPAIR	60001.83200.53200	125.00	
<u>1690</u>	MERCHANTS LANDSCAPE SVC INC	APBWEST	Check	<u>52791</u>	Exterior Landscape Maintenance	60001.83200.52200	1,371.60	
<u>0336</u>	POST ALARM SYSTEMS	APBWEST	Check	<u>1103871</u>	EQUIPMENT MAINTENANCE	60001.83200.53202	203.33	
<u>VEN03202</u>	PRIVATE SCHOOL PARTNER	APBWEST	Check	<u>0275671-IN</u>	LOBBY RACKS	60001.83200.53200	370.13	
							Fund 60001 Total:	7,017.60
Fund: 60002 - INT SVC FND - ADMINISTRATION								
<u>1121</u>	COLANTUONO, HIGHSMITH & WHATLEY, PC	APBWEST	Check	<u>36824</u>	FY 18-19 BPO - LEGAL SVCS RETAINER	60002.21000.52201	2,100.00	
<u>0893</u>	CREATIVE FORMS & CONCEPTS, INC	APBWEST	Check	<u>116532</u>	LASER AP CHECKS	60002.30000.53102	453.13	
<u>0551</u>	FOOTHILL LOCK & KEY	APBWEST	Check	<u>42820</u>	KEY REP/REM	60002.30000.53999	80.00	
<u>0279</u>	L. A. CO. TAX COLLECTOR	APBWEST	Check	<u>58620152711800060</u>	PROPERTY TAX 1ST INSTALLMENT	60002.30000.52200	316.67	

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Vendor Number	Vendor Name	Bank Code	Payment Type	Invoice #	Invoice Description	Account Number	Distribution Amount
		APBWEST	Check	<u>58620152721800050</u>	PROPERTY TAX 1ST INSTALLMENT	60002.30000.52200	54.85
				<u>58620152701800070</u>	PROPERTY TAX 1ST INSTALLMENT	60002.30000.52200	116.50
				<u>58620152731800040</u>	PROPERTY TAX 1ST INSTALLMENT	60002.30000.52200	83.31
<u>1483</u>	PRO PRINTING INC						
		APBWEST	Check	<u>49063</u>	Business Cards	60002.30000.53102	175.20
<u>VEN01663</u>	SO CA ASSOCIATION OF GOVERNMENTS						
		APBWEST	Check	<u>INV023407</u>	ASSESSMENT DUES FY 1819	60002.30000.53409	1,263.00
Fund 60002 Total:							4,642.66
Fund:	60003 - INT SVC FND - TECHNOLOGY						
<u>VEN03195</u>	GREATAMERICA FINANCIAL SERVICES						
		APBWEST	Check	<u>AR119982</u>	LASERCARE HP MFP	60003.30000.53210	3.96
				<u>23001807</u>	LASERCARE HP MFP	60003.30000.53210	446.87
				<u>23176201</u>	LASERCARE HP MFP	60003.30000.53210	397.81
				<u>23343479</u>	LASERCARE HP MFP	60003.30000.53210	348.87
Fund 60003 Total:							1,197.51
Fund:	60007 - INT SVC FND - PERSONNEL AND RISK MGMT						
<u>VEN03203</u>	BALLARD AND BALLARD INVESTIGATIONS						
		APBWEST	Check	<u>2018-019</u>	BACKGROUND INVESTIGATION -FD	60007.70101.52100	1,819.95
				<u>2018-008</u>	BACKGROUND INVESTIGATION-FD	60007.70101.52100	912.70
<u>1636</u>	CAL POLY POMONA FOUNDATION INC						
		APBWEST	Check	<u>14482</u>	EMPLOYEE TRAINING PD	60007.70100.52205	425.00
<u>1121</u>	COLANTUONO, HIGHSMITH & WHATLEY, PC						
		APBWEST	Check	<u>36825</u>	LEGAL SERVICES SEPT 2018	60007.70100.52201	564.00
<u>1359</u>	HIRERIGHT, LLC						
		APBWEST	Check	<u>H0140664</u>	BACKGROUND SCREENING FINANCE	60007.70101.52106	64.64
<u>1348</u>	LANDS' END BUSINESS OUTFITTERS						
		APBWEST	Check	<u>SO-20180910-871207</u>	EMPLOYEE UNIFORM	60007.70100.53303	646.89
Fund 60007 Total:							4,433.18
Fund:	71000 - WATER ENTERPRISE FUND						
<u>0859</u>	AQUA METRIC						
		APBWEST	Check	<u>INV0071070</u>	Water meter purchase installation infrastructure	71000.81100.56011	10,520.76
				<u>0069467-CM</u>	CREDIT FOR SCRAP METERS.	71000.81100.56011	-8,881.44
<u>0171</u>	CLINICAL LABORATORY OF SAN BERNARDINO, INC.						
		APBWEST	Check	<u>964879</u>	Water samples	71000.81100.52200	2,164.00
<u>1121</u>	COLANTUONO, HIGHSMITH & WHATLEY, PC						
		APBWEST	Check	<u>36826</u>	LEGAL SERVICES SEPT 2018	71000.81100.52201	141.00
<u>VEN03151</u>	EUROFINS EATON ANALYTICAL LLC						
		APBWEST	Check	<u>10409919</u>	CONT SERVICES	71000.81100.52200	100.00
<u>1799</u>	TYLER TECHNOLOGIES INC						
		APBWEST	Check	<u>025-237782</u>	FY 18-19 BPO MONTHLY FEES	71000.32000.52200	947.00
<u>0410</u>	UNDERGROUND SERVICE ALERT						
		APBWEST	Check	<u>920180667</u>	UNDERGROUND ALERT SERVICES - DIGALERT	71000.81100.52200	71.05
<u>0158</u>	VULCAN MATERIALS COMPANY						
		APBWEST	Check	<u>71967196</u>	STREET MAINTENANCE	71000.81100.53206	435.57
Fund 71000 Total:							5,497.94
Fund:	72000 - SEWER						
<u>1799</u>	TYLER TECHNOLOGIES INC						
		APBWEST	Check	<u>025-237782</u>	FY 18-19 BPO MONTHLY FEES	72000.32000.52200	236.75
Fund 72000 Total:							236.75
Report Total:							502,733.67



Packet: APPKT04258 - RET102318
Vendor Set: 01 - Vendor Set 01

Check Date: 10/17/2018

Vendor Number	Vendor Name				
Bank Code	Payment Type	Invoice #	Invoice Description	Account Number	Distribution Amount
Fund: 60007 - INT SVC FND - PERSONNEL AND RISK MGMT					
<u>1428</u>	DAN GINTER				
APBWEST	Check	<u>INV023415</u>	RETIREE HEALTH INSURANCE	60007.70100.51302	404.32
<u>1044</u>	JESSE TORIBIO				
APBWEST	Check	<u>INV023414</u>	RETIREE HEALTH INSURANCE	60007.70100.51302	202.16
<u>1156</u>	JOHN FORD				
APBWEST	Check	<u>INV023417</u>	RETIREE HEALTH INSURANCE	60007.70100.51302	283.02
<u>VEN01660</u>	LISA VOLPE				
APBWEST	Check	<u>INV023416</u>	RETIREE HEALTH INSURANCE	60007.70100.51302	323.45
<u>1113</u>	RUBEN ENRIQUEZ				
APBWEST	Check	<u>INV023413</u>	RETIREE HEALTH INSURANCE	60007.70100.51302	404.32
<u>2016</u>	STEVE POCK				
APBWEST	Check	<u>INV023418</u>	RETIREE HEALTH INSURANCE	60007.70100.51302	404.32
				Fund 60007 Total:	2,021.59
				Report Total:	2,021.59



Packet: APPKT04257 - LIB102318
Vendor Set: 01 - Vendor Set 01

Check Date: 10/17/2018

Vendor Number	Vendor Name	Invoice #	Invoice Description	Account Number	Distribution Amount
Fund: 10000 - GENERAL FUND					
<u>0132</u>	BAKER & TAYLOR, INC.				
APBWEST	Check	<u>4012331830</u>	BOOKS & REFERENCE, PROCESSING FEES & MED	10000.90000.52200	23.36
		<u>4012331829</u>	BOOKS & REFERENCE, PROCESSING FEES & MED	10000.90000.53406	586.82
<u>0145</u>	BRODART				
APBWEST	Check	<u>510802</u>	Library Supplies	10000.90000.53100	118.59
		<u>510832</u>	Library Supplies	10000.90000.53100	119.14
<u>0598</u>	DEMCO, INC.				
APBWEST	Check	<u>6456464</u>	Library Supplies	10000.90000.53100	269.49
Fund 10000 Total:					1,117.40
Fund: 39006 - FRIENDS OF THE LIBRARY DONATION FUND					
<u>0132</u>	BAKER & TAYLOR, INC.				
APBWEST	Check	<u>T86736321</u>	BOOKS & REFERENCE, PROCESSING FEES & MED	39006.90000.53406	150.95
		<u>T86736322</u>	BOOKS & REFERENCE, PROCESSING FEES & MED	39006.90000.53406	59.90
		<u>T86736320</u>	BOOKS & REFERENCE, PROCESSING FEES & MED	39006.90000.53406	130.40
<u>1073</u>	INFOGROUP				
APBWEST	Check	<u>10003411116</u>	Reference USA-Business & White Pages (2018-1)	39006.90000.53406	2,995.00
Fund 39006 Total:					3,336.25
Report Total:					4,453.65



City of Sierra Madre Agenda Report

Denise Delmar, Mayor
John Harabedian, Mayor Pro Tem
Rachelle Arizmendi, Council Member
John Capoccia, Council Member
Gene Goss, Council Member

Sue Spears, City Clerk
Michael Amerio City Treasurer

TO: Honorable Mayor Delmar and Members of the City Council

FROM: Vincent Gonzalez, Planning & Community Preservation Director 

REVIEWED BY: Gabe Engeland, City Manager 

DATE: October 23, 2018

SUBJECT: SECOND READING OF ORDINANCE 1404 AMENDING TITLE 17 ("ZONING"), CHAPTER 17.22 ("SECOND UNITS") OF THE SIERRA MADRE MUNICIPAL CODE, OMITTING THE PERIODIC INSPECTION REQUIREMENT FOR A SECOND UNIT PERMIT.

STAFF RECOMMENDATION

Staff recommends that the City Council introduce, waive reading in full, and authorize reading by title only of Ordinance 1404, Municipal Code Text Amendment 18-02, amending Chapter 17.22 ("Second Units"), Section 17.30.130 ("Recordation"), omitting the periodic inspection requirement for a second unit permit.

ALTERNATIVES

1. Keep covenant, but remove language in the zoning code regarding periodic inspections as the City already has this right to inspect a property when a code violation is suspected.
2. Take no action – retaining the language in the zoning code regarding periodic inspections.
3. Provide further direction to staff.

SUMMARY

At the meeting on October 9, 2018, City Council (Council) introduced for first reading recommending adoption of Ordinance 1404. At the July 31, 2018 meeting, the City Council discussed the City's regulations requiring a deed restriction and covenant for second unit permits. At the conclusion of the discussion the City Council directed staff to retain the language in the covenant and to amend the Second Unit ordinance by omitting the requirement for periodic inspections. The City Council determined that the amendment would not reduce the ability of the City to ensure compliance with City

ordinances and applicable building and fire codes.

Staff is recommending that the City Council conduct a second reading of Ordinance 1404, Municipal Code Text Amendment 18-02, by amending Title 17 (“Zoning”), Chapter 17.22 (“Second Units”), Section 17.22.130 (“Recordation”), of the Sierra Madre Municipal Code by omitting the periodic inspection requirement for second unit permits.

ANALYSIS

Background

The City of Sierra Madre 2014-2021 update of the Housing Element included a proactive program to promote the development of new second units and to legalize existing second units which met certain criteria through an amnesty program. The California Department of Housing and Community Development also recognizes second units as affordable housing units which are counted toward the City’s Regional Housing Needs Assessment allocations.

The City of Sierra Madre also recognizes that second units are a valuable form of housing. Second units provide housing within existing neighborhoods for family members, elderly, in-home health care providers, persons with disabilities and others, at below market rates. Homeowners who create second units benefit from added income and an increased sense of security.

Deed Restriction and Covenant Requirement

One of the provisions of the Second Unit Ordinance requires applicants to file a covenant and deed restriction with the Los Angeles County Assessor’s Office, pursuant to Section 17.22.130 – Recordation. The Second Unit Ordinance also authorizes the City to conduct periodic inspections of second units.

At the July 31, 2018 meeting, the City Council provided staff with the following direction:

1. That the covenant and deed restriction be retained in full, stating that the recordation informs new property owners of the covenant requirements upon transfer of ownership, and that such property owners are bound by the provisions of the covenant; and
2. That the provision in the covenant and deed restriction in Section 9(h) “Prevailing Party,” of said document offers the City certain protections in the event of a potential lawsuit, and
3. Directed staff to omit the language authorizing the City to conduct periodic inspections in Section 17.22.130 – Recordation, since the City already has the right to inspect a property when a code violation is suspected.

The following analysis highlights the proposed amendments to Title 17 (“Second Units”), Section 17.22.130 (“Recordation”) as follows:

Section 17.22.130 – Recordation.

As a prerequisite to obtaining a building permit, the applicant for a second unit permit shall cause to be recorded a covenant or deed restriction (in a form approved by the city attorney) specifying that the second unit will at all times comply with the provisions of this chapter and applicable state law. The recorded covenant shall run with the land, shall set forth the requirements of this chapter, **and** shall contain provisions implementing the requirements of this chapter, ~~including but not limited to authorizing the city to make periodic inspections to ascertain compliance with the requirements of this chapter~~ and the terms of the recorded covenant, and authorizing the city to abate any violation of this chapter at the cost of the then owner, including that the city may record a lien to recover the cost of such abatement proceedings including all reasonable administrative costs in connection therewith.

FINANCIAL REVIEW / SOURCE OF FUNDING

There is no financial impact related to the municipal code amendment to Title 17, Chapter 17.22. Staff time was incurred in the preparation of the report.

ENVIRONMENTAL (CEQA)

The City Council hereby finds that adoption of the amendments qualify for an exemption from California Environmental Quality Act review pursuant to Title 14, Section 15061(b)(3) of the California Code of Regulations as it can be seen with certainty that there is no possibility that the adoption of this Ordinance may have a significant effect on the environment because omitting the regulatory requirement to conduct periodic inspections in order to build a second unit is not likely to result in additional construction beyond that already permissible. Therefore, the City Council concludes that the amendments to Chapter 17.22 will not have a significant effect on the environment.

PUBLIC NOTICE PROCESS

This item has been noticed through the regular agenda notification process. Copies of this report are available at the City Hall public counter, at the Sierra Madre Public Library, and can be accessed on the City’s website at www.cityofsierramadre.com.

Attachments:

Attachment A: City Council Ordinance 1404

Attachment B: Existing Covenant and Revised Second Unit Ordinance

ATTACHMENT A

ORDINANCE NO. 1404

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF SIERRA MADRE AMENDING TITLE 17 ("ZONING"), CHAPTER 17.22 ("SECOND UNITS") OF THE SIERRA MADRE MUNICIPAL CODE, OMITTING THE PERIODIC INSPECTION REQUIREMENT FOR A SECOND UNIT PERMIT.

THE CITY COUNCIL OF THE CITY OF SIERRA MADRE DOES HEREBY RESOLVE:

SECTION 1. Municipal Code Amendment. Section 17.22.130 ("Recordation") of Chapter 17.22 entitled ("Second Units") of Title 17 ("Zoning") is hereby amended as follows:

17.22.130 - Recordation.

As a prerequisite to obtaining a building permit, the applicant for a second unit permit shall cause to be recorded a covenant or deed restriction (in a form approved by the city attorney) specifying that the second unit will at all times comply with the provisions of this chapter and applicable state law. The recorded covenant shall run with the land, shall set forth the requirements of this chapter, **and** shall contain provisions implementing the requirements of this chapter, ~~including but not limited to authorizing the city to make periodic inspections to ascertain compliance with the requirements of this chapter~~ and the terms of the recorded covenant, and authorizing the city to abate any violation of this chapter at the cost of the then owner, including that the city may record a lien to recover the cost of such abatement proceedings including all reasonable administrative costs in connection therewith.

SECTION 2. Continuity. To the extent the provisions of this ordinance are substantially the same as previous provisions of the Sierra Madre Municipal Code, these provisions shall be construed as continuations of those provisions and not as new enactments.

SECTION 3. Severability.

If any part of this chapter is declared to be invalid or unenforceable, the city council declares that such invalidity shall be severable, and that it would have adopted every other provision hereof without regard to such invalidity.

SECTION 4. CEQA Finding. The City Council hereby finds that adoption of the amendments qualify for an exemption from California Environmental Quality Act review pursuant to Title 14, Section 15061(b)(3) of the California Code of Regulations as it can be seen with certainty that there is no possibility that the adoption of this Ordinance may have a significant effect on the environment because omitting the regulatory requirement to conduct periodic inspections in order to build a second unit is not likely to result in additional construction beyond that already permissible. Therefore, the City Council

concludes that the amendments to Chapter 17.22 will not have a significant effect on the environment.

SECTION 5. Effective Date. This ordinance is adopted by the City Council and shall take effect 30 days after adoption. This Ordinance and the City Clerk's certification, together with proof of publication, shall be entered in the Book of Ordinances of the City Council.

SECTION 6. Certification. The City Clerk shall certify to the passage and adoption of this Ordinance and shall cause the same to be published or posted according to law.

PASSED, APPROVED AND ADOPTED, this ____ day of _____, 2018

Denise Delmar, Mayor

ATTEST:

Sue Spears, City Clerk

I, Sue Spears, City Clerk of the City of Sierra Madre, California, do hereby certify that the foregoing Ordinance was introduced at a regular meeting of the City Council of the City of Sierra Madre held on the ____ day of _____ 2018, and was adopted at its regular meeting of _____, 2018 by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

ATTACHMENT B

RECORDING REQUESTED BY CITY OF SIERRA MADRE

WHEN RECORDED MAIL TO

City Clerk
City of Sierra Madre
232 W. Sierra Madre Blvd.
Sierra Madre, CA 91024

No Recording Fee—Exempt
Pursuant to Government Code Section 6103

Space above this line for recorder's use

DEED RESTRICTION AND COVENANT

RECITALS

- A. THIS DEED RESTRICTION AND COVENANT ("Deed Restriction") is made as of _____, 201_ (the "Effective Date") by and between _____, ("Grantors") and the City of Sierra Madre, a municipal corporation (the "City").
- B. Grantor is the owner of certain real property (the "Property") located in the City of Sierra Madre, County of Los Angeles, State of California, and more particularly described on Exhibit A attached hereto and more commonly known as 150 S. Baldwin Avenue, Sierra Madre, California.
- C. Pursuant to Chapter 17.22 of the Sierra Madre Municipal Code, the Grantors desire to obtain a building permit to construct on the Property a second unit, as defined in Section 17.22.020 of the Municipal Code (the "Second Unit").
- D. Pursuant to Section 17.22.130, any owner of a property with a second unit constructed pursuant to Chapter 17.22 must record a deed restriction or covenant against the property.
- E. The Grantors agree to comply with Chapter 17.22 (Second Unit Ordinance) of the Sierra Madre Municipal Code, as a copy of which is attached as Exhibit B and incorporated by reference, as a condition of obtaining a building permit for a second unit on the Property.

NOW, THEREFORE, Grantors agree to this Deed Restriction pursuant to the terms contained herein:

1. Building Permit. In recognition of the City's consideration of a building permit to the Grantor to construct the Second Unit, Grantors hereby agree to the terms and conditions of this Deed Restriction and to record this Deed Restriction as a covenant running with the land in perpetuity.

2. Restriction on Rentals. Consistent with the residential zoning restrictions prohibiting hotel, motel or bed and breakfast type uses, Grantor agrees that the Second Unit may only be rented or leased for periods exceeding 30 days; no “short term rentals,” e.g., rentals for periods of less than 30 days, including but not limited to, so-called vacation rentals or “Air BNB” uses are permitted.

3. Violations. Grantors agree if the City is required to abate any violations of this Deed Restriction, the costs of such abatement, including any and all administrative costs, court costs and attorneys’ fees shall be the responsibility of the Grantors, and the City may record a lien against the Property to recover such costs of any abatement proceedings.

4. Running with the Land. The execution of this Deed Restriction by the Grantors shall constitute an agreement with the City of each provision, term and condition contained herein and shall be recorded as a covenant running with the land and which shall be binding in perpetuity upon the Property, the Grantors, and the heirs, devisees, assigns, transferees, and successors in interest of the Grantors.

5. Subsequent Transfers. Grantors agrees to incorporate (including incorporation by reference) the terms of this Deed Restriction in any deed or other legal instrument by which Grantors divests itself of any interest in all or a portion of the Property, including, without limitations, a leasehold interest. The failure of Grantors to perform any act provided in this section shall not impair the validity of this Covenant or limit its enforceability in any way.

6. City’s Remedies. If the City determines that Grantors are in violation of the terms of this Deed Restriction or that a violation is threatened, the City shall give written notice to Grantors of such violation and demand corrective action sufficient to cure the violation and, where the violation involves injury to the Property resulting from any use or activity inconsistent with the purpose of this Deed Restriction, to restore the portion of the Property so injured. If Grantors fail to cure the violation within 30 days after receipt of notice thereof from the City, or under circumstances where the violation cannot reasonably be cured within a 30-day period, fails to begin curing such violation within the 30-day period, or fails to continue diligently to cure such violation until finally cured, the City may bring an action at law or in equity in a court of competent jurisdiction to enforce the terms of this Deed Restriction, to enjoin the violation by temporary or permanent injunction, to recover any damages to which it may be entitled for violation of the terms of this Deed Restriction or injury to any protected value, including damages for any loss thereof, and to require the restoration of the Property to the condition that existed prior to any such injury. If the City, in its sole discretion, determines that circumstances require immediate action to prevent or mitigate significant damage to the protected values of the Property, the City may pursue its remedies under this paragraph without waiting for the period provided for cure to expire. The City’s rights under this paragraph apply equally in the event of either actual or threatened violations of the terms of this Deed Restriction, and Grantor agrees that the City’s remedies at law for any violation of the terms of this Deed Restriction are inadequate and that the City shall be entitled to the injunctive relief described in this paragraph, both prohibitive and mandatory, in addition to such other relief to which the City may be entitled, without the necessity of proving either actual damages or the inadequacy of otherwise available legal remedies. The City’s remedies described in this paragraph shall be cumulative and shall be in addition to all remedies now or thereafter existing at law or in equity.

7. City's Discretion. Enforcement of the terms of this Deed Restriction shall be at the discretion of the City, and any forbearance by the City to exercise its rights under this Deed Restriction in the event of any breach of any term of this Deed Restriction by Grantor shall not be deemed or construed to be a waiver by the City of such term or of any subsequent breach of the same or any other term of this Deed Restriction or of any of the City's rights under this Deed Restriction. No delay or omission by the City in the exercise of any right or remedy on any breach by Grantors shall impair such right or remedy or be construed as a waiver.

8. Costs and Taxes. Grantors retain all responsibilities and shall bear all costs and liabilities of any kind related to the ownership, operation, upkeep, and maintenance of the Property. Grantors shall pay any and all taxes, assessments, fees, and charges levied by competent authority on the Property or on this Deed Restriction. It is intended that this Deed Restriction constitutes an enforceable restriction within the meaning of Article XIII, Section 8 of the California Constitution and that this Deed Restriction qualifies as an enforceable restriction under the provisions of California Revenue and Taxation Code Section 402.1.

9. General Provisions.

(a) Controlling Law. The interpretation and performance of this Deed Restriction shall be governed by the laws of the State of California.

(b) Severability. If a court or competent jurisdiction voids or invalidates on its face any provision to other persons or circumstances.

(c) No Forfeiture. Nothing contained herein will result in a forfeiture or reversion of Grantor's title in any respect.

(d) Captions. The captions in this instrument have been inserted solely for convenience of reference, are not a part of this instrument, and shall have no effect upon construction or interpretation.

(e) Entire Agreement. This Agreement contains the entire agreement between the parties with respect to the subject matter hereof. There are no representations or promises made to any party hereto concerning the subject matter of this Deed Restriction except as set forth herein. It is expressly understood by each of the parties that this Deed Restriction may not be altered, amended, modified, or otherwise changed in any respect or particular whatsoever, except by a writing executed by each Party hereto which expressly refers to this paragraph.

(f) Construction. Each of the parties represents and warrants that it has been represented in the negotiations for, and in the preparation of, this Deed Restriction by counsel of its own choosing, that it has read this Deed Restriction or has had it read to it by its attorney, and that it is fully aware of and understand its contents and its legal affect. Accordingly, this Deed Restriction shall not be construed against any party, and the rule of construction that a Deed Restriction is construed against the party by which it is drafted shall not apply.

(g) Governing Law. This Deed Restriction shall be interpreted in accordance with the laws of the State of California, as applicable to residents of the state.

(h) Prevailing Party. If any party to this Deed Restriction initiates any proceeding to enforce, interpret, defend, defend against, or establish the applicability or validity of this Deed Restriction, the party which is determined by the court or administrative body to be the prevailing party in such proceeding shall be entitled to an award of its attorneys' fees and costs, in addition to any other relief provided by law.

(i) Notice. Any notice required by this Deed Restriction shall be given in writing by personal delivery or overnight delivery of a reputable courier for receipt on a business day to:

THE CITY

City of Sierra Madre
Planning & Community Preservation Department
232 W. Sierra Madre Blvd.
Sierra Madre, California 91024

GRANTORS

James Watson and Kathy Watson

150 S. Baldwin Avenue

Sierra Madre, CA 91024

(j) Counterparts. This Deed Restriction may be executed in any number of counterparts, each of which so executed shall be deemed an original of the Deed Restriction. These counterparts shall together constitute one Deed Restriction. The execution of this Deed Restriction by any of the parties will not become effective until the counterparts have been duly executed by all the parties.

(k) Liberal Construction. Any general rule of construction to the contrary notwithstanding, this Deed Restriction shall be liberally construed in favor of the grant to effect the purpose of this Deed Restriction and the policy and purpose California Government Code Sections 51070-51097. If any provision in this instrument is found to be ambiguous, an interpretation consistent with the purpose of the Deed Restriction that would render the provision valid shall be favored over any interpretation that would render it invalid.

IN WITNESS WHEREOF, the parties have set their hands as of the date and date first above written.

GRANTORS

EXHIBIT A

Legal Description

EXHIBIT B

City Council Ordinance 1404
Municipal Code Text Amendment 18-02
Effective Date: November 22, 2018

Chapter 17.22 – SECOND UNITS

- 17.22.005 - Findings and determinations.
- 17.22.010 - Purpose.
- 17.22.020 - Definition.
- 17.22.030 - Permitted areas.
- 17.22.040 - Standards of development—Generally.
- 17.22.050 - Allowable floor area.
- 17.22.060 - Height.
- 17.22.070 - Parking.
- 17.22.080 - Access and facilities.
- 17.22.085 - All other standards.
- 17.22.090 - Owner occupancy required.
- 17.22.095 – Rental Restrictions.
- 17.22.100 - Utilities.
- 17.22.110 - Ownership.
- 17.22.120 – Conversion of existing structures into second units.
- 17.22.130 - Recordation.
- 17.22.140 - Permit process.
- 17.22.150 - Permit termination.
- 17.22.160 - Permit revocation.
- 17.22.170 - Severability.

17.22.005 - Findings and determinations.

The City Council finds and determines:

- A. Assembly Bill 1866, signed into law on September 29, 2002 by the Governor of the state of California and effective January 1, 2003, affecting, among other provisions of state law, California Government Code Sections 65852.2 and 65583.1, requires that as of July 1, 2003, all applications for second units be considered ministerially without discretionary review or hearing.

B. Senate Bill 1069, signed into law on September 27, 2016 by the Governor of the state of California and effective January 1, 2017, affecting, among other provisions of state law, California Government Code Sections 65582.1, 65852.2, 65583.1, 65589.4, 65852.150, 66412.2, 65852.2, introduces new development standards including allowable floor area, garage conversion requirements, setback provisions, rental restrictions, fire sprinkler requirements, and utility connections.

C. Various provisions of state law relating to the housing goals, objectives and needs, including regional housing needs, and requirements pertaining to the provision of affordable housing as applicable to the city, are affected by the requirements of Assembly Bill 1866 and the effect thereof on second housing units on residentially zoned property in the city.

D. The city finds that second dwelling units are a valuable form of housing. Second units provide housing within existing neighborhoods for family members, elderly, in-home health care providers, persons with disabilities and others, at below market rates. Homeowners who create second units benefit from added income and an increased sense of security.

E. The limitations set forth herein are necessary to protect the health and welfare of residents, and do not jeopardize the city's obligation to comply with Government Code Sections 65852.2 and 65583.1.

17.22.010 - Purpose.

The purpose of this chapter is to implement Assembly Bill No. 1866, Chapter 1062 of Stats. 2002. It is also the purpose of this chapter to allow for an increase in the supply of affordable housing in the city in conformance with the goals and policies of the housing element of the Sierra Madre general plan. It is the intent of the city to encourage secondary dwelling units and impose standards to enable homeowners to create second units that will not aggravate or create neighborhood problems. In doing so, and to ensure that no avoidable adverse impacts on the public health, safety, and general welfare result from the creation of a second unit, this chapter provides standards for the approval of such second units that limit the circumstances under which second units may be permitted consistent with the findings and determinations set forth in Section 17.22.005 and the purposes of this chapter.

17.22.020 - Definitions.

For the purpose of this chapter, a "second unit" also known as an "accessory dwelling unit," means an attached or a detached residential dwelling

unit which provides complete independent living facilities for one or more persons. It shall include permanent provisions for living, eating, cooking, sanitation, and shall have no more than one bedroom and shall be located on the same parcel as the single-family dwelling is situated.

“Converted or Conversion” means the repurposing of all or a portion of an existing structure as a second unit entirely within the existing structure building envelope and in accordance with all requirement residential building and construction standards set forth in the applicable California Building Codes.

“Short-term Rental” refers to a rental whereby a residence or a portion of a residence is rented to a tenant for a period of less than 30 days.

17.22.030 - Permitted areas.

One second unit shall be permitted only on residentially zoned lots with the following limitations : (i) no second unit shall be permitted on a lot having an existing guest house; (ii) no lot with a second unit shall be permitted to have a guest house; (iii) no existing guest house may be converted to a second unit except with full compliance with this chapter; and (iv) neither the primary residential dwelling unit nor the second unit shall be a mobile home, trailer, or vehicle; (v) no garage which satisfies the parking requirements of the primary unit shall be converted to a second unit without providing alternative required parking on-site.

17.22.040 - Standards of development—Generally.

All "second units" shall comply with the standards of development set forth in the following sections.

17.22.050 - Allowable floor area.

A. The total floor area of all buildings on the lot, including the second unit, shall not exceed the maximum floor area otherwise allowed in accordance with this title.

B. An attached second unit shall not exceed fifty percent of the existing living area (including a basement and attic) of the single family dwelling or 1,200 square feet, whichever is less.

C. The maximum floor area for a detached Second Unit shall not exceed 1,200 square feet.

17.22.060 - Height.

The maximum height of a detached new second unit shall be fifteen (15) feet as measured in accordance with the height provisions of the underlying residential zone.

17.22.070 - Parking.

One on-site parking space shall be designated for the second unit in addition to the required on-site parking for the primary dwelling unit. In order to accommodate required parking on site, parking for a second unit may be allowed in setback areas (in locations determined by the city) and through tandem parking.

17.22.080 – Access and facilities.

All new second units shall have a separate entrance and contain a separate kitchen and bathroom facility.

17.22.085 - All other standards.

Except as specifically provided in this chapter, all second units shall comply with all other provisions of this code applicable to the residential zone in which it is located, except as follows:

- A. New second units located on a reversed corner lot shall provide a minimum setback along the secondary frontage equal to the front yard setback of the underlying zone.
- B. The minimum required side yard setback of an existing accessory structure being converted to a second unit on a reversed corner lot shall be the same as that of the primary structure along the secondary frontage.

17.22.090 - Owner occupancy required.

The owner of the lot on which the second unit is located shall maintain either the primary single family dwelling unit or the second unit as his/her/their principal domicile as long as the second unit exists on the lot.

17.22.095 – Rental Restrictions.

No second unit shall be used as a “short term” rental.

17.22.100 - Utilities.

Second units shall not have separate utility connections, but shall receive all utilities via the pre-existing principal unit, with the exception of telephone, cable television, and computer modem lines or other communication facilities.

17.22.110 - Ownership.

The second unit may not be owned separately, or sold or hypothecated separately, from the primary dwelling unit, but may be rented or leased for a period not to exceed one year terms.

17.22.120 – Conversion of existing structures into second units.

- A. Prior to the approval of a second unit permit for the conversion of an existing structure for which there is no record of a building permit being issued, satisfactory completion of a safety inspection by the City's Building Official and Fire Department is required. An applicant must commit to upgrade the second unit to health and safety codes in order to be granted approval of a second unit permit, including without limitations the following items:
1. Independent entrance to second unit.
 2. Direct access to exterior of building from bedroom (door or window).
 3. Adequate light and ventilation in each habitable room.
 4. Minimum 7-foot-high ceiling in all rooms, kitchens, halls, and baths.
 5. Properly installed electrical wiring including separate access to electrical shut off.
 6. Structural Integrity:
 - a) Foundation not cracked, damaged, or shifting.
 - b) Framing not sagging or deteriorated.
 7. Comfort Heating:
 - a) Heating as required per the Building Code.
 - b) Separate access to gas shut-off, if applicable.
 8. Working Plumbing:
 - a) Kitchen and bathroom facilities with hot water.
 - b) Water heater strapped and properly vented.
 - c) Connection to approved sewage system.
 9. Fire Safety:
 - a) Hallways serving sleeping rooms must have smoke and carbon monoxide detectors.
 - b) Each sleeping room must have a smoke detector.

- B. Once an inspection by the City's Building Official and Fire Department occurs, the applicant is required to correct those items that are identified as violating current health and safety codes for the structure's current use even in the event that the applicant decides to withdraw the second unit permit application.

17.22.130 - Recordation.

As a prerequisite to obtaining a building permit, the applicant for a second unit permit shall cause to be recorded a covenant or deed restriction (in a form approved by the city attorney) specifying that the second unit will at all times comply with the provisions of this chapter and applicable state law. The recorded covenant shall run with the land, shall set forth the requirements of this chapter, shall contain provisions implementing the requirements of this chapter, and the terms of the recorded covenant, and authorizing the city to abate any violation of this chapter at the cost of the then owner, including that the city may record a lien to recover the cost of such abatement proceedings including all reasonable administrative costs in connection therewith.

17.22.140 - Permit process.

All proposed second dwelling units are subject to review for compliance with the terms of this chapter by the director of Planning and Community Preservation. A second unit application must be submitted to the city along with the appropriate fee as established by the city council by resolution in accordance with applicable law, and a list, in a form required by the city for property owner notifications, of property owners within a three hundred foot radius of the property on which the second unit is proposed. Property owners within a three hundred-foot radius of the property for which a new second dwelling application is made shall be notified in writing of the second dwelling unit application at least twenty days prior to the date of the director's action on the second unit permit application. The director shall complete the review of the application for a second unit permit within thirty days of receipt of a complete submission. Review of, and the denial of or granting of, an application for a second unit permit by the city is a ministerial action. The director shall not approve an application for a second unit permit or issue a second unit permit unless the proposed second unit complies with the requirements of this chapter. The decision of the director shall be final and conclusive. An applicant who obtains a second unit permit shall be required to obtain a building permit for the second unit. This chapter is not intended to amend the California Environmental Quality Act requirement relating to historic resources.

17.22.150 - Permit termination.

A second unit permit validly issued pursuant to this chapter shall terminate when any one or more of the following occur: (1) the permit is not used within one hundred eighty days from the date of permit issuance; (2) the permit has been abandoned or discontinued for one hundred eighty consecutive days; (3) the second unit owner files a declaration with the director of Planning and Community Preservation that the permit has been abandoned or discontinued and the second unit has been removed from the property; (4) the permit has expired by its terms; or (5) the permit has been revoked as provided in Section 17.22.160.

17.22.160 - Permit revocation.

In the event (i) a second unit permit was obtained by fraud or misrepresentation, or (ii) a permitted second unit dwelling is used, operated, or maintained in violation of this chapter or applicable state or federal law, or (iii) the second unit is has been used or is being used in a manner so as to constitute a public nuisance, the director of Planning and Community Preservation, on not less than ten days written notice to the second unit owner, may hold a permit revocation hearing which shall be heard by a hearing officer in accordance with applicable law. The director and the second unit owner shall each be permitted to present evidence with respect to the proposed permit revocation. The hearing officer shall issue a written decision within ten days of the conclusion of the hearing. The decision of the hearing officer shall be final. Upon revocation the second unit shall be removed; provided, however, if at the time of revocation there are tenants occupying the second unit pursuant to a valid and binding rental or lease agreement that is consistent with the provisions of this chapter, such tenants shall be permitted to continue to occupy the second unit until the expiration or earlier termination of the rental or lease agreement, and upon such expiration or earlier termination the second unit shall be removed. Nothing herein shall preclude or prevent the city from undertaking any other enforcement action with respect to the second unit which the city is otherwise authorized under this code or applicable state or federal law, including but not limited to the abatement of public nuisances.

17.22.170 - Severability.

If any part of this chapter is declared to be invalid or unenforceable, the city council declares that such invalidity shall be severable, and that it would have adopted every other provision hereof without regard to such invalidity.



City of Sierra Madre Agenda Report

Denise Delmar, Mayor
John Harabedian, Mayor Pro Tem
Rachelle Arizmendi, Council Member
John Capoccia, Council Member
Gene Goss, Council Member

Sue Spears, City Clerk
Michael Amerio City Treasurer

TO: Honorable Mayor and Members of the City Council

FROM: Joe Nocella, Interim Finance Director
Miguel Hernandez, Human Resources Manager *MA* *W*

REVIEWED BY: Gabriel Engeland, City Manager *GE*

DATE: October 23, 2018

SUBJECT: **Consideration of Resolution 18-56 Adopting City's Fraud Policy and Protocol**

SUMMARY

During a recent audit, auditors noted that the City did not have an official fraud policy or formal protocol set in place. It was recommended that the City adopt such a policy as a guide for any potential issues that may arise in the future. It is important to point out that the auditors did not find any discrepancies or indications of fraud.

STAFF RECOMMENDATION

Staff recommends City Council approve Resolution 18-56, Fraud Policy and Protocol

ALTERNATIVES

1. The City Council may adopt Resolution 18-56, approving the City's Fraud Policy and Protocol
2. City Council may choose to deny the resolution and provide alternate direction to staff.

FINANCIAL REVIEW

No fiscal impacts

ANALYSIS

Financial management within the City is essential for managing and protecting the financial resources and assets of the City. Effective financial management requires adequate systems of internal controls to ensure funds are used for intended purposes, transparency, and reliability of financial reporting.

Having a fraud policy is a critical tool in communicating the City's stance and processes in respect to fraud and how it will be dealt with. It is an economical way of indicating that the fight against fraud is endorsed and supported at the most senior level. This fraud policy and protocol shall be established to promote consistent organizational behavior and to facilitate the development of controls that will aid in the detection and prevention of fraud against the City.

Most fraud, abuse, and questionable practices are identified through reporting by employees or members of the public. The approval of the Fraud Policy and Protocol formally and practically demonstrates the City's commitment to sound fiscal management and stewardship by adhering to the highest standards of ethics and accountability, and in no way indicates that there is suspected fraud in the City.

The proposed Fraud Policy and Protocol provides comprehensive and detailed policy and procedures including:

- Definitions of fraud and abuse;
- Clear responsibilities of City officials, commissioners, management, employees, volunteers, and vendors;
- Guidelines and steps for investigating allegations;
- Whistleblower protection; and
- Reporting of results.

The Fraud Policy will be distributed to all City employees and periodic review of the Fraud Policy will be part of the City's ongoing antifraud education program.

PUBLIC NOTICE PROCESS

This item has been noticed through the regular agenda notification process. Copies of this report are available at the City Hall public counter, at the Sierra Madre Public Library, and can be accessed on the City's website at www.cityofsierramadre.com.

Attachment:

Attachments:

1. Resolution 18-56 Adopting the City's Fraud Policy
2. Fraud Policy
3. Fraud Policy Protocol

RESOLUTION NO. 18-56

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SIERRA MADRE
APPROVING AND ADOPTING A FRAUD POLICY AND PROTOCOL**

**THE CITY COUNCIL OF THE CITY OF SIERRA MADRE DOES HEREBY
RESOLVE:**

WHEREAS, the City of Sierra Madre is committed to protecting its revenue, property, information, and other assets from any attempt of public, contractors, vendors, or its own officers, elected officials, and employees, to gain financial or other benefits by deceit; and

WHEREAS, the City desires to set out specific guidelines and responsibilities regarding appropriate actions to be followed for the investigation of fraud and similar irregularities.

**NOW, THEREFORE, BE IT RESOLVED THAT THE CITY COUNCIL OF THE
CITY OF SIERRA MADRE DOES HEREBY DETERMINE AND ORDER AS
FOLLOWS:**

Section 1. The City of Sierra Madre adopts the Fraud Policy and Protocol as presented in Exhibit A.

Section 2. Effective Date. This Resolution shall go into effect immediately.

Section 3. The Human Resources Department shall disseminate the Fraud Policy and Protocol to all City officers and employees.

PASSED, APPROVED AND ADOPTED this 23rd day of October, 2018.

Mayor Denise Delmar
City of Sierra Madre, California

I hereby certify that the foregoing Resolution was adopted at a regular meeting of the City Council of the City of Sierra Madre held on the 23rd day of October, 2018 by the following vote:

AYES:

NOES:

ABSENT:

Laura Aguilar, Assistant City Clerk
City of Sierra Madre, California



City of Sierra Madre

Human Resources Department

232 W. Sierra Madre Boulevard, Sierra Madre, CA 91024

phone 626.355.7135 fax 626.355.2251

www.cityofsierramadre.com

DATE: October 23, 2018
TO: All Employees and Elected Officials
CC: Gabriel Engeland, City Manager
FROM: Miguel Hernandez, Human Resources Manager *MH*
SUBJECT: Fraud Policy and Protocol

PURPOSE

The City of Sierra Madre is committed to protecting its revenue, property, information and other assets from any attempt, either by members of the public, contractors, vendors, or its own officers, elected officials and employees, to gain financial or other benefits by deceit. City officials and employees must, at all times, comply with all applicable laws and regulations.

The Fraud Policy and Protocol (Policy) sets out specific guidelines and responsibilities regarding appropriate actions that must be followed for the investigation of suspected fraud and other similar irregularities.

DEFINITIONS

Occupational **fraud** is defined by the Association of Certified Fraud Examiners as the use of one's occupation for personal enrichment through the deliberate misuse or misapplication of the employing organization's resources or assets. There are three major categories of occupational fraud:

1. **Asset Misappropriations** – Theft or misuse of an organization's assets:

- **Fraudulent Disbursements** – Perpetrator causes organization to disburse funds through some trick or device (e.g. submitting false invoices/time cards/sheets, expense reimbursement schemes, check tampering, etc.)
- **Skimming** – Cash is stolen from an organization before it is recorded on the organization's books and records.
- **Cash Larceny** – Cash is stolen from an organization after it has been recorded on the organization's books and records.
- **Misuse** – Any use of the City's inventory or assets for personal use that is contrary to policy or authorization (e.g. City vehicles, computers, computer software, copier equipment, cell phone, maintenance equipment, supplies, etc.). Any use of a City discount for personal gain.

- Larceny – Inventory or other assets are stolen from an organization.
2. **Corruption** – Wrongfully use influence in a business transaction in order to procure some benefit for themselves or another person, contrary to duty to employer or the rights of another.
- Conflicts of Interest – An undisclosed economic or personal interest in a transaction that adversely affects the employer.
 - Bribery – The offering, giving, receiving, or soliciting of anything of value to influence an official act or a business decision.
 - Economic Extortion – An employee demands that a vendor/contractor/etc. pay to influence an official act or a business decision.
3. **Fraudulent Statements** – Falsification of an organization’s financial statements.

Other similar irregularities is defined as any activity involving behavior or business dealings by members of the public, contractors, vendors, agents or City employees, that put City revenue, property, information and other assets at risk of waste or abuse.

APPLICABILITY

This policy applies to all Elected Officials, Commissioners, all employees of the City of Sierra Madre, City volunteers, independent contractors, businesses or individuals doing business with the City.

GENERAL POLICY

The City will fully investigate any suspected acts of fraud or other similar irregularities. An objective and impartial investigation will be conducted regardless of the position, title, and length of service or relationship with the City of any party who might be, or becomes involved in, or is, or becomes, the subject of such investigation.

The City of Sierra Madre will take all appropriate disciplinary and legal actions against employees and/or entities to include the possibility of termination of employment or contract, restitution, and forwarding information to the appropriate authorities for criminal prosecution, as appropriate.

MANAGEMENT RESPONSIBILITY

- The City Manager and each Department Director is responsible for instituting and maintaining a system of internal controls to provide reasonable assurance for the prevention and detection of fraud, misappropriations and other irregularities.
- The Human Resources Department has the primary responsibility for the investigation of all activity defined in the Policy. Investigation will be conducted by the City Manager responsible for Human Resources.
- Human Resources, will notify the City Manager of a reported allegation of fraudulent or irregular conduct upon the commencement of the investigation to the extent practical. The City Manager or designee may decide to hire an independent investigator to conduct the investigation if deemed appropriate. Throughout the investigation the City Manager will be informed of pertinent investigative findings.
- In all circumstances where there are reasonable grounds to indicate that fraud may have occurred, the Human Resources Department, with the approval of the City Manager, and in consultation with the City Attorney, may make a referral to the Los Angeles County District Attorney, or law enforcement agency, as appropriate.
- Upon conclusion of the investigation, the Human Resources Department will report the results to the City Manager.
- The City of Sierra Madre, at its discretion, will make reasonable efforts, including court ordered restitution, to obtain recovery of the City's losses from the offender, or other appropriate source.

EMPLOYEE RESPONSIBILITY

If an employee becomes aware of any incident or practice of fraud, the employee must report such incident or practice to his/her supervisor for reporting to the proper management official as soon as possible, but no more than two (2) working days after the employee becomes aware of the incident or practice. Any supervisor or manager who becomes aware of possible fraud (from an employee report or their own observation) is required to immediately report it to the person responsible for investigating fraud allegations. When the employee believes the supervisor may be involved in the inappropriate activity, the employee will make the report directly to the City Manager and/or a higher level of management. The employee shall contact the City Manager at **(626) 355-7135 ext. 201** or by email at gengeland@cityofsierramadre.com.

The reporting employee will refrain from further investigation of the incident, confrontation with the alleged violator, or further discussion of the incident with anyone other than his/her supervisor, the City Manager, and/or law enforcement personnel, as appropriate.

Employees have a duty to cooperate during an investigation. Employees who knowingly make false allegations will be subject to disciplinary action, up to and including termination.

PROCEDURES

Contacts/Protocols

Upon notification or discovery of a suspected fraud, the City Manager or designee will promptly investigate, or cause to be investigated, the suspected fraud. After an initial review and a determination that the suspected fraud warrants additional investigation, the City Manager's office will coordinate the investigation with the City Attorney and appropriate law enforcement officials. In all circumstances, where there are reasonable grounds to indicate that a fraud may have occurred, the City Manager or designee, will inform the City Attorney. Upon consultation with the City Attorney, the City Manager or designee will contact the Los Angeles County District Attorney and/or law enforcement agency, as appropriate.

Security of Evidence

Once a suspected fraud is reported, the Human Resources Department, in consultation with the City Attorney, shall take immediate action to prevent the theft, alteration, or destruction of relevant records. Such actions include, but are not necessarily limited to, removing the records and placing them in a secure location, limiting access to the location where the records currently exist, and preventing the individual suspected of committing the fraud from having access to the records. The records must be adequately secured until the Department obtains the records to begin the investigation.

Human Resources

If a suspicion of fraud is substantiated by the investigation, the City Manager or designee will provide guidance within the Personnel Rules relative to any proposed disciplinary action, and will initiate disciplinary action in coordination with the appropriate Department Director.

Whistleblower Protection

Whistle-blower protections including confidentiality and protection against retaliation will be provided in compliance with State and Federal law. However, any reported information can be used and shared on a need to know basis as necessary to further an investigation. Any whistleblower, who believes he/she is being retaliated against, should follow the Grievance Policy contained in the City's Rules and Regulations Policy Manual. The right of a whistleblower for protection against retaliation does not include immunity for any personal wrongdoing that is alleged and investigated.

Documentation

At the conclusion of the investigation, the results will be reported to the City Manager, the City Attorney and others as deemed necessary. If the report concludes that the allegations are founded, and with the concurrence of the City Manager and the City Attorney, the City Manager or designee will contact the Los Angeles County District Attorney and/or law enforcement agency, as appropriate.

Reporting to External Auditors

The Human Resources Department will report to the external auditors all information relating to fraud investigations, as appropriate.

This policy is intended to augment other policies addressing the same or similar matters and will only supersede those policies where directly in conflict with them. It is not intended to be administered in a manner to interfere with whistleblower rights or other fraud reporting policies or with constitutionally protected free speech rights.

Attachments:

- **Employee Fraud and Protocol Acknowledgement and Agreement**

CITY OF SIERRA MADRE

FRAUD POLICY and PROTOCOL

ACKNOWLEDGEMENT AND AGREEMENT



The City of Sierra Madre is committed to protecting its revenue, property, information and other assets from any attempt, either by the members of the public, contractors, vendors, or its own officers, elected officials, and employees, to gain financial or other benefits by deceit. The City will take all appropriate disciplinary and legal actions against employees and/or entities to include the possibility of termination of employment or contract, restitution, and forwarding information to the appropriate authorities for criminal prosecution, as appropriate, who are involved in such behavior.

Fraud can be defined as: "the use of one's occupation for personal enrichment through the deliberate misuse or misapplication of the employing organization's resources or assets". There are three major categories of occupational fraud. These include:

1. **Asset Misappropriations** – The theft or misuse of the City's assets or cash. Examples of this are: fraudulent disbursements, skimming, misuse, and larceny.
2. **Corruption** – The use of wrongful influence in a business transaction in order to procure some benefit for themselves or another person, contrary to duty to employer or the rights of another. Examples of this are: conflicts of interest, bribery, and extortion.
3. **Fraudulent Statements** – The falsification of the City's financial statements.

Fraud Prevention Employee Responsibility:

As an employee, if you observe fraudulent incidents or practices the following procedures should be followed:

1. The incident or practice must be reported to your supervisor for reporting to the proper management official as soon as possible, but no later than two (2) working days after the incident.
2. If that incident involves your supervisor, the report should be made directly to the City Manager and/or a higher level of management.
3. Refrain from further investigation of the incident, confrontation with the alleged violator, or further discussion of the incident with anyone other than your supervisor, the City Manager, and/or law enforcement personnel.
4. If you have reason to believe that your supervisor may be involved or do not feel comfortable reporting the occurrence to your supervisor, you can immediately notify the City Manager by phone at **(626) 355-7135 ext. 201** or email at gengeland@cityofsierramadre.com.
5. Employees have a duty to cooperate with any investigation that may be undertaken pursuant to the City's fraud policy and protocol. Employees who knowingly make false allegations may be subject to disciplinary action up to, and including, termination.

I hereby acknowledge receipt of the foregoing Fraud Policy and Protocol. I hereby agree to abide by the procedures/protocol set up therein for the duration of my employment with the City of Sierra Madre. Further, I understand that the City's Fraud Policy and Protocol can be amended or modified at any time and my continued employment will be contingent on acceptance of such amendments or modifications.

SIGNATURE:	DATE:
PRINT NAME:	



City of Sierra Madre Agenda Report

Denise Delmar, Mayor
John Harabedian, Mayor Pro Tem
Rachelle Arizmendi, Council Member
John Capoccia, Council Member
Gene Goss, Council Member

Sue Spears, City Clerk
Michael Amerio City Treasurer

TO: Honorable Mayor and Members of the City Council

FROM: Laura M. Aguilar, Assistant City Clerk 

REVIEWED BY: Gabriel Engeland, City Manager 

DATE: October 23, 2018

SUBJECT: CONSIDERATION OF CANCELLATION OF DECEMBER 25, 2018
CITY COUNCIL MEETING

STAFF RECOMMENDATION

It is recommended that the City Council approve the cancellation of the regular City Council meeting of December 25, 2018 and direct staff to pay all necessary expenses during that time.

ALTERNATIVES

The City Council has the following options:

1. Approve the cancellation of the December 25, 2018 City Council meeting and direct staff to pay all necessary expenses during that time;
2. Chose to modify the meeting schedule for the month of December, amending staff's recommendation herein.

SUMMARY

Sierra Madre Municipal Code section 2.04.010 requires that meetings of the City Council shall be held at 6:30 pm on the second and fourth Tuesdays of each calendar month unless and until the City Council establishes another regular meeting time by resolution.

The second Council meeting in December falls on Christmas day. It is recommended that the City Council approve the cancellation of the second regular City Council meeting in December on December 25, 2018 and direct staff to pay all necessary expenses during that time.

CANCELLATION OF DECEMBER 25, 2018 CITY COUNCIL MEETING

October 23, 2018

Page 2 of 2

ANALYSIS

Although it is not formally addressed in the Municipal Code, traditionally in December of each year the Sierra Madre City Council has cancelled the second meeting, for holiday observances.

This year the second Tuesday of December falls on Christmas day. Therefore, it is recommended that the City Council approve the cancellation of the regular City Council meeting of December 25, 2018 and direct staff to pay all necessary expenses during that time.

There are no items currently scheduled for the December 25th meeting so the cancellation of the meeting would not adversely affect the scheduling of items.

FINANCIAL REVIEW

There is no financial impact related to the discussion item. Staff time was incurred in the preparation of this staff report.

CEQA / ENVIRONMENTAL

n/a

PUBLIC NOTICE PROCESS

This item has been noticed through the regular agenda notification process. Copies of this report are available at the City Hall public counter, at the Sierra Madre Public Library, and can be accessed on the City's website at www.cityofsierramadre.com.

Attachment:



City of Sierra Madre Agenda Report

Denise Delmar, Mayor
John Harabedian, Mayor Pro Tem
Rachelle Arizmendi, Council Member
John Capoccia, Council Member
Gene Goss, Council Member

Sue Spears, City Clerk
Michael Amerio City Treasurer

TO: Honorable Mayor and Members of the City Council

FROM: James Carlson, Management Analyst *JC*

REVIEWED BY: Gabriel Engeland, City Manager *GE*

DATE: October 23, 2018

SUBJECT: Resolution 18-54 in Opposition of Los Angeles County Measure W

STAFF RECOMMENDATION

Staff recommends that the City Council Adopt Resolution 18-54 in Opposition of Los Angeles County Measure W. This recommendation is based on the previous Council action of unanimously voting to oppose the County's action, by formal resolution, should it appear on the ballot for voter approval.

ALTERNATIVES

1. The City Council may amend Resolution 18-54 as presented and adopt.

SUMMARY

At the request of City Councilmember John Capoccia, staff presented a discussion item at the July 10, 2018 City Council meeting regarding the County of Los Angeles Safe, Clean Water Proposed Parcel Tax. At the conclusion of the discussion, there was general consensus to direct staff to return to City Council with a resolution in opposition of the parcel tax, if it was ultimately approved by the Los Angeles County Board of Supervisors at the July 17, 2018 Supervisors meeting.

The Board of Supervisors did approve the parcel tax to be included in the November 6, 2018 general election and it is now more commonly referred to as Measure W.

Staff has included Resolution 18-54 as **Attachment A** as well as the July 10, 2018 Sierra Madre City Council Agenda Report as **Attachment B**. Staff is also providing updates to the consideration in this report's analysis.

ANALYSIS

Foremost, the County Board of Supervisors did approve the placement of the Safe, Clean Water Program and parcel tax on the November Ballot. The vote was not unanimous, with Sierra Madre's representative supervisor (Barger) casting the lone dissenting vote. The program and its tax are now commonly referred to as the County's Measure W, and considerable outreach and education has been undertaken by staff at the County.

The previous Agenda Report included a detailed Draft Program Elements section. These elements were generally incorporated into the approved program with two changes that the Council should be aware of. At the July 10th meeting, staff listed the requirement contained in section III.B "Agreements for Transfer of SCW Program Funds" as an undue burden on local governments that would be using the funds for their projects. It essentially required all local governments to comply with Los Angeles County Purchasing policies. This requirement was removed at the last moment. Also, staff cited the incompleteness of the final details regarding 'credits' that could be applied to entities that have recently completed or are near to completing Low Impact Design features. These determinations are now complete.

There are still concerns about the technology to determine impermeable square footage of each and every parcel in the County; matched with what appears to be an inefficient appeal process. The program also has several layers of bureaucracy; specifically the "Steering" Committee, "Oversight" Committee, "Scoring" Committee, Technical Assistance Teams, and finally Watershed Coordinators. Staff believes small cities such as Sierra Madre have little chance to avoid loss of local control over the majority of the tax revenues.

FINANCIAL REVIEW

The Revised-Enhanced Watershed Management Plan that was submitted by the Rio Hondo/San Gabriel River Water Quality Group (Group) has not yet been approved by the Regional Water Quality Board. However staff believes that it will be approved by early 2019. Preliminary costs attributed to each of the participating cities have been estimated for the next four years. Sierra Madre's estimate as follows:

Year 1: \$40,000
Year 2: \$87,000
Year 3: \$132,000
Year 4: \$132,000

Staff has also received the estimated 'local' return should Measure W be approved at \$150,000 per year. In addition to the local returns, the regional funding for the Rio Hondo Watershed would be \$12million/year. These regional funds would be awarded to regional projects on a competitive basis (recall the layers of committees, etc) and Sierra Madre is among 18 cities split between two existing Enhanced Watershed Management Plan groups and a small number of individual plan holders.

PUBLIC NOTICE PROCESS

This item has been noticed through the regular agenda notification process. Copies of this report are available at the City Hall public counter, at the Sierra Madre Public Library, and can be accessed on the City's website at www.cityofsierramadre.com.

Attachments (2):

Attachment A: Resolution 18-54

Attachment B: 7.10.2018 City Council Agenda Report – Safe, Clean Water Program – Los Angeles County Special Parcel Tax

RESOLUTION NO. 18-54

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SIERRA MADRE, CALIFORNIA, OPPOSING THE COUNTY OF LOS ANGELES CLEAN, SAFE WATER PROGRAM – LOS ANGELES COUNTY MEASURE W.

WHEREAS, City of Sierra Madre recognizes the values of clean watersheds and has diligently worked towards clean water objectives in its local Rio Hondo River watershed; and

WHEREAS, the City of Sierra Madre has participated and will continue to work with neighboring communities as part of the Rio Hondo/San Gabriel River Water Quality Group to further clean watershed efforts; and

WHEREAS, the City of Sierra Madre's General Fund expenditures for stormwater related requirements is limited and will be severely inadequate for future expenditure estimates; and

WHEREAS, the City of Sierra Madre is committed to identify and obtain non-General Fund revenues to further work towards water quality objectives when the funds can be identified as reasonably efficient in their use and appropriateness; and when local control of Sierra Madre's tax revenues can be assured; and

WHEREAS, the City of Sierra Madre shares concerns with other Los Angeles County cities about the appropriateness of the 2012 MS4 regulations.

NOW, THEREFORE THE CITY OF SIERRA MADRE DOES HEREBY RESOLVE AS FOLLOWS:

SECTION 1. That the City of Sierra Madre is opposed to the Safe, Clean Water Program as approved by the Los Angeles County Board of Supervisors on July 17, 2018 and is opposed to the Los Angeles County Measure W on the November 6, 2018 ballot.

PASSED, APPROVED AND ADOPTED by the City Council of the City of Sierra Madre at the regular meeting of this 23rd day of October, 2018.

Denise Delmar, Mayor

ATTEST:

Sue Spears, City Clerk

STATE OF CALIFORNIA)
COUNTY OF LOS ANGELES) SS:
CITY OF SIERRA MADRE)

I, _____, City Clerk of the City of Sierra Madre, hereby certify that the foregoing Resolution No. 18-54 was adopted at a regular meeting of the City Council of the City of Sierra Madre held on this 23rd day of October 2018 by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:



City of Sierra Madre Agenda Report

Denise Delmar, Mayor
John Harabedian, Mayor Pro Tem
Rachelle Arizmendi, Council Member
John Capoccia, Council Member
Gene Goss, Council Member

Sue Spears, City Clerk
Michael Amerio City Treasurer

TO: Honorable Mayor Delmar and Members of the City Council

FROM: James Carlson, Management Analyst 

REVIEWED BY: Gabriel Engeland, City Manager 

DATE: July 10, 2018

SUBJECT: **SAFE, CLEAN WATER PROGRAM – LOS ANGELES COUNTY
PROPOSED SPECIAL PARCEL TAX**

SUMMARY

City Councilmember John Capoccia has asked for this subject to be brought to the City Council for discussion. For this report, staff is providing a summary and analysis of the Program's components. The June 29, 2018 Draft Program Elements from the County of Los Angeles has been included with this report as **Attachment A**. Staff has been informed this is the final draft of the Program, and there will not be any substantial changes before the County of Los Angeles Board of Supervisors take the item into consideration on July 17, 2018. Staff is seeking direction from the City Council.

Analysis

As stated in the proposed ordinance, this Program would adopt a special parcel tax within the Los Angeles County Flood Control District "to provide for increased storm water and Urban Runoff capture and reduced storm water and Urban Runoff pollution, and help put Los Angeles County of a path to water resiliency and economic security through equity-focused strategies and policies to increase drought preparedness, improve water quality and public health, create jobs, build capabilities, and remove barriers." The parcel tax will require two-thirds support.

The special parcel tax would be assessed at two and one-half cents (\$0.025) per square foot of impermeable surface upon all parcels located in the Flood Control District (exempting government owned parcels, Antelope Valley parcels, and low income/senior citizens as determined by the Board of Supervisors.)

The special parcel tax is estimated to bring in approximately \$300 million dollars per year. Fifty-percent would be used for regional projects, forty-percent would be allocated to municipal projects, and ten-percent would be used by the Flood Control District for administrative efforts and support of the program.

San Gabriel Valley Council of Governments Water Committee

Staff along with Councilmember Capoccia regularly attend the monthly SGVCOG Water Committee meetings, in which much time has been spent watching the evolution of the Safe, Clean Water Program. On May 9, 2018, the SGVCOG Board of Directors sent a comment letter to Chair Kuehl of the Los Angeles County Board of Supervisors (**Attachment B**).

Staff's Concerns with the Program

Staff shares many of the concerns expressed by the SGVCOG in their correspondence with the Board of Supervisors;

Technology – Flood Control District and County staff have indicated that they will be able to determine the square footage of impermeable surface on all affected parcels with the use of LIDAR technology (fly-over and microwaves or similar). Despite technical explanations and assurances from these representatives, the public will not be able to view this technology until "sometime in August" when they are expected to be able to zoom into their own parcel to get an estimate of their respective parcel tax. The program allows the parcel owners to seek a review with the Flood Control District's impermeable calculations if there is a mathematical error, or the discrepancy is greater than 10% of the impermeable square footage or \$50.00 in the annual tax amount, whichever is greater. Staff feels that this process alone could create great administrative challenges, even if the technology is extraordinary.

Local Control – In the early developments of this program, municipalities had a greater stake in the development. The Cities are bound by the Stormwater (MS4) Permit for compliance efforts and costs. During the development of the plan, many Committees and Sub-Committees were formed for various assistance and oversight. The "Watershed Area Steering Committees", of which there are now 9, are comprised of 17 members with only 7 members being from a City in the area. There is now a "Regional Oversight Committee" as well as a project "Scoring Committee" that are entirely appointed by the Board of Supervisors. The Flood Control District also brings "Technical Assistance Teams" in addition to "Watershed Coordinators" to administer the regional program.

Another cause for Staff's concern is included with **Attachment A**, "Safe, Clean Water Program Draft Program Elements" in section III. B. In the section titled "Agreements for Transfer of SCW Program Funds", certain projects will be required to conform to the Los Angeles County-Wide Project Labor Agreement as well as additional county-specific provisions including the Disabled Veteran Business Enterprise Preference Program, the Local Small Business Enterprise Preference Program, Woman-Owned Businesses Preference and a Social Enterprise Preference Program. Cities have State and Federal project requirements that should suffice, and recent similar County Measures (Measure M, Measure R) did not require individual Cities to comply with the County's buffet of project management requirements.

The Program is Complicated and Incomplete – This program has incorporated layers upon layers of granular details. From reporting and auditing requirements, confusing project scoring methodology and the yet, unfinished credit program which would take previous water quality efforts into account for the taxation, this Program will be very difficult to manage for many Cities.

Culver City – Clean Water, Clean Beach Parcel Tax

During the November 8, 2016 Special Municipal Election, Culver City residents voted on a municipal stormwater parcel tax. The results of the election surprised many in the stormwater community, as it was passed with 73.82% of the required two-thirds. The measure charges the following:

- \$99/year for single family residential parcel
- \$69/year per multi-family dwelling unit
- \$1096/year per acre of land or portion thereof for non-residential

The measure generates approximately \$2 million per year, and is the primary source for Culver City water quality projects as well as participation with the Ballona Creek Watershed EWMP. It is not clear at this time, however, the County's Safe, Clean Water Program will account for the few cities that have their own stormwater tax. Staff feels that this may be a better option for Sierra Madre, should the City Council find themselves in a position that additional revenue for stormwater compliance is necessary.

STAFF RECOMMENDATION

Staff is seeking direction from the City Council.

FINANCIAL REVIEW

The City is a member of the Rio Hondo/San Gabriel River Water Quality Group with the cities of Arcadia, Monrovia, Bradbury, Duarte, the Flood Control District, and Los Angeles County (representing unincorporated areas in the boundaries.) In order to remain in compliance with the 2012 Municipal Stormwater Permit (also "MS4" Permit), the Group submitted an Enhanced Watershed Management Plan (EWMP) which was approved by the Los Angeles Regional Water Quality Control Board on April 21, 2016. The estimated cost for implementing the plan over the next 11 years is \$1.4 Billion.

Over the past 18 months, the Group has engaged with Regional Water Control Board staff, hired a new technical experts (hydrology, biology, water modeling, etc.), and submitted a revised EWMP. The Plan is currently under review by the Regional Water Control Board with an expected October or November decision this year. The revised Plan projects a considerable savings from the \$1.4 Billion dollar figure, and as presented the estimated costs amount to \$95.5 Million plus potential land acquisition costs of \$100 Million over the next 10 years.

Staff feels that if the Clean, Safe Water Program is approved by the voters, funding would most likely be sufficient to pay for the revised EWMP by the target date of 2028. Staff feels that the regional projects in the revised EWMP would be very competitive in the Rio Hondo and Upper San Gabriel River regions.

Alternatively, a Culver City-model local fee would be more efficient and retain much more local control of our residents' tax dollars. A full rate study would be required to determine how far it could fund local project and contribute to regional projects that directly benefit Sierra Madre.

PUBLIC NOTICE PROCESS

This item has been noticed through the regular agenda notification process. Copies of this report are available at the City Hall public counter, at the Sierra Madre Public Library, and can be accessed on the City's website at www.cityofsierramadre.com.

Attachments (2)

Attachment A: June 29, 2018 Safe, Clean Water Program Draft Program Elements

Attachment B: May 9, 2018 Letter from SGVCOG to County Board of Supervisors Chair Sheila Kuehl.

SAFE, CLEAN WATER PROGRAM
Draft Program Elements

This document constitutes the Final Draft of the Safe, Clean Water Program Elements. The final document, to be considered by the Board of Supervisors on July 10, 2018, shall be published on July 3. We are providing this Final Draft today, prior to the statutory deadline, to allow for additional time for review in light of the July 4 holiday. No significant changes to this document are planned prior to July 3.

The draft Credit and Incentive Programs are still under discussion and are provided here in draft form. A final version of the Credit and Incentive Programs will be incorporated in the Program Elements published on July 3.

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I. Safe, Clean Water Program Goals

The Safe, Clean Water Program is a multi-benefit Stormwater and/or Urban Runoff capture Program intended to improve water quality in a manner that achieves additional benefits such as increasing water supply and investing in the health and well-being of Los Angeles County communities. The SCW Program helps put Los Angeles County on a path to water resiliency and economic security through strategies, projects, and policies that increase drought preparedness, improve the water quality of rivers, lakes, and streams, and ensure investment in improved quality of life, especially for communities most exposed to pollution and vulnerable to climate change.

The SCW Program Goals are:

- Improve water quality and contribute to attainment of water quality requirements.
- Increase drought preparedness by capturing more Stormwater and/or Urban Runoff to store, clean and reuse.
- Improve public health by preventing and cleaning up contaminated water, increasing access to open space, providing additional recreational opportunities, and helping communities mitigate and adapt to the effects of climate change through activities such as increasing shade and green space.
- Leverage other funding sources to maximize program goals.
- Invest in infrastructure that provides multiple benefits.
- Prioritize Nature-Based Solutions.
- Provide a spectrum of project sizes from neighborhood to regional scales.
- Encourage Innovation and adoption of new technologies and practices.
- Invest in independent scientific research.
- Provide funds such that each Municipality receives benefits in proportion to the funds generated within their jurisdiction.
- Provide Disadvantaged Community (DAC) Benefits in proportion to the DAC population in the County.
- Implement an iterative planning and evaluation process to ensure adaptive management.

II. Definitions

The following definitions apply to this SCW Program Elements document:

Auditor: Auditor-Controller of the County of Los Angeles.

Board of Supervisors: Los Angeles County Board of Supervisors acting as the governing body of the Los Angeles County Flood Control District.

Census Block Group: As defined by the United States Census Bureau, a Census Block Group is a statistical division of census tracts, which are generally defined to contain between 600 and 3,000 people and are used to present data and control block numbering. A block group consists of clusters of blocks within the same census tract. A block group usually covers a contiguous area. Each census tract contains at least one block group, and block groups are uniquely numbered within the census tract.

Chief Engineer: Chief Engineer of the District or his/her authorized deputy, agent, or representative.

Community Investment Benefit: Benefit created in conjunction with Stormwater Capture and reduced Stormwater and/or Urban Runoff pollution Projects and Programs as stated in AB 1180, including but not limited to: improved flood management, conveyance, and flood risk mitigation; creation, enhancement and/or restoration of parks, habitat and/or wetlands; improved public access to waterways; enhanced or new recreational opportunities; and greening of schools. May also include a benefit to the community derived from a Project or Program that improves public health by reducing heat island effect, increasing shade, and/or planting of trees and other vegetation that increase carbon reduction/sequestration and improve air quality.

County: County of Los Angeles.

DAC Benefit: A Water Quality Benefit, Water Supply Benefit, and/or Community Investment Benefit located in a DAC or providing benefits directly to a DAC population. Benefits may be achieved by Projects, Programs and/or policies including those that promote living-wage jobs and job training; credit and incentive Programs; technical assistance and capacity building; and education Programs. For purposes of evaluating whether a Project or Program provides benefit to a DAC, benefits will be measured by a variety of means including wages paid to workers constructing or maintaining Projects who reside in DACs; credit and incentives for properties located in DACs; funds expended for technical assistance and capacity building paid to individuals and organizations located in DACs; and the amount expended for construction, operations and maintenance of Multi-Benefit Projects located in a DACs or providing benefits directly to a DAC.

Disadvantaged Community (DAC): A community defined by a Census Block Group with an annual median household income of less than 80 percent of the Statewide annual median household income (as defined in California Water Code §79505.5).

District: Los Angeles County Flood Control District.

District Program: Part of the SCW Program as described in Section 2, subsection 8b(A) of the Flood Control Act.

Feasibility Study: A detailed technical investigation and report that is conducted to determine the feasibility of a proposed Project. At a minimum, a Feasibility Study must provide: a description of the Project and its objectives; an estimate of the benefits provided (determined through best engineering estimates and modeling as appropriate); a preliminary lifecycle cost estimate and schedule required to design, construct, operate and maintain the Project (including land acquisition costs); a historical background for the Project site location; a review of effectiveness of similar types of Projects already constructed; an engineering analysis of site conditions (e.g. soil sampling, preliminary hydrology report, site layout, utility search, environmental impacts, etc.); an assessment of potential CEQA and permitting challenges; details for how operations and maintenance will be carried out; a plan to address and incorporate stakeholder input on the Project; and a summary of any legal requirements or obligations that may arise as a result of constructing the Project. The District will provide guidance on the minimum requirements, as well as a template for Feasibility Studies.

Flood Control Act: Los Angeles County Flood Control Act, as amended by Assembly Bill (AB) 1180 (Holden, 2017).

Impermeable Area: Parcel area covered by materials or constructed surfaces, such as buildings, roofs, awnings, roadways, sidewalks, driveways, parking lots, brick, asphalt, concrete, pavers, covers, slabs, sheds, pools, fountains, and other constructed surfaces. Impermeable Areas do not include permeable surfaces such as vegetated or natural areas, grasses, bushes, shrubs, lawns, bare soil, tree canopy, natural water bodies, wetland areas, gravel, gardens and planters on bare soil, rocky shores, and other natural areas.

Multi-Benefit Project: A Project that has a Water Quality Benefit as well as either or both a Water Supply Benefit and Community Investment Benefit.

Municipal Program: Part of the SCW Program as described in Section 2, subsection 8b(B) of the Flood Control Act.

Municipal Program Project: A Project carried out through the Municipal Program that has a Water Quality Benefit. A Municipal Program Project may also be a Multi-Benefit Project.

Municipality: A city or a County unincorporated area within the District.

Nature-Based Solutions: Projects that utilize natural processes which slow, detain, infiltrate, and/or filter Stormwater and/or Urban Runoff. These methods may include: relying predominantly on soils and vegetation; increasing permeability of Impermeable Areas; protecting undeveloped mountains and floodplains; creating and restoring riparian habitat and wetlands; creating rain gardens, bioswales, and parkway basins; and enhancing soil through composting, mulching, planting trees and vegetation, with preference for native species. Nature-Based Solutions may also be designed to provide additional benefits such as: sequestering carbon, supporting biodiversity, providing shade, and improving quality of life for surrounding communities. Nature-Based Solutions include Projects that mimic natural processes, such as green streets, spreading grounds, and planted areas with water storage capacity.

Parcel: A Parcel of real property situated within the established boundaries of the District, as shown on the latest equalized assessment roll of the County and identified by its Assessor's Parcel Number, and that is tributary to a receiving water as identified in the Water Quality Control Plan for the Los Angeles Region as of January 1, 2018. Parcel shall not include a possessory interest based on a private, beneficial use of publicly owned real property.

Program: A planned, coordinated group of activities designed to further one or more goals of the SCW Program.

Project: The development of Stormwater and/or Urban Runoff infrastructure designed to further the goals of the SCW Program, including the design, preparation of environmental documents, obtaining applicable permits, construction, inspection, operation and maintenance, and similar activities.

Project Applicant: Any entity, which could include but not be limited to an individual, group, business or governmental entity including but not limited to a Municipality, public utility, special district, school, community-based organization, non-governmental organization, non-profit organization, corporation, federally recognized Indian tribe, state Indian tribe listed on Native American Heritage Commission's California Tribal Consultation List or mutual water company that submits a Project or Feasibility Study for consideration.

Project Developer: The entity that carries out or causes to be carried out part or all the actions necessary to complete a Project. The Project Applicant may or may not be the Project Developer.

Regional Oversight Committee (ROC): A body empaneled by the Board of Supervisors whose responsibilities are to assess whether the SCW Program is implemented in accordance with the ordinance, Program Elements, and other implementing documents, and is achieving SCW Program goals.

Regional Program: Part of the SCW Program as described in Section 2, subsection 8b(C) of the Flood Control Act. The Regional Program includes subprograms: Infrastructure Program, Technical Resource Program, and Scientific Studies Program.

Safe, Clean Water (SCW) Program: Program or system established to administer revenues from a tax levied pursuant AB 1180, including criteria and procedures for selecting and implementing Projects and allocating revenues among the Municipal, Regional and District Programs.

Stakeholder: A person, Municipality, citizens' group, homeowner or other property-owner, business, NGO, social justice group, health advocate, local park representative, school board member, environmental group, labor union, academic institution, neighborhood council, town council or other similar community group, water resources agency such as groundwater pumper or manager, private or public water agency, other government agency, or other interested party that has a direct or indirect interest in the SCW Program.

Stormwater: Water that originates from atmospheric moisture (rainfall or snowmelt) and falls onto land, water, and/or other surfaces.

Stormwater Investment Plan: A five (5) year plan developed by Watershed Area Steering Committees that programs funding for Projects in the Regional Program's Technical Resources Program, Infrastructure Program, and Scientific Studies Program.

Surface Water: Water that flows or collects on the surface of the ground.

Threshold Score: A minimum score that Projects must meet or exceed in order to be eligible for Infrastructure Program funding. The initial recommendations for the Threshold Score is sixty (60) points.

Urban Runoff: Surface water flow that may contain but is not entirely comprised of Stormwater, such as water flow from residential, commercial, and industrial activities.

Water Quality Benefit: Reduction in Stormwater and/or Urban Runoff pollution such as improvements in the chemical, physical, and biological characteristics of Stormwater and/or Urban Runoff in the District. Activities resulting in this benefit include but are not limited to: infiltration or treatment of Stormwater and/or Urban Runoff, non-point source pollution control, and diversion of Stormwater and/or Urban Runoff to sanitary sewer system

Water Supply Benefit: Increase in the amount of locally available water supply, provided there is a nexus to Stormwater and/or Urban Runoff capture. Activities resulting in this benefit include but are not limited to the following: reuse and conservation practices, diversion of Stormwater and/or Urban Runoff to sanitary sewer system for direct or indirect water recycling, increased groundwater replenishment, storage or available yield, offset of potable water use. Water Supply Benefit created through the SCW Program is subject to applicable adjudicated judgments of water rights.

Watershed Area: Regional boundary formed considering hydrologic conditions, as well as Enhanced Water Management Plan (EWMP) group boundaries. Each Watershed Area has its own Watershed Area Steering Committee.

Watershed Area Steering Committees: The nine (9) bodies empaneled by the Board of Supervisors, one for each Watershed Area, whose responsibilities are to program funding for the Regional Program.

III. General SCW Program Requirements

A. Authority and Allocation of Revenues

The Board of Supervisors shall annually levy a tax upon the taxable Parcels within the District. The revenues from the tax will be allocated and used, in accordance with the provisions of Section 2, subsection 8b of the Flood Control Act as follows:

- **District Program:** *“(A) Ten percent shall be allocated to the district for implementation and administration of projects and programs described in subsection 8a, and for payment of the costs incurred in connection with the levy and collection of the tax, fee, or charge and the distribution of the funds generated by imposition of the tax, fee, or charge, in accordance with the procedures established by the ordinance adopted pursuant to subsection 8c.”*
- **Municipal Program:** *“(B) Forty percent shall be allocated to cities within the boundaries of the district and to the County of Los Angeles, in the same proportion as the amount of revenues collected within each jurisdiction and within the unincorporated territories, to be expended by those cities within the cities’ respective jurisdictions and by the County of Los Angeles within the unincorporated territories that are within the boundaries of the district, for the implementation, operation and maintenance, and administration of projects and programs described in subsection 8a, in accordance with the procedures established by the ordinance adopted pursuant to subsection 8c.”*
- **Regional Program:** *“(C) Fifty percent shall be allocated to pay for the implementation, operation and maintenance, and administration of watershed-based projects and programs described in subsection 8a, including projects and programs identified in regional plans such as stormwater resource plans developed in accordance with Part 2.3 (commencing with Section 10560) of Division 6 of the Water Code, watershed management programs developed pursuant to waste discharge requirements for municipal separate storm sewer system (MS4) discharges within the coastal watersheds of the County of Los Angeles, issued by the Los Angeles Regional Water Quality Control Board, and other regional water management plans, as appropriate, in accordance with the procedures established by the ordinance adopted pursuant to subsection 8c.”*

Requirements for use of funds within the District, Municipal, and Regional Programs are discussed in their respective sections of this document.

B. Agreements for Transfer of SCW Program Funds

SCW Program funds will be transferred to Municipalities and Project Developers in advance of eligible expenditures being made. Prior to their receipt of SCW Program funds, Municipalities and Project Developers must enter into an agreement with the District to transfer SCW Program funds. The fund transfer agreement will require recipients of funds to comply with the requirements of the SCW Program and other appropriate provisions established by the Board of Supervisors. A standard agreement will be prepared by the Chief Engineer and approved by the Board of Supervisors, including but not limited to:

- a. Requirements for compliance with the terms of the SCW Program.

- b. Provisions, as necessary, to provide clarity and accountability in the use of SCW Program funds.
- c. Provisions, processes, and schedules for disbursement of funds.
- d. Project parameters such as schedule, budget, scope, and benefits.
- e. Provisions for management of interest funds, debt, liability, and obligations.
- f. Provisions for indemnification of the District.
- g. Requirements for auditing and Annual or Quarterly Progress/Expenditure Reports.
- h. With respect to a Project funded with SCW Program funds through the Regional Program, if the Project has an estimated capital cost over \$25 million, the Project Developer for such a Project shall require that all contractors performing work on such a Project be bound by the provisions of: (1) a County-wide Project Labor Agreement (County PLA), if such an agreement has been successfully negotiated between the County and the Trades and is approved by the Board of Supervisors, or (2) a PLA mirroring the provisions of such County PLA.
- i. With respect to a Project funded with SCW Program funds through the Regional Program, if one or more of the Municipalities that is a financial contributor to a Project has its own PLA, the Project Developer for the Project shall require that contractors performing work on the Project are bound to such PLA.
- j. With respect to all Regional Program Projects funded with SCW Program funds, the Project Developer for such a Project shall apply and enforce provisions mirroring those set forth in the then-current version of the County's Local and Targeted Worker Hire Policy (LTWHP), adopted by the Board of Supervisors on September 6, 2016, as to contractors performing work on such a Project. Alternatively, if the Project Developer is a Municipality and has adopted its own policy that is substantially similar to the LTWHP, the Project Developer may, at its election, choose to apply and enforce the provisions of its own such policy as to contractors performing work on such a Project in lieu of the provisions of the LTWHP.
- k. With respect to all Regional Program Projects funded with SCW Program funds, the Project Developer for such a Project shall apply and enforce provisions mirroring those set forth in County Code Chapter 2.211 (Disabled Veteran Business Enterprise Preference Program), County Code Chapter 2.204 (Local Small Business Enterprise Preference Program), and County Code Chapter 2.205 (Social Enterprise Preference Program), as to contractors performing work on such a Project, subject to statutory authorization for such preference program(s), and subject to applicable statutory limitations for such preference(s); and, furthermore, the Project Developer implementing such a Project shall take actions to promote increased contracting opportunities for Women-Owned Businesses on such a Project, subject to applicable State or federal constitutional limitations.
- l. Requirements for post-construction/implementation monitoring as appropriate.

C. Eligible Expenditures

Expenditures eligible for SCW Program funds include, but are not limited to, the following:

- a. The development of Feasibility Studies to enable interested parties to submit Projects for SCW Program funds.

- b. Infrastructure development tasks including design, preparation of environmental documents, obtaining permits, construction, operations & maintenance (O&M), inspection, and similar activities.
- c. Operation and maintenance of Projects.
- d. Water quality and/or regional resilience planning
- e. Real property acquisition, leases, and easements necessary to implement eligible Projects.
- f. Scientific and technical studies such as Stormwater and/or Urban Runoff modeling and monitoring.
- g. Projects or studies to investigate new technologies or methodologies to increase Stormwater and/or Urban Runoff Capture and reduce Stormwater and/or Urban Runoff pollution for improving water quality, increasing local water supplies, or improving the ability of communities to adapt to the impacts of climate change.
- h. The modification, upgrade, retrofit, or expansion of an existing Project to incorporate new elements to increase Stormwater and/or Urban Runoff Capture and reduce Stormwater and/or Urban Runoff pollution to provide additional Water Quality Benefit, Water Supply Benefit, and/or Community Investment Benefit.
- i. Debt financing, should the District or a Municipality determine that bonds or loans are prudent and necessary to implement Projects. Watershed Area Steering Committees may request the District to issue a bond for their Watershed Area's revenue stream for Regional Projects.
- j. Programs such as but not limited to school education and curriculum, public education, watershed coordinators, technical assistance teams, regional water quality planning and coordination, local workforce job training, and others
- k. Administration and implementation of the SCW Program.
- l. Maintenance of Effort: Use of up to 30% annually of a Municipality's Municipal Program funds to pay for SCW Program eligible activities commenced before the election date of the SCW Program Tax. O&M activities for Projects built to comply with the 2012 Los Angeles MS4 Permit or 2014 Long Beach MS4 Permit are not subject to the 30% limitation so long as they comply with Municipal Program requirements.
- m. Stormwater and/or Urban Runoff residential and/or commercial retrofit Programs.

D. Ineligible Expenditures

Ineligible expenditures for SCW Program funds include, but are not limited to, the following:

- a. Payment of fines imposed by any State, Federal, or local regulatory agency.
- b. Expenditures related to the investigation, defense, litigation, or judgment associated with any regulatory permit violations, notices of violation, or noncompliance with regulations brought forth by any State, Federal, local regulatory agency, or a third party unrelated to eligible Projects.
- c. Expenditures for the investigation or litigation of any claim or action against the District, County, or their officers, employees or agents alleging improper allocation, withholding or reassignment of SCW Program revenues.

- d. Costs associated with any litigation including investigation, defense, litigation, settlement, and payment of any judgements for claims and liability related to the design and implementation of eligible Projects.

IV. Regional Program

A. Regional Program Fund Allocation

Fifty (50) percent of the revenue from the tax is allocated for the Regional Program pursuant to the Flood Control Act section 2, subsection 8b(C). The Regional Program will consist of three (3) Programs:

- Infrastructure Program (not less than 85% of Regional Program funds)
- Technical Resources Program (up to 10% of the Regional Program funds)
- Scientific Studies Program (up to 5% of Regional Program funds)

Infrastructure Program

The objective of the Infrastructure Program is to plan, build, and maintain Multi-Benefit watershed-based Projects that have a Water Quality Benefit as well as either or both a Water Supply Benefit and Community Investment Benefit.

Infrastructure Program funds:

- Shall be spent on post-Feasibility Study activities such as: design, permits, CEQA compliance, right-of-way and land acquisition, construction, O&M, associated staffing costs, and other related eligible activities. Development of Feasibility Studies is funded through the Technical Resources Program.
- Shall be programmed by the nine (9) Watershed Area Steering Committees proportional to the funds generated in each Watershed Area.
- Shall be programmed such that each Municipality receives benefits in proportion to the funds generated within their jurisdiction, after accounting for allocation of the 110% return to DACs, to be evaluated over a ten (10) year period.
- Shall be programmed such that a spectrum of Project types and sizes are implemented throughout the region, to be evaluated over a five (5) year period.
- Shall be programmed such that Nature-Based Solutions are prioritized.
- Shall be allocated such that funding for Projects that provide DAC Benefits be not less than 110% of the ratio of the DAC population to the total population in each Watershed Area.

Table 1. Disadvantaged Community Population by Watershed

Watershed Area	Population*	DAC Population*	Percent DAC
Central Santa Monica Bay	1,757,708	885,846	50%
Lower Los Angeles River	895,933	607,650	68%
Lower San Gabriel River	903,045	177,905	20%
North Santa Monica Bay	71,764	0	0%
Rio Hondo	744,634	259,860	35%
Santa Clara River	286,114	23,753	8%
South Santa Monica Bay	1,003,438	342,049	34%
Upper Los Angeles River	2,969,577	1,496,863	50%
Upper San Gabriel River	1,015,552	218,467	22%
Total	9,647,765	4,012,392	42%

*These figures are based on the 2016 US Census and will be updated periodically.

The following parameters shall apply to the Infrastructure Program:

- A Feasibility Study is required before a Project can be submitted for consideration for funding. Projects that may already have Feasibility Study level information shall be considered functionally equivalent. Projects with functionally equivalent Feasibility Study level information will not need to conduct an additional Feasibility Study as long as the information and metrics available are conducive to scoring by the Infrastructure Program Scoring Criteria. The District will provide guidance on the minimum requirements, as well as a template for Feasibility Studies.
- Projects may receive funding for any post-Feasibility Study phase. Projected and actual O&M costs for Projects are to be considered and included in the Infrastructure Program to ensure that Projects are properly maintained.
- Project Developers are responsible to carry out the actions necessary to complete a Project that is selected for funding.
- Project Applicants must demonstrate technical, financial, and other necessary capabilities to be the Project Developer. If the Project Applicant is unable to be the Project Developer for any aspect of a Project, the District may take on that role for the Project.
- Applicants are encouraged to bundle small and medium scale, community level Projects to promote efficiency, achieve economies of scale and advance local hire and job training goals.
- Project Developers may utilize a construction authority to implement Projects.
- Projects must be designed for a minimum useful life of thirty (30) years. O&M of Projects constructed with Infrastructure Program funds may be funded by the Infrastructure Program for the useful life span of the Project, even if only a portion of the initial capital costs were funded by the Infrastructure Program.
- Projects commenced before the election date of the SCW Program consistent with the SCW Program but constructed using non-Infrastructure Program funds may receive Infrastructure Program funds for O&M.

- Funding for O&M of Projects must include an O&M plan that includes the required maintenance activities for the life of the project and minimum required expertise and training to perform the maintenance. The O&M plan shall identify and include a commitment from the agency(ies) that will be responsible for the maintenance and their specific roles.
- Projects must be included in an approved water quality plan such as E/WMPs and their updates, Integrated Regional Water Management Plans, or other approved water quality plans. Projects can be part of a programmatic EIR, but it is not a requirement. Projects will be scored by the Scoring Committee.

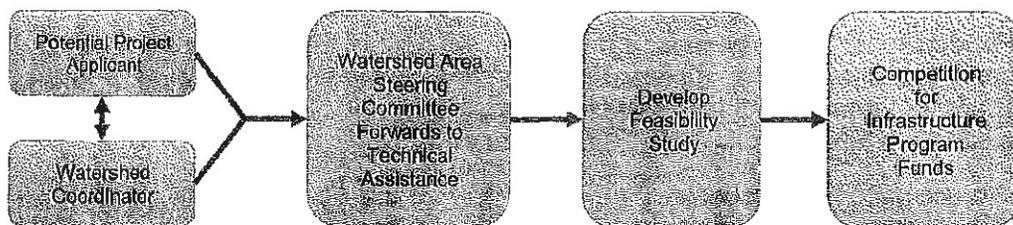
Technical Resources Program

The objective of the Technical Resources Program is to provide resources for the development of Feasibility Studies through support from Technical Assistance Teams; and provide Watershed Coordinators to educate and build capacity in communities and facilitate community and stakeholder engagement. The Technical Resources Program funds shall be allocated to support achievement of SCW Program goals as articulated in Section I. The Technical Resource Program will provide services to and be funded by the Regional Program. Watershed Area Steering Committees will determine how to appropriate funds for the Technical Resources Program.

Technical Assistance Teams

- The District will provide Technical Assistance Teams comprised of subject matter experts in Stormwater and/or Urban Runoff infrastructure design, hydrology, soils, Nature-Based Solutions, green infrastructure, Stormwater and/or Urban Runoff quality, water supply, recreation, open space, community needs, and other areas. The Watershed Area Steering Committees will decide which Project concepts will be forwarded to the Technical Assistance Teams for development. The Technical Assistance Teams will complete Feasibility Studies in partnership with and on behalf of Municipalities, CBOs, NGOs, and others who may not have the technical resources or capabilities to develop Feasibility Studies.
- The Technical Resources Program funds the development of Project Feasibility Studies. Technical Assistance Teams will work with the necessary parties to add the Projects for which there are completed Feasibility Studies to an eligible water quality plan, assist in acquiring a letter of support for non-Municipal Project Applicants, and addressing other prerequisites to apply to the Infrastructure Program. Upon completion, Feasibility Studies shall be submitted to the Watershed Area Steering Committees for consideration.
- The Technical Assistance Teams will be funded through the Technical Resource Program.

Figure 1. Technical Assistance Process



Watershed Coordinators

- In addition to working with Technical Assistance Teams to bring resources to potential Project Applicants, Watershed Coordinators will also:
 - Provide leadership in community outreach efforts related to watershed planning.
 - Work with Municipalities and stakeholders to identify and develop Project concepts that may be elevated to the Watershed Area Steering Committees and Technical Assistance Teams to assist with development of Feasibility Studies.
 - Facilitate collaborative decision-making between private and public entities to develop and implement actions that best address community issues.
 - Identify cost-share partners such as local water agencies, conservancies, transportation agencies.
 - Identify and help leverage and secure additional funding including state bond funds, transportation funding such as Measure M, parks funding such as Measure A, and others.
 - Reach out to Municipalities, community groups, and other watershed stakeholders to ensure diverse perspectives are included in planning and implementation of the Regional Program.
 - Integrate community, Municipality, and regional priorities through partnerships and extensive networks.
 - Educate local stakeholders through public outreach events such as workshops, demonstrations, community forums and restoration activities.
- Not less than one Watershed Coordinator will be funded from Technical Resource Program funds for each Watershed Area plus one additional Watershed Coordinator for each one-million of population.
- The District shall provide a list of eligible Watershed Coordinators; Watershed Area Steering Committees shall select Watershed Coordinators from the eligible list.
- The Watershed Coordinators will be funded through the Technical Resource Program.

Table 2. Watershed Coordinator Breakdown

Watershed Area	Total Population*	Watershed Coordinators
Central Santa Monica Bay	1,757,708	2
Lower Los Angeles River	895,933	1
Lower San Gabriel River	903,045	1
North Santa Monica Bay	71,764	1
Rio Hondo	744,634	1
Santa Clara River	286,114	1
South Santa Monica Bay	1,003,438	1
Upper Los Angeles River	2,969,577	3
Upper San Gabriel River	1,015,552	1

*These figures are based on the 2016 US Census and will be updated periodically.

Scientific Studies Program

The objective of the Scientific Studies Program is to provide funding for eligible scientific and other activities, such as but not limited to: scientific studies, technical studies, monitoring, modeling, and other similar activities. Watershed Area Steering Committees will determine how to appropriate funds for the Scientific Studies Program. The District will administer the Scientific Studies Program and will seek to utilize independent research institutions or academic institutions to carry out or help design and peer review activities carried out by other entities. All activities funded by the Scientific Studies Program shall be conducted in accordance with accepted scientific protocols.

B. Stormwater Investment Plans

Regional Program funds shall be programmed by each Watershed Area Steering Committee via Stormwater Investment Plans. Stormwater Investment Plans shall be formatted substantially similar to the table below. The table reflects the first budget submittal for the Regional Programs starting in fiscal year 2020-21. Each subsequent annual submittal of the Stormwater Investment Plan shall reflect funds programmed for the next five (5) years.

Table 3. Stormwater Investment Plan Budget Template

	FY 2020-2021	FY 2021-2022	FY 2022-2023	FY 2023-2024	FY 2024-2025
	Budget	Projection	Projection	Projection	Projection
PROJECT – FEASIBILITY STUDY DEVELOPMENT					
TECHNICAL RESOURCES PROGRAM (up to 10%)					
Feasibility Studies/Concepts					
Watershed Coordinators					
Technical Assistance Team/Feasibility Study					
Technical Assistance Team/Feasibility Study					
PROJECT – POST-FEASIBILITY STUDY					
INFRASTRUCTURE PROGRAM (not less than 85%)					
Design/Permits/CEQA Budget					
Project					
Project					
Project					
Right of Way Acquisition Budget					
Project					
Project					
Project					
Construction					
Project					
Project					
Project					
O&M					
Project					
Project					
Project					
NON-PROJECT ACTIVITIES					
SCIENTIFIC STUDIES PROGRAM (Up to 5%)					
Special Studies					
Project					
Project					
Monitoring					
Project					
TOTAL =					

Funding Allocations for Projects and Programs

Watershed Area Steering Committees will assign funding for Regional Projects and Programs in the Technical Resources Program, Infrastructure Program, and Scientific Studies Program. Projects and Programs will be given conditional funding approval for their entire budget, including O&M if applicable. Funding will be transferred to Project Developers in annual increments subject to the Project meeting the schedule, budget, scope and benefit terms outlined in the transfer agreement.

Quarterly, the suite of Projects and Programs included in the Stormwater Investment Plans shall be evaluated by the corresponding Watershed Area Steering Committees using the information provided in the Quarterly Expenditure/Progress Report. Watershed Area Steering Committees will verify that the Project schedule, budget, scope and benefits have not significantly changed and are consistent with the transfer agreement. Projects that run over budget, are behind schedule, or reduce scope or benefits may be subject to loss of funding.

C. Regional Program Quarterly Progress/Expenditure Reports

Project Developers receiving Infrastructure Program funds and the District, on behalf of the Technical Resources and Scientific Studies Program, shall arrange for a Quarterly Progress/Expenditure Report for all Projects and Programs. The Project Developer shall be subject to and comply with all applicable requirements of the District regarding Project-reporting requirements. The Quarterly Progress/Expenditure Report details:

- Percent complete estimate.
- SCW Program funds expended.
- Documentation that the SCW Program funds were used for eligible expenditures.
- Discussion of work accomplished during the reporting period.
- Milestones or deliverables completed/submitted during the reporting period.
- Scheduling concerns and issues encountered that may delay completion of the task.
- Work anticipated for the next reporting period.
- Photo documentation, as appropriate.
- Any anticipated schedule or budget modifications.
- Additional information as necessary.

Annually, Quarterly Progress/Expenditure Reports shall include a quantification of the Water Quality Benefits, Water Supply Benefits, and Community Investment Benefits achieved. The annual report shall also include a summary of how funds have been allocated to achieve SCW Program Goals as articulated in Section I for the prior year.

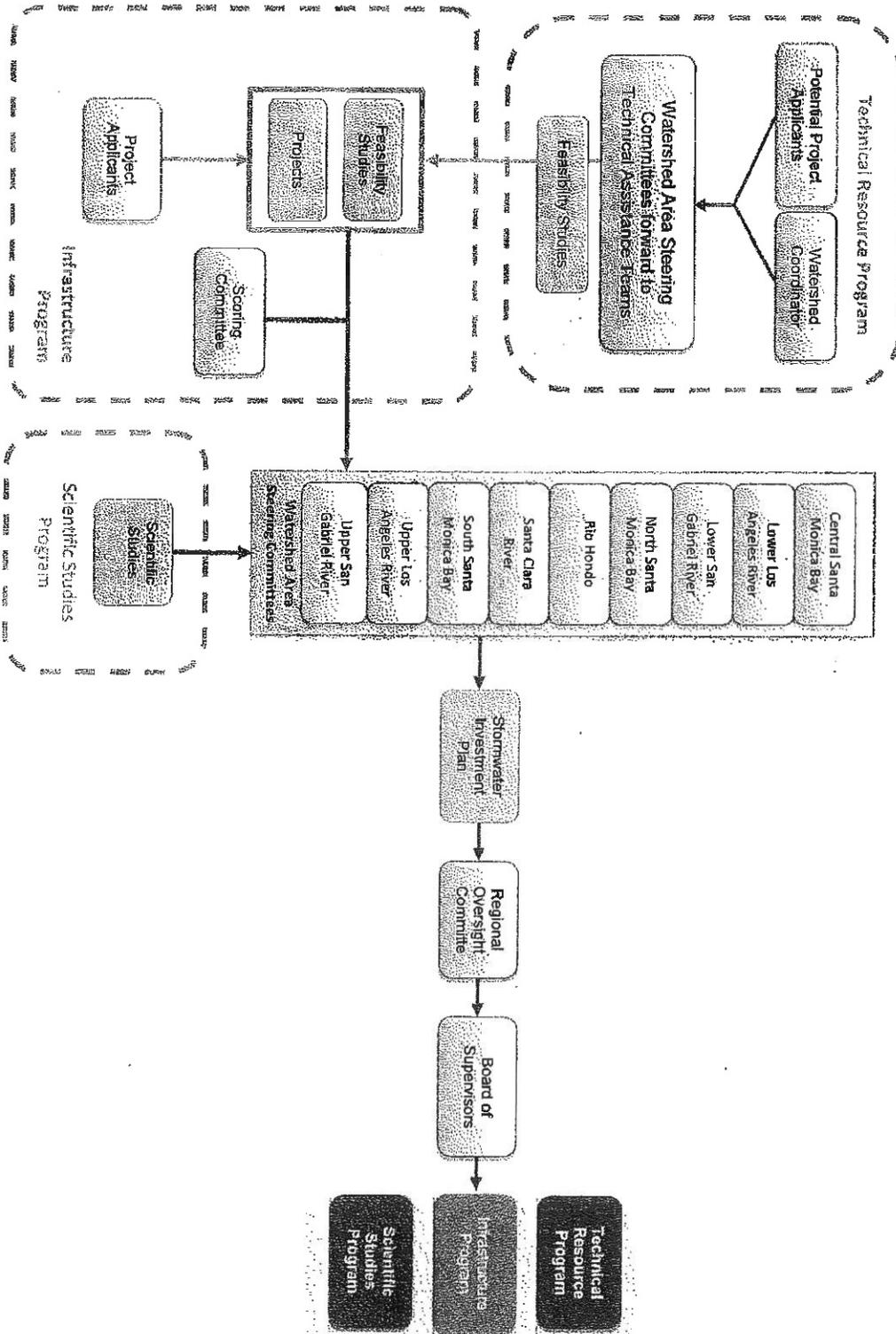
D. Regional Program Governance Structure and Selection Process

A procedure is established for the funding for the Infrastructure, Technical Resources, and Scientific Studies Programs.

Annually, these steps will occur:

- Step 1:
 - Board of Supervisors, via the District, prepares a five (5) year revenue forecast for each Watershed Area.
- Step 2
 - District, on behalf of the Watershed Area Steering Committees, initiates a request for Projects to be funded through the Infrastructure, Technical Resources, and Scientific Studies Programs.
 - Watershed Area Steering Committees forward select Projects and Feasibility Studies received to the Scoring Committee. Scoring Committee scores these Projects and Feasibility Studies and applies a Threshold Score.
 - Scoring Committee returns all scored Projects and Feasibility Studies to the Watershed Area Steering Committee.
- Step 3
 - Watershed Area Steering Committee reviews Projects and Feasibility Studies and prepares a Stormwater Investment Plan which programs funds for the Infrastructure, Technical Resources, and Scientific Studies Programs.
- Step 4
 - Watershed Area Steering Committee submits the Stormwater Investment Plan to the Regional Oversight Committee (ROC). For details on the membership of the ROC.
 - The ROC reviews the Stormwater Investment Plans and makes a recommendation to the Board of Supervisors.
- Step 5
 - Board of Supervisors considers approval of the Stormwater Investment Plans. Board of Supervisors may return Stormwater Investment Plans to the Watershed Area Steering Committees for further revision.
- Step 6
 - Project Developers enter into an agreement with the District to transfer annual funding allocations.

Figure 2. Regional Program Governance Structure and Selection Process Flowchart



E. Regional Program: Initial Year Events

Should voters approve the SCW Program tax in November 2018, the following schedule of events will occur:

- Winter 2018
 - Formation of Watershed Area Steering Committees, the Regional Oversight Committee, and Scoring Committee.
 - Initiation of Technical Assistance Teams and Watershed Coordinators.
 - Initiation of District administered Stormwater and/or Urban Runoff Programs.
- Spring 2019
 - District, on behalf of the Watershed Area Steering Committees, initiates a request for Projects to be funded through the Infrastructure, Technical Resources, and Scientific Studies Programs.
 - Watershed Area Steering Committee forwards select Projects to the Scoring Committee
 - Scoring Committee scores and forwards results to the Watershed Area Steering Committees.
 - Watershed Area Steering Committees prepare Stormwater Investment Plans including budgets for Projects in the Infrastructure, Technical Resources, and Scientific Studies Programs.
 - Develop an evaluation process to quantify Water Quality Benefits, Water Supply Benefits, and other benefits of Nature-Based Solutions for proposed Projects.
 - Develop adaptive management protocols to ensure that SCW Program goals are met.
- Summer 2019
 - Regional Oversight Committee reviews Stormwater Investment Plans and provides a recommendation to the Board of Supervisors.
- Fall/Winter 2019
 - Board of Supervisors considers approval of the Stormwater Investment Plans.
 - District executes agreements for transfer of funds to begin implementation of Projects.
- Beginning of 2020
 - First installment of the tax will be available.
 - District transfers funds to Project Developers.

F. Eligible Project Applicants

A Project Applicant can be any entity, which could include but not be limited to an individual, group, business or governmental entity including but not limited to a Municipality, public utility, special district, school, community-based organization, non-governmental organization, non-profit organization, corporation, federally recognized Indian tribe, state Indian tribe listed on Native American Heritage Commission's California Tribal Consultation List or mutual water company that submits a Project or Feasibility Study for consideration. Non-Municipal Project Applicants are required to secure a Municipal letter of support, from the Municipality(ies) within which the Project is located, to receive funding through the Infrastructure Program.

G. Boundaries of the Watershed Areas

The Chief Engineer will maintain on file detailed maps establishing the precise boundaries of the Watershed Areas. The boundaries of the Watershed Areas are based on hydrologic conditions and modified to keep E/WMP groups whole, wherever practical. The Watershed Area boundaries may be updated as necessary.

There are nine (9) Watershed Areas within the District, as shown in Figure 3 and Figure 4.

Figure 3. Regional Watershed Area Boundaries with City Boundaries

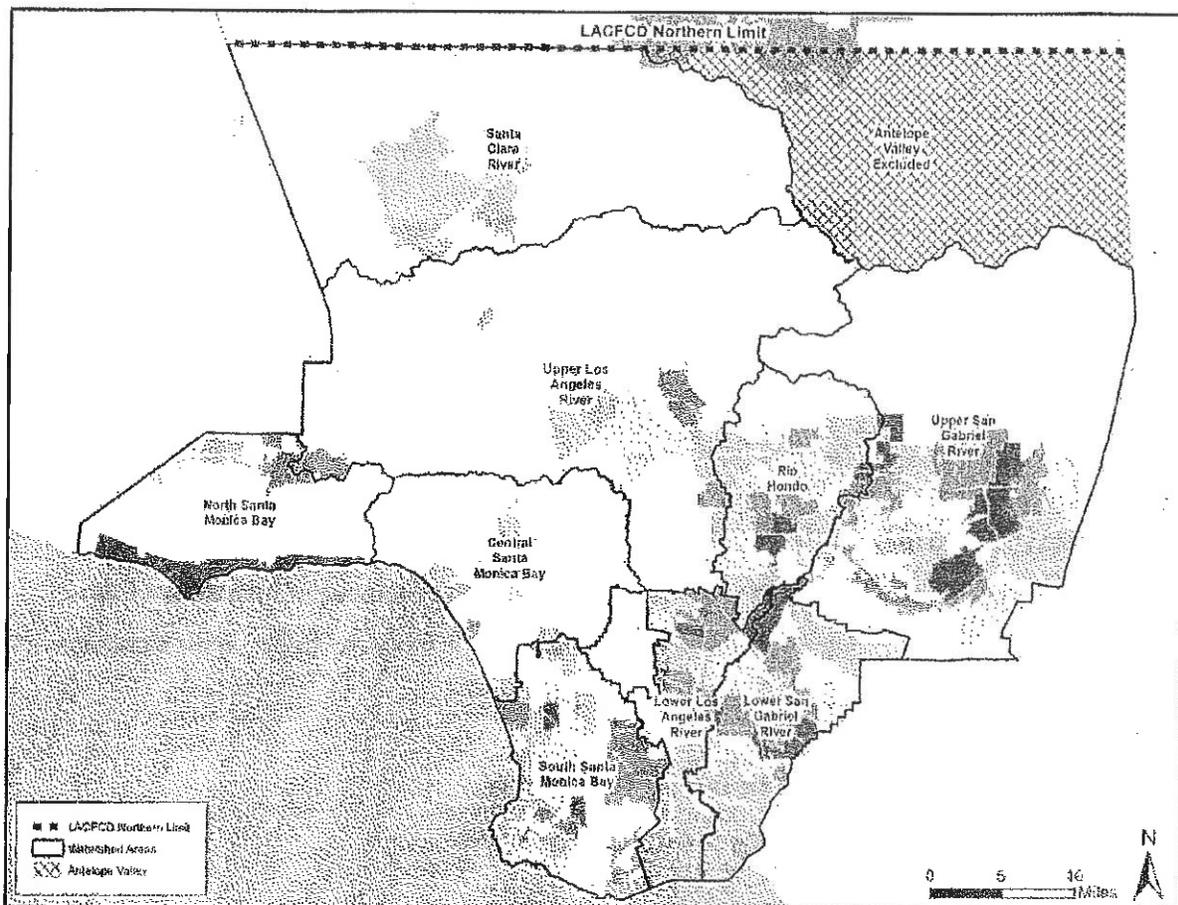
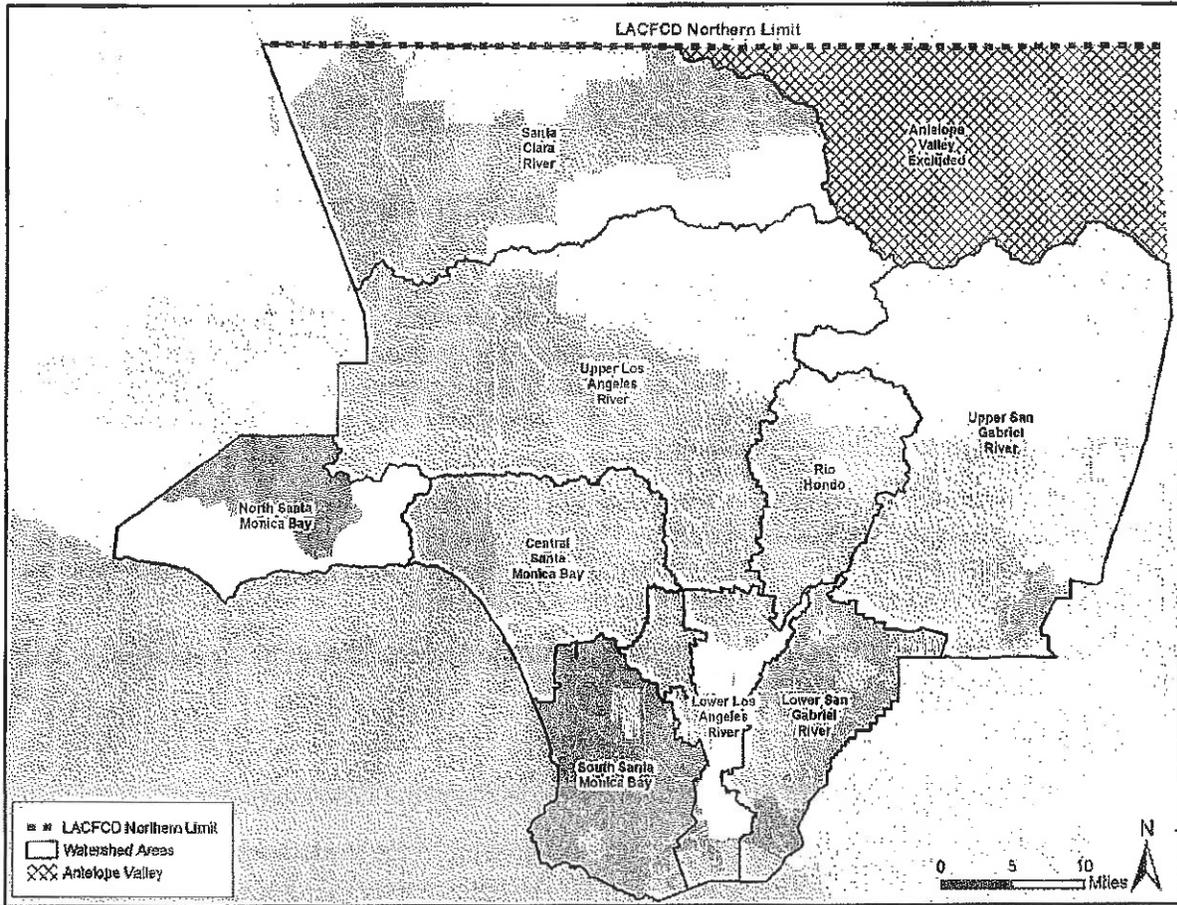


Figure 4. Regional Watershed Area Boundaries with EWMP Boundaries



H. Membership of the Watershed Area Steering Committees

Watershed Area Steering Committees will be formed for each of the nine (9) Watershed Areas for the purpose of recommending funding allocations for the Regional Program. The District will provide staff support to each Watershed Area Steering Committee and carry out their decisions.

Each Watershed Area Steering Committee consists of seventeen (17) members and each member receives one equally weighted vote. Seven (7) members are designated from Municipalities located within the Watershed Area, five (5) members are agency stakeholder representatives, and five (5) members are community stakeholder representatives, as shown in Table 3.

The five (5) agency stakeholder representatives and five (5) community stakeholder representatives will be chosen to maintain a geographic balance and be representative of a range of interests within the Watershed Area. These representatives must demonstrate a regional focus. Watershed Area Steering Committee members are required to have knowledge of the agency they represent, as described in Appendix A. Each Watershed Area Steering Committee member will assign an alternate, who must also demonstrate knowledge of the agency they represent, to serve in the absence of the member. The alternate will be selected in the same manner the member seat was assigned.

The District will provide staff support to the Watershed Area Steering Committees using funds from the District Program.

Members of the Watershed Area Steering Committees, who are not otherwise compensated to participate, may qualify for a stipend in the amount of one hundred dollars (\$100) per meeting attended, subject to qualifying circumstances. Said compensation will be paid through the District Program.

The anticipated membership for each Watershed Area Steering Committee can be found in Appendix B.

Municipal Members: Seven (7) seats will be assigned to Municipalities. Any Municipality with at least 16% of the Impermeable Area located within the Watershed Area receives one seat. A Municipality with at least 33% of the Impermeable Area located within the Watershed Area receives two seats. A Municipality with at least 50% of the Impermeable Area located within the Watershed Area receives three (3) seats. A single Municipality may occupy up to three (3) seats on each Watershed Area Steering Committee.

Municipal members for the remaining seats will be chosen by the unrepresented Municipalities. The remaining seats are flexible and could be assigned to a Municipality, E/WMP, COG, or other jurisdiction. Each member will assign an alternate to serve in their absence who must meet the requirements of a Watershed Area Steering Committee member.

Agency Members: Five (5) agency seats will be assigned by the Board of Supervisors. A seat will be assigned to each of the following agencies:

- District
- Water agency (to be filled by municipal water district in the Watershed Area)
- Groundwater (to be filled by the largest watermaster in the Watershed Area), or second water agency if a groundwater agency does not exist in the Watershed Area
- Sanitation (to be filled by the largest sanitation service provider in the Watershed Area)
- Municipal Parks/Open Space (to be filled by the largest local park and/or open space agency in the Watershed Area)

Each agency member will assign an alternate from their specific agency to serve in their absence who must meet the requirements of a Watershed Area Steering Committee member, and is subject to Board of Supervisors' approval.

Community Stakeholder Members: Representatives for the five (5) community stakeholder seats will be appointed by the Board of Supervisors. A dedicated seat will be assigned to represent environmental justice interests, business interests, and environment interests. The two remaining seats will be assigned to representatives from the community, such as: public health, labor, non-governmental organization, disadvantaged community, community-based organization, schools, academia, and others.

In addition to these members, the Watershed Coordinator will also participate on the Watershed Area Steering Committee as a non-voting member. Each community stakeholder member will assign an alternate from their organization to serve in their absence who must meet the requirements of a Watershed Area Steering Committee member and is subject to Board of Supervisors' approval.

Table 4. Regional Program Watershed Area Steering Committee Membership

	Member	Appointed By
1	Municipality	Varies for Each Watershed Area
2	Municipality	Varies for Each Watershed Area
3	Municipality	Varies for Each Watershed Area
4	Municipality	Varies for Each Watershed Area
5	Municipality	Varies for Each Watershed Area
6	Municipality	Varies for Each Watershed Area
7	Municipality	Varies for Each Watershed Area
8	District	Appointed by Board of Supervisors
9	Largest Service Provider- Water Agency	Appointed by Board of Supervisors
10	Largest Service Provider- Groundwater/Water Agency #2	Appointed by Board of Supervisors
11	Largest Service Provider- Sanitation	Appointed by Board of Supervisors
12	Largest Municipality Agency- Municipal Parks/Open Space/Recreation	Appointed by Board of Supervisors
13	Business	Appointed by Board of Supervisors
14	Environmental Justice	Appointed by Board of Supervisors
15	Environment	Appointed by Board of Supervisors
16	At large	Appointed by Board of Supervisors
17	At large	Appointed by Board of Supervisors
	Watershed Coordinator	Non-voting

I. Voting and Meeting Requirements of the Watershed Area Steering Committees

The Watershed Area Steering Committees will determine the frequency and schedule for regular meetings necessary to select Projects for inclusion in their Stormwater Investment Plan.

A quorum is required for Watershed Area Steering Committees to act on any item of business. A quorum will consist of a simple majority of the members or their alternates. If a quorum is present, approval of any item of business requires a simple majority vote of those in attendance.

Meetings conducted by the Watershed Area Steering Committee will be made public and meeting materials will be made available

J. Responsibilities of the Watershed Area Steering Committees

Watershed Area Steering Committees have the following responsibilities including, but not limited to:

- a. Select studies for submittal to the Scientific Studies Program.
- b. Select Project concepts for submittal for the Technical Resources Program.
- c. Forward select Project Feasibility Studies or functionally equivalent Feasibility Study level information to the Scoring Committee for scoring.
- d. Review the list of scored Projects and Feasibility Studies returned by the Scoring Committee.

- e. Prepare a Stormwater Investment Plan detailing funding allocations to the Infrastructure Program, Technical Resource Program, and Scientific Studies Program.
- f. Provide the recommended Stormwater Investment Plan to the ROC which will be submitted to the Board of Supervisors.
- g. Quarterly, review Quarterly Progress/Expenditure reports submitted by Project Developers. The Watershed Area Steering Committees will review the Quarterly Progress/Expenditure reports to verify that the Project schedule, budget, scope and benefits have not significantly changed and are consistent with the transfer agreement. Projects that run over budget, are behind schedule, or reduce scope or benefits may be subject to loss of funding.
- h. Quarterly, forward the Quarterly Progress/Expenditure reports to the ROC with any recommendations and/or concerns.
- i. Annually, provide the ROC a Watershed Area Regional Program Progress (WARPP) report on Stormwater Investment Plan activities authorized for the previous year. The WARPP reports shall summarize how funds have achieved SCW Program Goals as articulated in Section I.
- j. Provide additional relevant information, as requested by the Board of Supervisors.
- k. Help identify Project partners and additional sources of funding to augment and leverage SCW Program revenues for Projects and Programs.
- l. Select Watershed Coordinators from a list of eligible candidates provided by the District.

K. Watershed Area Steering Committee Conflict of Interest

No member of the Watershed Area Steering Committee shall participate in discussions or vote where that member has a direct personal financial interest in the Project under consideration.

L. Formation and Composition of the Regional Oversight Committee

The ROC is an independent body that reviews all Regional Program Stormwater Investment Plans to ensure Regional Program goals are met. The ROC consists of nine (9) subject matter experts, with knowledge in Water Quality Benefits, Water Supply Benefits, Nature-Based Solutions and Community Investment Benefits, public health, sustainability, and/or other pertinent subject matter. The Board of Supervisors will confirm the final members of the ROC to ensure a diverse mixture of subject-matter experts. The ROC members shall not have any direct personal connection to Projects implemented through the SCW Program. The District will provide staff support to the Regional Oversight Committee.

Members of the Regional Oversight Committee, who are not otherwise compensated to participate, may qualify for a stipend in the amount of one hundred dollars (\$100) per meeting attended, subject to qualifying circumstances. Said compensation will be paid through the District Program.

The District will provide staff support to the Regional Oversight Committee using funds from the District Program.

Table 5. Regional Oversight Committee Membership

	Member	Appointment
1	<u>Subject Matter Experts:</u> Water Quality Benefits Water Supply Benefits Nature-Based Solutions / Community Investment Benefits	Appointed by Board of Supervisors
2		Appointed by Board of Supervisors
3		Appointed by Board of Supervisors
4		Appointed by Board of Supervisors
5		Appointed by Board of Supervisors
6		Appointed by Board of Supervisors
7		Appointed by Board of Supervisors
8		Appointed by Board of Supervisors
9		Appointed by Board of Supervisors

M. Voting and Meeting Requirements of the Regional Oversight Committee

The ROC will determine the frequency and schedule for regular meetings necessary to process the review of Stormwater Investment Plans submitted by the Watershed Area Steering Committees.

A quorum is required for the ROC to act on any item of business. A quorum will consist of five (5) members of the ROC. If a quorum is present, approval of any item of business requires a simple majority vote of those in attendance.

Meetings conducted by the ROC will be made public and meeting materials will be made available.

N. Responsibilities of the Regional Oversight Committee

The ROC has the following responsibilities including, but not limited to:

- a. Annually, review each of the Watershed Area Steering Committee's Stormwater Investment Plans to forecast whether Regional Program requirements will be met.

Additionally, the ROC will summarize how the Stormwater Investment Plans will meet the SCW Program Goals as articulated in Section I for the upcoming year.

Through this review process, the ROC will provide feedback to the Watershed Area Steering Committees and report findings and recommendations to the Board of Supervisors.

- b. Annually, review WARPP reports submitted by the Watershed Area Steering Committees to determine whether Regional Program requirements were met for the prior year and make recommendations for adjustments to the following year's Stormwater Investment Plans if Regional Program requirements were not met the prior year.

Additionally, the ROC will determine the extent to which Regional Program funds were expended to achieve SCW Program Goals as articulated in Section I for the prior year.

The ROC will provide feedback to the Watershed Area Steering Committees and report findings to the Board of Supervisors.

- c. Annually, review the Annual Progress/Expenditure Reports received from Municipalities to determine the extent to which Municipal Program funds were expended to achieve SCW Program Goals as articulated in Section I. The ROC will provide feedback to the Municipalities and report findings to the Board of Supervisors.
- d. Biennially, draft a SCW Program Progress Report that summarizes the Regional Program WARPP reports, the Municipal Program Annual Progress/Expenditure Reports, and District Program's annual summary to determine whether SCW Program requirements were met. Additionally, the ROC will determine the extent to which SCW Program funds were expended to achieve SCW Program Goals as articulated in Section I for the entire region.
- e. Biennially, hold a noticed public hearing to obtain feedback from the public on the SCW Program Progress Report and recommend actions and adjustments to the SCW Program to better achieve SCW Program Goals. Public feedback will be incorporated into the final SCW Program Progress Report and submitted to the Board of Supervisors. The final report will be made publicly available.

O. Regional Oversight Committee Conflict of Interest

The intent of the Regional Oversight Committee is to be a fully independent oversight committee with no direct personal financial connection to Projects or Programs implemented through the SCW Program. However, in the event a member has a direct personal financial interest in a Project, that member shall abstain from discussions or voting on the Project under consideration.

P. Board of Supervisors Approval of Stormwater Investment Plans

The Board of Supervisors shall confirm that the Stormwater Investment Plans conform to the parameters of the SCW Program. Upon approval of each of the Stormwater Investment Plan, the Board of Supervisors will direct the District to transfer funds.

Q. Scoring Committee

The Board of Supervisors will empanel a Scoring Committee composed of six (6) subject matter experts in Water Quality Benefits, Water Supply Benefits, Nature-Based Solutions, and Community Investment Benefits. The Board of Supervisors shall provide a list of eligible candidates for Scoring Committee membership. The Watershed Area Steering Committees will select from the list of eligible candidates. The Board of Supervisors will confirm that the final members of the Scoring Committee will include at least two subject-matter experts in Water Quality Benefits, not less than one subject-matter expert in Nature-Based Solutions/Community Investment Benefits, and not less than one subject-matter expert in Water Supply Benefits.

The members of the Scoring Committee shall not have any personal connection to Projects implemented through the SCW Program. District will provide staff support for the Scoring Committee using funds from the District Program. The Scoring Committee will utilize technical documents for reference and consideration such as new water quality and water supply studies, plans, and white papers.

The Scoring Committee will score Projects and Feasibility Studies selected by the Watershed Area Steering Committee using the Infrastructure Program Project Scoring Criteria and will apply a Threshold Score. The Threshold Score is currently set at sixty (60) points. The Scoring Committee forwards Projects with their respective score to the appropriate Watershed Area Steering Committees. Projects that lack sufficient information to be scored, or that fail to pass the Threshold Score will be referred to the Technical Resources Program at the discretion of the Watershed Area Steering Committee.

Members of the Scoring Committee, who are not otherwise compensated to participate, may qualify for a stipend in the amount of one hundred dollars (\$100) per meeting attended, subject to qualifying circumstances. Said compensation will be paid through the District Program.

Meetings conducted by the Scoring Committee will be made public and meeting materials will be made available.

Table 6. Scoring Committee Membership

	Member	Appointment
1	<u>Subject Matter Experts:</u> Water Quality Benefits Water Supply Benefits Nature-Based Solutions/ Community Investment Benefits	Appointed by Board of Supervisors
2		Appointed by Board of Supervisors
3		Appointed by Board of Supervisors
4		Appointed by Board of Supervisors
5		Appointed by Board of Supervisors
6		Appointed by Board of Supervisors

R. Infrastructure Program Project Scoring Criteria

Scoring of Projects utilizes the Infrastructure Program Project Scoring Criteria, shown in Table 5. Projects will be eligible for scoring if they have a completed Feasibility Study or functional equivalent. The District will provide guidance on the minimum requirements, as well as a template for Feasibility Studies. All Projects must have a Water Quality Benefit and either or both a Water Supply Benefit or a Community Investment Benefit. The Projects shall be scored according to the Infrastructure Program Project Scoring Criteria. All scores will be made available to the public.

Project Scoring Criteria include the following four sections, which are assigned different ranges of points:

- Section A: Water Quality Benefit (50 Points)
 - Wet weather Projects:
 - Applies a range of points for effectiveness and extent of pollution reduction
 - Dry weather Projects:
 - Applies a range of points for full capture of Urban Runoff and tributary size.
- Section B: Water Supply Benefit (25 Points)
 - Applies a range of points for cost effectiveness and volume of supply created or offset

- **Section C: Community Investment Benefit (10 Points)**
 - Applies a range of points for Projects that provide one or more Community Investment Benefits.
- **Section D: Nature-Based Solutions (15 Points)**
 - Applies a range of points for Projects that utilize Nature-Based Solutions.
- **Section E: Leveraging Funds (10 Points)**
 - Applies points for Project funding match, partnerships, and community involvement.
 - Funding matches could include but are not limited to: grants, other local bonds and taxes, in-kind services, Municipal Program funds, and others.

The Scoring Committee will score Projects, apply the Threshold Score, and forward all scored Projects to the appropriate Watershed Area Steering Committee.

Table 7. Infrastructure Program Project Scoring Criteria

Section	Score Range	Scoring Standards				
A.1 Wet Weather Water Quality Benefits	50 points max	The Project provides water quality benefits.				
	20 points max	<p>A.1.1: For Wet Weather BMPs Only: Water Quality Cost Effectiveness (Cost Effectiveness) = (24-hour BMP Capacity)¹ / (Capital Cost in \$Millions)</p> <ul style="list-style-type: none"> <0.4 (acre feet capacity / \$-Million) = 0 points 0.4-0.6 (acre feet capacity / \$-Million) = 7 points 0.6-0.8 (acre feet capacity / \$-Million) = 11 points 0.8-1.0 (acre feet capacity / \$-Million) = 14 points >1.0 (acre feet capacity / \$-Million) = 20 points <p>¹. Management of the 24-hour event is considered the maximum capacity of a Project for a 24-hour period. For water quality focused Projects, this would typically be the 85th percentile design storm capacity. Units are in acre-feet (AF).</p>				
-OR-	30 points max	<p>A.1.2: For Wet Weather BMPs Only: Water Quality Benefit - Quantify the pollutant reduction (i.e. concentration, load, exceedance day, etc.) for a class of pollutants using a similar analysis as the E/WMP which uses the Districts Watershed Management Modeling System (WMMS). The analysis should be an average percent reduction comparing influent and effluent for the class of pollutant over a ten-year period showing the impact of the Project. Modeling should include the latest performance data to reflect the efficiency of the BMP type.</p> <table border="0" style="width: 100%;"> <tr> <td style="text-align: center;"><u>Primary Class of Pollutants</u></td> <td style="text-align: center;"><u>Second or More Classes of Pollutant</u></td> </tr> <tr> <td> <ul style="list-style-type: none"> >50% = 15 points >80% = 20 points <p>(20 Points Max)</p> </td> <td> <ul style="list-style-type: none"> >50% = 5 points >80% = 10 points <p>(10 Points Max)</p> </td> </tr> </table>	<u>Primary Class of Pollutants</u>	<u>Second or More Classes of Pollutant</u>	<ul style="list-style-type: none"> >50% = 15 points >80% = 20 points <p>(20 Points Max)</p>	<ul style="list-style-type: none"> >50% = 5 points >80% = 10 points <p>(10 Points Max)</p>
	<u>Primary Class of Pollutants</u>	<u>Second or More Classes of Pollutant</u>				
<ul style="list-style-type: none"> >50% = 15 points >80% = 20 points <p>(20 Points Max)</p>	<ul style="list-style-type: none"> >50% = 5 points >80% = 10 points <p>(10 Points Max)</p>					
A.2 Dry Weather Water Quality Benefits	20 points	A.2.1: For dry weather BMPs only, Projects must be designed to capture, infiltrate, or divert 100% of all tributary dry weather flows.				
	20 points max	<p>A.2.2: For Dry Weather BMPs Only, Tributary Size of the Dry Weather BMP</p> <ul style="list-style-type: none"> <200 Acres = 10 points >200 Acres = 20 points 				
B. Significant Water Supply Benefits	25 points max	The Project provides water supply benefits				
	13 points max	<p>B1. Water Supply Cost Effectiveness. The Total Life-Cycle Cost² per unit of acre foot of Stormwater and/or Urban Runoff volume captured for water supply is:</p> <ul style="list-style-type: none"> >\$2500/ac-ft = 0 points \$2,000-2,500/ac-ft = 3 points \$1500-2,000/ac-ft = 6 points \$1000-1500/ac-ft = 10 points <\$1000/ac-ft = 13 points <p>². Total Life-Cycle Cost: The annualized value of all Capital, planning, design, land acquisition, construction, and total life O&M costs for the Project for the entire life span of the Project (e.g. 50-year design life span should account for 50-years of O&M). The annualized cost is used over the present value to provide a preference to Projects with longer life spans.</p>				
	12 points max	<p>B2. Water Supply Benefit Magnitude. The yearly additional water supply volume resulting from the Project is:</p> <ul style="list-style-type: none"> <25 ac-ft/year = 0 points 25 - 100 ac-ft/year = 2 points 100 - 200 ac-ft/year = 5 points 200 - 300 ac-ft/year = 9 points >300 ac-ft/year = 12 points 				
C. Community Investments Benefits	10 points max	The Project provides Community Investment Benefits				
	10 points	<p>C2. Project includes:</p> <ul style="list-style-type: none"> One of the Community Investment Benefits defined above = 1 points Four distinct Community Investment Benefits = 4 points Seven distinct Community Investment Benefit = 10 points 				

Table 7. Infrastructure Program Project Scoring Criteria (continued)

Section	Score Range	Scoring Standards
D Nature-Based Solutions	15 points max	The Project implements Nature-Based Solutions.
	15 points	D1. Project: <ul style="list-style-type: none"> • Implements natural processes or mimics natural processes to slow, detain, capture, and absorb/infiltrate water in a manner that protects, enhances and/or restores habitat, green space and/or usable open space = 5 points • Utilizes natural materials such as soils and vegetation with a preference for native vegetation = 5 points • Removes Impermeable Area from Project (1 point per 20% paved area removed) = 5 points
E Leveraging Funds and Community Support	10 points max	The Project achieves one or more of the following:
	6 points max	E1. Cost-Share. Additional Funding has been awarded for the Project. <ul style="list-style-type: none"> • >25% Funding Matched = 3 points • >50% Funding Matched = 6 points
	4 points	E2. The Project demonstrates strong local, community-based support and/or has been developed as part of a partnership with local NGOs/CBOs.
Total	Total Points All Sections 110	

V. Municipal Program

Forty (40) percent of the funds from the SCW Program tax are allocated for the Municipal Program pursuant to the Flood Control Act section 2, subsection 8b(B). Municipal funds shall be allocated proportionally to the revenues generated within each Municipality or the County Unincorporated Areas in the District. Considering the geologic, geographic and demographic diversity within the District, the Municipal Program is designed to maximize the ability of local governments to address local Stormwater and/or Urban Runoff challenges and opportunities. Projects are required to include a Water Quality Benefit. Multi-Benefit Projects and Nature-Based Solutions are strongly encouraged. Municipal Program funds allow flexibility for Municipalities to fund Stormwater and/or Urban Runoff Programs, activities, studies, associated staffing costs, as well as capital Projects along all phases of Project development, including but not limited to: concept development, planning, design, construction, monitoring, and O&M.

A. Municipal Program Responsibilities

Each Municipality receiving Municipal Program funding from the SCW Program will have the following responsibilities including, but not limited to:

- a. Prepare, prior to the start of that Municipality's fiscal year, a budget for how SCW Program funds will be used.
- b. Prepare within six (6) months after the end of that Municipality's fiscal year an Annual Progress/Expenditure Report that details a Program-level summary of expenditures and a description of Water Quality Benefits, Water Supply Benefits, Nature-Based Solutions, and Community Investment Benefits realized through use of Municipal Program funds.
- c. Comply with all SCW Program reporting and audit requirements, and provide the District additional financial and other information, as required by SCW Program or upon request.
- d. As part of the Municipal Program planning process, consider a Municipal level request for Projects from eligible Project Applicants.

- e. Prepare informational materials to provide members of the public with up-to-date information on the Municipality's actual and budgeted use of revenues from the SCW Program and make the information available to the public through the Municipality's websites and upon request.
- f. Operate in accordance with best practices for government agencies.
- g. Be strictly accountable for all funds, receipts, and disbursements by the Municipality.
- h. Engage stakeholders in the planning process for use of the Municipal Program funds during the planning and implementation of Municipal Program Projects.
- i. Comply with revenue transfer agreement requirements.

B. Maintenance of Effort

A Municipality must spend at least 70% of their Municipal Program funds annually on new Projects, which also includes O&M of infrastructure Projects built to comply with the 2012 Los Angeles MS4 Permit or 2014 Long Beach MS4 Permit, so long as the Project complies with Municipal Program requirements. Up to 30% of a Municipality's Municipal Program funds may be used to pay for SCW Program eligible activities commenced before the election date of the SCW Program Tax.

C. Municipal Program Annual Progress/Expenditure Reports

Each Municipality shall arrange for an Annual Progress/Expenditure Report for all Projects. The Annual report shall include details that summarize the expenditures and describe the benefits of Water Quality, Water Supply, and Community Investment realized through use of SCW Program funds. Annual Progress/Expenditure Reports will include a summary of funds that have been allocated to achieve SCW Program Goals as articulated in Section I for the prior year. The Municipality shall be subject to and comply with all applicable requirements of the District regarding Project-reporting requirements. The Annual Progress/Expenditure Report details:

- SCW Program funds expended.
- Documentation that the SCW Program funds were used for eligible expenditures.
- Description of work accomplished during the reporting period.
- Milestones or deliverables completed/submitted during the reporting period.
- Work anticipated for the next reporting period.
- Photo documentation, as appropriate.
- Additional information as necessary.

VI. District Program

Ten (10) percent of the revenue from the tax on each Parcel is allocated for the District Program pursuant to the Flood Control Act section 2, subsection 8b(A).

A. Responsibilities

The District will have the following responsibilities including, but not limited to:

- a. Administer the SCW Program, including activities such as: Tax and payment administration including costs incurred in connection with the levy and collection of the tax and distribution of the funds, review annual budgets and reports, conduct audits, and manage appeals of scoring process.
- b. Annually prepare a five (5) year revenue forecast for each Watershed Area.
- c. Plan, implement, and maintain District Projects.
- d. Administer and provide staffing for the Regional Program.
- e. Provide staff support to the Scoring Committee, Watershed Area Steering Committees, and the ROC.
- f. Provide Technical Assistance Teams and Watershed Coordinators funded by the Technical Resources Program.
- g. Engage stakeholders in the planning process for use of the District Program funds.
- h. Plan, implement, and maintain District Projects.
- i. Operate in accordance with best practices for government agencies.
- j. Conduct independent audits to ensure compliance with requirements of the SCW Program.
- k. Prepare, prior to the start of the District's fiscal year, a budget for how SCW Program funds will be used.
- l. Prepare within six (6) months after the end of the District's fiscal year an annual report that details a Program level summary of expenditures and a quantification of Water Quality Benefits, Water Supply Benefits, and Community Investment Benefits realized through use of Municipal Program funds.
- m. Comply with all SCW Program audit requirements.

B. Programs

The District will administer the Programs below. The District will commence these Programs within the first year of passage of the Safe, Clean Water Tax. Not less than 20% annually of District Program funds shall be allocated for these Programs over a revolving five (5) year period. These Programs will be implemented throughout the region with special attention toward the needs of disadvantaged communities. The District will partner with stakeholders to collaboratively implement these Programs.

The District will create Stormwater and/or Urban Runoff education Programs that proactively involve stakeholders and community groups to carry out activities that may include, but are not limited to:

- a. Public education Programs.
- b. Local workforce job training, which will provide certification classes and vocational training at the community level for the design, construction, inspection, and O&M of Stormwater and/or Urban Runoff management and Multi-Benefit Projects.
- c. Schools education and curriculum Program, such as classroom curriculum, guest speakers, etc.

C. District Projects and Regional Water Quality Planning & Coordination

The District will carry out the following activities:

- a. Regional water quality planning and coordination to carry out activities which may include but are not limited to providing regional leadership and coordination for scientific studies, research, and water quality modeling.
- b. Implementation of Multi-Benefit Projects. The District will engage stakeholders in the planning process for District Projects.

VII. Tax Calculation and Collection Provisions

A. Calculation of the Tax

The tax will be calculated for each Parcel based upon the Parcel's Impermeable Area as determined by the County Landcover Survey. The boundaries of the area, identification of the Parcels subject to the tax, and the method for calculating the tax for each Parcel will be established by the ordinance incorporated by the Los Angeles County Flood Control District Code. The rate used for calculating the tax, as established by the ordinance, will remain the same from year to year, unless a change is approved in accordance with all applicable laws. The Chief Engineer may periodically re-evaluate the characteristics of Parcels to ensure accuracy of tax calculations.

The Board of Supervisors will periodically initiate an update to the County Landcover Survey which is used to determine the Impermeable Area for each Parcel throughout the District.

B. Collection – General Procedure

The tax will be collected for each fiscal year on the property tax roll in the same manner, and at the same time as, the general taxes of the County are collected. The Auditor will provide an annual statement of the revenues collected for the SCW Program to each Municipality as well as each Watershed Area Steering Committee. The Auditor's costs for tax and payment administration including costs incurred in connection with the levy and collection of the tax will be paid by SCW Program funds.

Insofar as feasible and not inconsistent with the SCW Program, the times and procedures regarding exemptions, due dates, installment payments, corrections, cancellations, refunds, late payments, penalties, liens, and collections for secured roll ad valorem property taxes will be applicable to the collection of the tax.

C. Claims for Reimbursement and Appeals

Parcel owners who believe their tax has been calculated incorrectly will be able to seek review on one or more of the following grounds:

- a. Mathematical error in the calculation of the tax.
- b. Discrepancy of more than:
 - 10% error in the actual Impermeable Area; or
 - \$50 in the tax amount, whichever is greater.

Tax appeals must be filed with the District.

D. Passthrough of Tax

There are no provisions in the SCW Program Tax that would limit a Parcel owner's ability to passthrough the proposed Parcel tax to a tenant. Land owners must comply with all applicable rent control ordinances, contractual provisions in the specific lease, federal subsidized housing requirements, and others.

VIII. Revenue Bonds

Bonds issued hereunder by a Municipality or the District, to the extent such entity is authorized by law to issue and sell revenue bonds, may be secured by SCW Program revenues as set forth in this document. Only those amounts specifically allocated to a Municipality or the District may be used as security for its respective bonds. Watershed Area Steering Committees may request the District to bond against their Watershed Area's revenue stream for Regional Projects.

IX. Miscellaneous Provisions

A. Carryover of Uncommitted Municipal and Regional Program Funds

Municipalities and Project Developers will be able to carry over uncommitted SCW Program revenues for up to five (5) years from the end of the fiscal year in which those revenues are transferred from the District to the Municipality or Project Developer. Additional requirements may be included in the transfer agreement.

B. Procedures for Lapsing Funds

Municipalities and Project Developers who are unable to expend their approved funding as described in their Stormwater Investment Plan will be subject to lapsing funds procedures. Lapsing funds are funds that were committed and approved but were not able to be spent per the approved schedule. Funds are considered lapsed five (5) years after the transfer agreement execution date.

SCW Program revenues that are not expended by a Municipality or Project Developer within the five (5) years will revert back to the Watershed Area Steering Committee of the respective Watershed Area and be reprogrammed to a new Project with benefit to that Municipality or Watershed Area.

C. Record-Keeping and Audits

The following recordkeeping and audit requirements will apply:

- a. SCW Program revenues received by the District, Municipalities, and Project Developers will be required to be held in separate interest-bearing accounts and not combined with other funds. Interest earned on SCW Program revenues will be required to be used for SCW Projects in the Watershed Area Steering Committee or Municipality in which it was earned, consistent with the requirements of the SCW Program.
- b. Municipalities, Project Developers, and the District will be required to retain, for a period of seven (7) years after Project completion, all records necessary in accordance with Generally Accepted Accounting Principles to determine the amounts expended, and eligibility of Projects. Municipalities and Project Developers, upon demand by authorized representatives of the District will be required to make such records available for examination and review or audit by the District or its authorized representative. Records shall include: accounting records, written policies and procedures, contract files, original estimates, correspondence, change order files including documentation covering negotiated settlements, invoices, and any other supporting evidence deemed necessary to substantiate charges related to SCW Program funds and expenditures.
- c. At all reasonable times, Municipalities and Project Developers will be required to permit the Chief Engineer, or his or her authorized representative, to examine all Projects that were erected, constructed, implemented, operated, or maintained using SCW Program revenues. Municipalities and Watershed Area Steering Committees will be required to permit the authorized representative, including the Auditor, to examine, review or audit, and transcribe any and all audit reports, other reports, books, accounts, papers, maps, and other records that relate to Projects funded with revenues from the SCW Program.
- d. Municipalities will be subject to an independent audit of their use of SCW Program funds not less than once every five (5) years. Municipal audits are to be funded with Municipal Program funds.
- e. Project Developers will be subject to an independent audit upon completion of the Project. Additional interim audits may be conducted. Project Developer audits are to be funded with Regional Program funds.
- f. District will be subject to an independent audit of their use of SCW Program funds not less than once every five (5) years.

D. Procedures for Addressing Misuse of Funds and Failure to Comply with Requirements

The following procedures apply for misuse of funds and failure to comply with requirements.

- a. If the District determines that a Project Developer or Municipality has misused SCW Program revenues, the District may issue a written notice to the Project Developer or Municipality of that determination and to refund those revenues, including associated interest, to the District within thirty (30) days of notification.
- b. Revenues refunded by a Project Developer or Municipality will, at the District's discretion, be reassigned and used to plan, implement, and maintain Projects in accordance with the following:

- SCW Program revenues refunded by a Municipality will be used to fund Municipal or Regional Projects that are located within the jurisdiction of the Municipality.
 - SCW Program revenues refunded by a Project Developer will be used to implement Projects in the same Watershed Area from which the revenues were collected.
- c. Failure to comply with a notice to refund revenues by the required date will result in immediate suspension of future SCW Program revenue disbursements to that entity until such time as revenues are refunded.
 - d. If the District determines that a Municipality or Project Developer has failed to comply with any applicable requirement of the Program, the District, at its discretion, may issue a written notice to the Municipality or Project Developer of that determination and that the District will withhold future disbursements of SCW Program revenues pending compliance. Withheld disbursements will be retained by the District for a period of five (5) years after which, if the violation has not been resolved, they will revert back to the respective Watershed Area Steering Committee for reprogramming to another Project.
 - e. If a Project Developer or Municipality disputes a determination by the District, as described above, the Project Developer or Municipality may submit a notice of appeal to the District not later than ten (10) business days from the date of the written notice from the District. The District will appoint a hearing officer to conduct a hearing on the appeal. The submission of a notice of appeal does not relieve the Municipality or Project Developer of the obligation to refund the SCW Program revenues in dispute. If the hearing officer determines an adjustment is required, that adjustment will be reflected in the next disbursement of SCW Program revenues.

E. District Held Harmless

The District will not be required to accept ownership or responsibility for any Project developed, implemented or constructed by a Municipality or a Project Developer with SCW Program revenues. Unless the District enters into an express agreement with a Project Developer or Municipality to the contrary, neither the District, nor the County to the extent that it is acting on behalf of the District, their officers, employees, agents or volunteers ("District Indemnitees") will be liable in connection with errors, defects, injuries, property damage caused by or attributed to any Project that is funded in whole or in part with SCW Program revenues, and each Municipality and Project Developer will be required to indemnify the District Indemnitees and hold them harmless for claims, liability, and expenses, including attorneys' fees, incurred by any District Indemnitees as a result of any Project developed, implemented, or constructed by the Municipality or Project Developer that is funded with the SCW Program revenue, except for claims, liability, and expenses, including attorneys' fees, resulting from the sole negligence or willful misconduct of District Indemnitees.

F. Periodic Review of the SCW Program

- a. The Board of Supervisors will review and make revisions to the SCW Program in its reasonable discretion, including but not limited to updates to the Infrastructure Program Project Scoring Criteria; Watershed Area boundaries, County Landcover Survey; Credit Program, Threshold Score; membership of the Watershed Area Steering Committees, Regional Oversight Committee, and Scoring Committee; and other sections.

- b. After a period of thirty (30) years, the Board of Supervisors shall evaluate the need for the SCW Program and make a determination of whether the tax should be reduced or rescinded.

SAFE, CLEAN WATER PROGRAM
Draft Program Elements Appendices

X. APPENDIX

A. Watershed Area Steering Committee Minimum Requirements

Agency	Years of Experience	Description
Municipalities	Five +	<ul style="list-style-type: none"> • General knowledge of pollution abatement projects and knowledge in Stormwater Programs, and knowledge of NPDES Stormwater Permit and TMDL Issues as related to the region. • Knowledge of the roles of federal, state and local governmental agencies involved in either the regulation of or the operation of water supply facilities, as well as familiarity with key nongovernmental agencies that influence the operations of water systems.
Groundwater	Five +	<ul style="list-style-type: none"> • Experience in one of the following groundwater areas: remediation, supply, management and/or storage. • Educational background or equivalent work experience in engineering, natural sciences, land use management, conservation, or other water resource-related field.
Water Agency	Five +	<ul style="list-style-type: none"> • Educational background or work experience in engineering, environmental science, biology, chemistry, toxicology, microbiology, urban planning or closely related field. • Ability to provide a regional perspective on water supply issues. • Expertise in the planning, design and construction, financing, and operations of water works facilities which includes storage reservoirs, transmission and distribution systems, pumping plants, water treatment, water conservation, and system optimization particularly as it effects power usage. • Sound knowledge of existing and emerging regulations, as well as environmental matters and familiarity with California water law and regulations. • Knowledge of the roles of federal, state and local governmental agencies involved in either the regulation of or the operation of water supply facilities, as well as familiarity with key nongovernmental agencies that influence the operations of water systems. • Experience in the acquisition of water rights.
Sanitation	Five +	<ul style="list-style-type: none"> • Experience in local or regional agency that provides wastewater collection, treatment, recycling and/or disposal services. • Education background and work experience in science, engineering, waste management or related fields.
Municipal Parks/Open Space	Five +	<ul style="list-style-type: none"> • Experience with habitat, open space and/or recreational issues at a regional level (i.e. across Municipal jurisdictions and watershed boundaries). • Educational background or equivalent work experience in natural sciences, land use management, conservation, or other water resource-related field. • Familiar with the agencies and organizations involved in habitat/open space issues in the District who are likely to be Project Developers, land owners or permittees of Projects.
At large Community Stakeholders	Two +	<ul style="list-style-type: none"> • Experience in community engagement • Knowledge and experience in working with government agencies to achieve community investment • The willingness to be trained and educated on pollution abatement, Stormwater programs, and TMDL related issues.
Environmental	Two +	<ul style="list-style-type: none"> • Experience in water resource issues • Educational background or equivalent work experience in natural sciences, land use management, conservation, or other water resource-related field • Educational background or work experience in engineering, environmental science, biology, chemistry, toxicology, microbiology, urban planning or closely related field.

Agency	Years of Experience	Description
Business	Two +	<ul style="list-style-type: none"> • Experience in developing commercial/business Stormwater and/or Urban Runoff capture facilities • Knowledge and experience in working with government agencies to achieve water resource improvements for residential and commercial properties • Educational background or equivalent work experience in natural sciences, land use management, conservation, or other water resource-related field.
Environmental Justice	Two +	<ul style="list-style-type: none"> • Experience in community engagement • Knowledge and experience in community priorities regarding resource needs for quality of life issues with respect to the development, implementation, and enforcement of environmental law, regulation, and policies. • Knowledge and experience in working with government agencies to achieve community investment.
Watershed Coordinator	Two +	<ul style="list-style-type: none"> • Experience in coordination and implementation of technical assistance. • Knowledge and experience in watershed protection planning, water quality, and/or watershed assessment. • Knowledge and experience to provide and/or coordinate technical assistance that results in Projects that are integrated and result in regionally significant and measurable watershed benefits • Experience in community engagement particularly with disadvantaged communities and small cities is desirable.
<p>General Minimum Qualifications for all Members:</p> <ul style="list-style-type: none"> • The knowledge of or willingness to be trained and educated on pollution abatement, Stormwater Programs, NPDES Stormwater Permit and TMDL related issues as related to the region. • Must be able to attend and participate in Watershed Area Steering Committee meetings. 		

C. Credit Program

The Credit Program allows for up to 75% of the Safe, Clean Water Program tax to be credited for Parcel owners (1) who have constructed Stormwater and/or Urban Runoff improvements; or (2) who are located within a Benefited Development (as defined below) and may be eligible for additional credit or payments if they achieve additional benefits identified in the Incentive Program. All Parcels subject to the Safe, Clean Water Program tax are eligible for the Credit Program; there is no minimum tax amount or impermeable area required to be eligible for the credit, although the Board of Supervisors may, in its reasonable discretion, impose a minimum eligibility threshold at a later time. Multiple parcels with common ownership may be aggregated for purposes of the Credit Program.

Parcels located within a master planned community, Specific Plan area, subdivision, or an approved regional or sub-regional stormwater management plan area that are served by a centralized Stormwater and/or Urban Runoff improvement, are considered a "Benefited Development." The Stormwater and/or Urban Runoff improvement in the Benefited Development must collect and treat the runoff of the collective multi-Parcel impermeable area and be operated and maintained by a developer, homeowner or neighborhood association or other non-governmental entity. Notwithstanding the foregoing, if the Stormwater and/or Urban Runoff improvements are operated and maintained by a governmental entity, the Benefited Development will still qualify for the Credit Program if a developer, homeowner or neighborhood association, or other non-governmental entity funds the O&M of such improvements.

The credit shall be based on the total impermeable area of the Parcel (or aggregated Parcels, if applicable) or Benefited Development, not only the portion of the Parcel addressed by the Stormwater and/or Urban Runoff improvement.

Credit will be given for undertaking activities that result in Water Quality Benefits, Water Supply Benefits, and Community Investment Benefits. At a minimum, a Stormwater and/or Urban Runoff improvement must provide a water quality credit to qualify for the Credit Program. The Board of Supervisors may, in its reasonable discretion, revise or update the credit formulas as appropriate at a later time.

Water Quality Credit

Water quality credit is given for Stormwater and/or Urban Runoff improvements that result in a Water Quality Benefit. Water quality credit is calculated based on the extent to which a Parcel(s) or Benefited Development has complied with an applicable Low Impact Development (LID) ordinance, SUSMP requirements, an Industrial General Permit (IGP) or other Los Angeles Regional Water Quality Control Board-approved permit governing the discharge of Stormwater and/or Urban Runoff (RWQCB Stormwater Permit), or some combination of Stormwater and/or Urban Runoff discharge requirements for the Parcel.

Parcels or Benefited Developments with multiple and potentially overlapping Stormwater and/or Urban Runoff improvements may divide their Parcel or Benefited Development into tributary areas for each Stormwater and/or Urban Runoff improvement. Overlapping areas may only be counted once for the maximum applicable water quality credit option.

The water quality credit options are dependent on the construction date of the Stormwater and/or Urban Runoff improvement and are provided below. Percentages provided below are multiplied by the ratio of the improvement volume for the Impermeable Area to the design volume for the Impermeable Area of the Parcel or multi-Parcel area.

DRAFT – PENDING FURTHER DISCUSSIONS

Prior to election date of SCW Program:

- LID Ordinance Compliance (65%): Stormwater and/or Urban Runoff improvements on Parcels or in Benefited Developments that comply with applicable LID ordinance requirements are eligible for a water quality credit of 65%. The water quality design storm standard shall be equivalent to that found in the applicable LID ordinance and will be used for the calculation of the credit. In the absence of an applicable LID ordinance, the County's 2013 LID ordinance requirements shall apply.
 - Exceeds LID Ordinance Compliance (From 65% to 75%): Stormwater and/or Urban Runoff improvements on Parcels or in Benefited Developments that exceed applicable LID ordinance requirements are eligible for additional water quality credit of 75%. The water quality design storm standard shall be greater than or equal to two times (2x) that found in the applicable LID ordinance and will be used for the calculation of the credit.
- SUSMP Compliance (50%): Stormwater and/or Urban Runoff improvements on Parcels or in Benefited Developments that are in compliance with applicable SUSMP requirements are eligible for a water quality credit of 50%. The water quality design standard shall be equivalent to the standard required by applicable SUSMP requirements.
 - Exceeds SUSMP Compliance (From 50% to 65%): Stormwater and/or Urban Runoff improvements on Parcels or in a Benefited Development that exceed SUSMP requirements are eligible for additional water quality credit up to 65%.

After the election date of SCW Program:

- LID Ordinance Compliance (65%): Stormwater and/or Urban Runoff improvements on Parcels or in Benefited Developments that comply with applicable LID ordinance requirements are eligible for a water quality credit of 65%. The water quality design storm standard shall be equivalent to that found in the applicable LID ordinance and will be used for the calculation of the credit. In the absence of an applicable LID ordinance, the County's most up-to-date LID ordinance requirements shall apply.
 - LID Equivalency (up to 65%): Stormwater and/or Urban Runoff improvements on Parcels or in a Benefited Development that provide Water Quality Benefits comparable to or greater than LID ordinance requirements are eligible for a water quality credit of up to 65%.
 - Exceeds LID Ordinance Compliance (From 65% to 75%): Stormwater and/or Urban Runoff improvements on Parcels or in Benefited Developments that exceed applicable LID ordinance requirements are eligible for additional water quality credit of 75%. The water quality design storm standard shall be greater than or equal to two times (2x) that found in the applicable LID ordinance and will be used for the calculation of the credit.

*****DRAFT – PENDING FURTHER DISCUSSIONS *****

Other eligible water quality credit activities (pre- or post-election date):

- ***IGP Compliance / RWQCB Stormwater Permit (65%):*** Stormwater and/or Urban Runoff improvements on Parcels or in Benefited Developments that are subject to and in compliance with their IGP or RWQCB Stormwater Permit are eligible for a water quality credit of 65%. The design standard shall be equivalent to the standard required by the Parcel's IGP or RWQCB Stormwater Permit.
 - ***High-Volume IGP Compliance / RWQCB Stormwater Permit (75%):*** Stormwater and/or Urban Runoff improvements on Parcels or in Benefited Developments that are subject to and in compliance with an IGP or RWQCB Stormwater Permit that has design volume standard greater than or equal to the runoff volume resulting from a 2-inch, 24-hour rain event are eligible for additional water quality credit of 75%.
- ***Dry Weather (20%):*** Stormwater and/or Urban Runoff improvements on Parcels or in Benefited Developments that fully retain all dry weather flows are eligible for a water quality credit of 20%.

Water supply credit

Water supply credit is given for Stormwater and/or Urban Runoff improvements on Parcels or in Benefited Developments that result in a Water Supply Benefit.

Community Investment credit

Community investment credit is given for Stormwater and/or Urban Runoff improvements on Parcels or in Benefited Developments that result in a Community Investment Benefit.

The Credit Program is based upon Water Quality Benefits, Water Supply Benefits, Community Investments Benefits as shown in the table below.

Table 8. Credit Formula

Stormwater &/or Urban Runoff improvement	Credit Type (% Maximum)	Formula
Water Quality Credit Percentage (WQ%) CHOOSE ONE (per tributary area)	LID Compliance (65% max)	$WQ\% = \frac{\text{(LID improvement volume for Impermeable Area)}}{\text{(design storm volume for Impermeable Area of the Parcel or multi-Parcel area)}} \times (0.65) \times 100\%$
	LID Equivalency (65% max)	$WQ\% = \frac{\text{(LID Equivalency improvement volume for Impermeable Area)}}{\text{(design volume for Impermeable Area of the Parcel or multi-Parcel area)}} \times (0.65) \times 100\%$
	Exceeds LID (75% max)	$WQ\% = \frac{\text{(LID improvement volume for Impermeable Area)}}{\text{(2 x design volume for Impermeable Area of the Parcel or multi-Parcel area)}} \times (0.75) \times 100\%$
	SUSMP (50% max)	$WQ\% = \frac{\text{(SUSMP improvement volume for Impermeable Area)}}{\text{(design volume for Impermeable Area of the Parcel or multi-Parcel area)}} \times (0.5) \times 100\%$
	Exceeds SUSMP Standard (65% max)	$WQ\% = \frac{\text{(SUSMP improvement volume for Impermeable Area)}}{\text{(design volume for Impermeable Area of the Parcel or multi-Parcel area)}} \times (0.65) \times 100\%$
	IGP/RWQCB Stormwater Permit (65% max)	$WQ\% = \frac{\text{(IGP/RWQCB Stormwater Permit BMP improvement volume for Impermeable Area)}}{\text{(design volume for Impermeable Area of Parcel)}} \times (0.65) \times 100\%$
	High Volume IGP/RWQCB Stormwater Permit (75% max)	$WQ\% = \frac{\text{(IGP/RWQCB Stormwater Permit BMP improvement volume for Impermeable Area)}}{\text{(design volume (2" storm) for Impermeable Area of Parcel)}} \times (0.75) \times 100\%$
	Dry weather (20% max)	$WQ\% = \frac{\text{(Impermeable Area benefited by the improvement)}}{\text{(total Impermeable Area of Parcel area or multi-Parcel area)}} \times (0.2) \times 100\%$
Water Supply Credit Percentage (WS%)	Water Supply (20% max)	$WS\% = \frac{\text{(Water Supply Benefit volume)}}{\text{(design storm volume for Impermeable Area of Parcel or multi-Parcel area)}} \times (0.2) \times 100\%$
Community Investments Percentage (CI%)	Community Investment credit percentage. (10% max)	$CI\% = \text{metrics to be determined} \times (0.10) \times 100\%$
Total Credit Percent	Credit percentage (Maximum 75%)	Credit Percent = WQ% + WS% + CI% (Not to exceed 75%)
Final Parcel Credit	Tax Credit (in dollars)	Final Parcel Credit = (Parcel tax) x (Credit Percent)

***DRAFT – PENDING FURTHER DISCUSSIONS ***

Implementation of the Credit Program

Prior to collection of the Safe, Clean Water Program Tax for the first year, the District shall establish procedures and guidelines for implementation of the Credit Program. These should include, at a minimum, the following:

1. Procedures for the submittal of initial and biennial Parcel owner certifications;
2. Procedures for the submittal of initial and biennial certifications for Benefited Developments;
3. Procedures for aggregating multiple parcels with common ownership for purposes of the Credit Program;
4. Procedures to facilitate the implementation of the Credit Program for Benefited Developments; and
5. Guidelines for calculating the water quality credit for (1) Stormwater and/or Urban Runoff improvements on Parcels or Benefited Developments for LID requirements and (2) Stormwater and/or Urban Runoff improvements on Parcels or Benefited Development that exceed SUSMP requirements; and (3) Stormwater and/or Urban Runoff improvements on Parcels or Benefited Developments for IGP or other RWQCB Stormwater permits.
6. Guidelines for calculating community investment credit.

The proposed Ordinance adding Chapter 16 to the Los Angeles County Flood Control District Code shall not go into effect until the Credit Program is established.

Verification Process

Parcel owners and Benefited Developments must recertify their eligibility for the Credit Program every two (2) years. In addition to adhering to the certification requirements contained in the Parcel or Benefited Development's applicable LID ordinance, SUSMP permit, or IGP/RWQCB Stormwater Permit, the Credit Program shall require additional documentation. All certifications submitted pursuant to the Credit Program shall be verified and submitted by a civil engineer licensed to practice in California and incorporate, at a minimum, the following elements:

- a. For a new Stormwater and/or Urban Runoff improvement, photo documentation of the construction or installation of new Stormwater and/or Urban Runoff improvement
- b. For an existing Stormwater and/or Urban Runoff improvement, photo documentation that the Stormwater and/or Urban Runoff improvement has been maintained in good working condition for the preceding two (2) years.
- c. The maintenance management plan for the Stormwater and/or Urban Runoff improvement.
- d. Calculations of the following:
 - i. The total impermeable area of the Parcel or Benefited Development;
 - ii. The impermeable area tributary to the Stormwater and/or Urban Runoff improvement;

*****DRAFT – PENDING FURTHER DISCUSSIONS *****

- iii. The volume of the Stormwater and/or Urban Runoff Improvement;
- iv. Applicable LID design storm volume or IGP/RWQCB Stormwater Permit or SUSMP design standard for the impermeable are of the Parcel or Benefited Development.
- e. Certification that the improvement meets or exceeds the applicable LID, IGP/RWQCB Stormwater Permit, or SUSMP standards.
- f. Certification of ownership of aggregating multiple Parcels with the same owner.

For Parcels or Benefited Developments subject to an IGP/ RWQCB Stormwater Permit, the Parcel or Benefited Development must be in compliance with its IGP/RWQCB Stormwater Permit and in good standing with no pending Notice of Violations or regulatory agency enforcement actions.

Any Water Supply Benefit created through the SCW Program is subject to applicable adjudicated judgments of water rights.

Incentives and Credit Trading

Prior to collection of the Safe, Clean Water Program Tax for the first year, the District will establish an "Incentive Program" and "Stormwater Credit Trading Program."

The Incentive Program will recognize and reward Parcels and Benefited Developments that further advance the goals of the Safe, Clean Water Program in comprehensive, innovative, and efficient manners. Examples of projects that may be eligible for incentives include, but are not limited to:

- Installation and/or maintenance of Stormwater and/or Urban Runoff improvements that exceed the applicable LID, IGP/RWQCB Stormwater Permit, or SUSMP standards in either water quality, capacity, or both, within the Parcel or Benefited Development;
- Installation and/or maintenance of Stormwater and/or Urban Runoff improvements either by a Parcel owner or within a Benefited Development that are sized and designed to manage Stormwater and/or Urban Runoff from outside of the Parcel or Benefited Development within the Parcel or Benefited Development;
- Managing and/or funding of Stormwater and/or Urban Runoff improvements for public facilities (streets, schools, etc.) outside the Parcel or Benefited Development;
- Dedication of natural open space in perpetuity.

Incentives may be provided in the form of additional annual credit to the Parcel owner or Parcels within a Benefited Development beyond what is available in the Credit Program, direct grants for project implementation, and/or other methods to be determined by the District.

The Stormwater Credit Trading Program is intended to provide a market-based approach for Stormwater and/or Urban Runoff management that will allow a Parcel owner to purchase credits to satisfy their Safe, Clean Water Program Tax obligations. The credits will be generated and provided by other Parcel owners who have implemented Stormwater and/or Urban Runoff improvements. The Stormwater Credit Trading Program will be open to all Parcels.



May 9, 2018

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Unincorporated Communities*

*Fourth District, LA County
Unincorporated Communities*

*Fifth District, LA County
Unincorporated Communities*

SGV Water Districts

The Honorable Sheila Kuehl, Chair
Los Angeles County Board of Supervisors
821 Kenneth Hahn Hall of Administration
500 W. Temple Street
Los Angeles, CA 90012

Dear Supervisor Kuehl,

The San Gabriel Valley Council of Governments (SGVCOG) appreciates the Board of Supervisors' leadership in the development of the Safe, Clean Water Program and the extended efforts to engage cities in the stakeholder process to draft a parcel tax for stormwater compliance programs, drought preparedness, water quality, and water sustainability.

The SGVCOG includes membership of 30 cities, 3 Supervisorial Districts, and 3 Municipal Water Districts, representing over 2 million residents. We understand and take seriously stewardship of environmental resources and to that end enacted a Stormwater Policy in November of 2016 in which we pledge to protect our watersheds and natural environment from polluted stormwater, and to capture stormwater and dry weather runoff to augment local water supplies. We continue to support compliance with water quality standards and strive to comply in a reasonable, practical, feasible and affordable manner. Over the last two years, the SGVCOG has actively pursued a path toward compliance within the framework of those four guiding principles—reasonable, practical, feasible, and affordable—and earned a reputation within Los Angeles County and the state as a subregional leader on stormwater policy.

On January 18, 2018, the SGVCOG Governing Board adopted an overarching position statement (Attachment 1) on aspects of the Safe, Clean Water program in order to guide our delegates during deliberations. That position statement includes:

- **Regional Funding.** Due to the already high cost of stormwater requirements, the vast majority of revenue from the Safe, Clean Water Program should go to design, construction, and ongoing operations and maintenance of capital projects, especially those identified in approved stormwater permits, not programs.
- **Governance.** Disbursement of Regional Funds should be approved by a strong governance structure, comprised primarily of MS4 permittees, with responsibility for selecting projects according to defined criteria and overseeing how taxpayer money is spent.
- **Local Return.** Cities should have maximum flexibility and independence in spending local return money in a manner consistent with AB 1180.
- **Project Funding Priority.** Funding priority should be given to those projects that cost-effectively address water supply and water quality concerns.

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1000 South Fremont Avenue, Unit #42 ♦ Alhambra, California 91803

- **Basin Plan.** The Basin Plan establishes the foundation for water quality standards which are then incorporated into MS4 permits. Since the Plan has not received comprehensive review since before stormwater discharges were made subject to it, we support use of the funds allocated to the Flood Control District to fund the cost of studies to update the Basin Plan.
- **Leverage Existing Funding.** Money from existing voter-approved sources should be leveraged as the primary source of funding for community enhancements, leaving all of the stormwater funding raised through this measure strictly for stormwater compliance.

We are very pleased to say that the draft program released on April 12, 2018 largely meets the elements of our overarching position. In an effort to assist the further development of the program, we offer the following specific categorized comments regarding the latest draft.

Definitions/Eligible Expenditures

- **Project Applicants.** Recommend that for the Regional Program, only permittees be allowed to be applicants. Other agencies/organizations can work with a permittee as the “sponsor” of their program. Furthermore, there is no need to define project applicants under the Municipal Program because the authority to spend that money is left to the discretion of the cities.
- **Eligible Expenditures.** Recommend removing “a community’s ability to adapt to climate change.” This is not directly stormwater related. Moreover, other funding sources such as the Caltrans Sustainable Communities grants, are specifically designed to address this.

Municipal Program

- **Stakeholder Engagement.** Recommend that all references and requirements for stakeholder engagement should be deleted. Municipal residents are, by definition, stakeholders and have the opportunity to participate in all city strategic planning and budget review processes already.
- **Los Angeles County Contracting/Hiring Practices.** Recommend removing all requirements to follow Los Angeles County contracting requirements. Municipalities are already guided by state law on hiring and contracting practices. For precedent, note that Measures M, R, and Proposition A do not include the requirement to follow Los Angeles County hiring and contracting requirements as a stipulation for receiving funds.

Regional Program

- **Selection Process/Flowchart.** In general, recommend this process be simplified and streamlined. Specific recommendations are identified below.
- **Watersheds map.**
 - **Arroyo Seco/Rio Hondo Watershed.** Recommend that the Arroyo Seco (AS) watershed be split off from the Upper Los Angeles River (ULAR) watershed and joined with the Rio Hondo (RH) watershed area. Changing the proposed watershed map simply recognizes the on-the-ground reality

of how these watersheds should be grouped. As an example, the current Memorandum of Agreement between AS/RH cities for a Load Reduction Strategy shows that these cities, in practice, are already executing stormwater pollution actions apart from the ULAR.

- **Rio Hondo/San Gabriel River (RH/SGR) EWMP.** Recommend grouping the RH/SGR EWMP in the Upper San Gabriel River (USGR) watershed area. Currently, the proposed map shows this EWMP split between the RH (Arcadia, Monrovia, Sierra Madre) and USGR (Azusa, Bradbury, Duarte) watersheds. This is a concern because the EWMP is in the process of proposing a major revision to their watershed plan, including construction of five regional projects.
- **Watershed Area Steering Committee (WASC)**
 - **County/Municipal Membership.** Have all seats filled by city representatives, given the County already has BOS representation. Consider expanding to 10 seats as well.
 - **Community Stakeholder Qualifications.** Recommend minimum requirements for Community Stakeholders. Because MS4 compliance requires extensive knowledge, we believe there should be minimum qualifications for community stakeholders just like there are for municipal and sector specific representatives.
- **Technical Committee.** Recommend the Technical Committee be staffed by one person from each watershed area steering committee in order to preclude bias in project selection scoring. Those members would be eligible to score all projects except those originating from their own watershed area.
- **Project Selection Scoring Criteria.** Recommend changes to the project selection scoring matrix as such:
 - **A. Water Quality.** 50 points total (split 25/25 for dry and wet weather)
 - **B. Water Supply.** 25 points total
 - **C. Community Investments.** 13 points total.
 - C1. 5 points
 - C2. 8 points
 - C3. Delete C3 as this section duplicates C1 in part.
 - **D. Leveraging/Readiness.** 12 points total
 - D1. 5 points
 - D2. 2 points
 - D3. Delete D3 as there are too many uncertainties with project development to be able to state that a project will commence within 18 months.
 - D4. 5 points
- **Stormwater Investment Plan.**
 - **Staffing, Level of Effort.** Recommend that County provide staff support (funded by the FDC Program) to the development of stormwater investment plans. Because there are more than one E/WMP and/or WMP within the proposed watershed areas, it will be time consuming and difficult to meld existing planned projects into the 5-year stormwater

investment plan. Moreover, County support will lead to consistency in the plans across the entire region.

- **WASC Planning Latitude.** Recommend that the WASC be given latitude to consider project readiness when developing these plans.
- **BOS Review.** Recommend review of this step for consolidation and/or deletion. It is unclear what role the BOS will play in the review and approval of these plans.
- **Stormwater Management Targets.** Recommend deleting development of stormwater management targets from the program for the following reasons.
 - **Water Quality Targets.** Development of these targets duplicates what the regional board and E/WMPs have already established.
 - **Water Supply Targets.** The 2016 Bureau of Reclamation Basin Study identified water supply targets on a regional level and each adjudicated basin has set specific targets year-by-year.
 - **Community Investment Targets.** Establishing these targets is subjective and potentially not measurable.
- **Regional Oversight Committee (ROC).** Recommend review of this step for consolidation and/or deletion. The responsibilities of the ROC are ill defined and it is unclear what value the ROC will add to the project selection process.
- **Disadvantaged Communities (DACs)**
 - **110% Return.** Recommend that the definition of “benefit” be such that a downstream project (built in a non-DAC community) that accepts stormwater from a DAC, be included in the definition. Currently, the program states that the 110% return must “benefit” a DAC. How to define “benefit” requires more discussion.
 - **Accounting for 110% Return.** Recommend that the County develop a system for accounting for the 110% return and report out annually. How the 110% return will be accounted for, and by whom, requires more discussion. Since projects will be built over multiple years and in many places throughout a watershed area, accounting is not straightforward.
 - **DAC Count.** Recommend clarifying if DAC population count is by census block or bounded by permittee (city) jurisdiction.

Flood Control District (FCD) Program

- **Basin Plan Studies.** Recommend that the amount for Basin Plan studies be equal to the amount set aside for FCD education programs (currently \$20 million over five years) and come from FCD funds.
- **Job Training.** Recommend removing certification and vocational training for “design” as this requires an engineering degree.
- **Watershed Monitoring.** Recommend allowing FCD funds for water quality monitoring.
- **Watershed Coordinator.** Recommend removal of this position from the program as the duties of this position are ill defined.

Miscellaneous

- **1st/2nd Ordinance.** Recommend that both ordinances be passed at the same time with wording that says the 2nd ordinance will only go into effect upon voter approval of the tax.
- **Credits/Incentives/Rebates.** In the SGVCOG's letter of April 5, 2018, we stated our recommendations regarding this program element.
- **Conflict of Interest.** Recommend clarification. As written, the conflict of interest policy is ambiguous and could be interpreted that all WASC members have a conflict of interest in a project that benefits the watershed.

The challenges ahead remain daunting, but with your leadership and continued stakeholder outreach we look forward to developing a stormwater funding program that the SGVCOG and its member agencies can support. Should you have any questions, please contact Eric Wolf, Senior Management Analyst, at ewolf@sgvcog.org, (626) 457-1800.

Sincerely,

Marisa Creter

Marisa Creter
Executive Director
San Gabriel Valley Council of Governments

Attachments

Attachment 1 – SGVCOG Position on SCW Program Elements, Resolution 18-03

Cc.

Hon. Janice Hahn, Chair Pro Tem, Los Angeles County Board of Supervisors
Hon. Hilda L. Solis, Supervisor, First District, Los Angeles County
Hon. Mark Ridley-Thomas, Supervisor, Second District, Los Angeles County
Hon. Kathryn Barger, Supervisor, Fifth District, Los Angeles County
Katy Young, Office of Supervisor Sheila Kuehl
Teresa Villegas, Office of Supervisor Hilda Solis
Mark Pestrella, Director of Public Works, Los Angeles County
Russ Bryden, Los Angeles County Department of Public Works

