



AGENDA AND NOTICE OF THE REGULAR MEETING OF THE  
SAN GABRIEL VALLEY COUNCIL OF GOVERNMENTS GOVERNING BOARD

**MAY 31, 2018 - 6:00 P.M.**

**Upper San Gabriel Valley Municipal Water District Office  
602 E. Huntington Drive, Suite B, Monrovia, California 91016**

**SGVCOG Officers**

President  
**Cynthia Sternquist**

1<sup>st</sup> Vice President  
**Margaret Clark**

2<sup>nd</sup> Vice President  
**Joe Lyons**

3<sup>rd</sup> Vice President  
**Becky Shevlin**

**Members**

*Alhambra*

*Arcadia*

*Azusa*

*Baldwin Park*

*Bradbury*

*Claremont*

*Covina*

*Diamond Bar*

*Duarte*

*El Monte*

*Glendora*

*Industry*

*Irwindale*

*La Cañada Flintridge*

*La Puente*

*La Verne*

*Monrovia*

*Montebello*

*Monterey Park*

*Pomona*

*Rosemead*

*San Dimas*

*San Gabriel*

*San Marino*

*Sierra Madre*

*South El Monte*

*South Pasadena*

*Temple City*

*Walnut*

*West Covina*

*First District, LA County*

*Unincorporated Communities*

*Fourth District, LA County*

*Unincorporated Communities*

*Fifth District, LA County*

*Unincorporated Communities*

*SGV Water Districts*

Thank you for participating in tonight's meeting. The Governing Board encourages public participation and invites you to share your views on agenda items.

**MEETINGS:** *Regular Meetings of the Governing Board are held on the third Thursday of each month at 6:00 PM at the Upper San Gabriel Valley Municipal Water District Office (602 E. Huntington Drive, Suite B, Monrovia, California 91016).* The Governing Board agenda packet is available at the San Gabriel Valley Council of Government's (SGVCOG) Office, 1000 South Fremont Avenue, Suite 10210, Alhambra, CA, and on the website, [www.sgvkog.org](http://www.sgvkog.org). Copies are available via email upon request ([sgv@sgvkog.org](mailto:sgv@sgvkog.org)). Documents distributed to a majority of the Board after the posting will be available for review in the SGVCOG office and on the SGVCOG website. Your attendance at this public meeting may result in the recording of your voice.

**CITIZEN PARTICIPATION:** Your participation is welcomed and invited at all Governing Board meetings. Time is reserved at each regular meeting for those who wish to address the Board. SGVCOG requests that persons addressing the meeting refrain from making personal, slanderous, profane or disruptive remarks.

**TO ADDRESS THE GOVERNING BOARD:** At a regular meeting, the public may comment on any matter within the jurisdiction of the Board during the public comment period and may also comment on any agenda item at the time it is discussed. At a special meeting, the public may only comment on items that are on the agenda. Members of the public wishing to speak are asked to complete a comment card or simply rise to be recognized when the Chair asks for public comments to speak. We ask that members of the public state their name for the record and keep their remarks brief. There is a three minute limit on all public comments. Proxies are not permitted and individuals may not cede their comment time to other members of the public. **The Governing Board may not discuss or vote on items not on the agenda.**

**AGENDA ITEMS:** The Agenda contains the regular order of business of the Governing Board. Items on the Agenda have generally been reviewed and investigated by the staff in advance of the meeting so that the Governing Board can be fully informed about a matter before making its decision.

**CONSENT CALENDAR:** Items listed on the Consent Calendar are considered to be routine and will be acted upon by one motion. There will be no separate discussion on these items unless a Board member or citizen so requests. In this event, the item will be removed from the Consent Calendar and considered after the Consent Calendar. If you would like an item on the Consent Calendar discussed, simply tell Staff or a member of the Governing Board.

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In compliance with the Americans with Disabilities Act, if you need special assistance to participate in this meeting, please contact the SGVCOG office at (626) 457-1800. Notification 48 hours prior to the meeting will enable the SGVCOG to make reasonable arrangement to ensure accessibility to this meeting.



**PRELIMINARY BUSINESS**

**5 MINUTES**

1. Call to Order
2. Pledge of Allegiance
3. Roll Call
4. Public Comment (*If necessary, the President may place reasonable time limits on all comments*)
5. Changes to Agenda Order: Identify emergency items arising after agenda posting and requiring action prior to next regular meeting

**PRESENTATION**

**15 MINUTES**

6. Los Angeles County 2020 Census Planning and Outreach – Jason Tajima, Chief Executive Office, County of Los Angeles

**LIAISON REPORTS**

**10 MINUTES**

7. Gold Line Foothill Extension Construction Authority
8. Foothill Transit
9. San Gabriel and Lower Los Angeles Rivers and Mountains Conservancy
10. Southern California Association of Governments
11. League of California Cities
12. San Gabriel Valley Economic Partnership
13. South Coast Air Quality Management District

**CONSENT CALENDAR**

**5 MINUTES**

*(It is anticipated that the SGVCOG Governing Board may take action on the following matters)*

14. Governing Board Meeting Minutes – Page 1  
*Recommended Action: Adopt Governing Board minutes.*
15. Monthly Cash Disbursements/Balances/Transfers – Page 5  
*Recommended Action: Approve Monthly Cash Disbursements/Balances/Transfers.*
16. ACE Minutes – Page 7  
*Recommended Action: Receive and file.*
17. ACE Monthly Report – Page 11  
*Recommended Action: Receive and file.*
18. Committee Attendance – Page 13  
*Recommended Action: Receive and file.*
19. ACE/COG Integration Update – Page 23  
*Recommended Action: Receive and file.*
20. Accounting and Financial Policies Procedures Manual – Page 25  
*Recommended Action: Adopt Resolution 18-26 approving updates to the SGVCOG Accounting and Financial Policies Procedures Manual.*
21. Capital Projects Review Manual – Page 55  
*Recommended Action: Adopt Resolution 18-27 approving the Capital Projects Review Manual.*
22. AB 1912 (Rodriguez) – Page 137  
*Recommended Action: Adopt Resolution 18-28 to oppose AB 1912 (Rodriguez).*
23. AB 1857 (Nazarian) – Page 177  
*Recommended Action: Adopt Resolution 18-29 to support AB 1857 (Nazarian).*
24. AB 2681 (Nazarian) – Page 185  
*Recommended Action: Adopt Resolution 18-30 to support AB 2681 (Nazarian).*
25. AB 2417 (Rodriguez) – Page 195  
*Recommended Action: Adopt Resolution 18-31 to oppose AB 2417 (Rodriguez).*

26. SGVCOG Committee Appointments – Page 211  
*Recommended Action: Adopt Resolution 18-32 to appoint members to standing SGVCOG Policy Committees, Technical Advisory Committees and other partner agency assignments.*

**ACTION ITEMS**

**30 MINUTES**

27. FY 2018-19 Budget – Page 217  
*Recommended Action: Adopt Resolution 18-33 approving the FY 18-19 budget.*
28. SGVCOG Officer Elections – Page 261  
*Recommended Action: Elect SGVCOG delegates to serve in the SGVCOG Officer Positions as follows:*
- *President*
  - *1<sup>st</sup> Vice President*
  - *2<sup>nd</sup> Vice President*
  - *3<sup>rd</sup> Vice President*

**PRESIDENT’S REPORT**

**5 MINUTES**

**EXECUTIVE DIRECTOR’S REPORT**

**5 MINUTES**

29. Capital and Construction Project Update – Page 265  
*Recommended Action: For information only.*

**GENERAL COUNSEL’S REPORT**

**5 MINUTES**

**COMMITTEE REPORTS**

**10 MINUTES**

30. Transportation Committee  
31. Homelessness Committee  
32. Energy, Environment and Natural Resources Committee  
33. Water Committee  
34. Capital Projects and Construction Committee

**PROJECT REPORTS**

**5 MINUTES**

35. Homeless Coordination Efforts  
36. San Gabriel Valley Energy Wise Partnership

**BOARD MEMBER ITEMS**

**ANNOUNCEMENTS**

**ADJOURN**





**SGVCOG Governing Board Unapproved Minutes**

Date: April 19, 2018,

Time: 6:00 PM

Location: USGVMWD (602 E Huntington Dr, Monrovia, CA 91016)

**PRELIMINARY BUSINESS**

1. Call to Order  
President Cynthia Sternquist called the meeting to order at 6:11 p.m.

2. Pledge of Allegiance  
M. Clark led the pledge.

3. Roll Call

**A quorum was in attendance.**

**Governing Board Members Present**

Alhambra	Barbara Messina
Arcadia	Sho Tay
Baldwin Park	Cruz Baca
Claremont	Sam Pedroza/Joe Lyons
Covina	Peggy Delach
Diamond Bar	Carol Herrera
Duarte	John Fasana
El Monte	Victoria Martinez/ Jerry Velasco
Glendora	Judy Nelson
La Canada Flintridge	Gregory Brown
La Puente	Dan Holloway
Monrovia	Becky Shevlin
Monterey Park	Teresa Real Sebastian
Rosemead	Margaret Clark
Sierra Madre	John Capoccia
South El Monte	Gloria Olmos
South Pasadena	Diana Mahmud
Temple City	Nanette Fish
Walnut	Mary Su
West Covina	Mike Spence
LA County District 1	Waqas Rehman
LA County District 4	Lauren Yokomizo
LA County District 5	Debra Mendelsohn
Water Districts	Carlos Goytia

**Absent**

Azusa  
Bradbury  
Industry  
Irwindale  
La Verne  
Montebello  
Pomona  
San Dimas  
San Gabriel  
San Marino

**SGVCOG Staff**

Marisa Creter, Executive Director  
Kimberly Hall Barlow, General Counsel  
Stefanie Hernandez, Staff  
Christian Cruz, Staff  
Peter Duyshart, Staff  
Jan Cicco, Staff  
Eric Wolf, Staff  
Katie Ward, Staff  
Mark Christoffels, Staff  
Paul Hubler, Staff

4. Public Comment  
Assemblymember Blanca Rubio spoke about AB 2538. R. Corral spoke about the SGVCH.
5. Changes to Agenda Order  
No Changes to the Agenda.

#### **PRESENTATION**

6. City Homelessness Planning Update - LeSar Development Consultants, Rachel Ralston, Principal  
R. Ralston presented on current status of the Homeless Plans, and discussed next steps.

#### **LIAISON REPORTS**

7. Gold Line Foothill Extension Construction Authority  
J. Fasana reported on this item.
8. San Gabriel and Lower Los Angeles Rivers and Mountains Conservancy  
M. Stanley reported on this item.
9. Southern California Association of Governments  
A. San Miguel reported on this item
10. League of California Cities  
No report given.
11. San Gabriel Valley Economic Partnership  
J. Allred reported on this item
12. South Coast Air Quality Management District  
M. Cacciotti reported on this item.  
Foothill Transit  
Y. Igawa reported on this item.

#### **CLOSED SESSION**

13. PUBLIC EMPLOYMENT: Title: Executive Director, Chief Engineer pursuant to California Government Code section 54957  
CONFERENCE WITH LABOR NEGOTIATORS: Agency designated representatives: Kimberly Hall Barlow, Richard D. Jones, Dominic Lazzaretto, Bob Russi, Brian Saeki, and Chris Jeffers; Unrepresented employees: Executive Director, Chief Engineer and all other unrepresented employees pursuant to California Government Code section 54957.6.  
No reportable action.

#### **CONSENT CALENDAR**

14. Governing Board Meeting Minutes  
*Recommended Action: Adopt Governing Board minutes.*
15. Monthly Cash Disbursements/Balances/Transfers  
*Recommended Action: Approve Monthly Cash Disbursements/Balances/Transfers.*
16. ACE Minutes  
*Recommended Action: Receive and file.*
17. ACE Monthly Report  
*Recommended Action: Receive and file.*
18. Committee Attendance  
*Recommended Action: Receive and file.*

19. Committee Appointments  
*Recommended Action: Appoint the following members to the SGVCOG Committees:  
 -Public Works TAC: City of San Gabriel, City of Glendora*
20. RFP to Review Retirement Benefit Options  
*Recommended Action: Authorize staff to release RFP to review retirement benefit options for SGVCOG staff.*
21. SB 623 (Monning)  
*Recommended Action: Adopt Resolution 18-17 to oppose SB 623 (Monning) unless amended to remove the fee on public water systems.*
22. Safe, Clean Water Recap  
*Recommended Action: Receive and file.*
23. ACA 5 / Proposition 69  
*Recommended Action: Adopt Resolution 18-18 to support ACA 5/Proposition 69.*
24. Employee Handbook  
*Recommended Action: Adopt Resolution 18-19 to approve update to the SGVCOG employee handbook.*
25. AB 1971 (Santiago)  
*Recommended Action: Adopt Resolution 18-20 to support AB 1971 (Santiago).*
26. Salary Resolution  
*Recommended Action: Adopt Resolution 18-21 to update the SGVCOG salary schedule.*
27. Update Conflict of Interest Code  
*Recommended Actions: 1) Adopt Resolution 18-22 to update SGVCOG Conflict of Interest Code and 2) Direct Executive Director to submit to the County of Los Angeles Board of Supervisors.*
28. AB 2538 (Rubio)  
*Recommended Action: Adopt Resolution 18-23 to support AB 2538 (Rubio).*
29. Extension of Office Lease  
*Recommended Action: Authorize the Executive Director to execute an extension of the Alhambra office lease through April 2021.*
30. Mutual Termination of Employment Agreement  
*Recommended Action: Approve letter agreement with Mark Christoffels to mutually terminate employment agreement, Y-rate Chief Engineer at current salary and benefits level and authorize Executive Director to execute agreement and implement same.*
31. Updated Investment Policy  
*Recommended Action: Adopt Resolution 18-24 to update the SGVCOG investment policy.*
32. ACE/COG Integration Update  
*Recommended Action: Receive and file.*
33. May Meeting Date  
*Recommended Action: Adopt Resolution 18-25 to move the May 2018 Governing Board meeting to May 31.*

**There was a motion to approve consent calendar items 14-33. (M/S: J. Fasana/M. Su).**

**[Motion Passed]**

<b>AYES:</b>	Alhambra, Arcadia, Baldwin Park, Claremont, Covina, Diamond Bar, Duarte El Monte, Glendora, La Canada Flintridge, La Puente, Monrovia, Monterey Park Rosemead, Sierra Madre, South El Monte, South Pasadena, Temple City, Walnut, West Covina, LA County District 1, LA County District 4, LA County District 5 Water Districts
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<b>NOES:</b>	
<b>ABSTAIN:</b>	
<b>ABSENT:</b>	Azusa, Bradbury, Industry, Irwindale, La Verne, Montebello, Pomona, San Dimas, San Gabriel, San Marino

**West Covina voted no on item 23. (Reso 18-18)**

**PRESIDENT'S REPORT**

C. Sternquist spoke about TIFTA.

**EXECUTIVE DIRECTOR'S REPORT**

- 34. Draft FY 2018-19 Budget  
K. Ward presented on this item
- 35. Recap of Washington DC Trip  
P. Hubler reported on this item.

**GENERAL COUNSEL'S REPORT**

K. Barlow reported on the MPDS litigation and Powey litigation.

**COMMITTEE REPORTS**

- 34. Transportation Committee  
J. Fasana reported on this item.
- 35. Homelessness Committee  
J. Lyons and B. Shevlin reported on this item.
- 36. Energy, Environment and Natural Resources Committee  
No report given
- 37. Water Committee  
D. Mahmud and J. Nelson reported on this item.

**PROJECT REPORTS**

- 38. The ACE Project  
M. Christoffels reported on this item.
- 39. Homeless Coordination Efforts  
J. Cicco reported on this item.
- 40. San Gabriel Valley Energy Wise Partnership  
No report given.

**BOARD MEMBER ITEMS**

**ANNOUNCEMENTS**

**ADJOURN**

President Cynthia Sternquist adjourned the meeting at 8:27 p.m.



**SAN GABRIEL VALLEY COUNCIL OF GOVERNMENTS**  
**Selected Asset Account Balances**  
**As of April 30, 2018**

<b>Account Name</b>	<b>Balance 3/31/2018</b>	<b>Increase</b>	<b>Decrease</b>	<b>Net Change</b>	<b>Balance 4/30/18</b>
CBB - Checking	\$ 629,304	\$ 129,138	\$ 145,916	\$ (16,777)	\$ 612,527
CBB- 242-034-325 CD	\$ 55,604	\$ -	\$ -	\$ -	\$ 55,604
CBB - 2766 Savings	\$ 1,589	\$ -	\$ -	\$ -	\$ 1,589
CBB -242-034-953 CD	\$ 54,837	\$ -	\$ -	\$ -	\$ 54,837
Petty Cash	\$ 400		\$ -	\$ -	\$ 400
LAIF	\$ 231,688	\$ 862	\$ -	\$ 862	\$ 232,550
LAIF Maket Value	\$ 86	\$ -	\$ -	\$ -	\$ 86
Member Receivable	\$ -	\$ -	\$ -	\$ -	\$ -
Grants/Contracts Receivable	\$ 296,754	\$ 88,509	\$ 126,670	\$ (38,161)	\$ 258,593
Sponsorships Receivable	\$ 25	\$ -	\$ -	\$ -	\$ 25
Rental Deposits Receivable	\$ 215	\$ -	\$ -	\$ -	\$ 215
Receivables - Other	\$ -	\$ 2,646	\$ -	\$ 2,646	\$ 2,646
	<b><u>\$ 1,270,501</u></b>	<b><u>\$ 221,156</u></b>	<b><u>\$ 272,586</u></b>	<b><u>\$ (51,431)</u></b>	<b><u>\$ 1,219,071</u></b>

SAN GABRIEL VALLEY COUNCIL OF GOVERNMENTS

Disbursements Report

April 2018

Transaction Date	Number/Reference	Vendor Name	Description	Amount
4/3/2018	9667	Alameda Corridor East Constr	Job Posting for Finance Director	200.00
4/3/2018	9668	Jones & Mayer	Legal Service/ACE Integration/CVRA - Feb'18	2,611.04
4/3/2018	9669	CliftonLarsonAllen	Treasurer Service - Quarter Ending 9/30/17	4,370.00
4/3/2018	9670	Bob Murray & Associates	ED Recruitment - Background Check	441.62
4/3/2018	9671	Reward Strategy Group	Classification and Compensation Study - Feb'18	1,415.00
4/3/2018	9672	Elite-TRC-Alhambra Community	File cabinet removal - labor charge for disposal	100.00
4/10/2018	9673	Alameda Corridor East Constr	Washington DC reimb-B.Shelvin & CALPERS Reimb. PE 03.30.18	3,424.94
4/10/2018	9674	Chris Mathew Gomez	Photographer - Homeless Tour Bus	300.00
4/10/2018	9675	Vantagepoint Transfer Agents	ICMA Reimbursement (3/30/18)	88.46
4/10/2018	9676	Kaiser Permanente Health Pla	Dues for May'18	1,288.37
4/10/2018	9677	Christian Cruz	Mileage Reimbursement for Mar'18	80.06
4/10/2018	9678	VFW- Greater El Monte Post #	Rental for Homeless Bus Tour	500.00
4/13/2018	EFT	Paychex	Payroll Period Ending 4/13/18	24,589.93
4/13/2018	EFT	Paychex	Payroll Processing Fee	50.00
4/16/2018	EFT	Citi Card	Citi Card Payment	3,093.53
4/18/2018	9679	Image IV Systems	Copy Machine Rental - Apr'18	723.82
4/18/2018	9680	Jones & Mayer	Legal Service/ACE Integration/CVRA - Mar'18	4,030.25
4/18/2018	9681	Mary Lou Echternach	Transportation Consulting Serv - Marc'18	10,500.00
4/18/2018	9682	Elite-TRC-Alhambra Co	Monthly Rent - May'18	6,283.21
4/18/2018	9683	Vantagepoint Transfer	ICMA Reimbursement (4/13/18)	88.46
4/18/2018	9684	Jake Stotz	Mileage Reimbursement for Mar'18	62.35
4/18/2018	9685	Victoria Ciudad-Real	Mileage Reimbursement for Mar'18	64.42
4/18/2018	9686	Reward Strategy Group	Classification and Compensation Study - Mar'18	8,520.00
4/18/2018	9687	LeSar Development Consultants	City Homeless Planning - Feb'18	46,000.00
4/18/2018	9688	David & Margaret Youth and Fam	Homeless Bus Tour - Breakfast	245.81
4/23/2018	EFT	Spectrum Business	Internet Provider	125.00
4/24/2018	9689	Athena Parking (Alhambra)	Monthly Parking - May'18	375.00
4/24/2018	9690	Proforma Quality Printing	Business cards	99.48
4/24/2018	9691	PLIC-SBD GRAND ISLAND	Dues for May'18	357.42
4/24/2018	9692	Alameda Corridor East Constr	CALPERS Reimbursement for PE 04.13.18	2,393.76
4/27/2018	EFT	Paychex	Payroll Period Ending 4/27/18	23,493.69
			<b>Total April 2018 Disbursements</b>	<b>\$ 145,915.62</b>



## SGVCOG Capital Projects & Construction Committee March 26, 2018 Meeting Minutes

Chairperson Costanzo called the meeting of the San Gabriel Valley Capital Projects and Construction Committee to order at 12:04pm at the San Gabriel City Hall Council Chambers.

1. **Pledge of Allegiance** – Member Hadjinian led the pledge of allegiance.

2. **Roll Call:** Mr. Christoffels called the roll.

In attendance was:

Juli Costanzo, San Gabriel, Chair

Jack Hadjinian, Montebello

Victoria Martinez, El Monte, Vice Chair

Barbara Messina, SGVCOG

Tim Sandoval, Pomona

### **Staff:**

Mark Christoffels, Chief Engineer

Gregory Murphy, Burke, Williams & Sorensen, legal counsel

Deanna Stanley

Amy Hanson

Carlos Monroy

Cecilia Cardenas

Charles Tsang

Melissa Truong

Michelle Arroyo

Paul Hubler

Phil Balmeo

Rachel Korkos

Ricky Choi

Victoria Butler

### **Guests:**

John Burton, LA County Dept. Public Works

Robert Williams, RailPros

Linda Nicklas, Match 90640

Rosemary Torres, Match 90640

Mike Torres, Match 90640

Charlie Nakamoto, Jacobs Engineering

3. **Public Comments** – Linda Nicklas of Match 90640 stated their group was dissatisfied with Member Hadjinian's representation of Montebello on the Committee. Ms. Nicklas requested the Committee consider removing Member Hadjinian as the Montebello representative. She indicated the Montebello project as planned did not appear to be safe for the City.

4. **Approval of the Capital Projects and Construction Committee Meeting Minutes of January 22, 2018** – A motion was made by member Sandoval and seconded by Vice Chair Martinez to approve the January 22, 2018 Capital Projects and Construction Committee Meeting Minutes.

M/S/C/Sandoval/Martinez/Unanimous

5. **Approval of the Capital Projects and Construction Committee Meeting Minutes of February 26, 2018** – A motion was made by member Sandoval and seconded by member Hadjinian to approve the February 26, 2018 Capital Projects and Construction Committee Meeting Minutes.

M/S/C/Sandoval/Hadjinian/Unanimous

6. **Chairman Remarks** – Chairperson Costanzo congratulated Carlos Monroy, Finance Director of ACE for his upcoming retirement. She thanked him for his service and the Board presented Mr. Monroy with plaque of recognition. She indicated that interviews for a new Finance Director will begin the following day.

Chairperson Costanzo thanked staff for the coordination of the recent legislative meetings in Washington D.C. trip which allowed the members to update legislators and their staff with project progress and funding needs.

7. **Board Member Comments** – Member Sandoval expressed his gratitude on behalf of the City of Pomona for the overwhelming support received by Committee member cities and staff after the loss of Pomona Police Officer Gregory Casillas in early March.

8. **Chief Engineer's Monthly Report** – Mr. Christoffels reminded the Committee of the Puente Avenue ribbon cutting ceremony on April 6 at 10:30. He indicated that the recent trip to Washington was the first trip as an integrated agency with the San Gabriel Valley Council of Governments, which was well received.

9. **Project Construction Progress Report** – Charles Tsang reviewed the progress photos for the Fairway project showing the storm drain work completed and soil removal for ramp preparation after Lemon Avenue on/off ramp is open. He reported that the Lemon Avenue project is 99% complete and is scheduled to open mid-April. Victoria Butler reviewed the progress photos for Fullerton Road project showing the pump station installation for the storm drain system. Philip Balmeo reviewed the progress photos for the Puente Avenue Grade separation showing a near complete project. He reviewed photos for the San Gabriel Trench project highlighting the tieback installation along the railroad track and the excavation of Ramona Blvd.

10. **Approval to Receive and File Finance Committee Reports of January 26, 2018** – A motion was made by member Hadjinian and seconded by member Messina to receive and file the Finance Committee reports of January 26, 2018.

M/S/C/Hadjinian/Messina/Unanimous

11. **Approval of the Project Definition Report for the At-Grade Crossing Safety Improvements Project in the City of Pomona** – Project Manager Rachel Korkos presented the At-Grade Crossing Safety Improvements project specifications. She indicated that the project requires five crossing improvements at Hamilton Boulevard, Park Avenue, Main Street, Palomares Street, and San Antonio Avenue crossings that will improve the safety of pedestrians and motorists utilizing the crossings.

She reported that no right-of-way acquisitions are necessary for this project with one encroachment in the public right-of-way that requires removal. She indicated that funding for this project is provided through Measure R funds. She reported the project has received clearance by the California Environmental Quality Act (CEQA), and utility relocation requirements are still under review. She reported that construction is scheduled to begin in 2019 with project completion of December 2020.

A motion was made by member Sandoval and seconded by member Hadjinian to approve the project definition report for the At-Grade Crossing Safety Improvements project in the City of Pomona.

M/S/C/Sandoval/Hadjinian/Unanimous

12. **Approval of an Amendment to RailPros, Inc. Contract for the Design Services of the At-Grade Safety Improvements Project in the City of Pomona** – Mark Christoffels reported that this item is to complete Phase 3 of Final Design of the At-Grade Safety Improvements Project. He reminded the Committee that this contract was approved at the September 26, 2016 meeting for Phase 2 design services. He indicated that the next phase required is for an amount not-to-exceed \$1,499,636 for a new contract value of \$3,236,047. He asked the Committee to make a motion on this item.

A motion was made by member Sandoval and seconded by member Hadjinian to approve an amendment to RailPros, Inc. contract for the design services of the At-Grade Safety Improvements project in the City of Pomona.

M/S/C/Sandoval/Hadjinian/Unanimous

13. **Approval of the Close-Out and Formal Acceptance for the Work Associated with the Design Contract with HDR Engineering, Inc. for the Temple Avenue Train Diversion Project** – Mr. Christoffels reported that the Temple Avenue Train Diversion project has been completed, this item is to approve the acceptance of the project as complete and to close-out the design contract with HDR Engineering, Inc. He indicated that a post audit has been completed and the final contract amount of \$7.4 million has been paid. Mr. Christoffels gave a brief history of the project and its long processes of development. He explained to the Committee that Union Pacific Railroad required that a 4<sup>th</sup> track be added after construction had begun which, required a reinforced concrete box owned by the Los Angeles County Flood Control District be replaced but could not be construction due to unresolved negotiations with Kinder Morgan regarding the need to relocate or provide a protection for its two oil pipelines. Once these issues were addressed we were able to complete the project. He

reported that Union Pacific Railroad plans to have all track work relating to this project done by July. He asked for a motion to approve this item.

A motion was made by member Sandoval and seconded by member Hadjinian to approve the close out and formal acceptance for the work associated with the design contract with HDR Engineering, Inc. for the Temple Avenue Train Diversion Project.

M/S/C/Sandoval/Hadjinian/Unanimous

14. **Adjournment** – The meeting was adjourned at 12:50PM in memory of Pomona Police Officer Gregory Casillas, Ysela Rodriguez, the SGVCOG Board President Cynthia Sternquist's mother and Dennis Grover, father in-law of Mark Christoffels.

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Deanna Stanley  
Clerk



MEMO TO: SGVCOG Governing Board Members & Alternates

FROM: Juli Costanzo, Chair, Capital Projects and Construction Committee

DATE: May 7, 2018

SUBJECT: Monthly Report

The following are items of note since the last meeting:

Lemon Avenue Project – New on- and off-ramps at Lemon Avenue on the SR-60 freeway opened on May 1 after 18 months of construction permitting the simultaneous and permanent closure of the eastbound off-ramp at Brea Canyon Road. The new ramps help mitigate traffic and serve as an alternate access route for freeway access during the closure of Fairway Drive for the construction of the ACE Fairway Drive grade separation project. **Construction is underway on a third eastbound on-ramp at Lemon Avenue, scheduled to open to traffic in June, when the eastbound on-ramp at Brea Canyon Road will close.**

State Trade Corridor Funding – California Transportation Commission staff has recommended the award of a total of \$78 million in grant funding for the ACE grade separation projects on Montebello Boulevard and Turnbull Canyon Road. The proposed grants are among a statewide list of projects included in the new Trade Corridor Enhancement Program (TCEP), funded with revenues from the SB 1 diesel fuel tax and from federal highway freight program funds. The Commission will consider the recommendations for adoption on May 16.

Community Outreach Update – Staff conducted the following project outreach activities:

- Distributed construction alert notices regarding the opening of the Lemon Avenue eastbound off-ramp and westbound on-ramp and the permanent closure of the Brea Canyon Road eastbound off-ramp for the Lemon Avenue Interchange project;
- Distributed construction alert notices regarding lane reductions on Walnut Grove Avenue at railroad crossing for road rehabilitation for the San Gabriel Trench project;
- Distributed construction alert notices regarding a 55-hour weekend closure of Del Mar Avenue between Agostino Road and the railroad bridge for pavement rehabilitation for the San Gabriel Trench project; and
- Conducted ongoing community outreach and support activities for the San Gabriel Trench, Puente Avenue, Fairway Drive and Fullerton Road grade separation projects.





**Governing Board Attendance**

	2017						2018					
	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
Alhambra	D	D	D	D	D	D	D	D	D	D		
Arcadia	D	D	D	D	D	D		D	D	D		
Azusa	D	D	D		D		D	D	D			
Baldwin Park		D		D	D	D	D			D		
Bradbury		D										
Claremont	D	D	D	D	D	D	D	D	A	D		
Covina	D	D	D	D	D		D	D	D	D		
Diamond Bar	D	A	D	D			D	D	D	D		
Duarte	D	D	D	D	D	D	D	D	D	D		
El Monte	D		D		A		D	A	A	A		
Glendora	D	D	D	D	D			D	D	D		
Industry												
Irwindale												
La Canada Flintridge		D		D	D	D	D	D		D		
La Puente		D	D		D	D	D	D	D	D		
La Verne	D	D	D		D	D	D	D	D			
Monrovia	D	D	D	D	D	D	D	D	D	D		
Montebello	D		D	D	D	D	D	D	D			
Monterey Park	D	D	D	D	D		D	D		D		
Pasadena	D	D				D	D					
Pomona	D		D		D	D		D	D			
Rosemead	D	D	D	D	D	D	D	A	D	D		
San Dimas	D	D	D	D	D	D	D	D				
San Gabriel	D	A		D	D	D		D	D			
San Marino							D					
Sierra Madre	D	A	D	D	D	D	D		D	D		
South El Monte	D			D	D	A		D	D	D		
South Pasadena	D	A	D	D	D	D	D	D	D	D		
Temple City	D	D	D	D	D	D	D	D	A	D		
Walnut		D				D	D	D	D	D		
West Covina	D	D	D	D	D	D	D	D	D	D		
LA County District 1	D		D	A		D	D	D	A	D		
LA County District 4		D				D	D	D	D	D		
LA County District 5	D	D	D	D	D	D	D	D	D	D		
SGV Water Agencies	D	D	D		D	D	D	D	D	D		

**Major Action Items and Presentations**

**July**

AB 1645 (Rubio)  
LACCE JPA  
Metro Open Streets Grant Program

**August**

Salary Resolution  
ACE/SGVCOG Integration

**September**

Interim Executive Director Contract  
Amendmnt to Legal Services  
Financial Policies Modification  
Contract for Meteor Board Support Services  
Measure H Homelessness Funding Contract  
4th Quarter Financial Report  
SB 242  
JPA and Bylaws Update

**October**

California Voting Rights Act  
4th Amendment to the JPA  
9th Amendment to the SGVCOG Bylaw  
FY 2017-18 Budget Amendment #1  
Ad Hoc Legislative Commttee

**November**

Executive Director Job Description  
9th Amendment to the SGVCOG Bylaw **February**

**December**

City Homeless Planning MOUs  
Salary Resolution  
9th Amendment to the SGVCOG Bylaws

**January**

Regional Housing Needs  
Committee Appointments  
Chief Engineer  
Homeless Plan Grant Contract  
Stormwater Legislative Priorities  
Safe, Clean Water Program Elements  
Extension of Office Lease  
Construction Committee Election Process  
Compensation Study  
Director of Finance  
Upper LA River Integrated Monitoring  
Governing Board Stipends

**February**

Committee Appointments  
Committee Meeting Times  
City Managers' Steering Committee Election Process  
Basin Plan  
Measure M Public Participation Plan  
Executive Director Interviews

**March**

San Dimas Traffic Management Plan  
Treasurer Contract Renewal  
SB 168 (Wieckowski)  
AB 1795 (Gipson)  
SB 827 (Wiener)  
Committee Meeting Times  
Legal Services Update  
Employment Agreement for Executive Director  
Measure M Administrative Funds  
Rio Hondo Load Reduction Strategy Agreement

**April**

Retirement Benefit Options RFP  
SB 623 Monning  
Prop 69  
Employment Handbook  
AB 1971 (Santiago0)  
Salary Resolution  
AB 2538 (Rubio)  
Mutual Termination of Employment Agreement  
Extension of Office Lease

## Capital Projects and Construction

	2018					
	Jan	Feb	Mar	Apr	May	Jun
Alhambra	✓		✓	✓	✓	
El Monte	✓		✓	✓		
Montebello	✓	✓	✓	✓	✓	
Industry						
Pomona	✓	✓	✓		✓	
San Gabriel	✓	✓	✓	✓	✓	
LA County District 1	✓					

### Agenda Topics

#### *January*

- Election of Officers
- Financial Audit Statements
- Quarterly Financial Reports
- Quarterly Project Progress & Mitigation Monitoring Reports

#### *February*

- Finance Committee Report
- Project Definition Report
- Amendment to RailPros, Inc. Contract
- Selection of Potential Future Projects
- Three Load Reduction Strategy Projects for the Rio Hondo River and Tributaries.

#### *March*

- Finance Committee Report
- Project Definition Report
- Amendment to RailPros, Inc. Contract
- Close-Out for the Temple Avenue Train Diversion Project

#### *April*

- Construction, Operation, and Maintenance Agreement with Union Pacific Railroad and the City of Pico Rivera
- Quarterly Project Progress Reports
- Quarterly Environmental Mitigation Monitoring Reports

#### *May*

- Amendment to Moffatt & Nichol Contract for Design Services for the Montebello Corridor Grade Separation
- Approval of Sale of Excess Property located at 921 Fairway Drive, Walnut, CA
- Increased Change Order Authorization for the Fairway Drive Grade Separation Project
- Closeout Update of Construction Contract with Griffith Company
- Financial, Audit, and Investment Reports

## Transportation Committee Attendance

	2017						2018					
	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
Alhambra				✓	✓		✓	✓	✓	✓		
Claremont	✓			✓			✓		✓	✓		
Diamond Bar	✓			✓	✓		✓	✓	✓	✓	✓	
Duarte	✓			✓	✓		✓	✓	✓	✓	✓	
El Monte	✓				✓		✓	✓	✓	✓		
Glendora									✓	✓	✓	
La Canada Flintridge					✓		✓	✓		✓		
LA County District 1	✓			✓	✓		✓	✓	✓	✓		
LA County District 5	✓						✓	✓		✓	✓	
Pomona	N/A			N/A	N/A		N/A	N/A	N/A		✓	
San Gabriel	✓				✓		✓	✓				
South El Monte				✓	✓		✓	✓	✓	✓		
South Pasadena				✓	✓			✓	✓	✓	✓	
Temple City	✓											
Walnut								✓		✓		

### Agenda Topics

#### July

- Transit Open Space Access
- Ramona Corridor Electric Bus Rapid Transit
- Metro Open Streets

#### October

- San Gabriel Valley Regional Bike Share Expansion
- Metro LRTP & Measure M Update
- Accel/Decel Policy Formulation for Measure M

#### November

- Metro Measure M Subregional Programming Funds
- Metro Measure M Subregional Administrative Funds

#### January

- Metro's Supportive Transit Parking Program Master Plan
- Metro Measure M Subregional Public Participation Plan
- Metro Measure M Subregional Administrative Funds

#### February

- I-10 Express Lanes Project Update: SBCTA
- ACE Program Project Development, Evaluation, and Approval Process

#### March

- California Proposition 69 / ACA 5
- San Gabriel Valley Regional Bike Share Expansion Update
- Update on Measure M Subregional Fund Programming

#### April

- AB 1756 (Brough; oppose)
- SB 1 and DOT INFRA Grants (Metro)
- Open Streets Cycle Three Grant (Metro)
- CicLAVia Heart of the Foothills Open Streets Event Overview
- SGV Complete Streets, Safety, and Greenway Planning (Harvey Mudd)
- SGV Bike Share Expansion Update
- I-10 ExpressLane / Busway Motion (Chairman Fasana)

#### May

- AB 2417
- US DOT Angeles National Forest Corridor Analyses/Access to ANF
- Open Streets Cycle Three Grant (Metro)
- GoMonrovia Program
- SGV Bike Share Expansion Update

## EENR Committee Attendance

	2017						2018					
	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
Claremont	✓		✓	✓			✓					
Duarte	✓		✓	✓	✓		✓	✓	✓	✓		
Glendora												
Rosemead	✓		✓	✓			✓	✓	✓	✓		
San Dimas	✓		✓	✓	✓		✓	✓	✓	✓		
Sierra Madre	✓			✓			✓		✓	✓		
South Pasadena	✓		✓	✓	✓		✓					
West Covina			✓	✓	✓		✓	✓	✓	✓		

### Agenda Topics

#### *July*

US DOT Improve Access to ANF

#### *September*

Jeff Seymour Family Center Tour

#### *October*

EENR Legislative Priorities

#### *November*

WCA San Gabriel Mountains Foothills Acquisition Master Plan

Solid Waster Legislative Review

#### *January*

Renewable Natural Gas Pathways

SB 705(Allen)

#### *February*

Electrification and the Changing Grid

SB 168 (Wieckowski)

#### *March*

US DOT Improve Access to ANF Update

AB 444 (Ting)

## Homelessness Committee Attendance

	2017						2018					
	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
Baldwin Park	✓			✓	✓		✓		✓	✓		
Claremont	✓			✓			✓			✓		
Covina												
Monrovia	✓			✓	✓		✓	✓	✓	✓		
Pasadena				✓	✓		✓	✓				
Pomona	✓				✓		✓	✓		✓		
Rosemead	✓			✓	✓		✓	✓	✓			
West Covina				✓	✓				✓	✓		
LA County Dist 1					✓		✓		✓	✓		
Water Districts				✓								

### Agenda Topics

#### *July*

- SB 2 Best Practices Guide
- Sheriffs First Responder Homeless Training

#### *October*

- LAHSA Homeless Count Data Analysis
- Family Promise AUSD Pilot Project

#### *November*

- City of Azusa Neighborhood Connections
- SGVCOG Homelessness Coordinator Report
- LA County Mental Health Legislative Proposal

#### *January*

- Abundant Housing LA
- Homelessness Coordination Report

#### *February*

- Permanent Supportive Housing
- AB 1795 (Gipson)

#### *March*

- AB 1971 (Santiago)
- City of El Monte Baldwin Rose PSH Update

#### *March*

- 2018-19 Measure H Programming
- City Homeless Plans Update

## Water Policy Committee

	2017						2018					
	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
Claremont	✓		✓	✓		✓	✓				✓	
Diamond Bar	✓		✓		✓	✓		✓		✓	✓	
Glendora	✓		✓		✓		✓	✓		✓	✓	
Monrovia			✓	✓	✓	✓	✓	✓		✓	✓	
Rosemead				✓			✓	✓	✓	✓	✓	
Sierra Madre	✓		✓	✓	✓	✓	✓		✓	✓	✓	
South Pasadena	✓		✓	✓	✓	✓	✓	✓	✓	✓	✓	
West Covina					✓	✓	✓	✓			✓	
SGV Water Districts							✓	✓			✓	

### Agenda Topics

#### **July (Joint Meeting with Water TAC)**

AB 1180 (Holden)  
 Drought Response legislation  
 HR 465, HR 2510  
 State Audit

#### **Aug (dark)**

#### **Sept**

IIP presentation  
 TAC election for Chair  
 SGV Caucus update  
 WOTUS update  
 Water Resilience update  
 ULAR CIMP overview

#### **Oct**

Water Resilience presentation/update  
 Whittier Narrow Dam Safety presentation  
 WOTUS update  
 Legislative update  
 Water Supply update  
 EWMP updates

#### **Nov**

WOTUS update  
 Legislative update  
 Water Board appointments  
 Safe, Clean Water update  
 Litigation update  
 Stormwater Outreach update

#### **Dec**

Safe, Clean Water SGVCOG position  
 Legislative update  
 Water Board appointments  
 Water Supply update  
 Litigation update  
 Stormwater Outreach update

#### **Jan**

Safe, Clean Water SGVCOG position  
 Legislative update  
 Litigation update

#### **Feb**

Safe, Clean Water SGVCOG position  
 Change the date of Water Policy/TAC meetings  
 Legislative update  
 EWMP updates  
 Water Board appointments  
 Litigation update

#### **Mar**

Support for RH/SGR rEWMP  
 Safe, Clean Water SGVCOG position  
 Legislative update  
 Water Supply Update  
 Litigation update

#### **Apr**

Oppose SB 623 (Monning)  
 Support AB 2538 (Rubio)  
 E/WMP Updates  
 Water Board appointments  
 Litigation update  
 Stormwater Outreach

#### **May**

Safe, Clean Water SGVCOG update  
 Legislative update  
 Regional Board MS4 workshop

## City Managers' Steering Committee

	2017						2018					
	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
Arcadia	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	
Alhambra		✓	✓	✓	✓			✓		✓	✓	
Baldwin Park	✓		✓	✓	✓	✓	✓	✓	✓	✓	✓	
Claremont	✓	✓	✓	✓	✓	✓						
Covina		✓	✓	✓			✓	✓	✓			
Duarte	✓	✓	✓	✓	✓		✓		✓			
Glendora	✓	✓	✓		✓		✓	✓	✓	✓	✓	
La Canada Flintridge								✓	✓	✓	✓	
La Verne		✓	✓	✓	✓	✓	✓	✓	✓		✓	
Monrovia						✓	✓	✓				
Pomona	✓		✓	✓		✓	✓		✓	✓		
San Dimas		✓	✓			✓				✓		
Temple City			✓	✓	✓	✓		✓	✓	✓	✓	
West Covina	✓	✓		✓			✓	✓		✓		

### Agenda Topics

#### August

ULAR CIMP  
 Salary Resolution  
 ACE Ad Hoc Report  
 Homelessness Planning Grants

#### January

Election of Vice-Chair  
 Appointment of At-Large Member  
 Homeless Planning Consultant

#### September

SGVCOG Financial Policies  
 ULAR CIMP  
 Metro Support Contract  
 Homelessness Coordinator Contract  
 Raupp Consulting Contract  
 ACE/COG Integration  
 Treasurer's Report  
 LA County Blue Ribbon Commission

#### February

Retirement Benefit RFP  
 Project Review Process  
 Updated election process

#### March

FY 2016-17 Audit Results  
 Rio Hondo Load Reduction Strategy

#### October

4th Amendments of the JPA  
 9th Amendment of Bylaws  
 Budget Amendment  
 ACE MOU

#### April

Employee Handbook  
 Draft 18-19 Budget  
 Service Delivery Cost Comparison Study

#### November

Executive Director Job Descrip  
 ACE MOU  
 SCE Contract Amendment  
 17-18 1st Quarter Financial Report

#### May

Draft Capital Projects Budget  
 Census 2020 LA County  
 Financial Policies Manual

#### December

Homelessness MOU  
 Salary Resolution

**Planning TAC**

	2017						2018					
	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
Alhambra				✓	✓			✓	✓			
Arcadia		✓			✓			✓				
Azusa		✓										
Baldwin Park		✓	✓	✓			✓	✓				
Claremont								✓				
Covina		✓						✓		✓		
Diamond Bar		✓	✓		✓			✓	✓	✓		
Duarte		✓	✓	✓	✓		✓	✓	✓	✓		
El Monte		✓	✓	✓	✓				✓	✓		
Glendora			✓	✓	✓		✓	✓	✓	✓		
Irwindale				✓			✓	✓	✓	✓		
La Verne			✓		✓		✓	✓		✓		
Monrovia		✓	✓	✓								
Monterey Park			✓	✓	✓		✓		✓	✓		
Pasadena									N/A	N/A	N/A	N/A
Pomona												
Rosemead			✓		✓		✓					
San Dimas		✓	✓	✓	✓		✓	✓	✓	✓		
San Gabriel		✓	✓					✓	✓	✓		
Sierra Madre		✓	✓		✓					✓		
South Pasadena					✓			✓				
Temple City			✓	✓	✓		✓		✓	✓		
Walnut												
West Covina				✓			✓	✓		✓		
LA County DRP							✓	✓	✓	✓		

**Agenda Topics**

**August**

Measure H, Homelessness  
ACE/COG Integration

**September**

LA County Cannabis Regulation, Mansionization  
Caltrans Sustainable Transportation Planning Grant  
ACE/COG Integration, General Assembly

**October**

El Monte Downtown Strategic Plan  
California Housing Legislation Update  
ACE/COG Integration, General Assembly

**November**

Regional Housing Needs Assessment (RHNA) Methodology & 2020  
Metro Measure M Subregional Program Funds  
Metro Measure M Subregional Administrative Funds  
Housing Element Open Data Project  
ACE/COG Integration

**January**

SGVCOG Regional Homelessness Report  
Measure M Public Participation Plan  
ACE/COG Integration Update

**February**

SB 827 (Wiener) (Motion to oppose)  
City of La Verne's EIFD  
ACE Program Project Development Process  
LA County Fire Department's Code and Zoning

**March**

City of Hope Specific Plan and EIR  
LA County Fire Department's Zoning Code  
Update on Measure M Subregional Programming Funds and Administrative Funds  
CicLAvia Update and Open Streets Cycle Three Update

**April**

South Garfield Specific Plan (Monterey Park)  
Metro Open Streets Cycle Three Grant (COG/Metro)  
Update on Measure M Subregional Programming Funds  
CicLAvia Recap  
Subcommittee on Municipal Compliance with LA County Fire



**Public Works TAC Attendance**

	2017						2018					
	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
Arcadia		✓		✓	✓					✓		
Azusa		✓	✓	✓	✓			✓	✓	✓		
Claremont		✓							✓			
Diamond Bar		✓	✓	✓	✓		✓	✓		✓		
El Monte		✓	✓	✓	✓		✓	✓	✓	✓		
Glendora		N/A	N/A	N/A	N/A		N/A	N/A	N/A	N/A		
Irwindale		✓		✓	✓		✓	✓	✓	✓		
Monrovia		✓	✓	✓	✓		✓	✓	✓	✓		
Pasadena			✓	✓	✓			✓	N/A	N/A	N/A	N/A
Pomona		✓	✓		✓		✓	✓	✓			
San Dimas		✓	✓	✓	✓		✓	✓	✓	✓		
San Gabriel		N/A	N/A	N/A	N/A		N/A	N/A	N/A	N/A		
South El Monte			✓	✓	✓		✓	✓				
Temple City		✓	✓	✓	✓			✓	✓			
West Covina		✓	✓	✓	✓			✓	✓	✓		
LA County		✓	✓	✓	✓		✓	✓	✓	✓		

**Agenda Topics**

**August**

- SB 1
- ITS Architecture Upgrade
- ACE/COG Integration
- General Assembly

**September**

- Tour of SCE EOC
- ACE/COG Integration
- General Assembly
- SB 1 Sustainable Communities Grant

**October**

- Metro's "Measure Up" Tool
- ACE/COG Integration
- General Assembly
- SB 1 Funding Announcement

**November**

- Whittier Narrows Dam Safety
- Metro Measure M Subregional Programming Funds
- Metro Measure M Subregional Administrative Funds
- ACE/COG Integration
- CTC 2018 Local Partnership Program
- Active Transportation Program Cycle 4 (2019)

**January**

- "Measure Up" Follow-up and Demo
- Metro Measure M Subregional Public Participation Plan
- ACE/COG Integration
- Local Streets and Roads Needs Assessment 2018

**February**

- Foothill Transit's Bus Stop Enhancement Program
- ACE Program Project Development
- MSRC Local Government Partnership Program
- Urban Greening Grant Program

**March**

- I-10 Express Lanes Project Update (SBCTA)
- Rio Hondo Load Reduction Strategy Agreement and RFP
- Measure M Subregional Administrative and Programming Funds Update
- CicLAVia Planning Update

**April**

- Modernization of the Changing Electric Grid (SCE)
- CicLAVia Heart of the Foothills Event Overview (CicLAVia)
- ACE/COG Integration
- Measure M Subregional Fund Programming Update

## Water TAC Attendance

	2017						2018					
	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
Alhambra			✓	✓	✓	✓	✓	✓	✓	✓	✓	
Arcadia	✓			✓		✓	✓	✓	✓		✓	
Bradbury			✓	✓	✓	✓	✓	✓	✓	✓	✓	
Covina			✓	✓				✓	✓		✓	
Monrovia	✓		✓	✓	✓	✓	✓	✓	✓	✓	✓	
Pomona									✓	✓	✓	
Sierra Madre			✓	✓	✓	✓	✓	✓	✓	✓	✓	
South Pasadena							✓	✓				
LA County DPW	✓		✓	✓	✓	✓	✓	✓	✓	✓	✓	
San Gabriel Valley Municipal Water District					✓			✓		✓		
Upper San Gabriel Valley Municipal Water District	✓		✓		✓	✓	✓	✓	✓			
<i>Ex-Officio</i>												
LA County Sanitation Districts	✓		✓	✓	✓		✓	✓	✓	✓	✓	
Main San Gabriel Basin Watermaster	✓		✓	✓	✓		✓	✓		✓	✓	

### Agenda Topics

#### July

AB 1180 (Holden)  
Drought Response legislation  
HR 465, HR 2510  
State Audit

#### Aug (dark)

#### Sept

IIP presentation  
TAC election for Chair  
SGV Caucus update  
WOTUS update  
Water Resilience update  
ULAR CIMP overview

#### Oct

Water Resilience presentation/update  
Whittier Narrow Dam Safety presentation  
WOTUS update  
Legislative update  
Water Supply update  
EWMP updates

#### Nov

WOTUS update  
Legislative update  
Water Board appointments  
Safe, Clean Water update  
Litigation update  
Stormwater Outreach update

#### Dec

Safe, Clean Water SGVCOG position  
Legislative update  
Water Board appointments  
Water Supply update  
Litigation update  
Stormwater Outreach update

#### Jan

Safe, Clean Water SGVCOG position  
Legislative update  
Litigation update

#### Feb

Safe, Clean Water SGVCOG position  
Change the date of Water Policy/TAC meetings  
Legislative update  
EWMP updates  
Water Board appointments  
Litigation update

#### Mar

Support for RH/SGR rEWMP  
Safe, Clean Water SGVCOG position  
Legislative update  
Water Supply Update  
Litigation update

#### Apr

Oppose SB 623 (Monning)  
Support AB 2538 (Rubio)  
E/WMP Updates  
Water Board appointments  
Litigation update  
Stormwater Outreach

#### May

Safe, Clean Water SGVCOG update  
Legislative update  
Regional Board MS4 workshop

## SGVCOG / ACE Integration

	Activity	2017				2018												Status	
		S	O	N	D	J	F	M	A	M	J	J	A	S	O	N	D		
Project Identification	Develop process for project identification, development and approval																		Draft process reviewed by committees in February, presented to Governing Board in March, and distributed to member agencies for comment in March.
	Submit process for project identification, development and approval to GB																		
	Conduct outreach to member agencies to develop/ refine project list.																		
	Develop and approve initial project list																		
Personnel and Admin. Restructure	Conduct ACE/COG employee outreach																	Joint monthly staff meetings are being held.	
	Develop consolidated personnel system																	Salary/classification study initiated in February and be completed in October 2018.	
	Implement consolidated personnel system																	Additional consolidation pending Comp/Class study.	
	Develop consolidated admin and finance system																	Being developed by staff. Draft finance manual to be prepared by May.	
	Implement consolidated admin and finance system																	Action pending adoption of consolidated finance manual.	
Budget	Develop consolidated budget																	Anticipate fully consolidated budget to be presented for FY 19-20.	
	Present budget to GB for approval																		

**Accomplishments:**

- Developed and approved updated JPA (November 2017)
- JPA approved by a majority of member agencies (19) (December 2017)
- Developed and approved updated bylaws (December 2017)
- Election process for Construction Committee approved by Governing Board (January 2018). Elections to be held in May.
- Contract awarded for compensation / classification study (January 2018)
- Updated ACE Logo approved by Governing Board (February 2018).
- Combined employee handbook approved by Governing Board (April 2018)



# REPORT

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DATE: May 31, 2018

TO: Executive Committee  
City Managers' Steering Committee  
Governing Board

FROM: Marisa Creter, Executive Director

RE: **UPDATED FINANCIAL AND ACCOUNTING POLICIES AND PROCEDURES**

## **RECOMMENDED ACTION**

Adopt Resolution 18-26 approving updates to the SGVCOG Accounting and Financial Policies Procedures Manual.

## **BACKGROUND**

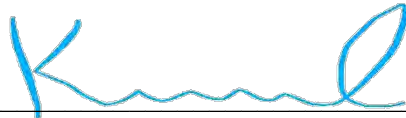
Attached is the consolidated accounting and financial policies and procedures manual. The manual was reviewed by the Ad Hoc Integration Committee, Executive Committee and the City Managers' Steering Committee. There was a recommendation by the City Managers' Steering Committee to have the SGVCOG auditor test the system of procedure on an annual/semi-annual basis to ensure the best management practices are being adhered. The significant updates to the manual include the following:

- **Consolidation of Positions:** The positions and associated accounting/finance duties have been consolidated to reflect the newly integrated organization. This includes the addition of the Chief Engineer position to replace duties previously associated with the ACE CEO and the removal of accounting/finance duties from the Assistant Executive Director position. A Program Manager position has also been added specific to Capital Projects.
- **Clarification of Roles:** General duties (e.g. compiling paid invoices) of the Project Assistant are now assigned to the general area of accounting/finance staff.
- **Signature Authorization:** Signers of checks have been consolidated to include the Executive Director, Finance Director, Chief Engineer, SGVCOG President, and SGVCOG First Vice President.
- **Authorization Limits:** Check authorization amounts have been updated to reflect the current ACE procedure, with amounts of \$5,000 or less requiring one authorized signature and amounts over \$5,001 and above requiring two authorized signatures.
- **Accounts Payable:** Two separate processes have been added to distinguish between construction/capital projects and non-construction/capital projects.

# REPORT

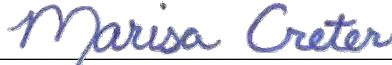
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Prepared by:



Katie Ward  
Senior Management Analyst

Approved by:



Marisa Creter  
Executive Director

## **ATTACHMENTS**

Attachment A – Resolution 18-26

**RESOLUTION NO. 18-26**

**RESOLUTION OF THE SAN GABRIEL VALLEY COUNCIL OF GOVERNMENTS (SGVCOG) UPDATING THE ACCOUNTING AND FINANCIAL POLICIES PROCEDURES MANUAL**

**WHEREAS**, on August 17, 2017, the Governing Board voted to fully integrate the Alameda Corridor-East Construction Authority (ACE) into the SGVCOG and thereafter adopted Resolution No. 17-34 to approve a proposed revision to the Joint Powers Authority Agreement governing the SGVCOG, to be considered by each Member Agency;

**WHEREAS**, given the changes to the organization, there is a need to review current practices and develop a consolidated accounting and financial policies procedures manual that reflects best industry practices and affords the greatest level of protection to the SGVCOG and its employees; and

**WHEREAS**, the SGVCOG understands the fiduciary responsibility that has been entrusted to the agency.

**WHEREAS**, the agency's mission is to ensure that the work identified and authorized by the Governing Board through the adoption of the Strategic Plan, annual work plan and budget are completed in the most efficient, cost-effective, responsible and transparent manner.

**WHEREAS**, it is the practice of the SGVCOG to operate within its approved budget and in a manner that meets generally accepted accounting standards as well as federal, state and local funding agency requirements and promotes the public's trust.

**WHEREAS**, effective procedures enable the organization to establish a system of financial controls for the efficient use and expenditure of public funds, to ensure the process is conducted in a manner that serves the best interests of the SGVCOG and the public, and to ensure fair competition.

**NOW, THEREFORE, BE IT RESOLVED** that the Governing Board hereby adopts the updated Accounting and Financial Policies and Procedures Manual, attached hereto and incorporated herein as Exhibit A, and determines that the financial management of the agency shall be conducted in accordance with the provisions of this Policy. This Resolutions replaces Resolution 16-25 in its entirety.

**PASSED, APPROVED, and ADOPTED this 31<sup>st</sup> day of May, 2018.**

SAN GABRIEL VALLEY COUNCIL OF GOVERNMENTS

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Cynthia Sternquist, President

**Attest:**

I, Marisa Creter, Executive Director and Secretary of the Board of Directors of the San Gabriel Valley Council of Governments, do hereby certify that Resolution 18-26 was adopted at a regular meeting of the Governing Board held on the 31<sup>st</sup> day of May, 2018, by the following roll call vote:

<b>AYES:</b>	
<b>NOES:</b>	
<b>ABSTAIN:</b>	
<b>ABSENT:</b>	

---

Marisa Creter, Secretary



# Exhibit A



## SAN GABRIEL VALLEY COUNCIL OF GOVERNMENTS

# **ACCOUNTING AND FINANCIAL POLICIES AND PROCEDURES**

## INTRODUCTION

The San Gabriel Valley Council of Governments (SGVCOG) Accounting and Financial Policies and Procedures Manual provides an overview of established guidelines for the financial management of the SGVCOG. This document formalizes accounting and financial procedures and documents internal controls. These policies are intended to ensure transparency, identify clear separation of duties, and maintain the overall integrity of processes.

## ROLES & RESPONSIBILITIES

### The Governing Board & Committees

The SGVCOG Governing Board meets monthly to review, discuss and approve staff recommendations relevant to the mission of the SGVCOG. These monthly meetings also provide an opportunity for staff to report on financial information, including monthly warrant registers. The Board is also presented with more detailed financial reports on a quarterly basis, including fiscal year budget status, expenditures by project, and grant reimbursement information. Capital construction project reports also include schedule and construction progress status. Annually, the Governing Board reviews and approves a fiscal year budget.

The Board has also identified the following committees to assist with financial oversight as follows:

- Capital Projects and Construction Committee;
- City Managers Steering Committee; and
- Executive Committee.

### Staff

Below is a summary of the responsibilities of staff with regard to the finance and accounting duties of the SGVCOG:

#### **Executive Director**

- Manages day-to-day operations and implements Board directives
- Reviews final financial reports (budget, monthly/quarterly & bank transaction reports)
- Executes contracts and agreements
- Authorizes bank transactions
- Approves invoices

#### **Director of Finance**

- Prepares annual budget
- Prepares annual Indirect Cost Allocation Plan (ICAP)
- Prepares monthly and quarterly financial reports
- Ensures compliance with SGVCOG investment policy
- Authorizes bank transactions

#### **Senior Accountant**

- Reviews and posts account payables, journal entries
- Prepares check batch

- Prepares warrant register
- Reviews bank reconciliation
- Initiates electronic fund transfers

#### **Accountant(s)**

- Tracks accounts receivable
- Reconciles account balance sheets
- Prepares and records journal entries
- Prepares bank reconciliation
- Prepares grant billing
- Prints checks

#### **Project Assistant**

- Processes invoices for non-capital projects
- Reconciles credit card billing statements
- Maintains and accounts for petty cash

#### **Administrative Services Manager**

- Administers employee payroll and benefits
- Oversees processing of quarterly Governing Board stipend payments & year end W-2s
- Prepares annual State Controller's Compensation Report

#### **Administrative Assistant/HR**

- Assists with employee payroll and benefits processing
- Serves as Filing Officer for Governing Board Statements of Economic Interest Filings
- Processes quarterly Governing Board stipend payments

#### **Project Managers/Non-Capital Projects** *(PM refers to staff member assigned to overseeing a project)*

- Tracks grant budgets
- Ensures compliance with grant requirements
- Manages procurement processes for contracts related to projects
- Reviews and processes contractor invoices

#### **Chief Engineer**

- Manages construction project budgets
- Manages schedules for construction projects
- Executes construction-related/capital project contracts and agreements
- Approves capital project contractor invoices
- Authorizes bank transactions

#### **Grants Manager/Capital Projects**

- Manages grant funding and application/restrictions
- Assists with preparation of grant applications
- Tracks grant budgets

**Project Managers (Capital Projects)**

- Manages construction projects and budgets
- Reviews and approves contractor invoices

**Program Manager (Capital Projects)**

- Tracks capital project budgets and schedules
- Reviews and provides second/final approval of progress payment invoices

## **ANNUAL BUDGET**

In accordance with SGVCOG bylaws, the Governing Board adopts an annual budget prior to the start of the fiscal year (July 1<sup>st</sup>). The budget preparation process typically begins in February. The annual fiscal year budget includes proposed programs and expenditures for the upcoming fiscal year. The budget may be amended periodically by the Governing Board to reflect variations (increases or decreases) in income or expenses during the year. In addition, it presents a fiscal year end snapshot of the projected expenses categorized by type of expenses and by program for the prior year.

At a minimum, the annual budget shall include the following information:

- Projected income
- Projected total expenditures
- Staffing levels
- Construction project cost estimates to date
- Construction project funding status
- Status of construction budget and schedules
- Status of prior fiscal year goals
- Proposed new fiscal year goals

The final board-adopted budget is posted on the SGVCOG's website ([www.sgvkog.org](http://www.sgvkog.org)).

SGVCOG staff is responsible for operating within the financial perimeters set by the approved budget and available funding. The Executive Director meets regularly with key staff to review and update project budgets and schedules where applicable.

## REPORTING

Regular financial reporting provides valuable information on the ongoing financial condition of the SGVCOG and assures transparency

### Monthly Reports

Monthly reports are provided to the SGVCOG Governing Board and contain bank account balance information and monthly warrant registers.

### Quarterly Reports

Quarterly reports are presented to the SGVCOG Executive Committee, City Managers' Steering Committee and Governing Board. These reports include a more comprehensive review of the financial condition of the agency, with an emphasis on flagging potential risks of a project generating a deficit. The quarterly reports include the following:

- Grants receivable aging
- Budget status
- Revenue by source status
- Trial balance
- Project funding by source
- Investment status and compliance
- Construction project allocations vs. estimated completion
- Construction expenditure forecast
- Construction project schedules
- Audit Finding Information (construction)

Applicable construction reports will also be presented to the Capital Projects & Construction Committee. Quarterly progress and expenditure reports are also submitted to Metro, as required under the terms of a Memorandum of Understanding, for ACE Projects.

### Annual Financial Audit

The SGVCOG is required to perform a financial and compliance audit each fiscal year. The independent audit includes a comprehensive evaluation and opinion to confirm the statements fairly present the agency's financial position. Additionally, the ACE Project is required by the federal government to monitor compliance with regulations governing the use of federal funds. The annual financial and compliance audit is posted on the SGVCOG ([www.sgvcog.org](http://www.sgvcog.org)).

In accordance with best management practices, professional audit services are procured to provide these services at least every five years.

### Annual State Controllers Report

In accordance with Assembly Bill 341 (Government Code Section 53891), cities, counties and special districts are required to submit compensation reports to the State Controller's office annually. The request for compensation information is initiated electronically from the State Controller's office. The Human Resources agent is responsible for submitting the Compensation Report that includes employee salary and benefits information as well as compensation provided

to the Board members. CalPERS also requires position salary range information to be available on the SGVCOG website.

A Planning Agency Financial Transactions Report is also provided to the State Controller's Office. This annual report, due in October is prepared by the SGVCOG contracted financial auditors with balance sheet, revenue and expenses statements obtained from the Finance Director.

## BANKING

The SGVCOG maintains operating and investment bank accounts with access limited to key management and Governing Board Officers.

### Signature Authorization

All checks issued will require one or more signatures. The following individuals are signers on the SGVCOG bank accounts:

- Executive Director
- Finance Director
- Chief Engineer
- Governing Board President
- Governing Board First Vice-President

### Access to SGVCOG Bank Accounts

The following individuals have on-line access to SGVCOG bank account(s):

- Executive Director
- Finance Director
- Chief Engineer

If changes occur resulting in separation from the SGVCOG of an authorized position either of staff or Board officer, access to SGVCOG bank accounts will be immediately terminated by way of notification to the bank by either the Executive Director or Finance Director.

### Authorization Limits

Checks in the amount of five thousand dollars (\$5,000) or less require one (1) signature from an authorized signer. Two signatures are required for checks \$5,001 and above. Check warrant registers are provided monthly to the Governing Board.

### ACH & Online Wire Transfers

Checks, Automated Clearing House (ACH) and online wire transfers are only issued for approved expenditures. Examples include: payment of salaries and expense reimbursements to employees, board member stipend and expense reimbursements, vendor invoices, right-of-way acquisition, construction utility and agency reimbursements.

Authorization limits for ACH and On-Line Wire Transfers carries a maximum limit that may be authorized within a 24-hour period and is as follows: \$5 million – Executive Director and Chief Engineer; \$2 million – Finance Director. Larger amounts (>\$500,000) *almost always* will be attributable to construction related activities.

### Procedure

**ACH Payments:** The SGVCOG's bank is Citizens Business Bank (CBB). On-line transactions are permitted through a tiered process to ensure integrity. The process begins with accounting staff reviewing documentation for adequate approvals and supporting documentation. Thereafter, a payment processing report is provided to the Senior Accountant to initiate the process of ACH. CBB has issued electronic devices with associated codes to approved personnel unique to each



authorized user in which to process transactions. After verification of totals, the Senior Accountant utilizes the on-line access to initiate the ACH payment request. This initiates the payment request.

In order to authenticate each electronic transaction, CBB has issued electronic devices (tokens) to process transactions. Tokens are issued to specific approved personnel (i.e. Executive Director, Chief Engineer and Finance Director). Once the on-line payment request is created, an electronic authentication number is sent to the token. The approved personnel must then input this authentication number in order to continue the transaction. The token can only be used by the assigned personnel and is immediately deactivated should the employee separate employment with the SGVCOG.

**Wire Transfers:** On-line wire transfers are rarely used but are typically used for property acquisition transactions and made to the title company handling the transaction. As with ACH payments, the Senior Accountant will initiate the on-line wire transfer after all approvals and documentation is in order. The final step to complete a wire transfer is performed by one of the three authorized persons listed earlier (Executive Director, Chief Engineer or Finance Director). Thereafter, CBB verifies the transaction via a phone call to the Senior Accountant.

Internal audits are performed periodically by agency auditors on ACH and wire transfers in accordance with internal audit policies and procedures.

## Bank Reconciliation

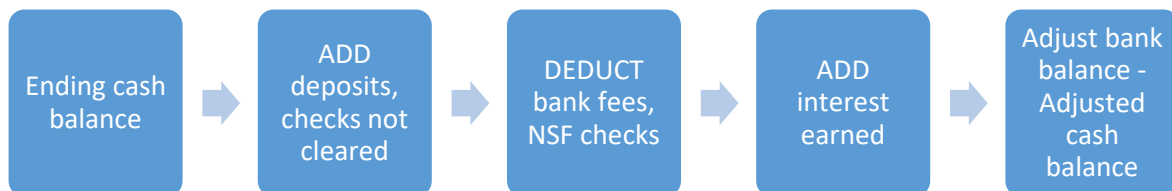
Regular bank reconciliation assures the balance on SGVCOG accounting records equal the corresponding information on a bank statement. The information on the bank statement is the bank's record of all transactions impacting the account during the past month. A summary of bank activity is reflected in the monthly warrant register.

### Procedure

**Daily bank activity report** are generated by the Finance Director by accessing operating accounts via on-line banking. The daily activity report is reviewed and compared against bank statements by the Accountant. If a transaction requires correction or reclassification, a journal entry is created by the Accountant to include in the bank reconciliation process. The bank reconciliation report is reviewed by the Senior Accountant and in final, approved by the Finance Director.

The bank reconciliation worksheet will be updated with transactions such as:

- Check or electronic deposits or wire transfers;
- Inter-account transfers;
- Interest income earned on investments; and
- Payroll activities such as payroll checks and tax liabilities, EFT payments.



**Monthly bank reconciliation reports** are prepared by the Accountant by cross-referencing the accounting system logs with bank statements received from the Finance Director. Bank statements show all checks that have cleared, with outstanding checks verified by the Contracts Auditor. The final report is completed no later than five working days after the end of the month and approved by the Finance Director. A copy of the report is given to the Executive Director. The final report and corresponding documentation are kept both electronically and in hard copy in the accounting department files.

## Journal Entries

A Journal Entry is an accounting log that is used to record a transaction in the general ledger from non-interfacing modules (i.e. accounts payable and recordkeeping applications). There are two types of general journal entries used in the Microsoft Dynamics GP financial system that can be categorized by:

- **General Journal Recurring Entry:** A journal voucher that occurs to record grant reimbursement receipts, write-off of prepaid expense, interest revenue, and payroll charges on a regular basis (e.g., monthly or quarterly).
- **Correcting Journal Entry:** A journal voucher used to correct or reclassify transactions that were identified during routine analysis.

Staff aims to minimize the need for adjusting entries. If a journal entry is necessary, staff will ensure justification is sufficiently documented.

## Procedure

Journal entries are entered in the general ledger through a journal voucher. The journal voucher is the physical document that identifies journal entry type, date, debit/credit amount(s), and purpose for the journal entry. The process is as follows:

1. The Accountant receives a request for a journal entry with supporting documentation.
2. The Accountant enters a journal voucher for each item to be posted in the general ledger. Entries in the general ledger are reviewed by the Senior Accountant before receiving final approval of the Finance Director. All supporting documentation must be attached to the journal voucher for approval.
3. Upon approval by the Finance Director, the Senior Accountant posts the journal voucher into the general ledger.
4. Supporting documentation is returned to the Accountant for filing. An electronic copy and a hard copy are kept in the accounting department files. Journal vouchers are filed in batch sequence.

## **PETTY CASH**

While the SGVCOG does not seek to receive or use cash for normal business transactions, a petty cash fund is available to provide a systematic method for paying and recording cash payment(s) deemed too small to be made by check or to a vendor that does not accept checks or credit cards. Petty cash is used sparingly.

SGVCOG maintains a maximum of four hundred dollars (\$400.00) petty cash in a secured location. These funds are replenished as needed. A designated project manager maintains control of and responsibility for payments disbursed from this fund. Total disbursement amount per occurrence may not exceed one hundred dollars (\$100.00). Disbursements require adequate documentation to justify their use and/or reimbursement. See Exhibit A (Purchase Request form). Receipts for all cash transactions must be submitted no more than three (3) business days after request.

## ACCOUNTS RECEIVABLE

### Cash and Check Receipts

Checks received by the SGVCOG are recorded and every attempt is made to deposit checks within (3) business days of receipt. Checks are securely filed in a locked cabinet until ready for deposit. The employee responsible for depositing checks cannot be the same employee responsible for logging checks for deposit(s).

#### Procedure

1. The Accountant creates a receipt journal entry in the general ledger. The journal entry includes: the invoice number associated with the deposit, check amount, payer, and total amount of the deposit if there are more than one checks.
2. Checks received shall be restrictively endorsed (“For Deposit Only”) with the appropriate bank account information and logged into the Bank Deposit Log by the Accountant. A copy of the check shall be attached to the printed Bank Deposit Log. Should the rare occurrence of cash be received as payment, cash should be counted and verified by an additional staff person upon receipt. It should be noted that it is not agency practice to accept cash as payment.
3. The Accountant shall prepare a bank deposit slip(s) with corresponding checks to be deposited by a member of the Administrative Services team.
4. The staff making a deposit must provide the receipt to the accounting department. If deposits are made after hours via the bank drop box which do not result in a deposit slip, this information should be noted in the Bank Deposits ledger.

### Annual Member Dues

Revenue from membership dues is the primary source of income to support the SGVCOG’s day-to-day staffing and operations. The Governing Board and City Managers’ Steering Committee have created a structure for agency-membership dues.

Annual membership dues are calculated on an annual fiscal year cycle. The membership fee includes a base rate, which is applicable to all membership agencies, and a per capita rate. The SGVCOG has established a cap for membership dues. Pending approval by the Governing Board, membership dues are CPI-adjusted annually. See Exhibit A for a sample dues invoice.

#### Procedure

Rates are reviewed annually by the City Managers’ Steering Committee, and thereafter presented to the Governing Board for adoption. Once annual rates are approved and adopted, the Assistant Executive Director and supporting staff prepares the dues schedule for the coming fiscal year. The Accounting Technician invoices member agencies the first week of July and follows up on payments not received within 90 days.

### Grant Billing

In addition to annual membership dues, the SGVCOG relies on grant funding for projects. While each grantor may have specific grant process and/or invoicing requirements, general grant tracking procedures are in place to ensure all grant expenses meet the requirements of the granting agency.

## Procedure

The following is an overview of non-capital projects grant management:

1. Daily, staff input all grant billable time with description of work on their timesheets.
2. Monthly, staff track all project expenses and mileage on a separate expense form.
3. Within the first 5 days of the month, the Project Manager prepares a monthly grant summary report that details billable hours, by grant, and reviews for accuracy to ensure grant coding, hours and expenses are eligible.
4. Within the first 5 days of the month, finance staff compiles all paid invoices, approved and paid employee reimbursement request forms, and other approved expenses, along with appropriate documentation, and submits to Project Manager.
5. Project Manager inputs labor and expenses into monthly invoice tracking sheet.
6. Project Manager submits invoice information to finance staff to be entered into general ledger.
7. Project Manager submits final invoice package to Grant Manager at granting agency by the 15th of each month.
8. Project Manager updates budget tracking sheet to reflect invoice.
9. Monthly, finance staff prepares aging report and alerts Project Manager to follow up on any unpaid invoices that are more than 30 past due.

## ACCOUNTS PAYABLE

### Invoices

The SGVCOG makes every effort to process invoices in an efficient manner to assure the SGVCOG remains in good standing with its vendors. General administrative re-occurring invoices, such as rent, require less review. However, due to their size and complexity, consulting contract and capital project related invoices require multiple reviews. Therefore, those invoices have a distinct review process, as described below.

#### Procedure (Non-Capital Project)

The Project Assistant receives the invoice, prepares a Purchase Request form and routes it with supporting documentation for approval authorization.

Project Managers are responsible to review invoices for assigned projects to ensure adequate supporting documentation is included, hours and budget is accurate. See Exhibit B (Professional Services Invoice Review Form). Once approved, the Project Assistant routes the invoice to accounting for payment. Approval limits for non-capital project invoices are as follows:

- Project Manager – review/request for approval of invoices less than \$1000 and up to \$5,000
- Executive Director – approval of invoices greater than \$5,000

#### Procedure (Capital Projects)

ACE Project construction invoices have a net 30 payment clause. Therefore, staff is required to process each invoice expeditiously while also ensuring supporting documentation will justify the payment amount. Construction contractor invoices are subject to a 10% retention hold, and funds are deposited into a jointly held escrow account. Funds are released upon approval from the Senior Project Manager.

The procedure for capital project construction invoices is as follows:

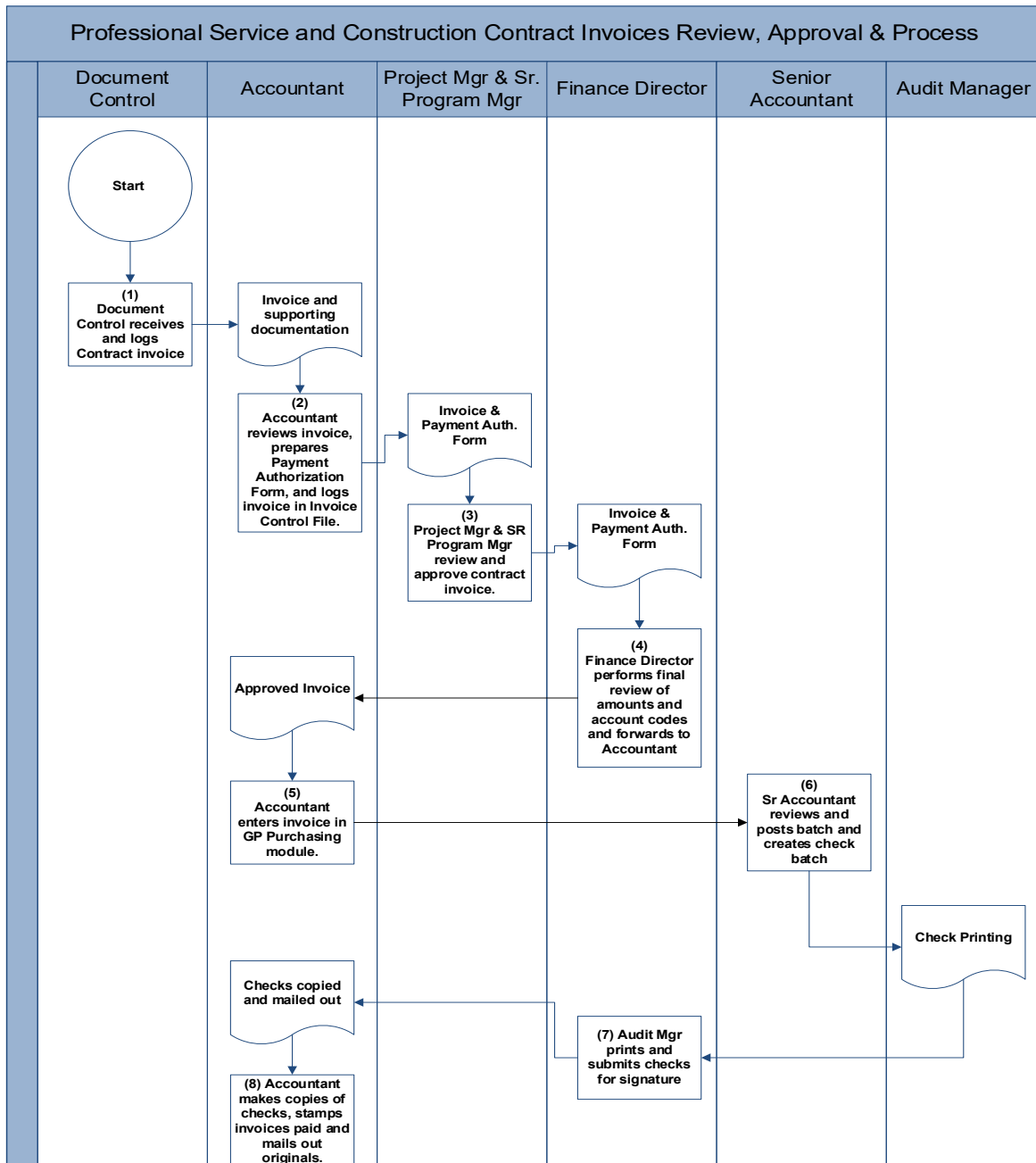
1. The Accountant receives the invoice, reviews it to confirm the billed costs are authorized and properly supported.
2. A progress payment estimate report, that is supported by a schedule of values, is prepared and includes the following:
  - Contract number, contractors name and project name;
  - Pay estimate and billing period;
  - Contract award value, approved changed orders and change notices;
  - Previous and current period earnings, retention and payments;
  - Signature by authorized contractor representative certifying under penalty of law to the correctness and accuracy of the estimate, the completion of working being billed, and the subcontractors and/or suppliers have been paid their share of previous payments; and
  - Construction manager (if applicable) acknowledgement of review and approval.

The schedule of values must contain the following:

- Payment item number and description;
- Billing unit, contract quantity, unit rate and contract value;

- Completed quantity and earned value for the current period; and
  - Cumulative balances for completed quantities and earned values.
3. Prior to approving the invoice, the Project/Program Manager must verify the following:
- All conditional and unconditional releases are in order;
  - Certified payrolls are in order;
  - Updated project schedule is acceptable;
  - Billed work has been completed in a satisfactory manner; and
  - Billed quantities are in order.

The approval process is shown below:



## Approval Authorizations (Capital Projects)

Invoices related to capital projects require the following approvals:

Invoice Type	Required Approval(s)
Professional Services (Design)	Senior Project Manager & Program Manager, Chief Engineer*
Professional Services (Program Management)	Program Manager & Chief Engineer
Construction Services	Senior Project Manager & Program Manager
Construction (Fullerton Road project)	Program Manager & Chief Engineer
Construction Management	Senior Project Manager & Program Manager
Railroad	Program Manager, Chief Engineer & Senior PM
Right of Way	Program Manager, Chief Engineer & Senior PM
Third Party Invoice Review	Senior Project Manager & Program Manager
Legal Services	Project Manager, Chief Engineer & Senior PM
Insurance (brokerage)	Contracts Manager & Chief Engineer
Insurance policies	Administrative Services Mgr. & Chief Engineer
State & Federal Representation Services	Dir. Gov/Comm Relations & Chief Engineer

\*Chief Engineer is required if cost will exceed 75% of the task order budget.

## Employee Expense Reimbursements

All employee reimbursement requests must be approved by the employee's direct supervisor prior to incurring the expense. Supporting receipts must be submitted with a detailed report of expenses.

Reimbursements sought from the Executive Director must be approved by either the SGVCOG Governing Board President or the Governing Board Vice President.

### Procedure

Prior to expense, employees must submit an expense request via the SGVCOG electronic *Unanet* system. Once the expense has been incurred, employees also use the *Unanet* system to request reimbursement. The request requires documenting transaction details, project allocation and supporting documents, such as receipts. The employee's direct supervisor reviews and approves or denies the request. Once approved, reimbursements are issued within twenty (20) business days.

### Credit Card Purchases

The SGVCOG maintains a credit card for the use of purchases deemed appropriate and necessary for company business. The Executive Director approves in writing the issuance of a company credit card to employees who are required to frequently purchase goods or services for the SGVCOG. Examples include office supplies, meeting catering and supplies, and event materials. Use of credit card payment for business expenditures requires prior approval in writing from the Executive Director or appropriate designee. The employee must submit proper, completed request forms, with all documentation including receipt(s) of all transaction(s) to the designated Project Manager for review. See Exhibit C (Purchase Request Form).



## Procedure

1. Employee submits a request to use the credit card with an explanation of intended purchases. The Executive Director or designee will approve the request before any purchases can be made.
2. Employee submits a completed form of transaction details and receipts for review and approval to the Executive Director or designee no more than three (3) business days after use.
  - Additional documentation is required if employee is unable to produce receipts. See Exhibit D (Missing Receipt Affidavit)
  - Amounts less than five hundred dollars (\$500.00) require approval of a designated Project Manager.
  - Amounts exceeding five hundred dollars (\$500.00) will require review of the Executive Director's designee and final approval from the Executive Director.
3. Project Assistant submits supporting documentation to the finance department for recording and reconciliation.

## Petty Cash

While the SGVCOG does not seek to receive or use cash for normal business transactions, a petty cash fund is available to provide a systematic method for paying and recording cash payment(s) deemed too small to be made by check or to a vendor that does not accept checks or credit cards. Petty cash is used sparingly.

SGVCOG maintains a maximum of four hundred dollars (\$400.00) petty cash in a secured location. These funds are replenished as needed. A designated project manager maintains control of and responsibility for payments disbursed from this fund. Total disbursement amount per occurrence may not exceed one hundred dollars (\$100.00). Disbursements require adequate documentation to justify their use and/or reimbursement. See Exhibit A (Purchase Request form). Receipts for all cash transactions must be submitted no more than three (3) business days after request.

## **TIMEKEEPING & PAYROLL AND BENEFITS PROCESSING**

### **Board Member Stipend Payments**

The SGVCOG Governing Board members are entitled to a stipend of \$75 for attendance at each Governing Board meeting, with a limit of twelve (12) meetings per fiscal calendar year. Committee meeting attendance is ineligible for stipend payments. If the Governing Board finds it necessary to meet in excess of twelve (12) meetings, approval prior to the additional meeting(s) is required by the Governing Board. Stipend payments are made quarterly.

#### **Procedure**

All new Governing Board members are provided with pertinent forms necessary for enrollment in direct deposit. Payment of stipends are processed through payroll. Staff submits Governing Board sign-in sheets to Human Resources monthly for payments to be processed quarterly. Those members without direct deposits will have checks issued by the payroll service provider and mailed to them.

### **Timekeeping**

A timesheet is used to determine earnings and accurately report project distribution for each pay period for both full-time and part-time employees. Project distribution will be used for grant billing. Employees are required to complete a bi-weekly timesheet through an electronic timesheet/expense report system (Unanet), allocating hours to assigned projects along with descriptions of work performed. Vacation and sick time accumulated and used is tracked through the Unanet system. Staff is encouraged to log time daily to ensure accuracy of project and grant coding on timesheets.

#### **Procedure**

Employees utilize an electronic timekeeping system. Employees record hours for a two-week period with allocation of task hours by project assignment or specific job responsibilities. Once complete, the employee electronically submits his/her timesheet to their supervisor for review and approval. Supervisors are responsible for expeditiously approving timesheets for accuracy.

### **Payroll**

The SGVCOG Governing Board adopts a salary and classification resolution for each position once a new position is developed. All approved positions and salary ranges are adopted annually in the SGVCOG's budget and posted on the SGVCOG's website.

Employees are paid every other Friday with earnings paid through that pay period. Personnel Action Forms (Exhibit E), signed by the Executive Director, add new employees to payroll, set or adjust rates of pay, and remove employees from payroll after separation.

#### **Procedure**

The SGVCOG uses a third-party payroll service provider for its payroll reporting and submission of applicable taxes. The Administrative Services Manager, Administrative Assistant and the Director of Finance have access to payroll reporting system to ensure accuracy of payment of employee earnings, withholdings and deductions.

Salaried employees are assumed paid at their normal rate unless otherwise noticed. Hourly employees' timesheet summaries are submitted to the Administrative Services Manager no later than Wednesday morning of the ending pay period. Any other relevant information which may cause a change in pay must be submitted as soon as possible (i.e. leaves of absence, separations, etc.). The Administrative Assistant inputs all relevant information and prepare payroll for submission. The Administrative Assistant submits a pre-processing reporting journal to the Administrative Services Manager for approval. The report reflects employee earning, deductions, part time employee hours and another additional compensation due.

The Administrative Services Manager electronically submits the payroll for processing. Once submitted, the Director of Finance will electronically receive a notice of submission. The Director of Finance reviews the payroll information for accuracy. The payroll service calculates, withholds and submits applicable taxes. Check stubs are be available to the SGVCOG employees to download.

Net pay and withholdings are automatically debited from the agency's operating account and subsequently forwarded to the designated employee banking institutions and applicable federal and state tax entities.

## Retirement Contributions

### *CalPERS*

All full time and eligible part-time employees will be enrolled in California Public Employees Retirement System (CalPERS). If applicable, employee contributions will be deducted from the employees pay.

### *Procedure*

The Administrative Services Manager is responsible for payroll reporting to CalPERS. The CalPERS system requires reporting employee earnings each payroll and contribution submissions for all employees. A member summary contributions report is generated through the CalPERS payroll reporting system that defines all contribution information or adjustments and serves as supporting documentation for submissions. Payroll reporting of hours is required for CalPERS retired annuitants under the contract with CalPERS. No additional contributions are required for retired annuitants.

### *ICMA*

Employees may participate in an optional employee-sponsored retirement plan with ICMA.

### *Procedure*

Employees' designated retirement contributions are deducted from their pay with each payroll and contributions transmitted via ACH within three business days. Contribution submission reports are prepared on-line by the Administrative Assistant, contributions are transmitted Administrative Services Manager. A contribution summary reflecting employee contributions serves as a check request back up for the Finance Department to electronically transmit necessary funds to ICMA.

## Year-End Reporting

The Finance Department is responsible for issuing annual Form 1099s for payments exceeding \$600 in a calendar year. Form 1099s will be issued on or before January 31<sup>st</sup> for the prior calendar year.

The Administrative Services Manager is responsible for issuance of year-end W2 forms to each employee and Governing Board member/delegate on or before January 31<sup>st</sup> for the prior calendar year.

**Exhibit A: Sample Dues Invoice**



**INVOICE**

**Date** 07/01/2016  
**Invoice #**  
**Terms** Net 45 Days  
**Due Date**

**Bill To:**

«Name1»  
 «Address\_Line\_1»  
 «Address\_Line\_2»  
 «City», «State» «Zip\_Code»

**Mail To:**

San Gabriel Valley Council of Governments  
 Attn: Finance Department  
 1000 S. Fremont Ave., Unit 42  
 Alhambra, CA 91803

Description	Amount
FY 20XX-20XX Annual Membership Dues	«Amount»
<p><i>Please Indicate the Funding Source for our Dues:</i></p> <p>General Fund \$ _____</p> <p>Prop A &amp; C, Transportation Funds \$ _____</p> <p>Other _____ \$ _____</p>	

Total «Amount»

Payment/Credit

**Balance Due** «Amount»

***Thank you for your continued membership and support!***

**Exhibit B: Professional Services Invoice Review Form**



**Professional Services Invoice Review Form**

**Invoice Review**

Contractor: \_\_\_\_\_

Invoice Amount: \_\_\_\_\_

Project Title: \_\_\_\_\_

Project Manager: \_\_\_\_\_

Signature: \_\_\_\_\_

Contract Type:       Time & Materials       Deliverables-Based       Retainer

- |   |  |  |  |
|---|--|--|--|
| <input type="checkbox"/> Within scope                   | <input type="checkbox"/> Rates approved                  | <input type="checkbox"/> Expenses approved/<br>eligible    | <input type="checkbox"/> Cost calculations<br>confirmed          |
| <input type="checkbox"/> Work product<br>approved       | <input type="checkbox"/> Positions approved              | <input type="checkbox"/> Invoice documentation<br>provided | <input type="checkbox"/> Insurance active/<br>meets requirements |
| <input type="checkbox"/> Contract Execution Date: _____ | <input type="checkbox"/> Contract Expiration Date: _____ |  |  |

Approved by: \_\_\_\_\_  
(>\$5,000)

**Payment Authorization**

Vendor ID: \_\_\_\_\_

Invoice #: \_\_\_\_\_

Invoice Date: \_\_\_\_\_

Requested by: \_\_\_\_\_

Reviewed by: \_\_\_\_\_

Approved by: \_\_\_\_\_

**Account Title:** \_\_\_\_\_

**Account #:** \_\_\_\_\_

<input type="checkbox"/> Copy: Bill to grant
<input type="checkbox"/> Entered into GP

**Exhibit C: Purchase Request Form**



**PURCHASE REQUEST**  
PLEASE PRINT TO COMPLETE

Recurring Charge  
Approved Date: \_\_\_\_\_

**Method of Payment:**  
 Credit Card       Invoice       Petty Cash       EFT

Requested By: \_\_\_\_\_ Date: \_\_\_\_\_

Intended Purchase:  
 \_\_\_\_\_

Purchase Amount: (Anticipated) \_\_\_\_\_

Reviewed By: \_\_\_\_\_ N/A

**PROOF OF TRANSACTION**

*This completed form must be submitted with three (3) business days of transactions or receipt of invoice.*

Merchant/Payee Name: \_\_\_\_\_ Amount: \$ \_\_\_\_\_

Receipt or Invoice Provided: Y / N (Additional form required if unable to provide receipt)

Account to be Charged: (If Applicable)  
 SGV Energy Wise       Other: \_\_\_\_\_

Explanation: (if intended purchase changed)  
 \_\_\_\_\_

*By signing, I am certifying that the above items are appropriate and necessary expenses incurred by me, for the San Gabriel Valley Council of Governments. I also certify that the items were received in full.*

Employee Signature: \_\_\_\_\_ Date: \_\_\_\_\_

Reviewed By: \_\_\_\_\_ N/A

*Amounts Exceeding \$500.00 Require Additional Review*

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

**FOR INTERNAL USE ONLY**

Vendor ID : \_\_\_\_\_  Copy: Bill to Grant  
 Invoice Date : \_\_\_\_\_  Entered Into GP  
 Invoice No. \_\_\_\_\_  
 Account Title : \_\_\_\_\_  
 Account Code : \_\_\_\_\_

(Revised May 2018)

**Exhibit D: Missing Receipt Affidavit**



**MISSING RECEIPT AFFIDAVIT**  
*PLEASE PRINT TO COMPLETE*

Employee Name: \_\_\_\_\_ Date of Request: \_\_\_\_\_

I am missing a receipt for:

I Incurred This Expense At:  
*(Merchant/Payee Name)* \_\_\_\_\_

Date of Transaction: \_\_\_\_\_ Amount: \_\_\_\_\_

I UNDERSTAND THAT A MISSING RECEIPT AFFIDAVIT SHOULD BE USED ON RARE OCCASIONS AND MAY NOT BE USED ON A ROUTINE BASIS. I FURTHER UNDERSTAND THAT EXCESSIVE USE OF A MISSING RECEIPT AFFIDAVIT MAY REVOKE THE PRIVILEGE OF USING A COMPANY CREDIT CARD. I CERTIFY THAT THE AMOUNT SHOWN IS THE AMOUNT I ACTUALLY PAID; THAT I HAVE NOT AND WILL NOT SUBMIT A DUPLICATE CLAIM; AND THAT I HAVE NOT AND WILL NOT SEEK A CLAIM FOR THESE EXPENSES FROM ANY OTHER.

Employee Signature: \_\_\_\_\_ Date: \_\_\_\_\_

Reviewed By: \_\_\_\_\_ Date: \_\_\_\_\_

**FOR INTERNAL USE ONLY**

Vendor ID : \_\_\_\_\_  Copy: Bill to Grant  
Invoice Date : \_\_\_\_\_  Entered Into GP  
Account Title : \_\_\_\_\_  
Account Code : \_\_\_\_\_



**Exhibit E: Personnel Action Form**



**San Gabriel Valley Council of Governments  
PERSONNEL ACTION REQUEST**

PLEASE PRINT OR TYPE

**EMPLOYEE:** \_\_\_\_\_ **EFFECTIVE DATE:** \_\_\_\_\_

**TITLE:** \_\_\_\_\_

**SALARY:** From: \$ \_\_\_\_\_ Annually To: \$ \_\_\_\_\_ Annually

- ACTION:**
- New Hire
  - Separation
  - Salary Adjustment (per pay)  
Reason: \_\_\_\_\_  
From: \$ \_\_\_\_\_ To: \$ \_\_\_\_\_
  - Unpaid leave of absence (for salaried employees) Period: \_\_\_\_\_
  - Promotion
  - Interim

**Requested By:** \_\_\_\_\_ **Date:** \_\_\_\_\_

**Approved By:** \_\_\_\_\_ **Date:** \_\_\_\_\_

**Processed By:** \_\_\_\_\_ **Date:** \_\_\_\_\_



DATE: May 31, 2018

TO: Governing Board

FROM: Marisa Creter, Executive Director

RE: **CAPITAL PROJECTS REVIEW MANUAL**

## **RECOMMENDED ACTION**

Adopt Resolution 18-27 approving the Capital Projects Review Manual.

## **CAPITAL PROJECT SELECTION PROCESS**

In March, staff presented a draft Capital Projects Review Manual that outlined the new capital project selection and evaluation application process, which includes a detailed description of criteria needed in order to submit a successful project. To submit a project, member agencies must complete a letter of interest (LOI) containing the following categories:

- Project Description: budget, schedule and funding sources.
- Project Benefits: mobility; safety; sustainability; economy; accessibility; and state of good repair. These project benefit categories are based on the SGVCOG Mobility Matrix.
- Statement of Need: any resource and/or technical limitations that could be assisted with, or undertaken directly, by the SGVCOG.

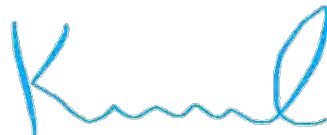
Additionally, the Manual differentiates the review process is based on whether a proposed project is fully funded or unfunded/partially funded. The draft Manual was distributed to the City Managers' Steering Committee, the Transportation Committee, Public Works TAC and the Planning Directors' TAC for comment and feedback. The proposed Manual reflects recommended changes, which provides additional clarity on the process.


## **NEXT STEPS**

If the proposed resolution is adopted, outreach to member agencies will commence on the project review process based on the procedures of the Manual. Member agencies will have until the end of August to submit projects via a LOI. A summary of submitted projects' Threshold Criteria will be submitted to the Governing Board in September for consideration. October 2018 to January 2019, SGVCOG staff will meet with project sponsors to refine project scope, budget and timeline, as well as negotiate draft agreements. Based on the outcomes of these meetings/negotiations, a draft 5-year workplan incorporating feasible projects will be circulated to committees and the Governing Board for input, with final approval of the workplan being submitted to the Governing Board. Table 1 provides a summary of the implementation schedule for the project review process over the forthcoming months.

<b>Timeline</b>	<b>Task</b>
May 31, 2018	Submit application package to Governing Board for approval
June – August 2018	Outreach to member agencies
August 30, 2018	Letters of Interest (LOIs) due
September 20, 2018	Threshold Criteria summary submitted to Governing Board for direction
October 2018 – January 2019	Review of LOIs, meet with project sponsors to refine scope, budget and timeline and negotiate draft agreements
February 2019	Develop draft 5-year workplan and circulate to committees and Governing Board for input
March 21, 2019	Submit 5-year workplan to Governing Board for approval
April 18, 2019	Submit draft Budget to Governing Board for review which incorporates 5-year workplan revenue and expenses

**Table 1. Project Selection and Development Schedule**

Prepared by:   
 Katie Ward  
 Senior Management Analyst

Approved by:   
 Marisa Creter  
 Executive Director

**ATTACHMENTS**

Attachment A – Resolution 18-27

**RESOLUTION NO. 18-27**

**RESOLUTION OF THE SAN GABRIEL VALLEY COUNCIL OF GOVERNMENTS (SGVCOG) ADOPTING THE CAPITAL PROJECTS REVIEW MANUAL**

**WHEREAS**, on August 17, 2017, the Governing Board voted to fully integrate the Alameda Corridor-East Construction Authority (ACE) into the SGVCOG and thereafter adopted Resolution No. 17-34 to approve a proposed revision to the Joint Powers Authority Agreement governing the SGVCOG, to be considered by each Member Agency;

**WHEREAS**, the SGVCOG's expanded authority includes a construction and capital construction program called Advanced Construction and Engineering (ACE); and

**WHEREAS**, a process for project identification and adoption of new projects may be constructed or managed by ACE as a division of SGVCOG and submit to Governing Board for approval.

**WHEREAS**, the agency's mission is to ensure that the work identified and authorized by the Governing Board through the adoption of the Strategic Plan, annual work plan and budget are completed in the most efficient, cost-effective, responsible and transparent manner.

**WHEREAS**, a formal procedure and process to solicit capital projects is necessary with the primary objectives to: 1) support and expedite the delivery of capital projects in the San Gabriel Valley and 2) secure funding for planning and capital projects in the San Gabriel Valley.

**NOW, THEREFORE, BE IT RESOLVED** that the Governing Board hereby adopts the Capital Projects Review Manual, attached hereto and incorporated herein as Exhibit A, and determines that capital project selection of the agency shall be conducted in accordance with the provisions of this Manual.

**PASSED, APPROVED, and ADOPTED this 31<sup>st</sup> day of May, 2018.**

SAN GABRIEL VALLEY COUNCIL OF GOVERNMENTS

\_\_\_\_\_  
Cynthia Sternquist, President

**Attest:**

I, Marisa Creter, Executive Director and Secretary of the Board of Directors of the San Gabriel Valley Council of Governments, do hereby certify that Resolution 18-27 was adopted at a regular meeting of the Governing Board held on the 31<sup>st</sup> day of May, 2018, by the following roll call vote:

<b>AYES:</b>	
<b>NOES:</b>	
<b>ABSTAIN:</b>	
<b>ABSENT:</b>	

---

Marisa Creter, Secretary

# SGVCOG CAPITAL PROJECTS REVIEW MANUAL



# Capital Projects Evaluation & Selection Process

## 5/22/2018

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## I. Overview

### A. Objective

The objective of this manual is to provide a framework of management procedures and practices for the evaluation and selection process for projects to be managed by the San Gabriel Valley Council of Governments (SGVCOG). This includes both construction management functions, to be undertaken by the SGVCOG's construction arm, Advanced Construction & Engineering, (ACE), and the project development activities, such as identifying and securing funding and conceptual planning. The manual outlines the responsibilities of SGVCOG staff and the Governing Board for the different elements of the evaluation and selection process.

### B. Program Objectives

The primary objectives of the ACE program are to 1) support and expedite the delivery of capital projects in the San Gabriel Valley and 2) secure funding for planning and capital projects in the San Gabriel Valley.

### C. Background

The SGVCOG is a joint powers authority made up of representatives from 31 cities, three Los Angeles County Supervisorial Districts, and the three Municipal Water Districts (San Gabriel Valley Municipal Water District, Three Valleys Municipal Water District, and Upper San Gabriel Valley Municipal Water District) located in the San Gabriel Valley. Each of the 31 incorporated cities and each Los Angeles Supervisorial District has one seat on the Governing Board, while the three municipal water districts share one seat on the Governing Board.

In 2017, the SGVCOG Governing Board approved the expansion of ACE to allow it to undertake large capital transportation projects across the San Gabriel Valley. Previously, the ACE Construction Authority was a single-purpose construction authority created by the SGVCOG in 1998 to mitigate the impacts of significant increases in rail traffic in the San Gabriel Valley.

### D. Staff Roles

The project evaluation and selection process is a coordinated effort between several SGVCOG staff positions:

- **Executive Director:** Submits both Threshold Criteria report and 5-year workplans to Governing Board for approval. Reviews and finalizes all staff recommendations.
- **Chief Engineer:** Assigns projects to project managers for review. Reviews project manager recommendations for projects to proceed to Negotiation Phase. Leads programming effort for funded projects. Develops annual update to workplan.
- **Project Manager:** Reviews LOIs, meets with project sponsors and makes recommendations on projects to proceed to Negotiation Phase based on project status, funding, and any potential constraints. Prepares draft Agreement for funded projects and Memorandums of Agreements (MOAs) for unfunded projects.

Assists with 5-year workplan development. Manages implementation of approved projects.

- **Policy & Planning Staff:** In coordination with Project Managers, reviews LOIs for all unfunded projects and makes recommendations on projects to proceed to Negotiation Phase. Manages the procurement and contracting processes for the individual SPG projects, with support from the Project Manager. Leads programming effort for unfunded projects. Manages efforts related to unfunded projects, including grant application development and quarterly reporting. The following staff may be assigned to this role: Director of Community & Government Relations, Management Analyst, and Project Assistant.

## E. Potential Funding Sources

Project sponsors may use an eligible funding source for the planning, development and implementation of projects. Examples of potential funding sources include the following:

- **Congestion Mitigation and Air Quality Improvement (CMAQ):** This funding is administered by Federal Highway Administration (FHWA). The FAST Act provides from \$2.3 to almost \$2.5 billion in CMAQ funding for each year of the authorization-2016 through 2020.
- **Senate Bill 1 (SB 1):** State funding allocated through SB1 designated to invest more funding to improve transportation infrastructure and safety.
- **Active Transportation Program (ATP):** State funding dedicated to improving the active transportation infrastructure in the State.
- **Local Sales Tax (Prop A & C, Measures R & M):** Voter-approved sales tax measures that provide both programmatic funding and local return for projects that address mobility, congestion, safety and other transportation-related goals.

## II. Outreach

The SGVCOG is committed to a robust member agency outreach process to ensure that all entities fully understand the review and evaluation process. There will be outreach to all relevant Technical Advisory Committees (TACs)(City Managers, Planning and Public Works), the Transportation Committee and one-on-one meetings with potential project sponsors. Additionally, the SGVCOG will facilitate meetings between multiple agencies to develop multi-jurisdictional projects, as appropriate. Attachment A is a sample outreach presentation.

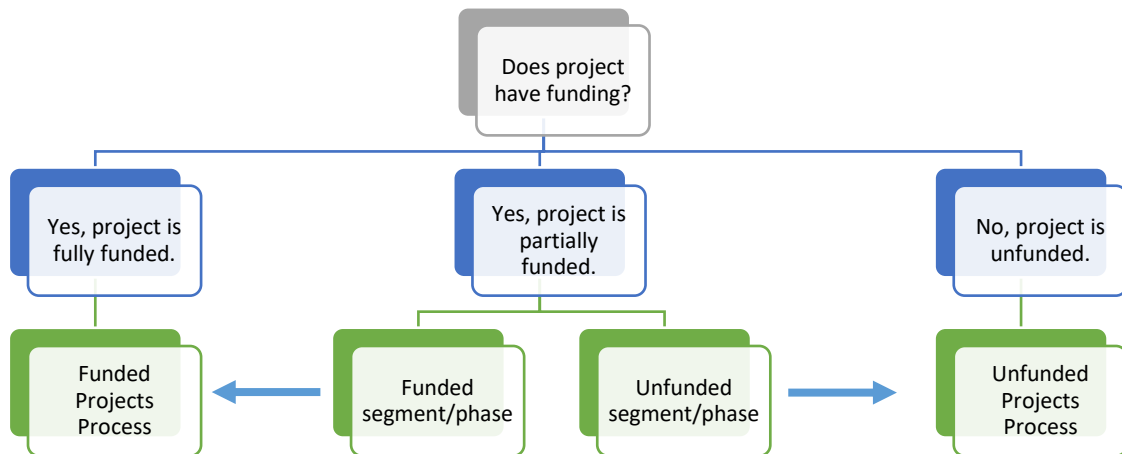


Figure 1.  
Agency Outreach Strategies.

### III. Funding Status (Funded vs. Unfunded)

There are differences in the review and negotiation processes between funded and unfunded projects. Details on each process are provided in subsequent sections of this manual. Generally, funded projects are reviewed based on technical aspects (i.e. constructability, funding ability, and funding and/or timing constraints). Alternatively, unfunded projects are reviewed based on their fundability (e.g. alignment with known funding/ grant programs, completion of pre-planning activities, evidence of city council and/or community support). As shown in Figure 2, projects that are partially funded will be bifurcated into funded and unfunded segments for the purposes of review and negotiation.

**Note:** If during the review process it is determined that the estimated total budget for any project segment or phase exceeds secured funding, project sponsors will have the option to either guarantee funding for any funding gaps during the negotiation phase, or have that phase or segment treated as unfunded.



**Figure 2.**  
**Review Process for Funded vs. Unfunded Projects.**

Figure 3 shows a sample project budget for which full funding has only been secured for the Project Approval and Environmental Document (PA&ED) and Plans, Specifications, and Estimates (PS&E) phases of the project and for which partial funding has been secured for Construction (CON).

Project Phase	Total	Secured Funding	Additional Funds Required	
PAED	\$1,000,000	\$1,000,000	\$0	Funded Projects Process
PSE	\$2,000,000	\$2,000,000	\$0	
ROW				Unfunded Projects Process
CON	\$17,000,000	\$2,000,000	\$15,000,000	
CON-NI				
<b>TOTAL</b>	<b>\$20,000,000</b>	<b>\$5,000,000</b>	<b>\$15,000,000</b>	

**Figure 3.**  
**Sample Project Budget with Funded and Unfunded Phases.**

## IV. Letter of Interest (LOI)

The first step in the project evaluation and selection is the Letter of Interest (LOI). In developing the LOI, the intent was to develop a simple and straightforward tool for collecting basic project information. Because this is not a competitive funding process, project sponsors are encouraged to contact SGVCOG staff with questions and issues when completing the LOI. Attachment B provides the complete LOI template. Below is a summary of each section of the LOI.

**Note: There will be an application deadline to submit LOIs in order to develop the 5-year workplan and prepare annual workplan updates. LOIs will not be accepted outside of that deadline. However, the Governing Board may approve exceptions under specific circumstances (e.g. a new source of funding becomes available). In those instances, notification will be sent to all eligible Project Sponsors.**

### A. Project Sponsor Information

- **Project sponsor:** Provides the contact information for the point of contact that will manage the application process and who can provide information during the review and negotiation process. In some instances, there may be a different contact for questions regarding the application itself and the application process.
- **Partnering agencies:** Identifies additional cities or agencies involved in the implementation of the project. For multi-jurisdictional projects, a lead point of contact from a single city should be identified under “Project Sponsor”. That point of contact will be responsible for assisting with coordination of points of contact from other partner agencies.

**Note: For multi-jurisdictional projects, a lead point of contact from a single city should be identified under “Project Sponsor”. That point of contact will be responsible for assisting with coordination of points of contact from other partner agencies.**

**Note: LOIs must be initiated by SGVCOG member agencies. Member agencies may submit a project that is owned by another agency. However, approval will need to be obtained from the project owner during the negotiation phase.**

### B. Project Information

- **Project name:** Provides a brief working title for the project that clearly identifies type of project (e.g. intersection improvement, bike/ped improvement, grade separation, etc).

*Ex: BRT Lane and Grade Separation for Central Boulevard*

- **Project location:** Identifies project limits that identifies road names, intersection cross street names, and/or geographical references of where the project is located.

*Ex: 3.5-mile dedicated BRT lane along Central Boulevard from Main Street (east boundary) to Vine Street (west Boundary). BRT grade separation at intersection of Central Boulevard and Main Street.*

- **Project scope:** Provides a brief explanation of the types of work and/or the major elements that are proposed.

**Note:** If a project sponsor is requesting assistance from the SGVCOG on specific segment or phase of the project, that should be clearly indicated in the Project Scope.

*Ex: The Central Boulevard (BRT) project will create dedicated bus lanes along 3.5 miles of Central Boulevard in ABC City, from Main Street to Vine Street. The lanes will be used by Metro 123 line and Foothill Transit 321 line. This project will create median-running transit-only lanes that border center landscaped medians along Central Boulevard, physically separated from the two lanes of mixed flow traffic in each direction. The design will allow for all-door boarding, transit signal priority, and traffic signal optimization. Additionally, a grade separation at Central Boulevard and Main Street will allow for continuous BRT access to the ABC Transit Center. The project also includes pedestrian improvements, a Class 2 bike lane, signal upgrades, new streetlights, new landscaping, and roadway resurfacing. ABC City is requesting assistance from the SGVCOG on all phases and segments of the project.*

- **Project cost and funding:** Provides information on project cost and funding sources by phase.

Project Cost by Phase

The first table lists the total cost of the project, by phase, and identifies secured funding and any additional funding required.

Phases are as follows:

- PAED = environmental phase
- PSE = plans, specifications, and estimates phase
- ROW = right-of-way phase
- CON = construction phase
- CON-NI = non-infrastructure (e.g. education and encouragement programs)

Ex:

Project Phase	Total	Secured Funding	Additional Funds Required
PAED	\$1,000,000	\$1,000,000	
PSE	\$2,000,000	\$2,000,000	
ROW			
CON	\$17,000,000	\$17,000,000	
CON-NI			
OTHER			
TOTAL	\$20,000,000	\$20,000,000	

**Figure 4.**  
**Sample Project Budget with Fully Funded Phases.**

	Total	Secured Funding	Additional Funds Required
PAED	\$1,000,000	\$1,000,000	\$0
PSE	\$2,000,000	\$2,000,000	\$0
ROW			
CON	\$17,000,000	\$2,000,000	\$15,000,000
CON-NI			
OTHER			
TOTAL	\$20,000,000	\$5,000,000	\$15,000,000

**Figure 5.**  
**Sample Project Budget with Funded and Unfunded Phases.**

	Total	Secured Funding	Additional Funds Required
PAED	\$1,000,000		\$1,000,000
PSE	\$2,000,000		\$2,000,000
ROW			
CON	\$17,000,000		\$17,000,000
CON-NI			
OTHER			
TOTAL	\$20,000,000		\$20,000,000

**Figure 6.**  
**Sample Project Budget with Unfunded Phases.**

**Note:** For projects still in initial planning phases, for which design and/or engineering has not been completed, estimated costs are sufficient.

Funding by Source

The second table lists the funding by source. Project sponsors are required to indicate any federal sources of funding. Additionally, project sponsors should briefly indicate any requirements associated with the funding, such as deadlines for project completion or limitations on the use of the funding.

Ex:

Amount	Source	Federal (Yes/No)	Additional Requirements (Including Deadlines for Use of Funds)
\$15,000,000	CMAQ	Yes	Project must be completed by June 2021
\$2,000,000	ExpressLanes Net Toll Revenue	No	Funds must be expended by June 2020.
\$3,000,000	Measure M Local Return	No	

**Figure 7.**  
**Sample List of Funding by Source.**

**Note: If the project is unfunded, this table will be left blank. Instead, the project sponsor can briefly identify any potential sources that may be applicable (e.g. CMAQ, ATP, Metro Call for Projects, etc).**

Phases & Segmenting

This question provides project sponsors the opportunity to indicate if the funding sources allow for the project to be completed in phases or segmented. This would allow for the fully funded phases or segments to be reviewed independently from the unfunded phases or segments. The funded phases or segments would be reviewed separately and evaluated for constructability, as described in Section VI (Review).

Ex:

- *Funding source allows environmental clearance, design and engineering to completed without funding secured for ROW acquisition and construction.*
- *Project may be segmented into Phase 1 and 2, with the project limits as follows:*
  - *Phase 1: Central Avenue to Main Street (1 Mile)*
  - *Phase 2: Main Street to Western Boulevard (2 Miles)*

Project Status & Delivery Schedule

This section includes a table that identifies the Project Sponsor’s proposed project schedule by phase. If the project has been initiated, the current phase of the project should be indicated in the space below the table. Project sponsor should indicate which phase(s) it is seeking assistance in implementing. Additionally, the Project Sponsor should indicate any work that has been completed to date.

Ex:

<b>Project Phase</b>	<b>Start Date</b>	<b>End Date</b>	<b>SGVCOG Assistance Requested (Yes/No)</b>
PAED	July 2020	June 2021	Yes
PSE	July 2021	December 2021	Yes
ROW	N/A	N/A	Yes
CON	January 2022	December 2023	Yes
CON-NI	N/A	N/A	N/A
CLOSEOUT	January 2024	June 2024	Yes

**Figure 8.  
Sample Project Delivery Schedule.**

**C. Project Readiness**

This section identifies any work related to the project that has been completed. This is particularly relevant for projects that have not been formally initiated and/or are not fully funded. Relevant information includes, but is not limited to: inclusion or consistency with General or Specific Plans; inclusion in active transportation plan or other mobility plans; community outreach process; relevant data and preliminary design or planning work.

## D. Project Benefits

This section identifies the project's alignment with existing SGVCOG regional benefit metrics. These metrics were adapted from the SGVCOG's Mobility Matrix (<http://libraryarchives.metro.net/DPGTL/studies/2015-subregional-mobility-matrix-san-gabriel-valley-v4.pdf>). Below is a definition of each criteria, as well as sample response.

- **Mobility**

Definition: Improves mobility & reduce congestion; Minimizes vehicular & truck impacts; Reduces bus & rail transit congestion; Develops first/last mile strategies; or Reduces congestion caused by goods movement.

*Ex: This project implements first/last mile improvements identified in Metro's First/Last Mile Strategic plan and is consistent with the ABC City's First/Last Mile Plan for ABC Light Rail Station.*

- **Safety**

Definition: Increases pedestrian & bicyclist safety; Increases transit user safety; or Increases rail & roadway safety.

*Ex: This project will improve bicycle and pedestrian safety by reducing intersection crossing distances with bulbouts, installing mid-block HAWK signals and crossings, and developing a Class 1 protected bike lane.*

- **Sustainability**

Definition: Prepares for extreme weather events; Improves air quality and reduces GHG emissions; Improves public health and reduces obesity; Improves quality of life; or Conserves water and manage storm water.

*Ex: This project promotes sustainability and improves quality of life by encouraging healthy lifestyles through active transportation. Additionally, the project includes stormwater capture features, including bioswales, and features drought tolerant landscape and energy efficient lighting.*

- **Economy**

Definition: Improves goods movement infrastructure; Improves access to jobs; Reduces travel time for workers and goods; Provides infrastructure to attract new business; Promotes development at station areas & corridors.

*Ex: The project supports the local economy through its consistency with ACE specific plan for the area, which intended to develop a new pedestrian-friendly commercial corridor along Main Street. Additionally, the proposed project provides enhanced bicycle access to 10 local K-12 schools, 2 universities, and a major employment center new Main Street and Central Boulevard.*

- **Accessibility**

Definition: Improves transit, bike, pedestrian access to activity and job growth centers; Provides access to transit dependent populations; Increases bike/pedestrian access to transit; or Compliances with ADA at transit stations and stop.

*Ex: This project serves a highly transit-dependent community. According to the most recent census data, over 15% of the population within .5 mile of the project area does*



not own a vehicle and is transit dependent. Additionally, the project falls within census tracts that have an average Cal EnviroScreen Percentile Score of 91-95%. The project also includes ADA compliance components, including redesign of curb ramps.

- **State of Good Repair**

Definition: Maintains safe & reliable mobility; or Minimizes rehabilitation & reconstruction costs

*Ex: This project includes several repairs and improvements at ABC Transit Center and bus stations along the route including escalator repairs at the transit center, new canopies, floor tile repair, installation of security cameras and improved lighting.*

- **Other**

**Note: This section may be used, if necessary, to identify any other regionally significant project benefits not addressed in the other categories.**

*Ex:*

- *Project assists with City’s MS-4 permit compliance*
- *Project provides additional park access in a park-poor community*

## E. Statement of Need

This section of the LOI identifies any resource and/or technical limitations related to the proposed project that could be assisted with, or undertaken directly, by the SGVCOG. This is intended to identify the “value-add” of having the SGVCOG manage the project.

*Ex: ABC City has no prior experience developing projects within the flood control channel, including coordinating with LA DPW and Army Corps. ABC City does not have sufficient staff capacity to manage project within timeline required by granting agency.*

## V. Threshold Criteria

After receiving the LOIs, the Executive Director will submit a report to Governing Board summarizing all LOIs including project description, total budget, project benefits, statement of need and initial recommendation. The Governing Board will provide direction to staff regarding which projects to proceed to the Review Phase.

**Note: A majority vote of the Governing Board (currently 19 agencies) must vote in the affirmative for a project to proceed to the Review Phase.**

*Ex:*

<b>Project Sponsor(s):</b> ABC City	<b>Project Description:</b> Construct a 3-mile multi-use trail along the flood control channel, including at-grade crossings and safety improvements at 4 intersections.	<b>Project Cost:</b> \$4M	<b>Funding Source:</b> ATP Cycle 3 (State-only funds)
<b>Project:</b> ABC City Greenway Project			
<b>Threshold Criteria</b>			

<b>Mobility:</b> Improves 1 <sup>st</sup> /Last Mile connections	<b>Safety:</b> Off-street trail eliminates bike/ped conflicts with vehicles	<b>Sustainability:</b> Provides alternative mode for trips that reduces GHGs and improves public health through increased physical activity	<b>Economy:</b> N/A	<b>Accessibility:</b> Improves bike/ped access to activity and job centers; and includes ADA improvements	<b>State of Good Repair:</b> N/A
<b>Statement of Need:</b> ABC City has no prior experience developing projects within the flood control channel, including coordinating with LA DPW and Army Corps. ABC City does not have sufficient staff capacity to manage project within timeline required by granting agency.					

**Figure 9.  
Sample Threshold Criteria Report for Funded Project.**

<b>Project Sponsor(s):</b> ABC City		<b>Project Description:</b> Construct a 3-mile multi-use trail along the flood control channel, including at-grade crossings and safety improvements at 4 intersections.		<b>Project Cost (Est):</b> \$4-6M	<b>Funding Source:</b> ATP, Call for Projects
<b>Project:</b> ABC City Greenway Project					
<b>Threshold Criteria</b>					
<b>Mobility:</b> Improves 1 <sup>st</sup> /Last Mile connections	<b>Safety:</b> Off-street trail eliminates bike/ped conflicts with vehicles	<b>Sustainability:</b> Provides alternative mode for trips that reduces GHGs and improves public health through increased physical activity	<b>Economy:</b> N/A	<b>Accessibility:</b> Improves bike/ped access to activity and job centers; and includes ADA improvements	<b>State of Good Repair:</b> N/A
<b>Statement of Need:</b> ABC City does not have sufficient staff capacity to track potential funding sources and develop grant applications.					

**Figure 10.  
Sample Threshold Criteria Report for Unfunded Project.**

## VI. Review

### Funded Projects

For projects that meet threshold criteria and are approved by the Governing Board to proceed, Chief Engineer assigns project to project manager for review. The Project Manager reviews LOI and schedules review meeting with Project Sponsor point of contact to gather additional information related to project status, available funding, and any potential constraints (funding requirements, timing, partnerships with other agencies). The

Project Manager provides an initial recommendation to Chief Engineer for projects to proceed to negotiation phase based on project viability and readiness.

Unfunded Projects

For projects that meet threshold criteria and are approved by the Governing Board to proceed, Chief Engineer assigns project to project manager for review. The Project Manager and Policy & Planning staff reviews LOI and schedules review meeting with Project Sponsor point of contact to gather additional information related to project status, potential funding, and other constraints. The Project Manager and Policy & Planning staff provide initial recommendation to Executive Director for projects to proceed to negotiation phase based on project viability, readiness and fit with potential funding sources.

## VII. Negotiation

Funded Projects

For funded projects that proceed into the Negotiation Phase, Project Manager will prepare a draft agreement with project sponsor that includes the following:

- construction management costs,
- implementation schedule,
- and other requirements.

Attachment C is a sample Agreement. Chief Engineer and Project Manager will then meet with City Manager and point of contact to review proposed agreement. If the terms of the Agreement are acceptable to the Project Sponsor, the Project Sponsor will submit a letter of commitment to indicate interest in having project managed by SGVCOG, pending approval by SGVCOG Governing Board. Attachment D is a sample Commitment Letter.

Unfunded Projects

For unfunded projects that proceed into the Negotiation Phase, Project Manager will prepare a draft Memorandum of Agreement (MOA) that identifies the following:

- flat annual fee (based on project typology – See Figure 11) for project development and funding opportunity tracking;
- commitment from SGVCOG to provide quarterly updates to Project Sponsor on funding opportunities and other related developments that may impact project implementation; and
- budget for grant writing.

Attachment E is a sample MOA. Policy & Planning staff and Project Manager meet with City Manager and point of contact to review proposed agreement. Project Sponsor provides letter of commitment to indicate interest in having project managed by COG pending approval by COG Governing Board.

<b>Project Type</b>	<b>Annual Flat Fee</b>
Regional Surface Transportation Improvements	\$10,000
Goods Movement Improvements	\$10,000
Signal Synchronization & Bus Speed Improvements	\$5,000
Transportation Demand Management	\$5,000

Bicycle & Pedestrian Improvements	\$5,000
Other	TBD (Case-by-case)

**Figure 11.  
Annual Project Development Fee for Unfunded Projects.**

Ex:

- *Project: ABC City Greenway Project*
- *Project Type: Active Transportation*
- *Annual Flat Fee: \$5,000 (billed upon execution of MOA)*
- *NTE Budget for Grant-writing: \$50,000 (billed only if used)*

**Note: Project sponsors will be billed the flat rate upon execution of the MOA. Project sponsor will be billed actual costs (consultant fees + staff time) for grant-writing. If the full grant-writing budget is exhausted, project manager will prepare an amendment to the MOA for consideration by the Project Sponsor.**

## VIII. Programming

Project Managers, Policy & Planning staff, and Chief Engineer compile 5-year workplan based on projects that proceed through Negotiation Phase. Executive Director will present 5-year workplan to Governing Board for approval. Pending schedule, the Capital Projects Committee, TACs, and the Executive Committee will receive a presentation on the draft 5-year workplan prior to adoption and may submit comments to the Governing Board.

Ex:

	Funding Programming Year (In Millions)					
	FY 19-20	FY 20-21	FY 21-22	FY 22-23	FY 23-24	Total
<b>Regional Surface Transportation Improvements</b>						
<i>Mobility Improvement Project for Main Street</i>						
SB 1	\$2.00	\$4.00	\$4.00			\$10.00
Measure M Local Return	\$1.00	\$1.00	\$1.00			\$3.00
Total	\$3.00	\$5.00	\$5.00			\$13.00
<b>Signal Synchronization &amp; Bus Speed Improvements</b>						
<i>BRT Lane and Grade Separation for Central Boulevard</i>						
CMAQ			\$1.00	\$8.00	\$8.00	\$17.00
ExpressLanes Net Toll Revenue			\$1.00	\$6.00	\$6.00	\$13.00
Total			\$2.00	\$14.00	\$14.00	\$30.00
<b>Bicycle &amp; Pedestrian Improvements</b>						
<i>ABC Greenway Project</i>						
ATP Cycle 4		\$1.00	\$3.00			\$4.00

Measure M ATP 2%		\$0.50	\$0.50			\$1.00
Total		\$1.50	\$3.50			\$5.00
<b>TOTAL</b>	<b>\$3.00</b>	<b>\$6.50</b>	<b>\$10.50</b>	<b>\$14.00</b>	<b>\$14.00</b>	<b>\$48.00</b>

**Note: Per Governing Board direction, all agency-to-agency agreements would also be submitted separately for approval by the Board.**

## IX. Annual Updates

The 5-year workplan is reviewed annually, in early Spring. The Executive Direction and Chief Engineer identifies any significant changes (i.e. new funding, delays or opportunities for acceleration). If project delays result in additional staff capacity, staff will accept and review additional LOIs from project sponsors and recommend amendments to the workplan.

**Note: If an unfunded project is successfully awarded funding, the Project Sponsor may choose to submit the project for implementation by the SGVCOG through a modified LOI process.**

## X. Attachments

Attachment A – Sample Outreach Presentation

Attachment B – LOI Template

Attachment C – Sample Agreement (Funded Projects)

Attachment D – Sample Commitment Letter

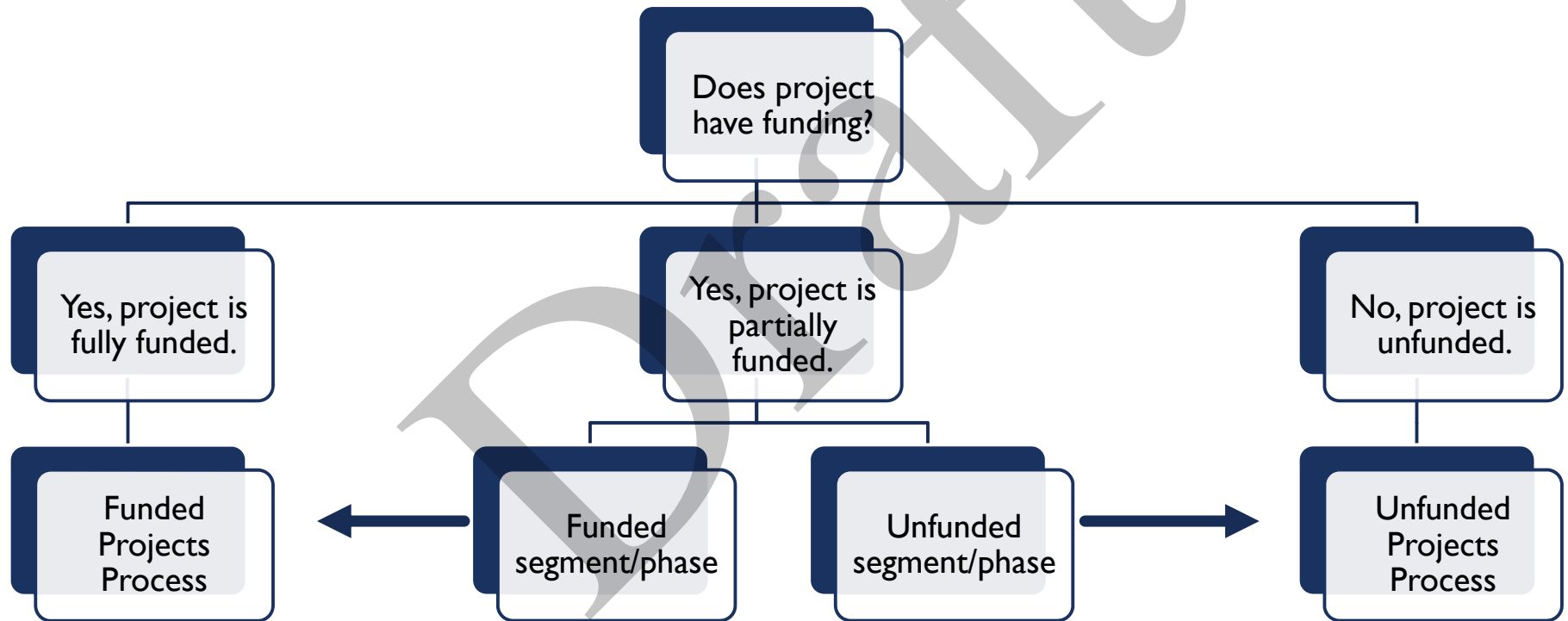
Attachment E – Sample MOA (Unfunded Projects)

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# PROJECT DEVELOPMENT AND APPROVAL PROCESS

Draft

# FUNDING STATUS



## FUNDED PROJECTS - OVERVIEW





## FUNDED PROJECTS



- Project sponsor submits Letter of Interest (LOI)
- LOI includes the following
  - *Project Description*: budget, schedule and funding sources
  - *Project Benefits*: mobility; safety; sustainability; economy; accessibility; and state of good repair
  - *Statement of Need*: any resource and/or technical limitations that could be assisted with, or undertaken directly, by the SGVCOG.
- Project benefit categories as based on the SGVCOG Mobility Matrix
- Executive Director submits report to Governing Board summarizing all LOIs including project description, total budget, project benefits, statement of need and initial recommendation
- Governing Board provides direction to staff regarding which projects to proceed to the Review Phase
- Requires majority vote of Board (19 agencies) to proceed

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# FUNDED PROJECTS



## Sample Project Report to Governing Board

<b>Project Sponsor(s):</b> ABC City		<b>Project Description:</b> Construct a 3-mile multi-use trail along the flood control channel, including at-grade crossings and safety improvements at 4 intersections.		<b>Project Cost:</b> \$4M	<b>Funding Source:</b> ATP Cycle 3 (State-only funds)
<b>Project:</b> ABC City Greenway Project					
<b>Threshold Criteria</b>					
<b>Mobility:</b> Improves 1 <sup>st</sup> /Last Mile connections	<b>Safety:</b> Off-street trail eliminates bike/ped conflicts with vehicles	<b>Sustainability:</b> Provides alternative mode for trips that reduces GHGs and improves public health through increased physical activity	<b>Economy:</b> N/A	<b>Accessibility:</b> Improves bike/ped access to activity and job centers; and includes ADA improvements	<b>State of Good Repair:</b> N/A
<b>Statement of Need:</b> ABC City has no prior experience developing projects within the flood control channel, including coordinating with LA DPW and Army Corps. ABC City does not have sufficient staff capacity to manage project within timeline required by granting agency.					

## FUNDED PROJECTS



- For projects that meet threshold criteria, Chief Engineer assigns project to project manager for review
- Project Manager reviews LOI and schedules review meeting with Project Sponsor point of contact to gather additional information related to project status, available funding, and any potential constraints (funding requirements, timing, partnerships with other agencies)
- Project Manager provide initial recommendation to Chief Engineer for projects to proceed to negotiation phase based on project viability and readiness

## FUNDED PROJECTS



- Project manager will prepare draft agreement with project sponsor including construction management costs, implementation schedule, and other requirements
- Chief Engineer and Project Manager meet with City Manager and point of contact to review proposed agreement
- Project sponsor provides letter of commitment to indicate interest in having project managed by COG, pending approval by COG Governing Board.

## FUNDED PROJECTS



- Project Managers and Chief Engineer compile 5-year workplan based on projects that proceed through negotiation phase
- Executive Director presents 5-year workplan to Governing Board for approval
- Per Governing Board direction, all agency-to-agency agreements would also be submitted separately for approval by the Board

# FUNDED PROJECTS



	Funding Programming Year (In Millions)					
	FY 19-20	FY 20-21	FY 21-22	FY 22-23	FY 23-24	Total
<b>Regional Surface Transportation Improvements</b>						
Mobility Improvement Project for Main Street						
SB I	\$2.00	\$4.00	\$4.00			\$10.00
Measure M Local Return	\$1.00	\$1.00	\$1.00			\$3.00
Total	\$3.00	\$5.00	\$5.00			\$13.00
<b>Signal Synchronization &amp; Bus Speed Improvements</b>						
BRT Lane and Grade Separation for Central Boulevard						
CMAQ			\$1.00	\$8.00	\$8.00	\$17.00
ExpressLanes Net Toll Revenue			\$1.00	\$6.00	\$6.00	\$13.00
Total			\$2.00	\$14.00	\$14.00	\$30.00
<b>Bicycle &amp; Pedestrian Improvements</b>						
ABC Greenway Project						
ATP Cycle 4		\$1.00	\$3.00			\$4.00
Measure MATP 2%		\$0.50	\$0.50			\$1.00
Total		\$1.50	\$3.50			\$5.00
<b>TOTAL</b>	<b>\$3.00</b>	<b>\$6.50</b>	<b>\$10.50</b>	<b>\$14.00</b>	<b>\$14.00</b>	<b>\$48.00</b>

## FUNDED PROJECTS



- 5-year workplan is reviewed annually, in early Spring.
- Chief Engineer identifies any significant changes (i.e. new funding, delays or opportunities for acceleration).
- If project delays result in additional staff capacity, staff will accept and review additional LOIs from project sponsors and recommend amendments to the workplan.

# UNFUNDED PROJECTS - OVERVIEW





# UNFUNDED PROJECTS



- Project sponsor submits Letter of Interest (LOI)
- LOI includes the following
  - *Project Description*: budget, schedule and funding opportunities
  - *Project Benefits*: mobility; safety; sustainability; economy; accessibility; and state of good repair
  - *Statement of Need*: any resource and/or technical limitations that could be assisted with, or undertaken directly, by the SGVCOG.
- Project benefit categories as based on the SGVCOG Mobility Matrix
- Executive Director submits report to Governing Board summarizing all LOIs including project description, total budget, project benefits, statement of need and initial recommendation
- Governing Board provides direction to staff regarding which projects to proceed to the Review Phase
- Requires majority vote of Board (19 agencies) to proceed

# UNFUNDED PROJECTS



## Sample Project Report to Governing Board

<b>Project Sponsor(s):</b> ABC City		<b>Project Description:</b> Construct a 3-mile multi-use trail along the flood control channel, including at-grade crossings and safety improvements at 4 intersections.			<b>Project Cost (Est):</b> \$4-6M	<b>Funding Source:</b> ATP, Call for Projects
<b>Project:</b> ABC City Greenway Project						
<b>Threshold Criteria</b>						
<b>Mobility:</b> Improves 1 <sup>st</sup> /Last Mile connections	<b>Safety:</b> Off-street trail eliminates bike/ped conflicts with vehicles	<b>Sustainability:</b> Provides alternative mode for trips that reduces GHGs and improves public health through increased physical activity	<b>Economy:</b> N/A	<b>Accessibility:</b> Improves bike/ped access to activity and job centers; and includes ADA improvements	<b>State of Good Repair:</b> N/A	
<b>Statement of Need:</b> ABC City does not have sufficient staff capacity to track potential funding sources and develop grant applications.						

## UNFUNDED PROJECTS



- For projects that meet threshold criteria, Chief Engineer assigns project to project manager for review
- Project Manager and Policy & Planning Staff reviews LOI and schedules review meeting with Project Sponsor point of contact to gather additional information related to project status, potential funding, and other constraints
- Project Manager and Policy & Planning Staff provide initial recommendation to Executive Director for projects to proceed to negotiation phase based on project viability and readiness

## UNFUNDED PROJECTS



- Project manager will prepare draft Memorandum of Agreement (MOA) with project sponsor.
- Policy & Planning Staff and Project Manager meet with City Manager and point of contact to review proposed agreement
- Project sponsor provides letter of commitment to indicate interest in having project managed by COG pending approval by COG Governing Board

## UNFUNDED PROJECTS



- MOA Structure:
  - MOA will include both an annual flat fee, based on project typology, and a Not To Exceed (NTE) for grant-writing
  - COG will provide Project Sponsor with quarterly updates on funding opportunities
  - Project sponsors will be billed the flat rate upon execution of the MOA
  - Cities will be billed actual costs (consultant fees + staff time) for grant-writing
  - If the full grant-writing budget is exhausted, project manager will prepare an amendment to the MOA for consideration by the Project Sponsor

# UNFUNDED PROJECTS



## Flat Fee by Project Type (Draft)

<b>Project Type</b>	<b>Annual Flat Fee</b>
Regional Surface Transportation Improvements	\$10,000
Goods Movement Improvements	\$10,000
Signal Synchronization & Bus Speed Improvements	\$5,000
Transportation Demand Management	\$5,000
Bicycle & Pedestrian Improvements	\$5,000
Other	TBD (Case-by-case)

## UNFUNDED PROJECTS



- **Sample Cost Structure: ABC City Greenway Project**
  - Project Type: Active Transportation
  - Annual Flat Fee: \$5,000 (billed upon execution of MOA)
  - NTE Budget for Grant-writing: \$50,000 (billed only if used)

## UNFUNDED PROJECTS



- Policy & Planning Staff and Executive Director compile 5-year workplan based on projects that proceed through negotiation phase
- Executive Director presents 5-year workplan to Governing Board for approval



## UNFUNDED PROJECTS



- 5-year workplan is reviewed annually, in early Spring
- Executive Director identifies any significant changes
- If a project is successfully awarded funding, the project sponsor may choose to submit the project for implementation by the COG through the LOI process

## PROJECT DEVELOPMENT AND APPROVAL PROCESS

### Next Steps

- March – April 2018: Recirculate draft manual and LOI to member agencies
- May 2018: Governing Board considers approval of implementation manual
- June – October 2018: Outreach to member agencies
- November 2018: LOIs due

## PROJECT DEVELOPMENT AND APPROVAL PROCESS

# Questions

## PROJECT DEVELOPMENT AND APPROVAL PROCESS

# LOI Process

## PROJECT DEVELOPMENT AND APPROVAL PROCESS - LOI

- The first step in the project evaluation and selection
- Intended to be a simple and straightforward tool for collecting basic project information
- Not a competitive funding process - project sponsors are encouraged to contact SGVCOG staff with questions and issues when completing the LOI.
- **Note: There will be an application deadline to submit LOIs in order to develop the 5-year workplan and prepare annual workplan updates. LOIs will not be accepted outside of that deadline. However, the Governing Board may approve exceptions under specific circumstances (e.g. a new source of funding becomes available). In those instances, notification will be sent to all eligible Project Sponsors.**

## UNFUNDED PROJECTS

**Project Sponsor**

Project Information

Project Readiness

Project Benefits

Statement of Need

- **Project sponsor:**
  - Contact information for the point of contact that will manage the application process and who can provide information during the review and negotiation process.
  - In some instances, there may be a different contact for questions regarding the application itself and the application process.
- **Partnering agencies:**
  - Identifies additional cities or agencies involved in the implementation of the project.
  - For multi-jurisdictional projects, a lead point of contact from a single city should be identified under “Project Sponsor”. That point of contact will be responsible for assisting with coordination of points of contact from other partner agencies.
- **Note: LOIs must be initiated by SGVCOG member agencies. However, they can submit a project that is owned by another agency (e.g. Caltrans). Ultimately, approval will need to be obtained from the project owner during the negotiation phase.**

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## UNFUNDED PROJECTS

Project  
Sponsor

**Project  
Information**

Project  
Readiness

Project  
Benefits

Statement  
of Need

- **Project scope:** Provides a brief explanation of the types of work and/or the major elements that are proposed.
- **Note:** If a project sponsor is requesting assistance from the **SGVCOG** on specific segment or phase of the project, that should be clearly indicated in the **Project Scope**.
- *Ex: The Central Boulevard (BRT) project will create dedicated bus lanes along 3.5 miles of Central Boulevard in ABC City, from Main Street to Vine Street. The lanes will be used by Metro 123 line and Foothill Transit 321 line. This project will create median-running transit-only lanes that border center landscaped medians along Central Boulevard, physically separated from the two lanes of mixed flow traffic in each direction. The design will allow for all-door boarding, transit signal priority, and traffic signal optimization. Additionally, a grade separation at Central Boulevard and Main Street will allow for continuous BRT access to the ABC Transit Center. The project also includes pedestrian improvements, a Class 2 bike lane, signal upgrades, new streetlights, new landscaping, and roadway resurfacing. ABC City is requesting assistance from the SGVCOG on all phases and segments of the project.*

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## UNFUNDED PROJECTS



- **Project cost and funding:** Provides information on project cost and funding sources by phase.
  - *Project Cost by Phase:* Lists the total cost of the project, by phase, and identifies secured funding and any additional funding required.
  - Phases are as follows:
    - PAED = environmental phase
    - PSE = plans, specifications, and estimates phase
    - ROW = right-of-way phase
    - CON = construction phase
    - CON-NI = non-infrastructure (e.g. education and encouragement programs)
    - Other = Any phase (e.g. pre-planning) not included above
  - **Note: For projects still in initial planning phases, for which design and/or engineering has not been completed, estimated costs are sufficient.**



# UNFUNDED PROJECTS



**Sample Project Budget with Fully Funded Phases**

Project Phase	Total	Secured Funding	Additional Funds Required
PAED	\$1,000,000	\$1,000,000	
PSE	\$2,000,000	\$2,000,000	
ROW			
CON	\$17,000,000	\$17,000,000	
CON-NI			
OTHER			
<b>TOTAL</b>	<b>\$20,000,000</b>	<b>\$20,000,000</b>	

# UNFUNDED PROJECTS



**Sample Project Budget with Funded and Unfunded Phases**

Project Phase	Total	Secured Funding	Additional Funds Required
PAED	\$1,000,000	\$1,000,000	\$0
PSE	\$2,000,000	\$2,000,000	\$0
ROW			
CON	\$17,000,000	\$2,000,000	\$15,000,000
CON-NI			
OTHER			
<b>TOTAL</b>	<b>\$20,000,000</b>	<b>\$5,000,000</b>	<b>\$15,000,000</b>

# UNFUNDED PROJECTS



**Sample Project Budget with Unfunded Phases**

Project Phase	Total	Secured Funding	Additional Funds Required
PAED	\$1,000,000		\$1,000,000
PSE	\$2,000,000		\$2,000,000
ROW			
CON	\$17,000,000		\$17,000,000
CON-NI			
OTHER			
<b>TOTAL</b>	<b>\$20,000,000</b>		<b>\$1,000,000</b>

## UNFUNDED PROJECTS



- *Funding by Source*: Lists the funding by source.
- Required to indicate any federal sources of funding.
- Briefly indicate any requirements associated with the funding, such as deadlines for project completion or limitations on the use of the funding.
- **Note: If the project is unfunded, this table will be left blank. Instead, the project sponsor can briefly identify any potential sources that may be applicable (e.g. CMAQ, ATP, Metro Call for Projects, etc).**

# UNFUNDED PROJECTS

Project Sponsor

**Project Information**

Project Readiness

Project Benefits

Statement of Need

**Sample List of Funding by Source.**

Amount	Source	Federal (Yes/No)	Additional Requirements (Including Deadlines for Use of Funds)
\$15,000,000	CMAQ	Yes	Project must be completed by June 2021
\$2,000,000	ExpressLanes Net Toll Revenue	No	Funds must be expended by June 2020.
\$3,000,000	Measure M Local Return	No	

## UNFUNDED PROJECTS



- *Phases & Segmenting*: Indicates if the funding sources allow for the project to be completed in phases or segmented, which would allow for the fully funded phases or segments to be reviewed independently from the unfunded phases or segments. The funded phases or segments would be reviewed separately and evaluated for constructability.
- *Ex:*
  - *Funding source allows environmental clearance, design and engineering to be completed without funding secured for ROW acquisition and construction.*
  - *Project may be segmented into Phase 1 and 2, with the project limits as follows:*
    - *Phase 1: Central Avenue to Main Street (1 Mile)*
    - *Phase 2: Main Street to Western Boulevard (2 Miles)*

## UNFUNDED PROJECTS



- *Project Status & Delivery Schedule*: Identifies proposed project schedule by phase.
- If the project has been initiated, the current phase of the project should be indicated.
- Project Sponsor should indicate which phase(s) it is requesting the SGVCOG's assistance on.
- Additionally, the Project Sponsor should indicate any work that has been completed to date.

# UNFUNDED PROJECTS

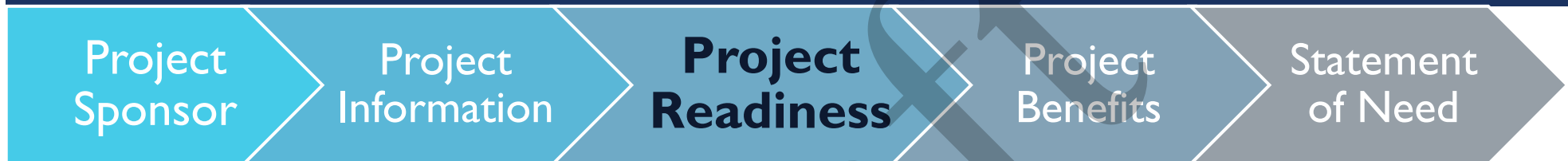


**Sample Project Delivery Schedule.**

<b>Project Phase</b>	<b>Start Date</b>	<b>End Date</b>	<b>SGVCOG Assistance Requested (Yes/No)</b>
<b>PAED</b>	July 2020	June 2021	Yes
<b>PSE</b>	July 2021	December 2021	Yes
<b>ROW</b>	N/A	N/A	Yes
<b>CON</b>	January 2022	December 2023	Yes
<b>CON-NI</b>	N/A	N/A	N/A
<b>CLOSEOUT</b>	January 2024	June 2024	Yes



## UNFUNDED PROJECTS



- Identifies any work related to the project that has been completed.
- Particularly relevant for projects that have not been formally initiated and/or are not fully funded.
- Relevant information includes, but is not limited to:
  - Inclusion or consistency with General or Specific Plans;
  - Inclusion in active transportation plan or other mobility plans;
  - Inclusion in CIP;
  - Community outreach process;
  - Relevant data ;and
  - Preliminary design or planning work.

## UNFUNDED PROJECTS

Project  
Sponsor

Project  
Information

Project  
Readiness

**Project  
Benefits**

Statement  
of Need

- Identifies the project's alignment with existing SGVCOG regional benefit metrics.
- These metrics were adapted from the SGVCOG's Mobility Matrix:

<http://libraryarchives.metro.net/DPGTL/studies/2015-subregional-mobility-matrix-san-gabriel-valley-v4.pdf>

## UNFUNDED PROJECTS

Project  
Sponsor

Project  
Information

Project  
Readiness

**Project  
Benefits**

Statement  
of Need

- **Mobility**

- Definition: Improves mobility & reduce congestion; Minimizes vehicular & truck impacts; Reduces bus & rail transit congestion; Develops first/last mile strategies; or Reduces congestion caused by goods movement.
- *Ex: This project implements first/last mile improvements identified in Metro's First/Last Mile Strategic plan and is consistent with the ABC City's First/Last Mile Plan for ABC Light Rail Station.*

- **Safety**

- Definition: Increases pedestrian & bicyclist safety; Increases transit user safety; or Increases rail & roadway safety.
- *Ex: This project will improve bicycle and pedestrian safety by reducing intersection crossing distances with bulbouts, installing mid-block HAWK signals and crossings, and developing a Class I protected bike lane.* <sup>38</sup>

# UNFUNDED PROJECTS

Project  
Sponsor

Project  
Information

Project  
Readiness

**Project  
Benefits**

Statement  
of Need

- **Sustainability**

- Definition: Prepares for extreme weather events; Improves air quality and reduces GHG emissions; Improves public health and reduces obesity; Improves quality of life; or Conserves water and manage storm water.
- *Ex: This project promotes sustainability and improves quality of life by encouraging healthy lifestyles through active transportation. Additionally, the project includes stormwater capture features, including bioswales, and features drought tolerant landscape and energy efficient lighting.*

- **Economy**

- Definition: Improves goods movement infrastructure; Improves access to jobs: Reduces travel time for workers and goods; Provides infrastructure to attract new business; Promotes development at station areas & corridors.
- *Ex: The project supports the local economy through its consistency with ACE specific plan for the area, which intended to develop a new pedestrian-friendly commercial corridor along Main Street. Additionally, the proposed project provides enhanced bicycle access to 10 local K-12 schools, 2 universities, and a major employment center new Main Street and Central Boulevard.*

## UNFUNDED PROJECTS

Project  
Sponsor

Project  
Information

Project  
Readiness

**Project  
Benefits**

Statement  
of Need

- **Accessibility**

- **Definition:** Improves transit, bike, pedestrian access to activity and job growth centers; Provides access to transit dependent populations; Increases bike/pedestrian access to transit; or Compliances with ADA at transit stations and stop.
- **Ex:** *This project serves a highly transit-dependent community. According to the most recent census data, over 15% of the population within .5 mile of the project area does not own a vehicle and is transit dependent. Additionally, the project falls within census tracts that have an average Cal Enviroscreen Percentile Score of 91-95%. The project also includes ADA compliance components, including redesign of curb ramps.*

# UNFUNDED PROJECTS

Project  
Sponsor

Project  
Information

Project  
Readiness

**Project  
Benefits**

Statement  
of Need

- **State of Good Repair**
  - Definition: Maintains safe & reliable mobility; or Minimizes rehabilitation & reconstruction costs
  - *Ex: This project includes several repairs and improvements at ABC Transit Center and bus stations along the route including escalator repairs at the transit center, new canopies, floor tile repair, installation of security cameras and improved lighting.*
- **Other:** This section may be used, if necessary, to identify any other regionally significant project benefits not addressed in the other categories.
  - *Ex:*
    - *Project assists with City's MS-4 permit compliance*
    - *Project provides additional park access in a park-poor community*

## UNFUNDED PROJECTS

Project  
Sponsor

Project  
Information

Project  
Readiness

Project  
Benefits

**Statement  
of Need**

- This section of the LOI identifies any resource and/or technical limitations related to the proposed project that could be assisted with, or undertaken directly, by the SGVCOG. This is intended to identify the “value-add” of having the SGVCOG manage the project.
- *Ex: ABC City has no prior experience developing projects within the flood control channel, including coordinating with LA DPW and Army Corps. ABC City does not have sufficient staff capacity to manage project within timeline required by granting agency.*

**1. PROJECT SPONSOR INFORMATION**

**A. Project Sponsor**

Agency: \_\_\_\_\_  
Contact Person Name: \_\_\_\_\_  
Contact Person Title: \_\_\_\_\_  
Contact Person's Email Address: \_\_\_\_\_  
Contact Person's Phone Number: \_\_\_\_\_

**B. Partnering Agency or Agencies**

Partnering Agency: \_\_\_\_\_  
Partnering Agency: \_\_\_\_\_  
Partnering Agency: \_\_\_\_\_  
Partnering Agency: \_\_\_\_\_  
Partnering Agency: \_\_\_\_\_

**Note: For multi-jurisdictional projects, a lead point of contact from a single city should be identified under "Project Sponsor". That point of contact will be responsible for assisting with coordination of points of contact from other partner agencies.**

**Note: LOIs must be initiated by SGVCOG member agencies. Member agencies may submit a project that is owned by another agency. However, approval will need to be obtained from the project owner during the negotiation phase.**

**2. PROJECT INFORMATION**

**A. Project Name**

\_\_\_\_\_

**B. Project Location**

Enter a project location that conveys road names, intersection cross street names, and/or geographical references of where the project is located.

\_\_\_\_\_

**C. Project Scope**

Provide a clear and concise explanation of the types of work and/or the major elements that are proposed.

\_\_\_\_\_



--

**Note: If a project sponsor is requesting assistance from the SGVCOG on specific segment or phase of the project, that should be clearly indicated in the Project Scope.**

**D. Project Cost and Funding (in current dollars)**

Project Phase	Total	Secured Funding	Additional Funds Required
PAED			
PSE			
ROW			
CON			
CON-NI			
OTHER			
<b>TOTAL</b>			

Notes:

PAED = environmental phase

PSE = plans, specifications, and estimates phase

ROW = right-of-way phase

CON = construction phase

CON-NI = non-infrastructure (e.g. education and encouragement programs)

If "Other" is included, please describe additional phase(s) below.

--

**Note: For projects still in initial planning phases, for which design and/or engineering has not been completed, estimated costs are sufficient.**

For any funding that has been secured, complete the table below.

Amount	Source	Federal (Yes/No)	Additional Requirements (Including Deadlines for Use of Funds)

For any additional funds required to complete the project, please list any potential sources of funding that have been identified.

--

Can the project be completed in phases or otherwise segmented? If yes, please describe below.

**E. Project Status and Delivery Schedule**

Project Phase	Start Date	End Date	SGVCOG Assistance Requested (Yes/No)
PAED			
PSE			
ROW			
CON			
CON-NI			
CLOSEOUT			

What phase is the project currently in?

Identify any significant work and milestones that have been completed to date.

Please indicate any information that may be relevant to evaluating the feasibility of the project (OPTIONAL).

### **3. PROJECT READINESS**

Check all of the following that has been completed or is available for the project:

- Inclusion in General or Specific Plan
- Inclusion in Active Transportation or other mobility plan
- Inclusion in Capital Improvement Plan
- Cost estimate
- Outreach surveys (e.g. surveys of parents/students, residents, or business owners)
- Project advisory committee
- Other record of public support of the project
- Feasibility study
- Prior grant applications
- Photos of existing conditions
- Conceptual drawings/plans
- Traffic counts or other related dated
- Ridership/user projections
- Citywide plans that includes the project or project area.
- Environmental document
- Final design
- Other, please explain:

### **4. PROJECT BENEFITS**

Please identify any anticipated project benefits

- Mobility** (Improves mobility & reduce congestion; Minimizes vehicular & truck impacts; Reduces bus & rail transit congestion; Develops first/last mile strategies; or Reduces congestion caused by goods movement)

If applicable, briefly describe how the project addresses mobility:

- Safety** (Increases pedestrian & bicyclist safety; Increases transit user safety; or Increases rail & roadway safety)

If applicable, briefly describe how the project addresses safety:

- Sustainability** (Prepares for extreme weather events; Improves air quality and reduces GHG emissions; Improves public health and reduces obesity; Improves quality of life; or Conserves water and manage storm water)

If applicable, briefly describe how the project addresses sustainability:

- Economy** (Improves goods movement infrastructure; Improves access to jobs: Reduces travel time for workers and goods; Provides infrastructure to attract new business; Promotes development at station areas & corridors)

If applicable, briefly describe how the project addresses economy:

- Accessibility** (Improves transit, bike, pedestrian access to activity and job growth centers; Provides access to transit dependent populations; Increases bike/pedestrian access to transit; or Compliances with ADA at transit stations and stop)

If applicable, briefly describe how the project addresses accessibility:

- State of Good Repair** (Maintains safe & reliable mobility; or Minimizes rehabilitation & reconstruction costs)

If applicable, briefly describe how the project addresses state of good repair:

- Other** (If necessary, identify any other regionally significant project benefits not addressed above)

If applicable, briefly describe any other regionally significant project benefits:

**5. STATEMENT OF NEED**

Please explain any resource and/or technical limitations that your agency has on this project that you believe could be assisted with, or undertaken directly, by the SGVCOG.

**AGREEMENT**

**Regarding the design and construction of the \_\_\_\_\_ by the San Gabriel Valley Council of Governments on behalf of \_\_\_\_\_**

THIS AGREEMENT effective this \_\_\_\_ day of \_\_\_\_, 2018, by and between the city of \_\_\_\_\_, a municipal corporation, hereinafter referred to as "CITY", and the SAN GABRIEL VALLEY COUNCIL OF GOVERNMENTS, a California Joint Powers Authority, hereinafter referred to as "SGVCOG", with the CITY and SGVCOG also each individually referred to herein as "PARTY" and collectively as "PARTIES".

WITNESSETH

WHEREAS, CITY contemplates constructing a \_\_\_\_\_, hereinafter referred to as "PROJECT"; and

WHEREAS, CITY desires to have SGVCOG design and construct PROJECT as described in Exhibit "A"; and

WHEREAS, CITY proposes to reimburse SGVCOG for the actual costs SGVCOG incurs for the design and construction of PROJECT performed in conjunction with this AGREEMENT;

NOW, THEREFORE, in consideration of the promises and mutual covenants herein contained, it is hereby agreed as follows:

SECTION I

SGVCOG AGREES:

1. To hire a consultant to prepare the PROJECT documentation required under the California Environmental Quality Act, and to deliver said documentation to the CITY, for its review, comment, and City Council approval.
2. To prepare all required preliminary and final plans, specifications, and cost estimates for PROJECT, and to deliver said preliminary and final plans, specifications, and cost estimates to the CITY, for its review, comment, and approval thereof prior to PROJECT being advertised for construction bids.
3. To acquire on behalf of the CITY the necessary rights of way and easements required for PROJECT and to transfer same to CITY after PROJECT completion. Should the acquisition of the necessary rights of way and easements required for PROJECT result in full parcel acquisitions, any excess property will be transferred by SGVCOG to CITY after acceptance of PROJECT by CITY.
4. To undertake all necessary environmental investigations and remediation work for hazardous materials or waste (if any) present on any rights of way or easements required for PROJECT.

5. To obtain all required authorizations and permits from government agencies necessary to design and construct the PROJECT.
6. To perform a bid solicitation for PROJECT
7. To award a construction contract for PROJECT
8. To provide all required construction management and inspection for PROJECT
9. To track all associated environmental documentation, design, right of way and easement acquisition, construction, and construction management costs for PROJECT
10. To invoice the CITY for design, environmental and right of way costs on a monthly basis or upon completion of an individual task. Upon receipt of construction bids, to invoice CITY for the estimated costs of PROJECT construction and related construction management costs based on the lowest responsible bid received.
11. To furnish an accounting of final actual cost for PROJECT and provide CITY an invoice of the same within one hundred twenty (120) days after acceptance of PROJECT by SGVCOG and CITY.
12. Upon completion of PROJECT, to furnish CITY with as-built plans of PROJECT.

## SECTION II

### CITY AGREES:

1. To provide SGVCOG all available plans, traffic data, and survey data of existing CITY infrastructure necessary to design PROJECT.
2. To act as lead agency and obtain all applicable environmental approvals as required from Federal, State, and local agencies for the PROJECT except that all permits and approvals for hazardous waste or material investigations or remediation work will be the responsibility of SGVCOG.
3. To inform SGVCOG in writing within fifteen (15) days after receipt of each set of plans, studies, specifications, and/or cost estimates from SGVCOG, if any of the materials are incomplete or if additional information is necessary in order to facilitate CITY's review of the materials.
4. To review and provide to SGVCOG any comments and suggestions to, or required approvals/disapprovals of each set of plans, studies, specifications, and/or cost estimates submitted to CITY within thirty (30) days after receipt of the complete materials.
5. After acceptance of PROJECT by CITY, to accept all rights of way and easements acquired for PROJECT by SGVCOG.

6. To enforce available rights under existing franchise agreements if existing public and/or private utilities conflict with the construction of PROJECT.
7. To pay One Hundred Percent (100%) of PROJECT environmental documentation and investigations, environmental remediation, design, right of way and easement acquisition, construction, and construction management costs up to a not to exceed amount of \$ \_\_\_\_\_. The not to exceed amount specified herein may be adjusted to account for changes in the scope of work during the design phase, actual costs of right of way, actual bid prices, or change orders during the construction phase if CITY and SGVCOG both agree in writing. All incurred costs will be direct with no mark-ups. SGVCOG labor costs will be calculated based on the Caltrans-approved indirect cost rate applied to direct expenses. CITY will make all necessary efforts to pay SGVCOG invoices within 30 days of receipt.

### SECTION III

#### IT IS MUTUALLY AGREED AS FOLLOWS:

1. Should any portion of PROJECT be financed with funds with specific expenditure requirements or limitations, all applicable laws, regulations and policies relating to the use of such funds shall apply notwithstanding other provisions of this Agreement.
2. That advertisement and construction by SGVCOG of PROJECT work shall not commence until SGVCOG's final construction plans involving PROJECT have been reviewed and approved by the CITY's City Engineer, or his/her designated agent. Receipt by SGVCOG of PROJECT plans signed by CITY's City Engineer or his/her designated agent shall constitute CITY's approval of said plans.
3. If the location of existing facilities of public and/or private utilities conflicts with the construction of PROJECT, SGVCOG will identify such facilities located within CITY's right of way and request that the CITY enforce available rights under existing franchise agreements or encroachment permits held by CITY for facilities' protection, relocation, or removal at no cost to SGVCOG. CITY may choose to authorize SGVCOG to coordinate and inspect such protection, relocation, or removal work, at CITY's discretion. Nothing in this Agreement shall restrict or affect CITY's or SGVCOG's ability to enter into separate agreements with utilities for any purpose, including for reimbursements of utility costs for protection, relocation, maintenance, or removal of their facilities.
4. That in the construction of PROJECT, SGVCOG will furnish a resident engineer to oversee PROJECT construction and CITY may furnish its own representative. Said representative and resident engineer will cooperate and consult with each other, but the decisions of SGVCOG's resident engineer shall remain the sole and primary directive for all PROJECT work. If material changes to the approved plans and specifications will impact PROJECT, the SGVCOG resident engineer will obtain the CITY's representative approval before authorizing said changes.
5. Prior to SGVCOG acceptance of PROJECT, as completed, under the terms of the



PROJECT's construction contract, SGVCOG will confer with CITY in good faith to obtain CITY's written concurrence that the PROJECT has been completed in substantial conformance with the approved plans and specifications. It is understood that CITY will not unreasonably withhold such written concurrence which shall constitute CITY's acceptance of PROJECT.

6. SGVCOG, and its respective elected and appointed boards, officials, officers, agents, employees, and volunteers (individually and collectively, "SGVCOG INDEMNITEES") shall have no liability to CITY for, and CITY, pursuant to Government Code Section 895.4, shall indemnify, defend (using legal counsel of CITY's own choosing), protect and hold harmless SGVCOG INDEMNITEES, from and against any liabilities, as defined in Section III, Paragraph 8, or legal challenges to the PROJECT arising out of any act or omission by CITY or any person acting on behalf of CITY under or in connection with any work, authority, or breach of any obligation under this Agreement or work activities associated with the PROJECT and delegated to CITY under this Agreement. Any rights of CITY to inspect, review, and/or approve of PROJECT design or construction shall not signify that SGVCOG relinquishes management or control over such design or construction.
7. CITY, its special districts and their respective elected and appointed boards, officials, officers, agents, employees, and volunteers (individually and collectively, "CITY INDEMNITEES") shall have no liability to SGVCOG for, and SGVCOG, pursuant to Government Code Section 895.4, shall indemnify, defend (using legal counsel of SGVCOG's own choosing), protect and hold harmless CITY INDEMNITEES from and against, any liabilities, as defined in Section III, Paragraph 8, or legal challenges to the PROJECT arising out of any act or omission by SGVCOG or any person acting on behalf of SGVCOG under or in connection with any work, authority, or breach of any obligation under the Agreement or work activities associated with the PROJECT and delegated to SGVCOG under this Agreement.
8. The term "liabilities" used in Section III, Paragraphs 6 and 7, shall mean any and all judgments, awards, claims, demands, liabilities, injury (as defined by Government Code Section 810.8), obligations, litigation, fines, penalties, fees (including, without limitation, expert witness fees, engineering and defense costs, and legal fees), costs (including, without limitation, any and all costs involved in instituting a direct condemnation proceeding, and any and all costs involved in defending an inverse condemnation proceeding, and any and all cost involved in an environmental cleanup or archaeological discovery), expenses (including, without limitation, attorneys' fees and court costs), proceedings, suits, and actions of whatever kind, and damages of any nature whatsoever (including, without limitation, bodily injury, death, personal injury, or property damage).
9. Prior to the start of PROJECT construction, which shall be defined for this Agreement as the date on which SGVCOG executes a construction contract for PROJECT, either PARTY may propose a termination of this Agreement and all associated PROJECT work by sending a written termination request to the other PARTY and proposing a date of termination that is no earlier than sixty days after the date of the written termination request. If SGVCOG requests termination, all work on the PROJECT shall cease no later than the date of termination proposed by SGVCOG and SGVCOG shall refund all payments made by CITY for PROJECT, and cancel all further invoices to CITY. If CITY

requests termination, SGVCOG shall respond to the written termination request by tabulating, estimating and presenting to CITY, within thirty days of the written termination request, all costs already incurred by SGVCOG, all costs already billed to CITY by SGVCOG and all costs projected to be incurred by SGVCOG and billed to CITY for work on the PROJECT through the proposed date of termination ("Final Cost Estimate"). SGVCOG will also take all reasonable steps to minimize costs of PROJECT work while termination negotiations are underway. After CITY has reviewed the Final Cost Estimate, both sides will meet and confer in good faith to negotiate a final termination cost ("Final Cost"). Such Final Cost and associated termination schedule, and all related terms and conditions, will be included in a written amendment to this Agreement. Should CITY and SGVCOG be unable to agree on a Final Cost and termination schedule, CITY may unilaterally terminate this Agreement by paying to SGVCOG the amount of the Final Cost Estimate, less any amounts already paid to SGVCOG for PROJECT work. Upon receipt of payment by CITY, SGVCOG shall thereupon terminate all work on the PROJECT effective on the date identified in the CITY's written termination request.

10. After the start of PROJECT construction, as defined above in Section III, Paragraph 9, either PARTY may propose a termination of this Agreement and all associated PROJECT work by sending a written termination request to the other PARTY and proposing a date of termination that is no earlier than ninety days after the date of the written termination request. If SGVCOG requests termination, all work on the PROJECT shall cease no later than the date of termination proposed by SGVCOG and SGVCOG shall refund all payments made by CITY for PROJECT and cancel all further invoices to CITY. If CITY requests termination, SGVCOG shall respond to the written termination request by tabulating, estimating and presenting to CITY, within sixty days of the written termination request, all costs already incurred by SGVCOG, all costs already billed to CITY by SGVCOG and all costs projected to be incurred by SGVCOG and billed to CITY for work on the PROJECT through the proposed date of termination or an alternative date of termination that SGVCOG considers reasonable given the ongoing construction of the PROJECT ("Final Construction Cost Estimate"). SGVCOG will also take all reasonable steps to minimize costs of PROJECT construction while termination negotiations are underway. After CITY has reviewed the Final Construction Cost Estimate, both sides will meet and confer in good faith to calculate a Final Cost. Such Final Cost and associated termination schedule, and all related terms and conditions, will be included in a written amendment to this Agreement. Should CITY and SGVCOG be unable to agree on a Final Construction Cost and termination schedule, CITY may unilaterally terminate this Agreement by paying to SGVCOG the amount of the Final Construction Cost Estimate, less any amounts already paid to SGVCOG for PROJECT work. Upon receipt of payment by CITY, SGVCOG shall thereupon terminate all work on the PROJECT effective on the date identified in the CITY's written termination request or the alternative date of termination proposed by SGVCOG, whichever is the basis for the Final Construction Cost Estimate .

11. Neither PARTY shall be liable to the other for any damages, delay costs, or termination costs of any type or a failure to perform any part of this Agreement due to causes beyond the control of either or both PARTIES. Such causes include, but are not limited to, acts of God, acts of the public enemy, acts or inactions of federal state or local governments including funding reductions or eliminations, fires, floods, and severe weather.

12. If either PARTY fails to perform a material part of this Agreement, the non-breaching PARTY may notify the breaching PARTY in writing. Within thirty (30) days of such written notification, the breaching PARTY shall commence curing such breach and shall diligently pursue such cure to completion. If the breaching party fails to pursue such cure to completion, the breaching PARTY shall be in default under the terms of this Agreement. In the event of a default, the non-breaching PARTY may pursue any legal or equitable remedies available to it including specific performance and the non-breaching PARTY shall have no obligation to make any payments to or undertake any work for the breaching PARTY until and unless the default is cured.

13. Every notice, demand, request, or other document or instrument delivered pursuant to this Agreement shall be in writing, and shall be either personally delivered, by Federal Express or other reputable overnight courier, sent by facsimile transmission with telephonic confirmation of actual receipt and the original subsequently delivered by other means, or sent by certified United States mail, postage prepaid return receipt requested, to the addresses set forth below, or to such other address as a party may designate from time to time.

To CITY:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Phone: \_\_\_\_\_

Attention: \_\_\_\_\_, City Manager

To SGVCOG:

San Gabriel Valley of Governments  
4900 Rivergrade Road, Suite A120  
Irwindale, CA 91706

Attention: \_\_\_\_\_, Executive Director

Telephone: (626) 962-9292

14. This Agreement constitutes the entire understanding and agreement of the PARTIES and integrates all of the terms and conditions mentioned herein or incidental hereto with respect to the subject matter hereof, and supersedes all negotiations or previous agreements between the PARTIES with respect to all or part of the subject matter hereof.

15. This Agreement may be amended in writing at any time by the mutual consent of the PARTIES. No amendment shall have any force or effect unless executed in writing by the PARTIES.

16. If any term, provision, covenant, or condition of this Agreement is held by a court of competent jurisdiction to be invalid, void, or unenforceable, the remaining provisions of the Agreement shall continue in full force and effect, unless one or both of the PARTIES would be materially affected or abridged by such interpretation.

17. This Agreement shall be construed and enforced in accordance with the laws of the State of California.

18. No assignment of this Agreement shall relieve the assigning PARTY of its obligations under this Agreement until such obligations have been assumed in writing by the assignee. When duly assigned in accordance with the forgoing, this Agreement shall be binding upon and inure to the benefit of the assignee.

19. Any waiver, modification, consent or acquiescence with respect to any term of this Agreement will be set forth in writing and duly executed by the PARTY to be bound thereby. No waiver of any breach hereunder will be deemed a waiver of any other or subsequent breach.

20. Neither SGVCOG nor CITY intend that there be a third-party beneficiary to this Agreement.

21. Both SGVCOG and CITY will act in good faith in their individual performances under the terms of this Agreement, including taking reasonable steps to mitigate costs.

IN WITNESS WHEREOF, the PARTIES hereto have caused this Agreement to be executed by their respective officers as of the date first written above.

**CITY OF**

**SGVCOG**

\_\_\_\_\_  
City Manager

\_\_\_\_\_  
Executive Director

Date \_\_\_\_\_

Date \_\_\_\_\_

ATTEST:

ATTEST:

\_\_\_\_\_  
City Clerk

\_\_\_\_\_  
Secretary

Date \_\_\_\_\_

APPROVED AS TO FORM:

APPROVED AS TO FORM:

\_\_\_\_\_  
City Attorney

\_\_\_\_\_  
SGVCOG General Counsel

Date \_\_\_\_\_

Date \_\_\_\_\_

Exhibit A

The proposed (PROJECT) consist of the construction of:

Draft

## Attachment D

[Insert Letterhead]

Date

Marisa Creter  
Executive Director  
San Gabriel Valley Council of Governments  
1000 S. Fremont Avenue, Unit 42 Alhambra, CA 91803

Dear Ms. Creter:

This letter serves as confirmation of the City's intent to have the San Gabriel Valley Council of Governments (COG) manage the "Name of Project." The City is requesting the COG serve as project manager for the following phases:

- Environmental Review,
- Design Review,
- ROW,
- Construction, and
- Project Close Out.

This letter will serve as a commitment until the City can go through its internal process to execute the agreement. Additionally, this confirmation is pending COG Governing Board approval. In the event that the City's Council does not approve the agreement, the City may decline participation. Once the project is approved by the COG, the City will begin the standard review process upon of an agreement. The executed agreement will be provided to the COG within 90 days of COG approval.

**AGREEMENT**

**Regarding the advocacy, pursuit, and development of funding applications for the design and construction of the \_\_\_\_\_ by the San Gabriel Valley Council of Governments on behalf of \_\_\_\_\_**

THIS AGREEMENT effective this \_\_\_\_ day of \_\_\_\_, 2018, by and between the city of \_\_\_\_\_, a municipal corporation, hereinafter referred to as "CITY", and the SAN GABRIEL VALLEY COUNCIL OF GOVERNMENTS, a California Joint Powers Authority, hereinafter referred to as "SGVCOG", with the CITY and SGVCOG also each individually referred to herein as "PARTY" and collectively as "PARTIES".

WITNESSETH

WHEREAS, CITY contemplates constructing a \_\_\_\_\_, hereinafter referred to as "PROJECT"; and

WHEREAS, CITY desires to have SGVCOG identify potential funding sources and submit applications on behalf of the CITY for the PROJECT as described in Exhibit "A"; and

WHEREAS, CITY proposes to reimburse SGVCOG for the actual costs SGVCOG incurs for the services performed in conjunction with this AGREEMENT;

NOW, THEREFORE, in consideration of the promises and mutual covenants herein contained, it is hereby agreed as follows:

SECTION I

SGVCOG AGREES:

1. Identify potential funding sources.
2. Submit applications on behalf of the city for relevant funding sources.
3. Provide quarterly updates on funding opportunities and other relevant developments.

SECTION II

CITY AGREES:

1. Participate in coordination calls and meetings with all parties.
2. Provide a point-of-contact with name, title, and contact information. If the point-of-contact is reassigned or no longer with the City, a new point-of- contact must be designated within five (5) business days.
3. Provide available information about the project including but not limited to:
  - a. Documentation of inclusion,
  - b. Cost estimates,
  - c. Outreach surveys (e.g. surveys of parents/students, residents, or business owners)
  - d. Feasibility study

- e. Prior grant applications,
  - f. Photos of existing conditions,
  - g. Conceptual drawings/plans,
  - h. Traffic counts or other related data,
  - i. Ridership/user projections,
  - j. City wide plans that include project or project area,
  - k. Environmental documents, and
  - l. Final design.
4. Participate in check-in calls and/or meetings. Participate in coordination calls with all parties.
  5. Pay all invoices submitted by the SGVCOG within (30) days.

### SECTION III

IT IS MUTUALLY AGREED AS FOLLOWS:

Example:  
Single city  
project fees

- 1. An annual Flat Fee of **\$5,000** will be billed upon execution of MOA to the City. The City will be billed on the anniversary date of this MOA for subsequent payment of the annual fee.
- 2. There will be an annual not to exceed budget for grant writing of **\$50,000**. The City will be billed actual costs (consultant fees + staff time) for grant-writing. If the full grant-writing budget is exhausted, project manager will prepare an amendment to the MOA for consideration by the City.

Example:  
Multi city  
project fees

- 1. An annual Flat Fee of **\$5,000** will be shared among the four (4) cities as follows:
  - City A: **\$1250.00**
  - City B: **\$1250.00**
  - City C: **\$1250.00**
  - City D: **\$1250.00**

This fee will be billed upon execution of the MOA to the cities. The cities will be billed on the anniversary date of this MOA for subsequent payment of the annual fee.
- 2. There will be an annual not to exceed budget for grant writing of **\$50,000**. The cities will be billed actual costs (consultant fees + staff time) for grant-writing. If the full grant-writing budget is exhausted, project manager will prepare an amendment to the MOA for consideration by the City. For each invoice for grant writing the cost share will be as follows:
  - City A: **25%**
  - City B: **25%**
  - City C: **25%**
  - City D: **25%**

1. SGVCOG, and it's respective elected and appointed boards, officials, officers, agents,



employees, and volunteers (individually and collectively, "SGVCOG INDEMNITEES") shall have no liability to CITY for , and CITY, pursuant to Government Code Section 895.4, shall indemnify, defend (using legal counsel of CITY's own choosing), protect and hold harmless SGVCOG INDEMNITEES, from and against any liabilities, as defined in Section III, Paragraph 8, or legal challenges to the PROJECT arising out of any act or omission by CITY or any person acting on behalf of CITY under or in connection with any work, authority, or breach of any obligation under this Agreement or work activities associated with the PROJECT and delegated to CITY under this Agreement. Any rights of CITY to inspect, review, and/or approve of PROJECT design or construction shall not signify that SGVCOG relinquishes management or control over such design or construction.

2. CITY, its special districts and their respective elected and appointed boards, officials, officers, agents, employees, and volunteers (individually and collectively, "CITY INDEMNITEES") shall have no liability to SGVCOG for, and SGVCOG, pursuant to Government Code Section 895.4, shall indemnify, defend (using legal counsel of SGVCOG's own choosing), protect and hold harmless CITY INDEMNITEES from and against, any liabilities, as defined in Section III, Paragraph 8, or legal challenges to the PROJECT arising out of any act or omission by SGVCOG or any person acting on behalf of SGVCOG under or in connection with any work, authority, or breach of any obligation under the Agreement or work activities associated with the PROJECT and delegated to SGVCOG under this Agreement.
3. The term "liabilities" used in Section III, Paragraphs 6 and 7, shall mean any and all judgments, awards, claims, demands, liabilities, injury (as defined by Government Code Section 810.8), obligations, litigation, fines, penalties, fees (including, without limitation, expert witness fees, engineering and defense costs, and legal fees), costs (including, without limitation, any and all costs involved in instituting a direct condemnation proceeding, and any and all costs involved in defending an inverse condemnation proceeding, and any and all cost involved in an environmental cleanup or archaeological discovery), expenses (including, without limitation, attorneys' fees and court costs), proceedings, suits, and actions of whatever kind, and damages of any nature whatsoever (including, without limitation, bodily injury, death, personal injury, or property damage).
4. Neither PARTY shall be liable to the other for any damages, delay costs, or termination costs of any type or a failure to perform any part of this Agreement due to causes beyond the control of either or both PARTIES. Such causes include, but are not limited to, acts of God, acts of the public enemy, acts or inactions of federal state or local governments including funding reductions or eliminations, fires, floods, and severe weather.
5. If either PARTY fails to perform a material part of this Agreement, the non-breaching PARTY may notify the breaching PARTY in writing. Within thirty (30) days of such written notification, the breaching PARTY shall commence curing such breach and shall diligently pursue such cure to completion. If the breaching party fails to pursue such cure to completion, the breaching PARTY shall be in default under the terms of this Agreement. In the event of a default, the non-breaching PARTY may pursue any legal or equitable remedies available to it including specific performance and the non-breaching PARTY shall have no obligation to make any payments to or undertake any work for the breaching PARTY until and unless the default is cured.

6. Every notice, demand, request, or other document or instrument delivered pursuant to this Agreement shall be in writing, and shall be either personally delivered, by Federal Express or other reputable overnight courier, sent by facsimile transmission with telephonic confirmation of actual receipt and the original subsequently delivered by other means, or sent by certified United States mail, postage prepaid return receipt requested, to the addresses set forth below, or to such other address as a party may designate from time to time.

To CITY:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Phone: \_\_\_\_\_

Attention: \_\_\_\_\_, City Manager

To SGVCOG:

San Gabriel Valley of Governments  
4900 Rivergrade Road, Suite A120  
Irwindale, CA 91706

Attention: \_\_\_\_\_, Executive Director

Telephone: (626) 962-9292

7. This Agreement constitutes the entire understanding and agreement of the PARTIES and integrates all of the terms and conditions mentioned herein or incidental hereto with respect to the subject matter hereof, and supersedes all negotiations or previous agreements between the PARTIES with respect to all or part of the subject matter hereof.
8. This Agreement may be amended in writing at any time by the mutual consent of the PARTIES. No amendment shall have any force or effect unless executed in writing by the PARTIES.
9. If any term, provision, covenant, or condition of this Agreement is held by a court of competent jurisdiction to be invalid, void, or unenforceable, the remaining provisions of the Agreement shall continue in full force and effect, unless one or both of the PARTIES would be materially affected or abridged by such interpretation.
10. This Agreement shall be construed and enforced in accordance with the laws of the State of California.
11. No assignment of this Agreement shall relieve the assigning PARTY of its obligations under this Agreement until such obligations have been assumed in writing by the assignee. When duly assigned in accordance with the forgoing, this Agreement shall be binding upon and inure to the benefit of the assignee.
12. Any waiver, modification, consent or acquiescence with respect to any term of this Agreement will be set forth in writing and duly executed by the PARTY to be bound thereby. No waiver of any breach hereunder will be deemed a waiver of any other or subsequent breach.

13. Neither SGVCOG nor CITY intend that there be a third-party beneficiary to this Agreement.

14. Both SGVCOG and CITY will act in good faith in their individual performances under the terms of this Agreement, including taking reasonable steps to mitigate costs.

IN WITNESS WHEREOF, the PARTIES hereto have caused this Agreement to be executed by their respective officers as of the date first written above.

**CITY OF**

**SGVCOG**

\_\_\_\_\_  
City Manager

\_\_\_\_\_  
Executive Director

Date \_\_\_\_\_

Date \_\_\_\_\_

ATTEST:

ATTEST:

\_\_\_\_\_  
City Clerk

\_\_\_\_\_  
Secretary

Date \_\_\_\_\_

APPROVED AS TO FORM:

APPROVED AS TO FORM:

\_\_\_\_\_  
City Attorney

\_\_\_\_\_  
SGVCOG General Counsel

Date \_\_\_\_\_

Date \_\_\_\_\_



DATE: May 31, 2018  
TO: Governing Board  
FROM: Marisa Creter, Executive Director  
RE: **AB 1912 (Rodriguez)**

## **RECOMMENDED ACTION**

Adopt Resolution 18-28 to oppose AB 1912 (Rodriguez).

## **AB 1912 (RODRIGUEZ) BACKGROUND**

Currently, existing law authorizes two or more agencies to agree to jointly exercise any common power as a Joint Powers Authority (JPA). Additionally, existing law permits a public agency to contract with California Public Retirement System (CalPERS) for purposes of administering retirement and other benefits on behalf of the agency's employees, and prohibits a public agency from contracting with CalPERS within three years of the termination of a previous contract with the system.

AB 1912 applies retroactive as well as prospective joint and several liability for all retirement related obligations to any current or former member of a JPA since inception.

## **LOCAL IMPACT**

AB 1912 would mandate that a public retirement system, like CalPERS, or a city-based retirement systems file suit against all local or state agencies that have ever been a member of a terminated JPA for all retirement related obligations. It also prohibits any retirement system from approving a new JPA without a contract containing express joint and several liability provisions. AB 1912 creates constitutional, fiscal, and operational challenges, which would effectively eliminate the ability for local and state agencies to create or maintain the use of most JPA's. Below is a list of current regional JPA's contacting with CalPERS:

- San Gabriel Valley COG
- SCAG
- California Joint Powers Insurance Authority
- Pomona Valley Transportation Authority
- Hub Cities Consortium

## **SUPPORT AND OPPOSITION**

Those who support AB 1912 believe that it will provide retirement security to a JPA's employees and retirees if the JPA contracts with CalPERS or any other public pension system for retirement benefits. The following is a list of those who support this bill:

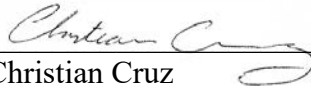
- Association of California State Supervisors
- California Association of Professional Scientists

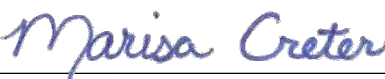
# REPORT

- California State Retirees
- LIUNA Local 792
- Orange County Professional Firefighters Association, IAFF Local 3631
- Professional Engineers in California Government
- Retired Public Employees Association

Those who oppose AB 1912 believe that under this bill public agencies would be on the hook for decisions made after a local government left a JPA. The following is a list of those who oppose this bill:

- Big Bear Area Regional Wastewater Agency
- California Association of Joint Powers Authorities
- California Contract Cities Association
- California Special Districts Association
- California State Association of Counties
- City of Belmont
- City of Chino Hills
- City of Eureka
- City of Foster City
- City of Glendora
- City of Grand Terrace
- City of Hesperia
- City of Highland
- City of La Canada Flintridge
- City of Manteca
- City of Oakdale
- City of Palmdale
- City of San Carlos
- City of San Marcos
- Monterey Regional Fire
- Urban Counties of California
- County of Riverside League of California Cities

Prepared by:   
Christian Cruz  
Management Analyst

Approved by:   
Marisa Creter  
Executive Director

## **ATTACHMENTS**

- Attachment A – AB 1912
- Attachment B – Bill Analysis
- Attachment C – Resolution 18-28

AMENDED IN ASSEMBLY APRIL 19, 2018

AMENDED IN ASSEMBLY MARCH 19, 2018

CALIFORNIA LEGISLATURE—2017–18 REGULAR SESSION

**ASSEMBLY BILL**

**No. 1912**

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**Introduced by Assembly Member Rodriguez**

January 23, 2018

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An act to amend Section 6508.1 of, to add Sections 6508.2, 20461.1, 20574.1, and 20575.1 to, and to repeal and add Section 20577.5 of, the Government Code, and to amend Section 366.2 of the Public Utilities Code, relating to public agencies, and making an appropriation therefor.

LEGISLATIVE COUNSEL'S DIGEST

AB 1912, as amended, Rodriguez. Public employees' retirement: joint powers agreements: liability.

(1) Existing law establishes various public agency retirement systems, including, among others, the Public Employees' Retirement System, the State Teachers' Retirement System, the Judges' Retirement System II, and various county retirement systems pursuant to the County Employees Retirement Law of 1937. These systems provide defined pension benefits to public employees based on age, service credit, and amount of final compensation.

The Joint Exercise of Powers Act generally authorizes 2 or more public agencies, by agreement, to jointly exercise any common power. Under the act, if the agency is not one or more of the parties to the agreement but is a public entity, commission, or board constituted pursuant to the agreement, the debts, liabilities, and obligations of the agency are the debts, liabilities, and obligations of the parties to the agreement, unless the agreement specifies otherwise. Existing law also

~~permits otherwise and except as otherwise provided with respect to certain community choice aggregator joint powers agencies. The act also authorizes a party to an a joint powers agreement to separately contract for, or assume responsibilities for, specific debts, liabilities, or obligations of the agency. Existing law, with respect to electrical loads, permits entities authorized to be community choice aggregators to participate as a group through a joint powers agency and to also specify in their joint powers agreement that the debts, liabilities, and obligations of the agency shall not be those of the members of the agency.~~

~~This bill would eliminate the above provisions within the Joint Exercise of Powers Act and those related provisions for community choice aggregators that permit an agreement between one or more parties to specify otherwise as to their debts, liabilities, and obligations and that permit a party to separately contract for those debts, liabilities, or obligations.~~

~~The~~

~~This bill would additionally eliminate that authorization, would specify that if an agency to a joint powers agreement participates in a public retirement system, all parties, both current and former to the agreement, would be jointly and severally liable for all obligations to the retirement system. system, and would eliminate the authority of those parties to agree otherwise with respect to the retirement liabilities of the agency. The bill would also provide that if a judgment is rendered against an agency or a party to the agreement for a breach of its obligations to the retirement system, the time within which a claim for injury may be presented or an action commenced against the other party that is subject to the liability determined by the judgment begins to run when the judgment is rendered. The bill would specify that those provisions apply retroactively to all parties, both current and former, to the joint powers agreement.~~

(2) The Public Employees' Retirement Law (PERL) creates the Public Employees' Retirement System (PERS), which provides a defined benefit to members of the system, based on final compensation, credited service, and age at retirement, subject to certain variations. PERL vests management and control of PERS in its Board of Administration. Under PERL, the board may refuse to contract with, or to agree to an amendment proposed by, any public agency for any benefit provisions that are not specifically authorized by that law and that the board determines would adversely affect the administration of the retirement system.



This bill would prohibit the board from contracting with any public agency formed under the Joint Exercise of Powers Act unless all the parties to that agreement are jointly and severally liable for all of the public agency's obligation to the system. The bill would specify that those provisions apply retroactively to all parties, both current and former, to the agreement. The bill would also require any current agreement that does not meet these requirements to be reopened to include a provision holding all member agencies party to the agreement jointly and severally liable for all of the public agency's obligations to the system.

(3) Existing law authorizes the governing board of a contracting agency to terminate its membership with PERS, subject to specified criteria. Existing law requires the PERS board to enter into a specified agreement with the governing body of a terminating agency, upon request of that agency, to ensure that final compensation is calculated in the same manner as benefits of nonterminating agencies, and that related necessary adjustments in the employer's contribution rate are made and benefits adequately funded, including a lump-sum payment at termination, if agreed to by the terminating agency and the board. Existing law requires a terminating agency to notify the PERS board of its intention to enter into this agreement within a specified period of time. Existing law authorizes the PERS board to choose not to enter into an agreement to terminate if the board determines that it is not in the best interests of PERS. Existing law requires all plan assets and liabilities of a terminating agency to be deposited in a single pooled account, the terminated agency pool subaccount within the Public Employees' Retirement Fund, a continuously appropriated fund.

This bill would also require the PERS board to enter into the above-described agreement upon request of a member agency of a terminating agency formed under the Joint Exercise of Powers Act, and would require a member agency to notify the PERS board of its intention to enter into this agreement within a specified period of time. The bill would authorize the board, if it determines that it is not in the best interests of the retirement system, to choose not to enter into that agreement. To the extent that the bill would increase any lump-sum payments made by a terminating agency and deposited into a subaccount within the Public Employees' Retirement Fund, the bill would make an appropriation. The bill would also provide that if the governing body of a terminating agency or the governing bodies of its member agencies do not enter into an agreement, the member agencies would then assume

the retirement obligations for their retirement systems, which the board would be required to apportion equitably among the member agencies. *systems, by apportionment among the member agencies as mutually agreed to by those agencies, or as determined by the board if the member agencies are unable to mutually agree, as prescribed.*

(4) Existing law makes a terminated agency liable to the system for any deficit in funding for earned benefits, interest, and for reasonable and necessary costs of collection, including attorney’s fees. Existing law provides that the board has a lien on the assets of a terminated contracting agency, as specified, and that assets shall also be available to pay actual costs, including attorney’s fees necessarily expended for collection on the lien.

This bill would extend that liability and lien to all of the parties of a terminating agency that was formed under the Joint Exercise of Powers Act. The bill would specify that the liability of those parties is joint and several. To the extent that these changes would increase deposits in the Public Employees’ Retirement Fund, the bill would make an appropriation.

(5) Existing law authorizes the board of PERS to elect not to impose a reduction, or to impose a lesser reduction, on a terminated plan if the board has made all reasonable efforts to collect the amount necessary to fully fund the liabilities of the plan and the board finds that not reducing the benefits, or imposing a lesser reduction, will not impact the actuarial soundness of the terminated agency pool.

This bill would eliminate that provision. The bill would require the board to bring a civil action against any member agencies to a terminated agency formed by an agreement under the Joint Exercise of Powers Act to compel payment of the terminated public agency’s pension obligations. The bill would also specify that the board is entitled to reasonable attorney’s fees in addition to other costs. The bill would also set forth related legislative findings.

Vote: majority. Appropriation: yes. Fiscal committee: yes.  
State-mandated local program: no.

*The people of the State of California do enact as follows:*

- 1 SECTION 1. The Legislature finds and declares as follows:
- 2 (a) Retirement security is important to families, workers, and
- 3 communities, as well as to the local, regional, and statewide

1 economies, and provides financial security and dignity to those  
2 who retire.

3 (b) A defined benefit plan offers, among other types of  
4 retirement plans, a guarantee of financial security in retirement.

5 (c) A Joint Power Authority (JPA) created pursuant to the Joint  
6 Exercise of Powers Act (Chapter 5 (commencing with Section  
7 6500) of Division 7 of Title 1 of the Government Code) provides  
8 important services and benefits to its geographical areas and  
9 communities.

10 (d) A JPA may offer a defined benefit plan to attract, recruit,  
11 and retain highly skilled employees toward providing services and  
12 fulfilling its purpose.

13 (e) Employees who have been promised a retirement allowance  
14 and the other benefits of a defined benefit plan by their employer  
15 should be provided those benefits after reaching the requisite age,  
16 based on years of service and an established benefit formula, as  
17 promised by that employer.

18 (f) Further, an employee who accepts employment with a JPA  
19 employer that promises a defined benefit plan may detrimentally  
20 rely on the retirement benefit, as committed by the employer,  
21 during his or her employment and retirement from that employer.

22 (g) Moreover, a JPA might have limited sources of revenue,  
23 and an inability to increase, or secure additional sources of revenue,  
24 that may lead to financial distress or insolvency of the JPA, absent  
25 the financial surety of its member agencies and for the retirement  
26 benefits of the JPA's employees.

27 (h) Additionally, employees who rely on a promise by a JPA  
28 employer to provide retirement benefits by accepting and  
29 maintaining employment with the employer based partly on the  
30 employer's promise may do so to their own retirement detriment.

31 (i) Thus, member agencies of a JPA should not be permitted to  
32 absolve themselves of financial liability, in whole or in part, of  
33 the financial distress or insolvency of a JPA that results in  
34 reductions in a defined benefit plan retirement allowance of a  
35 retired JPA employee, of which the agencies are members.

36 (j) Therefore, in order to ensure that the Board of Administration  
37 of the Public Employees' Retirement System is meeting its  
38 fiduciary duties and responsibilities to its members and the system,  
39 the board should be permitted to seek legal redress on behalf of  
40 its members as a result of the financial insolvency of a JPA that

1 contracts with the retirement system if the financial distress or  
2 insolvency of the JPA may result in a reduction of retirement  
3 benefits to its members.

4 (k) Further, to ensure that the board is meeting its fiduciary  
5 duties and responsibilities, both current and future contracts with  
6 the retirement system by a JPA must include joint and several  
7 liability provisions that apply to all agencies under the agreement  
8 in order to protect the members of the retirement system against  
9 financial insolvency.

10 SEC. 2. Section 6508.1 of the Government Code is amended  
11 to read:

12 6508.1. If the agency is not one or more of the parties to the  
13 agreement but is a public entity, commission, or board constituted  
14 pursuant to the agreement, the debts, liabilities, and obligations of  
15 the agency shall be debts, liabilities, and obligations of the parties  
16 to the ~~agreement~~. *agreement, unless the agreement specifies*  
17 *otherwise. However, the parties to the agreement may not agree*  
18 *otherwise with respect to the retirement liabilities of the agency*  
19 *if the agency contracts with a public retirement system.*

20 SEC. 3. Section 6508.2 is added to the Government Code, to  
21 read:

22 6508.2. (a) Notwithstanding Section 6508.1, if the agency  
23 participates in a public retirement system, all parties, both current  
24 and former, to the agreement, including all amendments thereto,  
25 shall be jointly and severally liable for all obligations to the  
26 retirement system.

27 (b) Notwithstanding any other law, if a judgment is rendered  
28 against an agency or a party to the agreement for a breach to its  
29 obligations to the public retirement system, the time within which  
30 a claim for injury may be presented or an action commenced  
31 against any other party that is subject to the liability determined  
32 by the judgment begins to run when the judgment is rendered.

33 (c) This section shall apply retroactively to all parties, both  
34 current and former, to the agreement.

35 SEC. 4. Section 20461.1 is added to the Government Code, to  
36 read:

37 20461.1. (a) The board shall not contract with any public  
38 agency formed by an agreement under Chapter 5 (commencing  
39 with Section 6500) of Division 7 of Title 1 unless all the parties  
40 to that agreement, including all amendments thereto, are jointly

1 and severally liable for all of the public agency's obligations to  
2 this system.

3 (b) This section shall apply retroactively to all parties, both  
4 current and former, to the agreement. Any current agreement  
5 forming a public agency under Chapter 5 (commencing with  
6 Section 6500) of Division 7 of Title 1 that does not meet the  
7 requirements set forth in this section shall be reopened to include  
8 a provision holding all member agencies party to the agreement  
9 jointly and severally liable for all of the public agency's obligations  
10 to this system.

11 SEC. 5. Section 20574.1 is added to the Government Code, to  
12 read:

13 20574.1. In lieu of the procedure set forth in Section 20574,  
14 all parties to a terminating agency that was formed by an agreement  
15 under Chapter 5 (commencing with Section 6500) of Division 7  
16 of Title 1 shall be jointly and severally liable to the system for any  
17 deficit in funding for earned benefits, as determined pursuant to  
18 Section 20577, interest at the actuarial rate from the date of  
19 termination to the date the agency pays the system, and reasonable  
20 and necessary costs of collection, including attorneys' fees. The  
21 board shall have a lien on the assets of a terminated contracting  
22 agency and on the assets of all parties to the terminating contracting  
23 agency, subject only to a prior lien for wages, in an amount equal  
24 to the actuarially determined deficit in funding for earned benefits  
25 of the employee members of the agency, interest, and collection  
26 costs. The assets shall also be available to pay actual costs,  
27 including attorney's fees, necessarily expended for collection of  
28 the lien.

29 SEC. 6. Section 20575.1 is added to the Government Code, to  
30 read:

31 20575.1. (a) Notwithstanding any other provision of this part  
32 to the contrary, upon request of a terminating agency formed by  
33 an agreement under Chapter 5 (commencing with Section 6500)  
34 of Division 7 of Title 1 or of any member agency to the agreement,  
35 the board shall enter into an agreement with the governing body  
36 of a terminating agency or the governing body of the member  
37 agency in order to ensure that (1) the final compensation used in  
38 the calculation of benefits of its employees shall be calculated in  
39 the same manner as the benefits of employees of agencies that are  
40 not terminating, regardless of whether they retire directly from

1 employment with the terminating agency or continue in other  
2 public service; and (2) related necessary adjustments in the  
3 employer's contribution rate are made, from time to time, by the  
4 board prior to the date of termination to ensure that benefits are  
5 adequately funded or any other actuarially sound payment  
6 technique, including a lump-sum payment at termination, is agreed  
7 to by the governing body of the terminating agency and the board.

8 (b) A terminating agency formed by an agreement under Chapter  
9 5 (commencing with Section 6500) of Division 7 of Title 1 that  
10 will cease to exist or its member agency shall notify the board not  
11 sooner than three years nor later than one year prior to the  
12 terminating agency's termination date of its intention to enter into  
13 agreement pursuant to this section. The terms of the agreement  
14 shall be reflected in an amendment to the agency's contract with  
15 the board.

16 (c) If the board, itself, determines that it is not in the best  
17 interests of the system, it may choose not to enter into an agreement  
18 pursuant to this section.

19 (d) If the governing body of a terminating agency formed by  
20 an agreement under Chapter 5 (commencing with Section 6500)  
21 of Division 7 of Title 1 or the governing bodies of its member  
22 agencies do not enter into an agreement pursuant to this section,  
23 the member agencies shall assume the retirement obligations on  
24 their retirement systems. ~~The board shall apportion the obligations~~  
25 ~~among the member agencies in an equitable manner. Member~~  
26 *agencies of the agency shall mutually agree as to the*  
27 *apportionment of the agency's retirement obligations among*  
28 *themselves provided that the agreement equals the total retirement*  
29 *liability of the agency. A copy of this mutual agreement signed by*  
30 *all parties thereto shall be provided to the board, which shall be*  
31 *reflected in the agreement with the board. If the member agencies*  
32 *are unable to mutually agree to apportionment of the total*  
33 *retirement liability of the agency, the board shall, in its discretion,*  
34 *apportion the retirement liability of the agency to each member*  
35 *agency such that the apportionment equals the total retirement*  
36 *liability of the agency, which shall be reflected in the agreement*  
37 *with the board. However, if after the board apportions the*  
38 *retirement liability, the member agencies mutually agree to*  
39 *apportionment that equals the total retirement liability of the*  
40 *agency, a copy of that agreement signed by all parties thereto shall*

1 *be provided to the board, which shall supersede the apportionment*  
2 *made by the board, and be reflected in the agreement with the*  
3 *board.*

4 SEC. 7. Section 20577.5 of the Government Code is repealed.

5 SEC. 8. Section 20577.5 is added to the Government Code, to  
6 read:

7 20577.5. The board shall bring a civil action against any and  
8 all of the member agencies that are parties to a terminated agency  
9 formed by an agreement under Chapter 5 (commencing with  
10 Section 6500) of Division 7 of Title 1 to compel payment of the  
11 terminated agency's pension obligations, and shall be entitled to  
12 reasonable attorneys' fees in addition to other costs.

13 SEC. 9. Section 366.2 of the Public Utilities Code is amended  
14 to read:

15 366.2. (a) (1) Customers shall be entitled to aggregate their  
16 electric loads as members of their local community with  
17 community choice aggregators.

18 (2) Customers may aggregate their loads through a public  
19 process with community choice aggregators, if each customer is  
20 given an opportunity to opt out of his or her community's  
21 aggregation program.

22 (3) If a customer opts out of a community choice aggregator's  
23 program, or has no community choice aggregation program  
24 available, that customer shall have the right to continue to be served  
25 by the existing electrical corporation or its successor in interest.

26 (4) The implementation of a community choice aggregation  
27 program shall not result in a shifting of costs between the customers  
28 of the community choice aggregator and the bundled service  
29 customers of an electrical corporation.

30 (5) A community choice aggregator shall be solely responsible  
31 for all generation procurement activities on behalf of the  
32 community choice aggregator's customers, except where other  
33 generation procurement arrangements are expressly authorized by  
34 statute.

35 (b) If a public agency seeks to serve as a community choice  
36 aggregator, it shall offer the opportunity to purchase electricity to  
37 all residential customers within its jurisdiction.

38 (c) (1) Notwithstanding Section 366, a community choice  
39 aggregator is hereby authorized to aggregate the electrical load of  
40 interested electricity consumers within its boundaries to reduce

1 transaction costs to consumers, provide consumer protections, and  
2 leverage the negotiation of contracts. However, the community  
3 choice aggregator may not aggregate electrical load if that load is  
4 served by a local publicly owned electric utility. A community  
5 choice aggregator may group retail electricity customers to solicit  
6 bids, broker, and contract for electricity and energy services for  
7 those customers. The community choice aggregator may enter into  
8 agreements for services to facilitate the sale and purchase of  
9 electricity and other related services. Those service agreements  
10 may be entered into by an entity authorized to be a community  
11 choice aggregator, as defined in Section 331.1.

12 (2) Under community choice aggregation, customer participation  
13 may not require a positive written declaration, but each customer  
14 shall be informed of his or her right to opt out of the community  
15 choice aggregation program. If no negative declaration is made  
16 by a customer, that customer shall be served through the  
17 community choice aggregation program. If an existing customer  
18 moves the location of his or her electric service within the  
19 jurisdiction of the community choice aggregator, the customer  
20 shall retain the same subscriber status as prior to the move, unless  
21 the customer affirmatively changes his or her subscriber status. If  
22 the customer is moving from outside to inside the jurisdiction of  
23 the community choice aggregator, customer participation shall not  
24 require a positive written declaration, but the customer shall be  
25 informed of his or her right to elect not to receive service through  
26 the community choice aggregator.

27 (3) A community choice aggregator establishing electrical load  
28 aggregation pursuant to this section shall develop an  
29 implementation plan detailing the process and consequences of  
30 aggregation. The implementation plan, and any subsequent changes  
31 to it, shall be considered and adopted at a duly noticed public  
32 hearing. The implementation plan shall contain all of the following:

33 (A) An organizational structure of the program, its operations,  
34 and its funding.

35 (B) Ratesetting and other costs to participants.

36 (C) Provisions for disclosure and due process in setting rates  
37 and allocating costs among participants.

38 (D) The methods for entering and terminating agreements with  
39 other entities.



1 (E) The rights and responsibilities of program participants,  
2 including, but not limited to, consumer protection procedures,  
3 credit issues, and shutoff procedures.

4 (F) Termination of the program.

5 (G) A description of the third parties that will be supplying  
6 electricity under the program, including, but not limited to,  
7 information about financial, technical, and operational capabilities.

8 (4) A community choice aggregator establishing electrical load  
9 aggregation shall prepare a statement of intent with the  
10 implementation plan. Any community choice load aggregation  
11 established pursuant to this section shall provide for the following:

12 (A) Universal access.

13 (B) Reliability.

14 (C) Equitable treatment of all classes of customers.

15 (D) Any requirements established by state law or by the  
16 commission concerning aggregated service, including those rules  
17 adopted by the commission pursuant to paragraph (3) of  
18 subdivision (b) of Section 8341 for the application of the  
19 greenhouse gases emission performance standard to community  
20 choice aggregators.

21 (5) In order to determine the cost-recovery mechanism to be  
22 imposed on the community choice aggregator pursuant to  
23 subdivisions (d), (e), and (f) that shall be paid by the customers of  
24 the community choice aggregator to prevent shifting of costs, the  
25 community choice aggregator shall file the implementation plan  
26 with the commission, and any other information requested by the  
27 commission that the commission determines is necessary to develop  
28 the cost-recovery mechanism in subdivisions (d), (e), and (f).

29 (6) The commission shall notify any electrical corporation  
30 serving the customers proposed for aggregation that an  
31 implementation plan initiating community choice aggregation has  
32 been filed, within 10 days of the filing.

33 (7) Within 90 days after the community choice aggregator  
34 establishing load aggregation files its implementation plan, the  
35 commission shall certify that it has received the implementation  
36 plan, including any additional information necessary to determine  
37 a cost-recovery mechanism. After certification of receipt of the  
38 implementation plan and any additional information requested,  
39 the commission shall then provide the community choice  
40 aggregator with its findings regarding any cost recovery that must

1 be paid by customers of the community choice aggregator to  
2 prevent a shifting of costs as provided for in subdivisions (d), (e),  
3 and (f).

4 (8) No entity proposing community choice aggregation shall  
5 act to furnish electricity to electricity consumers within its  
6 boundaries until the commission determines the cost recovery that  
7 must be paid by the customers of that proposed community choice  
8 aggregation program, as provided for in subdivisions (d), (e), and  
9 (f). The commission shall designate the earliest possible effective  
10 date for implementation of a community choice aggregation  
11 program, taking into consideration the impact on any annual  
12 procurement plan of the electrical corporation that has been  
13 approved by the commission.

14 (9) All electrical corporations shall cooperate fully with any  
15 community choice aggregators that investigate, pursue, or  
16 implement community choice aggregation programs. Cooperation  
17 shall include providing the entities with appropriate billing and  
18 electrical load data, including, but not limited to, electrical  
19 consumption data as defined in Section 8380 and other data  
20 detailing electricity needs and patterns of usage, as determined by  
21 the commission, and in accordance with procedures established  
22 by the commission. The commission shall exercise its authority  
23 pursuant to Chapter 11 (commencing with Section 2100) to enforce  
24 the requirements of this paragraph when it finds that the  
25 requirements of this paragraph have been violated. Electrical  
26 corporations shall continue to provide all metering, billing,  
27 collection, and customer service to retail customers that participate  
28 in community choice aggregation programs. Bills sent by the  
29 electrical corporation to retail customers shall identify the  
30 community choice aggregator as providing the electrical energy  
31 component of the bill. The commission shall determine the terms  
32 and conditions under which the electrical corporation provides  
33 services to community choice aggregators and retail customers.

34 (10) If the commission finds that an electrical corporation has  
35 violated this section, the commission shall consider the impact of  
36 the violation upon community choice aggregators.

37 (11) The commission shall proactively expedite the complaint  
38 process for disputes regarding an electrical corporation's violation  
39 of its obligations pursuant to this section in order to provide for  
40 timely resolution of complaints made by community choice

1 aggregation programs, so that all complaints are resolved in no  
2 more than 180 days following the filing of a complaint by a  
3 community choice aggregation program concerning the actions of  
4 the incumbent electrical corporation. This deadline may only be  
5 extended under either of the following circumstances:

6 (A) Upon agreement of all of the parties to the complaint.

7 (B) The commission makes a written determination that the  
8 deadline cannot be met, including findings for the reason for this  
9 determination, and issues an order extending the deadline. A single  
10 order pursuant to this subparagraph shall not extend the deadline  
11 for more than 60 days.

12 (12) (A) An entity authorized to be a community choice  
13 aggregator, as defined in Section 331.1, that elects to implement  
14 a community choice aggregation program within its jurisdiction  
15 pursuant to this chapter, shall do so by ordinance. A city, county,  
16 or city and county may request, by affirmative resolution of its  
17 governing council or board, that another entity authorized to be a  
18 community choice aggregator act as the community choice  
19 aggregator on its behalf. If a city, county, or city and county, by  
20 resolution, requests another authorized entity be the community  
21 choice aggregator for the city, county, or city and county, that  
22 authorized entity shall be responsible for adopting the ordinance  
23 to implement the community choice aggregation program on behalf  
24 of the city, county, or city and county.

25 (B) (i) Two or more entities authorized to be a community  
26 choice aggregator, as defined in Section 331.1, may participate as  
27 a group in a community choice aggregation program pursuant to  
28 this chapter, through a joint powers agency established pursuant  
29 to Chapter 5 (commencing with Section 6500) of Division 7 of  
30 Title 1 of the Government Code, if each entity adopts an ordinance  
31 pursuant to subparagraph (A).

32 (ii) *Pursuant to Section 6508.1 of the Government Code,*  
33 *members of a joint powers agency that is a community choice*  
34 *aggregator may specify in their joint powers agreement that, unless*  
35 *otherwise agreed by the members of the agency, the debts,*  
36 *liabilities, and obligations of the agency shall not be the debts,*  
37 *liabilities, and obligations, either jointly or severally, of the*  
38 *members of the agency.*

1 (iii) Notwithstanding clause (ii), if the agency contracts with a  
2 public retirement system, the members of the agency shall be jointly  
3 and severally liable for the retirement liabilities of the agency.

4 (iv) Except as provided in clause (iii), the commission shall not,  
5 as a condition of registration or otherwise, require an agency's  
6 members to voluntarily assume the debts, liabilities, and  
7 obligations of the agency to the electrical corporation unless the  
8 commission finds that the agreement by the agency's members is  
9 the only reasonable means by which the agency may establish its  
10 creditworthiness under the electrical corporation's tariff to pay  
11 charges to the electrical corporation under the tariff.

12 (13) Following adoption of aggregation through the ordinance  
13 described in *subparagraph (A)* of paragraph (12), the program  
14 shall allow any retail customer to opt out and to continue to be  
15 served as a bundled service customer by the existing electrical  
16 corporation, or its successor in interest. Delivery services shall be  
17 provided at the same rates, terms, and conditions, as approved by  
18 the commission, for community choice aggregation customers and  
19 customers that have entered into a direct transaction where  
20 applicable, as determined by the commission. Once enrolled in  
21 the aggregated entity, any ratepayer that chooses to opt out within  
22 60 days or two billing cycles of the date of enrollment may do so  
23 without penalty and shall be entitled to receive default service  
24 pursuant to paragraph (3) of subdivision (a). Customers that return  
25 to the electrical corporation for procurement services shall be  
26 subject to the same terms and conditions as are applicable to other  
27 returning direct access customers from the same class, as  
28 determined by the commission, as authorized by the commission  
29 pursuant to this code or any other provision of law, except that  
30 those customers shall be subject to no more than a 12-month stay  
31 requirement with the electrical corporation. Any reentry fees to  
32 be imposed after the opt-out period specified in this paragraph,  
33 shall be approved by the commission and shall reflect the cost of  
34 reentry. The commission shall exclude any amounts previously  
35 determined and paid pursuant to subdivisions (d), (e), and (f) from  
36 the cost of reentry.

37 (14) Nothing in this section shall be construed as authorizing  
38 any city or any community choice retail load aggregator to restrict  
39 the ability of retail electricity customers to obtain or receive service

1 from any authorized electric service provider in a manner consistent  
2 with law.

3 (15) (A) The community choice aggregator shall fully inform  
4 participating customers at least twice within two calendar months,  
5 or 60 days, in advance of the date of commencing automatic  
6 enrollment. Notifications may occur concurrently with billing  
7 cycles. Following enrollment, the aggregated entity shall fully  
8 inform participating customers for not less than two consecutive  
9 billing cycles. Notification may include, but is not limited to, direct  
10 mailings to customers, or inserts in water, sewer, or other utility  
11 bills. Any notification shall inform customers of both of the  
12 following:

13 (i) That they are to be automatically enrolled and that the  
14 customer has the right to opt out of the community choice  
15 aggregator without penalty.

16 (ii) The terms and conditions of the services offered.

17 (B) The community choice aggregator may request the  
18 commission to approve and order the electrical corporation to  
19 provide the notification required in subparagraph (A). If the  
20 commission orders the electrical corporation to send one or more  
21 of the notifications required pursuant to subparagraph (A) in the  
22 electrical corporation's normally scheduled monthly billing  
23 process, the electrical corporation shall be entitled to recover from  
24 the community choice aggregator all reasonable incremental costs  
25 it incurs related to the notification or notifications. The electrical  
26 corporation shall fully cooperate with the community choice  
27 aggregator in determining the feasibility and costs associated with  
28 using the electrical corporation's normally scheduled monthly  
29 billing process to provide one or more of the notifications required  
30 pursuant to subparagraph (A).

31 (C) Each notification shall also include a mechanism by which  
32 a ratepayer may opt out of community choice aggregated service.  
33 The opt out may take the form of a self-addressed return postcard  
34 indicating the customer's election to remain with, or return to,  
35 electrical energy service provided by the electrical corporation, or  
36 another straightforward means by which the customer may elect  
37 to derive electrical energy service through the electrical corporation  
38 providing service in the area.

39 (16) A community choice aggregator shall have an operating  
40 service agreement with the electrical corporation prior to furnishing

1 electric service to consumers within its jurisdiction. The service  
2 agreement shall include performance standards that govern the  
3 business and operational relationship between the community  
4 choice aggregator and the electrical corporation. The commission  
5 shall ensure that any service agreement between the community  
6 choice aggregator and the electrical corporation includes equitable  
7 responsibilities and remedies for all parties. The parties may  
8 negotiate specific terms of the service agreement, provided that  
9 the service agreement is consistent with this chapter.

10 (17) The community choice aggregator shall register with the  
11 commission, which may require additional information to ensure  
12 compliance with basic consumer protection rules and other  
13 procedural matters.

14 (18) Once the community choice aggregator's contract is signed,  
15 the community choice aggregator shall notify the applicable  
16 electrical corporation that community choice service will  
17 commence within 30 days.

18 (19) Once notified of a community choice aggregator program,  
19 the electrical corporation shall transfer all applicable accounts to  
20 the new supplier within a 30-day period from the date of the close  
21 of the electrical corporation's normally scheduled monthly  
22 metering and billing process.

23 (20) An electrical corporation shall recover from the community  
24 choice aggregator any costs reasonably attributable to the  
25 community choice aggregator, as determined by the commission,  
26 of implementing this section, including, but not limited to, all  
27 business and information system changes, except for  
28 transaction-based costs as described in this paragraph. Any costs  
29 not reasonably attributable to a community choice aggregator shall  
30 be recovered from ratepayers, as determined by the commission.  
31 All reasonable transaction-based costs of notices, billing, metering,  
32 collections, and customer communications or other services  
33 provided to an aggregator or its customers shall be recovered from  
34 the aggregator or its customers on terms and at rates to be approved  
35 by the commission.

36 (21) At the request and expense of any community choice  
37 aggregator, electrical corporations shall install, maintain, and  
38 calibrate metering devices at mutually agreeable locations within  
39 or adjacent to the community choice aggregator's political  
40 boundaries. The electrical corporation shall read the metering

1 devices and provide the data collected to the community choice  
2 aggregator at the aggregator's expense. To the extent that the  
3 community choice aggregator requests a metering location that  
4 would require alteration or modification of a circuit, the electrical  
5 corporation shall only be required to alter or modify a circuit if  
6 such alteration or modification does not compromise the safety,  
7 reliability, or operational flexibility of the electrical corporation's  
8 facilities. All costs incurred to modify circuits pursuant to this  
9 paragraph, shall be borne by the community choice aggregator.

10 (d) (1) It is the intent of the Legislature that each retail end-use  
11 customer that has purchased power from an electrical corporation  
12 on or after February 1, 2001, should bear a fair share of the  
13 Department of Water Resources' electricity purchase costs, as well  
14 as electricity purchase contract obligations incurred as of the  
15 effective date of the act adding this section, that are recoverable  
16 from electrical corporation customers in commission-approved  
17 rates. It is further the intent of the Legislature to prevent any  
18 shifting of recoverable costs between customers.

19 (2) The Legislature finds and declares that this subdivision is  
20 consistent with the requirements of Division 27 (commencing with  
21 Section 80000) of the Water Code and Section 360.5 of this code,  
22 and is therefore declaratory of existing law.

23 (e) A retail end-use customer that purchases electricity from a  
24 community choice aggregator pursuant to this section shall pay  
25 both of the following:

26 (1) A charge equivalent to the charges that would otherwise be  
27 imposed on the customer by the commission to recover  
28 bond-related costs pursuant to any agreement between the  
29 commission and the Department of Water Resources pursuant to  
30 Section 80110 of the Water Code, which charge shall be payable  
31 until any obligations of the Department of Water Resources  
32 pursuant to Division 27 (commencing with Section 80000) of the  
33 Water Code are fully paid or otherwise discharged.

34 (2) Any additional costs of the Department of Water Resources,  
35 equal to the customer's proportionate share of the Department of  
36 Water Resources' estimated net unavoidable electricity purchase  
37 contract costs as determined by the commission, for the period  
38 commencing with the customer's purchases of electricity from the  
39 community choice aggregator, through the expiration of all then

1 existing electricity purchase contracts entered into by the  
2 Department of Water Resources.

3 (f) A retail end-use customer purchasing electricity from a  
4 community choice aggregator pursuant to this section shall  
5 reimburse the electrical corporation that previously served the  
6 customer for all of the following:

7 (1) The electrical corporation's unrecovered past  
8 undercollections for electricity purchases, including any financing  
9 costs, attributable to that customer, that the commission lawfully  
10 determines may be recovered in rates.

11 (2) Any additional costs of the electrical corporation recoverable  
12 in commission-approved rates, equal to the share of the electrical  
13 corporation's estimated net unavoidable electricity purchase  
14 contract costs attributable to the customer, as determined by the  
15 commission, for the period commencing with the customer's  
16 purchases of electricity from the community choice aggregator,  
17 through the expiration of all then existing electricity purchase  
18 contracts entered into by the electrical corporation.

19 (g) Estimated net unavoidable electricity costs paid by the  
20 customers of a community choice aggregator shall be reduced by  
21 the value of any benefits that remain with bundled service  
22 customers, unless the customers of the community choice  
23 aggregator are allocated a fair and equitable share of those benefits.

24 (h) (1) Any charges imposed pursuant to subdivision (e) shall  
25 be the property of the Department of Water Resources. Any charges  
26 imposed pursuant to subdivision (f) shall be the property of the  
27 electrical corporation. The commission shall establish mechanisms,  
28 including agreements with, or orders with respect to, electrical  
29 corporations necessary to ensure that charges payable pursuant to  
30 this section shall be promptly remitted to the party entitled to  
31 payment.

32 (2) Charges imposed pursuant to subdivisions (d), (e), and (f)  
33 shall be nonbypassable.

34 (i) The commission shall authorize community choice  
35 aggregation only if the commission imposes a cost-recovery  
36 mechanism pursuant to subdivisions (d), (e), (f), and (h). Except  
37 as provided by this subdivision, this section shall not alter the  
38 suspension by the commission of direct purchases of electricity  
39 from alternate providers other than by community choice  
40 aggregators, pursuant to Section 365.1.



1 (j) (1) The commission shall not authorize community choice  
2 aggregation until it implements a cost-recovery mechanism,  
3 consistent with subdivisions (d), (e), and (f), that is applicable to  
4 customers that elected to purchase electricity from an alternate  
5 provider between February 1, 2001, and January 1, 2003.

6 (2) The commission shall not authorize community choice  
7 aggregation until it has adopted rules for implementing community  
8 choice aggregation.

9 (k) (1) Except for nonbypassable charges imposed by the  
10 commission pursuant to subdivisions (d), (e), (f), and (h), and  
11 programs authorized by the commission to provide broader  
12 statewide or regional benefits to all customers, electric service  
13 customers of a community choice aggregator shall not be required  
14 to pay nonbypassable charges for goods, services, or programs  
15 that do not benefit either, or where applicable, both, the customer  
16 and the community choice aggregator serving the customer.

17 (2) The commission, Energy Commission, electrical corporation,  
18 or third-party administrator shall administer any program funded  
19 through a nonbypassable charge on a nondiscriminatory basis so  
20 that the electric service customers of a community choice  
21 aggregator may participate in the program on an equal basis with  
22 the customers of an electrical corporation.

23 (3) Nothing in this subdivision is intended to modify, or prohibit  
24 the use of, charges funding programs for the benefit of low-income  
25 customers.

26 (l) (1) An electrical corporation shall not terminate the services  
27 of a community choice aggregator unless authorized by a vote of  
28 the full commission. The commission shall ensure that prior to  
29 authorizing a termination of service, that the community choice  
30 aggregator has been provided adequate notice and a reasonable  
31 opportunity to be heard regarding any electrical corporation  
32 contentions in support of termination. If the contentions made by  
33 the electrical corporation in favor of termination include factual  
34 claims, the community choice aggregator shall be afforded an  
35 opportunity to address those claims in an evidentiary hearing.

36 (2) Notwithstanding paragraph (1), if the Independent System  
37 Operator has transferred the community choice aggregator's  
38 scheduling coordination responsibilities to the incumbent electrical  
39 corporation, an administrative law judge or assigned commissioner,  
40 after providing the aggregator with notice and an opportunity to

1 respond, may suspend the aggregator’s service to customers  
2 pending a full vote of the commission.

3 (m) Any meeting of an entity authorized to be a community  
4 choice aggregator, as defined in Section 331.1, for the purpose of  
5 developing, implementing, or administering a program of  
6 community choice aggregation shall be conducted in the manner  
7 prescribed by the Ralph M. Brown Act (Chapter 9 (commencing  
8 with Section 54950) of Part 1 of Division 2 of Title 5 of the  
9 Government Code).

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Date of Hearing: April 18, 2018

ASSEMBLY COMMITTEE ON PUBLIC EMPLOYEES, RETIREMENT, AND SOCIAL  
SECURITY

Freddie Rodriguez, Chair

AB 1912 (Rodriguez) – As Amended March 19, 2018

**SUBJECT:** Public employees' retirement: joint powers agreements: liability

**SUMMARY:** Requires agreements of member agencies of a Joint Powers Authority (JPA) that participates as a contracting agency in the California Public Employees' Retirement System (CalPERS), or any other public employee retirement system for purposes of administration of retirement benefits, to be jointly and severally liable for the retirement obligations of the JPA, among other provisions. Specifically, **this bill:**

- 1) States legislative findings and declarations regarding retirement security and a defined benefit retirement plan; creation of, and services by a JPA in addition to promises made by a JPA employer to employees and detrimental reliance on the part of employees and retirees of a JPA; revenues, limitations of those revenues, and surety for the retirement obligations of the JPA by the JPA's member agencies; reductions in retirement benefits; requirement for legal redress by CalPERS; and the retrospective and prospective application of joint and several liability provisions in contracts with the retirement system relating to a retirement board meeting its fiduciary duties.
- 2) Amends provisions in existing law regarding by removing the ability of an agency that is party to a JPA agreement to not be responsible for the debts, liabilities, and obligations of the JPA.
- 3) Requires the member agencies of a JPA to be jointly and severally liable for the JPA's pension obligations if the JPA contracts with CalPERS, or any other public employee retirement system for administration of its retirement benefits.
- 4) Requires current and new JPA contracts with CalPERS to include joint and several liability provisions. Existing contracts must be reopened to include such provisions.
- 5) Prohibits CalPERS from contracting with a JPA, unless all parties to the agreement establishing the JPA are jointly and severally liable for the JPA pension obligations.
- 6) Requires CalPERS to sue the member agencies of a JPA for recovery of its pension obligations owed to the system if the JPA's contract with CalPERS is terminated.
- 7) Provides that CalPERS shall have a lien on the assets of a terminated contracting JPA, subject only to a prior lien for wages equal to the actuarially determined deficit for funding for the employee's earned benefits. The assets must be available to pay actual costs, including attorney's fees expended for collection of the lien.

- 8) Permits JPA member agencies or the JPA itself to enter into an agreement with CalPERS to ensure the proper calculation of benefits such that employees and retirees of the terminating agency remain whole, and allows for lump-sum payments at termination, and permits CalPERS to refuse to enter into an agreement if it determines that it is not in the best interests of the system,

Creates a two-year window in which a JPA must notify CalPERS of its intention to enter into such an agreement before the JPA dissolves. The notification would grant CalPERS sufficient time to ensure that the proposed arrangements are in the best interests of the system. Failure to notify CalPERS within the two-year window would result in the JPA's member agencies assuming the beneficiaries on their own retirement system.

- 9) Removes language in existing law regarding CalPERS' discretion in reducing retirement benefits related to terminating agencies.

- 10) Makes changes in the Public Utilities Code related to JPAs regarding liability for obligations.

#### **EXISTING LAW:**

##### 1) Federal:

Pursuant to Section 414(d) of Title 26 of the United States Code, "governmental plan" is defined to mean, in part, a plan established and maintained for its employees by the government of the United States, the government of any state or its political subdivisions, or by any agency or instrumentality of any of the foregoing.

Pursuant to federal law, to contract with CalPERS for retirement benefits, an employer must be an agency or instrumentality of a state, or a political subdivision of the state, and meet the definition of a "public agency," as defined in state law, *infra*.

##### 2) State:

- a) Provides, pursuant to Section 17 of Article XVI of the state constitution, that:

- i) The retirement board of a public pension or retirement system has the sole and exclusive fiduciary responsibility over the assets of the public pension or retirement system;
- ii) The retirement board of a public pension or retirement system has the sole and exclusive responsibility to administer the system in a manner that will assure prompt delivery of benefits and related services to the participants and their beneficiaries;

- iii) The assets of a public pension or retirement system are trust funds and shall be held for the exclusive purposes of providing benefits to participants in the pension or retirement system and their beneficiaries;
- iv) The board of a public pension or retirement system has fiduciary duties and responsibilities, including a duty to its participants and their beneficiaries that take precedence over any other duty; and, sole and exclusive power to provide for actuarial services in order to assure the competency of the assets of the public pension or retirement system.
- b) Permits a public agency to contract with CalPERS for purposes of administering retirement and other benefits on behalf of the agency's employees, and prohibits a public agency from contracting with CalPERS within three years of the termination of a previous contract with the system.
- c) Defines "public agency" to mean any city, county, district, other local authority or public body of, or within this state.
- d) Pursuant to Chapter 5 of Statutes of 1949, also known as the Joint Exercise of Powers Act, two or more public agencies may, upon authorization by their respective legislative or other governing bodies, jointly exercise any power common to the contracting parties to the contracting parties creating a JPA.

In general, the agreement between the two or more public agencies that creates the JPA must state the purpose of the agreement or the power to be exercised, and must provide for the method by which the purpose will be accomplished, or the manner in which the power will be exercised.

- e) Provides that the JPA created is a public entity separate from the parties to the agreement that created the JPA.
- f) Provides that if the agency is not one or more of the parties to the agreement but is a public entity, commission, or board constituted pursuant to the agreement, the debts, liabilities, and obligations of the agency shall be debts, liabilities, and obligations of the parties to the agreement, unless the agreement specifies otherwise. However, a party to the agreement may separately contract for, or assume responsibility for, specific debts, liabilities, or obligations of the agency.
- g) Provides that if a contracting agency fails for 30 days after a demand by CalPERS to pay the full installment of contributions required by its contract with the system, or fails for three months after the demand, or if CalPERS determines that the contracting agency no longer exists, CalPERS may terminate the contract by resolution adopted by a majority

vote of the board, which is effective 60 days after notice of its adoption has been mailed by registered mail to the governing body of the contracting agency.

- h) Permits CalPERS to negotiate with the governing board of the terminating agency or the governing body of any agency that may assume any portion of the liabilities of the terminating agency, and the terms and conditions of the termination and payment of unfunded liabilities. This also applies to inactive contracting agencies or an inactive member category, as determined by CalPERS.
- i) Requires a terminated agency to be liable to CalPERS for any deficit in funding for earned benefits, interest at the actuarial determined rate from the date of termination to the date the agency pays the system, and for other specified costs.

In addition, CalPERS must place a lien on the assets of the terminating contracting agency, subject to a prior lien for wages, in an amount equal to the actuarially determined deficit in funding for earned benefits, as specified.

- j) Requires CalPERS, at the request of a terminating agency, to enter into an agreement with the terminating agency's governing body to ensure that the final compensation used in calculating benefits of its employees is the same manner as the benefits of employees of nonterminating agencies, regardless of retirement directly from the terminating agency or continue in other public service, and CalPERS may make adjustments to the employer's contribution rates to ensure the adequate funding of benefits, among other sound payment techniques.
- k) Requires CalPERS to reduce the benefits of employees of a terminating agency by an actuarially determined equivalent as a percentage, as specified, and if the agency fails to pay the actuarially determined amount owed to the system, also as specified.

The reduction applies before or after retirement or death to the employee of a terminated contracting agency and his or her beneficiaries.

The assets and liabilities of agencies that have terminated contracts are merged into a single pooled account that is exclusively used to pay the benefits of members of these plans. Recoveries by CalPERS from terminated agencies for any funding deficit for earned member benefits of terminated agency plans, including interest, are deposited to the credit of this pool.

- l) Permits CalPERS to elect not to impose a reduction, or to impose a lesser reduction, on a plan that involuntarily terminates if: (i) CalPERS has made all reasonable efforts to collect the amount necessary to fully fund the liabilities of the plan, *and* (ii) CalPERS finds that not reducing the benefits, or imposing a lesser reduction, will not impact the actuarial soundness of the terminated agency pool.

**FISCAL EFFECT:** Unknown. This bill has been flagged as fiscal by Legislative Counsel.

**COMMENTS:** According to the author, “[l]ast year, CalPERS reduced the retirement benefits of almost 200 employees of the East San Gabriel Valley Human Services Consortium – a JPA – after its sole source of revenue was terminated. The JPA terminated all of its employees, was unable to pay its retirement obligations to CalPERS and became insolvent.

‘In response to a CalPERS demand for payment of the JPA’s pension obligations, the Cities of Azusa, Covina, Glendora, and West Covina that created the JPA cited existing JPA law, contract, and case law to support their position that they were not responsible for the JPA’s retirement obligations, and refused to remit payment to CalPERS for the JPA’s unfunded obligations to the system.

‘Since payment for the JPA’s retirement obligations could not be obtained from the JPA nor its member agencies, and without financial, statutory or legal recourse, the retirement benefits of the JPA’s employees and retirees were proportionately reduced. Retirees received a reduction in their retirement allowance by approximately 63 percent.

‘In June of last year, we heard about, and discussed this issue, among others, during a Joint Hearing of the Assembly Public Employees, Retirement, and Social Security Committee and the Senate Public Employment and Retirement Committee.

‘We know that JPAs are valuable to the communities and regions that they serve. And, we also know that this problem has occurred once and could happen again without doing something to prevent it. A Defined Benefit Plan provides financial security in retirement, but that means nothing if a JPA contracting with CalPERS or any other pension system can become insolvent. This bill would provide retirement security to a JPA’s employees and retirees if the JPA contracts with CalPERS or any other public pension system for retirement benefits.’”

1) Dual Referral

This bill has also been referred to the Assembly Committee on Judiciary.

2) Public Agencies Contracting with CalPERS

As stated under “Existing Law” supra, a public agency is permitted to contract with CalPERS for purposes of participation in the system for administration of the agency’s retirement benefits that the agency offers to its employees.

The process involves the public agency completing and submitting an applicant questionnaire to CalPERS which is then reviewed by the system. The agency applicant questionnaire requests information from the applicant covering a range of subjects towards CalPERS determining the

eligibility of the public agency to participate in CalPERS' benefit plans pursuant to Section 414(d) of the Internal Revenue Code IRC.

Submittal of this application is not an offer by CalPERS to contract.

Existing law also permits CalPERS to refuse to contract with, or agree to an amendment proposed by, any public agency for any benefit provisions that are not specifically authorized under the Public Employees' Retirement Law (PERL), and that CalPERS determines would adversely affect administration of the system.

### 3) JPA Finances or Revenues, in General

As a bona fide public agency established pursuant to the Joint Exercise of Powers Act, a JPA may contract with CalPERS to administer the retirement benefits offered by the JPA to its employees provided that the benefits are authorized pursuant to the PERL.

In general, JPAs are created by other public entities that are deemed to be a member agency of the JPA. The JPA member agencies create a JPA for a number of reasons, and the JPA provides a service or various services based on the purpose for which it was established by its member agencies. In many instances, a JPA provides a service to a certain geographical area to meet a particular need.

The finances or revenues of a JPA may come from various sources such as grants, contracts, or bonds. However, these sources of revenue, particularly grants and contracts, for example, are limited in terms of dollar amount and duration. A grant or a contract *may be renewed* depending on a number of factors such as cost, continued need for the JPA's services, or a change in the granting or contracting authority's needs or requirements, etc.; thus, the revenues are not guaranteed beyond the grant or contractual period.

When compared to cities, counties and special districts which have certain statutory authority to raise revenue such as issuing revenue bonds, increasing taxes, or reducing public services for various purposes, in general, or have stable sources of revenue, generally, a JPA does not have similar authority or has limited authority. Therefore and again, a JPA's source or sources of finance or revenue are limited and not guaranteed.

### 4) Case Point: Insolvency of a JPA – East San Gabriel Valley Human Services Consortium

The East San Gabriel Valley Human Services Consortium (ESGV) was a JPA formed by the Cities of Azusa, Covina, Glendora, and West Covina in September 1979 to provide employment and training services to local residents, and to inmates incarcerated by the Los Angeles County Sheriff's Department (LACSD). Shortly thereafter, ESGV became a contracting agency of CalPERS for purposes of retirement benefits for its local miscellaneous employees.

In September 2014, ESGV terminated all of its employees due, in part, to the loss of its contract with LACSD – a significant and sole source of revenue – and discontinued all provision of



services. Although ESGV attempted to secure other sources of funding, it was unsuccessful and as of the date of this writing and to committee staff's knowledge, only its governing body remains.

Although ESGV discontinued its service operations, a contract with CalPERS remained in effect which required the payment from the JPA of its unfunded accrued liability (UAL) payment obligations to the system to fund its employees' and retirees' earned retirement benefits.

a) ESGV's Outstanding Balance Owed to CalPERS and Termination of its CalPERS Contract

In 2015, ESGV became delinquent with respect to paying its UAL to CalPERS, and CalPERS contacted the JPA to address the outstanding balance. Due to the loss of all sources of finance or revenue, the JPA informed the system that it was unable to pay its UAL. CalPERS then sought payment from the JPA's member agencies: the Cities of Azusa, Covina, Glendora, and West Covina.

In response, the cities in general stated that they were under no obligation to pay the amount that the JPA owed to CalPERS. Some of the cities relied on the state's JPA law, and more specifically, Section 6805.1 of the Government Code (outlined under "Existing Law," *supra*); the provisions of the JPA's agreement within its member agencies that state "the debts, liabilities, and obligations of [the JPA] do not constitute the debts, liabilities or obligations of any party to [this] agreement; and, others cited case law where the court ruled that only the tort liability of a JPA can pass through to its members. (See *Tucker Land Company v. State of California* (2001) 94 Cal. App. 4th 1191.)

Section 20572 of the Government Code provides in general, that CalPERS may terminate a contract by resolution adopted by its board if the contracting agency fails to pay the full installment of contributions required by the contract within 30 days of demand for payment by the system, or if CalPERS determines that the contracting agency is no longer in existence. ESGV informed the system that although its governing body still existed, operations had ceased, and it did not have the funds to pay its contractual obligation to the system.

Without a source of payment for the JPA's UAL, in March 2017, CalPERS terminated the JPA's contract pursuant to existing law.

b) The Positions of ESGV and its Member Agencies as to the Payment of the JPA's Retirement Obligation, and Effects of those Positions on the JPA's Employees and Retirees: Reduction of Retirement Benefits

In general, Section 20577 of the Government Code provides that if, at the date of contract termination with CalPERS, the accumulated contributions to the credit of the contracting agency are less than the actuarial equivalent owed to CalPERS, and the agency fails to pay

the amount of the difference, the benefits under the contract must be reduced, as specified. This reduction also applies to the employee's beneficiary, whether before or after retirement or death.

Since no payment of ESGV's UAL could be obtained from the JPA or its member agencies, CalPERS, pursuant to existing law, reduced the retirement benefits of nearly 200 of the JPA's employees and retirees.

The reductions ranged from approximately 24 percent to as high as 63 percent depending on whether the employees were under the "classic" miscellaneous plan or the Public Employees' Pension Reform Act (PEPRA) miscellaneous plan. The reduction of benefits only applied to the employee's or retiree's benefits derived from their service to ESGV.

It is possible that many of ESGV's former employees were able to obtain employment with other public agencies and, therefore, also able to continue earning service credit towards future retirement. However, ESGV's retiree's – the individuals who provided many years of service to the JPA, a public entity, in exchange for what they detrimentally relied upon to be an irrevocable commitment as to a retirement benefit offered by the JPA upon employment – remain deeply concerned as to their financial security in retirement.

5) Another Potential JPA Pension Issue Looming on the Horizon: Recent Report by the California State Auditor

On March 22, 2018, the State Auditor issued a report titled, *"South Orange County Wastewater Authority: It Should Continue to Improve Its Accounting of Member Agencies' Funds and Determine Whether Members Are Responsible for Its Unfunded Liabilities."*

The report provides key findings of which one states that "SOCWA has over \$18 million of unfunded obligations for pension and other postemployment benefits, its JPA agreement – like many JPAs – does not expressly hold its members liable for the costs of these retirement benefits. If members do not pay the outstanding debt and the JPA dissolves, SOCWA's retirement plan beneficiaries could have their retirement benefits reduced."

Among the key recommendations in this report, the State Auditor provides the following regarding retirement obligations: "The Legislature should require: a) New JPA agreements to hold the members responsible for the JPA's unfunded retirement obligations, and b) All existing JPAs to communicate annually to their retirement plan participants whether JPA members are liable for the JPA's unfunded retirement obligations.

While the issue of ESGV, among others, was previously discussed by the committee last year, and this measure was introduced prior to the issuance of the report by the State Auditor, there appears to be alignment of concern and thought on solutions towards dealing with broader and potentially significant challenges with JPAs in the future.

6) Possibility of Similar Future Occurrences with JPAs Contracting with CalPERS

According to data from CalPERS, as of September 2017, there are approximately 167 JPAs contracting with the system covering 24,724 participants in the system. The number of JPAs contracting with CalPERS varies as JPAs enter into, merge, terminate their contracts, or reform into special districts.

This data also shows that as of September 2016, all JPAs contracting with CalPERS were current on their pension contributions. Although all are current, the funding status of these JPAs varies as shown below.

- 1 JPA has a funded status over 100 percent.
- 5 JPAs have a funded status between 90 percent and 100 percent.
- 26 JPAs have a funded status between 80 percent and 90 percent.
- 113 JPAs have a funded status between 70 percent and 80 percent.
- 20 JPAs have a funded status between 60 percent and 70 percent.
- 2 JPAs have a funded status between 50 percent and 60 percent.

All JPAs contracting with CalPERS, with the exception of those that have a funded status of 100 percent or more, present a possibility of financial challenges regarding retirement obligations in the event of financial distress, insolvency or dissolution, and which could affect the retirement benefits of employees and retirees. Absent a financial backstop for the retirement obligations by the JPA's member agencies, the likelihood of another occurrence similar to ESGV and potentially SOCWA, that would affect the retirement benefits of their employees and retirees exists.

#### 7) CalPERS' Fiduciary Duties: Payments to the System

The CalPERS Board of Administration has a fiduciary duty to ensure the integrity of the system and to provide or pay benefits. This includes protecting the soundness of the system in its entirety when employers fail to pay their required contributions to the system. These duties are embedded in Section 17 of Article XVI of the California Constitution and in portions of the Government Code administered by CalPERS.

Generally, while other participating employers in CalPERS pay their obligations to the system, those amounts account for their respective employees – not to cover another employer's unpaid retirement obligations. To do so would create significant uncertainty and cause instability in the financial solvency of the system.

Absent payment by ESGV or another source of payment of ESGV's retirement obligation to the system, as required, CalPERS reduced the retirement benefits of the JPA's employees and retirees in accordance to law and consistent with its fiduciary duties to the system in its entirety.

According to information received from the author, this measure is not intended to vary or modify CalPERS' fiduciary duties or responsibilities. Rather, it should be viewed as a principle that CalPERS treat each member with the same standards of fiduciary duty and responsibility that it owes to the system in its entirety. The provision requiring joint and several liability, and that CalPERS seek legal redress would advance this principle.

#### 8) Joint and Several Liability by JPA Member Agencies: Reporting of Liability

The Government Accounting Standards Board (GASB) establishes accounting and financial reporting standards for state and local governments that follow Generally Accepted Accounting Principles (GAAP).

Based on GAAP principles, the GASB issues various "Statements" that outline financial reporting requirements for the pension liability of public agencies. These statements are revised from time to time towards increased disclosure and transparency by, and accountability of, public agencies, including public employee retirement funds.

Relating to this measure, member agencies of JPAs would likely be required to report, under the appropriate GASB Statement, the retirement obligations of a JPA for which they are a member agency and jointly and severally liable for the JPAs retirement obligations owed to CalPERS or any other public retirement system.

However, reporting for the liability would be based on an equitable apportionment of the liability to each member agency of the JPA, as provided for in this measure.

For example, when applying this measure to ESGV which owed approximately \$20 million to CalPERS, the four cities (Azusa, Covina, Glendora, and West Covina) that were member agencies of the ESGV JPA would have been jointly and severally liable for approximately \$5 million each to cover the JPAs \$20 million outstanding pension liability when the JPA contract with CalPERS was terminated. Ostensibly, the \$5 million would be the amount reported on the appropriate GASB Statement by each city, unless there was a separate agreement among those cities, and with CalPERS that apportioned those costs differently that covered the full outstanding retirement liability of the JPA.

According to data from CalPERS, there are currently nine JPAs contracting with the system in which the agreement between the JPA and its member agencies contain joint and several liability provisions for the JPA's retirement obligations. These JPAs are the Association of Monterey Bay Area Governments; BETA Healthcare Group Risk Management Authority; Calaveras Council of Governments; Humboldt County Association of Governments; Los Gatos-Saratoga Department of Community Education and Recreation; Santa Clarita Valley School Food Services Agency; Santa Cruz Regional 9-1-1; Tri-Dam project; and, Yuba Sutter Transit Authority.

9) Impairment of Contracts, Due Process and Significant and Legitimate Public Purpose

a) Impairment of Contractual Obligations and Due Process Implications

An issue may be raised whether, in circumstances, the retroactive application of this measure's provisions may be nullified as an unconstitutional denial of due process (Fifth Amendment, United States Constitution) where courts have held that the retrospective application of a statute may offend principles of substantive due process of law if it affects rights, obligations, acts, transactions, and conditions that are performed, or that exist prior to the adoption of a statute (see *In re Cindy B.* (1987) 181 Cal.App.3d 771, 783), and that the retroactive application of a change in the law may not be deemed to contravene the due process clause if that application is necessary to serve a sufficiently important state interest. (See *In re Marriage of Kelkar* (2014) 229 Cal.App.4<sup>th</sup> 833, 840.)

A court, in determining whether a retrospective law contravenes the due process clause, must consider the factors such as “the significance of the state interest served by the law, the importance of the retroactive application of the law to the effectuation of that interest, the extent of reliance upon the former law, the legitimacy of that reliance, the extent of actions taken on the basis of that reliance, and the extent to which retroactive application of the new law would disrupt those actions.” (See *In re Marriage of Bouquet* (1976) 16 Cal.3d 583, 592.)

In addition, to the extent that these provisions conflict with the terms of an existing agreement, an issue may be raised whether the measure violates the United States and California Constitutions as an impairment of the obligations of contract.

Whether a provision violates those prohibitions is governed by a three-step inquiry, which includes determining whether the law operates as a substantial impairment of a contractual relationship, whether the state has a significant and legitimate public purpose behind the regulation, and whether the law provides a reasonable means to address that significant and legitimate public purpose (see *Energy Reserves Group, Inc. v. Kansas power and Light Co.* (1983) 459 U.S. 400, 411-413.)

With regard to actions by the state in relation to its political subdivisions, additional case law may be considered as persuasive as to a question raised whether this measure would be an impairment of contractual relations and due process. Indeed, several courts have held that [local government entities] are creatures of the state, and exercise and hold powers and privileges subject to the sovereign will. Being political subdivisions of the state, they do not have standing to invoke the impairment of contracts clauses of the state and federal constitutions. (See *Trenton v. New Jersey*, (1923) 262 U.S. 182; *State v. Marin Municipal Water District*, (1941) 17 Cal. 2d 699; *Mallon v. Long Beach*, (1955) 44 Cal. 2d 199; and, *City of Galt v. Cohen*, (2017) 12 Cal. App. 5th 367.)

b) Significant and Legitimate Public Purpose: Legislative Findings and Declarations

The legislative findings and declarations of this measure include several key provisions that may provide guidance related to the significant and legitimate public purposes provided by this measure.

Specifically, the legislative findings and declarations provide, in part, that “[e]mployees who have been promised a retirement allowance and the other benefits of a defined benefit plan by their employer should be provided those benefits after reaching the requisite age, based on years of service, and an established benefit formula, as promised by the employer.”

Moreover, “...employees who rely on a promise by a JPA employer to provide retirement benefits by accepting and maintaining employment with the employer based partly on the employer’s promise may do so to their own retirement detriment.”

Finally, these provisions also include statements as to CalPERS’ fiduciary duties and responsibilities to its members and the system in relation to the financial solvency of a JPA to which it contracts for purposes of retirement.

Although these are a couple of key provisions in the legislative findings and declarations, the entirety of the findings and declarations in this measure should be viewed *in toto* for context.

10) Comments by Supporters

According to the Orange County Professional Firefighters Association (OCPFA), “[p]rotecting our members’ safety, working conditions, and their hard-earned retirement benefits are top priorities...” The OCPFA further states that, “[w]e cannot allow bad actors in a JPA to forfeit their responsibility to employees who have loyally served their community,” and that, “[i]n the case of our Firefighters, they have played by the rules and risk their lives on a daily basis to save property and people throughout Orange County. They have contributed to their retirement plans and it should not be possible for a unilateral action to deny their hard-earned pension benefits.”

According to the California State Retirees (CSR), this bill “will protect employees and retirees of these JPAs by ensuring that their retirement benefits will be paid in full, as promised, even if a JPA dissolves or terminates their contract with a pension system.”

Other supporters generally provide comments similar to those of the author.

11) Comments by Opponents

The California Association of Joint Powers Authorities, California Special Districts Association, California State Association of Counties, County of Riverside, League of California Cities, and Urban Counties of California state that, regarding conflicts with the California State Constitution, the “...constitutional debt limit prohibits an agency from incurring indebtedness beyond the agency’s ability to pay the debt back from revenues received in the same fiscal year without the approval of two-thirds of its voters. (See Section 18 of Article XVI of the State

Constitution.) These safeguards were placed in the state's constitution to avoid a situation in which the holders of an issue of bonds might compel an increase in taxes or foreclose on an agency's assets. (*See City of Redondo Beach v. Taxpayers, Property Owners, Citizens and Electors* (1960) 54 C2d 123, 131; *County of Shasta v. County of Trinity* (1980) 106 CA3d 30, 35.)”

Opponents further state that “... applying retroactive joint and several liability to existing contracts, agencies will not incur significant debts that in many cases will exceed an agency's annual revenue without receiving voter approval - thus violating the sighted provision.” Opponents also discuss the issue of “giving or lending funds to any person, public or private entity.”

Opponents also add that “[a] JPA is an independent governmental body whereby the agency members have no legal, statutory oversight or managing authority - liabilities from cash entities retroactively applied to each member agency would constitute a gift of public funds to an individual(s) and/or public entity.

Opponents also discuss that this measure “gives exclusive authority to the retirement agency to assign liability” and that it “would be virtually impossible for the JPAs governmental body, let alone a retirement agency, to retroactively assign equitable retirement specific liabilities to potentially hundreds of agencies.

## 12) Author's Amendments and Committee Staff Comments

### a) Author's Amendments

#### i) Clarifying Liability for the JPAs Retirement Obligations

Although the findings and declarations of this measure speak to, in part, that member agencies of a JPA are to be jointly and severally liable for the retirement obligations of the JPA, the substantive provisions of this measure can be construed to mean that such member agencies are liable for *all* obligations of the JPA.

The author intends to amend this bill to remove the existing amendments to Section 6508.1 of the Government Code and 366.2 of the Public Utilities Code to instead clearly specify that member agencies must be liable for the retirement obligations of the JPA, not all obligations, debts, and liabilities of the JPA.

These changes will make the substantive provisions align with the author's stated intent, and as expressed in the measure's findings and declarations; thereby resolving ambiguity, and concerns expressed by some of the interested parties to this measure.

#### ii) Apportionment of Liability

While this measure provides for apportionment of the JPAs obligations among its member agencies, the author agrees with concerns expressed by opponents that

apportionment of liability of the JPAs retirement obligations should not solely be decided by the public retirement system. In response, the author is proposing amendments that would:

- a) Remove the requirement of the board to solely apportion the retirement obligations among the member agencies, and instead:
- b) Require the member agencies to mutually agree to apportionment provided that the agreement equals the total retirement liability of the JPA. A copy of the signed agreement by all parties thereto must be provided to the board, which must be reflected in the agreement with the board.
- c) Require, if the member agencies are unable to mutually agree to apportionment, as specified, the board, in its discretion, must apportion the retirement liability among the member agencies.
- d) Provide that, if after the board exercises discretionary authority regarding apportionment the member agencies mutually agree to apportionment provided that it equals the total retirement liability of the JPA, that agreement will supersede the apportionment determined by the board. In addition, a copy of the signed agreement by all parties thereto must be provided to the board, which must be reflected in the agreement with the board.

This approach will place the responsibility for apportioning retirement liability by, and among, the member agencies of the JPA, with a mechanism to ensure that apportionment in fact does occur if the member agencies are unable to mutually agree, but permits the member agencies to reach an agreement subsequent to the board's exercise of discretionary authority, which must be reflected in the agreement with the board.

b) Committee Staff Comments

Opponents also express concerns regarding giving the retirement agency authority to increase the amount owed through assumption changes and/or investment losses.

However, this is not new authority granted by provisions contained in this measure because such authority currently is permissible under existing law, and pursuant to authority granted to public retirement systems within Section 17 of Article XVI of the State Constitution. Changes made to the discount rate (i.e., the rate of employer contributions to the system) for participating public agencies by a retirement system demonstrate the historical and current existence of such authority.

Finally, opponents express concerns that this measure would "create funding and operational impairments" in relation to GASB reporting standards that "...play a vital role in assessing the fiscal health and viability of an agency. Incurring retroactive debt would require each originating agency of a JPA to report these liabilities as debts impacting an agency's net



financial position...” and that, “[a] drastic spike in liability could contribute to downgrading of an agency’s credit rating...” resulting in other consequences.

The practical mechanics in relation to GASB reporting, which would be based on the mutual agreement of retirement liability apportionment by and among member agencies of a JPA, and what is intended to be reported by each member agency of a JPA on their respective and appropriate GASB Statement are discussed *supra*.

## REGISTERED SUPPORT / OPPOSITION:

### Support

Service Employees International Union, California (*Sponsor*)  
 Association of California State Supervisors  
 California Association of Professional Scientists  
 California State Retirees  
 LIUNA Local 792  
 Orange County Professional Firefighters Association, Local 3631  
 Professional Engineers In California Government  
 Retired Public Employees Association

### Opposition

Big Bear Area Regional Wastewater Agency  
 California Association of Joint Powers Authorities  
 California Contract Cities Association  
 California Special Districts Association  
 California State Association of Counties  
 City of Belmont  
 City of Chino Hills  
 City of Eureka  
 City of Foster City  
 City of Glendora  
 City of Grand Terrace  
 City of Hesperia  
 City of Highland  
 City of La Canada  
 City of Manteca  
 City of Oakdale  
 City of Palmdale  
 City of San Carlos  
 City of San Marcos  
 County of Riverside  
 League of California Cities

League of California Cities, Riverside County Division  
Monterey Regional Fire  
Urban Counties of California

**Analysis Prepared by:** Michael Bolden / P.E.,R., & S.S. / (916) 319-3957

**RESOLUTION 18-28**  
**A RESOLUTION OF THE GOVERNING BOARD OF THE SAN GABRIEL**  
**VALLEY COUNCIL OF GOVERNMENTS (“SGVCOG”)**  
**OPPOSING AB 1912 (RODRIGUEZ).**

**WHEREAS**, JPAs play a critical role in providing public service that cannot be normally achieved through cost and budgetary constraints of a city;

**WHEREAS**, public agencies join JPAs presuming JPAs are reliable, fiscally prudent and accountable to the services they provide;

**WHEREAS**, operation costs are the responsibility of these independent agencies and should not be passed onto member agencies who have their own pension liabilities, priorities, and issues to address;

**WHEREAS**, AB 1912 seeks to add additional liabilities and further exacerbate the budgetary constraints during a time when the cost for services, especially for public safety, continue to rise drastically;

**WHEREAS**, AB 1912 places substantial burdens and new unworkable requirements on cities by applying retroactive, as well as prospective, joint and several liability for all retirement-related obligations to any current or former member of a JPA throughout its existence; and

**WHEREAS**, AB 1912 prohibits any retirement system from approving a new JPA without express joint and several liability provisions, which would create constitutional, fiscal and operational challenges, and effectively eliminate the ability to create or maintain the use of most JPA’s.

**NOW, THEREFORE BE IT RESOLVED THAT THE GOVERNING BOARD OF THE SGVCOG OPPOSES AB 1912 (RODRIGUEZ).**

PASSED, APPROVED, and ADOPTED this 31<sup>st</sup> day of May, 2018.

SAN GABRIEL VALLEY COUNCIL OF GOVERNMENTS

\_\_\_\_\_  
Cynthia Sternquist, President

**Attest:**

I, Marisa Creter, Executive Director and Secretary of the Board of Directors of the San Gabriel Valley Council of Governments, do hereby certify that Resolution 18-28 was adopted at a regular meeting of the Governing Board held on the 31<sup>st</sup> day of May, 2018, by the following roll call vote:

<b>AYES:</b>	
<b>NOES:</b>	
<b>ABSTAIN:</b>	
<b>ABSENT:</b>	

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Marisa Creter, Secretary

DATE: May 31, 2018  
TO: Governing Board  
FROM: Marisa Creter, Executive Director  
RE: **AB 1857 (Nazarian)**

## **RECOMMENDED ACTION**

Adopt Resolution 18-29 to support AB 1857 (Nazarian).

## **AB 1857 (NAZARIAN) BACKGROUND**

Currently, existing law authorizes the California Building Standards Commission (CBSC) to approve and adopt building standards. Every three years building standards rulemaking is undertaken to revise and update the California Building Standards Code (BSC).

AB 1857 requires, on or before July 1, 2020, the CBSC to assemble a working group to investigate and, determine criteria for a “functional recovery” standard following a seismic event, which would allow people to enter buildings and resume normal activities soon after a large seismic event. The working group shall direct the CBSC and the Department of Housing and Community Development to propose the appropriate building standards for consideration by the CBSC to include in the next regularly scheduled Triennial Adoption Cycle to revise and update the BSC, which will occur after January 1, 2020.

Functional Recovery is defined as a set of enforceable building code provisions and regulations that provide specific design and construction requirements. This is intended to result in buildings maintaining their integrity, or restored to support the basic intended functions of the building’s pre-earthquake use soon after a seismic event.

## **LOCAL IMPACT**

Analyses of large earthquakes anticipated in Southern California predict that up to half of the buildings built to the current code will suffer enough damage to be flagged as dangerous by local building departments. This represents trillions of dollars of damage, thousands of displaced people, and a significant disruption to the regional economy. In addition, a recent study by the International Code Council identified that for every \$1 invested in strengthening building codes, communities will save \$4 in repair costs.

## **SUPPORT AND OPPOSITION**

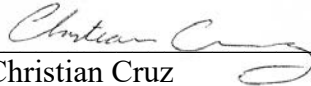
Supporters, including science and engineering groups, view this bill as an opportunity to evolve the California Building Code from a safety-based approach to a “functional recovery” approach, where safety is considered alongside the need for communities to recover economically in relatively short order. Supporters contend these enforceable building code provisions and regulations are an

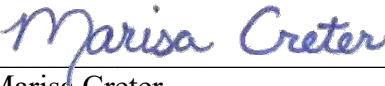
important step to improved seismic safety in California and that providing these specific design and construction requirements will support California's broader disaster resilience and mitigation goals in the future. The following is a list of those who support this bill:

- City of Duarte
- City of Los Angeles
- Earthquake engineering and Research Institute
- Structural Engineers Association of California
- Dr. Lucy Jones Center for Science and Society

Those who oppose AB 1857 question the necessity of implementing higher structural standards statewide, and requiring the CBSC follow the specific direction of the working group. The following is a list of those who oppose this bill:

- American Institute of Architects, California Council
- Building Owners and Managers Association
- California Apartment Association
- California Building Industry Association California Business Properties Association
- International Council of Shopping Centers
- NAIOP of California, the Commercial Real
- Estate Development Association

Prepared by:   
Christian Cruz  
Management Analyst

Approved by:   
Marisa Creter  
Executive Director

## **ATTACHMENTS**

- Attachment A – AB 1857
- Attachment B – Resolution 18-29

AMENDED IN ASSEMBLY APRIL 12, 2018

AMENDED IN ASSEMBLY APRIL 3, 2018

CALIFORNIA LEGISLATURE—2017–18 REGULAR SESSION

**ASSEMBLY BILL**

**No. 1857**

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**Introduced by Assembly Member Nazarian  
(Coauthor: Assembly Member Chiu)**

January 10, 2018

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An act to add Section 18941.11 to the Health and Safety Code, relating to building standards.

LEGISLATIVE COUNSEL'S DIGEST

AB 1857, as amended, Nazarian. Building codes: earthquake safety: immediate occupancy standard.

The California Building Standards Law provides for the adoption of building standards by state agencies by requiring all state agencies that adopt or propose adoption of any building standard to submit the building standard to the California Building Standards Commission (commission) for approval and adoption.

This bill would require the commission to assemble a functional recovery working group comprised of certain state entities and members of the construction and insurance industries, as specified. The bill would require the group, by July 1, 2020, to investigate and determine criteria for a "functional recovery" standard following a seismic event, for all or some building occupancy classifications and to direct the ~~Department of Housing and Community Development (department)~~ *commission* to propose the appropriate building ~~standards for consideration by the commission,~~ *standards*, as specified. The bill would require the ~~commission and the department~~ to produce a document providing

guidance to, among others, building owners and local jurisdictions regarding function recovery after a seismic event, in the event that new building standards are not in place by January 1, 2023, as specified. The bill would authorize the commission and the department to issue regulations based upon the recommendations from the group. The bill would define “functional recovery” for purposes of these provisions.

Vote: majority. Appropriation: no. Fiscal committee: yes. State-mandated local program: no.

*The people of the State of California do enact as follows:*

- 1 SECTION 1. Section 18941.11 is added to the Health and
- 2 Safety Code, to read:
- 3 18941.11. (a) The Building Standards Commission shall
- 4 assemble a functional recovery working group comprised of
- 5 appropriate public and private sector entities, including, but not
- 6 limited to:
- 7 (1) The Department of Housing and Community Development.
- 8 (2) ~~The Structural Safety Department of the Division of the~~
- 9 ~~State Architect.~~
- 10 (3) ~~The International Code Council.~~ *Office of the State Fire*
- 11 *Marshal.*
- 12 (4) The Structural Engineers Association of California.
- 13 (5) California building officials.
- 14 (6) The insurance industry.
- 15 (7) The Building Owners and Managers Association.
- 16 (8) Members of the construction industry.
- 17 (9) The Earthquake Engineering Research Institute.
- 18 (10) The California Council of the American Institute of
- 19 Architects.
- 20 (11) The Association of Bay Area Governments.
- 21 (12) The Southern California Association of Governments.
- 22 (13) The American Society of Civil Engineers.
- 23 (14) The Los Angeles Economic Development Council or an
- 24 economic development organization representing a metropolitan
- 25 region in the state.
- 26 (15) *The Alfred E. Alquist Seismic Safety Commission.*
- 27 (b) Not later than July 1, 2020, the functional recovery working
- 28 group shall do both of the following:



1 (1) Investigate and determine criteria for a “functional recovery”  
2 standard for all or some building occupancy classifications, and  
3 investigate and determine practical means of implementing that  
4 standard, as mandatory building code provisions. This shall be  
5 done for each of the seismic design categories applicable to the  
6 state.

7 (2) Subsequent to development of the building code provisions  
8 pursuant to paragraph (1), the working group shall direct the  
9 commission ~~and the Department of Housing and Community~~  
10 ~~Development~~ to propose the appropriate building standards for  
11 consideration by the commission during the next regularly  
12 scheduled Triennial Adoption Cycle occurring after January 1,  
13 2020.

14 (c) If the mandatory building code provisions under subdivision  
15 (b) are not completed in time for inclusion with the California  
16 Building Standards Code, effective January 1, 2023, the  
17 commission ~~and department~~ shall produce a guidance document  
18 for use by architects, building owners, *engineers*, insurance  
19 companies, and local jurisdictions that would provide a higher  
20 level of structural strength in new construction with the goal of  
21 enabling functional recovery after a significant seismic event. The  
22 commission is authorized to take the steps necessary to produce  
23 and distribute this document to interested parties via its Internet  
24 Web site and other venues.

25 (d) The commission ~~and the department~~ *are is* authorized to  
26 adopt regulations based upon the recommendations resulting from  
27 the working group for nonresidential occupancies. These  
28 regulations shall comply with the requirements of the  
29 Administrative Procedures Act, Chapter 3.5 (commencing with  
30 Section 11340) of Part 1 of Division 2 of Title 2 of the Government  
31 Code.

32 (e) For purposes of this section, “functional recovery standard”  
33 means a set of enforceable building code provisions and regulations  
34 that provide specific design and construction requirements intended  
35 to result in a building for which postearthquake structural and  
36 nonstructural capacity are maintained or can be restored to support  
37 the basic intended functions of the building’s preearthquake use  
38 and occupancy within a maximum acceptable time, where the

- 1 maximum acceptable time might differ for various uses or
- 2 occupancies.

O

**RESOLUTION 18-29**  
**A RESOLUTION OF THE GOVERNING BOARD OF THE SAN GABRIEL**  
**VALLEY COUNCIL OF GOVERNMENTS (“SGVCOG”)**  
**SUPPORTING AB 1857 (NAZARIAN).**

**WHEREAS**, current state law only requires a building to protect the loss of life, but not the loss of property;

**WHEREAS**, despite state and local action and improvement to local building codes, the risk to economy after a major earthquake is still great;

**WHEREAS**, analyses of large earthquakes anticipated in Southern California predict that up to half of buildings built to the current code will suffer enough damage to be flagged as dangerous by local building departments, which represents trillions of dollars of damage, thousands of displaced people, and a significant disruption to the regional economy;

**WHEREAS**, additional retrofitting to vulnerable buildings will add an economic benefit by building new buildings at a higher standard so they can be used immediately after an earthquake;

**WHEREAS**, the SCAG General Assembly on May 3rd, highlighted the potential risks a major earthquake would have to the region’s infrastructure and economy;

**WHEREAS**, a recent study by the International Code Council identified that for every \$1 invested in strengthening building codes, \$4 is saved in repair costs;

**WHEREAS**, AB 1857 will require the California Building Standards Commission to assemble a recovery working group to investigate and determine criteria for a “functional recovery” standard following a seismic event; and

**WHEREAS**, AB 1857 will ensure that building codes require new buildings to meet a functional recovery standard, which would mean people could enter buildings and resume normal activities soon after a large seismic event.

**NOW, THEREFORE BE IT RESOLVED THAT THE GOVERNING BOARD OF THE SGVCOG SUPPORTS AB 1857 (NAZARIAN).**

PASSED, APPROVED, and ADOPTED this 31<sup>st</sup> day of May, 2018.

SAN GABRIEL VALLEY COUNCIL OF GOVERNMENTS

\_\_\_\_\_  
Cynthia Sternquist, President

**Attest:**

I, Marisa Creter, Executive Director and Secretary of the Board of Directors of the San Gabriel Valley Council of Governments, do hereby certify that Resolution 18-29 was adopted at a regular meeting of the Governing Board held on the 31<sup>st</sup> day of May, 2018, by the following roll call vote:

<b>AYES:</b>	
<b>NOES:</b>	
<b>ABSTAIN:</b>	
<b>ABSENT:</b>	

---

Marisa Creter, Secretary

DATE: May 31, 2018  
TO: Governing Board  
FROM: Marisa Creter, Executive Director  
RE: **AB 2681 (Nazarian)**

## **RECOMMENDED ACTION**

Adopt Resolution 18-30 to support AB 2681 (Nazarian).

## **AB 2681 (NAZARIAN) BACKGROUND**

Currently, existing law establishes a program within all cities and counties and their portions located within a seismic zone 4 to identify all potentially vulnerable buildings and to establish a program for mitigation.

AB 2681 requires, on or before January 1, 2021, that each building department develop an inventory of all potentially vulnerable buildings within its jurisdiction, based on the age of the building and other publicly available information, including, but not limited to, tax assessors record surveys and online searches. AB 2681 would also require each building department to notify all owners of any building identified as a potentially vulnerable building. Additionally, AB 2681 specifies that the California Office of Emergency Services must identify funding mechanisms to help reimburse building departments for this work.

## **LOCAL IMPACT**

While some cities have started identifying vulnerable buildings and implemented mandatory retrofits, many cities have not identified vulnerable buildings. An accurate statewide building vulnerability map is an important first step in developing longer-term solutions to mitigate the effects of large-scale earthquakes. However, this legislation would place a heavy burden on local building departments, including additional staff time and resources, to create such a list.

## **SUPPORT AND OPPOSITION**

Those who support AB 2681 believe this bill will help identify California's seismic vulnerabilities and provide an assessment of communities where there is an urgency to address seismic vulnerabilities. The following is a list of those who support this bill:

- City of Los Angeles
- Fair Housing Council Riverside
- State Building and Construction Trades Council
- United States Green Building Council


# REPORT

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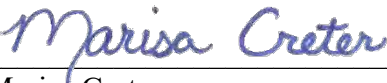
Those who oppose AB 2681 believe that this bill should only apply to buildings with 16 units or more and the bill should specify that sellers and brokers would be allowed to inform buyers of “potentially vulnerable buildings” by providing the Commercial Property Owner’s Guide to Earthquake Safety to them. The following is a list of those who oppose this bill:

- California Realtors Association (unless amended)

Prepared by:

  
Christian Cruz  
Management Analyst

Approved by:

  
Marisa Creter  
Executive Director

## ATTACHMENTS

Attachment A – AB 2681

Attachment B – Resolution 18-30

AMENDED IN ASSEMBLY APRIL 12, 2018

CALIFORNIA LEGISLATURE—2017—18 REGULAR SESSION

**ASSEMBLY BILL**

**No. 2681**

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**Introduced by Assembly Member Nazarian**

February 15, 2018

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An act to add Chapter 12.2.5 (commencing with Section 8875.100) to Division 1 of Title 2 of the Government Code, relating to seismic safety.

LEGISLATIVE COUNSEL'S DIGEST

AB 2681, as amended, Nazarian. Seismic safety: potentially vulnerable buildings.

Existing law establishes a program within all cities and all counties and portions thereof located within seismic zone 4, as defined, to identify all potentially hazardous buildings and to establish a mitigation program for these buildings. The mitigation program may include, among other things, the adoption by ordinance of a hazardous buildings program, measures to strengthen buildings, and the application of structural standards necessary to provide for life safety above current code requirements.

This bill ~~would~~ *would, upon the identification of funding by the Office of Emergency Services*, require each building department of a city or county to create an inventory of potentially vulnerable buildings, as defined, within its jurisdiction, based on age and other publicly available information, and submit that inventory to the ~~Office of Emergency Services~~ *office*, as specified. By increasing the duties of local officials, this bill would create a state-mandated local program. The bill would require the ~~Office of Emergency Services office~~ *office* to, among other things, maintain a statewide inventory, create a standard reporting form, ~~prepare~~

~~a report identifying possible funding mechanisms available to building departments and building owners in complying with these provisions; identify funding mechanisms to offset costs to building departments and building owners in complying with these provisions,~~ and report annually to the Legislature on the compliance of building departments with these provisions. The bill would require the owner of a building identified by a building department as a potentially vulnerable building to retain a licensed professional engineer to identify whether the building meets the definition of a potentially vulnerable building, and if it does, to complete the standard reporting form. The bill would specify the date by which each requirement must be met.

The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that, if the Commission on State Mandates determines that the bill contains costs mandated by the state, reimbursement for those costs shall be made pursuant to the statutory provisions noted above.

Vote: majority. Appropriation: no. Fiscal committee: yes.  
State-mandated local program: yes.

*The people of the State of California do enact as follows:*

1 SECTION 1. Chapter 12.2.5 (commencing with Section  
2 8875.100) is added to Division 1 of Title 2 of the Government  
3 Code, to read:

4  
5 CHAPTER 12.2.5. EARTHQUAKE VULNERABLE BUILDINGS

6  
7 8875.100. The Legislature hereby finds and declares all of the  
8 following:

9 (a) The devastation left by hurricanes Harvey, Irma, and Maria,  
10 and the September 2017 earthquakes in Mexico is a wake-up call  
11 for California.

12 (b) The most recent California ShakeOut study estimates that  
13 a major quake along the San Andreas Fault could cause more than  
14 two hundred billion dollars (\$200,000,000,000) in physical and  
15 economic damage, and could result in up to 1,800 or more deaths.



1 (c) The chronic labor and affordable housing shortages from  
2 which most cities in California already suffer would be made  
3 dramatically worse for years to come following such an event.

4 (d) California contains thousands of buildings that are known  
5 to present a heightened earthquake risk of death, injury, and  
6 damage based on their age, structural system, size, and location.

7 (e) Protecting our state’s economy, affordable housing stock,  
8 and social fabric from the long-lasting turmoil of earthquakes is  
9 of utmost importance, and the failure to do so could impact  
10 Californians’ quality of life for decades.

11 (f) Because the state represents the sixth largest economy in the  
12 world, the aftershocks of such an event would have national and  
13 even global impacts.

14 8875.101. For purposes of this section, the following terms  
15 have the following ~~meaning~~: *meanings*:

16 (a) “Building department” means the department, bureau, or  
17 officer of a city or county charged with the enforcement of laws  
18 or ordinances regulating the erection, construction, or alteration  
19 of buildings.

20 (b) (1) “Potentially vulnerable building” means a building that  
21 meets both of the following:

22 (A) The building is located in a region of the state with a peak  
23 ground acceleration equal to or exceeding 0.3g as determined by  
24 the 2008 United States Geological Survey National Seismic Hazard  
25 Model gridded data, based on 10-percent-in-50-year probability  
26 of exceedance, or is located in the Counties of Monterey, San  
27 Diego, San Luis Obispo, or Santa Barbara.

28 (B) The building has one or more of the following  
29 characteristics:

30 (i) The design and construction of the building was approved  
31 by the city or county pursuant to the 1976 or earlier edition of the  
32 Uniform Building Code.

33 (ii) The design and construction of the building was approved  
34 by the city or county pursuant to the 1995 or earlier edition of the  
35 California Building Code and consists of any of the following  
36 structural systems:

37 (I) Steel frame buildings with moment frame connections.

38 (II) Soft, weak, or open front walls at the ground floor level of  
39 light framed buildings.

40 (III) Concrete or masonry buildings with flexible diaphragms.

1 (IV) Buildings with precast, prestressed, or post-tensioned  
2 concrete.

3 (2) “Potentially vulnerable building” does not include any of  
4 the following:

5 (A) building designed and constructed for use exclusively as a  
6 dwelling by four or fewer families.

7 (B) A building listed in subdivision (a), (c), or (e) of Section  
8 19100 of the Health and Safety Code.

9 (C) Hospitals, public schools, or buildings owned by the state  
10 or federal government.

11 (c) “Office” means the Office of Emergency Services.

12 8875.102. On or before January 1, ~~2020~~, 2021, each building  
13 department shall develop an inventory of potentially vulnerable  
14 buildings within its jurisdiction, based on the age of the building  
15 and other publicly available information, including, but not limited  
16 to, tax assessors record surveys and online searches.

17 8875.103. (a) On or before January 1, ~~2020~~, 2021, each  
18 building department shall notify the owner of any building  
19 identified by the building department as a potentially vulnerable  
20 building of the status of the owner’s building.

21 (b) (1) On or before January 1, ~~2021~~, 2022, an owner who has  
22 received a notification from a building department pursuant to  
23 subdivision (a) shall submit a letter from a licensed professional  
24 engineer to the building department stating whether the building  
25 meets the definition of a potentially vulnerable building set forth  
26 in subdivision (b) of Section 8875.101.

27 (2) If the letter from a licensed professional engineer submitted  
28 by the owner of a building pursuant to paragraph (1) states that  
29 the building does not meet the definition of a potentially vulnerable  
30 building, the building department shall remove the building from  
31 the inventory it created pursuant to Section 8875.102, and shall  
32 not include the building on the list provided to the office pursuant  
33 to Section 8875.104.

34 (3) If a letter from a licensed professional engineer has not been  
35 submitted by the owner of a building pursuant to paragraph (1),  
36 the building department shall assume that the building qualifies  
37 as a potentially vulnerable building and shall include the building  
38 on the inventory provided to the office pursuant to Section  
39 8875.104.

1 8875.104. (a) The office shall maintain a statewide inventory  
2 of potentially vulnerable buildings in a searchable database on its  
3 Internet Web site. *buildings.*

4 (b) On or before June 1, ~~2021~~, 2022, each building department  
5 shall provide the office, in an electronic form prescribed by the  
6 office, the inventory of buildings identified by the building  
7 department as potentially vulnerable buildings pursuant to Sections  
8 8875.102 and 8875.103.

9 (c) A building department shall notify the office if a building  
10 on the inventory is seismically retrofitted or replaced and the office  
11 shall remove that building from the statewide inventory.

12 8875.105. (a) On or before January 1, ~~2020~~, 2021, the office  
13 shall develop a standard reporting form that addresses the expected  
14 seismic performance of the building in terms of safety, repair costs,  
15 and recovery time, when subjected to an earthquake consistent  
16 with the intensity prescribed in the most current edition of the  
17 California Building Code for new building design.

18 (b) On or before June 1, ~~2021~~, 2022, each building department  
19 shall provide the standard reporting form to the owner of any  
20 building that remains on the building department's list of  
21 potentially vulnerable buildings following the removal of any  
22 buildings pursuant to paragraph (2) of subdivision (b) of Section  
23 8875.103.

24 (c) On or before January 1, ~~2024~~, 2025, the owner of a building  
25 identified by a building department as a potentially vulnerable  
26 building pursuant to Section 8875.103 shall retain a professional  
27 engineer to complete the standard reporting form and provide the  
28 completed standard reporting form to the building department.

29 (d) On or before June 1, ~~2024~~, 2025, each building department  
30 shall provide the office in an electronic form prescribed by the  
31 office, the completed standard reporting forms.

32 8875.106. On or before January 1, 2020, the office shall ~~prepare~~  
33 ~~and post on the office's Internet Web site, a report identifying~~  
34 ~~possible~~ *identify* funding mechanisms to offset costs to building  
35 departments and building owners in complying with this chapter.  
36 *The funding shall be limited to federal funds, funds from the*  
37 *General Fund of the state, funds from the sale of revenue bonds,*  
38 *local funds, and private grants.*

39 8875.107. No city, county, or city and county, nor any  
40 employee of a city, county, or city and county, shall be liable for

1 damages for injury to persons or property, resulting from an  
 2 earthquake or otherwise, on the basis of any inventory, assessment,  
 3 or evaluation performed, any ordinance adopted, or any other  
 4 action taken pursuant to this chapter, irrespective of whether that  
 5 action complies with the terms of this chapter, or on the basis of  
 6 failure to take any action authorized by this chapter. The immunity  
 7 from liability provided herein is in addition to all other immunities  
 8 of the city, city and county, or county provided by law.

9 8875.108. The office shall coordinate the earthquake related  
 10 responsibilities of building departments imposed by this chapter  
 11 to ensure compliance with the purposes of this chapter.

12 8875.109. Notwithstanding Section 10231.5, the office shall  
 13 report annually to the Legislature on the compliance of building  
 14 departments with the requirements of this chapter. The annual  
 15 report shall review and assess the effectiveness of building  
 16 identification and evaluation standards adopted by these building  
 17 departments pursuant to this section. The annual report shall  
 18 comply with Section 9795.

19 8875.110. *This chapter shall not become operative until the*  
 20 *office identifies funding pursuant to Section 8875.106 and the*  
 21 *office reports to the Secretary of State that this contingency has*  
 22 *been met and also posts notice on its Internet Web site that the*  
 23 *contingency has been met.*

24 SEC. 2. If the Commission on State Mandates determines that  
 25 this act contains costs mandated by the state, reimbursement to  
 26 local agencies and school districts for those costs shall be made  
 27 pursuant to Part 7 (commencing with Section 17500) of Division  
 28 4 of Title 2 of the Government Code.

O

**RESOLUTION 18-30**  
**A RESOLUTION OF THE GOVERNING BOARD OF THE SAN GABRIEL**  
**VALLEY COUNCIL OF GOVERNMENTS (“SGVCOG”)**  
**SUPPORTING AB 2681 (NAZARIAN).**

**WHEREAS**, current state law defines a “Potentially Hazardous Building” as any building constructed prior to the adoption of local building codes requiring earthquake resistant design of buildings and constructed of unreinforced masonry wall construction;

**WHEREAS**, the chronic labor and affordable housing shortages most California cities already suffer would dramatically increase following a major seismic event;

**WHEREAS**, protecting the state’s economy, affordable housing stock, and social fabric from the long-lasting turmoil of a large-scale earthquake is critical;

**WHEREAS**, AB 2681 requires, on or before January 1, 2021, each city and county building department to develop an inventory of potentially vulnerable buildings within its jurisdiction, based on the age of the building and other publicly available information;

**WHEREAS**, AB 2681 requires city and county building departments to submit to the California Office of Emergency Services (CalOES) an inventory of buildings in their jurisdiction that are potentially vulnerable to seismic activity;

**WHEREAS**, AB 2681 requires, on or before January 1, 2021, the building department to notify all owners of any building identified as a potentially vulnerable building;

**WHEREAS**, AB 2681 requires, on or before January 1, 2022, an owner who has received a notification to submit a letter from a licensed professional engineer to the building department stating whether the building meets or does meet the definition of a potentially vulnerable building;

**WHEREAS**, AB 2681 requires CalOES to report annually to the Legislature on the compliance of building departments with the requirements of this bill; and

**WHEREAS**, AB 2681 specifies that CalOES must identify funding mechanisms to help reimburse building departments for this work.

**NOW, THEREFORE BE IT RESOLVED THAT THE GOVERNING BOARD OF THE SGVCOG SUPPORTS AB 2681 (NAZARIAN).**

PASSED, APPROVED, and ADOPTED this 31<sup>st</sup> day of May, 2018.

SAN GABRIEL VALLEY COUNCIL OF GOVERNMENTS

\_\_\_\_\_  
Cynthia Sternquist, President

**Attest:**

I, Marisa Creter, Executive Director and Secretary of the Board of Directors of the San Gabriel Valley Council of Governments, do hereby certify that Resolution 18-30 was adopted at a regular meeting of the Governing Board held on the 31<sup>st</sup> day of May, 2018, by the following roll call vote:

<b>AYES:</b>	
<b>NOES:</b>	
<b>ABSTAIN:</b>	
<b>ABSENT:</b>	

\_\_\_\_\_  
Marisa Creter, Secretary

DATE: May 31, 2018  
TO: SGVCOG Governing Board  
FROM: Marisa Creter, Executive Director  
RE: **AB 2417 (Rodriguez)**

## **RECOMMENDED ACTION**

Adopt Resolution 18-31 to *oppose* AB 2417 (Rodriguez).

## **AB 2417 (RODRIGUEZ) BACKGROUND**

In 1998, SB 1847 (Schiff) established the Foothill Gold Line Construction Authority (Construction Authority), also referred to as the Metro Gold Line Foothill Extension Construction Authority, which was originally titled the Pasadena Metro Blue Line Construction Authority. This independent transportation planning, design, and construction agency was formed to resume design and future construction of the Los Angeles to Pasadena Metro Blue Line, which was later renamed the Gold Line before the transit line opened. The Los Angeles to Pasadena segment opened for public transit use in March 2003. The Construction Authority's charter was also later updated in 2011 by AB 706 and again in 2012 by AB 1600 (Torres), the latter of which extended the terminus of the Metro Gold Line from Claremont to the Montclair Transcenter in San Bernardino County. In March 2016, the Phase 2A segment of the Metro Gold Line, which stretches from East Pasadena to Azusa, opened for operation. Additionally, in December 2017, the Phase 2B segment of the line, from the Azusa-Glendora border to Montclair, formally broke ground.

Currently law stipulates that the Construction Authority be governed by an 9-member Board of Directors, which includes 5 voting members and 4 non-voting members. The 5 voting members are appointed by jurisdictions which have been impacted by Gold Line construction and have financially invested in this project. The 5 voting members are appointed by the following governing entities: the City of Los Angeles, the City of Pasadena, the City of South Pasadena, the Los Angeles County Metropolitan Transportation Authority, and the San Gabriel Valley Council of Governments, which collectively represents the smaller cities in LA County and the San Gabriel Valley on the eastern portion of the line.

AB 2417 (Rodriguez) would increase the number of voting members on the Foothill Gold Line Construction Authority from five to six, and this sixth representative would be appointed by the City of Montclair.

## **LOCAL IMPACT OF AB 2417 (RODRIGUEZ)**

AB 2417, by adding a voting member to be appointed by the City of Montclair, would give San Bernardino County and its communities an official vote on the Construction Authority's Board of Directors. The reasoning and premise for adding a voting member from the City of Montclair is to

recognize the City's key and integral role as the terminus station for the Metro Gold Line, and give the City a voice on all Gold Line related matters, particularly construction.

## **SUPPORT AND OPPOSITION**

Those who support AB 2417 argue that the City of Montclair deserves to have a full vote and fair representation on the Board of Directors because not only will Montclair have a Gold Line station located in its City, but this station will be a terminus station that will connect transit users to many other points and opportunities throughout San Bernardino County. The following is a list of those who support this bill:

- City of Montclair

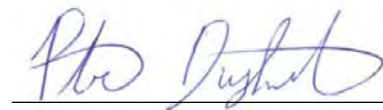
Those who oppose AB 2417 believe that AB 2417's proposed change to the membership of the Board of Directors is untimely and could create uncertainty and ambiguity for design-build teams which are bidding on the Phase 2B project. There is concern that this uncertainty could cause bidders to increase their bids due to any resulting liability additions to their bids for the project. Most opponents also point out that there is already a representative from San Bernardino County on the Board of Directors, though this representative is a non-voting member. However, the San Bernardino County Transportation Authority (SBCTA) is in opposition to the bill because it does not convert their current non-voting seat on the Board of Directors to full voting member seat. The following is a list of those who oppose this bill:

- Foothill Gold Line Construction Authority
- Los Angeles County Metropolitan Transportation Authority
- San Bernardino County Transportation Authority (unless amended)

## **NEXT STEPS**

At its May 10 meeting, the SGVCOG Transportation Committee approved a motion to recommend that the SGVCOG Governing Board oppose AB 2417 (Rodriguez). The Governing Board will now have the opportunity to take a position on this bill, either to concur with the Transportation Committee's position of oppose by adopting Resolution 18-31, as per the recommended action, or to support the piece of legislation. If the Governing Board adopts Resolution 18-31 to oppose AB 2417, then the attached letter and resolution (Attachment A) will be sent to the California State Legislature.

Prepared by:



Peter Duyshart  
Project Assistant

Approved by:



Marisa Creter  
Executive Director



## **ATTACHMENTS**

Attachment A – Resolution 18-31 & Letter to Asm. Rodriguez

Attachment B – AB 2417 Text

Attachment C – AB 2417 Analysis – Assembly Committee on Local Government

Attachment D – AB 2417 Fact Sheet (via the Office of Asm. Freddie Rodriguez)



## OFFICERS

June 4, 2018

President  
Cynthia Sternquist

1<sup>st</sup> Vice President  
Margaret Clark

2<sup>nd</sup> Vice President  
Joe Lyons

3<sup>rd</sup> Vice President  
Becky Shevlin

The Honorable Freddie Rodriguez  
California State Assembly  
State Capitol Building, Room 2188  
Sacramento, CA 95814  
VIA FAX: 916-319-2152

## MEMBERS

Alhambra

Arcadia

Azusa

Baldwin Park

Bradbury

Claremont

Covina

Diamond Bar

Duarte

El Monte

Glendora

Industry

Irwindale

La Cañada Flintridge

La Puente

La Verne

Monrovia

Montebello

Monterey Park

Pomona

Rosemead

San Dimas

San Gabriel

San Marino

Sierra Madre

South El Monte

South Pasadena

Temple City

Walnut

West Covina

First District, LA County

Unincorporated Communities

Fourth District, LA

County Unincorporated

Communities

Fifth District, LA County

Unincorporated Communities

SGV Water Districts

**RE: AB 2417 (Rodriguez) Foothill Gold Line Construction Authority**  
**Notice of Opposition (as introduced 2/14/18)**

Dear Assembly Member Rodriguez,

On May 31, 2018, the Governing Board of the San Gabriel Valley Council of Governments (SGVCOG) adopted Resolution 18-31 in opposition to AB 2417 (Rodriguez), which would increase the membership of the Board of Directors of the Foothill Gold Line Construction Authority from five voting members to six voting members, and stipulates that the City of Montclair shall appoint the sixth voting member. The SGVCOG advises that this legislation not be passed into law.

If you have questions or would like to consult with our staff, please contact Peter Duyshart, Project Assistant, at [pduyshart@sgvcog.org](mailto:pduyshart@sgvcog.org), or at 626-457-1800.

Sincerely,

Marisa Creter  
Executive Director  
San Gabriel Valley Council of Governments

cc: SGV Legislative Caucus  
Assembly Committee on Local Government  
Assembly Committee on Appropriations

**ATTACHMENTS**  
Attachment A: Resolution 18-31

**RESOLUTION 18-31**  
**A RESOLUTION OF THE GOVERNING BOARD OF THE SAN GABRIEL**  
**VALLEY COUNCIL OF GOVERNMENTS (“SGVCOG”)**  
**OPPOSING AB 2417 (RODRIGUEZ)**

**WHEREAS**, existing State of California law created the Metro Gold Line Foothill Extension Construction Authority (“Authority”), formerly the Pasadena Metro Blue Line Construction Authority, as an independent transportation planning, design, and construction agency tasked with resuming design, contracting, and construction of the Metro Gold Line from Los Angeles to Pasadena,

**WHEREAS**, existing State of California law defined the Authority’s charter and role to construct mass transit along a right-of-way east to the City of Claremont,

**WHEREAS**, existing State of California law stipulates that the Board of Directors of the Authority includes five (5) voting members and four (4) non-voting members, and is structured in the following manner:

- a) Three voting members appointed by the City Councils of Los Angeles, Pasadena, and South Pasadena,
- b) One voting member appointed by the San Gabriel Valley Council of Governments (SGVCOG),
- c) One voting member appointed by the Los Angeles County Metropolitan Transportation Authority (LA Metro),
- d) Two nonvoting members appointed by the City of Pasadena and City of South Pasadena,
- e) One nonvoting member appointed by the Governor of California,
- f) One nonvoting member appointed by the San Bernardino County Transportation authority (SBCTA);

**WHEREAS**, the Authority’s charter and its scope of work were amended by legislation in 2012 to extend the terminus of the Metro Gold Line from the City of Claremont to the Montclair Transcenter in San Bernardino County,

**WHEREAS**, AB 2417 would increase the number of voting members on the authority from five (5) to six (6), and would require that this sixth voting member on the Board of Directors be appointed by the City of Montclair;


**WHEREAS**, any changes to the governing structure of the Authority’s Board of Directors during the procurement processes for construction of Phase 2B of the Metro Gold Line could result in ambiguity and uncertainty, which, in turn, could increase costs;

**WHEREAS**, while construction of Phase 2B of the Metro Gold Line has formally commenced, most of the extension is still in the planning and pre-construction stages, meaning the Board of Directors is still considering and deliberating a plethora of issues which do not affect the Montclair portion of the extension, and major construction has not progress eastward close to the border between Los Angeles County and San Bernardino County.

**NOW, THEREFORE BE IT RESOLVED THAT THE GOVERNING BOARD OF THE  
SGVCOG OPPOSES AB 2417 (RODRIGUEZ)**

PASSED, APPROVED, and ADOPTED this 31<sup>st</sup> day of May, 2018.

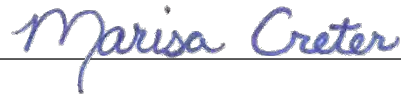
SAN GABRIEL VALLEY COUNCIL OF GOVERNMENTS

By:   
Cynthia Sternquist, President

**Attest:**

I, Marisa Creter, Executive Director and Secretary of the Board of Directors of the San Gabriel Valley Council of Governments, do hereby certify that Resolution 18-31 was adopted at a regular meeting of the Governing Board held on the 31<sup>st</sup> day of May, 2018, by the following roll call vote:

<b>AYES:</b>	
<b>NOES:</b>	
<b>ABSTAIN:</b>	
<b>ABSENT:</b>	



Marisa Creter, Secretary

**ASSEMBLY BILL****No. 2417**

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**Introduced by Assembly Member Rodriguez**February 14, 2018

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An act to amend Section 132415 of the Public Utilities Code, relating to transportation.

## LEGISLATIVE COUNSEL'S DIGEST

AB 2417, as introduced, Rodriguez. Metro Gold Line Foothill Extension Construction Authority.

(1) Existing law creates the Metro Gold Line Foothill Extension Construction Authority, governed by a board of 5 voting members and 3 nonvoting members, appointed as specified, for purposes relating to the development of a light rail project extending from the City of Los Angeles to the Cities of Pasadena and Montclair, and authorizes the authority to accept grants, fees, and allocations from federal, state, local agencies, and private entities, and to accept transfers of funds from federal, state, and local agencies.

This bill would increase to 6 the voting members of the board by adding one voting member appointed by the City of Montclair. Because this bill would require a local authority to assume additional responsibilities, it would create a state-mandated local program.

(2) The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that, if the Commission on State Mandates determines that the bill contains costs mandated by the state, reimbursement for those costs shall be made pursuant to the statutory provisions noted above.

Vote: majority. Appropriation: no. Fiscal committee: yes.  
State-mandated local program: yes.

*The people of the State of California do enact as follows:*

1 SECTION 1. Section 132415 of the Public Utilities Code is  
2 amended to read:  
3 132415. (a) The authority shall be governed by a board  
4 consisting of ~~five~~ six voting members and four nonvoting members  
5 who shall be appointed as follows:  
6 (1) ~~Three~~ Four members shall be appointed by the City Councils  
7 of the Cities of Los Angeles, *Montclair*, Pasadena, and South  
8 Pasadena, with each city council appointing one member by a  
9 majority vote of the membership of that city council.  
10 (2) One member shall be appointed by the President of the  
11 Governing Board of the San Gabriel Valley Council of  
12 Governments, subject to confirmation by that board.  
13 (3) One member shall be appointed by the LACMTA.  
14 (4) One nonvoting member shall be appointed by the Governor.  
15 (5) Two nonvoting members shall be appointed by the City  
16 Councils of the Cities of Pasadena and South Pasadena, with each  
17 city appointing one nonvoting member.  
18 (6) One nonvoting member shall be appointed by the president  
19 of the board of directors of the San Bernardino Associated  
20 Governments, subject to confirmation by that board.  
21 (b) All members shall serve a term of not more than four years,  
22 with no limit on the number of terms that may be served by any  
23 person.  
24 (c) Each appointing authority shall also appoint an alternate  
25 member to serve in a member's absence. If the position of a voting  
26 member becomes vacant, the alternate member shall serve until  
27 the position is filled as required pursuant to subdivision (a).  
28 (d) Members of the board are subject to the Political Reform  
29 Act of 1974 (Title 9 (commencing with Section 81000) of the  
30 Government Code).  
31 (e) Three members of the board shall constitute a quorum.  
32 (f) The board shall elect a chairperson and vice chairperson  
33 from among the membership of the board.  
34 (g) Each member of the board may be compensated at a rate of  
35 not more than one hundred fifty dollars (\$150) per day spent

1 attending to the business of the authority. Compensation, if paid,  
2 shall not exceed six hundred dollars (\$600) per month, plus  
3 expenses directly related to the performance of duties imposed by  
4 the authority, including, but not limited to, travel and personal  
5 expenses.

6 (h) Members appointed to the board may include members of  
7 the entities set forth in subdivision (a), and members of the city  
8 councils or other elected officials of the extension cities, or both.  
9 The simultaneous membership described in this subdivision shall  
10 not constitute a violation of Section 1099 or 1126 of the  
11 Government Code.

12 SEC. 2. If the Commission on State Mandates determines that  
13 this act contains costs mandated by the state, reimbursement to  
14 local agencies and school districts for those costs shall be made  
15 pursuant to Part 7 (commencing with Section 17500) of Division  
16 4 of Title 2 of the Government Code.

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Date of Hearing: April 11, 2018

ASSEMBLY COMMITTEE ON LOCAL GOVERNMENT

Cecilia Aguiar-Curry, Chair

AB 2417 (Rodriguez) – As Introduced February 14, 2018

**SUBJECT:** Metro Gold Line Foothill Extension Construction Authority.

**SUMMARY:** Increases the board membership of the Metro Gold Line Foothill Extension Construction Authority (Authority) to six voting members by adding a representative from the City of Montclair.

**EXISTING LAW:**

- 1) Creates the Authority, formerly known as the Pasadena Metro Blue Line Construction Authority, for the purpose of awarding and overseeing all design and construction contracts for the completion of the Gold Line light rail project.
- 2) Specifies a governing board of the following members:
  - a) Three voting members appointed by the city councils of Los Angeles, Pasadena, and South Pasadena;
  - b) One voting member appointed by the President of the board of the San Gabriel Valley Council of Governments, subject to confirmation by that board;
  - c) One voting member appointed by the Los Angeles County Metropolitan Transportation Authority (LACMTA);
  - d) One nonvoting member appointed by the Governor of California;
  - e) Two nonvoting members appointed by the city councils of Pasadena and South Pasadena, with each city appointing one nonvoting member; and,
  - f) One nonvoting member appointed by the President of the board of the San Bernardino Associated Governments (now the San Bernardino County Transportation Authority or SBCTA), subject to confirmation by that board.
- 3) Requires that all members must serve a term of not more than four years with no limit on the number of terms an individual member can serve.
- 4) Mandates that each appointing authority must also appoint an alternate member to serve in a sitting member's absence. If a sitting member vacates office, the alternate member must serve until a replacement is appointed.
- 5) Authorizes board members to be compensated at a rate of no more than \$150 per day attending to the business of the Authority. The compensation must not exceed \$600 per month plus reimbursement for expenses directly related to the performance of duties.

- 6) Provides that Authority board members and alternative members are not considered financially interested, pursuant to existing law, by virtue of their holding office with the Authority and simultaneously holding office with an appointing member of the Authority, or holding a similar position with an extension city.
- 7) Provides that any member who holds a position is permitted to participate in decisions and agreements regarding the development of the Gold Line Extension without such participation constituting a financial conflict of interest, and are exempt from existing law governing incompatible employment activity
- 8) Specifies the Authority's powers and duties.
- 9) Defines the Gold Line project as the Los Angeles-Pasadena Foothill Extension Gold Line light rail project, formerly known as the Los Angeles-Pasadena Metro Blue Line, extending from Union Station in the City of Los Angeles to Sierra Madre Villa Boulevard in the City of Pasadena and any mass transit guideway that may be planned east of Sierra Madre Villa Boulevard along the rail right-of-way extending to the City of Montclair.
- 10) Defines "extension cities" to include the cities of Arcadia, Monrovia, Duarte, Irwindale, Azusa, Glendora, San Dimas, La Verne, Pomona, Montclair, and Claremont.

**FISCAL EFFECT:** This bill is keyed fiscal and contains a state-mandated local program.

**COMMENTS:**

- 1) **Foothill Gold Line.** The Authority (also known as the Foothill Gold Line Construction Authority) is an independent transportation planning, design, and construction agency created in 1998 by SB 1847 (Schiff), Chapter 1021, Statutes of 1998. The agency was created to immediately resume design, contracting, and construction of the Los Angeles to Pasadena Metro Gold Line (formerly the Pasadena Blue Line) which had been suspended by the LACMTA earlier that same year. The Authority completed the Los Angeles to Pasadena segment and the 13.7-mile line opened in 2003.

The same legislation that created the Authority also dictated its role to plan and construct any "fixed mass transit guide way eastward to Claremont." AB 1600 (Torres), Chapter 189, Statutes of 2012, authorized the Authority to extend the line to the City of Montclair, located in San Bernardino County. Planning for the line project is set to terminate at Montclair's Transcenter, a regional transit hub for numerous bus and rail operations serving San Bernardino County and the Inland Empire. Once construction is complete, the Authority will transfer the project to LACMTA to operate as formalized in a Master Cooperative Agreement approved by both agencies' boards of directors.

- 2) **Bill Summary.** Existing law authorizes the Authority to extend the Foothill Gold Line to the City of Montclair. However, the City Council of Montclair does not currently have authorization to appoint a representative as a voting member to the Board. This bill increases the board membership to six voting members by adding a representative from the City of Montclair. This measure is sponsored by the author.

- 3) **Author's Statement.** According to the author, "The Foothill Gold Line Construction Authority and the public transit system it builds have changed dramatically over several decades. The train is rolling forward and it's now time to update the membership of the Authority to reflect the communities it is serving and building new public transit options in. Currently, there is no entity in San Bernardino County that holds a voting seat on the Board. The Gold Line is vital to the economic development of the City of Montclair, and as the only city in San Bernardino to eventually be serviced by the Gold Line, it is only right that they have a voting say on the Board."
- 4) **Policy Considerations.** The Committee may wish to consider the following:
- a) **Is It a Tie?** Local agency governing boards typically have an odd number of members. The purpose of this structure is to allow boards to make a majority decision without running the risk of unnecessarily delaying board actions. Local agencies often need to act quickly in order to maximize resources and respond to urgent circumstances. Without adding a 7<sup>th</sup> voting member or establishing a system to break a tie vote, this bill would potentially lead to decision-making delays and loss of Authority resources.
  - b) **Premature?** In 2012, SB 1600 authorized the extension of the Foothill Gold Line to the City of Montclair. However, the extension is still in the planning stages. While an argument can be made that Montclair has an interest in this extension, the Board must consider many other issues not related to the Montclair extension. It may not be appropriate for the City to weigh in on issues in which they do not yet have an interest.
  - c) **Fairness.** The Foothill Gold Line has already been extended or is in the process of extending the line to the cities of Arcadia, Monrovia, Duarte, Irwindale, Azusa, Glendora, San Dimas, La Verne, Pomona, and Claremont. These cities do not currently have the authorization to appoint a voting member (or nonvoting) to the Board. It is unclear why the City of Montclair should receive this authorization before these other cities.
- 5) **Arguments in Support.** The sponsors argue that the inclusion of the City of Montclair on the Board is a logical next step to regionalization of transit service. Without voting authorization, San Bernardino County would remain as an observer of regional light rail transit policy development. Arrival of light rail to Montclair would create a range of new opportunities for the west end of San Bernardino County, including transit access to a range of social, cultural, entertainment, educational, economic, environmental, and health-related opportunities. Granting Montclair a vote on the Board promises fair representation to communities not currently served by a vote.
- 6) **Arguments in Opposition.** The opponents argue that the timing of this change to the governance structure of the agency is premature, and it could create uncertainty for bidders, negatively impacting procurement well-underway to hire a design-build team to build the Glendora to Montclair section of track. Ultimately, the concern is that any uncertainty would potentially result in bidders adding liability to their bids, increasing costs to an already estimated \$1.5 billion project. Lastly, opponents note that San Bernardino County does have representation on the Board, albeit a nonvoting member, the SBCTA.

**REGISTERED SUPPORT / OPPOSITION:**

**Support**

City of Montclair

**Opposition**

Foothill Gold Line Construction Authority

San Bernardino County Transportation Authority (unless amended)

**Analysis Prepared by:** Jimmy MacDonald / L. GOV. / (916) 319-3958



ASSEMBLY MEMBER

**Freddie Rodriguez**

DISTRICT 52

**FACT SHEET**

Attachment D

**Assembly Bill 2417 (Rodriguez)  
Gold Line Construction Authority Board: City of Montclair  
As introduced 2/14/2018**

**Summary**

Assembly Bill 2417 will add a seat on the Metro Foothill Construction Authority Board of Directors for an appointee of the City of Montclair.

County. San Bernardino Associated Government is the only entity within San Bernardino County that has a seat on the board, however it is in a non-voting capacity. The Gold Line is planned to terminate in Montclair and AB 2417 will give the City a rightful say in Board actions.

**Background**

The Foothill Gold Line Construction Authority is an independent transportation planning, design and construction agency created in statute in 1998. The agency was created to immediately resume design and construction of the Los Angeles to Pasadena Metro Gold Line (formerly the Pasadena Blue Line).

The Los Angeles to Pasadena segment opened in 2003. Further legislation (AB 1600; 2012) extended the terminus of the Gold Line to the City of Montclair's Transcenter, a regional transit hub for numerous bus and rail operations serving San Bernardino County and the Inland Empire. The Phase 2B Construction segment broke ground in December 2017 and extends the line 12.3 miles from the City of Azusa to the City of Montclair with stops in Glendora, San Dimas, La Verne, Pomona, Claremont and Montclair.

The Construction Authority is governed by a 9 member Board of Directors with 5 voting members and 4 non-voting members. The 5 voting members are appointed by the following entities: City of Pasadena, San Gabriel Valley Council of Governments, City of Los Angeles, City of South Pasadena and the Los Angeles Metropolitan Transit Authority. Although the Gold Line is slated to span two counties-Los Angeles and San Bernardino-all of the voting board members represent areas within LA

**This Legislation**

AB 2417 will increase the number of voting members on the Foothill Gold Line Construction Authority Board from 5 members to 6. The additional voting member will be appointed by the City of Montclair.

**Support**

City of Montclair

**Contact Information**

Shanna Ezzell, Legislative Director  
Assemblymember Freddie Rodriguez  
Phone (916) 319-2052  
Fax (916) 319-2151  
Shanna.ezzell@asm.ca.gov



DATE: May 31, 2018  
TO: Governing Board Delegates and Alternates  
FROM: Marisa Creter, Executive Director  
RE: **SGVCOG COMMITTEE APPOINTMENTS**

## **RECOMMENDED ACTION**

Recommended Action: Adopt Resolution 18-32 to appoint members to standing SGVCOG Policy Committees, Technical Advisory Committees and other partner agency assignments.

## **BACKGROUND**

In 2007, the SGVCOG adopted a policy whereby all committee appointments would be reviewed and renewed on annual basis. This was intended to encourage attendance by committee members as well as to inform new board members about opportunities to participate on the SGVCOG's various committees.

The SGVCOG policy and ad hoc committees serve as forums to present and discuss issues relevant to the SGVCOG as well as make policy recommendations to the SGVCOG Governing Board. The SGVCOG policy committees meet regularly, typically every month. Other Ad Hoc Committees are formed on an as needed basis. According to SGVCOG by-laws a city's Governing Board Representative or Alternate, city manager or city or County staff members may serve as the representative or alternate on SGVCOG policy and ad hoc committees. Cities may have both a representative and alternate for each committee; however, each city is allowed only one vote.

Additionally, the SGVCOG issued to call for nominations for the SGVCOG representative for the following partner agencies:

- Foothill Gold Line
- League of California Cities
- San Gabriel and Lower LA River Mountains Conservancy
- Southern California Association of Governments (SCAG)

## **APPOINTMENTS**

Individuals that were interested in being appointed to any of the SGVCOG's committees and partner agencies for FY 18-19 were required to submit their names in writing to the SGVCOG offices. Table 1 outlines the appointments for FY 18-19.

**Table 1. SGVCOG Appointments**


<b><u>SGVCOG Policy Committees</u></b>	
Transportation Committee	Alhambra, Claremont, Duarte, Diamond Bar, Glendora, La Canada Flintridge, LAC#1, LAC #5, Pomona, San Gabriel, South El Monte, South Pasadena, Walnut
Energy, Environment and Natural Resources	Claremont, Duarte, Rosemead, San Dimas, Sierra Madre, West Covina, LAC#1
Homelessness	Baldwin Park, Claremont, Monrovia, Pomona, Rosemead, West Covina, LAC #1
Water	Glendora, Diamond Bar, Monrovia, Rosemead, Sierra Madre, South Pasadena, West Covina, LAC #1
<b><u>SGVCOG Appointments to External Agencies</u></b>	
<b>SCAG</b>	
Transportation Committee	<ul style="list-style-type: none"> <li>• Teresa Real Sebastian (Monterey Park)</li> <li>• Jack Hadjinian (Montebello)</li> <li>• Cynthia Sternquist (Temple City)</li> </ul>
Community, Economic and Human Development Committee	<ul style="list-style-type: none"> <li>• Becky Shevlin (Monrovia)</li> </ul>
Energy & Environment Committee	<ul style="list-style-type: none"> <li>• Diana Mahmud (South Pasadena)</li> <li>• Judy Nelson (Glendora)</li> </ul>
<b>Foothill Gold Line</b>	<ul style="list-style-type: none"> <li>• Sam Pedroza (Claremont)- Board Member</li> <li>• Tim Sandoval (Pomona)- Alternate</li> </ul>
<b>League of California Cities</b>	<ul style="list-style-type: none"> <li>• Sam Pedroza (Claremont)</li> </ul>
<b>San Gabriel and Lower LA River and Mountains Conservancy (RMC)</b>	
Seat #2 (Foothills)	<ul style="list-style-type: none"> <li>• Delegate: Denis Bertone (San Dimas). Alternate: Joe Lyons (Claremont)</li> </ul>
Seat #3 (San Gabriel River)	<ul style="list-style-type: none"> <li>• Delegate: Liz Reilly (Duarte). Alternate: John Fasana (Duarte)</li> </ul>



# REPORT

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Prepared by:   
Stefanie Hernandez  
Project Assistant

Approved by:   
Marisa Creter  
Executive Director

## ATTACHMENTS

Attachment A – Resolution 18-32

**RESOLUTION NO. 18-32**

**RESOLUTION OF THE SAN GABRIEL VALLEY COUNCIL OF GOVERNMENTS  
CONFIRMING APPOINTMENTS FOR THE SGVCOG POLICY COMMITTEES,  
TECHNICAL ADVISORY COMMITTEES AND PARTNER AGENCIES**

**WHEREAS**, the San Gabriel Valley Council of Governments holds regular meetings to evaluate matters of importance to the SGVCOG and the San Gabriel Valley; and

**WHEREAS**, representatives on Policy Committees, Technical Advisory Committees and partner agencies perform essential duties for their respective cities by their attendance at the regular scheduled meetings.

**WHEREAS**, SGVCOG wishes to confirm appointments for the SGVCOG Policy Committees, and Technical Advisory Committees and partner agencies on an annual basis.

**NOW, THEREFORE, BE IT RESOLVED** that the Governing Board hereby confirms the FY 18-19 appointments for the SGVCOG Policy Committees, Technical Advisory Committees, and partner agencies as follows in Table 1:

**Table 1. SGVCOG FY 18-19 Appointments**

<b><u>SGVCOG Policy Committees</u></b>	
Transportation Committee	Alhambra, Claremont, Duarte, Diamond Bar, Glendora, La Canada Flintridge, LAC#1, LAC #5, Pomona, San Gabriel, South El Monte, South Pasadena, Walnut
Energy, Environment and Natural Resources	Claremont, Duarte, Rosemead, San Dimas, Sierra Madre, West Covina, LAC#1
Homelessness	Baldwin Park, Claremont, Monrovia, Pomona, Rosemead, West Covina, LAC #1
Water	Glendora, Diamond Bar, Monrovia, Rosemead, Sierra Madre, South Pasadena, West Covina, LAC #1
<b><u>SGVCOG Appointments to External Agencies</u></b>	
<b>SCAG</b>	
Transportation Committee	<ul style="list-style-type: none"> <li>• Teresa Real Sebastian (Monterey Park)</li> <li>• Jack Hadjinian (Montebello)</li> <li>• Cynthia Sternquist (Temple City)</li> </ul>

Community, Economic and Human Development Committee	<ul style="list-style-type: none"> <li>• Becky Shevlin (Monrovia)</li> </ul>
Energy & Environment Committee	<ul style="list-style-type: none"> <li>• Diana Mahmud (South Pasadena)</li> <li>• Judy Nelson (Glendora)</li> </ul>
<b>Foothill Gold Line</b>	<ul style="list-style-type: none"> <li>• Sam Pedroza (Claremont)- Board Member</li> <li>• Tim Sandoval (Pomona)- Alternate</li> </ul>
<b>League of California Cities</b>	<ul style="list-style-type: none"> <li>• Sam Pedroza (Claremont)</li> </ul>
<b>San Gabriel and Lower LA River and Mountains Conservancy (RMC)</b>	
Seat #2 (Foothills)	<ul style="list-style-type: none"> <li>• Delegate: Denis Bertone (San Dimas). Alternate: Joe Lyons (Claremont)</li> </ul>
Seat #3 (San Gabriel River)	<ul style="list-style-type: none"> <li>• Delegate: Liz Reilly (Duarte). Alternate: John Fasana (Duarte)</li> </ul>

**PASSED AND ADOPTED** by the Governing Board of San Gabriel Valley Council of Governments, County of Los Angeles, State of California, on the 31st day of May 2018.

San Gabriel Valley Council of Governments

\_\_\_\_\_  
Cynthia Sternquist, President

**Attest:**

I, Marisa Creter, Executive Director and Secretary of the Board of Directors of the San Gabriel Valley Council of Governments, do hereby certify that the foregoing Resolution was adopted at a regular meeting of the Governing Board held on the 31st day of May, 2018, by the following roll call vote:

<b>AYES:</b>	
<b>NOES:</b>	
<b>ABSTAIN:</b>	
<b>ABSENT:</b>	

\_\_\_\_\_  
Marisa Creter, Secretary



# REPORT

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DATE: May 31, 2018  
TO: Governing Board Delegates and Alternates  
FROM: Marisa Creter, Executive Director  
RE: **FY 2018-19 BUDGET**

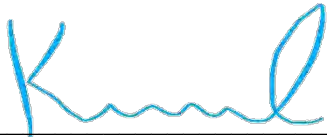
## **RECOMMENDED ACTION**

Adopt Resolution 18-33 approving the FY 2018-19 budget.

## **BACKGROUND**

The full budget and resolution is included as Attachment A.

Prepared by:



Katie Ward  
Senior Management Analyst

Approved by:



Marisa Creter  
Executive Director

## **ATTACHMENTS**

Attachment A - Resolution 18-33 and Proposed FY 2018-19 Budget

**RESOLUTION NO. 18-33**

**RESOLUTION OF THE SAN GABRIEL VALLEY COUNCIL OF GOVERNMENTS  
(SGVCOG) ADOPTING THE FY 2018-19 BUDGET**

**WHEREAS**, the SGVCOG Joint Powers Agreement (JPA) and Bylaws direct that the SGVCOG Governing Board adopted adopt a Budget prior to July 1 of every year;

**WHEREAS**, the Budget serves as the basis for the SGVCOG's programs and activities;

**WHEREAS**, the Executive Director is responsible for the development and implementation of the Budget;

**WHEREAS**, the Governing Board may, from time to time, modify the Budget to conform to the Governing Board's policy directives; and

**WHEREAS**, there are funds within this budget document that are for specific purposes and appropriations of those funds will comply with accounting principles and governing rules of the funding sources.

**NOW, THEREFORE, BE IT RESOLVED** that the Governing Board adopts the FY 2018-19 Budget, attached hereto and incorporated herein as Exhibit A.

**PASSED AND ADOPTED** by the Governing Board of San Gabriel Valley Council of Governments, in the County of Los Angeles, State of California, on the 31st day of May, 2018.

San Gabriel Valley Council of Governments

\_\_\_\_\_  
Cynthia Sternquist, President

**Attest:**

I, Marisa Creter, Executive Director and Secretary of the Board of Directors of the San Gabriel Valley Council of Governments, do hereby certify that Resolution 18-33 was adopted at a regular meeting of the Governing Board held on the 31st day of May, 2018, by the following roll call vote:

**AYES:**

**NOES:**

**ABSTAIN:**

**ABSENT:**

---

Marisa Creter, Secretary

# SGVCOG FY 18-19 BUDGET







# SAN GABRIEL VALLEY COUNCIL OF GOVERNMENTS FISCAL YEAR 2018-19 BUDGET

## Officers

### President

Cynthia Sternquist

### 1<sup>st</sup> Vice President

Margaret Clark

### 2<sup>nd</sup> Vice President

Joe Lyons

### 3<sup>rd</sup> Vice President

Becky A. Shevlin

## Staff

### Marisa Creter

Executive Director

### Mark Christoffels

Chief Engineer

### Alcira Godoy

Senior Accountant

### Amy Hanson

Administrative Assistant

### Carlos Monroy

Director of Finance

### Cecilia Cardenas

Contracts Manager

### Charles Tsang

Project Manager

### Christian Cruz

Management Analyst

### Deanna Stanley

Admin. Services Manager

### Edward Villanueva

Utilities Coordinator

### Eric Wolf

Senior Management Analyst

### Fred Leung

Labor Compliance

### Jan Cicco

Homelessness Coordinator

### Kaitlin Ward

Senior Management Analyst

### Marita Torres

Document Control

### Melissa Truong

Accountant

### Menchu Ituralde

Manager of Audits & Grants

### Michelle Arroyo

Accountant

### Nathan Bocanegra

Senior Contracts Administrator

### Paul Hubler

Director of Gov. & Community Relations

### Peter Duyshart

Project Assistant

### Phillip Balmeo

Project Manager

### Rachel Korkos

Project Manager

### Rey Alimoren

Senior Contract Auditor

### Stefanie Hernandez

Project Assistant

### Susan Nguyen

Manager of Information Technologies

### Victoria Butler

Program Manager

### Yanin Rivera

Administrative Assistant

### Zarina Mapes

Contract Auditor

Alhambra  
Arcadia  
Azusa  
Baldwin Park  
Bradbury  
Claremont  
Covina

Diamond Bar  
Duarte  
El Monte  
Glendora  
Industry  
Irwindale  
La Canada Flintridge

La Puente  
La Verne  
Monrovia  
Montebello  
Monterey Park  
Pomona  
Rosemead

San Dimas  
San Gabriel  
San Marino  
Sierra Madre  
South El Monte  
South Pasadena  
Temple City

Walnut  
West Covina  
LA County District 1  
LA County District 4  
LA County District 5

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May 17, 2018

### **Governing Board Delegates and Alternates:**

On behalf of the San Gabriel Valley Council of Governments (SGVCOG), it is my pleasure to present a balanced budget for Fiscal Year 2018-19. The budget provides detailed information about anticipated revenues and planned expenditures for the upcoming fiscal year and demonstrates how available resources are allocated based on the Governing Board's Strategic Plan and objectives, which serve as the guiding principles. The budget was developed using a conservative approach to revenue forecasting and incorporates prudent expenditure adjustments to achieve a balanced operating budget.

### ***Mission & Vision***

On April 21, 2016, the SGVCOG adopted the most recent update to its Strategic Plan. This update was developed through a comprehensive outreach process. The SGVCOG mission, vision and values, which were reaffirmed in October 2013 are shown below.

#### **Mission**

*“The San Gabriel Valley Council of Governments is a unified voice to maximize resources and advocate for regional and member interests to improve the quality of life in the San Gabriel Valley.”*

#### **Vision**

*“The San Gabriel Valley Council of Governments will be recognized as a leader in advocating for and achieving sustainable solutions for transportation, housing, economic growth and the environment.”*

### ***FY 2017-18 Major Accomplishments***

As we look forward to another exciting and successful year, it is important to reflect on the accomplishments of the past year. Some of the major accomplishments completed over the past year include the following:

#### ***Administration and Integration***

- Approved direction for integration of COG and ACE and expansion of ACE's authority to take on capital projects across the San Gabriel Valley.
- Adopted bylaws amendment and majority of member agencies approved JPA amendment to implement integration and expansion of ACE.
- Selected new Executive Director.
- Adopted new representation structure and election process to allow for regional representation on Capital Projects and Construction Committee.
- Governing Board considering approval of project review and evaluation process for new capital projects to implemented by the SGVCOG.
- Hosted General Assembly on “Shaping the Future of San Gabriel Valley: Transformative Changes in Mobility and Energy.”

### *Stormwater*

- Participated actively on County-wide Safe, Clean Waters Stakeholder Advisory Committee to advocate on behalf of member agencies.
- Conducted extensive outreach on stormwater, including COG staff leading Congresswoman Napolitano and staff on a tour of the County Flood Control system and conducting an information brief for Senator Harris' staff.
- Actively participated in redefining the definition and jurisdictional reach of Waters of the United States.
- Informed the California State Auditor's review of the Regional Water Board permitting processes.

### *Homelessness*

- Secured funding and hired new Regional Homelessness Coordinator.
- Assisted 23 cities in securing a total of \$890,000 in funding to develop city-level homelessness plans; as well as assisting 19 cities in developing homelessness plans, to be completed by June 2018.

### *Transportation*

- Developed Public Participation Plan for Measure M subregional funds.
- Hosting 6-mile Open Street event in partnership with the cities of San Dimas, La Verne, Pomona and Claremont in April 2018.
- Secured \$4.5 million in cap-and-trade funding to implement regional bike share program.
- Developing 5-year Measure M fund program, to be finalized in June 2018.

### *Sustainability*

- Completed benchmarking policy project with the cities of Monrovia, Pomona, West Covina, and South Pasadena

## ***FY 2018-19 Workplan***

The FY 2018-19 workplan includes several key activities that align with the SGVCOG's strategic plan as listed below:

### *Administration and Integration*

- Develop integrated Indirect Cost Allocation Plan (ICAP) and budget.
- Complete and implement recommendations from compensation and classification study.
- Initiate, complete and implement recommendations from retirement benefits study.
- Complete strategic plan update.

### *Stormwater*

- Develop position on proposed Safe, Clean Waters measure and advocate on behalf of that position.
- Continue working with State and Federal legislators on stormwater-related legislation.
- Continue outreach to stakeholders.
- Continue monitoring stormwater litigation and the review of the jurisdictional reach of Waters of the United States.
- Continue monitoring regulatory actions of the State and Regional Water Boards.

### *Homelessness*

- Host regional homelessness planning summit.
- Based on outcomes of city-level homeless plans, develop list of priority homelessness projects and programs to support.

- Create position paper on cities common concerns and stances regarding homelessness and homeless solutions.
- Support cities' local efforts to address homelessness through the creation of a master database of city contacts and providers; mapping current and planned services; conducting needs and gaps analysis; organizing staff trainings and other collaborative efforts.
- Engage federal, state and county legislative offices in partnership supporting cities homeless solutions.

*Transportation*

- Conduct outreach to member agencies about new review and evaluation process, implement LOI process, and present 5-year capital projects workplan.
- Host multi-day SCAG Go Human Demonstration Project along Arrow Highway in partnership with the cities of Glendora, San Dimas, La Verne, Pomona, and Claremont.

*Sustainability*

- Update Energy Action Plans for cities of Arcadia, Pomona, San Marino and Covina.
- Continue to implement the San Gabriel Valley Energy Wise workplan, including a planned goal of conducting over 30 community events.


***Proposed FY 2018-19 Budget***

The SGVCOG estimated revenues for the Fiscal Year 2018-19 budget are \$1,947,739 proposed expenditures are \$1,926,465, resulting in a net balance of \$21,274. The narrative provides detailed explanations of the anticipated changes and budgeted figures. Major changes from the current year's budget are as follows:

- **ACE/COG Integration:** Per direction from the Governing Board, the FY 2018-19 budget proposes costs to support the integration. For Example, in April 2018, the Governing Board is considering approval of an RFP to hire a consultant to conduct a study of the SGVCOG's current pension/retirement system, as well as an analysis of alternative systems.
- **Upper Los Angeles River (ULAR) Enhanced Watershed Management Program(EWMP):** The Los Angeles Regional Water Quality Control Board established a Coordinated Integrated Monitoring Program (CIMP) to monitor the ULAR EWMP progress toward meeting clean water goals. In 2015, all ULAR permittees voluntarily entered into a Memorandum of Agreement (MOA) with the City of Los Angeles to perform CIMP functions on behalf of the EWMP. In October 2017, the Governing Board approved the SGVCOG to lead the billing/financial management of this MOA between the City of Los Angeles and all eleven SGVCOG cities in the ULAR.

I anticipate this will be an exciting and rewarding year for the SGVCOG. The SGVCOG staff is working closely with you to deliver key projects and initiatives, and we will continue to reach out within our organization and externally to ensure the staff is meeting the Board's expectations and leverage the SGVCOG's resources to preserve and enhance the quality of life in the San Gabriel Valley.

Respectfully submitted,



Marisa Creter  
Executive Director

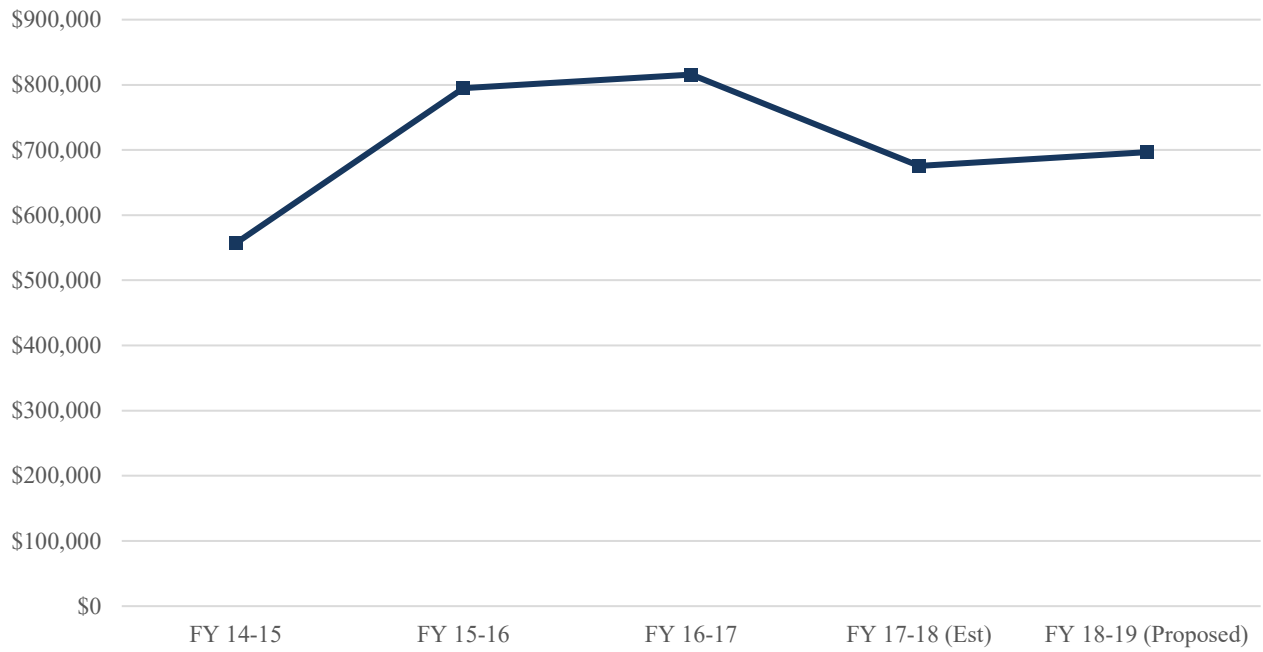
## FY 2018-19 Budget Overview

<b><u>Revenues</u></b>	
<b>General Operating</b>	
Member Dues	\$754,007
Transportation Administration (Local)	96,611
Sponsorships	50,000
Hero Program	12,000
Interest	2,050
<b>Subtotal General Operating Income</b>	<b>914,668</b>
<b>Grants &amp; Special Projects</b>	
Homelessness (Local)	158,000
Energy Efficiency (Local)	340,000
Measure M Subregional Administration (Local)	52,000
Stormwater (Local)	483,071
<b>Subtotal Grants &amp; Special Projects</b>	<b>1,033,071</b>
<b>Total Revenue</b>	<b>1,947,739</b>
<b><u>Expenditures</u></b>	
<b>Indirect Expenses</b>	
Personnel	529,780
Board & Employee Expenses	60,000
Professional Services	346,980
Other Expenses	198,927
<b>Total Indirect</b>	<b>1,135,687</b>
<b>Direct Expenses</b>	
Personnel	322,707
Program Management	468,071
<b>Total Direct</b>	<b>790,778</b>
<b>Total Expenditures</b>	<b>1,926,465</b>
<b>Estimated Year-End Balance</b>	<b>\$ 21,274</b>

**Change in Revenues and Expenses (Estimated FY 2018 v. Proposed FY 2019)**

<b><u>Description</u></b>	<b>FY 17-18 (Adopted)</b>	<b>FY 17-18 (Estimated)</b>	<b>FY 18-19 (Proposed)</b>	<b>% Change</b>
<b>Revenues:</b>				
General Operating	\$ 912,211	\$ 930,441	\$ 914,668	-2%
Grants & Special Project	460,000	1,661,500	1,033,071	-38%
<b>Total Revenue</b>	<b>1,372,211</b>	<b>2,591,941</b>	<b>1,947,739</b>	<b>-25%</b>
<b>Expenditures:</b>				
Indirect Expenses	1,095,788	1,270,971	1,135,687	-7%
Direct Expenses	273,347	1,461,298	790,778	-48%
<b>Total Expenditures</b>	<b>1,369,135</b>	<b>2,732,269</b>	<b>1,926,465</b>	<b>-29%</b>
<b>Year-End Balance</b>	<b>\$ 3,076</b>	<b>\$ (140,328)</b>	<b>\$ 21,274</b>	<b>115%</b>

**SGVCOG Fund Balance 2014-2019<sup>1</sup>**



<b>Estimated Fund Balance (7/1/2018):</b>	<b>\$675,433</b>
<b>Estimated Fund Balance (6/30/2019):</b>	<b>\$696,707</b>

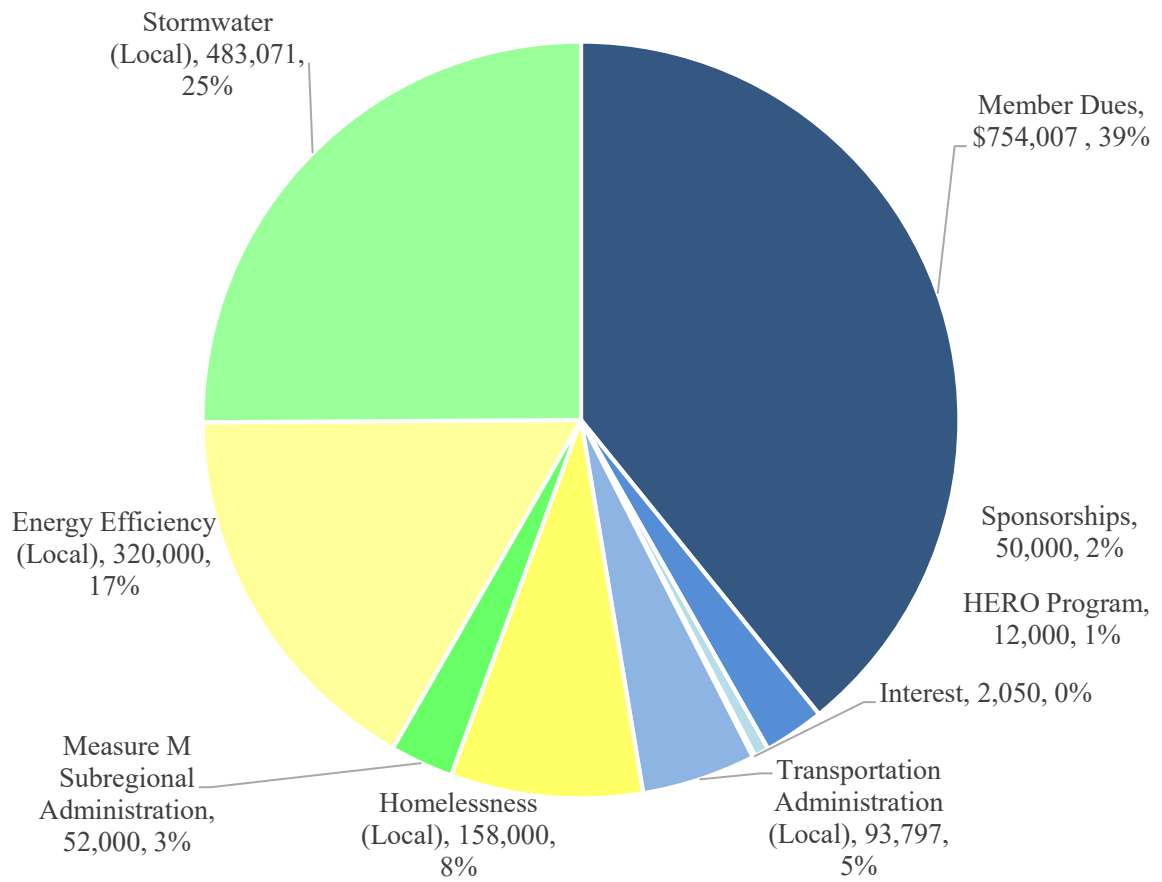
<sup>1</sup> FY 16-17 includes back payments to CalPERS and employee costs from FY 2015-16.



## Operating Revenue

In FY 2018-19, SGVCOG total revenues are projected at \$1,947,739. The SGVCOG general operating revenue is made up of five categories: member agency dues; interest; sponsorships for the general assembly; transportation administration and the HERO program, for a combined total 47% of overall revenues. The remaining 53%, of the SGVCOG revenues are received through grants, Measure M Subregional Administration funding and other restricted funding.

**FY 2018-2019 – SGVCOG  
Revenues  
\$1,947,739**



**General Operating**

**Member Dues** - Total member agency dues for FY 2018-19 are estimated to be \$754,007. The revenue from dues is the primary source of income to support the SGVCOG’s day-to-day staffing and operations. On March 19, 2015, the Governing Board approved a revised dues structure for members as follows:

$$[\$5,000 \text{ base fee} + \$0.32 \text{ per capita}] \times \text{Annual CPI Adjustment} = \text{Member Dues}$$

**California HERO (\$12,000)** - The SGVCOG has an existing agreement with Western Riverside Council of Governments (WRCOG) to promote the California HERO program in the San Gabriel Valley. In exchange for the SGVCOG’s program support, WRCOG is obligated to pay Participant fees to the SGVCOG equal to 0.05% of the aggregate cost of the bonds issued to fund California HERO eligible projects within the subregion.

**Transportation Administration (Local) (\$96,611)** - The Los Angeles County Metropolitan Transportation Authority (Metro) provides an annual allocation to the SGVCOG via a Memorandum of Understanding (MOU), be used to provide the support services either through the use of a consultant or by hiring an employee to the SGV representative on the Metro Board of Directors, John Fasana. Under the terms of this MOU, the SGVCOG and Board Member are responsible for selecting, employing/contracting with, compensating and overseeing the work of the individual responsible for providing the support services. Currently, the total reimbursement from Metro is for an amount not exceed \$96,611 annually. This amount is adjusted in an amount equal to any increases approved by the Board for Metro non-contract employee salary increases.<sup>2</sup> The SGVCOG utilizes this funding to pay for a consultant. The total annual cost of that contract is \$129,780, and the SGVCOG contributes the balance of \$33,169.

**Sponsorships (\$50,000)** – Staff is proposing hosting the annual General Assembly in Spring 2019. Based on prior years, staff anticipates receiving sponsorships to fully offset the cost of the annual General Assembly.

Agency	Dues
Alhambra	\$33,992.20
Arcadia	\$25,450.23
Azusa	\$22,796.39
Baldwin Park	\$31,782.54
Bradbury	\$5,833.41
Claremont	\$18,076.88
Covina	\$22,534.57
Diamond Bar	\$25,342.85
Duarte	\$13,129.01
El Monte	\$33,992.20
Glendora	\$23,788.62
Industry	\$22,176.68
Irwindale	\$5,943.58
La Canada Flintridge	\$12,593.50
La Puente	\$19,551.62
La Verne	\$17,013.19
Monrovia	\$18,874.91
Montebello	\$27,731.36
Monterey Park	\$26,925.66
Pomona	\$33,992.20
Rosemead	\$24,616.98
San Dimas	\$17,413.07
San Gabriel	\$19,748.60
San Marino	\$10,142.58
Sierra Madre	\$9,285.97
South El Monte	\$12,720.76
South Pasadena	\$14,509.27
Temple City	\$18,134.06
Walnut	\$15,953.33
West Covina	\$33,992.20
LA County District 1	\$33,992.20
LA County District 4	\$33,992.20
LA County District 5	\$33,992.20
SGV Water Agencies	\$33,992.20
<b>Total</b>	<b>\$754,007.26</b>

**FY 2018-2019  
Member Agency Dues**

<sup>2</sup> This revenue is associated with a contract with a consultant. The terms of the contract with the consultant provide that the annual amount paid to the consultant be increased by a percentage equal to the percent increase that the SGVCOG receives from Metro.

## ***Grants & Special Project Income***

Income from grants and other sources varies annually based on the number of active grants and has been used to leverage the SGVCOG's other resources and enable the organization to meet its objectives and serve the needs of member agencies. In FY 2018-19, there is an estimated \$1,033,071 in revenue projected from four program areas:

***Energy Efficiency (Local) (\$340,000)*** - The SGVCOG receives an annual budget allocation from Southern California Edison (SCE) and SoCalGas (SCG) under the San Gabriel Valley Energy Wise Partnership (SVGWEP) program. Additionally, the SGVCOG was awarded additional funding under the SGVEWP to update the energy action plans for the cities of Monrovia, Arcadia, Montebello, and Pomona. The SGVCOG will also support Los Angeles County's Commercial Property Accessed Clean Energy (PACE) program by increasing marketing efforts in the San Gabriel Valley.

***Stormwater (Local) (\$483,071)*** - The Los Angeles Regional Water Quality Control Board (Regional Board) established a Coordinated Integrated Monitoring Program (CIMP) to monitor the Upper Los Angeles River (ULAR) Enhanced Watershed Management Program (EWMP) progress toward meeting clean water goals. In 2015, all ULAR permittees voluntarily entered into a Memorandum of Agreement (MOA) with the City of Los Angeles to perform CIMP functions on behalf of the EWMP. The City of Los Angeles and all eleven SGVCOG cities in the ULAR are asking that the SGVCOG take over the billing portion of the MOA. The cost to implement these tasks is \$383,071, with the SGVCOG retaining financial management fees amounting to \$100,000 per year, for a total cost of \$483,071.

***Homelessness (Local) (\$158,000)*** - In September 2017, the Governing Board executed a contract with the County of Los Angeles to fund a full-time Regional Homelessness Coordinator. These funds are used to support a full-time regional homeless coordinator at the SGVCOG. Staff anticipates receiving the same level of funding in FY 2018-19.

***Measure M Subregional Administration (Local) (\$50,000)*** - In June 2017, the Metro Board of Directors adopted the Measure M guidelines to identify a process by which Measure M funds will be programmed by subregional entities, including the SGVCOG, through the development of five-year subregional fund programming plans. COGs may use up to .5% of subregional funds for administrative purposes, including the development of this five-year plan. In the San Gabriel Valley, the total amount of subregional administrative funds available from FY 2018-22 is \$188,000. In March 2018, the Governing Board approved the use of these funds to offset existing SGVCOG staff costs. Staff expects that the bulk of the work will be front-loaded, and is therefore estimating \$50,000 in revenue and related staff expenses in FY 2018-19.

## Operating Expenses

For the FY 2018-19, expenditures are divided into two categories: indirect expenses and direct expenses. Indirect expenses (such as personnel, Board expenses, professional services, etc.) include the general operating costs of the agency. While not charged directly to the grants, a portion of the indirect expenses are recovered via grants through an indirect cost allocation plan. Direct expenses are expenses that are associated with specific grant projects program management.

### *Indirect Expenses*

During FY 2019-19, SGVCOG indirect expenditures are projected to total \$1,135,687. These expenses are categorized as follows: Personnel (\$529,780); Board & Employee Expenses (\$60,000); Professional Services (\$346,980); and Other Expenses (\$198,927).

#### SGVCOG Indirect Expenses 2014-2019

Category	FY 2014-15	FY 2015-16	FY 2016-17	FY 2017-18 (Est.)	FY 2018-19 (Proposed)
Personnel <sup>3</sup>	255,125	202,001	354,777	550,042	529,780
Board/Employee Expense	38,223	50,233	42,212	59,500	60,000
Professional Services	345,479	473,327	379,347	295,490	346,980
Other Expenses	113,634	119,603	114,717	196,322	198,927
<b>Total</b>	<b>\$ 752,461</b>	<b>\$ 845,164</b>	<b>\$ 891,053</b>	<b>\$ 1,101,354</b>	<b>\$1,135,687</b>

**Personnel (\$2,836 decrease)** – These costs include the salary, benefit and retirement costs associated with the SGVCOG staff not reimbursed through grants. For FY 2018-19, staff is proposing six full-time positions, including an Executive Director, Assistant Executive Director, Regional Homelessness Coordinator, one Senior Management Analyst, two Management Analysts, and two part-time project assistant positions. See Exhibit A for a listing of all staff positions and approved salary ranges.<sup>4</sup> Additionally, several key functions, including finance, personnel, and transportation planning, are performed by SGVCOG staff that are largely assigned to the ACE Project (see Exhibit B for Support Service Hour Table). Only the costs for that staff’s general SGVCOG work is included in this budget. The SGVCOG provides standard benefits to staff, and all staff members participate in the California Public Employees' Retirement System (CalPERS). All new employees are under the “2% at 62” formula, and all employees pay the full employee CalPERS contribution. The budget provides for a 3% merit pool to be allocated based on performance evaluations. The SGVCOG is currently in the process of completing a compensation and classification study. It is anticipated that the study will be completed in October 2018, and any proposed changes to the budget as a result of that study will be presented mid-year.

**Board & Employee Expenses (\$5,500 increase)** – This category includes board stipends, training/memberships and meeting/travel costs. In January, an increase from \$50 to \$75 for

<sup>3</sup> In FY 2013-15, one of the Management Analyst positions was filled on a part-time basis through a temporary employment agency and is reflected under professional service costs rather than personnel. Similarly, from October 2015- December 2016, the Executive Director was provided through a consultant contract. Therefore, those costs for that time period are also included under professional services rather than personnel.

<sup>4</sup> Includes staff assigned to capital projects.

Governing Board meeting stipends was approved to encourage participation and this is reflected in the FY 2018-19 budget. Members are paid on a per meeting basis and stipend expenditures vary based on the number of meetings and attendance at these meetings.

**Professional Services (\$32,632 decrease)** – This includes ongoing annual contracts for legal, auditor services, treasurer, Metro Board Support and grant writing. Key features of these contracts are as follows:

- **Legal Services:** The SGVCOG’s legal contract provides for a monthly retainer, and the financial audit is conducted and paid for annually. In March 2014, the Governing Board approved a renewal of the contract with Jones & Mayer for General Counsel legal services for one year with four one-year options, with the same terms and conditions. In Summer 2018, the SGVCOG will issue a RFP as a component of the ACE/SGVCOG integration to secure joint legal services for the newly integrated organization.
- **Auditor:** The SGVCOG is required to have an annual financial audit. In January 2016, the Governing Board approved a five-year contract with Vasquez and Company for financial audit services.<sup>5</sup>
- **Treasurer:** As an added level of accountability, in February 2016, the Governing Board hired a consultant to serve as treasurer and independently review the SGVCOG’s quarterly financial reports and report to the Governing Board. In March 2018, the Governing Board approved a new two-year contract with CliftonLarsonAllen LLP to provide treasurer services.
- **Metro Board Support:** Metro provides funding to the SGVCOG, via an MOU, to fund staff support to the SGV representative on the Metro Board of Directors. In September 2017, the Governing Board approved a two-year contract with Mary Lou Echternach to provide these services
- **Grant Writing:** An allocation for grant writing/applications is also included in this category, which the SGVCOG will use various consulting firms throughout the year to facilitate various support areas.

In addition to these ongoing contracts, for FY 2018-19, staff is recommending two additional activities: ACE/SGVCOG integration and strategic plan consultant. Per direction from the Governing Board, the FY 2018-19 budget proposes costs to support the integration. For example, in April 2018, the Governing Board is considering approval of an RFP to hire a consultant to conduct a study of the SGVCOG’s current pension/retirement system, as well as an analysis of alternative systems. Finally, staff is recommending updating the Strategic Plan in Spring 2019.

**Other Expenses (\$14,692 decrease)** – These costs include facility costs (i.e. rent, storage, utilities, and office supplies), insurance/bonding and office equipment/software acquisition. This cost category also includes costs associated with the SGVCOG’s General Assembly, which is anticipated to be held in Spring 2019.

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<sup>5</sup> The contract for financial audit services may be cancelled at any time by the SGVCOG with 30 days written notice.

**Direct Expenses**

This expenditure category reflects direct program expenditures, including salaries/wages and benefits, related to the SGVCOG’s grant funded projects. In FY 2018-19, the SGVCOG will have active grants in the following program areas: energy efficiency, stormwater and homelessness. These programs are described in further detail under “Revenues.” The table below outlines the full-time equivalent (FTE) for each of the program areas.

**Energy Efficiency (\$20,000 increase)**– The Energy Wise Partnership, SCE Strategic Plan and Los Angeles Commercial PACE are fully reimbursed for all staff time spent managing these programs. The SGVCOG’s internship program time is also fully funded through these programs. The grants associated with these programs are paid on a reimbursement basis, based on labor and expenses, under a not to exceed amount.

**Stormwater (\$383,071 increase)**– As a component of the ULAR CIMP management, the SGVCOG anticipates executing contracts with 3rd party consultants, as needed, to support special studies and other identified tasks.

**Homelessness (no change)** – The SGVCOG’s Homelessness Coordinator position is fully funded by Los Angeles County to support regional homelessness issues. Associated expenses are also reimbursed through this agreement.

**Direct Expenses - Grant Salaries and Wages by FTE's 2018-19**

	<b>Energy Efficiency</b>	<b>Homelessness</b>	<b>Stormwater</b>
<b>FTE's</b>	<b>3.0</b>	<b>1.0</b>	<b>0.5</b>
Salaries and Wages	\$ 132,098	\$ 104,052	\$ 34,592
Allocated Fringe Benefits	25,354	19,971	6,639
Allocated overhead	144,818	48,273	24,136
<b>Total</b>	<b>\$ 302,273</b>	<b>\$ 172,297</b>	<b>\$ 65,368</b>

## Capital Projects Introduction

The San Gabriel Valley Council of Governments created the Alameda Corridor-East Construction Authority in the late 1990s to address the safety and mobility issues caused by anticipated increased train volume traveling through the San Gabriel Valley. The resulting ACE Project was a comprehensive list of safety improvements to be constructed by the ACE Construction Authority on the most heavily traveled roadway/railway crossings through safety improvements or grade separations. The ACE Project, over time became a \$1.735 billion effort whose reputation from Washington to Sacramento was stellar. The original intent of the SGVCOG was to sunset the authority upon completion of the ACE projects.

As the number of remaining projects to be completed became few, the SGVCOG Governing Board revisited the idea of maintaining the construction authority. In late 2017 the Governing Board amended its bylaws to maintain ACE in concept as a capital and construction unit. The SGVCOG is extending these services to the member cities of the SGVCOG.

The following capital budget information will make reference to ACE throughout because the construction of the remaining ACE Projects is under way. The ACE Projects have funding independent from the one other identified capital project (Rio Hondo Project) while at the same time additional funding for completing ACE Projects is continuing to be sought.

The following is an update on the SGVCOG's capital and construction projects:

### *In Construction*

- ***Fullerton Road grade separation*** project in the City of Industry is well under construction with excavation under way on Fullerton Road, utility relocations completed, and improvements adjacent to the State Route 60 Freeway making progress. As with all projects, staff is working closely with local businesses to mitigate the construction and traffic impacts.
- The ***San Gabriel Trench*** project progressed well in FY18 and full train service in the trench was initiated. The temporary tracks have been removed allowing for final walls to be constructed as well as project landscaping. Full completion is expected in Fiscal Year 2019.
- The ***Temple Avenue train diversion*** project is experiencing final track and signal work installation by the Union Pacific Railroad. This project, in the Cal Poly Pomona area is expected to be complete in Fiscal Year 2019.
- The ***Fairway Drive grade separation*** project is progressing and the construction of on and off ramps at Lemon Avenue on the State Route 60 freeway will be completed in Fiscal Year 2018.
- The ***Puente Avenue grade separation*** project was completed and opened to traffic.

### *In Design*

- The ***Durfee Avenue grade separation*** project in the City of Pico Rivera is in final design and expected to begin construction late 2018.

- The **Montebello Corridor** project, a long-awaited project for the City is moving towards final design. Two build alternatives have been under consideration with opportunity for public comment. A notice of Intent to Adopt a Negative Declaration was issued for public comments and a public hearing scheduled on June 25, 2018.
- The **At-Grade Safety Improvement** project, a series of much needed safety improvements in Pomona is also into final design.
- The **Turnbull Canyon Road grade separation** project in the City of Industry has completed preliminary design and will also be moving into the final design phase. While we do not have construction funding for this project yet, staff has applied for various state and federal grants and is optimistic that funding for this project, ACE's final grade separation project, will be available when the design is completed.

***New Project***

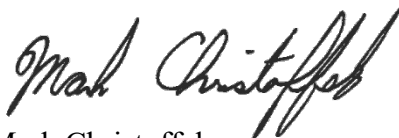
- The **Rio Hondo Load Reduction Strategy** project was officially assigned to the SGVCOG and is our first non-ACE capital improvement project. The Rio Hondo Load Reduction Strategy Project is a storm water quality project being funded by 8 SGVCOG members and will go into design later this year.

***Looking Ahead***

The FY '19 capital projects budget provides a very ambitious work plan as we have in prior years. With regard to ACE Project expenditures, we anticipate that project expenditures will match or even exceed those of Fiscal Year 2018 and SGVCOG will be one step closer to its goal of completing all of the adopted projects in the ACE Program while at the same time we hope to be planning for new projects for many SGVCOG member cities.

With the reorganization of the former ACE into the SGVCOG, the SGVCOG Governing Board can now offer member agencies a multitude of valuable services, including implementation of capital projects design and construction formerly restricted to safety improvement/grade separations as with the ACE Project. The Governing Board will adopt a five-year plan for the Capital Projects group to move forward and we are excited to have the opportunity to do so. Fiscal Year 2019 promises to be an exciting year for the SGVCOG staff and the Capital Projects and Construction Committee.

Respectfully submitted,



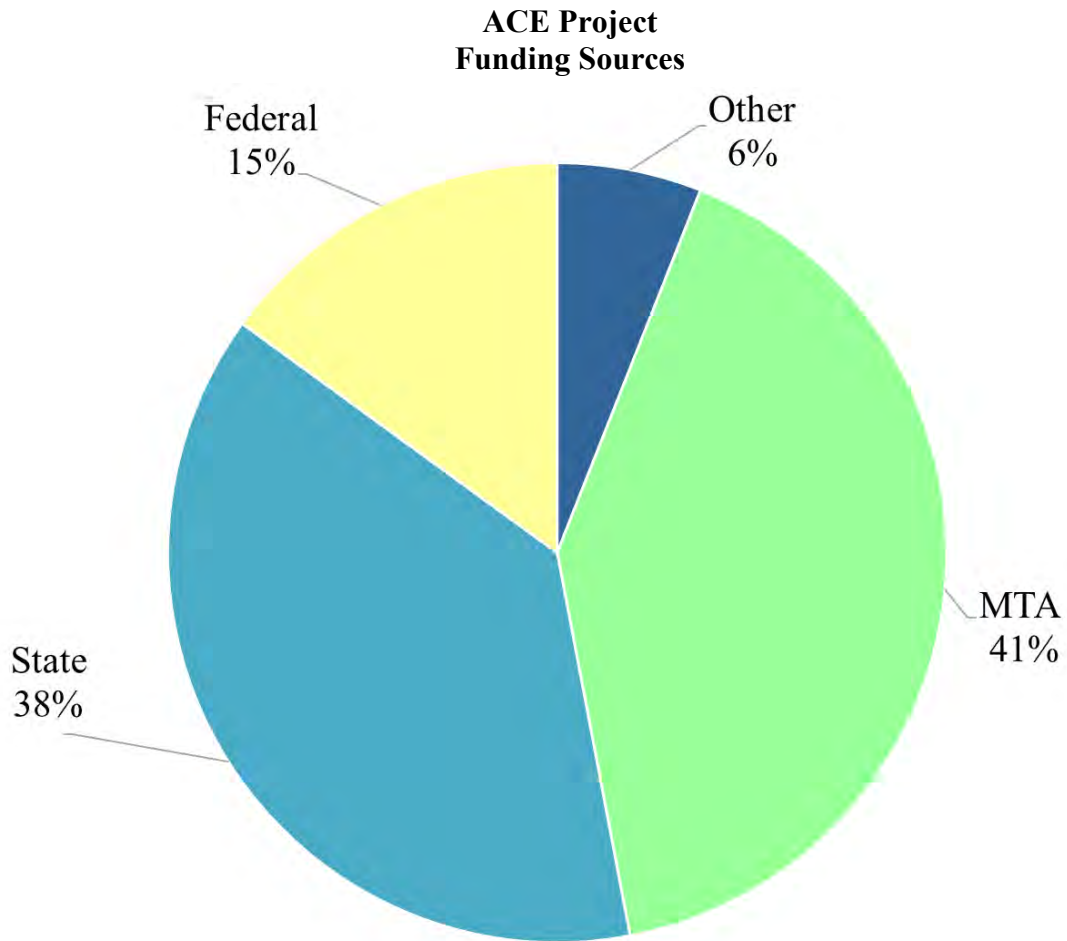
Mark Christoffels  
Chief Engineer





**Funding Status**

The total funding sources and commitments to the ACE program since its inception is \$1.697.1 billion. Matching these funding commitments against the projects expenditures of \$1.663 billion plus \$21.436 million in startup and administrative costs shows that the ACE program currently has \$12 million in funding available for the one remaining project in the adopted ACE program that is not fully funded (Turnbull Canyon Road grade separation). Design of this project was initiated this fiscal year however whether this project moves into right of way acquisition or construction activities will be dependent upon SGVCOG securing additional grant funding. Included in *other* are the funds for the Rio Hondo project.



## ACE Project Funding by Source

(\$ in millions)

<b>FEDERAL</b>	
Federal TEA-21 Highway Demonstration Earmark (FY 1999-2003)	\$132.557
FY 2001 FHWA Highway Fund Transportation Appropriation	1.497
FY 2000 FHWA Discretionary Sec. 1118(c) Trade Corridor Funds	1.240
FY 2001 FHWA Discretionary Sec. 1118(c) Trade Corridor Funds	2.397
FY 2002 FHWA Highway Fund Transportation Appropriation	3.884
FY 2003 FHWA Highway Fund Transportation Appropriation	1.485
FY 2004 FHWA Highway Fund Transportation Appropriation	1.881
FY 2006 FHWA Highway Fund Transportation Appropriation	4.158
FY 2009 Surface Transportation Program	0.570
FY 2010 Surface Transportation Program	0.500
AAA FY 2010	1.349
Federal SAFETEA-LU (FY 2005-2009)	66.885
FY 2009 FRA Grade Crossing Program	2.544
PUC (Section 130)	10.000
Intermodal Surface Transportation Efficiency Act Funds	6.936
Congestion Mitigation and Air Quality Improvement Funds	6.347
<b>Total Federal Funding: \$244.230</b>	
<b>STATE</b>	
1998 State ITIP Discretionary Funds (FY 2000- 2004)	\$38.982
State Transportation Congestion Relief Program Funds	130.300
Section 190 PUC Funds	10.000
Prop. 1B Trade Corridor Improvement Funds	422.196
Prop. 1B Highway-Rail Crossing Safety Account	46.612
<b>Total State Funding: \$648.089</b>	
<b>MTA</b>	
MTA 17% Local Match Commitment	\$269.870
MTA Call for Projects Funding (2007)	28.849
MTA Measure R*	400.000
<b>Total MTA Funding: \$698.719</b>	
<b>OTHER</b>	
City/County/MWD Funds	\$12.123
Railroad contribution to active projects	36.368
Betterments	54.528
Property Sales	3.001
<b>Total Other Funding: \$106.020</b>	

Total Funds Committed \$1,697.059

### ***Current Project Cost Estimates***

The current cost estimate for all completed and currently active ACE Program projects is shown below.

#### **Current ACE Project Cost Estimates (Completed and Current Projects)**

<b>Project</b>	<b>Cost (in millions)</b>
<b><i>Completed Projects</i></b>	
Safety Crossings/IRRIS	\$34.141
Nogales Street (Alh) (West Covina/Industry)	49.798
East End Avenue/Reservoir Street (Pomona)	79.000
Brea Canyon Road (Diamond Bar/Industry)	73.903
Ramona Boulevard (El Monte)	53.091
Sunset Avenue (Industry)	93.862
Baldwin Avenue (El Monte)	70.365
Puente Avenue (Industry)	97.377
<b><i>Active Projects</i></b>	
Nogales Street (LA sub) Industry/Unincorporated LA Co.)	121.088
San Gabriel Trench (San Gabriel)	293.671
Fairway Drive (Industry)	178.916
Fullerton Road (Industry)	152.383
Temple Avenue Train Diversion (Pomona)	94.826
Durfee Avenue (Pico Rivera)	91.143
At-Grade Improvements (Pomona)	22.916
Montebello Corridor (Montebello)	160.0
Turnbull Canyon Road (Industry/Unincorporated LA) (design only)	10.106
<b>Total</b>	<b>\$1,676,586</b>

### *Current Projects Status Updates*

The following is a summary of the status of the active capital projects:

***Nogales Street Grade Separation (LA subdivision):*** Opened to traffic in June 2017. Close out of this project is expected by the end of this fiscal year.

***San Gabriel Trench:*** Train operations commenced in the 1.2-mile, 65-foot-wide and 30-foot-deep San Gabriel railroad trench on July 24, 2017. The temporary tracks have been removed allowing for final walls to be constructed as well as project landscaping. Full completion is expected in October 2018.



**San Gabriel Trench (Bridge Deck Construction)**

***Puente Avenue Grade Separation:*** Opened to traffic in April 2018. Construction for this project began in 2014 and completion at an estimated to be within the estimated project budget of \$97.4 million. There were no significant construction or contractor issues with this project. The project required purchase of property north of Valley at Puente that consists of commercial buildings currently housing eight tenants. The property will be declared surplus and offered for sale. Proceeds from the sale will be used for other projects in the ACE Program.



**Puente Avenue (Opened to traffic April 2018)**

***Fullerton Road Grade Separation:*** Fullerton Road from Gale Avenue on the north and the eastbound State Route 60 freeway off-ramp on the south has been widened to three lanes in each direction, improving traffic flow and reducing congestion at the bottleneck, traversed by over 23,000 vehicles daily. The widening has allowed for the full closure and construction of a six-lane roadway underpass and railroad bridge on Fullerton Road in the City of Industry and unincorporated community of Rowland Heights. Completion of the grade separation and reopening of the roadway is anticipated in summer 2020.



**Fullerton Road (Retaining Wall Excavation)**

***Fairway Drive Grade Separation:*** Construction is underway of a roadway underpass and railroad bridge on Fairway Drive. Crews completed construction of on and off ramps on State Route 60 at Lemon Avenue in the Cities of Diamond Bar and Industry that will be used as a detour for motorists as a mitigation measure for the Fairway Drive grade separation construction. Subsequent completion of the grade separation is anticipated in Fall 2020.



**Fairway Drive (Storm Drain Construction)**



**Lemon Avenue (57/60 Freeway On and Off Ramps Construction)**

**Temple Avenue:** This project was completed as expected and close out activities are underway.

**Montebello Corridor:** This project calls for constructing a roadway underpass, sidewalks, bike lanes and railroad bridge at the railroad crossing on Montebello Boulevard. Safety improvements will include quad crossing gates at the crossings on Maple, Greenwood and Vail Avenues. A pedestrian overcrossing is also planned for the Maple Avenue crossing due to significant numbers of pedestrians and cyclists. The environmental review process is moving forward as staff continues to coordinate with the City and other stakeholders during the preliminary design phase. The project is expected to begin construction in early 2020.



**Montebello Corridor (Project Rendering)**



**Montebello Pedestrian Bridge (Project Rendering)**



***Durfee Avenue Grade Separation:*** Final design work and property acquisition is taking place on the Durfee Avenue Grade separation project. This project will lower Durfee Avenue between Beverly Road and Whittier Boulevard in the City of Pico Rivera and construct a new railroad bridge for freight and Metrolink passenger trains. Staff is addressing design revisions requested by project stakeholders and finalizing right-of-way acquisitions and utility coordination issues. Bids for construction of the underpass are scheduled to be solicited this fall with groundbreaking slated for late 2018.



### **Durfee Avenue (Project Rendering)**

***At-Grade Safety Improvements:*** The proposed crossing safety improvement project in Pomona includes features such as pedestrian channelization, roadway modifications, updated signage and striping and traffic signal improvements at five at-grade railroad crossings near the downtown area at Hamilton Boulevard, Park Avenue, Main Street, Palomares Street and San Antonio Avenue. The project will address safety issues at the crossings, where five fatalities of pedestrians and a cyclist have been recorded at four of the crossings over the last 10 years, with one motorist injured when a vehicle was stuck on the tracks at the fifth crossing. Project design plans have reached the 35 percent preliminary engineering stage and staff continues to coordinate with stakeholders, utilities and other agencies. The current schedule calls for construction to start in summer 2019.

***Turnbull Canyon Road Grade Separation:*** Plans are moving on to the preliminary design phase. The City of Industry Council voted last year to approve construction of a two-lane overpass structure. The overpass concept was recommended due to potential property impacts, utility conflicts, groundwater concerns, coordination with Union Pacific Railroad and estimated project costs for an underpass. Preliminary design and engineering is anticipated to be completed by early 2019.

## FY 18 Capital Projects Budget Status

The following will depict the status of the budget which was adopted by the ACE Board of Directors for Fiscal Year 2018 in June 2017.

As in the past, ACE's adopted 2018 budget was broken down into two categories – indirect project expense and direct project expense:

- **Indirect Project Expenses:** Indirect expenses (such as salaries, rent, office supplies, etc.) that cannot easily be charged to specific project activities are billed to grants based on an annual indirect rate plan approved by Caltrans. The FY 2018 rate for the ACE Program was approved by Caltrans and included adjustments for over or under spending in prior years. Staff anticipates indirect expenses for FY 2018 will be \$52,000 over the budgeted amount of \$4.073 million (approximately 1.3%) for the purchase of additional excess liability insurance previously not included in the budget.
- **Direct Project Expenses:** Direct expenses are those that can be readily associated with specific projects such as staff or program management time, engineering or construction management contracts, property acquisition, construction, and miscellaneous support costs. For FY 2018 direct costs will be \$62.470 million below the budgeted amount of \$143.928 million (43%). These projected under expenditures, unfortunately, are not project savings, but rather expected expenditures that did not occur this year and will most likely happen in FY 2019. Delayed expenditures are primarily a result of construction activities not progressing as we anticipated. Some were weather related, others third party, and some were simply unavoidable circumstances during construction. These delays result in lower monthly billings from contractors. These funds will be carried over and re-budgeted in the proposed FY 2019 budget.

**FY 2018 Budget vs. Estimated Actual  
(\$ in thousands)**

<b>Expenditures</b>	<b>FY 18 (Adopted)</b>	<b>FY 18 (Adopted)</b>	<b>Under/(Over)</b>
<b>Indirect Expenses</b>			
<b>Personnel</b>			
Salaries and Wages	\$1,662	\$1,547	(\$115)
Fringe Benefits	1,419	1,334	(85)
<b>Board &amp; Employee Expenses</b>			
Auto/Travel	27	24	(3)
Trainings/Memberships	33	34	1
Board Expense	7	17	10
<b>Professional Services</b>			
Auditing/Accounting	42	42	-
Community Outreach Program	1	5	4
Legal-Agency Support	25	25	-
Program Management	13	18	5
State/Federal Advisory Services	242	242	-
Risk Management	49	52	3
<b>Insurance</b>	171	250	79
<b>Equipment Expense</b>	131	174	43
<b>Office Expense</b>	251	251	-
<b>Office Operations</b>	47	51	4
<b>Other</b>	6	7	1
<b>Total Indirect</b>	<b>4,126</b>	<b>4,073</b>	<b>(53)</b>
<b>Direct</b>			
Salaries and Wages	1,214	1,485	271
Fringe Benefits	468	573	104
Auto Allowance Allocated to Projects	21	27	7
Program Management	2,345	3,895	1,550
Legal	836	1,590	754
Design	4,571	8,556	3,985
ROW Acquisition	2,140	3,835	1,695
Utility Relocation	2,306	3,866	1,561
Construction Management	6,876	9,187	2,311
Railroad	3,064	8,760	5,696
Construction	56,853	101,250	44,397
UPRR Invoice Review	10	29	20
Third Party Review	586	832	246
Utilities (Site)	17	30	13
Advertising	.2	13	13
<b>Total Direct</b>	<b>81,308</b>	<b>143,928</b>	<b>62,620</b>
<b>Total Expenditures</b>	<b>\$85,434</b>	<b>\$148,001</b>	<b>\$62,567</b>

## ***FY 18 Accomplishments***

Within each annual budget, goals are established based on best estimates at the time of budget preparation. The following represents how SGVCOG's ACE Project met or expects to meet each goal in the areas of project implementation, funding/finance and outreach by June 30, 2018.

### ***Project Implementation***

- At-Grade Safety Improvements
  - *Goal:* Design at 35% & completion of environmental clearance
  - *Status:* Will meet this goal
- Durfee Avenue Grade Separation
  - *Goal:* 100% design complete/advertise for construction
  - *Status:* Expect design to be complete in October; advertise for construction in November
- Fairway Drive Grade Separation
  - *Goal:* Construction 40% complete
  - *Status:* Anticipate 35% completion
- Fullerton Road Grade Separation
  - *Goal:* Construction 20% complete
  - *Status:* Anticipate 12% completion
- Montebello Corridor
  - *Goal:* Design 35% complete & completion of environmental clearance
  - *Status:* Will meet this goal
- Puente Avenue Grade Separation
  - *Goal:* Construction 70% complete
  - *Status:* Will meet this goal
- San Gabriel Trench
  - *Goal:* Construction 90% complete
  - *Status:* Will meet this goal
- Temple Avenue Train Diversion
  - *Goal:* Complete project
  - *Status:* Project expected to be complete in September 2018
- Turnbull Canyon Grade Separation
  - *Goal:* Design 25% complete
  - *Status:* Expect design at 35% by the end of calendar year 2018

### ***Funding/Financial Administration***

- *Goal:* Ensure ACE's interests are represented in Federal National Freight Programs
  - *Status:* Accomplished. Grade separations are eligible for new Federal freight funding programs; construction authorities are eligible grant applicants.
- *Goal:* Pursue additional funding for remaining grade separation project or potential shortfall on existing projects
  - *Status:* Received CTC funding recommendation of \$49 million for the Montebello project and \$29 million for Turnbull Canyon Road project.
- *Goal:* Timely completion of "clean" financial and single audits
  - *Status:* Accomplished.
- *Goal:* Maintain at least 25% of borrowed funds invested

- *Status:* Accomplished.
- *Goal:* Complete 18 professional services contract audits
  - *Status:* Accomplished.
- *Goal:* Complete four quality control/quality assurance audits
  - *Status:* Accomplished.

***Community Outreach***

- *Goal:* Conduct dedication ceremonies for the San Gabriel Trench and potentially the Temple Avenue project
  - *Status:* Construction not complete within FY '18. Both projects will have events in FY'19
- *Goal:* Conduct community open house/public meetings for the Montebello Corridor, Turnbull Canyon and At-Grade Safety Improvement projects
  - *Status:* Outreach efforts, though not community open houses, were ongoing in FY '18.
- *Goal:* Conduct environmental, community and school outreach effort for five projects in construction (San Gabriel Trench, Puente Ave., Fairway Dr., Fullerton Rd., and Durfee Ave)
  - *Status:* Extensive outreach efforts continued for projects in heavy construction (Fairway Drive, Lemon Avenue, San Gabriel Trench, Puente Avenue and Fullerton Road). Early construction outreach activities held for Durfee Ave project.
- *Goal:* Conduct groundbreaking ceremony for the Durfee Avenue Project
  - *Status:* Not accomplished. Durfee Ave project groundbreaking will be held in FY '19.

## FY 19 Proposed Capital Projects Budget

SGVCOG has developed and implemented budgeting, accounting and project control systems that meet generally accepted accounting standards with the goal of delivering a project that accomplishes its intended purposes as expeditious and cost effective as possible. The capital projects budget for FY 2019 (July 1, 2018 through June 30, 2019) was developed in two parts: anticipated project related direct expenses and general indirect expenses.

- **Indirect Budget:** The proposed FY 2019 indirect expense budget was developed by line item, based on past expenditures and anticipated cost changes such as liability insurance, rent, utility costs, salaries, benefits, legal support, office supplies, and IT support. The ratio of all indirect costs to anticipated direct labor and fringe benefit cost is used to calculate the Indirect Cost Allocation Plan (ICAP) which is submitted to Caltrans for approval, and becomes the basis for billing indirect costs in FY 2019.
- **Direct Budget:** The proposed FY 2019 direct expense budget assumes two projects in major construction (Fairway and Fullerton), one project beginning construction (Durfee) and four projects in design (At-grade safety improvements, Turnbull Canyon, Montebello and Rio Hondo). For the active construction projects staff used the construction schedules to determine the rate of construction and determine the anticipated contractor expenditures. For the four projects in design staff included in the project budget the final design as well as the current estimated cost of land acquisition if applicable to the project. It should be noted that the pace and cost of land acquisition is the most speculative part of the budget estimates and may change if cost settlements require court action.

**FY 19 Proposed Revenues & Expenditures**

(\$ in thousands)

<b><u>Revenues</u></b>	
Federal	\$12,259
State	46,503
Local	55,056
Betterment/Other	8,659
<b>Total Revenue</b>	<b>122,476</b>
<b><u>Operating Expenditures</u></b>	
<b>Direct</b>	
Direct	11,293
ROW Acquisition	23,884
Construction	69,796
Construction Management	10,585
Betterment	1,587
Lemon Ave Betterment	1,304
<b>Total Direct</b>	<b>118,449</b>
<b>Indirect Expenses</b>	
Personnel	2,962
Board & Employee Expenses	70
Professional Services	388
Insurance	171
Equipment Expense	125
Office Expense	256
Office Operations	48
Other	6
<b>Total Indirect</b>	<b>4,027</b>
<b>Total Operating Expenditures</b>	<b>122,476</b>
<b>Excess Revenue Over Expenditures before Financing</b>	<b>-</b>
<b>Financing Income</b>	
Investment Revenue	652
Financing Expense	(714)
<b>Net Financing Income/ Expense</b>	<b>(62)</b>
<b>Excess Revenue Over Expenditures / Change in Net Position</b>	<b>(62)</b>
<b>Net Position at FY 17 Year's End</b>	<b>14,008</b>
<b>Estimated Year-End Balance</b>	<b>\$ 13,946</b>

**FY 19 Direct Project Costs (By Project)**

(\$ in thousands)

<b>Expenditures</b>	<b>Total</b>	<b>SG Trench</b>	<b>Puente Ave</b>	<b>Fairway Drive</b>	<b>Fullerton</b>	<b>Durfee</b>	<b>Montebello Corridor</b>	<b>Maple Ave. Ped. Overhead Structure</b>	<b>At-Grade Crossing Safety Improvements</b>	<b>Turnbull Canyon</b>	<b>AT-Grade Crossing</b>	<b>Rio Hondo Load Reduction</b>	<b>Nogales (L/A)</b>
Salaries & Wages	\$1,295	\$158	\$64	\$275	\$276	\$171	\$100	\$51	\$27	\$101	\$53	\$18	-
Fringe Benefits	518	63	26	110	110	68	40	20	11	40	21	7	-
Auto Allowance	22	1	1	4	7	3	2	2	1	1	1	-	-
Program Mgmt.	5,416	335	238	716	917	519	1,134	146	49	1,029	101	10	222
Legal	1,892	70	12	490	155	412	235	50	-	35	10	-	424
Design	10,140	150	200	200	180	480	3,250	1,000	480	1,500	1,200	1,500	-
ROW Acquisition	18,317	-	-	-	160	902	14,300	1,100	-	300	-	-	1,555
Utility Relocation	1,080	-	40	-	-	730	-	300	-	10	-	-	-
Construction Mgmt.	6,770	1,500	250	1,800	2,400	745	25	15	15	-	20	-	-
Railroad Construction	2,897	700	200	360	36	1,506	25	20	10	20	20	-	-
UPRR Invoice Review	74	5	1	-	1	1	1	35	25	5	1	-	-
3 <sup>rd</sup> Party Review	745	40	200	120	100	75	70	35	5	50	50	-	-
Utilities (Site)	20	-	-	-	-	20	-	-	-	-	-	-	-
Advertising	13	-	-	-	-	5	-	2	3	-	3	-	-
<b>Total</b>	<b>\$118,449</b>	<b>\$7,022</b>	<b>\$3,232</b>	<b>\$29,325</b>	<b>\$34,342</b>	<b>\$13,637</b>	<b>\$19,183</b>	<b>\$2,777</b>	<b>\$626</b>	<b>\$3,091</b>	<b>\$1,481</b>	<b>\$1,535</b>	<b>\$2,200</b>



*FY 2018/19 Expenditure Comparison*

**FY 2018 Budget vs. FY 2019 Proposed**

*(\$ in thousands)*

<b>Expenditures</b>	<b>FY 18 (Adopted)</b>	<b>FY 19 (Proposed)</b>	<b>Increase/ (Decrease)</b>
<b>Indirect Expenses</b>			
<b>Personnel</b>			
Salaries and Wages	\$1,547	\$1,602	\$55
Fringe Benefits	1,334	1,360	26
<b>Board &amp; Employee Expenses</b>			
Auto/Travel	24	32	8
Trainings/Memberships	34	38	4
Board Expense	17	-	(17)
<b>Professional Services</b>			
Auditing/Accounting	42	42	-
Community Outreach Program	5	1	(4)
Legal-Agency Support	25	25	-
Program Management	18	13	(5)
State/Federal Advisory Services	242	242	-
Risk Management	52	65	13
<b>Insurance</b>	250	171	(79)
<b>Equipment Expense</b>	174	125	(49)
<b>Office Expense</b>	251	256	5
<b>Office Operations</b>	51	48	(3)
<b>Other</b>	7	6	(1)
<b>Total Indirect</b>	<b>4,073</b>	<b>4,027</b>	<b>(47)</b>
<b>Direct</b>			
Salaries and Wages	1,485	1,295	(190)
Fringe Benefits	573	518	(55)
Auto Allowance Allocated to Projects	27	22	(5)
Program Management	3,895	5,416	1,521
Legal	1,590	1,892	302
Design	8,556	10,140	1,584
ROW Acquisition	3,835	18,317	14,482
Utility Relocation	3,866	1,080	(2,786)
Construction Management	9,187	6,770	(2,417)
Railroad	8,760	2,897	(5,863)
Construction	101,250	69,250	(32,000)
UPRR Invoice Review	29	74	45
Third Party Review	832	745	(87)
Utilities (Site)	30	20	(10)
Advertising	13	13	-
<b>Total Direct</b>	<b>143,928</b>	<b>118,449</b>	<b>(25,479)</b>
<b>Total Expenditures</b>	<b>\$148,001</b>	<b>\$122,476</b>	<b>(\$25,526)</b>

The following addresses significant line item changes proposed for FY 2019 compared to the FY 2018 budgeted (greater than 10%). The total anticipated expenditures in FY 2019 will be down from what was budgeted in FY 2018 as construction expenses (our largest budget item) is decreased to reflect the construction activity anticipated.

### ***Indirect Expenditures***

- *Insurance (\$79,000 decrease)*: This reflects the premium for the prepaid excess liability insurance required when we begin construction on a project. The decrease this fiscal year reflects completed paid premiums for projects already under way.
- *Equipment Expense (\$49,000 decrease)*: In FY '2018 we upgraded office and computer equipment and therefore do not anticipate additional expenses in this area.
- *Board Expenses – (\$17,000 decrease)*: This expense is eliminated due to the stipend payments removed as a result of the merger. The former ACE Board was formally dissolved and became the Capital Projects and Construction Committee of the SGVCOG. Committee attendance does not qualify for stipend payments.
- *Personnel (Salary & Wages/Fringe Benefits) (\$55,000 Increase)*: The FY 2019 proposed budget assumes one reduction in staffing levels from 23 to 22 ACE project assigned positions. The budget does provide for a 3% merit pool to be allocated based on performance evaluations. There is no CPI or fixed percentage salary adjustments included in the budget.

### ***Direct Expenditures***

- *Program Management (\$1.5M increase)*: This increase in contracted consultant support is related to the expected increase in right of way acquisition services for the Montebello project.
- *Right of Way Acquisition (\$14.482M increase)*: Planned acquisitions for properties on Montebello for FY 2019 resulted in this increase.
- *Utility Relocations (\$2.786M decrease)*: With most utility relocations being completed on Fullerton and Fairway, utility relocation costs are expected to slightly decrease.
- *Construction (\$32M decrease)*: Completion of the San Gabriel Trench and Puente Ave projects, and a late fiscal year start for the Durfee Ave project, construction billing is expected to be at a rate less than it was anticipated in FY 2018.
- *Railroad (\$5.863M decrease)*: Union Pacific Railroad billings are expected to be less because mainline construction will have been completed on the San Gabriel Trench and Puente Avenue projects.

The pace of active projects is the major factor in the annual budget projection. For FY 2019 we have made the following assumptions about the projects having the biggest impact on our spending estimates:

- San Gabriel Trench (San Gabriel) – Construction 100% complete.
- Fairway Drive (Industry/LA County) – Construction 50% complete.
- Durfee Avenue (Pico Rivera) – Construction will begin.
- Fullerton Road (Industry) – Construction 35% complete.
- At-Grade Safety Improvements (Pomona) – Design 80% complete.
- Montebello Corridor (Montebello) – Design 60% complete.
- Turnbull Canyon Road – Design 50% complete
- Rio Hondo LRS – Design 50% complete

## ***FY 2019 Capital Project Goals***

Staff proposes to accomplish the following by June 30, 2019 (unless otherwise noted):

### ***Project Implementation***

- At-Grade Safety Improvements
  - *Goal:* Design 100% complete
- Durfee Avenue
  - *Goal:* Construction to begin October 2018
- Fairway Drive
  - *Goal:* 60% complete/Lemon Ave complete
- Fullerton Road
  - *Goal:* 35% complete
- Montebello Corridor
  - *Goal:* 65% design complete, right of way activity and final design underway
- Puente Avenue
  - *Goal:* 100% complete
- San Gabriel Trench
  - *Goal:* 100% complete
- Temple Avenue
  - *Goal:* 100% complete
- Turnbull Canyon
  - *Goal:* Design 35% complete
- Rio Hondo Load Reduction Strategy Project
  - *Goal:* Design 50% complete

### ***Funding/Financial Administration***

- Pursue additional funding and establish funding opportunities for remaining grade separation project or potential shortfall on existing projects
- Timely completion of “clean” financial and single audits
- Maintain at least 25% of borrowed funds invested
- Complete 16 professional services contract audits
- Complete five quality control/quality assurance audits (All active construction projects)

### ***Community Outreach***

- Conduct environmental, community and school outreach effort for three projects in construction (Durfee Avenue, Fairway Drive, and Fullerton Road)
- Conduct community open house/public meetings as needed for the Montebello Corridor, Turnbull Canyon and At-Grade Safety Improvements projects
- Conduct groundbreaking ceremony for Durfee Avenue and At Grade Safety Improvement projects
- Conduct dedication ceremony for Temple Avenue project
- Conduct dedication ceremony for San Gabriel Trench project

### ***Project Financing***

Financing of the ACE Program will continue to utilize the funds from a \$45 million working capital loan from the Los Angeles County Metropolitan Transportation Authority (Metro) to maintain cash flows and bridge the timing gap between project expenditures and reimbursements from our granting agencies. Based on the projected cash flow, we will be able to fund the interest expenses on the working capital loan from the proceeds of short term investments. Investments continue to generate interest income in excess of interest expense.

Because the SGVCOG has no meaningful sources of revenue to advance projects other than grants and contributions from funding agencies, staff continues to make every effort to ensure that all other expenditures are reimbursable by federal, state or local grants. Staff uses this Budget submittal to annually advise the Board of the cumulative exposure of unreimbursed costs. As of this date, the ACE Program has incurred the following unreimbursed or unreimbursable expenses, dating back to the beginning of the ACE Construction Authority:

FY 1998	\$ 71,185	Expenses incurred by SGVCOG prior to 6/30/98 not reimbursed by MTA
FY 2000	11,298	Net interest cost of loan from City of Industry
FY 2001	2,738	Net interest cost of loan from City of Industry
FY 2006	105,529	Payment to SGVCOG for claimed unreimbursed expenses
	\$ 190,750	Estimated total – project-life-to-date

Available funds from railroad contributions to the program have been allocated to pay for these cumulative unreimbursed expenses.

## Budget Glossary

### Indirect Expenses

#### *Personnel*

- *Salaries and Wages:* Salaries for employees (charged both as indirect and direct expenses).
- *Fringe Benefits:* Employee benefits such as health insurance, life insurance and pension.

#### *Board/Employee Expenses*

- *Auto/Travel:* Employee travel for business purposes. Includes registration fees and local mileage reimbursement or auto allowance.
- *Training/Memberships:* Authority and professional memberships; ongoing professional training.
- *Board or Committee Related Expenses:* Board stipends, travel.

#### *Professional Services*

- *Auditing/Accounting:* Financial auditing and accounting services.
- *Legal - Agency Support:* General Counsel, construction legal and any other legal services not directly chargeable to specific construction projects.
- *Program Management:* Contracted project administration support which cannot be charged to specific projects. Consists primarily of special studies, community relations, and those activities of our support contractors which address general agency needs.
- *State/Federal Advisory Services:* State & Federal legislation research, monitoring and funding application services.
- *Risk Management:* Administrative fee for analyzing insurance requirements, reviewing ACE and contractor policies and obtaining insurance.
- *Insurance:* Annual insurance premiums
- *Equipment Expense:* Purchase/lease and maintenance of office equipment such as copiers, printers and computers.
- *Office Expense:* Rent on ACE office space, including maintenance and miscellaneous expense.
- *Office Operations:* Office supplies, postage, printing/copying and telephones.
- *Other:* General advertising, subscriptions, payroll service fees, etc.

### Direct Expenses

- *Betterments:* City funded work that City desires to have ACE construct concurrently with project (e.g. street modifications, beautifications)
- *Program Management:* The portion of overall program management expenses which can be directly charged to projects; consists primarily of design and utility relocation support, land acquisition related services and office support.
- *Legal:* Legal expenses which can be directly charged to specific projects for land acquisition activities.
- *Design:* Preparation of project plans, specifications and estimates and support during construction.
- *Right of Way Acquisition:* Property acquisition costs, closing costs, appraisals, surveys, miscellaneous acquisition support costs.
- *Utility Relocation:* Costs of relocating utilities, including design.
- *Construction Management:* Field oversight of construction.

- *Railroad:* Railroad (UPRR and Metro link) charges to projects for project support, design, procurement and construction.
- *Construction:* Payment to construction contractors.
- *Third Party Review:* Payment to outside agencies (e.g., UPRR, Cities, LA County) for their costs to review and approve project designs and submittals.
- *UPRR Invoice Review:* Use of an outside contractor to review UPRR billings for errors, mischarges, questionable costs, etc.
- *Advertising:* Cost of advertising construction contracts.
- *Utilities (Site):* Cost of utilities service to construction sites.

**Exhibit A**  
**Staff Positions and Salary Ranges**

Note: A salary and classification study is underway and expected to be presented to the Governing Board by the end of the calendar year. The results of the study may also recommend position classifications and/or salary range changes. However, at this time the following positions and salary ranges have been approved by the SGVCOG Governing Board:

Full Time Positions	Monthly Salary	
	Minimum	Maximum
Executive Director*		\$14,583
Accountant (2)	\$4,170	\$6,339
Administrative Assistant (2)	\$5,103	\$7,570
Administrative Services Manager	\$6,465	\$11,637
Assistant Executive Director	\$7,277	\$9,190
Chief Engineer	\$16,757	\$19,928
Contracts Auditor	\$5,302	\$8,727
Contracts Manager	\$9,535	\$13,628
Labor Compliance/Procurement Administrator	\$5,426	\$8,315
Director of Finance	\$11,637	\$16,769
Director of Government/Community Relations	\$12,674	\$19,307
Manager of Audits/Grants	\$6,814	\$12,265
Management Analyst (#)	\$4,167	\$5,487
Manager of Information Technologies	\$5,534	\$8,481
Program Manager	\$12,219	\$17,607
Regional Homelessness Coordinator	\$7,083	\$9,167
Secretary/Document Control	\$4,312	\$6,470
Senior Accountant	\$5,357	\$8,009
Senior Contracts Auditor	\$5,606	\$9,164
Senior Contracts Administrator	\$7,120	\$10,887
Senior Project Manager (3)	\$11,637	\$16,769
Senior Management Analyst	\$5,487	\$7,097
Utility Coordinator	\$7,487	\$11,229
Part Time Positions	Hourly Rate	
Project Assistant		\$25
Office Assistant		\$18
Intern (Graduate Student)		\$18
Intern (Undergraduate Student)		\$16

\*The salary for this position is set by the SGVCOG Governing Board.

**Exhibit A**

**Capital Projects Staff Support Service Hours for FY 2019**

<b>Staff</b>	<b>Bill Rate</b>	<b>Bill Hours</b>	<b>FY 19 Budget</b>
Accountant - A	\$57.58	78	\$ 4,491
Accountant - B	\$75.42	78	5,883
Sr. Accountant	\$98.90	52	5,143
Finance Director	\$164.61	78	12,840
<b>Subtotal Accounting /Finance</b>		<b>299</b>	<b>28,356</b>
Manage of Admin. Services	\$120.62	78	9,408
Administrative Assistant	\$72.59	130	9,437
IT Manager	\$80.92	26	2,104
<b>Subtotal Administration</b>		<b>234</b>	<b>20,949</b>
Director of Government Relations	\$177.60	26	4,618
Chief Engineer	\$215.04	91	19,569
<b>Subtotal Transportation</b>		<b>117</b>	<b>24,186</b>
	Total	650	\$ 73,492



# REPORT

DATE: May 31, 2018  
TO: Governing Board Delegates and Alternates  
FROM: Marisa Creter, Executive Director  
RE: **SGVCOG ELECTION OF OFFICERS FY 2018-19**

## **RECOMMENDED ACTION**

Elect SGVCOG Governing Board members to each of the four (4) SGVCOG officer positions: 1) President, 2) 1st Vice-President, 3) 2nd Vice-President and 4) 3rd Vice-President.

## **BACKGROUND**

Section 11 of the SGVCOG Joint Powers Authority states that the Governing Board shall elect a President and Vice-President at the first regular meeting of the Governing Board held in the month of May each year. It indicates that eligible candidates must be serving as their member agency's delegate on the SGVCOG Governing Board. Article V, Section A of the bylaws state that the 2<sup>nd</sup> and 3<sup>rd</sup> Vice-Presidents shall be elected at the same time and manner as the President and 1<sup>st</sup> Vice-President.

Written notification of the opportunity to serve as an Officer was sent to all Governing Board Delegates and Alternates. The following nominations were received by the nomination deadline:

Nominee	Officer Position			
	President	1st VP	2nd VP	3rd VP
Cynthia Sternquist (Temple City)	X			
Margaret Clark (Rosemead)		X		
Becky Shevlin (Monrovia)			X	
Tim Hepburn (La Verne)				X
Jack Hadjinian (Montebello)				X
<b>Total Candidates:</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>2</b>

## **ELECTION PROCEDURES**

The election process will be as follows:

- **Election Official:** The SGVCOG General Counsel will serve as the SGVCOG's election official and run the election. Any concerns or questions should be directed to him.

- **Eligible Candidates:** Candidates must be serving as the Governing Board delegate from their member agency in order to be eligible for election.
- **Order of Elections:** Pursuant to prior Governing Board action, the elections will be held in the following order:
  - President
  - 1<sup>st</sup> Vice President
  - 2<sup>nd</sup> Vice President
  - 3<sup>rd</sup> Vice President
- **Election of President, 1<sup>st</sup>, and 2<sup>nd</sup> Vice-President:** Given that there was only one nomination received for the President, 1<sup>st</sup> and 2<sup>nd</sup> vice President, this election will be held via voice vote. Additional nominations from the floor will not be accepted.
- **Election of 3<sup>rd</sup> Vice-President:** Given that there were multiple nominations received for the 3<sup>rd</sup> Vice-President position, an election will be held via written ballots. Additional nominations from the floor will not be accepted. The election will be conducted as follows:
  1. Each candidate will be given **three minutes** to address the Governing Board to present their experience and qualifications for the position. They may also have another individual speak on their behalf, but the total speaking time shall not exceed three minutes. In addition, candidates may distribute a written statement of their qualification and interest. Candidates for each position will speak in alphabetical order based on city / member agency name.
  2. After all candidates have been given the opportunity to speak, staff will distribute written ballots. Each member agency will receive one ballot. When voting, Governing Board representatives must select only one candidate per position, sign and date their ballot, and write the name of their respective member agency on the ballot. Prior to counting ballots, staff will confirm that all ballots are signed and identified with the member agency. In the event that a ballot is unsigned or cannot be identified, staff will make every attempt to identify the ballot and collect a signature. However, in the event that a ballot cannot be identified and signed, it will be discarded.
  3. Staff will tally the ballots, and General Counsel will announce the results. The Governing Board may consider other agenda items unrelated to the elections while staff tallies the votes. In the event that a candidate receives the majority of the votes,<sup>1</sup> that individual will be deemed the winner and the results will be confirmed via a motion.
    - **Runoff Procedure:** In the event that no candidate receives the majority of the votes, a runoff will be held between the two candidates receiving the most votes. However, if two or more candidates tie for second place, all second place candidates will be included in the runoff. In order to conduct the runoff, General Counsel will announce the candidates that will be included in the runoff and, therefore, still eligible. Candidates will not have the opportunity to address the Governing Board again prior to the runoff. Staff will distribute written ballots and member agencies will

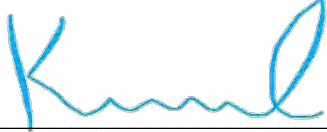
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<sup>1</sup> Note, in order to be deemed the winner, a candidate must receive a majority of the votes from member agencies present.

be instructed to strike the names of any candidates that are not included in the runoff. Staff will collect and tally the ballots. This process will be repeated until a candidate receives the majority of the votes. The results will then be confirmed via a motion.

- **Ballots:** Staff will keep an electronic (scanned) copy of all ballots, which will be made available upon request.
- **Term of Office:** Newly elected officers will begin their one-year term on July 1, 2018.

Prepared by: \_\_\_\_\_



Katie Ward  
Senior Management Analyst

Approved by: \_\_\_\_\_



Marisa Creter  
Executive Director





Memo to: Capital Projects and Construction Committee Members & Alternates

From: Mark Christoffels  
Chief Engineer

Date: April 23, 2018

SUBJECT: Receive and File: Quarterly Project Progress Reports

RECOMMENDATION: Receive and file the ACE Program Quarterly Progress Reports for the period covering the 3<sup>rd</sup> quarter of Fiscal Year 2018.


BACKGROUND: To keep the ACE Board as well as the interested public informed about **ACE's progress** in designing and constructing the projects in the adopted ACE program, staff prepares and submits to the Board progress reports on a quarterly basis. The attached reports are prepared by the Project Managers for each respective active ACE project and provide a one-page summary of expenditures, schedules, work completed and to be done, as well as any areas of concerns. In addition to these reports, staff will make an oral presentation to provide updates on the following for the period from January 1, 2018 through March 31, 2018:

- Major Activities Completed
- Construction and Design Progress
- Current Project Schedules
- Current Project Cost Estimates
- Project Funding

**ALAMEDA CORRIDOR-EAST PROJECT  
AT-GRADE CROSSING SAFETY IMPROVEMENTS (City of Pomona)**

**As of March 2018**

<b>LOCATION:</b> Pomona	<b>CONSTRUCTION MANAGER:</b> TBD
<b>DESIGN CONSULTANT:</b> Railpros	<b>CONTRACTOR:</b> TBD

<b>PHOTO</b> Pedestrian Crossing at Main Street	<b>WORK COMPLETED PAST QUARTER</b>
	<ul style="list-style-type: none"> <li>Completed Review of 35% Plans</li> <li>Submitted 35% Plans to UPRR for Review</li> <li>Received SGVCOG Committee Approval of Project Development Report and RailPros' Final Design Task Order</li> <li>Completed Agreement with City of Pomona for Installation of PV Signal Heads at Palomares and San Antonio</li> </ul>


<b>EXPENDITURE STATUS</b> (\$ in Millions)				<b>SCHEDULE ASSESSMENT</b>			
ACTIVITIES	PERCENT EXPENDED	\$ CURRENT ESTIMATE	\$ EXPENDED AMOUNT	MAJOR SCHEDULE ACTIVITIES	PRIOR PLAN	CURRENT PLAN	VARIANCE WEEKS +/-
DESIGN (35% only)	90%	\$4.5	\$2.1	<b>Environmental</b>			
				Statutory Exemption	Jan-18	Feb-18	5
RIGHT-OF-WAY	0%	\$1.1	\$0.0	<b>Design</b>			
				Notice To Proceed	May-15 A	May-15 A	
				Final PS&E Complete	Apr-19	May-19	4
CONSTRUCTION	0%	\$17.4	\$0.0	<b>Right-of-Way</b>			
				All Parcels Available	N/A	N/A	
TOTAL	9%	\$22.9	\$2.1	<b>Construction</b>			
				Notice To Proceed	Jan-20	Jan-20	0
				Construction Complete	Dec-20	Dec-20	0

<b>AREAS OF CONCERN</b>				<b>CRITICAL ACTIVITIES / 3 MONTH LOOK AHEAD</b>			
				<ul style="list-style-type: none"> <li>Begin the 65% Design Phase</li> <li>Obtain UPRR Permit to Enter and Complete Updated Survey</li> <li>Complete Additional Utility Locating</li> <li>Complete the Final Hydrology and Hydraulics Report</li> </ul>			
<b>ROW ACQUISITION</b>	<b>Plan</b>	<b>Acquired</b>	<b>Remaining</b>				
o Permanent Parcels	0	0	0				
o Temporary Parcels	0	0	0				
<b>o Total Parcels</b>	<b>0</b>	<b>0</b>	<b>0</b>				

**ALAMEDA CORRIDOR-EAST PROJECT  
GRADE SEPARATION - DURFEE AVENUE (City of Pico Rivera)**

**As of March 2018**

<b>LOCATION:</b> Pico Rivera	<b>CONSTRUCTION MANAGER:</b> PreScience
<b>DESIGN CONSULTANT:</b> URS	<b>CONTRACTOR:</b> TBD

<b>PHOTO</b> Traffic Back-up at Crossing	<b>WORK COMPLETED PAST QUARTER</b>
	<ul style="list-style-type: none"> <li>Continued Stakeholder, Utility, and Other Agency Coordination</li> <li>Continued ROW Acquisition and Relocation Activities</li> <li>Continued Coordination with Private Property Owners for Final Approval of Site Improvements</li> <li>Provided support for eminent domain legal proceedings</li> <li>Circulated the Draft C&amp;M for Review</li> <li>Continued Preparation of Draft ROW Certification for Caltrans' Review</li> </ul>


<b>EXPENDITURE STATUS</b> (\$ in Millions)				<b>SCHEDULE ASSESSMENT</b>			
ACTIVITIES	PERCENT EXPENDED	\$ CURRENT ESTIMATE	\$ EXPENDED AMOUNT	MAJOR SCHEDULE ACTIVITIES	PRIOR PLAN	CURRENT PLAN	VARIANCE WEEKS +/-
DESIGN	86%	\$9.7	\$8.5	<b>Environmental</b>			
				NEPA/CEQA	Jul-14 A	Jul-14 A	
RIGHT-OF-WAY	55%	\$32.5	\$18.7	<b>Design</b>			
				Notice To Proceed	Oct-12 A	Oct-12 A	
				Final PS&E Complete	Apr-18	Apr-18	0
CONSTRUCTION	0%	\$48.9	\$0.0	<b>Right-of-Way</b>			
				All Parcels Available	Mar-18	Mar-18	0
TOTAL	30%	\$91.1	\$27.2	<b>Construction</b>			
				Notice To Proceed	Dec-18	Oct-18	(11)
				Construction Complete	Jun-21	Jul-21	2

<b>AREAS OF CONCERN</b>				<b>CRITICAL ACTIVITIES / 3 MONTH LOOK AHEAD</b>			
				<ul style="list-style-type: none"> <li>Continue Stakeholder, Utility, and Other Agency Coordination</li> <li>Resubmit final package to UPRR for approval</li> <li>Continue ROW Acquisition and Relocation Activities</li> <li>Complete Demolition Bid Package for Parcels 208D and 208QR</li> <li>Continue Coordination with Private Property Owners for Final Approval of Site Improvements</li> <li>Provide support for eminent domain legal proceedings</li> <li>Obtain Signatures for C&amp;M</li> <li>Submit Draft ROW Certification for Caltrans' Review</li> </ul>			
<b>ROW ACQUISITION</b>	<b>Plan</b>	<b>Acquired</b>	<b>Remaining</b>				
o Permanent Parcels	48	11	37				
o Temporary Parcels	42	3	39				
<b>o Total Parcels</b>	<b>90</b>	<b>14</b>	<b>76</b>				

**ALAMEDA CORRIDOR-EAST PROJECT  
GRADE SEPARATION - FAIRWAY AVENUE (LA Sub)(City of Industry)**

**As of March 2018**

<b>LOCATION:</b> City of Industry	<b>CONSTRUCTION MANAGER:</b> PB Americas
<b>DESIGN CONSULTANT:</b> CH2M Hill	<b>CONTRACTOR:</b> OHL USA

<b>PHOTO</b> <b>36" Storm Drain</b>	<b>WORK COMPLETED PAST QUARTER</b>
	<p>Completed the construction of retaining walls #5 &amp; #6.</p> <p>Completed the 39" CSD truck sewer installation.</p> <p>Lemon Avenue Ramps Construction:-</p> <p>Completed the final PCC paving along WB on-ramp.</p> <p>Completed the sound wall construction on EB off-ramp.</p> <p>Completed the retaining wall pour along EB on-ramp</p> <p>Completed the installation of traffic signal at EB off-ramp at Lemon.</p>

<b>EXPENDITURE STATUS</b> (\$ in Millions)				<b>SCHEDULE ASSESSMENT</b>			
ACTIVITIES	PERCENT EXPENDED	\$ CURRENT ESTIMATE	\$ EXPENDED AMOUNT	MAJOR SCHEDULE ACTIVITIES	PRIOR PLAN	CURRENT PLAN	VARIANCE WEEKS +/-
DESIGN	100%	\$8.2	\$8.2	<i>Environmental</i>			
				IS/ND	Oct-12 A	Oct-12 A	
RIGHT-OF-WAY	65%	\$30.1	\$28.0	<i>Design</i>			
				Notice To Proceed	Apr-11 A	Apr-11 A	
				Final PS&E Complete	Jul-14 A	Jul-14 A	
CONSTRUCTION	38%	\$140.6	\$56.6	<i>Right-of-Way</i>			
				All Parcels Available	Apr-14 A	Apr-14 A	
TOTAL	52%	\$178.9	\$92.8	<i>Construction</i>			
				Notice To Proceed	Dec-14 A	Dec-14 A	
				Construction Complete	Aug-21	Aug-21	(3)

<b>AREAS OF CONCERN</b>	<b>CRITICAL ACTIVITIES / 3 MONTH LOOK AHEAD</b>
<p>Fairway - ground water dewatering needs to be maintained to allow construction to continue.</p> <p>Fairway - shoofly needs to be approved by UPRR to avoid project delay.</p>	<p>SCG needs to get start on the 30" transmission line relocation asap.</p> <p>County and Caltrans need to grant approval of the proposed 8-week closure for Fairway roadway work</p>


<b>ROW ACQUISITION</b>	<b>Plan</b>	<b>Acquired</b>	<b>Remaining</b>
o Permanent Parcels	42	13	29
o Temporary Parcels	26	14	12
<b>o Total Parcels</b>	<b>68</b>	<b>27</b>	<b>41</b>



**ALAMEDA CORRIDOR-EAST PHASE II  
GRADE SEPARATION - FULLERTON ROAD (City of Industry)**

**As of March 2018**

<b>LOCATION:</b> City of Industry	<b>CONSTRUCTION MANAGER:</b> Berg & Associates
<b>DESIGN CONSULTANT:</b> Biggs Cardosa Associates	<b>CONTRACTOR:</b> Shimmick Construction Co

<b>PHOTO</b> North Fullerton Road Excavation	<b>WORK COMPLETED PAST QUARTER</b>
	<p>Completed Southbound Fullerton Road Outside Widening</p> <p>Continued Northbound Fullerton Road Outside Widening</p> <p>Started north Fullerton Road excavation</p> <p>Completed Southbound Fullerton Road SR-60 On/Off Ramps</p> <p>Relocated Shell Station monument sign</p>


<b>EXPENDITURE STATUS</b> (\$ in Millions)				<b>SCHEDULE ASSESSMENT</b>			
ACTIVITIES	PERCENT EXPENDED	\$ CURRENT ESTIMATE	\$ EXPENDED AMOUNT	MAJOR SCHEDULE ACTIVITIES	PRIOR PLAN	CURRENT PLAN	VARIANCE WEEKS +/-
DESIGN	100%	\$10.7	\$10.7	<b>Environmental</b>			
				Categorical Exemption IS/ND	Oct-13 A	Oct-13 A	
RIGHT-OF-WAY	95%	\$27.1	\$21.1	<b>Design</b>			
				Notice To Proceed	Oct-12 A	Oct-12 A	
				Final PS&E Complete	Dec-15 A	Dec-15 A	
CONSTRUCTION	21%	\$114.6	\$23.9	<b>Right-of-Way</b>			
				All Parcels Available	Oct-15 A	Oct-15 A	
TOTAL	37%	\$152.4	\$55.7	<b>Construction</b>			
				Notice To Proceed	Jul-16	Jul-16 A	
				Construction Complete	Dec-20	Jun-21	25

<b>AREAS OF CONCERN</b>				<b>CRITICAL ACTIVITIES / 3 MONTH LOOK AHEAD</b>			
				<p>Complete South Fullerton Road widening outside lanes</p> <p>Complete North Fullerton Road widening outside lanes</p> <p>Pump Station electrical/mechanical</p> <p>Construct SR-60 On/Off Ramps</p> <p>Start North Fullerton Road improvements</p>			
<b>ROW ACQUISITION</b>	<b>Plan</b>	<b>Acquired</b>	<b>Remaining</b>				
o Permanent Parcels	37	25	12				
o Temporary Parcels	20	16	4				
<b>o Total Parcels</b>	<b>57</b>	<b>41</b>	<b>16</b>				

**ALAMEDA CORRIDOR-EAST PROJECT  
GRADE SEPARATION - Various (Montebello)**

**As of March 2018**

<b>LOCATION:</b> Montebello	<b>CONSTRUCTION MANAGER:</b> TBD
<b>DESIGN CONSULTANT:</b> Moffat & Nichol	<b>CONTRACTOR:</b> TBD

<b>PHOTO</b> <b>Montebello Boulevard</b>	<b>WORK COMPLETED PAST QUARTER</b>
	<ul style="list-style-type: none"> <li>Continued Coordination with Stakeholders and Impacted Property Owners</li> <li>Completed and Submitted 35% Plans to City and SGVCOG staff for review</li> <li>Continued Work on Hydrology and Hydraulics Memorandum</li> <li>Completed Traffic Study Addendum</li> <li>Completed Structural Type Selection Reports for Montebello GS, Olympic Bridge, Retaining Walls and Maple Ped OH Structure</li> <li>Completed 10% Submittal for UPRR for Track Design</li> <li>Completed 25% Submittal for UPRR for At-Grade Improvements</li> <li>Completed IS/MND for Maple Ped OH Structure</li> </ul>


<b>EXPENDITURE STATUS</b> (\$ in Millions)				<b>SCHEDULE ASSESSMENT</b>			
ACTIVITIES	PERCENT EXPENDED	\$ CURRENT ESTIMATE	\$ EXPENDED AMOUNT	MAJOR SCHEDULE ACTIVITIES	PRIOR PLAN	CURRENT PLAN	VARIANCE WEEKS +/-
DESIGN (35% only)	30%	\$13.5	\$5.5	<b>Environmental</b>			
				CEQA/NEPA	May-18	May-18	0
RIGHT-OF-WAY	2%	\$29.7	\$0.6	<b>Design</b>			
				Notice To Proceed	Sep-15 A	Sep-15 A	
				Final PS&E Complete	Nov-19	Nov-19	0
CONSTRUCTION	0%	\$116.9	\$0.0	<b>Right-of-Way</b>			
				All Parcels Available	Nov-19	Nov-19	0
TOTAL	4%	\$160.0	\$6.1	<b>Construction</b>			
				Notice To Proceed	Apr-20	Apr-20	0
				Construction Complete	Apr-23	Apr-23	0

<b>AREAS OF CONCERN</b>				<b>CRITICAL ACTIVITIES / 3 MONTH LOOK AHEAD</b>			
				<ul style="list-style-type: none"> <li>Obtain Right-of-Entries for Phase II Site Investigation</li> <li>Begin the Phase II Site Investigation</li> <li>Continue Coordination with Stakeholders and Impacted Property Owners</li> <li>Submit 35% Plans to UPRR</li> <li>Complete Final Hydrology and Hydraulics Memorandum</li> <li>Complete CEQA Process for Maple Ped OH Structure</li> <li>Receive SGVCOG Committee Approval of Project Development Report and Moffat &amp; Nichol Final Design Task Order</li> <li>Perform Additional Soil Borings and Complete Geotechnical Foundation Reports</li> </ul>			
<b>ROW ACQUISITION</b>	<b>Plan</b>	<b>Acquired</b>	<b>Remaining</b>				
o Permanent Parcels	26	1	25				
o Temporary Parcels	44	0	44				
<b>o Total Parcels</b>	<b>70</b>	<b>1</b>	<b>69</b>				

**ALAMEDA CORRIDOR-EAST PROJECT  
GRADE SEPARATION - PUENTE AVENUE (City of Industry)**

**As of March 2018**

<b>LOCATION:</b> City of Industry	<b>CONSTRUCTION MANAGER:</b> AECOM
<b>DESIGN CONSULTANT:</b> Moffatt & Nichol	<b>CONTRACTOR:</b> OHL USA

<b>PHOTO</b>	<b>WORK COMPLETED PAST QUARTER</b>
	<p>Concrete Paving of grade separation was completed Landscaping was initiated Pump Station was completed</p>


<b>EXPENDITURE STATUS</b> (\$ in Millions)				<b>SCHEDULE ASSESSMENT</b>			
ACTIVITIES	PERCENT EXPENDED	\$ CURRENT ESTIMATE	\$ EXPENDED AMOUNT	MAJOR SCHEDULE ACTIVITIES	PRIOR PLAN	CURRENT PLAN	VARIANCE WEEKS +/-
DESIGN	100%	\$9.4	\$9.4	<b>Environmental</b>			
				Statutory Exemption	Apr-12 A	Apr-12 A	
RIGHT-OF-WAY	100%	\$30.8	\$25.5	<b>Design</b>			
				Notice To Proceed	Apr-11 A	Apr-11 A	
				Final PS&E Complete	Mar-14 A	Mar-14 A	
CONSTRUCTION	99%	\$57.2	\$45.1	<b>Right-of-Way</b>			
				All Parcels Available	Jan-14 A	Jan-14 A	
TOTAL	82%	\$97.4	\$80.0	<b>Construction</b>			
				Notice To Proceed	Sep-14 A	Sep-14 A	
				Construction Complete	Jan-19	Apr-18	(38)

<b>AREAS OF CONCERN</b>				<b>CRITICAL ACTIVITIES / 3 MONTH LOOK AHEAD</b>			
				<p>Obtaining County to accept the Pump Station is a critical activity Begin project close out Open roadway to public. UPRR acceptance of all work Begin declaration of excess property for disposal</p>			
<b>ROW ACQUISITION</b>	<b>Plan</b>	<b>Acquired</b>	<b>Remaining</b>				
o Permanent Parcels	32	24	8				
o Temporary Parcels	3	3	0				
<b>o Total Parcels</b>	<b>35</b>	<b>27</b>	<b>8</b>				

**ALAMEDA CORRIDOR-EAST PROJECT  
SAN GABRIEL TRENCH (City of San Gabriel)**

**As of March 2018**

<b>LOCATION:</b> City of San Gabriel	<b>CONSTRUCTION MANAGER:</b> Jacobs Engineering
<b>DESIGN CONSULTANT:</b> Moffatt & Nichol	<b>CONTRACTOR:</b> Walsh Construction

<b>PHOTO</b>	<b>Tie Back Drilling and Installation</b>
	<b>WORK COMPLETED PAST QUARTER</b>  Tiebacks continue to be installed west of Rubio Alhambra Wash Bridge build using Rubio Wash girders Majority of haul routes repaved.


<b>EXPENDITURE STATUS</b> (\$ in Millions)				<b>SCHEDULE ASSESSMENT</b>			
ACTIVITIES	PERCENT EXPENDED	\$ CURRENT ESTIMATE	\$ EXPENDED AMOUNT	MAJOR SCHEDULE ACTIVITIES	PRIOR PLAN	CURRENT PLAN	VARIANCE WEEKS +/-
DESIGN	100%	\$33.5	\$33.5	<b>Environmental</b>			
				Statutory Exemption			
RIGHT-OF-WAY	100%	\$32.5	\$30.7	<b>Design</b>			
				NTP for Prel Design	Apr-08 A	Apr-08 A	
				Complete Prel Design	Jun-09 A	Jun-09 A	
				100 % Submittal	Nov-10 A	Nov-10 A	
CONSTRUCTION	94%	\$227.7	\$205.6	<b>Right-of-Way</b>			
				All Parcels Available	Jun-11 A	Jun-11 A	
TOTAL	92%	\$293.7	\$269.7	<b>Construction</b>			
				Notice To Proceed	Nov-11 A	Nov-11 A	
				Construction Complete	Jun-18	May-18	(5)

<b>AREAS OF CONCERN</b>				<b>CRITICAL ACTIVITIES / 3 MONTH LOOK AHEAD</b>			
				Final segment of trench west of Ramona is driving the schedule.			
<b>ROW ACQUISITION</b>	<b>Plan</b>	<b>Acquired</b>	<b>Remaining</b>				
o Permanent Parcels	64	64	0				
o Temporary Parcels	62	62	0				
<b>o Total Parcels</b>	<b>126</b>	<b>126</b>	<b>0</b>				

**ALAMEDA CORRIDOR-EAST PROJECT  
GRADE SEPARATION - TURNBULL CANYON ROAD (LA SUB)**

**As of March 2018**

<b>LOCATION:</b> City of Industry	<b>CONSTRUCTION MANAGER:</b> TBD
<b>DESIGN CONSULTANT:</b> HNTB	<b>CONTRACTOR:</b> TBD

<b>PHOTO</b> Turnbull Overpass Rendering	<b>WORK COMPLETED PAST QUARTER</b>
	Completed CEQA Initiated NEPA Environmental Documentation Continued on 35% design Continue to attempt to obtain design exception with County and City

<b>EXPENDITURE STATUS</b> (\$ in Millions)				<b>SCHEDULE ASSESSMENT</b>			
ACTIVITIES	PERCENT EXPENDED	\$ CURRENT ESTIMATE	\$ EXPENDED AMOUNT	MAJOR SCHEDULE ACTIVITIES	PRIOR PLAN	CURRENT PLAN	VARIANCE WEEKS +/-
DESIGN	10%	\$10.1	\$1.0	<b>Environmental</b>			
				Statutory Exemption	Mar-19	Mar-19	0
RIGHT-OF-WAY	0%	\$33.9	\$0.0	<b>Design</b>			
				NTP for Prel Design	Feb-17A	Feb-17A	
				Complete Prel Design	May-18	May-18	0
				100 % Submittal	Jun-19	Jun-19	0
CONSTRUCTION	0%	\$42.3	\$0.0	<b>Right-of-Way</b>			
				All Parcels Available	Oct-19	Oct-19	0
TOTAL	1%	\$86.2	\$1.0	<b>Construction</b>			
				Notice To Proceed	Dec-19	Dec-19	0
				Construction Complete	Sep-22	Sep-22	0

<b>AREAS OF CONCERN</b>				<b>CRITICAL ACTIVITIES / 3 MONTH LOOK AHEAD</b>			
				Project Definition Report to be submitted to committee Final Design contract to be submitted to committee			
<b>ROW ACQUISITION</b>	<b>Plan</b>	<b>Acquired</b>	<b>Remaining</b>				
o Permanent Parcels	TBD	TBD	0				
o Temporary Parcels	TBD	TBD	0				
<b>o Total Parcels</b>	<b>0</b>	<b>0</b>	<b>0</b>				