



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

JULY 20, 2017 - 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

1st Vice President
Margaret Clark

2nd Vice President
Joe Lyons

3rd 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
Pasadena
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.sgvco.org. Copies are available via email upon request (sgv@sgvco.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.

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

CLOSED SESSION

30 MINUTES

6. PUBLIC EMPLOYMENT: Titles: Executive Director, Assistant Executive Director pursuant to California Government Code section 54957
CONFERENCE WITH LABOR NEGOTIATORS: Agency designated representatives: Phil Hawkey, Richard D. Jones, Dominic Lazaretto, Tony Ramos and Chris Jeffers; Unrepresented employees: Executive Director, Assistant Executive Director pursuant to California Government Code section 54957.6.

PRESENTATIONS

30 MINUTES

- (It is anticipated that the SGVCOG Governing Board may take action on the following matters)*
7. Prison and Probation Reform (AB 109/Proposition 47/Proposition 57) - Michelle Hanisee, Association of Deputy District Attorneys – Page 1
Recommended Action: Adopt Resolution 17-23 urging for reforms related to sentencing and probation.

CONSENT CALENDAR

5 MINUTES

- (It is anticipated that the SGVCOG Governing Board may take action on the following matters)*
8. Governing Board Meeting Minutes – Page 5
Recommended Action: Adopt Governing Board minutes.
 9. Monthly Cash Disbursements/Balances/Transfers – Page 11
Recommended Action: Approve Monthly Cash Disbursements/Balances/Transfers.
 10. ACE Board of Directors Minutes – Page 13
Recommended Action: Receive and file.
 11. ACE Monthly Report – Page 17
Recommended Action: Receive and file.
 12. Committee Attendance – Page 19
Recommended Action: Receive and file.
 13. AB 1654 (Rubio) – Page 37
Recommended Action: Adopt Resolution 17-25 supporting AB 1654 (Rubio).
 14. SB 649 (Hueso) – Page 55
Recommended Action: Adopt Resolution 17-26 opposing SB 649 (Hueso).
 15. HR 465 – Page 73
Recommended Action: Adopt Resolution 17-27 supporting HR 465, with amendments.
 16. HR 2510 (DeFazio) – Page 105
Recommended Action: Adopt Resolution 17-28 supporting HR 2510 (DeFazio)

17. Extension of Lease – Page 127
Recommended Action: Authorize Executive Director to execute a six month extension of the SGVCOG’s office lease, through June 30, 2018.
18. Contract with San Gabriel Valley Economic Partnership (SGVEP) – Page 139
Recommended Action: Authorize Executive Director to execute a contract with the SGVEP for an amount not to exceed \$100,000 to support Commercial Property Assessed Clean Energy (PACE) outreach.

ACTION ITEMS

20 MINUTES

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

19. Los Angeles Community Choice Energy (LACCE) Joint Powers Authority (JPA) – Page 159
Recommended Action: Adopt Resolution 17-24 in support of LACCE JPA and direct staff to provide support to cities interested in participating in LACCE.
20. Metro Open Streets Grant Program – Page 203
Recommended Actions: Authorize the Executive Director to execute the following agreements: 1) contract with the Los Angeles County Metropolitan Transportation Authority (Metro) for \$596,000 to execute an open streets event on April 22, 2018; 2) contract with Ciclavia in an amount not to exceed \$325,000 for production of the event; and 3) Memorandums of Understanding (MOUs) with the cities of San Dimas, La Verne, Pomona and Claremont for public safety, traffic controls and other support services.

PRESIDENT’S REPORT

10 MINUTES

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

21. Oral Report
Recommended Action: For information.

EXECUTIVE DIRECTOR’S REPORT

5 MINUTES

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

22. Oral Report
Recommended Action: For information.
23. SGVCOG/ACE Merger
Recommended Action: For information.

GENERAL COUNSEL’S REPORT

COMMITTEE REPORTS

15 MINUTES

- Transportation Committee
- Homelessness Committee
- Energy, Environment and Natural Resources Committee
- Water Committee
- Ad Hoc Legislative Committee

PROJECT REPORTS

10 MINUTES

- The ACE Project
- San Gabriel Valley Energy Wise Partnership

LIAISON REPORTS

10 MINUTES

Gold Line Foothill Extension Construction Authority
San Gabriel and Lower Los Angeles Rivers and Mountains Conservancy
Southern California Association of Governments
League of California Cities
San Gabriel Valley Economic Partnership
South Coast Air Quality Management District

BOARD MEMBER ITEMS

ANNOUNCEMENTS

ADJOURN

ADJOURN

REPORT

DATE: July 20, 2017
TO: SGVCOG Governing Board Delegates and Alternates
FROM: Phil Hawkey, Executive Director
RE: **PRISON AND PROBATION REFORM**

RECOMMENDED ACTION

Adopt Resolution 17-23 urging for reforms related to sentencing and probation.

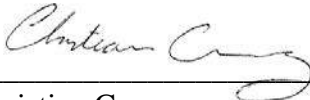
BACKGROUND


In October 2011, AB 109 created a program known as “realignment,” whereby newly convicted low-level offenders without current or prior serious or violent offenses stay in county jail to serve their sentence. The approval of AB 109 has resulted in transfer of prisoners that previously served prison sentences in State prisons for felony convictions into County jails.

Additionally, Proposition 47, called The Safe Neighborhoods and Schools Act, was approved by voters in 2014. Prop 47 reclassifies and downgrades several serious crimes from felonies to misdemeanors. For example, some crimes related to drug possession, repeated shoplifting, forging checks, gun theft, and possession of date-rape drugs are now classified as misdemeanors. Prop 47 allows people who are already serving a felony conviction for these crimes to petition the court for resentencing.

Most recently, Proposition 57, called The Public Safety and Rehabilitation Act, was approved by voters in November 2016. Prop 57 allows the State to provide early release for up to 30,000 criminals convicted of “non-violent” felonies. At the June Governing Board meeting, board members requested that staff prepare a resolution to urge the state legislature to pass reforms related to sentencing and probation to aid law enforcement, increase public safety and reduce criminal activity in communities. Attachment A provides a copy of the draft resolution.

Michele Hanisee, Deputy District Attorney for the County of Los Angeles and President of the Association of District Attorneys, will be presenting on the impacts of AB 109, Prop 57 and Prop 47.

Prepared by: 
Christian Cruz
Management Analyst

Approved by: 
Marisa Creter
Assistant Executive Director

ATTACHMENTS

Attachment A – Resolution 17-23

RESOLUTION 17-23

A RESOLUTION OF THE GOVERNING BOARD OF THE SAN GABRIEL VALLEY COUNCIL OF GOVERNMENTS (“SGVCOG”) REGARDING THE UNINTENDED NEGATIVE IMPACTS OF EXISTING CRIMINAL LAW

WHEREAS, AB 109 transfers responsibility for supervising certain kinds of felony offenders and state prison parolees from state prisons and state parole agents to county jails and probation officers,

WHEREAS, during the past several years, State legislative changes have made fundamental alterations to the fabric of California’s criminal justice system. Many of those changes have been needed and necessary, as not all crimes should be punished with jail sentences,

WHEREAS, California cities, counties, and the State, however, are facing increased crime which endangers the health and safety of police officers, residents, business owners, and property due to some of these legislative changes which created a situation where violent and career criminals are serving little to no prison time,

WHEREAS, negative impacts from State legislative changes have been far reaching and crime rates and the number of victims are skyrocketing throughout California. The negative impacts of these laws were unintended when voters and legislators approved the laws, which were instead intended to help lower the prison population in California prisons and appropriately rehabilitate non-violent offenders,

WHEREAS, incentives for offenders to voluntarily enroll in substance abuse programs have diminished, which has had the effect of eroding the safety of our communities,

WHEREAS, AB 109 transferred nearly 45,000 felons from the State prison system to local jail facilities, which were not designed to house criminals on a long-term basis and were unprepared for such an increase in incarcerations, resulting in lower-level criminals being released early, directly impacting rising property crime rates throughout the State,

WHEREAS, many probationers who have severe mental illness are released into communities where they continue to commit crimes that adversely impact the safety of community members and drain the resources of probation departments and police departments throughout the state,

WHEREAS, Proposition 47, The Safe Neighborhoods and Schools Act, downgraded a number of serious crimes from felonies to misdemeanors—drug possession, repeated shoplifting, forging checks, gun theft, and possession of date-rape drugs,

WHEREAS, Proposition 57 categorizes rape by intoxication, rape of an unconscious person, human trafficking involving sex with minors, drive-by shooting, assault with a deadly weapon, domestic violence, hate crime causing physical injury, and corporal injury to a child as “non-violent” felonies and offenders convicted of violating such laws are able to avoid appropriate prison sentences,

WHEREAS, under Proposition 57, criminals who commit multiple crimes against multiple victims will be eligible for release at the same time as offenders who only

crime against a single victim and allows repeat criminals to be eligible for release after the same period of incarceration as first time offenders, and

WHEREAS, cities must join together to voice their concerns for these legislative changes that have created an assault on the safety of residents and businesses in local communities.

NOW, THE SGVCOG GOVERNING BOARD RESOLVES THE FOLLOWING:

1. Promotes an amendment of appropriate sections of AB 109 to change the criteria justifying the release of non-violent, non-serious, non-sex offender inmates to include their total criminal and mental health history instead of only their last criminal conviction.

2. Advocates to place into law that for the purposes of Section 32 of Article I of the California Constitution, a violent offense includes any of the following:

Murder or voluntary manslaughter.

Mayhem.

Rape.

Sodomy by force, violence, duress, menace, or threat of great bodily harm.

Oral copulation by force, violence, duress, menace, or threat of great bodily harm.

Lewd acts on a child under the age of 14 years.

Any felony punishable by death or imprisonment in the state prison for life.

Any other felony in which the defendant inflicts great or serious bodily injury on any person, other than an accomplice, that has been charged and proven, or any felony in which the defendant uses a firearm which use has been charged and proven.

Attempted murder.

Assault with intent to commit rape or robbery.

Assault with a deadly weapon or instrument on a peace officer.

Assault by a life prisoner on a non-inmate.

Assault with a deadly weapon by an inmate.

Arson.

Exploding a destructive device or any explosive with intent to injure.

Exploding a destructive device or any explosive causing great bodily injury.

Exploding a destructive device or any explosive with intent to murder.

Robbery.

Kidnapping.

Taking of a hostage by an inmate of a state prison.

Attempt to commit a felony punishable by death or imprisonment in the state prison for life.

Any felony in which the defendant personally used a dangerous or deadly weapon.

Escape from a state prison by use of force or violence.

Assault with a deadly weapon.

Extortion as defined in Penal Code section 518, or threats to victims or witnesses as defined in Penal Code section 136.1, which would constitute a felony violation of Penal Code section 186.22.

Carjacking.

3. Requests the State to improve the Smart Justice platform to provide an effective statewide data sharing to allow state and local law enforcement agencies to rapidly and efficiently share offender information to assist in tracking and monitoring the activities of AB 109 and other offenders.

4. Encourages the collection and organization of real world data from cities and counties on the universe of post-release community supervision (PRCS) offenders.

5. Encourages cities throughout California to join in these advocacy efforts to mitigate the unintended negative impacts of recent policy changes to the criminal justice system.

6. Calls for the Governor and the Legislature to work with the SGVCOG and others stakeholders to consider and implement such criminal justice system reforms.

PASSED, APPROVED, and ADOPTED this 20th day of July, 2017.

SAN GABRIEL VALLEY COUNCIL OF GOVERNMENTS

By: _____

Cynthia Sternquist, President

Attest:

I, Philip A. Hawkey, Executive Director and Secretary of the Board of Directors of the San Gabriel Valley Council of Governments, do hereby certify that Resolution 17-23 was adopted at a regular meeting of the Governing Board held on the 20th day of July, 2017, by the following roll call vote:

AYES:	
NOES:	
ABSTAIN:	
ABSENT:	

Philip A. Hawkey, Secretary



SGVCOG Governing Board Unapproved Minutes

Date: June 15, 2017,

Time: 6:00 PM

Location: USGVMWD (602 E. Huntington Drive, Monrovia)

PRELIMINARY BUSINESS

1. Call to Order

President Cynthia Sternquist called the meeting to order at 6:09 p.m.

2. Pledge of Allegiance

Tim Sandoval led the pledge.

3. Roll Call

A quorum was in attendance.

Governing Board Members Present

Alhambra	Barbara Messina
Arcadia	Sho Tay
Azusa	Angel Carrillo
Baldwin Park	Cruz. Baca
Claremont	Joe Lyons
Diamond Bar	Nancy Lyons
Duarte	John Fasana
La Verne	Tim Hepburn
La Canada Flintridge	Terry Walker
La Verne	Tim Hepburn
Monrovia	Becky Shevlin
Monterey Park	Teresa Real Sebastian
Pomona	Tim Sandoval
Rosemead	Margaret Clark
San Dimas	Denis Bertone
San Gabriel	Juli Costanzo
Sierra Madre	John Capoccia
South Pasadena	Michael Cacciotti
Temple City	Cynthia Sternquist
West Covina	James Toma
LA County District 5	Debra Mendelsohn

Absent

Bradbury
Covina
El Monte
Glendora
Industry
Irwindale
La Puente
Montebello
Pasadena
San Marino
South El Monte
Walnut
LA County District 1
LA County District 4
San Gabriel Valley Water Districts

SGVCOG Staff

Phil Hawkey, Executive Director
Marisa Creter, Assistant Executive Director
Dick Jones, General Counsel
Stefanie Hernandez, Staff
Eric Wolf, Staff

4. Public Comment

Adrian Garcia, SCE, discussed current SCE efforts to modernizing the electrical grid. This would include on-site electricity storage and investment in electric vehicle charging stations. SCE intends to position the company to lead a transition in how customers interact with the electricity grid. Garcia provided a handout.

5. Changes to Agenda Order

There were no changes to the agenda order.

CONSENT CALENDAR

- 6. Governing Board Meeting Minutes
Recommended Action: Adopt Governing Board minutes.
- 7. Monthly Cash Disbursements/Balances/Transfers
Recommended Action: Approve Monthly Cash Disbursements/Balances/Transfers.
- 8. ACE Board of Directors Minutes
Recommended Action: Receive and file.
- 9. ACE Monthly Report
Recommended Action: Receive and file.
- 10. Committee Attendance
Recommended Action: Receive and file.
- 11. Treasurer’s Report
Recommended Action: Receive and file.
- 12. Metro San Gabriel Valley Service Sector
Recommended Action: Appoint representatives to serve on the Metro San Gabriel Valley Service Sector.
- 13. AB 1180 (Holden)
Recommended Action: Adopt Resolution 17-18 supporting AB 1180 (Holden), as revised.
- 14. AB 1274 (O’Donnell)
Recommended Action: Adopt Resolution 17-21 supporting AB 1274 (O’Donnell)
- 15. SB 268 (Mendoza)
Recommended Action: Adopt Resolution 17-22 opposing SB 268 (Mendoza).
- 16. Request for Letter of No Prejudice (LONP) for Subregional Planning Funds
Recommended Action: Pending Metro Board adoption of the Measure M Guidelines, direct the Executive Director to submit a request to Metro for a LONP to allow expenditures related subregional planning and programming activities to be eligible for reimbursement.

There was a motion to approve consent calendar items 6-16 (M/S: D. Bertone/C. Baca).

[Motion Passed]

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

ACTION ITEMS

- 17. FY 2016-17 Budget Amendment #3
 P. Hawkey reviewed the amendments.
There was a motion to adopt Resolution 17-16 approving Amendment #3 to the FY 2016-17 budget. (M/S: T. Hepburn/V. Martinez).

[Motion Passed]

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

18. FY 2017-18 ACE Budget

M. Christoffels gave a presentation on the ACE Budget.

There was a motion to adopt Resolution 17-17 approving the FY 2017-18 ACE budget (M/S: J. Lyons/V. Martinez).

[Motion Passed]

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

19. Agreement with the County of Los Angeles to Provide Outreach Support for the Commercial Property Assessed Clean Energy (PACE) Program

M. Creter reviewed the County's request to enter into an MOU providing outreach support to commercial properties.

There was a motion to authorize the Executive Director to execute an agreement with the County of Los Angeles to provide outreach support for the Commercial PACE Program (M/S: M. Cacciotti/B. Shevlin).

[Motion Passed]

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

20. Waters of the United States (WOTUS) Rulemaking Submission

E. Wolf discussed this item.

There was a motion to authorize the Executive Director to submit a comment letter to the US Environmental Protection Agency (EPA) regarding WOTUS Rulemaking (M/S: J. Lyons/M. Cacciotti).

[Motion Passed]

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

21. AB 1408 (Calderon)
 M. Clark spoke in support of the bill.
There was a motion to adopt Resolution 17-19 supporting AB 1408 (Calderon). (M/S: M. Clark/J. Fasana).

[Motion Passed]

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

22. AB 1132 (Garcia)
 Discussion was led by R. Yeung and M. Cacciotti, South Coast Air Quality Management District.
There was a motion to adopt Resolution 17-20 supporting AB 1132 (Garcia) (M/S: J. Fasana/V. Martinez).

[Motion Passed]

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

PRESIDENT’S REPORT

23. Oral Report
 No report.
24. Governing Board Attendance
 There was no discussion of this item.

EXECUTIVE DIRECTOR’S REPORT

25. Oral Report
 There was no report.
26. Ad Hoc ACE/ Large Capital Project Report
- 26.1 Ad Hoc Committee Final Recommendation
- 26.2 Executive Committee alternative recommendation

J. Fasana presented the recommendations of the ACE Ad Hoc Report. D. Lazzaretto, Vice Chair City Managers’ Steering Committee, spoke in support of the Executive Committee’s alternative recommendation. Gene Murabito spoke in support of the alternative recommendation. P. Hawkey read comments sent in by T. Tornek, which expressed concern that the Executive Committee overstepped its authority by offering an alternative recommendation. Members discussed the merits of both recommendations. V. Martinez recommended that the Ad Hoc Committee reconvene to consider the Governing Board discussion, recommendations of the City Managers, and the Executive Committee alternative report.

There was a motion that staff prepare documents that implement the Ad Hoc Committee report to be brought back to the Governing Board in July for approval. (M/S: J. Capoccia/M. Cacciotti)

[Motion Failed]

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

There was a motion that staff prepare documents that implement the Executive Committee recommendation to be brought back to the Governing Board in July for approval. (M/S: T. Real Sabastian/C. Baca)

[Motion Passed]

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

27. Los Angeles County Clean Energy (LACCE) Program
 P. Hawkey reported on this item.

GENERAL COUNSEL’S REPORT

There was no report given.

COMMITTEE REPORTS

Transportation Committee

J. Fasana reported on this item.

Homelessness Committee

J. Lyons reported on this item.

Energy, Environment and Natural Resources Committee

D. Bertone reported on this item.

Water Committee

There was no report.

SGVCOG Governing Board Meeting
June 15, 2017

ACE / Large Capital Projects Ad Hoc Committee

There was no additional report.

Ad Hoc Legislative Committee

M. Clark reported on this item.

PROJECT REPORTS

The ACE Project

M. Christoffels reported on this item.

San Gabriel Valley Energy Wise Partnership

There was no report.

LIAISON REPORTS

Gold Line Foothill Extension Construction Authority

L. Levy Buch reported on this item.

San Gabriel and Lower Los Angeles Rivers and Mountains Conservancy

There was no report.

Southern California Association of Government

J. Cartagena reported on this item.

San Gabriel Valley Economic Partnership

No report given.

South Coast Air Quality Management District

M. Cacciotti reported on this item.

BOARD MEMBER ITEMS

ANNOUNCEMENTS

ADJOURN

President Cynthia Sternquist adjourned the meeting at 8:28 p.m..

SAN GABRIEL VALLEY COUNCIL OF GOVERNMENTS
Selected Asset Account Balances
As of June 30, 2017

Account Name	Balance 5/31/2017	Increase	Decrease	Net Change	Balance 6/30/17
CBB - Checking	\$ 454,236	\$ 54,306	\$ 85,964	\$ (31,658)	\$ 422,578
CBB- 242-034-325 CD	\$ 55,549	\$ 14		\$ 14	\$ 55,563
CBB - 2766 Savings	\$ 1,587	\$ 0		\$ 0	\$ 1,587
CBB -242-034-953 CD	\$ 54,782	\$ 14		\$ 14	\$ 54,796
Petty Cash	\$ 400			\$ -	\$ 400
LAIF	\$ 229,834			\$ -	\$ 229,834
LAIF Maket Value	\$ 86			\$ -	\$ 86
Member Receivable	\$ -			\$ -	\$ -
Grants/Contracts Receivable	\$ 91,521	\$ 34,920	\$ 50,634	\$ (15,714)	\$ 75,807
Sponsorships Receivable	\$ 25			\$ -	\$ 25
Rental Deposits Receivable	\$ 215			\$ -	\$ 215
Receivables - Other	\$ -	\$ 4,613		\$ 4,613	\$ 4,613
	<u>\$ 888,234</u>	<u>\$ 93,866</u>	<u>\$ 136,598</u>	<u>\$ (42,732)</u>	<u>\$ 845,502</u>

SAN GABRIEL VALLEY COUNCIL OF GOVERNMENTS

Disbursements Report

June 2017

Transaction Date	Number/Reference	Vendor Name	Description	Amount
6/6/2017	9439	Alliant	Crime Insurance for 7/1/17-7/1/19	1,000.00
6/6/2017	9440	Artin Baghkhani	Mileage Reimbursement for May'17	139.96
6/6/2017	9441	Image IV Systems	Copy Machine Rental for Jun'17	800.75
6/6/2017	9442	Jones & Mayer	Retainer Legal Services - May'17	2,083.33
6/6/2017	9443	Kaiser Permanente Health Pla	Dues for Jul'17	377.19
6/9/2017	EFT	Paychex	Payroll Period Ending 6/9/17	23,547.58
6/13/2017	9444	Alameda Corridor East Constr	Reimbursement for CALPERS (PE 6/9/17)	2,239.08
6/13/2017	9445	Alta Planning and Design	Grant Writing Serv: Urban Greening-Jun'17	510.00
6/13/2017	9446	Mary Lou Echternach	Board Support for May'17	8,840.83
6/13/2017	9447	Vantagepoint Transfer Agents	ICMA-457 Payment (PE 6/9/17)	114.56
6/13/2017	9448	Peter Duyshart	Mileage Reimbursement for May'17	47.40
6/13/2017	EFT	Citi Card	Citi Card Payment	2,542.80
6/16/2017	EFT	Paychex	Payroll Processing Fee Jun'17	50.00
6/20/2017	9449	Philip A. Hawkey	Expenses Reimbursement for Jun'17	331.11
6/20/2017	9450	SGV City Manager's Assn.	Annual Spring Workshop - P. Hawkey	60.00
6/20/2017	9451	Elite-TRC-Alhambra Community	Rent - Jul'17	6,198.45
6/20/2017	9452	Peter Duyshart	Expenses Reimbursement for Jun'17	41.60
6/22/2017	EFT	Spectrum Business	Internet Provider	125.00
6/23/2017	EFT	Paychex	Payroll Period Ending 6/23/17	24,293.19
6/27/2017	9453	Alameda Corridor East Constr	Reimbursement for CALPERS (PE 6/23/17)	2,264.69
6/27/2017	9454	Athena Parking (Alhambra)	Monthly Parking for Jun'17	330.00
6/27/2017	9455	Vantagepoint Transfer Agents	ICMA-457 Payment (PE 6/23/17)	128.96
6/27/2017	9456	Kelsey Zurcher	Mileage Reimbursement for May'17 & Jun'17	31.51
6/27/2017	9457	PLIC-SBD GRAND ISLAND	Dues for Jul'17	208.72
6/27/2017	9458	Vicenti, Lloyd & Stutzman	Treasurer Consulting Services - Ending 3/31/17	8,400.00
6/27/2017	9459	Christian Cruz	Mileage Reimbursement for May'17	117.08
6/29/2017	EFT	Paychex	Payroll Period Ending 6/27/17 (A. Baghkhani, Ryu, Stoff)	1140.16
Total June 2017 Disbursements				\$ 85,963.95



Alameda Corridor-East Construction Authority

4900 Rivergrade Rd. Ste. A120 Irwindale, CA 91706 (626) 962-9292 fax (626) 962-3552 www.theaceproject.org

ACE Construction Authority Board of Directors Meeting June 5, 2017 Minutes

Chairperson Costanzo called the meeting of the Board of Directors of the Alameda Corridor-East Construction Authority to order at 11:02AM at the San Gabriel City Hall Council Chambers.

1. **Pledge of Allegiance** –Vice Chair Martinez led the pledge of allegiance.

2. **Roll Call:** Chairperson Costanzo asked Mr. Christoffels to call the roll.

In attendance was:

Juli Costanzo, San Gabriel, Chair

Victoria Martinez, El Monte, Vice Chair

Barbara Messina, SGVCOG

Tim Sandoval, Pomona

Hilda Solis, LA County Board of Supervisors

Staff:

Mark Christoffels, CEO

Gregory Murphy, Burke, Williams & Sorensen, legal counsel

Deanna Stanley

Amy Hanson

Charles Tsang

Genichi Kanow

Paul Hubler

Phil Balmeo

Rachel Korkos

Ricky Choi

Victoria Butler

Nathan Bocanegra

Guests:

Bill Swindle, LA County Department of Public Works

David Eames, AECOM

J. Titus, Walsh Construction

John Burton, LA County Department of Public Works

Joshua Nelson, City of Industry

Talin Espinoza, Twinning, Inc.

3. **Public Comments** – There were no public comments.

4. **Approval of April 25, 2017 Board meeting minutes** – A motion was made by Vice Chair Martinez and seconded by member Sandoval to approve the April 25, 2017 regular Board meeting minutes.

M/S/C/Sandoval/Martinez/Unanimous

5. **Approval to receive and file the Finance Committee meeting minutes of April 27, 2017** – A motion was made by member Martinez and seconded by member Messina to receive and file the Finance Committee Meeting Minutes of April 27, 2017.

M/S/C/Martinez/Messina/Unanimous

6. **Chairman Remarks** – Chairman Costanzo thanked Paul Hubler for arranging and participating in Coalition for Gateway Cities in Washington. Member Martinez acknowledged the productive meetings and the importance of consistency of bringing the ACE message to Washington. She indicated the message was bringing funding for infrastructure to California.

Member Hadjinian arrived and reaffirmed that the meetings, particularly that held with the Department of Transportation was extremely productive.

7. **Board Member Comments** – There were no additional board member comments.
8. **Chief Executive Officer's Report** – Mr. Christoffels reported on the recent Safety Project of the Year award ACE received for the Nogales Street grade separation project. He also updated the Board on his meeting with a local union representative regarding project labor agreements. He indicated staff would present an overview of the ACE Small Business Enterprise (SBE) at the next meeting. Member Solis indicated both Metro and LA County are carrying community workforce investment programs. She reminded the Board this is the way to empower communities and provide career ladders with tremendous economic investments.
9. **Construction Progress Reports** – Charles Tsang reviews progress photos of the Fairway Drive grade separation project that included county storm drain line reinforce concrete box construction, retaining wall rebar and foundation wall installation for the Fairway project and foundation pour of the eastbound off ramp at Lemon Avenue. Victoria Butler reviews project progress photos of the Fullerton Road grade separation project that included the pedestrian bridge delivery, pump station construction and work at the underpass of the 60 freeway. Genichi Kanow reviews project progress photos of the Puente Avenue grade separation project that included installation of cast in drill hole piles and installation of pavement on Puente Ave. Phil Balmeo reviewed project progress photos of the San Gabriel Trench project that included pavement rehabilitation work on Del Mar, Agostino, and California Avenues and East Main Street.
10. **Hearing on Resolution of Necessity No. 17-01, 9358 Stephens Street, Pico Rivera.** – Gregory Murphy explained the process for the Resolutions of Necessity. He reminded the Board that the hearing was to determine several factors related to the necessity of the properties for the project. He indicated staff must present

evidence for the Board to find that the property was necessary for the project and was planned in the manner most compatible with the greatest public good.

Mark Mendoza reviewed the design options and evaluation criteria considered. He indicated the preferred option was building an underpass that would permit Durfee Avenue to go under the Union Pacific railroad tracks. He indicated the property at 9358 Stephens Street in Pico Rivera required a 271 square foot permanent roadway easement, a 780 square foot permanent retaining wall easement, a 3,402 square foot permanent ingress/egress easement and a 25,085 130 week temporary construction easement. Mr. Christoffels reminded the board that approval of the Resolution of Necessity would not cease negotiations but would allow staff to pursue legal actions should the parties not be able to reach an agreement.

The public comment period was opened and there were no comments. The public comment period was closed.

A motion was made by member Martinez and seconded by member Hadjinian to adopt the Resolution of Necessity No. 17-01. Mr. Christoffels called the vote:

Ayes: Costanzo, Martinez, Hadjinian, Messina, Sandoval, Solis
Nays: None

11. **Approval of Fiscal Year 2018 Budget** – Mr. Christoffels reviewed the elements of the overall budget. He reminded the board that the current budget was expected to be \$40 million below what was approved for fiscal year 2017. He indicated the level of construction did not meet expectations with Fairway and Fullerton experiencing weather related delays. He outlined the proposed 2018 budget, which is 12% higher than the prior year's budget. Mr. Christoffels indicated he expected construction to move at a more rapid pace than last year. He reminded the board that the budget is a window of 12 months of anticipated expenditures and that funds for the current projects in construction are secure.

A motion was made to approve the ACE Fiscal Year 2018 annual budget.

M/S/C/Martinez/Solis/Unanimous

12. **Receive and File Re-Procurement of Durfee Avenue Construction Management Services** – Mr. Christoffels reported that the Durfee Avenue construction management contract was awarded to Parsons Brinckerhoff, now WSP, in 2015. He indicated construction has been delayed and the firm cannot commit to the same staffing proposed as awarded. He indicated staff has had discussions with the firm who has agreed the best course of action is to re-procure for these services. He reminded the Board that WSP is working on the Fairway project.

A motion was made to receive and file the report to re-procure construction management services for the Durfee Avenue grade separation project.

M/S/C/Hadjinian/Martinez/Unanimous

13. **Approval of Amendment to Design Services Contract with URS for the Durfee Avenue Grade Separation Project** – Mr. Christoffels reported that the scope of work for this project has changed due to design revisions to minimize the right of way impacts, necessary soil testing, new plats and legals and, additional administrative support. He indicated that the funds for this increase are available through Federal and Metro grants. He requested approval so ACE may move forward with these changes.

A motion was made to authorize Chief Executive Officer to amend the contract with URS Corporation to add \$391,605 for additional services for the Durfee Avenue grade separation, for a new contact value of \$5,992,522.

M/S/C/Solis/Martinez/Unanimous


14. **Approval of Revised Board of Directors Meeting Schedule** – Discussion ensued and after discussion a motion was made to change the regular meeting schedule time to noon.

M/S/C/Hadjinian/Martinez/Unanimous

15. **Closed Session** – Legal Counsel announced that the Board would adjourn to closed session in accordance with Government Code Section 54956 to discuss pending litigation, ACE vs. Lina Bazzarrini, et. al; LA Superior Court Case No. BC603270.

The Board returned to open session and legal counsel announced that the Board was briefed on the case and no reportable action was taken.

16. **Adjournment** – The meeting adjourned at 12:21PM in memory of former La Canada Flintridge Councilmember and long-time San Gabriel Valley Council of Governments Board member David Spence.

X 

Deanna Stanley
Clerk of the Board



Alameda Corridor-East Construction Authority

4900 Rivergrade Rd. Ste. A120 Irwindale, CA 91706 (626) 962-9292 fax (626) 962-3552 www.theaceproject.org

MEMO TO: SGVCOG Governing Board Members & Alternates

FROM: Juli Costanzo, Chair

DATE: July 7, 2017

SUBJECT: Monthly Report

The following are items of note since the last meeting:

California Freight Investment Program – ACE staff attended the California Transportation Commission's kickoff workshop on June 9 to develop guidelines for the new grant programs funded under Senate Bill 1. The new programs include the California Freight Investment Program (CFIP), which will award \$545 million in federal funds and \$300 million in annual state diesel tax revenues to projects nominated by Caltrans and local agencies. CFIP applications are due in spring 2018.

INFRA Grant Program – USDOT recently released a solicitation for applications for the Infrastructure for Rebuilding America (INFRA) discretionary grant program which will **award \$1.5 billion to freight and highway projects that align with the Administration's** principles to rebuild infrastructure. FY 2017 applications submitted to the previously named FASTLANE grant program, including ACE projects incorporated in a regional port-rail application, may be resubmitted no later than Nov. 2, 2017.

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

- Distributed construction alert notices regarding repaving work on San Gabriel Boulevard for the San Gabriel Trench project;
- Provided presentation at a community group meeting in Rowland Heights for the Fullerton Road 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
FY 2016-17**

	2016						2017					
	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
Alhambra	✓							✓	✓	✓	D	D
Arcadia	✓		✓	✓	✓			✓		✓	D	D
Azusa	✓			✓						✓	D	D
Baldwin Park			✓	✓			✓			✓	D	D
Bradbury												
Claremont	✓		✓	✓	✓		✓	✓	✓	✓	D/A	D
Covina	✓		✓	✓	✓		✓	✓	✓	✓	D	
Diamond Bar	✓		✓	✓			✓	✓		✓	D	D
Duarte	✓		✓	✓	✓		✓	✓	✓	✓	D	D
El Monte			✓	✓	✓		✓	✓	✓			D
Glendora	✓		✓	✓	✓		✓	✓	✓	✓	D	
Industry												
Irwindale												
La Canada Flintridge			✓	✓			✓		✓		D	D
La Puente									✓			
La Verne	✓			✓	✓		✓		✓	✓	D	D
Monrovia	✓		✓	✓	✓		✓	✓	✓	✓	D	D
Montebello			✓					✓		✓	D	
Monterey Park	✓				✓					✓	D	D
Pasadena	✓			✓	✓		✓		✓	✓	D	
Pomona							✓	✓	✓	✓	D	D
Rosemead	✓		✓	✓	✓		✓	✓	✓	✓	D	D
San Dimas	✓		✓	✓	✓		✓	✓		✓	D	D
San Gabriel	✓		✓		✓		✓		✓	✓		D
San Marino	✓		✓		✓							
Sierra Madre	✓		✓	✓	✓		✓	✓	✓	✓	D	D
South El Monte	✓		✓		✓		✓	✓			D	
South Pasadena	✓		✓	✓	✓		✓	✓	✓	✓	D	A
Temple City	✓		✓	✓			✓	✓	✓	✓	D	D
Walnut											A	
West Covina	✓		✓	✓	✓		✓	✓	✓	✓	D	D
LA County District 1			✓	✓	✓		✓	✓	✓	✓	D	
LA County District 4	✓			✓	✓				✓	✓		
LA County District 5	✓				✓		✓	✓		✓	D	D
SGV Water Agencies				✓	✓		✓	✓	✓	✓	D	

Major Action Items and Presentations

July

- SCE Rolling Blackouts
- Conflict of Interest Code
- WRDA (S 2848 and HR 5303)
- AJR 44

Governing Board
FY 2016-17

WOTUS Challenge Amicus Brief
Metro Measure M

September

LA Impact
SCE Coordination with Cities
Modification of ACE Phase II Project
LA County Parks Measure
4th Quarter Financial Report
FY 16-17 Budget Amendment #1

October

LACCE Letter of Support/Comment
SG National Monuments Draft EA
Puente Hills Regional Park LOS
Financial Policies

November

Adopt SGVCOG Stormwater Policy
Measure M Next Steps
Closed Session: Executive Director position

January

LA County Drought Resiliency Appointment
Los Angeles County Homeless Advisory Council
Homeless Committee Policy and Workplan
Approval of San Gabriel Valley Energy Wise MA Position
Authorization to Participate in LACCE JPA Negotiations
Formation of Ad Hoc Legislative Committee
Stormwater Legislative Priorities

February

Amendment to ACE's FY 206-17 Budget
Comment Letter on Statewide Housing Assesment
LOS for Appointmnet to SWRCB
Measure H Revenue Planning Process Group
2nd Quarter Financial Report
FY 2016-17 Budget Amendment #2
Appointments to Ad Hoc Legislative Committee
Approval of ACE/Large Capital Projects Committee Report
Support for Measure H

March

FY 2015-16 Financial Audit Report
Strategic Plan Update
Adopt Measue M Guiding Principles
LOS for AB 589

April

Measure H Guiding Principles
Measure M Draft Guidelines
SB 231 (Hertzberg)

May

FY 2016-17 3rd Quarter Financial Report

Governing Board
FY 2016-17

FY 2017-18 Budget
Measure H Comment Letter
SGVCOG Officer Elections
Southern California Association of Governments (SCAG)
MOU with LA Metro
Metro Service Sector Appointment
San Gabriel Mountains National Monument
AB 1669 (Friedman)
AB 968 (Rubio)

**Transportation Committee Attendance
FY 2015-16**

	2016						2017					
	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			✓	✓	✓		✓	✓			✓	✓
Monterey Park				✓	✓							
Rosemead			✓								✓	✓
San Gabriel					✓					✓	✓	
South El Monte			✓		✓		✓	✓			✓	
South Pasadena			✓	✓	✓		✓	✓	✓	✓	✓	
Temple City			✓							✓	✓	
Walnut					✓		✓	✓	✓	✓	✓	

Agenda Topics

September

- Highway 39 Completion
- Regional Quiet Zone Development Efforts
- Election of Chair and Vice-Chair

October

- SG Mountains National Monument Access Planning Efforts
- Pilot Study of Subsidized Ridesharing at Transit Stations
- BFBD Pilot
- SCAG Sustainability Planning Grants

November

- Bike SGV
- Measure M next steps

January

- CV Link
- Metro ExpressLanes
- LRTP Update

February

- Measure M Policy Guidelines
- SCAG Sustainability Planning Grants
- Metro Goods Movement Update

March

- Measure M Guiding Principles
- LA County Vision Zero
- East Side Transit Corridor Phase II

April

- Metro Bike Share

**Transportation Committee Attendance
FY 2015-16**

626 Golden Streets Recap

May

LA-SB Inter-County Transit Study

Emerald Necklace PEIR

SB 268 (Mendoza)

TOD Grant Program

June

Greenway TAC

SB 268 (Mendoza)

Measure M Draft Guidelines

LONP (Subregional Planning Funds)

Reminder: If a member agency misses more than three consecutive committee meetings, the agency must request reappointment by the Governing Board.

**EENR Committee Attendance
2016-2017**

	2016						2017					
	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

LA County Marks Measure

September

SG Mountains National Monument Draft Environmental Assessment

Community Choice Aggregation

October

Mandatory Organics

AB 45

Puente Hillss Regional Park

Leg Recap

November

Emerald Necklace

Climate Resolve

January

Regional Organics

Mosquito and Vector Control

February

San Gabriel Canyons Improvement Project

Clean Water through oysters

March

Measure A

Aliso Canyon Facility Update

April

Easy Program Evaluation

SCE Charge Ready Program

April

San Gabriel Mountains National Monument

AB 1132 (Garcia)

AB 1274 (O'Donnell)

**Homelessness Committee Attendance
FY 2016-2017**

	2016						2017					
	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
Baldwin Park	✓	✓	✓		✓		✓	✓		✓	✓	✓
Claremont	✓		✓	✓			✓		✓	✓	✓	✓
Covina	✓	✓	✓				✓		✓		✓	
Monrovia	✓	✓	✓	✓			✓	✓		✓		✓
Pasadena		✓	✓		✓		✓		✓			✓
Pomona	✓	✓					✓	✓	✓	✓	✓	✓
Rosemead	✓		✓	✓			✓		✓			
San Gabriel	✓	✓			✓		✓					
South El Monte		✓	✓									
West Covina	✓	✓	✓	✓			✓		✓	✓	✓	
LA County Dist 1	✓	✓	✓	✓			✓	✓		✓	✓	✓
Water Districts	✓		✓				✓		✓		✓	
TVMWD	✓		✓									

Agenda Topics

July

- Urban Harvester
- LA County Homeless Initiative

August

- SGV Homeless Fundraiser
- Lions Gate Transitional Living Centers

September

- Claremont Homeless Advocacy Program
- Vets Advocacy West LA

October

- Azusa PD Homeless Task Force
- LA County Sheriffs COPS unit
- Claremont Human Services

November

- Homeless Committee Work Plan
- Tour of Mar Vista Apartments

January

- Homeless Committee Work Plan
- LA County 1/4 Cent Measure
- LA Regional Homelessness Advisory Council

February

- El Monte Veterans Affordable Housing
- Pomona Homeless Plan

March

- Measure H Guiding Principles
- Pomona Homeless Plan regional implementation
- Real Change Movement
- Hathaway-Sycamores Youth CES

April

- Measure H Comment Letter
- Union Station CES

**Water Policy Committee
2016-2017 Attendance**

	2016						2017					
	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
Claremont	✓			✓	✓	✓	✓	✓			✓	
Diamond Bar		✓	✓		✓			✓		✓	✓	
Glendora	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Monrovia	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	
Rosemead	✓	✓	✓	✓		✓	✓	✓		✓	✓	
Sierra Madre	✓		✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
South Pasadena	✓	✓	✓	✓	✓	✓	✓	✓	✓		✓	✓

Agenda Topics

July (Joint Meeting with Water TAC)

- Elections
- Legislative Update
- RWQCB Update
- Stormwater Subcommittee Update
- Litigation Update

August (Joint Meeting with Water TAC)

- SB 1298
- Legislative Update
- RWQCB Update
- Stormwater Subcommittee Update

September (Joint Meeting with Water TAC)

- Legislative Update
- Litigation Update
- RWQCB Update
- Stormwater Subcommittee Update

October (Joint Meeting with Water TAC)

- Presentation: CA Water Fix
- Legislative Update
- Litigation Update
- RWQCB Update
- Stormwater Policy

November (Joint Meeting with Water TAC)

- Presentation: SB 485
- Presentation: SG Basin Groundwater
- RWQCB Update
- Legislative Update

December (Joint Meeting with Water TAC)

- Establish Stormwater Outreach Team
- Establish Stormwater Legislative Priorities
- RWQCB Update
- Election 2016 updates
- MSGB Resource Development Fee update

January (Joint Meeting with Water TAC)

- Rio Hondo/San Gabriel River EWMP Presentation
- Establish Stormwater Legislative Priorities

**Water Policy Committee
2016-2017 Attendance**

Urban Greening Grants
Stormwater Outreach Updates
Litigation Update

February (Joint Meeting with Water TAC)

Letter of Support: Irma Munoz to SWQCB
Revisions to 303(d) listing
Stormwater Outreach: Sacramento trip
Legislative Update
Water Supply Update: Chapman presentation

March (Joint Meeting with Water TAC)

support for SB 589, SB 541, AB 1180
Stormwater Outreach: Sacramento, D.C.
303(d) listing
Regulatory Update
water supply update

April (Joint Meeting with Water TAC)

support for SB 633
opposition to SB 231
WOTUS rule rewrite
303(d) listing
County Water Resiliency

May (Joint Meeting with Water TAC)

support of AB 968 (Rubio)
EPA WOTUS submission topics
AB 1180 (Holden) gut and amend
303(d) listing
County Water Resiliency

June (Joint Meeting with Water TAC)

Elections
AB 1654, HR 2355, HR 2510
303(d) listing
WOTUS rule rewrite
Water Resilience

**City Managers' Steering Committee Attendance
FY 2016-17**

	2016						2017					
	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
Arcadia	✓		✓	✓	✓	✓	✓		✓	✓	✓	✓
Baldwin Park	✓		✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Claremont	✓			✓	✓		✓	✓	✓		✓	✓
Diamond Bar				✓		✓	✓	✓	✓			
Duarte	✓		✓	✓	✓				✓	✓		✓
Glendora	✓		✓	✓	✓	✓	✓	✓	✓	✓	✓	
La Canada Flintridge	✓			✓	✓				✓	✓	✓	✓
La Verne	✓		✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Monrovia										✓	✓	
Monterey Park	✓		✓	✓								
Pomona						✓	✓	✓		✓	✓	✓
South Pasadena	✓		✓	✓			✓		✓	✓		
Temple City	✓			✓			✓	✓	✓	✓		
West Covina				✓	✓	✓			✓		✓	✓

Agenda Topics

July

- SCE Rolling Blackouts
- Metro Measure M
- County Parks Measure

September

- SCE Coordination with Cities
- Metrolink Coordination with Cities
- 4th Quarter Financial Report
- SB 1298
- FY 2016-17 Budget Amendment

October

- LA Impact
- SGVCOG Financial Policies

November

- LAHSA Homeless Count
- Quarterly Financial Report
- Budget Amendment #1
- Stormwater Policy

December

- Metro Bike Share
- Performance Benchmark Study
- ACE Ad Hoc Committee Update
- Regional Quiet Zone update

January

- ACE Ad Hoc Committee Draft Report
- SGVCOG Office Lease

February

- Measure H

**City Managers' Steering Committee Attendance
FY 2016-17**

Budget Amendment #2
ACE Ad Hoc Committee Report
LACCE

March

SCE Coordination with Cities
LACDPW Coordination
SGVCOG Strategic Plan Update
ACE Ad Hoc Committee Next Steps
Transportation Planner/Program Manager

April

AB 346
San Diego Water Authority Correspondence
Draft FY 2017-18 Budget
Measure H Guiding Principals
Caltrans Audit

May

Measure H Comment Letter
ACE Ad Hoc Committee Report
LACCE
Measure M
AB 109

June

Elections
ACE Ad Hoc Report
2017-2018 ACE Budget
PACE contract with LA County

**Planning TAC Attendance
FY 2016-17**

	2016						2017					
	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												
LaVerne									✓	✓	✓	✓
Monrovia		✓		✓		✓	✓					
Monterey Park		✓	✓	✓		✓	✓		✓	✓		✓
Pasadena												
Pomona		✓								✓		✓
Rosemead			✓	✓		✓		✓		✓	✓	✓
San Dimas		✓	✓	✓		✓	✓	✓	✓	✓	✓	✓
San Gabriel		✓	✓	✓			✓	✓		✓		
Sierra Madre		✓	✓					✓		✓	✓	✓
South Pasadena			✓				✓		✓	✓	✓	
Temple City		✓					✓		✓	✓	✓	
Walnut												
West Covina		✓	✓			✓		✓	✓	✓		✓

Agenda Topics

August

- Elections
- Legislative Update
- Wireless Siting

September

- SCAG Sustainability Grant presentation
- Duarte Town Center presentation
- Joint PW/Planners PIWG

October

- Joint PW/Planners PIWG
- SGVCOG Housing
- Future Visioning

December

- Housing
- Marijuana
- GHG Impact by Transit Mode

January

- Housing
- Future Trends

**Planning TAC Attendance
FY 2016-17**

Measure M

February

Model Drone Ordinance

Housing

Measure M

March

Affordable Housing Presentation

Drone follow up

Measure M

Future Trends

April

Measure M

SB 649: wireless telecommunications

Future Visioning

May

TOD Planning Grant/TIF Pilot Program

Housing Legislation

Measure H

Measure M

June

S. 1272 Drone Federalism Act

SB 1241 Fire Hazard Planning

Elections

SB 649: wireless telecommunications

Measure M

**Public Works TAC Attendance
FY 2016-17**

	2016						2017					
	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
Alhambra												
Arcadia			✓	✓			✓	✓	✓		✓	✓
Azusa			✓	✓	✓		✓	✓	✓	✓	✓	✓
Claremont				✓				✓	✓		✓	
Diamond Bar			✓	✓	✓		✓	✓	✓	✓	✓	✓
Duarte												
El Monte			✓						✓	✓		
Irwindale			✓	✓	✓		✓	✓		✓	✓	
Monrovia					✓		✓	✓	✓	✓		
Pasadena			✓	✓	✓		✓	✓		✓	✓	✓
Pomona			✓	✓	✓		✓	✓	✓	✓	✓	✓
San Dimas			✓	✓	✓		✓	✓	✓	✓	✓	✓
West Covina				✓	✓		✓	✓	✓	✓	✓	✓
LA County			✓	✓	✓		✓	✓	✓	✓	✓	✓

Agenda Topics

September:

- ITS FIRST presentation
- PW TAC bank account
- ACE Ad Hoc committee update
- Joint PW/Planning PIWG concept

October

- METRO Complete Streets
- CCE
- SGVCOG Stormwater Policy
- Joint PW/Planning PIWG concept

November

- Aliso Canyon Gas Wells update
- METRO Complete Streets
- Stormwater Policy

January

- Envision Sustainability planning tool
- Urban Greening grant program
- Fastlane grant
- ACE Ad Hoc committee update

February

- Metro LRTP
- CA Conservation Corps
- Measure M
- ACE Ad Hoc committee update

March

- Vision Zero
- Measure M
- Urban Greening grant program
- LACCE

April

**Public Works TAC Attendance
FY 2016-17**

Measure M
SB 649: Wireless Telecommunications
Future Visioning

May

ITS and Traffic Synchronization
Metro Bike Share
TOD Planning Grant: Round 5
TOD TIF Pilot Program

June

SB 1 Presentation
2017-2018 Elections
Final Measure M Guidelines

**Water TAC Attendance
FY 2016-17**

	2016						2017					
	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
Alhambra	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Arcadia	✓	✓	✓	✓				✓	✓	✓	✓	
Covina											✓	
Monrovia		✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Sierra Madre	✓	✓	✓		✓	✓	✓	✓	✓	✓	✓	
LA County DPW	✓	✓	✓	✓		✓	✓	✓	✓	✓	✓	✓
Upper San Gabriel Valley Municipal Water District	✓		✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
<i>Ex-Officio</i>												
Foothill MWD												
LA County Sanitation Districts		✓	✓	✓	✓	✓	✓	✓	✓		✓	✓
Main San Gabriel Basin Watermaster	✓	✓	✓		✓	✓	✓	✓	✓	✓	✓	

Agenda Topics

July (Joint Meeting with Water TAC)

- Elections
- Legislative Update
- RWQCB Update
- Stormwater Subcommittee Update
- Litigation Update

August (Joint Meeting with Water TAC)

- SB 1298
- Legislative Update
- RWQCB Update
- Stormwater Subcommittee Update

September (Joint Meeting with Water TAC)

- Legislative Update
- Litigation Update
- RWQCB Update
- Stormwater Subcommittee Update

October (Joint Meeting with Water TAC)

Presentation: CA Water Fix

- Legislative Update
- Litigation Update
- RWQCB Update
- Stormwater Policy

November (Joint Meeting with Water TAC)

Presentation: SB 485

- Presentation: SG Basin Groundwater
- RWQCB Update
- Legislative Update

December (Joint Meeting with Water TAC)

- Establish Stormwater Outreach Team
- Establish Stormwater Legislative Priorities

**Water TAC Attendance
FY 2016-17**

RWQCB Update
Election 2016 updates
MSGB Resource Development Fee update

January (Joint Meeting with Water TAC)

Rio Hondo/San Gabriel River EWMP Presentation
Establish Stormwater Legislative Priorities
Urban Greening Grants
Stormwater Outreach Updates
Litigation Update

February (Joint Meeting with Water TAC)

Letter of Support: Irma Munoz to SWQCB
Revisions to 303(d) listing
Stormwater Outreach: Sacramento trip
Legislative Update
Water Supply Update: Chapman presentation

March (Joint Meeting with Water TAC)

support for SB 589, SB 541, AB 1180
Stormwater Outreach: Sacramento, D.C.
303(d) listing
Regulatory Update
water supply update

April (Joint Meeting with Water TAC)

support for SB 633
opposition to SB 231
WOTUS rule rewrite
303(d) listing
County Water Resiliency

May (Joint Meeting with Water TAC)

support of AB 968 (Rubio)
EPA WOTUS submission topics
AB 1180 (Holden) gut and amend
303(d) listing
County Water Resiliency

June (Joint Meeting with Water TAC)

Elections
AB 1654, HR 2355, HR 2510
303(d) listing
WOTUS rule rewrite
Water Resilience

DATE: July 20, 2017

TO: Governing Board

FROM: Phil Hawkey

RE: **ASSEMBLY BILL 1654 (RUBIO), URBAN WATER MANGEMENT
PLANNING**

RECOMMENDED ACTION

Adopt Resolution 17-25 supporting AB 1654 (Rubio)

BACKGROUND

Existing law requires urban water suppliers to prepare and adopt an Urban Water Management Plan (UWMP). Those plans must include an assessment that describes the reliability of water supplies and the vulnerability to seasonal and climate changes. To address those contingencies, urban water suppliers must conduct a Water Shortage Contingency Analysis (WSCA). The analysis will include stages of action to be taken in response to water supply shortages, including up to a 50% reduction in water use. The methods used to achieve those consumption reductions must be described in the UWMP.

ASSEMBLY BILL 1654

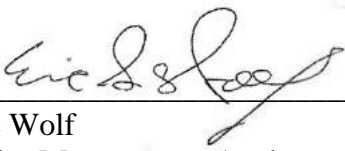
AB 1654 makes several changes to the UWMP and WSCA in order to address times of drought and/or water shortage. It requires water suppliers to report to the Department of Water Resources (DWR) the status of water resources and whether those supplies will be adequate to meet projected customer demand. If water resources are insufficient, the water supplier must identify other alternatives, such as conservation, for meeting demand. It requires triggers for anticipated stages of action, communication strategies associated with those stages, anticipated actions to balance water supply and demand for each stage, anticipated processes for ensuring compliance with prohibitions, and a description of the authority for implementing actions. The bill includes protections for urban water suppliers against state-wide reduction mandates and defines a new category of water, “emergency supply.” Regarding mandatory state-wide reductions, the bill prohibits an urban water supplier from being required to reduce its use or reliance on any water supply available, or to take additional actions beyond those specified in its WSCA. Regarding “emergency water supplies,” it would add to the UWMP a description of how an urban water supplier plans on using an emergency water supply to increase water supply reliability during times of shortage.


DISCUSSION

This is one approach of several, to strengthen drought response. The general framework of all of the approaches is to require urban water suppliers to apply a more stringent test of reliability of water supply in UWMPs and create triggered stages of response to a projected or current water shortage. This bill differs in that it ensures that local weather and water use conditions are considered when

setting water use restrictions. By relying on the analysis incorporated into WSCA, those conditions are by default already considered. AB 1654 ensures that the state cannot require local agencies to constrict usage beyond that specified in the UWMP. This bill also creates a new category of “emergency water supply.” An emergency supply must be a supply that is in addition to supplies used during non-shortage times. Specifically calling out an emergency supply may encourage investment in those supplies. Virtually any source of supply could qualify as an emergency supply: desalination, recycled water, and groundwater banking.

By creating the emergency water supply category and incorporating it into UWMPs, water suppliers would now be credited for investing in these sources. This could possibly spur research, innovation, and investment in this area. Capture and infiltration of stormwater at a regional level is an approach that the COG has been pursuing. This approach could qualify as groundwater banking under the emergency supply category. The Water Policy Committee recommends that the Governing Board support SB 1654 because it aligns with the stormwater policy and goals of the COG.

Prepared by: 
Eric Wolf
Senior Management Analyst

Approved by: 
Marisa Creter
Assistant Executive Director

ATTACHMENTS

- Attachment A – AB 1654 (Rubio)
- Attachment B – Resolution 17-25

AMENDED IN SENATE JULY 3, 2017
 AMENDED IN ASSEMBLY MARCH 28, 2017
 CALIFORNIA LEGISLATURE—2017–18 REGULAR SESSION

ASSEMBLY BILL**No. 1654**

Introduced by Assembly Member Rubio

February 17, 2017

An act to amend Sections 10621, 10631, 10632, and 10635 of, ~~to~~ ~~repeal Section 10631.7 of,~~ to add Sections 10613.5 and 10658 to, ~~and~~ to add Part 2.56 (commencing with Section 10609) to Division 6 of, *and to repeal Section 10631.7 of,* the Water Code, relating to water.

LEGISLATIVE COUNSEL'S DIGEST

AB 1654, as amended, Rubio. Water shortage: urban water management planning.

(1) Existing law, the Urban Water Management Planning Act, requires every public and private urban water supplier that directly or indirectly provides water for municipal purposes to prepare and adopt an urban water management plan and to update its plan once every 5 years on or before December 31 in years ending in 5 and zero, except as specified.

This bill would require the update of a plan on or before July 1, in years ending in one and 6. The bill would require each urban retail water supplier to report annually by June 15 to the Department of Water Resources the status of its water supplies for that year and whether the supplies will be adequate to meet projected customer demand, as prescribed. The bill would require the urban retail water supplier to implement the appropriate responses as described in its water shortage contingency analysis if the urban retail water supplier reports that all

available water supplies for the applicable water year will not be adequate to meet projected customer demand. The bill would require the urban retail water supplier to continue to implement the mandatory demand reduction measures described in its water shortage contingency analysis until certain conditions have changed to the point that the urban retail water supplier finds that it is able to meet projected customer demand over the next 12 months without continued implementation of the measures. The bill would require an urban retail water supplier to file a certain report with the department by the 15th day of each month during a period that the urban retail water supplier is implementing mandatory demand reduction measures. The bill would require the department to establish an electronic portal through which an urban retail water supplier is required to provide these reports to the department and would require the department to provide the State Water Resources Control Board with access to the reports and data.

(2) The act requires an adopted plan to include certain components, including, among other things, an identification and quantification of the existing and planned sources of water available to the supplier over 5-year increments, a description of the reliability of the water supply and vulnerability to seasonal or climatic shortage for an average water year, single-dry water year, and multiple-dry water years, and quantification of distribution system water loss for each of the 5 years preceding the plan update.

This bill would add to the requirements of a plan a description of how an emergency supply has been established to increase water supply reliability during times of shortage and how the supply is in addition to the supplies that the agency draws upon during nonshortage times, if an emergency supply, as defined, is identified as an existing or planned source of water available to the urban retail water supplier. The bill would require a description of the reliability and vulnerability for 5 consecutive years consisting of a repeat of the 5 consecutive historic driest years experienced by the urban retail water supplier, except as provided, rather than multiple-dry water years. The bill would specify that distribution system water loss to be included in the plan is potable distribution system water loss. *The bill would specify that potable reuse, recycled water, and desalination are considered fully reliable.*

(3) The act requires the department, in consultation with the California Urban Water Conservation Council, to convene an independent technical panel to provide information and recommendations to the department and the Legislature on new demand

management measures, technologies, and approaches. The act requires the panel to report to the Legislature no later than January 1, 2010, and every 5 years thereafter, and requires the department to review the report and include in the final report to the Legislature recommendations and comments. The act deems an urban water supplier that is a member of the council and in compliance with the provisions of a certain memorandum to be in compliance with certain requirements relating to including water demand management measures in a plan.

This bill would delete these provisions.

(4) The act requires that the plan provide an urban water shortage contingency analysis that includes certain elements, including an estimate of the minimum water supply available during each of the following 3 water years based on the driest 3-year historic sequence for the agency’s water supply.

This bill would revise the elements included within an analysis.

(5) The California Constitution declares the policy that the water resources of the state be put to beneficial use to the fullest extent of which they are capable, that the waste or unreasonable use or unreasonable method of use of water be prevented, and that the conservation of such waters is to be exercised with a view to the reasonable and beneficial use of the waters in the interest of the people and for the public welfare. Existing law requires the department and the board to take all appropriate proceedings or actions to prevent waste, unreasonable use, unreasonable method of use, or unreasonable method of diversion of water in this state.

This bill would prohibit an urban water supplier, during a statewide drought, local drought, or water shortage, from being required to reduce its use or reliance on any water supply available for its use and identified in its plan or from being required to take additional actions beyond those specified in its water shortage contingency analysis for the level of water shortage, as specified.

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. Part 2.56 (commencing with Section 10609) is
2 added to Division 6 of the Water Code, to read:

1 PART 2.56. URBAN WATER MANAGEMENT DEMAND
2 REDUCTION MEASURES

3
4 10609. The following definitions govern the construction of
5 this part:

6 (a) “Water shortage contingency analysis” means the component
7 of an urban water management plan described in Section 10632.

8 (b) “Urban retail water supplier” has the meaning provided in
9 Section 10608.12.

10 (c) “Urban water supplier” has the meaning provided in Section
11 10617.

12 (d) “Urban wholesale water supplier” has the meaning provided
13 in Section 10608.12.

14 ~~10609.5~~

15 *10609.5.* (a) In addition to and separate from the urban water
16 management plans required pursuant to Part 2.6 (commencing
17 with Section 10610), by June 15 of each year an urban retail water
18 supplier shall report to the department the status of its water
19 supplies for that year and whether the supplies will be adequate
20 to meet projected customer ~~demand~~. *demand over the next 12*
21 *months.*

22 (b) (1) If an urban retail water supplier reports pursuant to
23 subdivision (a) that all available water supplies for the applicable
24 water year will not be adequate to meet projected customer demand,
25 the urban retail water supplier shall implement the appropriate
26 responses as described in its water shortage contingency analysis.
27 If demand is projected to exceed all available supply sources and
28 mandatory water demand reduction measures are required, the
29 annual report shall describe the water supply shortage stage and
30 the measures that the supplier will take to reduce water demand
31 consistent with its water shortage contingency analysis.

32 (2) If an urban retail water supplier determines that it cannot
33 meet demands with all available water ~~suppliers~~ *supplies* and is
34 required to implement mandatory water demand reduction
35 measures as described in its water shortage contingency analysis
36 pursuant to paragraph (1), the urban retail water supplier shall do
37 both of the following:

38 (A) Continue to implement the mandatory demand reduction
39 measures as described in its water shortage contingency analysis
40 until hydrologic, water supply, or other conditions have changed

1 to the point that the supplier finds that it will be able to meet
2 projected customer demand over the next 12 months without
3 continued implementation of the mandatory demand reduction
4 measures.

5 (B) During the period that the urban retail water supplier is
6 implementing the mandatory demand reductions measures
7 described in its water shortage contingency analysis, the supplier
8 shall file a report with the department by the 15th day of each
9 month that describes how the supplier is implementing the
10 measures.

11 (3) If an urban retail water supplier reports pursuant to
12 subdivision (a) that supplies are adequate to meet projected
13 customer demand, the urban retail water supplier, at its sole
14 discretion, may declare any stage of its water shortage contingency
15 analysis to balance supply and demand through the augmentation
16 of supplies or to encourage water demand reduction as a
17 precautionary measure. If an urban retail water supplier declares
18 a stage of its water shortage contingency analysis pursuant to this
19 paragraph, the urban retail water supplier shall not have an
20 additional obligation to report to the department on the
21 implementation of its plan.

22 (c) Multiple urban retail water suppliers within the same
23 hydrologic region may file a joint report with the department if
24 those urban retail water suppliers' water supplies are interrelated
25 and if each urban retail water supplier determines that a joint report
26 most accurately reflects the condition of their respective water
27 supplies. Regardless of whether a joint report is submitted, an
28 urban retail water supplier may submit an individual report to the
29 department.

30 (d) An urban wholesale water supplier shall provide its *urban*
31 ~~retail agencies~~ *water suppliers* with information on the status of
32 the urban wholesale water supplier's water supplies annually so
33 that an urban retail water supplier reliant on the wholesale supply
34 has sufficient data to comply with subdivision (a). An urban retail
35 water supplier shall provide ~~an~~ *its* urban wholesale water supplier
36 with information regarding its estimated annual demand for water
37 from each wholesaler annually. An urban retail water supplier and
38 its urban wholesale water suppliers shall meet and determine the
39 process and dates by which they will comply with the requirements
40 of this subdivision.

1 (e) An urban water supplier shall not be required to comply with
2 any requirement in Part 2.6 (commencing with Section 10610) for
3 any action taken or report made pursuant to this section. An action
4 taken or report made pursuant to this section shall not be considered
5 part of, amendments to, or changes to, an urban water management
6 plan.

7 (f) The department shall establish an electronic portal through
8 which suppliers shall provide the reports required by this section.
9 The department shall provide the board with access to the reports
10 and data submitted through the portal.

11 SEC. 2. Section 10613.5 is added to the Water Code, to read:

12 10613.5. "Emergency supply" means a water supply identified
13 in the urban water management plan of an urban water supplier
14 that has been developed to increase an urban water supplier's water
15 supply reliability during times of shortage, including, but not
16 limited to, unplanned service disruptions, and is in addition to the
17 water supplies that the agency draws upon during nonshortage
18 times to meet water demands within its service area.

19 SEC. 3. Section 10621 of the Water Code is amended to read:

20 10621. (a) Each urban water supplier shall update its plan at
21 least once every five years on or before July 1, in years ending in
22 one and six.

23 (b) Every urban water supplier required to prepare a plan
24 pursuant to this part shall, at least 60 days before the public hearing
25 on the plan required by Section 10642, notify any city or county
26 within which the supplier provides water supplies that the urban
27 water supplier will be reviewing the plan and considering
28 amendments or changes to the plan. The urban water supplier may
29 consult with, and obtain comments from, any city or county that
30 receives notice pursuant to this subdivision.

31 (c) The amendments to, or changes in, the plan shall be adopted
32 and filed in the manner set forth in Article 3 (commencing with
33 Section 10640).

34 SEC. 4. Section 10631 of the Water Code is amended to read:

35 10631. A plan shall be adopted in accordance with this chapter
36 that shall do all of the following:

37 (a) Describe the service area of the supplier, including current
38 and projected population, climate, and other demographic factors
39 affecting the supplier's water management planning. The projected
40 population estimates shall be based upon data from the state,

1 regional, or local service agency population projections within the
2 service area of the urban water supplier and shall be in five-year
3 increments to 20 years or as far as data is available.

4 (b) Identify and quantify, to the extent practicable, the existing
5 and planned sources of water available to the supplier over the
6 same five-year increments described in subdivision (a).

7 (1) If groundwater is identified as an existing or planned source
8 of water available to the supplier, all of the following information
9 shall be included in the plan:

10 (A) A copy of any groundwater management plan adopted by
11 the urban water supplier, including plans adopted pursuant to Part
12 2.75 (commencing with Section 10750), or any other specific
13 authorization for groundwater management.

14 (B) A description of any groundwater basin or basins from
15 which the urban water supplier pumps groundwater. For basins
16 that a court or the board has adjudicated the rights to pump
17 groundwater, a copy of the order or decree adopted by the court
18 or the board and a description of the amount of groundwater the
19 urban water supplier has the legal right to pump under the order
20 or decree. For basins that have not been adjudicated, information
21 as to whether the department has identified the basin or basins as
22 overdrafted or has projected that the basin will become overdrafted
23 if present management conditions continue, in the most current
24 official departmental bulletin that characterizes the condition of
25 the groundwater basin, and a detailed description of the efforts
26 being undertaken by the urban water supplier to eliminate the
27 long-term overdraft condition.

28 (C) A detailed description and analysis of the location, amount,
29 and sufficiency of groundwater pumped by the urban water supplier
30 for the past five years. The description and analysis shall be based
31 on information that is reasonably available, including, but not
32 limited to, historic use records.

33 (D) A detailed description and analysis of the amount and
34 location of groundwater that is projected to be pumped by the
35 urban water supplier. The description and analysis shall be based
36 on information that is reasonably available, including, but not
37 limited to, historic use records.

38 (2) If an emergency supply is identified as an existing or planned
39 source of water available to the supplier, the supplier shall describe
40 how the supply has been established to increase water supply

1 reliability during times of shortage and how the supply is in
2 addition to the supplies that the agency draws upon during
3 nonshortage times to meet water demands within its service area.

4 (c) (1) Describe the reliability of the water supply and
5 vulnerability to seasonal or climatic shortage, to the extent
6 practicable, and provide data for each of the following:

7 (A) An average water year.

8 (B) A single-dry water year.

9 (C) Five consecutive dry years consisting of a repeat of the five
10 consecutive historic driest years that the urban water supplier has
11 experienced, unless the urban water supplier finds that a shorter
12 multiple-year dry period would more severely impact its water
13 supplies, in which case the urban water supplier shall use that
14 shorter period.

15 (2) For any water source that may not be available at a consistent
16 level of use, given specific legal, environmental, water quality, or
17 climatic factors, describe plans to supplement or replace that source
18 with alternative sources or water demand management measures,
19 to the extent practicable.

20 (d) Describe the opportunities for exchanges or transfers of
21 water on a short-term or long-term basis.

22 (e) (1) Quantify, to the extent records are available, past and
23 current water use, over the same five-year increments described
24 in subdivision (a), and projected water use, identifying the uses
25 among water use sectors, including, but not necessarily limited to,
26 all of the following uses:

27 (A) Single-family residential.

28 (B) Multifamily.

29 (C) Commercial.

30 (D) Industrial.

31 (E) Institutional and governmental.

32 (F) Landscape.

33 (G) Sales to other agencies.

34 (H) Saline water intrusion barriers, groundwater recharge, or
35 conjunctive use, or any combination thereof.

36 (I) Agricultural.

37 (J) Potable distribution system water loss.

38 (2) The water use projections shall be in the same five-year
39 increments described in subdivision (a).

1 (3) (A) The potable distribution system water loss shall be
2 quantified for each of the five years preceding the plan update.

3 (B) The potable distribution system water loss quantification
4 shall be reported in accordance with a worksheet approved or
5 developed by the department through a public process. The water
6 loss quantification worksheet shall be based on the water system
7 balance methodology developed by the American Water Works
8 Association.

9 (4) (A) If available and applicable to an urban water supplier,
10 water use projections may display and account for the water savings
11 estimated to result from adopted codes, standards, ordinances, or
12 transportation and land use plans identified by the urban water
13 supplier, as applicable to the service area.

14 (B) To the extent that an urban water supplier reports the
15 information described in subparagraph (A), an urban water supplier
16 shall do both of the following:

17 (i) Provide citations of the various codes, standards, ordinances,
18 or transportation and land use plans utilized in making the
19 projections.

20 (ii) Indicate the extent that the water use projections consider
21 savings from codes, standards, ordinances, or transportation and
22 land use plans. Water use projections that do not account for these
23 water savings shall be noted of that fact.

24 (f) Provide a description of the supplier's water demand
25 management measures. This description shall include all of the
26 following:

27 (1) (A) For an urban retail water supplier, as defined in Section
28 10608.12, a narrative description that addresses the nature and
29 extent of each water demand management measure implemented
30 over the past five years. The narrative shall describe the water
31 demand management measures that the supplier plans to implement
32 to achieve its water use targets pursuant to Section 10608.20.

33 (B) The narrative pursuant to this paragraph shall include
34 descriptions of the following water demand management measures:

35 (i) Water waste prevention ordinances.

36 (ii) Metering.

37 (iii) Conservation pricing.

38 (iv) Public education and outreach.

39 (v) Programs to assess and manage potable distribution system
40 real loss.

1 (vi) Water conservation program coordination and staffing
2 support.

3 (vii) Other demand management measures that have a significant
4 impact on water use as measured in gallons per capita per day,
5 including innovative measures, if implemented.

6 (2) For an urban wholesale water supplier, as defined in Section
7 10608.12, a narrative description of the items in clauses (ii), (iv),
8 (vi), and (vii) of subparagraph (B) of paragraph (1), and a narrative
9 description of its distribution system asset management and
10 wholesale supplier assistance programs.

11 (g) Include a description of all water supply projects and water
12 supply programs that may be undertaken by the urban water
13 supplier to meet the total projected water use, as established
14 pursuant to subdivision (a) of Section 10635. The urban water
15 supplier shall include a detailed description of expected future
16 projects and programs that the urban water supplier may implement
17 to increase the amount of the water supply available to the urban
18 water supplier ~~in average, single-dry, and multiple-dry water years.~~
19 *an average water year, a single-dry water year, and, in accordance*
20 *with subparagraph (C) of paragraph (1) of subdivision (c), five*
21 *consecutive dry years or a shorter multiple-year dry period.* The
22 description shall identify specific projects and include a description
23 of the increase in water supply that is expected to be available
24 from each project. The description shall include an estimate with
25 regard to the implementation timeline for each project or program.

26 (h) Describe the opportunities for development of desalinated
27 water, including, but not limited to, ocean water, brackish water,
28 and groundwater, as a long-term supply.

29 (i) An urban water supplier that relies upon a wholesale agency
30 for a source of water shall provide the wholesale agency with water
31 use projections from that agency for that source of water in
32 five-year increments to 20 years or as far as data is available. The
33 wholesale agency shall provide information to the urban water
34 supplier for inclusion in the urban water supplier's plan that
35 identifies and quantifies, to the extent practicable, the existing and
36 planned sources of water as required by subdivision (b), available
37 from the wholesale agency to the urban water supplier over the
38 same five-year increments, and during various water-year types
39 in accordance with subdivision (c). An urban water supplier may
40 rely upon water supply information provided by the wholesale

1 agency in fulfilling the plan informational requirements of
2 subdivisions (b) and (c).

3 SEC. 5. Section 10631.7 of the Water Code is repealed.

4 SEC. 6. Section 10632 of the Water Code is amended to read:

5 10632. The plan shall provide an urban water shortage
6 contingency analysis that includes each of the following elements
7 that are within the authority of the urban water supplier:

8 (a) Anticipated stages of action to be undertaken by the urban
9 water supplier in response to water supply shortages, including up
10 to a 50 percent reduction in water supply, and an outline of specific
11 water supply conditions that would trigger each stage.

12 (b) Communications strategies to inform customers, state
13 agencies, elected officials, and others whenever water supply
14 shortage conditions require the implementation of the stages of
15 action described in subdivision (a).

16 (c) Anticipated actions to be undertaken by the urban water
17 supplier to prepare for, and implement during, a catastrophic
18 interruption of water supplies including, but not limited to, a
19 regional power outage, an earthquake, or other disaster.

20 (d) Additional anticipated mandatory prohibitions against
21 specific water use practices during water shortages.

22 (e) Anticipated actions to balance water supply and demand for
23 each water supply shortage stage, including the use of emergency
24 supplies, demand reduction methods, reoperation, or any
25 combination of these actions. Each urban water supplier may use
26 any type of consumption reduction, reoperation approach, or supply
27 augmentation methods in its water shortage contingency analysis
28 that would balance supply and demand, are appropriate for its area,
29 and have the ability to successfully respond to each water supply
30 shortage stage. If an urban water supplier has established an
31 emergency supply, the supplier shall include in the description of
32 actions to be taken when the emergency supply will be used to
33 balance water supply and demand, and the quantity of water from
34 the emergency supply that is planned to be used. An emergency
35 supply designated for use during a water supply shortage shall be
36 fully available for use by the supplier during a shortage and its use
37 shall be at the sole discretion of the urban water supplier.

38 (f) Anticipated processes for monitoring and ensuring
39 compliance by customers with mandatory prohibitions against
40 specific water use practices and mechanisms to enforce compliance.

1 The analysis shall include a description of the urban water
2 supplier's established method to identify and discourage excessive
3 water use as required by Sections 366 and 367.

4 (g) An analysis of the impacts of each of the actions and
5 conditions described in subdivisions (a) to (f), inclusive, on the
6 revenues and expenditures of the urban water supplier, and
7 proposed measures to overcome those impacts, such as the
8 development of reserves and rate adjustments.

9 (h) A description of the water supplier's source of authority for
10 implementing the water shortage actions, as identified in
11 subdivision (e), including any adopted resolutions or ordinances.

12 SEC. 7. Section 10635 of the Water Code is amended to read:

13 10635. (a) Every urban water supplier shall include, as part
14 of its urban water management plan, an assessment of the reliability
15 of its water service to its customers during normal, dry, and
16 multiple dry water years. This water supply and demand assessment
17 shall compare the total water supply sources available to the water
18 supplier with the total projected water use over the next 20 years,
19 in five-year increments, for a normal water year, a single dry water
20 year, and, in accordance with subparagraph (C) of paragraph (1)
21 of subdivision (c) of Section 10631, five consecutive dry years or
22 a shorter multiple-year dry period. The water service reliability
23 assessment shall be based upon the information compiled pursuant
24 to Section 10631, including available data from state, regional, or
25 local agency population projections within the service area of the
26 urban water supplier. *Potable reuse, recycled water, and*
27 *desalination are considered fully reliable.*

28 (b) The urban water supplier shall provide that portion of its
29 urban water management plan prepared pursuant to this article to
30 any city or county within which it provides water supplies no later
31 than 60 days after the submission of its urban water management
32 plan.

33 (c) Nothing in this article is intended to create a right or
34 entitlement to water service or any specific level of water service.

35 (d) Nothing in this article is intended to change existing law
36 concerning an urban water supplier's obligation to provide water
37 service to its existing customers or to any potential future
38 customers.

39 SEC. 8. Section 10658 is added to the Water Code, to read:

1 10658. (a) It is the intent of the Legislature in enacting this
2 section to do all of the following:

3 (1) Encourage continued investment in water supply reliability
4 and diversification.

5 (2) Incentivize new and protect existing local investments made
6 by urban water suppliers in drought resiliency and drought resilient
7 supplies in order to better prepare local communities and the state
8 for drought and times of shortage.

9 (3) Incentivize new and protect existing local investments in
10 water recycling and potable reuse.

11 (4) Encourage *urban water suppliers and* local agencies to
12 develop emergency supplies, including storage of flood flows in
13 water banks throughout the state, to better protect California from
14 the effects of drought.

15 (5) Encourage *urban water suppliers and* local agencies to take
16 steps to prepare for the effects of climate change.

17 (6) Ensure that urban water suppliers have adequate supplies
18 or take appropriate measures to reduce demand during times of
19 drought.

20 (b) During a statewide drought, local drought, or water shortage,
21 an urban water supplier shall not be required to reduce its use or
22 reliance on any water supply available for its use and identified in
23 its urban water management plan, or be required to take additional
24 actions beyond those specified in its water shortage contingency
25 analysis for the level of shortage that is anticipated in the annual
26 report required by Section 10609 or the level of shortage that it is
27 currently experiencing, whichever is greater.

28 (c) *Nothing in this section limits, constrains, or otherwise*
29 *modifies the authorities of the Governor under Chapter 7*
30 *(commencing with Section 8550) of Division 1 of Title 2 of the*
31 *Government Code.*

O

RESOLUTION 17-25

**A RESOLUTION OF THE GOVERNING BOARD OF THE SAN GABRIEL
VALLEY COUNCIL OF GOVERNMENTS (“SGVCOG”)
SUPPORTING AB 1654 (RUBIO)**

WHEREAS, AB 1654 is one approach among several proposed bills to strengthen drought response,

WHEREAS, all of the approaches require urban water suppliers to apply a more stringent test of reliability of water supply in Urban Water Management Plans (UWMPs) and create triggered stages of response to a projected or current water shortage,

WHEREAS, this bill differs from others in that it creates protections for urban water suppliers against state-wide reduction mandates and it creates a new category of water called an “emergency supply,”

WHEREAS, the protection against state-wide mandates is consistent with the principle of local water suppliers having the flexibility to consider local conditions in enforcing restrictions,

WHEREAS, by creating the emergency water supply category and incorporating it into UWMPs, water suppliers would now be credited for investing in these sources, possibly spurring research, innovation, and investment, and

WHEREAS, capture and infiltration of stormwater at a regional level is an approach that the COG has been pursuing and this approach could qualify as groundwater banking under the emergency supply category.

NOW, THEREFORE BE IT RESOLVED THAT THE GOVERNING BOARD OF THE SGVCOG SUPPORTS AB 1654 (RUBIO).

PASSED, APPROVED, and ADOPTED this 20th day of July, 2017.

SAN GABRIEL VALLEY COUNCIL OF GOVERNMENTS

By: _____

Cynthia Sternquist, President

Attest:

I, Philip A. Hawkey, Executive Director and Secretary of the Board of Directors of the San Gabriel Valley Council of Governments, do hereby certify that Resolution 17-25 was adopted at a regular meeting of the Governing Board held on the 20th day of July, 2017, by the following roll call vote:

AYES:	
NOES:	
ABSTAIN:	
ABSENT:	

Philip A. Hawkey, Secretary

DATE: July 20, 2017

TO: Governing Board

FROM: Phil Hawkey

RE: **SENATE BILL 649 (HUESO), WIRELESS TELECOMMUNICATIONS FACILITIES**

RECOMMENDED ACTION

Adopt Resolution 17-26 opposing SB 649 (Hueso).

BACKGROUND

Small cell telecommunication sites are defined as low powered wireless base stations, typically covering targeted indoor or localized outdoor areas ranging in size from homes and offices to stadiums, shopping malls, hospitals, and metropolitan outdoor spaces. Providers use small cells to cover areas that present capacity and coverage challenges. Unlike larger macro-cell towers, small cells are about 40 feet tall, and can be either stand-alone systems, or attached to existing infrastructure.

Existing law dictates various aspects of control over small cell sites, including:

- Limits, preempts and preserves local zoning authority in relation to the siting of personal wireless service facilities (Federal Telecommunications Act of 1996);
- Establishes that the placement, construction, and modification of personal wireless service facilities by local government shall not prohibit or unreasonably discriminate among providers;
- Provides that a local government may not deny, and shall approve, any eligible request for a modification of an existing wireless tower or base station that does not substantially change the physical dimensions of the site;
- Establishes a framework, process, and procedure governing the attachment of telecommunications facilities to investor-owned utility poles (CPUC);
- Requires a publicly owned utility to make appropriate space and capacity on its utility poles and support structures available for use by a communication provider (AB 1027 (Buchanan, 2011));
- Requires local governments to approve collocations through ministerial processes, and prohibits local governments from limiting the duration of permits for wireless sites to less than 10 years, absent good reason (SB 1627 (Kehoe, 2006)); and
- Specifies that a collocation or siting application for a wireless telecommunications facility is deemed approved if a local government does not act on a permit application within reasonable time periods specified in federal regulations (AB 57 (Quirk, 2015)).

SENATE BILL 649

This bill establishes a statewide framework for streamlining the permitting and siting process of small

cell wireless facilities that meet specified requirements. It declares that small cells have a significant economic impact in California and are not a municipal affair but are a matter of statewide concern. Specifically, this bill:


- Requires an administrative permit, in lieu of a discretionary permit;
- Requires cost-based fees (based on the FCC formula), in lieu of market pricing;
- Prohibits a city from precluding the leasing or licensing of its vertical infrastructure located in a public right-of-way or public utility easement;
- Requires permits for wireless telecommunications facilities to be automatically renewed for equivalent durations;
- Defines small cell according to a dimensional (volume) definition and exempts support equipment from that calculation.

SB 649 is supported by the telecommunications industry and many chambers of commerce across the state. Opposition comes from cities, the State Association of Counties, the League of California Cities, and the American Planning Association.

DISCUSSION

Over the last ten years, several bills have been introduced and/or passed regarding small cell sites, each of which has had the effect of limiting or removing local control in the siting, design, approval, and access to those sites. Conversely, those bills have expanded industry's access to public rights-of-way. SB 649 represents a furtherance of this trend. It would require local governments to lease out public property, it would cap how much cities could charge to lease that property, and eliminate a city's ability to negotiate public benefits for the use of that space. Moreover, the bill eliminates the public's right to discretionary review by moving oversight of small cell sites into the ministerial process. For these reasons, the Planning Directors Technical Advisory Committee voted to recommend that the Governing Board oppose SB 649.

Prepared by: 
Eric Wolf
Senior Management Analyst

Approved by: 
Marisa Creter
Assistant Executive Director

ATTACHMENTS

- Attachment A – SB 649 (Hueso)
- Attachment B – League of California Cities Letter of Opposition, dated July 5, 2017
- Attachment C – Resolution 17-26

AMENDED IN ASSEMBLY JULY 3, 2017

AMENDED IN ASSEMBLY JUNE 20, 2017

AMENDED IN SENATE MAY 2, 2017

AMENDED IN SENATE MARCH 28, 2017

SENATE BILL

No. 649

Introduced by Senator Hueso

(Principal coauthor: Assembly Member Quirk)

(Coauthor: Senator Dodd)

(Coauthor: Assembly Member Dababneh)

February 17, 2017

An act to amend Section 65964 of, and to add Sections 65964.2 and 65964.5 to, the Government Code, relating to telecommunications.

LEGISLATIVE COUNSEL'S DIGEST

SB 649, as amended, Hueso. Wireless telecommunications facilities.

Under existing law, a wireless telecommunications collocation facility, as specified, is subject to a city or county discretionary permit and is required to comply with specified criteria, but a collocation facility, which is the placement or installation of wireless facilities, including antennas and related equipment, on or immediately adjacent to that wireless telecommunications collocation facility, is a permitted use not subject to a city or county discretionary permit.

This bill would provide that a small cell is a permitted use, subject only to a specified permitting process adopted by a city or county, if the small cell meets specified requirements. By imposing new duties on local agencies, this bill would impose a state-mandated local program. The bill would authorize a city or county to require an encroachment permit or a building permit, and any additional ministerial permits, for

a small cell, as specified. The bill would authorize a city or county to charge 3 types of fees: an annual ~~administrative permit fee~~, *charge for each small cell attached to city or county vertical infrastructure*, an annual attachment rate, or a ~~on-time one-time~~ reimbursement fee. The bill would require the city or county to comply with notice and hearing requirements before imposing the annual attachment rate. The bill would require an action or proceeding to challenge a fee imposed under the provisions of this bill to be commenced within 120 days of the effective date of the ordinance or resolution. The bill would define the term “small cell” for these purposes.

This bill would prohibit a city or county from adopting or enforcing any regulation on the placement or operation of a communications facility in the rights-of-way by a provider that is authorized by state law to operate in the rights-of-way or from regulating that service or imposing any tax, fee, or charge, except as provided in specified provisions of law or as specifically required by law.

~~Under existing law, a city or county, as a condition of approval of an application for a permit for construction or reconstruction of a development project for a wireless telecommunications facility, may not require an escrow deposit for removal of a wireless telecommunications facility or any component thereof, unreasonably limit the duration of any permit for a wireless telecommunications facility, or require that all wireless telecommunications facilities be limited to sites owned by particular parties within the jurisdiction of the city or county, as specified.~~

~~This bill would require permits for these facilities to be renewed for equivalent durations, as specified.~~

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 no reimbursement is required by this act for a specified reason.

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. The Legislature finds and declares that, to ensure
- 2 that communities across the state have access to the most advanced
- 3 communications technologies and the transformative solutions

1 that robust wireless and wireline connectivity enables, such as
2 Smart Communities and the Internet of Things, California should
3 work in coordination with federal, state, and local officials to create
4 a statewide framework for the deployment of advanced wireless
5 communications infrastructure in California that does all of the
6 following:

7 (a) Reaffirms local governments' historic role and authority
8 with respect to communications infrastructure siting and
9 construction generally.

10 (b) Reaffirms that deployment of telecommunications facilities
11 in the rights-of-way is a matter of statewide concern, subject to a
12 statewide franchise, and that expeditious deployment of
13 telecommunications networks generally is a matter of both
14 statewide and national concern.

15 (c) Recognizes that the impact on local interests from individual
16 small wireless facilities will be sufficiently minor and that such
17 deployments should be a permitted use statewide and should not
18 be subject to discretionary zoning review.

19 (d) Requires expiring permits for these facilities to be renewed
20 so long as the site maintains compliance with use conditions
21 adopted at the time the site was originally approved.

22 (e) Requires providers to obtain all applicable building or
23 encroachment permits and comply with all related health, safety,
24 and objective aesthetic requirements for small wireless facility
25 deployments on a ministerial basis.

26 (f) Grants providers fair, reasonable, nondiscriminatory, and
27 nonexclusive access to locally owned utility poles, streetlights,
28 and other suitable host infrastructure located within the public
29 rights-of-way and in other local public places such as stadiums,
30 parks, campuses, hospitals, transit stations, and public buildings
31 consistent with all applicable health and safety requirements,
32 including Public Utilities Commission General Order 95.

33 (g) Provides for full recovery by local governments of the costs
34 of attaching small wireless facilities to utility poles, streetlights,
35 and other suitable host infrastructure in a manner that is consistent
36 with existing federal and state laws governing utility pole
37 attachments generally.

38 (h) Permits local governments to charge wireless permit fees
39 that are fair, reasonable, nondiscriminatory, and cost based.

1 (i) Advances technological and competitive neutrality while not
2 adding new requirements on competing providers that do not exist
3 today.

4 ~~SEC. 2. Section 65964 of the Government Code is amended~~
5 ~~to read:~~

6 ~~65964. As a condition of approval of an application for a permit~~
7 ~~for construction or reconstruction for a development project for a~~
8 ~~wireless telecommunications facility, as defined in Section 65850.6,~~
9 ~~a city or county shall not do any of the following:~~

10 ~~(a) Require an escrow deposit for removal of a wireless~~
11 ~~telecommunications facility or any component thereof. However,~~
12 ~~a performance bond or other surety or another form of security~~
13 ~~may be required, so long as the amount of the bond security is~~
14 ~~rationally related to the cost of removal. In establishing the amount~~
15 ~~of the security, the city or county shall take into consideration~~
16 ~~information provided by the permit applicant regarding the cost~~
17 ~~of removal.~~

18 ~~(b) Unreasonably limit the duration of any permit for a wireless~~
19 ~~telecommunications facility. Limits of less than 10 years are~~
20 ~~presumed to be unreasonable absent public safety reasons or~~
21 ~~substantial land use reasons. However, cities and counties may~~
22 ~~establish a build-out period for a site. A permit shall be renewed~~
23 ~~for equivalent durations unless the city or county makes a finding~~
24 ~~that the wireless telecommunications facility does not comply with~~
25 ~~the codes and permit conditions applicable at the time the permit~~
26 ~~was initially approved.~~

27 ~~(c) Require that all wireless telecommunications facilities be~~
28 ~~limited to sites owned by particular parties within the jurisdiction~~
29 ~~of the city or county.~~

30 ~~SEC. 3.~~

31 ~~SEC. 2. Section 65964.2 is added to the Government Code, to~~
32 ~~read:~~

33 ~~65964.2. (a) A small cell shall be a permitted use subject only~~
34 ~~to a permitting process adopted by a city or county pursuant to~~
35 ~~subdivision (b) if it satisfies the following requirements:~~

36 ~~(1) The small cell is located in the public rights-of-way in any~~
37 ~~zone or in any zone that includes a commercial or industrial use.~~

38 ~~(2) The small cell complies with all applicable federal, state,~~
39 ~~and local health and safety regulations, including the federal~~

1 Americans with Disabilities Act of 1990 (42 U.S.C. Sec. 12101
2 et seq.).

3 (3) The small cell is not located on a fire department facility.

4 (b) (1) A city or county may require that the small cell be
5 approved pursuant to a building permit or its functional equivalent
6 in connection with placement outside of the public rights-of-way
7 or an encroachment permit or its functional equivalent issued
8 consistent with Sections 7901 and 7901.1 of the Public Utilities
9 Code for the placement in public rights-of-way, and any additional
10 ministerial permits, provided that all permits are issued within the
11 timeframes required by state and federal law.

12 (2) Permits issued pursuant to this subdivision may be subject
13 to the following:

14 (A) The same permit requirements as for similar construction
15 projects and applied in a nondiscriminatory manner.

16 (B) A requirement to submit additional information showing
17 that the small cell complies with the Federal Communications
18 Commission's regulations concerning radio frequency emissions
19 referenced in Section 332(c)(7)(B)(iv) of Title 47 of the United
20 States Code.

21 (C) A condition that the applicable permit may be rescinded if
22 construction is not substantially commenced within one year.
23 Absent a showing of good cause, an applicant under this section
24 may not renew the permit or resubmit an application to develop a
25 small cell at the same location within six months of rescission.

26 (D) A condition that small cells no longer used to provide
27 service shall be removed at no cost to the city or county.

28 (E) Compliance with building codes, including building code
29 structural requirements.

30 (F) A condition that the applicant pay all electricity costs
31 associated with the operation of the small cell.

32 (G) A condition to comply with feasible design and collocation
33 standards on a small cell to be installed on property not in the
34 rights-of-way.

35 (3) Permits issued pursuant to this subdivision shall not be
36 subject to:

37 (A) Requirements to provide additional services, directly or
38 indirectly, including, but not limited to, in-kind contributions from
39 the applicant such as reserving fiber, conduit, or pole space.

1 (B) The submission of any additional information other than
2 that required of similar construction projects, except as specifically
3 provided in this section.

4 (C) Limitations on routine maintenance or the replacement of
5 small cells with small cells that are substantially similar, the same
6 size or smaller.

7 (D) The regulation of any micro wireless facilities mounted on
8 a span of wire.

9 (4) Notwithstanding any other provision of this section, a city
10 or county shall not impose permitting requirements or fees on the
11 installation, placement, maintenance, or replacement of micro
12 wireless facilities that are suspended, whether embedded or
13 attached, on cables or lines that are strung between existing utility
14 poles in compliance with state safety codes.

15 (c) A city or county shall not preclude the leasing or licensing
16 of its vertical infrastructure located in public rights-of-way or
17 public utility easements under the terms set forth in this
18 subdivision. Vertical infrastructure shall be made available for the
19 placement of small cells under fair and reasonable fees, subject to
20 the requirements in subdivision (d), terms, and conditions, which
21 may include feasible design and collocation standards. A city or
22 county may reserve capacity on vertical infrastructure if the city
23 or county adopts a resolution finding, based on substantial evidence
24 in the record, that the capacity is needed for projected city or county
25 uses.

26 (d) (1) A city or county may charge the following fees:

27 (A) An annual ~~administrative permit fee~~ *charge* not to exceed
28 two hundred fifty dollars (\$250) for each small cell attached to
29 city or county vertical infrastructure.

30 (B) An annual attachment rate that does not exceed an amount
31 resulting from the following requirements:

32 (i) The city or county shall calculate the rate by multiplying the
33 percentage of the total usable space that would be occupied by the
34 attachment by the annual costs of ownership of the vertical
35 infrastructure and its anchor, if any.

36 (ii) The city or county shall not levy a rate that exceeds the
37 estimated amount required to provide use of the vertical
38 infrastructure for which the annual recurring rate is levied. If the
39 rate creates revenues in excess of actual costs, the city or county
40 shall use those revenues to reduce the rate.

1 (iii) For purposes of this subparagraph:

2 (I) “Annual costs of ownership” means the annual capital costs
3 and annual operating costs of the vertical infrastructure, which
4 shall be the average costs of all similar vertical infrastructure
5 owned or controlled by the city or county. The basis for the
6 computation of annual capital costs shall be historical capital costs
7 less depreciation. The accounting upon which the historical capital
8 costs are determined shall include a credit for all reimbursed capital
9 costs. Depreciation shall be based upon the average service life of
10 the vertical infrastructure. Annual cost of ownership does not
11 include costs for any property not necessary for use by the small
12 cell.

13 (II) “Usable space” means the space above the minimum grade
14 that can be used for the attachment of antennas and associated
15 ancillary equipment.

16 (C) A one-time reimbursement fee for actual costs incurred by
17 the city or county for rearrangements performed at the request of
18 the small cell provider.

19 (2) A city or county shall comply with the following before
20 adopting or increasing the rate described in subparagraph (B) of
21 paragraph (1):

22 (A) At least 14 days before the hearing described in
23 subparagraph (C), the city or county shall provide notice of the
24 time and place of the meeting, including a general explanation of
25 the matter to be considered.

26 (B) At least 10 days before the hearing described in
27 subparagraph (C), the city or county shall make available to the
28 public data indicating the cost, or estimated cost, to make vertical
29 structures available for use under this section if the city or county
30 adopts or increases the proposed rate.

31 (C) The city or county shall, as a part of a regularly scheduled
32 public meeting, hold at least one open and public hearing at which
33 time the city or county shall permit the public to make oral or
34 written presentations relating to the rate. The city or county shall
35 include a description of the rate in the notice and agenda of the
36 public meeting in accordance with the Ralph M. Brown Act
37 (Chapter 9 (commencing with Section 54950.5) of Part 1 of
38 Division 2 of Title 5).

39 (D) The city or county may approve the ordinance or resolution
40 to adopt or increase the rate at a regularly scheduled open meeting

1 that occurs at least 30 days after the initial public meeting described
2 in subparagraph (C).

3 (3) A judicial action or proceeding to attack, review, set aside,
4 void, or annul an ordinance or resolution adopting, or increasing,
5 a fee described in this subdivision, shall be commenced within
6 120 days of the effective date of the ordinance or resolution
7 adopting or increasing the fee. A city or county or interested person
8 shall bring an action described in this paragraph pursuant to
9 Chapter 9 (commencing with Section 860) of Title 10 of Part 2 of
10 the Code of Civil Procedure in a court of competent jurisdiction.

11 (4) This subdivision does not prohibit a wireless service provider
12 and a city or county from mutually agreeing to an annual
13 ~~administrative permit fee charge~~ or attachment rate that is ~~less~~
14 ~~than~~ *different from* the fees or rates established above.

15 (e) A city or county shall not discriminate against the
16 deployment of a small cell on property owned by the city or county
17 and shall make space available on property not located in the public
18 rights-of-way under terms and conditions that are no less favorable
19 than the terms and conditions under which the space is made
20 available for comparable commercial projects or uses. These
21 installations shall be subject to reasonable and nondiscriminatory
22 rates, terms, and conditions, which may include feasible design
23 and collocation standards.

24 (f) This section does not alter, modify, or amend any franchise
25 or franchise requirements under state or federal law, including
26 Section 65964.5.

27 (g) For purposes of this section, the following terms have the
28 following meanings:

29 (1) “Micro wireless facility” means a small cell that is no larger
30 than 24 inches long, 15 inches in width, 12 inches in height, and
31 that has an exterior antenna, if any, no longer than 11 inches.

32 (2) (A) “Small cell” means a wireless telecommunications
33 facility, as defined in paragraph (2) of subdivision (d) of Section
34 65850.6, or a wireless facility that uses licensed or unlicensed
35 spectrum and that meets the following qualifications:

36 (i) The small cell antennas on the structure, excluding the
37 associated equipment, total no more than six cubic feet in volume,
38 whether an array or separate.

39 (ii) Any individual piece of associated equipment on pole
40 structures does not exceed nine cubic feet.

- 1 (iii) The cumulative total of associated equipment on pole
- 2 structures does not exceed 21 cubic feet.
- 3 (iv) The cumulative total of any ground-mounted equipment
- 4 along with the associated equipment on any pole or nonpole
- 5 structure does not exceed 35 cubic feet.
- 6 (v) The following types of associated ancillary equipment are
- 7 not included in the calculation of equipment volume:
- 8 (I) Electric meters and any required pedestal.
- 9 (II) Concealment elements.
- 10 (III) Any telecommunications demarcation box.
- 11 (IV) Grounding equipment.
- 12 (V) Power transfer switch.
- 13 (VI) Cutoff switch.
- 14 (VII) Vertical cable runs for the connection of power and other
- 15 services.
- 16 (VIII) Equipment concealed within an existing building or
- 17 structure.
- 18 (B) “Small cell” includes a micro wireless facility.
- 19 (C) “Small cell” does not include the following:
- 20 (i) Wireline backhaul facility, which is defined to mean a facility
- 21 used for the transport of communications data by wire from
- 22 wireless facilities to a network.
- 23 (ii) Coaxial or fiber optic cables that are not immediately
- 24 adjacent to or directly associated with a particular antenna or
- 25 collocation.
- 26 (iii) Wireless facilities placed in any historic district listed in
- 27 the National Park Service Certified State or Local Historic Districts
- 28 or in any historical district listed on the California Register of
- 29 Historical Resources or placed in coastal zones subject to the
- 30 jurisdiction of the California Coastal Commission.
- 31 (iv) The underlying vertical infrastructure.
- 32 (3) (A) “Vertical infrastructure” means all poles or similar
- 33 facilities owned or controlled by a city or county that are in the
- 34 public rights-of-way or public utility easements and meant for, or
- 35 used in whole or in part for, communications service, electric
- 36 service, lighting, traffic control, or similar functions.
- 37 (B) For purposes of this paragraph, the term “controlled” means
- 38 having the right to allow subleases or sublicensing. A city or county
- 39 may impose feasible design or collocation standards for small cells

1 placed on vertical infrastructure, including the placement of
2 associated equipment on the vertical infrastructure or the ground.

3 ~~(h) Existing agreements between a wireless service provider,~~
4 ~~or its agents and assigns, and a city, a county, or a city or county's~~
5 ~~agents and assigns, regarding the leasing or licensing of vertical~~
6 ~~infrastructure entered into before the operative date of this section~~
7 ~~remain in effect, subject to applicable termination or other~~
8 ~~provisions in the existing agreement, or unless otherwise modified~~
9 ~~by mutual agreement of the parties. A wireless service provider~~
10 ~~may require the rates of this section for new small cells sites that~~
11 ~~are deployed after the operative date of this section in accordance~~
12 ~~with applicable change of law provisions in the existing~~
13 ~~agreements. provisions. The operator of a small cell may accept~~
14 ~~the rates of this section for small cells that are the subject of an~~
15 ~~application submitted after the agreement is terminated pursuant~~
16 ~~to the terms of the agreement.~~

17 (i) Nothing in this section shall be construed to authorize or
18 impose an obligation to charge a use fee different than that
19 authorized by Part 2 (commencing with Section 9510) of Division
20 4.8 of the Public Utilities Code on a local publicly owned electric
21 utility.

22 (j) This section does not change or remove any obligation by
23 the owner or operator of a small cell to comply with a local publicly
24 owned electric utility's reasonable and feasible safety, reliability,
25 and engineering policies.

26 (k) A city or county shall consult with the utility director of a
27 local publicly owned electric utility when adopting an ordinance
28 or establishing permitting processes consistent with this section
29 that impact the local publicly owned electric utility.

30 ~~(l) Except as provided in subdivisions (a) and (b), nothing~~
31 *Nothing* in this section shall be construed to modify the rules and
32 compensation structure that have been adopted for an attachment
33 to a utility pole owned by an electrical corporation or telephone
34 corporation, as those terms are defined in Section 216 of the Public
35 Utilities Code pursuant to state and federal law, including, but not
36 limited to, decisions of the ~~Public Utility~~ *Utilities* Commission
37 adopting rules and a compensation structure for an attachment to
38 a utility pole owned by an electrical corporation or telephone
39 corporation, as those terms are defined in Section 216 of the Public
40 Utilities Code.

1 (m) Nothing in this section shall be construed to modify any
 2 applicable rules adopted by the Public Utilities Commission,
 3 including General Order 95 requirements, regarding the attachment
 4 of wireless facilities to a utility pole owned by an electrical
 5 corporation or telephone corporation, as those terms are defined
 6 in Section 216 of the Public Utilities Code

7 (n) The Legislature finds and declares that small cells, as defined
 8 in this section, have a significant economic impact in California
 9 and are not a municipal affair as that term is used in Section 5 of
 10 Article XI of the California Constitution, but are a matter of
 11 statewide concern.

12 ~~SEC. 4.~~

13 *SEC. 3.* Section 65964.5 is added to the Government Code, to
 14 read:

15 65964.5. Except as provided in Sections 65964, 65964.2, and
 16 65850.6, or as specifically required by state law, a city or county
 17 may not adopt or enforce any regulation on the placement or
 18 operation of communications facilities in the rights-of-way by a
 19 provider authorized by state law to operate in the rights-of-way,
 20 and may not regulate any communications services or impose or
 21 collect any tax, fee, or charge not specifically authorized under
 22 state law.

23 ~~SEC. 5.~~

24 *SEC. 4.* No reimbursement is required by this act pursuant to
 25 Section 6 of Article XIII B of the California Constitution because
 26 a local agency or school district has the authority to levy service
 27 charges, fees, or assessments sufficient to pay for the program or
 28 level of service mandated by this act, within the meaning of Section
 29 17556 of the Government Code.

O



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www.cacities.org

July 5, 2017

The Honorable Miguel Santiago
Chair, Assembly Communications and Conveyance Committee
State Capitol Building, Room 6027
Sacramento, CA 95814

RE: **SB 649 (Hueso). Wireless Telecommunications Facilities.**
Notice of Opposition *(As Amended 7/3/17)*

Dear Assembly Member Santiago:

The League of California Cities is **strongly opposed** to SB 649, which would represent a major shift in telecommunications policy and law by requiring local governments to lease out the public's property, cap how much cities can lease this space out for, eliminate the ability for cities to negotiate public benefits, eliminate the public's input and full discretionary review in all communities of the state except for areas in coastal zones and historic districts, for the installation of "small cell" wireless equipment.

Despite the wireless industry's claim that the equipment would be "small" in their attempt to justify this special permitting and price arrangement solely for their industry, the bill would allow for antennas as large as six cubic feet, equipment boxes totaling 35 cubic feet (larger than previous bill version of 21 cubic feet), with no size or quantity limitations for the following equipment: electric meters, pedestals, concealment elements, demarcation boxes, grounding equipment, power transfer switches, and cutoff switches.

The industry also claims that SB 649 retains local discretion, but by moving the bill into the ministerial process, also known as over-the-counter or check-the-box permitting, their "attempt" at giving locals discretion falls flat. Cities would have to live with the size parameters established by the bill for "small cells." Furthermore, cities would be unable to impose any meaningful maintenance requirements for the industry's small cells and are limited to requiring building and encroachment permits confined to the bill's parameters written by the industry. True local discretion exists only through the use of discretionary permits, not through building or encroachment permits, especially since the public has no say in the issuance of the latter.

Furthermore, the ability for cities to negotiate any public benefit (typically negotiated because of the level of discretion cities currently have) would be eliminated by this bill. Benefits, such as network access for police, fire, libraries, and parks, negotiated lease agreements for the city general fund to pay for such services, or the ability to use pole space for public safety and/or energy efficiency measures are effectively stripped down or taken away entirely. Even if every single city resident complained about a particular "small cell" and its visual blight, cities and their councils would have no recourse to take them down, move them, or improve their appearance or any other community impacts under SB 649.

In addition to the permitting issues raised by this bill, it would also cap how much cities can negotiate leases for use of public property and a city's ability to maximize public benefit at \$250 (was \$850 under prior version of the bill) annually per attachment rates for each "small cell". Some cities have been able

to negotiate leases for “small cells” upwards of \$3,000, while others have offered “free” access to public property in exchange for a host of tangible public benefits, such as free Wi-Fi in public places, or network build-out to underserved parts of their cities, agreements usually applauded by both cities and industry.

What’s truly perverse about SB 649 is that it would actually fail to deliver on stated promises and make it especially tough for cities that always seem to be last in line for new technology to see deployment, while also completely cutting out these communities from the review process. For example, SB 649 fails to require that their “small cells” deliver 5G, 4G, or any standard level of technology. The truth is that standards for 5G are still being developed, which is why the bill can’t require it to meet that standard which begs the question as to why this bill is necessary at all. It also fails to impose any requirement for the wireless industry to deploy their networks to unserved or underserved parts of the state.

While California has been a leader in wireless deployment, many rural and suburban parts of the state still don’t have adequate network access. The lease cap in the bill guarantees prices for the wireless industry to locate in the state’s “population hubs,” leaving other parts of the state stranded and when the technology finally does deploy, they’ll have no say in the time, place, manner, or design of the equipment, creating two different standards depending on where one lives in the state, one for coastal and historic, and a lower standard for everyone else.

As if SB 649 wasn’t wreaking enough havoc on the ability for cities to protect their residents, the June 20, 2017 amendments completely deregulate and eliminate all oversight for “micro-wireless” facilities which can be equipment nearly three feet long dangling between utility poles, raising significant public safety issues such as obstructing traffic sight distance without any oversight. The bill also now applies a utility pole “attachment rate” formula which is inappropriate for equipment being placed on city buildings, street and traffic lights.

As amended, the bill is no longer limited to just “small cells.” It now applies broadly to all telecommunications providers and the equipment they use from “micro-wireless” to “small cell” to “macro-towers.” It’s clear from the direction of this bill, that this is not about 5G wireless deployment, but more about local deregulation of the entire telecommunications industry. This latest version places a new ban on city/county regulation of placement or operation of “communication facilities” within and outside the public right of way far beyond “small cells.” This new language would extend local preemption of regulation to any “provider authorized by state law to operate in the rights of way,” which can include communications facilities installed for services such as gas, electric, and water, leaving cities and counties with limited oversight only over “small cells.”

Ultimately, cities and local governments recognize that the wireless industry offers many benefits in our growing economy, but a balance with community impacts must also be preserved. SB 649, however, is the wrong approach and benefits corporate bottom lines rather than communities. The bill undermines our ability to ensure our residents have a voice and get a fair return for any use of public infrastructure. Residents that don’t happen to live in a coastal zone or in a historic district will have to wonder why their communities deserve such second-tier status. Furthermore, this bill is no longer about small cells; instead it’s about all telecommunications regulation. Such a massive shift in law and policy is unprecedented and would warrant statewide stakeholder meetings before even considering such a shift, let alone trying to jam this through between now and September.

For these reasons, the League of California Cities is **strongly opposed** to SB 649. If you have any questions regarding our position, please contact Rony Berdugo at 916-658-8283 or via email at rberdugo@cacities.org.

Sincerely,

A handwritten signature in black ink, appearing to read 'R. Berdugo', with a stylized, cursive script.

Rony Berdugo
Legislative Representative

cc: The Honorable Ben Hueso
Members, Assembly Communications and Conveyance Committee
Edmond Cheung, Chief Consultant, Assembly Communications and Conveyance Committee
Daniel Ballon, Consultant, Assembly Republican Caucus

RESOLUTION 17-26

**A RESOLUTION OF THE GOVERNING BOARD OF THE SAN GABRIEL
VALLEY COUNCIL OF GOVERNMENTS (“SGVCOG”)
SUPPORTING SB 649 (HUESO)**

WHEREAS, SB 649 establishes a statewide framework for streamlining the permitting and siting process of small cell wireless facilities that meet specified requirements,

WHEREAS, the bill requires an administrative permit, in lieu of a discretionary permit,

WHEREAS, it requires cost-based fees (based on the FCC formula), in lieu of market pricing,

WHEREAS, it prohibits a city from precluding the leasing or licensing of its vertical infrastructure located in a public right-of-way or public utility easement,

WHEREAS, it requires permits for wireless telecommunications facilities to be automatically renewed for equivalent durations, and

WHEREAS, it defines small cell according to a dimensional (volume) definition and exempts support equipment from that calculation,

**NOW, THEREFORE BE IT RESOLVED THAT THE GOVERNING BOARD OF THE
SGVCOG OPPOSES SB 649 (HUESO).**

PASSED, APPROVED, and ADOPTED this 20th day of July, 2017.

SAN GABRIEL VALLEY COUNCIL OF GOVERNMENTS

By: _____

Cynthia Sternquist, President

Attest:

I, Philip A. Hawkey, Executive Director and Secretary of the Board of Directors of the San Gabriel Valley Council of Governments, do hereby certify that Resolution 17-26 was adopted at a regular meeting of the Governing Board held on the 20th day of July, 2017, by the following roll call vote:

AYES:	
NOES:	
ABSTAIN:	
ABSENT:	

Philip A. Hawkey, Secretary

DATE: July 20, 2017

TO: Governing Board

FROM: Phil Hawkey, Executive Director

RE: **HOUSE RESOLUTION 465, WATER QUALITY IMPROVEMENT ACT OF 2017**

RECOMMENDED ACTION

Adopt Resolution 17-27 supporting HR 465, with amendments.

HOUSE RESOLUTION 465

This bill amends the Clean Water Act in several ways as follows:

- Requires the Environmental Protection Agency (EPA) to establish an integrated planning and permitting process for municipal wastewater and stormwater management. (Integrated plans may combine multiple water/wastewater/stormwater-related requirements into a single plan that addresses combined sewer overflow; sanitary sewer collection; municipal stormwater discharge; municipal wastewater discharge; and water quality-based effluent limitations.)
- Requires that agency plans be “technically feasible” and “economically affordable” and that affordability determinations cannot be based solely on median household income.
- Specifies that compliance schedules can be longer than one permit term.
- Allows permittees to sequence their investments in addressing the requirements that make the most economical sense as long as the schedule, once completed, will result in compliance.
- Directs EPA to work with at least 15 municipalities to develop and implement integrated plans and permits to meet the requirements of the national pollutant discharge elimination system.
- Requires EPA to consult with stakeholders and update its financial capability assessment (FCA) guidance.

DISCUSSION


Each of the provisions of HR 465 are consistent with SGVCOG Stormwater Policy and are supported by the Water Policy Committee however, HR 465 is but one of several similar House Resolutions. HR 2355 is one of those similar bills. It did not move forward but included several additional provisions that are not in HR 465 but that the Water Policy Committee supports. Accordingly, the committee voted to recommend that the Governing Board support HR 465 with the following amendments:

- Create an Office of Municipal Ombudsman whose duties would include providing technical assistance to communities seeking to comply with CWA standards; providing information to the EPA Administrator; and providing information to communities about available financial assistance, about flexibility available under the CWA, and about the opportunity to do an integrated plan.

- Direct each regional EPA office to promote the use of green infrastructure in programs and permits through outreach and training.
- Increase the term of permits from 5 years to 10 years in order to relieve the financial and staff burden on local agencies.

The SGVCOG Stormwater Policy adopted in November 2016 specifically includes the creation of a municipal ombudsman position and the use of Financial Capability Assessment as strategies to pursue. Moreover, these two strategies were included in the COG's legislative objectives for this year but have not been established in proposed legislation.

Prepared by: 
Eric Wolf
Senior Management Analyst

Approved by: 
Marisa Creter
Assistant Executive Director

ATTACHMENTS

- Attachment A – HR 465
- Attachment B – Resolution 17-27

115TH CONGRESS
1ST SESSION

H. R. 465

To amend the Federal Water Pollution Control Act to provide for an integrated planning and permitting process, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

JANUARY 12, 2017

Mr. GIBBS (for himself and Mr. CHABOT) introduced the following bill; which was referred to the Committee on Transportation and Infrastructure

A BILL

To amend the Federal Water Pollution Control Act to provide for an integrated planning and permitting process, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Water Quality Im-
5 provement Act of 2017”.

6 **SEC. 2. INTEGRATED PLANNING PROCESS.**

7 Section 402 of the Federal Water Pollution Control
8 Act (33 U.S.C. 1342) is amended by adding at the end
9 the following:

10 “(s) INTEGRATED PLANNING AND PERMITTING.—

1 “(1) IN GENERAL.—The Administrator shall es-
2 tablish a comprehensive and flexible integrated plan-
3 ning process and permitting process for municipal
4 wastewater and stormwater management that will
5 help municipalities comply with the requirements of
6 this Act by enabling municipalities to identify the
7 most cost-effective and protective approaches to
8 comply with such requirements, and prioritize their
9 investments in addressing such requirements.

10 “(2) PLANNING AND PERMITTING PROCESS.—
11 The Administrator shall ensure that, under the plan-
12 ning and permitting process established under para-
13 graph (1)—

14 “(A) actions taken by the municipality to
15 comply with the requirements of this Act are
16 implemented in a manner that—

17 “(i) considers alternative approaches
18 and actions for the municipality to comply
19 with such requirements;

20 “(ii) takes into consideration the tech-
21 nical feasibility and economic affordability
22 of the alternative approaches and actions
23 considered;

1 “(iii) accounts for the financial capa-
2 bility of the municipality to comply with
3 such requirements;

4 “(iv) prioritizes such requirements in
5 order to provide the greatest environmental
6 and public health benefits for the resources
7 expended;

8 “(v) accounts for both the municipal-
9 ity’s preexisting and reasonably anticipated
10 future compliance requirements related to,
11 as applicable—

12 “(I) a combined sewer overflow;

13 “(II) a sanitary sewer overflow;

14 “(III) a capacity, management,
15 operation, and maintenance program
16 for sanitary sewer collection systems;

17 “(IV) a municipal stormwater
18 discharge;

19 “(V) a municipal wastewater dis-
20 charge;

21 “(VI) a water quality-based efflu-
22 ent limitation to implement an appli-
23 cable wasteload allocation in a total
24 maximum daily load;

4

1 “(VII) source water protection
2 efforts that protect surface water sup-
3 plies; and

4 “(VIII) nonpoint source controls
5 through proposed trading approaches
6 or other mechanisms;

7 “(vi) allows a municipality to develop
8 a schedule of compliance that sequences
9 the implementation of effluent limitations
10 and other control measures based on the
11 priorities established under clause (iv), in
12 accordance with paragraph (4);

13 “(vii) enables the municipality to im-
14 plement innovative or sustainable tech-
15 nologies, approaches, and practices to com-
16 ply with such requirements, including
17 through the use of green infrastructure
18 measures as set forth in the memorandum
19 issued by the Administrator on April 20,
20 2011, entitled ‘Protecting Water Quality
21 with Green Infrastructure in EPA Water
22 Permitting and Enforcement Programs’;

23 “(viii) provides for meeting the re-
24 quirements of this Act by using the exist-
25 ing flexibilities in this Act and its imple-

1 menting regulations, policies, and guid-
2 ance; and

3 “(ix) reflects State requirements and
4 planning efforts and incorporates State
5 input on priority setting and other key im-
6 plementation issues;

7 “(B) a municipality may develop an inte-
8 grated plan, in consultation with the Adminis-
9 trator (or an authorized State, in the case of a
10 permit program approved under subsection (b)),
11 that—

12 “(i) identifies the compliance require-
13 ments of the municipality under this Act,
14 including effluent limitations and other
15 control measures to be implemented by the
16 municipality;

17 “(ii) includes, as applicable, a sched-
18 ule developed under subparagraph (A)(vi)
19 for complying with such requirements; and

20 “(iii) includes documentation of the
21 integrated planning and permitting process
22 of the municipality under this section, in-
23 cluding data and other information on
24 which the integrated plan is based;

1 “(C) such an integrated plan (including as
2 applicable, the schedule of compliance included
3 in the plan) may be incorporated in whole or in
4 part into a permit issued to the municipality
5 under this section;

6 “(D) progress in implementing the inte-
7 grated plan is tracked and evaluated;

8 “(E) a process for revising the integrated
9 plan, using adaptive management processes, to
10 account for adjustments and further actions
11 that may be needed to comply with the require-
12 ments of this Act is incorporated into the inte-
13 grated plan and the municipality’s permit
14 issued under this section;

15 “(F) with respect to any permit issued
16 under this subsection that includes effluent lim-
17 itations and other control measures that are es-
18 tablished as part of a schedule of compliance in-
19 cluded in such an integrated plan, such effluent
20 limitations and other control measures included
21 in that permit shall be based on water quality
22 and other requirements under this Act that are
23 technically feasible and economically affordable,
24 as described in paragraphs (6) and (7); and

1 “(G) an authorized State, in the case of a
2 permit program approved under subsection (b),
3 may implement the integrated planning process
4 under this subsection.

5 “(3) INTEGRATED PLANS.—

6 “(A) PLAN CONTENTS.—An integrated
7 plan developed under this subsection shall in-
8 clude the elements described in Part III of the
9 Integrated Municipal Stormwater and Waste-
10 water Planning Approach Framework, issued by
11 the Environmental Protection Agency and dated
12 May 2012.

13 “(B) DISSEMINATION OF INFORMATION.—
14 The Administrator shall—

15 “(i) inform municipalities of the op-
16 portunity to develop an integrated plan;
17 and

18 “(ii) at the request of a municipality
19 or a State, provide information and tech-
20 nical assistance to the municipality or
21 State regarding developing an integrated
22 plan.

23 “(4) COMPLIANCE SCHEDULES.—

24 “(A) DURATION.—A schedule of compli-
25 ance developed under paragraph (2)(A)(vi) and

1 incorporated into a permit under this section
2 may be implemented over more than 1 permit
3 term.

4 “(B) SEQUENCING IMPLEMENTATION OF
5 HIGH-PRIORITY CONTROL MEASURES.—A sched-
6 ule of compliance under this subsection may
7 allow a municipality to sequence the implemen-
8 tation of effluent limitations and other control
9 measures that allow the municipality to imple-
10 ment, and assess the effectiveness of, the high-
11 est priority effluent limitations and other con-
12 trol measures before requiring implementation
13 of other effluent limitations or control meas-
14 ures, if the schedule, once completed, would re-
15 sult in compliance with all requirements of this
16 Act.

17 “(C) REASONABLE PROGRESS.—A schedule
18 of compliance under this subsection shall pro-
19 vide for reasonable progress, including interim
20 dates and milestones, as appropriate, to be
21 made towards meeting the permit requirements
22 subject to such schedule.

23 “(D) CONTROLS IDENTIFIED IN CURRENT
24 AND SUBSEQUENT PERMITS.—Approved efflu-
25 ent limitations and other control measures to be

1 implemented by the municipality pursuant to
2 this subsection—

3 “(i) during the term of the current
4 permit shall be identified as such in the
5 schedule of compliance and the current
6 permit, and shall be requirements of the
7 current permit; and

8 “(ii) subsequent to the term of the
9 current permit shall be identified as such
10 in the schedule of compliance and the cur-
11 rent permit, and shall become require-
12 ments of an appropriate subsequent per-
13 mit, but shall not be requirements of the
14 current permit.

15 “(E) STATE AUTHORITY TO AUTHORIZE
16 SCHEDULES OF COMPLIANCE IN STATE WATER
17 QUALITY STANDARDS.—

18 “(i) IN GENERAL.—Nothing in section
19 301(b)(1)(C) shall preclude a State from
20 authorizing in its water quality standards
21 the issuance of a schedule of compliance to
22 meet water quality-based effluent limita-
23 tions in permits that incorporate provisions
24 of an integrated plan pursuant to this sub-
25 section.

1 “(ii) TRANSITION RULE.—In any case
2 in which a discharge is subject to a judicial
3 order or consent decree, as of the date of
4 enactment of this subsection, resolving an
5 enforcement action under this Act, any
6 schedule of compliance issued pursuant to
7 an authorization in a State water quality
8 standard shall not revise or otherwise af-
9 fect a schedule of compliance in that order
10 or decree, unless the order or decree is
11 modified by agreement of the parties and
12 the court.

13 “(5) INTEGRATED PLAN AND PERMIT DECI-
14 SIONMAKING.—

15 “(A) APPROVAL OF INTEGRATED PLANS
16 AND PERMITS.—Integrated plans and permits
17 incorporating such a plan developed under this
18 subsection are subject to the approval of the
19 Administrator (or an authorized State, in the
20 case of a permit program approved under sub-
21 section (b)), which shall not be unreasonably
22 withheld.

23 “(B) RENEWAL OF INTEGRATED PER-
24 MIT.—

1 “(i) IN GENERAL.—At the time of re-
2 newal of a municipality’s integrated permit
3 issued pursuant to this subsection, the Ad-
4 ministrator (or an authorized State, in the
5 case of a permit program approved under
6 subsection (b)) shall review the schedule of
7 compliance and other requirements in-
8 cluded in the existing permit to determine
9 whether the requirements should be contin-
10 ued or modified.

11 “(ii) REVIEW CONSIDERATIONS.—The
12 permit review shall assess whether changed
13 circumstances warrant adjusting the ac-
14 tions to be taken by the municipality, in-
15 cluding whether—

16 “(I) the effluent limitations and
17 other control measures in the current
18 permit are expected to result in the
19 municipality complying with the re-
20 quirements of this Act within the
21 timeframes provided in the schedule
22 of compliance;

23 “(II) the effluent limitations and
24 other control measures continue to be
25 technically feasible and economically

1 affordable under paragraphs (6) and
2 (7);

3 “(III) new innovative treatment
4 approaches are available that provide
5 greater environmental and public
6 health benefits or have fewer adverse
7 environmental impacts for the re-
8 sources expended;

9 “(IV) the municipality is subject
10 to additional regulatory requirements;

11 “(V) the municipality’s financial
12 capability has changed; and

13 “(VI) reasonable progress has
14 been achieved, as provided for under
15 paragraph (4)(C), including meeting
16 interim dates and milestones, and if
17 not, the reasons for such failure to
18 achieve reasonable progress.

19 “(iii) CONTINUATION OF REQUIRE-
20 MENTS IN RENEWED PERMIT.—The permit
21 requirements in an existing permit shall be
22 incorporated into the renewed permit, un-
23 less the Administrator (or the authorized
24 State, in the case of a permit program ap-
25 proved under subsection (b)) determines

1 that a requirement should be modified or
2 removed to help the municipality comply
3 with the requirements of this Act through
4 the implementation of technically feasible
5 and economically affordable effluent limita-
6 tions and other control measures.

7 “(C) TRANSPARENCY OF PERMIT DECI-
8 SIONS.—Prior to approving a plan developed
9 under this subsection and issuing or renewing a
10 permit incorporating such a plan pursuant to
11 this subsection, or denying a request from a
12 municipality for approval of a plan and issuance
13 or renewal of a permit incorporating such a
14 plan under this subsection, the Administrator
15 (or an authorized State, in the case of a permit
16 program approved under subsection (b)) shall—

17 “(i) prepare a report explaining the
18 rationale for the proposed decision; and

19 “(ii) make the report publicly avail-
20 able for review and comment by the mu-
21 nicipality and other interested parties.

22 “(D) ADMINISTRATOR REVIEW OF STATE
23 PERMITTING DECISIONS.—When the Adminis-
24 trator provides his or her views to a State con-
25 cerning a proposed integrated plan or permit

1 incorporating such a plan that is to be issued
2 by the State pursuant to this subsection, the
3 Administrator shall make those views available
4 in a written document that is publicly available
5 for review and comment by the municipality
6 and other interested parties.

7 “(6) TECHNICAL FEASIBILITY CRITERIA.—In
8 making a determination of technical feasibility under
9 this subsection, the Administrator (or the State)
10 shall consider—

11 “(A) naturally occurring pollutant con-
12 centrations;

13 “(B) natural, ephemeral, intermittent, or
14 low flow conditions or water levels;

15 “(C) human-caused conditions or sources
16 of pollution that cannot be remedied or would
17 cause more environmental damage to correct
18 than to leave in place;

19 “(D) dams, diversions, or other types of
20 hydrologic modifications that make it not fea-
21 sible to restore the water body to its original
22 condition or to operate such modification in a
23 way that would comply with the requirements of
24 this Act; and

1 “(E) physical conditions related to the nat-
2 ural features of the water body, such as the
3 lack of a proper substrate, cover, flow, depth,
4 pools, riffles, and the like, unrelated to water
5 quality, that may preclude compliance with the
6 requirements of this Act.

7 “(7) ECONOMIC AFFORDABILITY CRITERIA.—

8 “(A) IN GENERAL.—In making a deter-
9 mination of economic affordability under this
10 subsection, the Administrator (or the author-
11 ized State, in the case of a permit program ap-
12 proved under subsection (b)) shall consider pre-
13 existing and potential future costs, including of
14 debt service, to the municipality for imple-
15 menting effluent limitations and other control
16 measures necessary to comply with the require-
17 ments of this Act would result in substantial
18 and widespread economic and social impact in
19 the service area of the municipality.

20 “(B) BASIS FOR DETERMINING IMPACTS.—

21 In determining whether the economic and social
22 impacts of preexisting and potential future
23 costs under subparagraph (A) are substantial
24 and widespread, the Administrator (or the
25 State) shall consider the financial condition

1 both of the municipality and of persons in the
2 service area of the municipality, taking into
3 consideration factors including—

4 “(i) socioeconomic indicators, includ-
5 ing income and unemployment data for the
6 service area of the municipality;

7 “(ii) population trends in the service
8 area of the municipality;

9 “(iii) impacts on low-income house-
10 holds in the service area, including the
11 ability of such households to pay basic
12 shelter costs;

13 “(iv) whether there is a local industry
14 that is failing or relocating out of the serv-
15 ice area of the municipality, or if a local
16 industry might fail or relocate if higher
17 taxes or fees are imposed on it;

18 “(v) the municipality’s capital im-
19 provement plan and whether the munici-
20 pality would, in order to finance improve-
21 ments to comply with the requirements of
22 this Act, have to divert resources that
23 would otherwise be used for investment in
24 essential capital projects that provide core
25 public services to the community;

1 “(vi) the ability of the municipality to
2 incur more debt, including its ability to
3 issue, and find a market for, additional
4 municipal bonds;

5 “(vii) whether the debt incurred to
6 implement the effluent limitations and
7 other control measures has or will result in
8 a lowering of the municipality’s bond rat-
9 ing;

10 “(viii) whether the municipality has
11 limited legal authority to pass increased
12 costs through to ratepayers and increased
13 costs of water quality programs must be
14 paid from its general fund;

15 “(ix) the legally adopted rate struc-
16 ture for provision of water- and waste-
17 water-related services in the service area in
18 effect at the time that a determination of
19 economic affordability is made;

20 “(x) the cumulative costs paid by per-
21 sons in the service area to an entity for
22 provision of water- and wastewater-related
23 services; and

24 “(xi) other information determined to
25 be relevant by the Administrator (or the

1 authorized State, in the case of a permit
2 program approved under subsection (b)),
3 including whether the municipality is lo-
4 cated in an area eligible for assistance
5 under section 201 or 209 of the Public
6 Works and Development Act of 1965 (42
7 U.S.C. 3141, 3149), as described in sec-
8 tion 301 of that Act (42 U.S.C. 3161).

9 “(C) CUMULATIVE COSTS FOR WATER-
10 AND WASTEWATER-RELATED SERVICES.—

11 “(i) INCLUSIONS.—Cumulative costs
12 for the provision of water- and wastewater-
13 related services to be considered under
14 subparagraph (B)(xi) shall include the mu-
15 nicipality’s preexisting and reasonably an-
16 ticipated future costs paid by a person, in-
17 cluding through taxes and fees, for the
18 municipality’s cost of—

19 “(I) compliance with Federal and
20 State water- and wastewater-related
21 and other regulatory requirements;

22 “(II) operation and maintenance
23 of water and wastewater systems;

24 “(III) asset management; and

1 “(IV) servicing any debt incurred
2 or to be incurred to finance the other
3 costs referred to in this clause.

4 “(ii) SUBSTANTIAL IMPACT.—In mak-
5 ing a determination of economic impact
6 under subparagraph (B), the Adminis-
7 trator (or the State) shall consider the im-
8 pact on a person to be substantial if the
9 cumulative costs paid by the person ex-
10 ceeds, or is projected to exceed, 2 percent
11 of the person’s annual household income.

12 “(iii) WIDESPREAD IMPACT.—In mak-
13 ing a determination of economic impact
14 under subparagraph (B), the Adminis-
15 trator (or the State) shall consider the im-
16 pact to be widespread if 20 percent or
17 more of persons in the service area of the
18 municipality face a substantial impact de-
19 scribed in clause (ii).

20 “(D) ADDITIONAL REQUIREMENTS.—In
21 making a determination of economic afford-
22 ability under this subsection, the Administrator
23 (or the State) shall not base the determination
24 on—

1 “(i) median household income in the
2 service area of the municipality; or

3 “(ii) an expected minimum level of ex-
4 penditure on the provision of water and
5 wastewater services by a municipality.

6 “(8) FLEXIBILITY.—

7 “(A) IN GENERAL.—Nothing in this sub-
8 section reduces or eliminates any flexibility
9 available under this Act, including the authority
10 of a State to—

11 “(i) revise a water quality standard
12 after a use attainability analysis under sec-
13 tion 131.10(g) of title 40, Code of Federal
14 Regulations (as in effect on the date of en-
15 actment of this subsection); or

16 “(ii) adopt a water quality standards
17 variance under section 131.14 of title 40,
18 Code of Federal Regulations (as in effect
19 on the date of enactment of this sub-
20 section).

21 “(B) APPROVALS.—Such a revision of a
22 standard or adoption of a variance by a State
23 under subparagraph (A)(i) is subject to the ap-
24 proval of the Administrator under section

1 303(c), which shall not be unreasonably with-
2 held.”.

3 **SEC. 3. UPDATING FINANCIAL CAPABILITY ASSESSMENT**

4 **GUIDANCE.**

5 (a) IN GENERAL.—

6 (1) UPDATE.—Not later than 15 months after
7 the date of enactment of this Act, the Administrator
8 shall update the financial capability assessment
9 guidance published by the Administrator entitled
10 “Combined Sewer Overflows—Guidance for Finan-
11 cial Capability Assessment and Schedule Develop-
12 ment” (EPA 832–B–97–004), dated February 1997.

13 (2) SCOPE.—In updating the financial capa-
14 bility assessment guidance developed under subpara-
15 graph (1), the Administrator shall ensure that the
16 guidance may be used for assessing the financial ca-
17 pability of municipalities to implement effluent limi-
18 tations and other control measures under the Fed-
19 eral Water Pollution Control Act.

20 (b) REQUIREMENTS FOR UPDATING.—In updating
21 the financial capability assessment guidance under sub-
22 section (a), the Administrator shall—

23 (1) consult with, and solicit advice and rec-
24 ommendations from, representative municipal and
25 State officials (including their representative re-

1 regional or national organizations), stakeholders, and
2 other interested parties regarding how to assess the
3 financial capability of municipalities to implement
4 effluent limitations and other control measures
5 under the Federal Water Pollution Control Act;

6 (2) ensure transparency in the consultation
7 process, including promptly making accessible to the
8 public all communications, records, and other docu-
9 ments of all meetings that are part of the consulta-
10 tion process;

11 (3) ensure that the updated guidance takes into
12 consideration relevant studies, reports, and other in-
13 formation related to assessing the financial capa-
14 bility of municipalities to implement effluent limita-
15 tions and other control measures, including—

16 (A) the reports of recommendations to the
17 Environmental Protection Agency from the En-
18 vironmental Financial Advisory Board related
19 to financial capability assessments of munici-
20 palities; and

21 (B) the memorandum of the Environ-
22 mental Protection Agency entitled “Financial
23 Capability Assessment Framework for Munic-
24 ipal Clean Water Act Requirements”, dated No-
25 vember 24, 2014, and the accompanying guid-

1 ance entitled “Financial Capability Assessment
2 Framework”, dated November 24, 2014;

3 (4) ensure the evaluations by the Administrator
4 of financial capability assessment and schedule of
5 compliance development under subsection (s) of sec-
6 tion 402 of the Federal Water Pollution Control Act
7 reflect the economic affordability criteria described
8 in subsection (s)(7) of that section;

9 (5) ensure the updated guidance provides a con-
10 sistent reference point to aid parties in negotiating
11 reasonable and effective schedules for implementing
12 effluent limitations and other control measures
13 under the Federal Water Pollution Control Act;

14 (6) publish in the Federal Register proposed
15 updated financial capability assessment guidance
16 under this section, and provide a period for public
17 comment of not less than 60 days;

18 (7) prepare final updated financial capability
19 assessment guidance, taking into account—

20 (A) the advice and recommendations ob-
21 tained from the municipal and State officials
22 (including their representative regional or na-
23 tional organizations), stakeholders, and other
24 interested parties; and

1 (B) the public comments received during
2 the public comment period; and

3 (8) publish in the Federal Register, and submit
4 to the Committee on Transportation and Infrastruc-
5 ture of the House of Representatives and the Com-
6 mittee on Environment and Public Works of the
7 Senate, the final updated financial capability assess-
8 ment guidance.

9 **SEC. 4. INTEGRATED PERMIT PILOT PROJECTS.**

10 (a) IN GENERAL.—In the first 5 fiscal years begin-
11 ning after the date of enactment of this Act, the Adminis-
12 trator, in coordination with appropriate State, local, and
13 regional authorities, shall work cooperatively with, and fa-
14 cilitate the efforts of, not fewer than 15 municipalities to
15 develop and implement integrated plans and permits to
16 meet the requirements of the Federal Water Pollution
17 Control Act (33 U.S.C. 1342) in a manner consistent with
18 section 402(s) of that Act.

19 (b) SELECTION OF MUNICIPALITIES.—

20 (1) ELIGIBILITY OF MUNICIPALITIES.—A mu-
21 nicipality shall be eligible to participate in the pilot
22 program under subsection (a) if the municipality—

23 (A) has a permit issued under section 402
24 of the Federal Water Pollution Control Act; or

1 (B) is operating under an administrative
2 order, administrative consent agreement, or ju-
3 dicial consent decree to comply with the re-
4 quirements of that Act.

5 (2) FACTORS.—In selecting municipalities eligi-
6 ble under paragraph (1), the Administrator shall—

7 (A) give priority to municipalities—

8 (i) that are operating under an ad-
9 ministrative order, administrative consent
10 agreement, or judicial consent decree to
11 comply with the requirements of the Fed-
12 eral Water Pollution Control Act;

13 (ii) having difficulties complying with
14 the Federal Water Pollution Control Act,
15 in addition to the municipalities described
16 in clause (i); or

17 (iii) that are affected by affordability
18 constraints in planning and implementing
19 effluent limitations and other control meas-
20 ures under the Federal Water Pollution
21 Control Act to address wet weather dis-
22 charges or other water pollution issues
23 from their wastewater and stormwater fa-
24 cilities;

1 (B) give further priority to those municipi-
2 palities under subparagraph (A)—

3 (i) with knowledge and experience in
4 developing integrated and adaptive clean
5 water management practices, without re-
6 gard to the status of the municipality in
7 the process of planning or implementing
8 such practices; and

9 (ii) that are seeking to develop and
10 implement an integrated plan that includes
11 adaptive approaches to account for
12 changed or future uncertain circumstances;
13 and

14 (C) seek to select municipalities—

15 (i) from different geographical regions
16 of the United States; and

17 (ii) of various population sizes.

18 (3) ADDITIONAL AUTHORITY.—In carrying out
19 this section, the Administrator may, with the agree-
20 ment of and in coordination with a municipality and
21 the applicable State—

22 (A) modify the implementation terms of an
23 existing administrative order or administrative
24 consent agreement, or seek to modify a judicial
25 consent decree entered into by the municipality

1 with the Administrator pursuant to the Federal
2 Water Pollution Control Act; and

3 (B) incorporate such modified implementa-
4 tion terms, including the municipality's inte-
5 grated plan, into an integrated permit issued
6 pursuant to section 402(s) of the Federal
7 Water Pollution Control Act.

8 (c) REPORT TO CONGRESS.—Not later than 1 year
9 after the date of enactment of this Act, and each year
10 thereafter for 5 years, the Administrator shall prepare and
11 submit to the Committee on Transportation and Infra-
12 structure of the House of Representatives and the Com-
13 mittee on Environment and Public Works of the Senate
14 a report on the implementation of this section and
15 issuance of integrated permits pursuant to section 402(s)
16 of the Federal Water Pollution Control Act, including—

17 (1) identification of the municipalities selected
18 under this section;

19 (2) an evaluation of the specific outcomes
20 achieved with respect to—

21 (A) reducing the costs of complying with
22 the requirements of the Federal Water Pollu-
23 tion Control Act for the municipalities selected
24 under this section; and

1 (B) making reasonable progress towards
2 achieving the applicable water quality and
3 human health objectives of the Federal Water
4 Pollution Control Act; and

5 (3) recommendations of any proposed legislative
6 or administrative changes to improve the effective-
7 ness and efficiency of the integrated planning and
8 permitting process under section 402(s) of the Fed-
9 eral Water Pollution Control Act.

10 **SEC. 5. DEFINITIONS.**

11 In this Act:

12 (1) MUNICIPALITY.—The term “municipality”
13 has the meaning given that term in section 502(4)
14 of the Federal Water Pollution Control Act (33
15 U.S.C. 1362(4)).

16 (2) ADMINISTRATOR.—The term “Adminis-
17 trator” means the Administrator of the Environ-
18 mental Protection Agency.

○

RESOLUTION 17-27

**A RESOLUTION OF THE GOVERNING BOARD OF THE SAN GABRIEL
VALLEY COUNCIL OF GOVERNMENTS (“SGVCOG”)
SUPPORTING HR 465 (GIBBS)**

WHEREAS, HR 465 amends the Clean Water Act by requiring the Environmental Protection Agency (EPA) to establish an integrated planning and permitting process for municipal wastewater and stormwater management,

WHEREAS, integrated planning allows permittees to prioritize their investments in addressing water quality requirements in a way that makes the most economical sense,

WHEREAS, it requires that agency plans be “technically feasible” and “economically affordable” and that affordability determinations cannot be based solely on median household income,

WHEREAS, the bill specifies that compliance schedules can be longer than one permit term,

WHEREAS, HR 2355, a similar bill, included the creation of an Office of Municipal Ombudsman, promotion of the use of green infrastructure in programs and permits, and an increase in the term of permits from 5 years to 10 years, and

WHEREAS, the SGVCOG would like to see similar sections added to HR 465.

NOW, THEREFORE BE IT RESOLVED THAT THE GOVERNING BOARD OF THE SGVCOG SUPPORTS HR 465 (GIBBS) BUT REQUESTS AMENDMENTS TO INCLUDE THE CREATION OF AN OFFICE OF MUNICIPAL OMBUDSMAN, PROMOTION OF THE USE OF GREEN INFRASTRUCTURE, AND AN INCREASE IN THE TERM OF PERMITS FROM 5 YEARS TO 10 YEARS.

PASSED, APPROVED, and ADOPTED this 20th day of July, 2017.

SAN GABRIEL VALLEY COUNCIL OF GOVERNMENTS

By: _____

Cynthia Sternquist, President

Attest:

I, Philip A. Hawkey, Executive Director and Secretary of the Board of Directors of the San Gabriel Valley Council of Governments, do hereby certify that Resolution 17-27 was adopted at a regular meeting of the Governing Board held on the 20th day of July, 2017, by the following roll call vote:

AYES:	
NOES:	
ABSTAIN:	
ABSENT:	

Philip A. Hawkey, Secretary

DATE: July 20, 2017

TO: Governing Board

FROM: Phil Hawkey

RE: **HOUSE RESOLUTION 2510, WATER QUALITY PROTECTION AND JOB CREATION ACT**

RECOMMENDED ACTION

Adopt Resolution 17-28 supporting HR 2510.

HOUSE RESOLUTION 2510

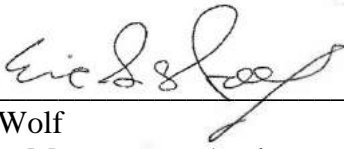
In 1987, Congress authorized the Clean Water State Revolving Fund to address water infrastructure and pollution. Although the authorization expired in 1993, Congress continues to fund the program through annual authorizations. This year, House Resolution 2510, the Water Quality Protection and Job Creation Act, authorizes appropriations for state water pollution control revolving funds in two categories: water quality financing, and grants. Overall, it provides approximately \$25 billion in direct infrastructure investment over the next five years to fund construction, repair, and replacement of wastewater and stormwater conveyance and treatment facilities.


In the category of water quality financing, HR 2510 authorizes \$20 billion in federal funds to (re)capitalize state revolving funds. These funds provide low-interest loans and subsidies to communities for wastewater infrastructure. This category also includes \$1.5 billion for grants for state water pollution control agencies. It provides \$600 million for clean water pilot programs for watershed-based or system-wide efforts to address wet weather discharges, to promote stormwater best management practices, to undertake integrated water resource management, and to increase the resiliency of treatment works to natural or man-made disasters. Finally, it includes economic incentives to encourage the adoption of energy and water efficient technologies.

The second category included in HR 2510 is grants. Here, the bill authorizes \$2.5 billion for grants to address combined sanitary sewer overflows, and recapture and reuse of stormwater. It also authorizes \$375 million in grants for alternative water source projects, including projects that reuse wastewater and stormwater to augment existing sources of water.

DISCUSSION

In November 2016, the SGVCOG adopted our Stormwater Policy which included a goal of identifying stormwater funding. HR 2510 includes a host of funding options that address stormwater through pilot programs, infrastructure grants, and technologies. It includes money for stormwater capture and augmentation of ground water. All of these aspects are consistent with SGVCOG stormwater policy. For this reason, the Water Policy Committee recommends that the Governing Board support HR 2510.

Prepared by: 
Eric Wolf
Senior Management Analyst

Approved by: 
Marisa Creter
Assistant Executive Director

ATTACHMENTS

- Attachment A – HR 2510
- Attachment B – Resolution 17-28

115TH CONGRESS
1ST SESSION

H. R. 2510

To amend the Federal Water Pollution Control Act to authorize appropriations for State water pollution control revolving funds, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

MAY 18, 2017

Mr. DEFAZIO (for himself, Mr. DUNCAN of Tennessee, and Mrs. NAPOLITANO) introduced the following bill; which was referred to the Committee on Transportation and Infrastructure

A BILL

To amend the Federal Water Pollution Control Act to authorize appropriations for State water pollution control revolving funds, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE; TABLE OF CONTENTS.**

4 (a) **SHORT TITLE.**—This Act may be cited as the
5 “Water Quality Protection and Job Creation Act of
6 2017”.

7 (b) **TABLE OF CONTENTS.**—The table of contents for
8 this Act is as follows:

Sec. 1. Short title; table of contents.

Sec. 2. Amendment of Federal Water Pollution Control Act.

TITLE I—WATER QUALITY FINANCING

Subtitle A—Technical and Management Assistance

- Sec. 101. Technical assistance.
- Sec. 102. State management assistance.
- Sec. 103. Watershed pilot projects.
- Sec. 104. Nonpoint source management programs.

Subtitle B—State Water Pollution Control Revolving Funds

- Sec. 121. Capitalization grant agreements.
- Sec. 122. Water pollution control revolving loan funds.
- Sec. 123. State planning assistance.
- Sec. 124. Intended use plan.
- Sec. 125. Technical assistance.
- Sec. 126. Authorization of appropriations.

TITLE II—ALTERNATIVE WATER SOURCE AND SEWER OVERFLOW AND STORMWATER GRANTS

- Sec. 201. Pilot program for alternative water source projects.
- Sec. 202. Sewer overflow control grants.

1 SEC. 2. AMENDMENT OF FEDERAL WATER POLLUTION CON-
2 TROL ACT.

3 Except as otherwise expressly provided, whenever in
4 this Act an amendment or repeal is expressed in terms
5 of an amendment to, or repeal of, a section or other provi-
6 sion, the reference shall be considered to be made to a
7 section or other provision of the Federal Water Pollution
8 Control Act (33 U.S.C. 1251 et seq.).

1 **TITLE I—WATER QUALITY**
2 **FINANCING**
3 **Subtitle A—Technical and**
4 **Management Assistance**

5 **SEC. 101. TECHNICAL ASSISTANCE.**

6 (a) TECHNICAL ASSISTANCE FOR RURAL AND SMALL
7 TREATMENT WORKS.—Section 104(b) (33 U.S.C.
8 1254(b)) is amended—

9 (1) by striking “and” at the end of paragraph
10 (6);

11 (2) by striking the period at the end of para-
12 graph (7) and inserting “; and”; and

13 (3) by adding at the end the following:

14 “(8) make grants to nonprofit organizations—

15 “(A) to provide technical assistance to
16 rural, small, and tribal municipalities for the
17 purpose of assisting, in consultation with the
18 State in which the assistance is provided, such
19 municipalities and tribal governments in the
20 planning, developing, and acquisition of financ-
21 ing for eligible projects described in section
22 603(e);

23 “(B) to provide technical assistance and
24 training for rural, small, and tribal publicly
25 owned treatment works and decentralized

1 wastewater treatment systems to enable such
2 treatment works and systems to protect water
3 quality and achieve and maintain compliance
4 with the requirements of this Act; and

5 “(C) to disseminate information to rural,
6 small, and tribal municipalities and municipali-
7 ties that meet the affordability criteria estab-
8 lished under section 603(i)(2) by the State in
9 which the municipality is located with respect to
10 planning, design, construction, and operation of
11 publicly owned treatment works and decentral-
12 ized wastewater treatment systems.”.

13 (b) AUTHORIZATION OF APPROPRIATIONS.—Section
14 104(u) (33 U.S.C. 1254(u)) is amended—

15 (1) by striking “and (6)” and inserting “(6)”;
16 and

17 (2) by inserting before the period at the end the
18 following: “; and (7) not to exceed \$100,000,000 for
19 each of fiscal years 2018 through 2022 for carrying
20 out subsections (b)(3), (b)(8), and (g), except that
21 not less than 20 percent of the amounts appro-
22 priated pursuant to this paragraph in a fiscal year
23 shall be used for carrying out subsection (b)(8)”.

1 **SEC. 102. STATE MANAGEMENT ASSISTANCE.**

2 (a) AUTHORIZATION OF APPROPRIATIONS.—Section
3 106(a) (33 U.S.C. 1256(a)) is amended—

4 (1) by striking “and” at the end of paragraph
5 (1);

6 (2) by striking the semicolon at the end of
7 paragraph (2) and inserting “; and”; and

8 (3) by inserting after paragraph (2) the fol-
9 lowing:

10 “(3) such sums as may be necessary for each
11 of fiscal years 1991 through 2017, and
12 \$300,000,000 for each of fiscal years 2018 through
13 2022;”.

14 (b) TECHNICAL AMENDMENT.—Section 106(e) (33
15 U.S.C. 1256(e)) is amended by striking “Beginning in fis-
16 cal year 1974 the” and inserting “The”.

17 **SEC. 103. WATERSHED PILOT PROJECTS.**

18 Section 122(e) is amended to read as follows:

19 “(e) AUTHORIZATION OF APPROPRIATIONS.—There
20 is authorized to be appropriated to carry out this section
21 \$120,000,000 for each of fiscal years 2018 through
22 2022.”.

23 **SEC. 104. NONPOINT SOURCE MANAGEMENT PROGRAMS.**

24 Section 319(j) (33 U.S.C. 1329(j)) is amended by
25 striking “\$70,000,000” and all that follows through “fis-

1 cal year 1991” and inserting “\$200,000,000 for each of
2 fiscal years 2018 through 2022”.

3 **Subtitle B—State Water Pollution**
4 **Control Revolving Funds**

5 **SEC. 121. CAPITALIZATION GRANT AGREEMENTS.**

6 Section 602(b) (33 U.S.C. 1382(b)) is amended—

7 (1) in paragraph (13)(B)(iii), by striking “;
8 and” and inserting a semicolon;

9 (2) in paragraph (14), by striking the period at
10 the end and inserting “; and”; and

11 (3) by adding at the end the following:

12 “(15) the State will use at least 15 percent of
13 the amount of each capitalization grant received by
14 the State under this title after September 30, 2017,
15 to provide assistance to municipalities of fewer than
16 10,000 individuals that meet the affordability cri-
17 teria established by the State under section
18 603(i)(2) for projects or activities included on the
19 State’s priority list under section 603(g), to the ex-
20 tent that there are sufficient applications for such
21 assistance.”.

22 **SEC. 122. WATER POLLUTION CONTROL REVOLVING LOAN**
23 **FUNDS.**

24 Section 603(d) (33 U.S.C. 1383(d)) is amended—

1 (1) by striking “and” at the end of paragraph
2 (6);

3 (2) by striking the period at the end of para-
4 graph (7) and inserting a semicolon; and

5 (3) by adding at the end the following:

6 “(8) to provide grants to owners and operators
7 of treatment works that serve a population of
8 10,000 or fewer for obtaining technical and planning
9 assistance and assistance in financial management,
10 user fee analysis, budgeting, capital improvement
11 planning, facility operation and maintenance, equip-
12 ment replacement, and other activities to improve
13 wastewater treatment plant management and oper-
14 ations, except that the total amount provided by the
15 State in grants under this paragraph for a fiscal
16 year may not exceed one percent of the total amount
17 of assistance provided by the State from the fund in
18 the preceding fiscal year, or 2 percent of the total
19 amount received by the State in capitalization grants
20 under this title in the preceding fiscal year, which-
21 ever amount is greatest; and

22 “(9) to provide grants to owners and operators
23 of treatment works for conducting an assessment of
24 the energy and water consumption of the treatment
25 works, and evaluating potential opportunities for en-

1 energy and water conservation through facility oper-
2 ation and maintenance, equipment replacement, and
3 projects or activities that promote the efficient use
4 of energy and water by the treatment works, except
5 that the total amount provided by the State in
6 grants under this paragraph for a fiscal year may
7 not exceed one percent of the total amount of assist-
8 ance provided by the State from the fund in the pre-
9 ceeding fiscal year, or 2 percent of the total amount
10 received by the State in capitalization grants under
11 this title in the preceding fiscal year, whichever
12 amount is greatest.”.

13 **SEC. 123. STATE PLANNING ASSISTANCE.**

14 Section 604(b) (33 U.S.C. 1384(b)) is amended by
15 striking “1 percent” and inserting “2 percent”.

16 **SEC. 124. INTENDED USE PLAN.**

17 (a) **INTEGRATED PRIORITY LIST.**—Section 603(g)
18 (33 U.S.C. 1383(g)) is amended to read as follows:

19 “(g) **PRIORITY LIST.**—

20 “(1) **IN GENERAL.**—For fiscal year 2019 and
21 each fiscal year thereafter, a State shall establish or
22 update a list of projects and activities for which as-
23 sistance is sought from the State’s water pollution
24 control revolving fund. Such projects and activities
25 shall be listed in priority order based on the method-

1 ology established under paragraph (2). The State
2 may provide financial assistance from the State's
3 water pollution control revolving fund only with re-
4 spect to a project or activity included on such list.
5 In the case of projects and activities eligible for as-
6 sistance under subsection (c)(2), the State may in-
7 clude on such list a category or subcategory of
8 nonpoint sources of pollution to be addressed.

9 “(2) METHODOLOGY.—

10 “(A) IN GENERAL.—Not later than 1 year
11 after the date of enactment of this paragraph,
12 and after providing notice and opportunity for
13 public comment, each State shall establish a
14 methodology for developing a priority list under
15 paragraph (1).

16 “(B) PRIORITY FOR PROJECTS AND AC-
17 TIVITIES THAT ACHIEVE GREATEST WATER
18 QUALITY IMPROVEMENT.—In developing the
19 methodology, the State shall seek to achieve the
20 greatest degree of water quality improvement,
21 taking into consideration—

22 “(i) the requirements of section
23 602(b)(5);

1 “(ii) whether such water quality im-
2 provements would be realized without as-
3 sistance under this title; and

4 “(iii) whether the proposed projects
5 and activities would address water quality
6 impairments associated with existing treat-
7 ment works.

8 “(C) CONSIDERATIONS IN SELECTING
9 PROJECTS AND ACTIVITIES.—In determining
10 which projects and activities will achieve the
11 greatest degree of water quality improvement,
12 the State shall consider—

13 “(i) information developed by the
14 State under sections 303(d) and 305(b);

15 “(ii) the State’s continuing planning
16 process developed under sections 205(j)
17 and 303(e);

18 “(iii) whether such project or activity
19 may have a beneficial impact related to the
20 purposes identified under section 302(a);

21 “(iv) the State’s management pro-
22 gram developed under section 319; and

23 “(v) conservation and management
24 plans developed under section 320 with re-

1 spect to an estuary lying in whole or in
2 part within the State.

3 “(D) NONPOINT SOURCES.—For categories
4 or subcategories of nonpoint sources of pollu-
5 tion that a State may include on its priority list
6 under paragraph (1), the State shall consider
7 the cumulative water quality improvements as-
8 sociated with projects or activities carried out
9 pursuant to the listing of such categories or
10 subcategories.

11 “(E) EXISTING METHODOLOGIES.—If a
12 State has previously developed, after providing
13 notice and an opportunity for public comment,
14 a methodology that meets the requirements of
15 this paragraph, the State may use the method-
16 ology for the purposes of this subsection.”.

17 (b) INTENDED USE PLAN.—Section 606(e) (33
18 U.S.C. 1386(e)) is amended—

19 (1) in the matter preceding paragraph (1) by
20 inserting “and publish” after “each State shall an-
21 nually prepare”;

22 (2) by striking paragraph (1) and inserting the
23 following:

24 “(1) the State’s priority list developed under
25 section 603(g);”;

1 (3) in paragraph (4), by striking “and” at the
2 end;

3 (4) by striking the period at the end of para-
4 graph (5) and inserting “; and”; and

5 (5) by adding at the end the following:

6 “(6) if the State does not fund projects and ac-
7 tivities in the order of the priority established under
8 section 603(g), an explanation of why such a change
9 in order is appropriate.”.

10 (e) **TRANSITIONAL PROVISION.**—Before completion
11 of a priority list based on a methodology established under
12 section 603(g) of the Federal Water Pollution Control Act
13 (as amended by this section), a State shall continue to
14 comply with the requirements of sections 603(g) and
15 606(e) of such Act, as in effect on the day before the date
16 of enactment of this Act.

17 **SEC. 125. TECHNICAL ASSISTANCE.**

18 Section 607 is amended to read as follows:

19 **“SEC. 607. TECHNICAL ASSISTANCE.**

20 “(a) **SIMPLIFIED PROCEDURES.**—Not later than 1
21 year after the date of enactment of this section, the Ad-
22 ministrator shall assist the States in establishing sim-
23 plified procedures for treatment works to obtain assistance
24 under this title.

1 “(b) PUBLICATION OF MANUAL.—Not later than 2
2 years after the date of the enactment of this section, and
3 after providing notice and opportunity for public comment,
4 the Administrator shall publish a manual to assist treat-
5 ment works in obtaining assistance under this title and
6 publish in the Federal Register notice of the availability
7 of the manual.”.

8 **SEC. 126. AUTHORIZATION OF APPROPRIATIONS.**

9 Title VI (33 U.S.C. 1381 et seq.) is amended by add-
10 ing at the end the following:

11 **“SEC. 609. AUTHORIZATION OF APPROPRIATIONS.**

12 “There is authorized to be appropriated to carry out
13 the purposes of this title \$4,000,000,000 for each of fiscal
14 years fiscal year 2018 through 2022.”.

15 **TITLE II—ALTERNATIVE WATER**
16 **SOURCE AND SEWER OVER-**
17 **FLOW AND STORMWATER**
18 **GRANTS**

19 **SEC. 201. PILOT PROGRAM FOR ALTERNATIVE WATER**
20 **SOURCE PROJECTS.**

21 (a) SELECTION OF PROJECTS.—Section 220(d) (33
22 U.S.C. 1300(d)) is amended by striking paragraph (2) and
23 redesignating paragraph (3) as paragraph (2).

24 (b) COMMITTEE RESOLUTION PROCEDURE.—Section
25 220 (33 U.S.C. 1300(e)) is amended by striking sub-

1 section (e) and redesignating subsections (f) through (j)
2 as subsections (e) through (i), respectively.

3 (e) DEFINITIONS.—Section 220(h)(1) (as redesi-
4 gated by subsection (e) of this section) is amended by
5 striking “or wastewater or by treating wastewater” and
6 inserting “, wastewater, or stormwater or by treating
7 wastewater or stormwater”.

8 (d) AUTHORIZATION OF APPROPRIATIONS.—Section
9 220(i) (as redesignated by subsection (e) of this section)
10 is amended by striking “\$75,000,000 for fiscal years 2002
11 through 2004” and inserting “\$75,000,000 for each of fis-
12 cal years 2018 through 2022”.

13 **SEC. 202. SEWER OVERFLOW CONTROL GRANTS.**

14 Section 221 (33 U.S.C. 1301) is amended—

15 (1) by amending the section heading to read as
16 follows: “**SEWER OVERFLOW AND STORMWATER**
17 **REUSE MUNICIPAL GRANTS**”;

18 (2) by amending subsection (a) to read as fol-
19 lows:

20 “(a) IN GENERAL.—

21 “(1) GRANTS TO STATES.—The Administrator
22 may make grants to States for the purpose of pro-
23 viding grants to a municipality or municipal entity
24 for planning, design, and construction of treatment
25 works to intercept, transport, control, treat, or reuse

1 municipal combined sewer overflows, sanitary sewer
2 overflows, or stormwater.

3 “(2) DIRECT MUNICIPAL GRANTS.—Subject to
4 subsection (g), the Administrator may make a direct
5 grant to a municipality or municipal entity for the
6 purposes described in paragraph (1).”;

7 (3) by amending subsection (e) to read as fol-
8 lows:

9 “(e) ADMINISTRATIVE REQUIREMENTS.—A project
10 that receives assistance under this section shall be carried
11 out subject to the same requirements as a project that
12 receives assistance from a State water pollution control
13 revolving fund under title VI, except to the extent that
14 the Governor of the State in which the project is located
15 determines that a requirement of title VI is inconsistent
16 with the purposes of this section. For the purposes of this
17 subsection, a Governor may not determine that the re-
18 quirements of title VI relating to the application of section
19 513 are inconsistent with the purposes of this section.”;

20 (4) by amending subsection (f) to read as fol-
21 lows:

22 “(f) AUTHORIZATION OF APPROPRIATIONS.—

23 “(1) IN GENERAL.—There is authorized to be
24 appropriated to carry out this section \$500,000,000
25 for each of fiscal years 2018 through 2022.

1 “(2) MINIMUM ALLOCATIONS.—To the extent
2 there are sufficient eligible project applications, the
3 Administrator shall ensure that a State uses not less
4 than 20 percent of the amount of the grants made
5 to the State under subsection (a) in a fiscal year to
6 carry out projects to intercept, transport, control,
7 treat, or reuse municipal combined sewer overflows,
8 sanitary sewer overflows, or stormwater through the
9 use of green infrastructure, water and energy effi-
10 ciency improvements, and other environmentally in-
11 novative activities.”; and

12 (5) by amending subsection (g) to read as fol-
13 lows:

14 “(g) ALLOCATION OF FUNDS.—

15 “(1) FISCAL YEAR 2018.—Subject to subsection
16 (h), the Administrator shall use the amounts appro-
17 priated to carry out this section for fiscal year 2018
18 for making grants to municipalities and municipal
19 entities under subsection (a)(2) in accordance with
20 the criteria set forth in subsection (b).

21 “(2) FISCAL YEAR 2019 AND THEREAFTER.—
22 Subject to subsection (h), the Administrator shall
23 use the amounts appropriated to carry out this sec-
24 tion for fiscal year 2019 and each fiscal year there-
25 after for making grants to States under subsection

1 (a)(1) in accordance with a formula to be established
2 by the Administrator, after providing notice and an
3 opportunity for public comment, that allocates to
4 each State a proportional share of such amounts
5 based on the total needs of the State for municipal
6 combined sewer overflow controls, sanitary sewer
7 overflow controls, and stormwater identified in the
8 most recent survey conducted pursuant to section
9 516 and any other information the Administrator
10 considers appropriate.”.

○

RESOLUTION 17-28

A RESOLUTION OF THE GOVERNING BOARD OF THE SAN GABRIEL VALLEY COUNCIL OF GOVERNMENTS (“SGVCOG”) SUPPORTING HR 2510 (DEFAZIO)

WHEREAS, HR 2510 provides approximately \$25 billion in direct infrastructure investment over the next five years to fund construction, repair, and replacement of wastewater and stormwater conveyance and treatment facilities,

WHEREAS, it authorizes \$20 billion in federal funds to (re)capitalize state revolving funds,

WHEREAS, the bill provides \$600 million for clean water pilot programs for watershed-based or system-wide efforts to address wet weather discharges, to promote stormwater best management practices, to undertake integrated water resource management, and to increase the resiliency of treatment works to natural or man-made disasters,

WHEREAS, it authorizes \$2.5 billion for grants to address combined sanitary sewer overflows, and recapture and reuse of stormwater,

WHEREAS, it authorizes \$375 million in grants for alternative water source projects, including projects that reuse wastewater and stormwater to augment existing sources of water, and

WHEREAS, HR 2510 includes a host of funding options that address stormwater through pilot programs, infrastructure grants, and technologies, including money for stormwater capture and augmentation of groundwater, all of these aspects being consistent with SGVCOG stormwater policy.

NOW, THEREFORE BE IT RESOLVED THAT THE GOVERNING BOARD OF THE SGVCOG SUPPORTS HR 2510 (DEFAZIO).

PASSED, APPROVED, and ADOPTED this 20th day of July, 2017.

SAN GABRIEL VALLEY COUNCIL OF GOVERNMENTS

By: _____

Cynthia Sternquist, President

Attest:

I, Philip A. Hawkey, Executive Director and Secretary of the Board of Directors of the San Gabriel Valley Council of Governments, do hereby certify that Resolution 17-28 was adopted at a regular meeting of the Governing Board held on the 20th day of July, 2017, by the following roll call vote:

AYES:	
NOES:	
ABSTAIN:	
ABSENT:	

Philip A. Hawkey, Secretary

REPORT

DATE: July 10, 2017

TO: Executive Committee
City Managers' Steering Committee
SGVCOG Governing Board Delegates and Alternates

FROM: Phil Hawkey, Executive Director

RE: **SIX-MONTH EXTENSION OF OFFICE LEASE**

RECOMMENDED ACTION

Recommend Governing Board to authorize Executive Director to execute a six-month extension of the San Gabriel Valley Council of Government (SGVCOG) office lease with "The Alhambra" through June 30, 2018.

BACKGROUND

On January 1, 2013, the SGVCOG entered a Second Amendment to Office Lease with The Alhambra Office Community LLC, extending the lease five more years. The term will expire on December 31, 2017 (See Attachment A).

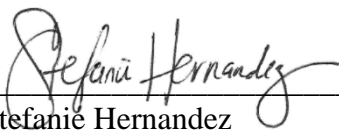
While the decision of a potential merger of SGVCOG and Alameda Corridor East Construction Authority (ACE) is being considered, a six-month extension will allow both agencies to better prepare for the possibility of an office relocation and/or any tenant improvements if needed. The Alhambra Office Community, LLC submitted a Letter of Intent for the six-month period. (See Attachment B).

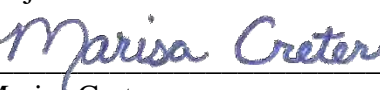
LEASE TERMS

Lease Term: Six (6) months commencing on January 1, 2018 through June 30, 2018.
Base Rate: \$2.43 per rentable square foot per month, on a full service gross basis (3% increase from the last month of existing term)
Current Rate: \$2.36 x 2,326 sq. ft.= \$5,489.36
Proposed Rate: \$2.43 x 2,326 sq. ft.= \$5,652.18

Additional Fees:

Building Operating and Property Tax Expenses (pursuant to the existing lease):
\$494.29 per month

Prepared by: 
Stefani Hernandez
Project Assistant

Approved by: 
Marisa Creter
Assistant Executive Director

ATTACHMENTS

- Attachment A- Current Lease
- Attachment B- Letter of Intent

ORIGINAL

1 **SECOND AMENDMENT TO OFFICE LEASE**
 2 **BETWEEN**
 3 **THE ALHAMBRA OFFICE COMMUNITY, LLC**
 4 **AND**
 5 **SAN GABRIEL VALLEY COUNCIL OF GOVERNMENTS**

6
 7
 8 **THIS SECOND AMENDMENT TO OFFICE LEASE** (this “**Amendment**”) is made
 9 as of January 1, 2013, by and between **THE ALHAMBRA OFFICE COMMUNITY, LLC**, a
 10 Delaware limited liability company (“**Landlord**”), and **SAN GABRIEL VALLEY COUNCIL**
 11 **OF GOVERNMENTS**, a ~~Joint Powers Authority~~ (“**Tenant**”).

12 **RECITALS**

13 **WHEREAS**, Landlord and **ARROYO ASSOCIATES, INC.**, a California corporation
 14 (“**Arroyo**”), are parties to that certain Office Lease dated February 18, 2011, as amended by that
 15 certain First Amendment to Office Lease dated June 27, 2011 (collectively, the “**Lease**”) with
 16 respect to certain premises located at the office building project located at 1000 South Fremont
 17 Avenue, Alhambra, California (the “**Complex**”).

18 **WHEREAS**, pursuant to the Lease, Arroyo leases from Landlord certain premises
 19 consisting of approximately 2,326 rentable square feet located on the second (2nd) floor of
 20 Building A10C in the Complex (the “**Premises**”).

21 **WHEREAS**, pursuant to that certain Assignment and Assumption of Lease dated
 22 January 1, 2013 (“**Assignment and Assumption Agreement**”), Arroyo, as “**Assignor**”, assigned
 23 all of its right, title and interest in and to the Lease to Tenant, as “**Assignee**”.

24 **WHEREAS**, Landlord and Tenant desire to amend the Lease to extend the Term of the
 25 Lease and modify other provisions of the Lease, all as more particularly set forth herein.

26 **NOW, THEREFORE**, in consideration of the mutual covenants contained herein, and
 27 for other good and valuable consideration, the receipt and sufficiency of which is hereby
 28 acknowledged, Landlord and Tenant agree that the Lease is amended as follows:

29 **1. DEFINED TERMS.** Capitalized terms used and not otherwise defined herein shall
 30 have the same meanings ascribed to them in the Lease.

31 **2. TERM OF THE LEASE.** Effective as of the date hereof, the Term of the Lease is
 32 hereby extended for an additional period of five (5) years (the “**Extended Term**”), so that the
 33 Extended Term shall commence on January 1, 2013 (“**Revised Lease Commencement Date**”)
 34 and expire, unless terminated sooner pursuant to the terms of the Lease, on December 31, 2017
 35 (“**Revised Lease Expiration Date**”). All references to “**Lease Term**” in the Lease and this

36 Amendment shall be deemed references to the Term as extended by this Amendment and all
 37 references to "**Lease Expiration Date**" shall be deemed references to the Revised Lease
 38 Expiration Date.

39 **3. CONDITION OF THE PREMISES.** Landlord shall have no obligation whatsoever to
 40 construct leasehold improvements for Tenant or to repair or refurbish the Premises. The taking
 41 of possession of the Premises by Tenant shall be conclusive evidence that Tenant accepts the
 42 same "**AS IS**" and that the Premises is suited for the use intended by Tenant and was in good and
 43 satisfactory condition at the time such possession was taken. Tenant acknowledges that neither
 44 Landlord nor Landlord's agents has made any representation or warranty as to the condition of
 45 the Premises or the Building or its suitability for Tenant's purposes. Tenant represents and
 46 warrants to Landlord that (a) its sole intended use of the Premises is for uses set forth in Article 5
 47 of the Lease, (b) it does not intend to use the Premises for any other purpose, and (c) prior to
 48 executing this Amendment it has made such investigations as it deems appropriate with respect
 49 to the suitability of the Premises for its intended use and has determined that the Premises is
 50 suitable for such intended use.

51 **4. BASE RENT.** Effective as of the Revised Lease Commencement Date and in
 52 addition to Direct Expenses and all other costs and expenses payable by Tenant pursuant to the
 53 Lease, Tenant shall pay the following Base Rent for the Premises, in accordance with the terms
 54 of Article 3 of the Lease.

<u>PERIOD</u>	<u>MONTHLY INSTALLMENT OF BASE RENT</u>	<u>ANNUAL BASE RENT</u>	<u>MONTHLY RENTAL RATE PER RENTABLE SQUARE FOOT</u>
1/1/13 – 12/31/13	\$4,884.60	\$58,615.20	\$2.10
1/1/14 – 12/31/14	\$5,024.16	\$60,289.92	\$2.16
1/1/15 – 12/31/15	\$5,163.72	\$61,964.64	\$2.22
1/1/16 – 12/31/16	\$5,326.54	\$63,918.48	\$2.29
1/1/17 – 12/31/17	\$5,489.36	\$65,872.32	\$2.36

55
 56 **5. ADDITIONAL RENT.** Effective as of the Revised Lease Commencement Date,
 57 Direct Expenses for the Premises shall be calculated using a 2013 Base Year. Accordingly, in
 58 addition to Base Rent for the Premises set forth in Section 4 of this Amendment and
 59 commencing as of January 1, 2014, Tenant shall pay Tenant's Share (0.252%) of Direct
 60 Expenses with respect to the Premises in excess of the Direct Expenses for the 2013 Base Year.

61 Landlord agrees that in calculating the Excess pursuant to Article 4 of the Lease,
 62 that portion of Direct Expenses which are controllable by Landlord (specifically excluding Tax
 63 Expenses, insurance premiums, costs of utilities and costs resulting from changes in applicable
 64 laws, rules, regulations or ordinances) shall not increase by more than five percent (5%) per year,
 65 on a collective and not a per-item basis, compounded annually, over the amount of such
 66 controllable Direct Expenses for the Base Year. Such cap is cumulative and the unused portion
 67 of a year's cap may be carried forward to absorb any future Direct Expenses that would
 68 otherwise be in excess of the cap. Further, any Direct Expense amount which is in excess of the

69 cap in one year may be carried forward by Landlord and recovered in later years if and to the
70 extent the cap for such later years is not exceeded.

71 **6. ADDITIONAL TENANT IMPROVEMENT ALLOWANCE.** Tenant shall not be
72 obligated, during the Extended Term, to pay the amortization of Additional Allowance in the
73 amount of \$140.46 per month.

74 **7. ADDRESS.** Section 29.19 of the Lease is amended to provide that notices to
75 Tenant shall be given at the following address:

<u>Address of Tenant:</u>	San Gabriel Valley Council of Governments 1000 South Fremont Avenue, Building A10C, Suite 10210 Alhambra, California 91803 Attn: Francis Delach
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76 **8. BROKERS.** Tenant represents and warrants to Landlord that it has not engaged
77 any broker, finder or other person who would be entitled to any commission or fees in respect of
78 the negotiation, execution or delivery of this Amendment, and shall indemnify, defend and hold
79 harmless Landlord against any loss, cost, liability or expense incurred by Landlord as a result of
80 any claim asserted by any such broker, finder or other person, including CB Richard Ellis, Inc.
81 (“**Landlord’s Broker**”) on the basis of any arrangements or agreements made or alleged to have
82 been made by or on behalf of Tenant. Landlord’s Broker and Tenant’s Broker shall each be
83 compensated pursuant to the terms of separate express written agreements specifying the
84 commission amounts and the terms of payment.
85

86 **9. CONTINUING EFFECTIVENESS.** The Lease, except as amended hereby, remains
87 unamended, and, as amended hereby, remains in full force and effect.

88 **10. COUNTERPARTS.** This Amendment may be executed in counterparts, each of
89 which shall constitute an original, and all of which, together, shall constitute one document.

90 **11. EXECUTION BY BOTH PARTIES.** Submission of this instrument for examination
91 or signature by Tenant does not constitute a reservation of or option to lease, and it is not
92 effective as an amendment to lease or otherwise until execution by and delivery to both Landlord
93 and Tenant, and execution and delivery hereof.

94 **12. AUTHORIZATION.** The parties signing on behalf of Tenant each hereby represents
95 and warrants that such party has the capacity set forth on the signature pages hereof as has full
96 power and authority to bind Tenant to the terms hereof. Two (2) authorized officers must sign
97 on behalf of the Tenant and this Amendment must be executed by the president or vice-president
98 and the secretary or assistant secretary of Tenant, unless the bylaws or a resolution of the board
99 of directors shall otherwise provide. In such case, the bylaws or a certified copy of the resolution
100 of Tenant, as the case may be, must be furnished to Landlord.

101 (SIGNATURES ON NEXT PAGE)

102 IN WITNESS WHEREOF, the parties hereto have executed this Amendment as of the
103 date first above written.

"LANDLORD"

"TENANT"

**THE ALHAMBRA OFFICE
COMMUNITY, LLC,**
a Delaware limited liability company

**SAN GABRIEL VALLEY COUNCIL
OF GOVERNMENTS,**
a Joint Powers Authority

By: **AIGGRE-TRC Alhambra Stabilized
Project, LLC,**
a Delaware limited liability company,
its Sole Member

By: 

Print Name: Francis Delach

By: **AIGGRE-TRC Alhambra, LLC,**
a Delaware limited liability company,
its Sole Member

Title: Interim Executive Director

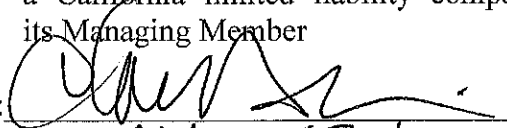
By: **Ratkovich 1000, LLC,**
a California limited liability company,
its Administrative Member

By: _____

Print Name: _____

By: **Ratkovich Investment Company, LLC,**
a California limited liability company,
its Managing Member

Title: _____

By: 
Print Name: CLAUDE DE RIVERT
Title: COO / EVP / MEMBER

104

ORIGINAL

ASSIGNMENT AND ASSUMPTION OF LEASE

This **ASSIGNMENT AND ASSUMPTION OF LEASE** (“**Assignment and Assumption**”) is dated for reference purposes as of January 1, 2013, and is made by and between **ARROYO ASSOCIATES, INC.**, a California corporation (“**Assignor**”) and **SAN GABRIEL VALLEY COUNCIL OF GOVERNMENTS, a Joint Powers Authority** (“**Assignee**”).

A. **THE ALHAMBRA OFFICE COMMUNITY, LLC**, a Delaware limited liability company, (“**Landlord**”) and Assignor entered into that certain Office Lease dated February 18, 2011 (“**Lease**”) pursuant to which Landlord leased Tenant certain premises (“**Premises**”) comprising a portion of the second (2nd) floor containing approximately 2,326 rentable square feet, as more particularly described in the Lease, in Building A 10C of the office building project located at 1000 South Fremont Avenue, Alhambra, California (the “**Complex**”).

B. Assignor now desires to assign the Lease to Assignee and Assignee desires to accept the assignment thereof.

AGREEMENT

NOW, THEREFORE, in consideration of the mutual covenants herein contained, and for other good and valuable consideration, the receipt of which is hereby acknowledged, the parties hereto covenant and agree as follows:

1. **Assignment and Assumption.** Assignor hereby grants, conveys and assigns to Assignee, effective as of the Assignment Date (as hereinafter defined), all of Assignor’s right, title and interest in and to the Lease, and Assignee hereby assumes and agrees to perform faithfully and to be bound by all of the terms, covenants, conditions, provisions and agreements of the Lease accruing after the Assignment Date. Effective as of the Assignment Date, Assignor shall be released and discharged from any and all liabilities under the Lease accruing from and after the Assignment Date, it being the intent of the parties hereto that Assignor shall remain liable for all of its obligations under the Lease that shall have accrued prior to the Assignment Date.

2. **Assignment Date.** The term “**Assignment Date**” shall mean the date that Assignor and Assignee shall have fully executed this Assignment and Assumption and obtained Landlord’s consent to this Assignment and Assumption. Notwithstanding anything to the contrary contained herein, this Assignment and Assumption shall be of no force and effect unless and until such time as Landlord executes a consent form acceptable to Landlord, Assignor and Assignee.

3. **Assignor’s Representations.**

a. Assignor represents and warrants, to the best of its actual knowledge, that the Lease is in full force and effect, that Assignor’s interest is free and clear of all encumbrances, and that Assignor has fully performed all covenants and obligations under the Lease.

41 b. Assignor represents and warrants that it has not executed any sublease or
42 prior assignment of the Lease.

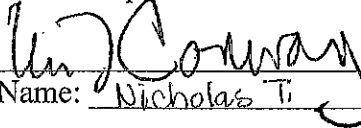
43 4. Miscellaneous. This Assignment shall bind, and shall inure to the benefit of, the
44 successors and assigns of the parties hereto. This Assignment may be executed in counterparts
45 with the same force and effect as if the parties had executed one instrument, and each such
46 counterpart shall constitute an original hereof. This Assignment shall be governed and construed
47 in accordance with the laws of the State of California. The prevailing party in any action or
48 proceeding arising out of this Assignment shall be entitled to recover all costs and expenses
49 including reasonable attorneys' fees, incurred in connection with such action or proceeding.

50 **IN WITNESS WHEREOF**, this Assignment has been executed the day and year set
51 forth above.

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ASSIGNOR:

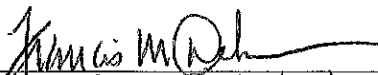
ARROYO ASSOCIATES, INC.,
a California corporation

By: 
Print Name: Nicholas T. Conway
Title: _____

By: _____
Print Name: _____
Title: _____

ASSIGNEE:

**SAN GABRIEL VALLEY COUNCIL OF
GOVERNMENTS,**
a California Joint Powers Authority

By: 
Print Name: Francis M. Delach
Title: Interim Executive Director

74 **LANDLORD'S CONSENT**

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The undersigned, in its capacity as landlord ("**Landlord**") under that certain Office Building Lease, dated February 18, 2011, by and between Landlord and Assignor, as tenant (as heretofore amended, the "**Lease**"), hereby consents to the assignment of Assignor's interest in the Lease on the terms, covenants and conditions set forth in the Assignment and Assumption, dated as of even date hereof and to which this Landlord's Consent is attached (the "**Assignment**"), by and between Assignor and Assignee.

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By giving its consent to the Assignment and Assumption, Landlord does not waive its right to consent to any further sublease or assignment of the Lease. Nothing in this Landlord's Consent shall be construed as relieving or releasing Assignor from any of its obligations or liabilities under the Lease that shall have accrued prior to the Assignment Date, it being expressly understood that Assignor shall be relieved and discharged from any and all liabilities under the Lease accruing from and after the Assignment Date.

Dated this 1st day of January, 2013.

LANDLORD:

**THE ALHAMBRA OFFICE
COMMUNITY, LLC,**
a Delaware limited liability company

By: **AIGGRE-TRC Alhambra Stabilized
Project, LLC,**
a Delaware limited liability company,
its Sole Member

By: **AIGGRE-TRC Alhambra, LLC,**
a Delaware limited liability company,
its Sole Member

By: **Ratkovich 1000, LLC,**
a California limited liability company,
its Administrative Member

By: **Ratkovich Investment Company,
LLC,**
a California limited liability company,
its Managing Member

By: Print Name: CLAUDE DEBULLERETitle: COO / EVP / MEMBER

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COMMERCIAL REAL ESTATE SERVICES

Kevin Duffy
Senior Vice President
Lic. 01032613

CBRE, Inc.
Brokerage Services
Broker Lic. 00409987



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kevin.duffy@cbre.com
www.cbre.com

June 15, 2017

Mr. Philip Hawkey
Executive Director
Ms. Stefanie Hernandez
Project Assistant
San Gabriel Valley Council of Governments
1000 S. Fremont Ave., Building A10, Suite 10210
Alhambra, CA 91803

**RE: LETTER OF INTENT
SAN GABRIEL VALLEY COUNCIL OF GOVERNMENTS
1000 SOUTH FREMONT AVENUE
ALHAMBRA, CALIFORNIA**

Dear Philip and Stefanie:

The Alhambra Office Community, LLC ("Landlord") has authorized CBRE, Inc. to submit the following Letter of Intent to **San Gabriel Valley Council of Governments** ("Tenant") to extend the lease of a portion of the building located at 1000 South Fremont Avenue, Alhambra, CA (the "Building") under the following terms and conditions.

- BUILDING:** 1000 S. Fremont Avenue
Alhambra, CA 91803
- LANDLORD:** The Alhambra Office Community, LLC
- TENANT:** **San Gabriel Valley Council of Governments**
- PROJECT:** The Alhambra consists of multiple commercial buildings within the Project containing approximately 923,290 rentable square feet of office space in a campus style environment together with adjacent surface parking and two parking structures.
- USE:** General Office.
- PREMISES:** Approximately 2,541 rentable square feet consisting of a portion of the Galt Building (A10), second (2nd) Floor.

Mr. Philip Hawkey
Ms. Stefanie Hernandez
June 15, 2017
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LEASE TERM: Six (6) months commencing January 1, 2018 through June 30, 2018.

LEASE COMMENCEMENT: January 1, 2018.

BASE RENT: The Base Rent for the first year of the amended Lease Term shall be \$2.43 per rentable square foot, per month, on a full service gross basis which is a 3% increase from the last month of the existing lease term.

TENANT IMPROVEMENTS: Tenant shall accept the Premises in an "as-is" condition.

BUILDING OPERATING AND PROPERTY

TAX EXPENSES: Pursuant to the existing Lease.

PARKING: Pursuant to the existing Lease.

SECURITY DEPOSIT: Pursuant to the existing Lease.

**SUBJECT TO EXECUTION OF
LEASE AMENDMENT:**

This Letter of Intent is an outline of major Lease Amendment provisions only, and is neither a binding agreement nor should it be construed as a legal offer to renew the Lease. The Premises described herein is subject to prior leasing and/or withdrawal at any time without further notice. Neither Landlord nor Tenant shall have any obligation resulting from this Letter of Intent made hereby nor shall any obligation or liability be incurred by either party until and unless a Lease Amendment is executed by both parties.

EXPIRATION: The terms contained herein shall expire seven (7) days from the date of the Letter of Intent.

CBRE © 2017 All Rights Reserved. All information included in this proposal pertaining to CBRE—including but not limited to its operations, employees, technology and clients—are proprietary and confidential,

Mr. Philip Hawkey
Ms. Stefanie Hernandez
June 15, 2017
Page 3 of 3

and are supplied with the understanding that they will be held in confidence and not disclosed to third parties without the prior written consent of CBRE.

This letter/proposal is intended solely as a preliminary expression of general intentions and is to be used for discussion purposes only. The parties intend that neither shall have any contractual obligations to the other with respect to the matters referred herein unless and until a definitive agreement has been fully executed and delivered by the parties. The parties agree that this letter/proposal is not intended to create any agreement or obligation by either party to negotiate a definitive lease/purchase and sale agreement and imposes no duty whatsoever on either party to continue negotiations, including without limitation any obligation to negotiate in good faith or in any way other than at arm's length. Prior to delivery of a definitive executed agreement, and without any liability to the other party, either party may (1) propose different terms from those summarized herein, (2) enter into negotiations with other parties and/or (3) unilaterally terminate all negotiations with the other party hereto.

The Landlord looks forward to the prospect of retaining **San Gabriel Valley Council of Governments** as a valued Tenant at The Alhambra.

As a next step in proceeding, please have an authorized representative sign, date and return a counterpart of this Letter of Intent. If you have any questions, please feel free to call.

Sincerely,
CBRE, INC.



Kevin Duffy, Lic. 01032613
Senior Vice President
818-502-6724
kevin.duffy@cbre.com

AGREED & ACCEPTED
Tenant: **San Gabriel Valley Council of Governments**

By: _____  _____

Its: Executive Director

Date: 6/27/17

cc: **The Ratkovich Company**
CBRE, Inc.

DATE: July 10, 2017

TO: Executive Committee
City Managers' Steering Committee
SGVCOG Governing Board Delegates and Alternates

FROM: Phil Hawkey, Executive Director

RE: **CONTRACT WITH SAN GABRIEL VALLEY ECONOMIC PARTNERSHIP**

RECOMMENDED ACTION

Recommend that the Governing Board authorize Executive Director to execute a contract with the San Gabriel Valley Economic Partnership (SGVEP) for an amount not to exceed \$100,000 to support Commercial Property Assessed Clean Energy (PACE) outreach.

BACKGROUND

The Los Angeles County PACE Program is a financing system designed to facilitate and fund adoption of energy efficiency, water efficiency, and renewable energy building upgrades. PACE funds up to 100% of the installed cost through low interest loans that are designed to be repaid as a portion of the property owner's tax bill. Adopted in 2008, Assembly Bill 811 enabled cities and counties to establish PACE financing for commercial offices, apartment buildings of five or more units, schools and nonprofits, industrial facilities, hotels, and retail/restaurant uses. More than 99 percent of the cities within Los Angeles County have adopted PACE resolutions to participate in PACE.

Eligible building upgrades through PACE include high efficiency lighting, HVAC equipment, cooling towers, high performance windows, fuel cells, solar thermal/PV, high efficiency plumbing fixtures, and smart irrigation systems. Criteria for PACE eligibility requires that all upgrades must be permanently affixed to the building and demonstrate proven energy/water efficiency qualities or the ability to generate clean power. Repayment of PACE loans is determined by California law and typically requires a biannual interest payment and an annual payment toward the principal of the loan amount.

The benefits of financing through the PACE program include the opportunity for building owners to spread the cost of upgrades over a longer period of time, increase property value and rent potential, and reduce financial risk through low interest rates and the unique structuring of the PACE loan system.

AGREEMENT BETWEEN SGVCOG AND SGVEP

In June 2017, the Governing Board approved a joint Memorandum of Understanding (MOU) between the SGVCOG and Los Angeles County to promote Commercial PACE in the San Gabriel Valley. The MOU outlines 3 major task including:

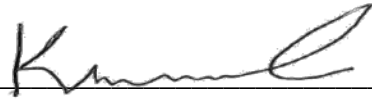
- Administration: Invoicing, reporting and monthly meetings.


- Marketing and Outreach: Creating marketing materials for dissemination to businesses, conducting prescheduled face-to-face on site meetings with targeted businesses, and coordinating informational workshops with property owners.
- Technical Assistance: Assisting property owners with PACE financing applications, coordinating energy audits, conducting cost-benefit analyses and obtaining approval from existing mortgage lenders.

In order to complete these tasks, the SGVCOG enlisted the assistance of the SGVEP. On June 13, the SGVEP submitted a proposal outlining strategies to promote Commercial PACE in the San Gabriel Valley. Strategies include hiring an in-house Director of Commercial PACE Programs to develop and implement a marketing and outreach work plan, as well as communicating with prospective lenders to connect PACE to existing financing for properties, property liens, and cash flows. Additionally, the SGVEP outlined 4 goals to achieve:

- Reach at least 1,200 commercial building owners/operators via marketing materials by email, mail or in person.
- Plan at least 100 prescheduled face-to-face meetings with building owners/operators
- Conduct at least 25 energy audits and cost-benefits analyses with businesses.
- Complete at least 10 PACE applications with lender approval.

Based on these terms, the SGVCOG drafted a contract to work with the SGVEP to complete these goals. The proposed contract would be for an amount not to exceed \$100,000. See Attachment A for the full agreement between the SGVCOG and SGVEP that includes the proposed scope of work.

Prepared by: 
Katie Ward
Management Analyst

Approved by: 
Marisa Creter
Assistant Executive Director

ATTACHMENTS

Attachment A – SGVEP Agreement

Attachment A

**SAN GABRIEL VALLEY COUNCIL OF GOVERNMENTS
AGREEMENT FOR CONSULTANT SERVICES
WITH
SAN GABRIEL VALLEY ECONOMIC PARTNERSHIP**

This Agreement for Consultant Services (“Agreement”) is made and entered into this __ day of Month 2017, by and between the San Gabriel Valley Council of Governments (“SGVCOG”) and the San Gabriel Valley Economic Partnership (SGVEP), a California corporation (“Consultant”).

In consideration of the mutual covenants and conditions set forth herein, the parties agree as follows:

Term of Agreement.

Subject to the provisions of Section 17, the term of this Agreement shall be for a period to continue through December 31, 2017. Such term may be extended upon written agreement of both parties to this Agreement.

Scope of Services.

Consultant shall provide the SGVCOG consultant services in accordance with the proposal attached hereto as Exhibit “A” and incorporated herein by reference. All services shall be performed in strict compliance with requirements of the Los Angeles County Commercial PACE MOU, attached hereto as Exhibit “B.” Consultant shall not be compensated for any services rendered in connection with its performance of this Agreement that are in addition to or outside of those described in this section unless such additional services are authorized in advance and in writing by the SGVCOG. Consultant shall be compensated for any such additional authorized services in the amounts and in the manner agreed to in writing by the SGVCOG.

Compensation and Method of Payment.

The total compensation to be paid to Consultant pursuant to this Agreement shall not exceed One Hundred Thousand Dollars (100,000.00). Consultant shall be compensated in the manner and in the amounts specified in Exhibit A.

Each month Consultant shall furnish to SGVCOG an original invoice for all work performed and expenses incurred during the preceding month. SGVCOG shall independently review each invoice submitted by the Consultant to determine whether the work performed and expenses incurred are in compliance with the provisions of this Agreement. The invoice shall include the following columns: Project Task, Labor Category, Date, Detailed Comments of Worked Performed, Hourly Rate and Hours. In the event that no charges or expenses are disputed, the invoice shall be approved and paid according to the terms set forth in subsection (c). In the event any charges or expenses are disputed by SGVCOG, SGVCOG shall withhold that portion of the invoice that is in dispute and remit the remainder.

Except as to any charges for work performed or expenses incurred by Consultant to the extent disputed by SGVCOG, SGVCOG will use its best efforts to cause Consultant to be paid within thirty (30) days of receipt of Consultant's invoice.

Consultant's Books and Records.

Consultant shall maintain any and all documents and records demonstrating or relating to Consultant's performance of services pursuant to this Agreement. Consultant shall maintain any and all ledgers, books of account, invoices, vouchers, canceled checks, or other documents or records evidencing or relating to work, services, expenditures and disbursements charged to SGVCOG pursuant to this Agreement. Any and all such documents or records shall be maintained in accordance with generally accepted accounting principles and shall be sufficiently complete and detailed so as to permit an accurate evaluation of the services provided by Consultant pursuant to this Agreement. Any and all such documents or records shall be maintained for three years from the date of execution of this Agreement and to the extent required by laws relating to audits of public agencies and their expenditures.

Ownership of Documents

All original maps, models, designs, drawings, photographs, studies, survey, reports, data, notes, computer files, files and other documents prepared, developed or discovered by Consultant in the course of providing any services pursuant to this Agreement shall be the sole property of the SGVCOG upon final payment to Consultant and may be used, reused or otherwise disposed of by the SGVCOG without the permission of the Consultant. Upon satisfactory completion of, or in the event of expiration, termination, suspension, or abandonment of this Agreement, Consultant shall turn over to SGVCOG all such maps, models, designs, drawings, photographs, studies, surveys, reports, data, notes, computer files, files and other documents which Consultant may have temporarily retained for use by Consultant staff. With respect to computer files, Consultant shall make available to the SGVCOG, upon reasonable written request by the SGVCOG, the necessary computer software and hardware for purposes of accessing, compiling, transferring and printing computer files.

Consultant will not be held liable for reuse of maps, models, designs, drawings, photographs, studies, survey, reports, data, notes, computer files, files and other documents produced under this Agreement or modifications thereof for any purpose other than those authorized under this Agreement without the written authorization of Consultant.

Status of Consultant.

Consultant is and shall at all times remain a wholly independent contractor and not an officer, employee or agent of SGVCOG. Consultant shall have no authority to bind SGVCOG in any manner, nor to incur any obligation, debt or liability of any kind on behalf of or against SGVCOG, whether by contract or otherwise, unless such authority is expressly conferred under this Agreement or is otherwise expressly conferred in writing by SGVCOG.

The personnel performing the services under this Agreement on behalf of Consultant shall at all times be under Consultant's exclusive direction and control. Neither SGVCOG, nor any elected or appointed boards, officers, officials, employees, members or agents of SGVCOG, shall have control over the conduct of Consultant or any of Consultant's officers, employees or agents, except as set forth in this Agreement. Consultant shall not at any time or in any manner represent that Consultant or any of Consultant's officers, employees or agents are in any manner officials, officers, employees, members or agents of SGVCOG.

Notwithstanding any other agency, state or federal policy, rule, regulation, law or ordinance to the contrary, Consultant and any of its employees, agents, and subcontractors providing service under this Agreement shall not qualify for or become entitled to, and hereby agree to waive any claims to, any

compensation, benefit, or any incident of employment by SGVCOG, including but not limited to eligibility to enroll in PERS as an employee of SGVCOG and entitlement to any contribution to be paid by SGVCOG for employer contribution and/or employee contributions for PERS benefits.

PERS Eligibility Indemnification: In the event that Consultant or any employee, agent, or subcontractor of Consultant providing services under this Agreement claims or is determined by a court of competent jurisdiction or the California Public Employees Retirement System (PERS) to be eligible for enrollment in PERS as an employee of SGVCOG, Consultant shall indemnify SGVCOG for the payment of any employee and/or employer contributions for PERS benefits on behalf of Consultant or its employees, agents, or subcontractors, as well as for the payment of any penalties and interest on such contributions, which would otherwise be the responsibility of Consultant.

Deficient Services.

Consultant represents and warrants that it has the qualifications, experience and facilities necessary to properly perform the services required under this Agreement in a thorough, competent and professional manner. Consultant shall at all times faithfully and competently, perform all services described herein. In meeting its obligations under this Agreement, Consultant shall employ, at a minimum, generally accepted standards and practices utilized by persons engaged in providing services similar to those required of Consultant under this Agreement. SGVCOG may disapprove services that do not conform to these standards and practices and may withhold or deny compensation for deficient services. Upon disapproval of services by SGVCOG, Consultant shall immediately re-perform, at its own costs, the services that are deficient. SGVCOG must notify Consultant in writing of the existence of such deficient services within a reasonable time, not to exceed sixty (60) days after its discovery thereof, but in no event later than one (1) year after the completion of such deficient services. No approval, disapproval, or omission to provide approval or disapproval shall release Consultant from any responsibility under this Agreement.

Compliance With Applicable Laws; Permits and Licenses.

Consultant shall keep itself informed of and comply with all applicable federal, state and local laws, statutes, codes, ordinances, regulations and rules in effect during the term of this Agreement. Consultant shall obtain any and all licenses, permits and authorizations necessary to perform the services set forth in this Agreement. Neither SGVCOG, nor any elected or appointed boards, officers, officials, employees, members or agents of SGVCOG, shall be liable, at law or in equity, as a result of any failure of Consultant to comply with this section.

Nondiscrimination.

Consultant shall not discriminate in any way against any person on the basis of race, color, religious creed, national origin, ancestry, sex, age, physical handicap, pregnancy, medical condition or marital status in connection with or related to the performance of this Agreement.

Unauthorized Aliens.

Consultant hereby promises and agrees to comply with all of the provisions of the Federal Immigration and Nationality Act, 8 U.S.C.A. § 1101 *et seq.*, as amended, and in connection therewith, shall not employ unauthorized aliens as defined therein. Should Consultant so employ such unauthorized aliens for the performance of work and/or services covered by this Agreement, and should any liability or sanctions be imposed against SGVCOG for such use of unauthorized aliens, Consultant hereby agrees to and shall reimburse SGVCOG for the cost of all such liabilities or sanctions imposed, together with any and all costs, including reasonable attorney fees, incurred by SGVCOG.

Conflicts of Interest

Consultant covenants that neither it, nor any officer or principal of its firm, has or shall acquire any interest, directly or indirectly, (but not including ownership of stock in a publicly traded company), which would conflict in any manner with the interests of SGVCOG or which would in any way hinder Consultant's performance of services under this Agreement. Consultant further covenants that in the performance of this Agreement, no person having any such interest shall be employed by it as an officer, employee, agent or subcontractor without the express written consent of the SGVCOG. Consultant agrees to at all times avoid conflicts of interest or the appearance of any conflicts of interest with the interests of SGVCOG in the performance of this Agreement.

Assignment.

The expertise and experience of Consultant are material considerations for this Agreement. SGVCOG has an interest in the qualifications of and capability of the persons and entities who will fulfill the duties and obligations imposed upon Consultant under this Agreement. In recognition of that interest, Consultant shall not assign or transfer this Agreement or any portion of this Agreement or the performance of any of Consultant's duties or obligations under this Agreement without the prior written consent of the SGVCOG. Any attempted assignment shall be ineffective, null and void, and shall constitute a material breach of this Agreement entitling SGVCOG to any and all remedies at law or in equity, including summary termination of this Agreement.

Indemnification.

SGVCOG and its respective elected and appointed boards, officials, officers, agents, employees, members and volunteers (individually and collectively, "Indemnitees") shall have no liability to Consultant or any other person for, and, consistent with California Civil Code section 2782.8, Consultant shall indemnify, defend, protect and hold harmless Indemnitees from and against, any and all liabilities, claims, actions, causes of action, proceedings, suits, damages, judgments, liens, levies, costs and expenses, including reasonable attorneys' fees and disbursements (collectively "Claims"), which Indemnitees may suffer or incur or to which Indemnitees may become subject arising out of, pertaining to, or relating to the negligence, recklessness, or willful misconduct of Consultant, its agents, officers, directors, subcontractors or employees, committed in performing any of the services under this Agreement.

If any action or proceeding is brought against Indemnitees by reason of any of the matters against which Consultant has agreed to indemnify Indemnitees as provided above, Consultant, upon notice from SGVCOG, shall defend Indemnitees at Consultant's expense by counsel acceptable to SGVCOG, such acceptance not to be unreasonably withheld. The insurance required to be maintained by Consultant under Section 13 shall ensure Consultant's obligations under this section to the extent that the Claims suffered or incurred by SGVCOG arise out of any injury to or death of any person(s), damage to property, loss of use of property, economic loss or otherwise occurring as a result of negligent action or omissions of Consultant, but the limits of such insurance shall not limit the liability of Consultant hereunder. The provisions of this section shall survive the expiration or earlier termination of this Agreement.

Insurance.

Consultant agrees to obtain and maintain in full force and effect during the term of this Agreement the insurance policies set forth in this Section 14. All insurance policies shall be subject to approval by SGVCOG as to form and content. These requirements are subject to amendment or waiver if so approved in writing by the SGVCOG. Consultant agrees to provide SGVCOG with copies of required policies or certificates evidencing the required policies upon request.

Consultant shall provide and maintain insurance acceptable to the SGVCOG in full force and effect throughout the term of this Agreement, against claims for injuries to persons or damages to property

which may arise from or in connection with the performance of the work hereunder by Consultant, its agents, representatives or employees. Insurance is to be placed with insurers with a current A.M. Best's rating of no less than A:VII. Consultant shall provide the following scope and limits of insurance:

Minimum Scope of Insurance. Coverage shall be at least as broad as:

Insurance Services Office form Commercial General Liability coverage (Occurrence Form CG 0001).

Insurance Services Office form number CA 0001 (Ed. 1/87) covering Automobile Liability, including code 1 "any auto" and endorsement CA 0025, or equivalent forms subject to the written approval of the SGVCOG.

Workers' Compensation insurance as required by the Labor Code of State of California and Employer's Liability insurance and covering all persons providing services on behalf of the Consultant and all risks to such persons under this Agreement.

Professional liability insurance appropriate to the Consultant's profession.

Limits of Insurance. Consultant shall maintain limits of insurance no less than:

General Liability: \$1,000,000 general aggregate for bodily injury, personal injury and property damage.

Automobile Liability: \$1,000,000 per accident for bodily injury and property damage.

Workers' Compensation and Employer's Liability: Workers' Compensation as required by the Labor Code of the State of California and Employers Liability limits of \$1,000,000 per accident.

Professional Liability: \$1,000,000 per claim and aggregate.

Other Provisions. Insurance policies required by this Agreement shall contain the following provisions:

All Policies. Each insurance policy required by this Section 13 shall be endorsed and state the coverage shall not be cancelled by the insurer or Consultant except after 30 days' prior written notice by Certified mail, return receipt requested, has been given to SGVCOG. Consultant shall provide to SGVCOG notice of suspension or voiding of coverage, or reduction in coverage, or limits below those required in this Section 14.

General Liability and Automobile Liability Coverages.

SGVCOG, and its respective elected and appointed officers, officials, members and employees are to be covered as additional insureds as respects: liability arising out of activities Consultant performs; products and completed operations of Consultant; premises owned, occupied or used by Consultant; or automobiles owned, leased, hired or borrowed by Consultant. The coverage shall contain no special limitations on the scope of protection afforded to SGVCOG, and its respective elected and appointed officers, officials, members or employees.

Consultant's insurance coverage shall be primary insurance with respect to SGVCOG, and its respective elected and appointed officials, its officers, members and employees. Any

insurance or self insurance maintained by SGVCOG, and its respective elected and appointed officers, officials, members or employees, shall apply in excess of, and not contribute with, Consultant's insurance.

Consultant's insurance shall apply separately to each insured against whom claim is made or suit is brought, except with respect to the limits of the insurer's liability.

Any failure to comply with the reporting or other provisions of the policies including breaches of warranties shall not affect coverage provided to SGVCOG, and its respective elected and appointed officers, officials, members or employees.

Workers' Compensation and Employer's Liability Coverage. Unless the SGVCOG otherwise agrees in writing, the insurer shall agree to waive all rights of subrogation against SGVCOG, and its respective elected and appointed officers, officials, members and employees for losses arising from services performed by Consultant.

Other Requirements. Consultant agrees to deposit with SGVCOG, at or before the effective date of this contract, certificates of insurance necessary to satisfy SGVCOG that Consultant has complied with the insurance provisions of this Agreement. The SGVCOG's general counsel may require that Consultant furnish SGVCOG with copies of original endorsements effecting coverage required by this Section. The certificates and endorsements are to be signed by a person authorized by that insurer to bind coverage on its behalf. SGVCOG reserves the right to inspect complete, certified copies of all required insurance policies, at any time.

Consultant shall furnish certificates and endorsements from each subcontractor identical to those Consultant provides.

Any deductibles or self-insured retentions must be declared to and approved by SGVCOG, such approval not to be unreasonably withheld.

The procuring of such required policy or policies of insurance shall not be construed to limit Consultant's liability hereunder nor to fulfill the indemnification provisions and requirements of this Agreement.

Termination of Agreement

SGVCOG may terminate this Agreement, with or without cause, at any time by giving thirty (30) days' written notice of termination to Consultant. In the event such notice is given, Consultant shall cease immediately all work in progress. Consultant may terminate this Agreement at any time upon thirty (30) days' written notice of termination to SGVCOG. If either Consultant or SGVCOG fail to perform any material obligation under this Agreement, then, in addition to any other remedies, either Consultant, or SGVCOG may terminate this Agreement immediately upon written notice. Upon termination of this Agreement, Consultant shall furnish to SGVCOG a final invoice for work performed and expenses incurred by Consultant, prepared as set forth in Section 3 of this Agreement. This final invoice shall be reviewed and paid in the same manner as set forth in Section 3 of this Agreement.

Default

In the event that Consultant is in default under the terms of this Agreement, SGVCOG shall not have any obligation or duty to continue compensating Consultant for any work performed after the date of default and may terminate this Agreement immediately by written notice to the Consultant. For purposes of this section only, "date of default" shall be deemed to be the date that SGVCOG personally delivers or transmits by facsimile a Notice of Default to the person(s) at the address or facsimile number as set forth in Section 19 of this Agreement. "Default" shall mean the failure to perform the terms, covenants or conditions of this Agreement.

Notices

All notices required or permitted to be given under this Agreement shall be in writing and shall be personally delivered, or sent by facsimile or certified mail, postage prepaid and return receipt requested, addressed as follows:

To SGVCOG: Phil Hawkey, Executive Director
San Gabriel Valley Council of Governments
The Alhambra
1000 South Fremont Avenue, Unit #42
Building A-10, Suite 10220
Alhambra, CA 91803

with a copy to: Richard D. Jones, General Counsel
San Gabriel Valley Council of Governments
Jones & Mayer
3777 N. Harbor Blvd
Fullerton, CA 92835

To Consultant: Jeff Allred, President and CEO
San Gabriel Valley Economic Partnership
4900 Rivergrade Road
Suite B130
Irwindale, CA 91706

Notice shall be deemed effective on the date personally delivered or transmitted by facsimile or, if mailed, three (3) days after deposit of the same in the custody of the United States Postal Service.

Authority to Execute.

The person or persons executing this Agreement on behalf of Consultant represents and warrants that he/she/they has/have the authority to so execute this Agreement and to bind Consultant to the performance of its obligations hereunder.

Binding Effect.

This Agreement shall be binding upon the heirs, executors, administrators, successors and assigns of the parties.

Waiver.

Waiver by any party to this Agreement of any term, condition, or covenant of this Agreement shall not constitute a waiver of any other term, condition, or covenant. Waiver by any party of any breach of the provisions of this Agreement shall not constitute a waiver of any other provision, nor a waiver of any subsequent breach or violation of any provision of this Agreement. Acceptance by SGVCOG of any work or services by Consultant shall not constitute a waiver of any of the provisions of this Agreement.

Law to Govern; Venue.

This Agreement shall be interpreted, construed and governed according to the laws of the State of California. In the event of litigation between the parties, venue in state trial courts shall lie exclusively in the County of Los Angeles. In the event of litigation in a U.S. District Court, venue shall lie exclusively in the Central District of California, in Los Angeles.

Attorney Fees, Costs and Expenses.

In the event litigation or other proceeding is required to enforce or interpret any provision of this Agreement, the prevailing party in such litigation or other proceeding shall be entitled to an award of reasonable attorney fees, costs and expenses, in addition to any other relief to which it may be entitled.

Entire Agreement.

This Agreement, including the exhibits attached hereto, which are incorporated herein by this reference, is the entire, complete, final and exclusive expression of the parties with respect to the matters addressed therein and supersedes all other agreements or understandings, whether oral or written, or entered into between Consultant and SGVCOG prior to the execution of this Agreement. No statements, representations or other agreements, whether oral or written, made by any party which are not embodied herein shall be valid and binding. No amendment to this Agreement shall be valid and binding unless in writing duly executed by the parties or their authorized representatives. Any attempt to waive the requirement for a written amendment shall be void.

Section Headings.

The section headings contained in this Agreement are for convenience and identification only and shall not be deemed to limit or define the contents to which they relate.

Severability.

If any term, condition or covenant of this Agreement is declared or determined by any court of competent jurisdiction to be invalid, void or unenforceable, the remaining provisions of this Agreement shall not be affected thereby and the Agreement shall be read and construed without the invalid, void or unenforceable provision(s).

Time is of the Essence.

Time is of the essence in the performance of this Agreement.

Excusable Delays.

Consultant shall not be liable for damages, including liquidated damages, if any, caused by delay in performance or failure to perform due to causes beyond the control of Consultant. Such causes include, but are not limited to, acts of God, acts of the public enemy, acts of federal, state or local governments, court orders, fires, floods, epidemics, strikes, embargoes, and unusually severe weather. The term and price of this Agreement shall be equitably adjusted for any delays due to such causes.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed the day and year first above written.

“CONSULTANT”

By _____

Title: President, as duly authorized _____

SAN GABRIEL VALLEY COUNCIL OF GOVERNMENTS

By _____

Title: Executive Director

APPROVED AS TO FORM:

Richard D. Jones, General Counsel

EXHIBIT A
SAN GABRIEL ECONOMIC PARTNERSHIP PROPOSAL



Advancing the economic vitality and
quality of life of the San Gabriel Valley

June 13, 2017

Phil Hawkey
Executive Director
San Gabriel Valley Council of Governments
1000 S. Fremont Avenue, Unit 42-Building A-10N, Suite 10-210
Alhambra, CA 91803

- **Re: Proposal for Commercial PACE Outreach & Technical Services in San Gabriel Valley Cities**

Dear Mr. Hawkey:

The San Gabriel Valley Economic Partnership (Partnership) is pleased to submit this proposal to provide Commercial PACE Outreach & Technical Services on behalf of the San Gabriel Valley Council of Governments (SGVCOG). This proposal will serve as an Agreement when executed by the Partnership and the SGVCOG.

- **BACKGROUND ON COMMERCIAL PACE**

The County of Los Angeles has established a commercial Property Assessed Clean Energy (PACE) program that assists property owners in selecting contractors and 100% financing for energy improvements on commercial properties, and then repay the loans through a property tax lien as a line-item on their property tax bills.

Commercial PACE financed improvements generally include solar energy systems, roof replacements, HVAC system upgrades, water conservation improvements, window replacement, elevator replacement/renovations, lighting, insulation and refrigeration upgrades, seismic upgrades, etc. Participating commercial property owners benefit by access to 100% financing capital with little-to-no up-front costs, energy efficiency improvements with reduced utility costs, and building infrastructure improvements that can result in higher property values, rental demand, occupancy rates, and ultimately increased net operating income (NOI). Moreover, property owners will gain compliance with various legislative mandates that have accelerated the demand for energy infrastructure improvements to reduce greenhouse gas emissions (GHG).

- **SCOPE OF SERVICES**

On behalf of the SGVCOG, the Partnership will market the Los Angeles County commercial PACE program to **private property owners** throughout the San Gabriel Valley to inform them about the opportunity to:

- Obtain working capital with 100% financing (with no down-payment) to implement energy saving upgrades to commercial buildings;
- Repay loans for energy related improvements on their semi-annual property tax bills through a deductible line-item tax lien;
- Realize tangible financial savings through reduced utility costs;
- Make needed building modernization improvements that will result in higher property values, increased rental demand and occupancy rates, and ultimately increased net operation income (NOI); and
- Enable compliance with statutory and regulatory requirements.

In addition, the Partnership will provide information to, and work with, **cities** in the San Gabriel Valley to understand and achieve the community economic development benefits of the commercial PACE program through:

- Support of local businesses to obtain working capital through long-term affordable PACE financing;
- Increased property tax and other business-related revenues resulting from improvements to commercial properties;
- Improved appearance and energy efficiency of aging commercial building stock;
- Assistance in business retention and expansion with no burden to the city's general fund or borrowing capacity;
- Creation of "green jobs" that attract workers and support families; and
- Improvements to the community's "green" reputation and help meet mandated clean energy requirements

- **Task 1: Create commercial PACE marketing materials for dissemination to businesses, commercial property owners, and cities in the San Gabriel Valley**

- The Partnership will design and print these marketing materials through the assistance of outside contract vendors.
- The marketing materials will be translated into Chinese.

Task 2: Develop and Implement a PACE Outreach Program within the San Gabriel Valley – An in-house Director of Commercial PACE Programs will be employed to by the Partnership* to develop and implement a **marketing** and **outreach** work plan, subject to approval of the SGVCOG and Los Angeles County PACE officials that will include the following components.

- Research and identify the ideal types (“target market”) commercial properties (i.e. manufacturing, refrigeration, warehousing/distribution, hospitality, office, retail) categorized by size, use, age, and number of qualifying buildings within the San Gabriel Valley
- Create a list of potential candidate “target market” commercial properties within the San Gabriel Valley for outreach
- Identify no less than five cities in the San Gabriel Valley with significant numbers of “target market” commercial properties and confer with key staff members in each of those cities to introduce the Commercial PACE program and its benefits to businesses and the community, and provide them with information and materials
- Disseminate electronic communications on PACE over the Internet through email, social media and its website with links to businesses, property owners and cities.
- Coordinate and conduct informational workshops with commercial property owners, business operators and cities featuring the Partnership and PACE program administrators.
- Conduct prescheduled face-to-face on-site meetings with targeted commercial property owners/operators in conjunction with respective city staff members to introduce the Commercial PACE program and provide information and materials.
- Establish and foster working relationships with commercial property owners/operators, brokers, lenders, SCE, clean energy service providers/contractors (i.e. solar, refrigeration, roofing, etc.) in order to create pathways to improve identified properties;
- Work with approved direct PACE lenders and qualified service provider vendors/contractors to provide seamless solutions for commercial property owners to achieve their desired results for facilities improvements and energy cost savings.
- Execute a follow-up, calling plan to interested commercial property owners/operators on a weekly basis.

Task 3: Technical Services to Interested Commercial Property Owners – The in-house Director of Commercial PACE Programs will provide technical assistance to participating commercial property owners by helping with PACE financing applications,

providing options to obtain energy audits, conducting cost-benefit analyses, and obtaining approval from existing mortgage lenders, if needed. Specific technical support functions will include:

- Assist commercial property owners with options for obtaining energy use audits and projections, and provide cost-benefits analyses
- Work with property owners in communicating with direct PACE lenders for financing as well as contractors for qualified PACE energy improvements
- Communicate with commercial property owners' existing and/or prospective lenders with respect to the PACE program in relation to lenders' existing financing for the property, property lien, impact on borrower's balance sheet and cash flow
- Assist with review of paperwork required by banks or other existing mortgage lenders, PACE direct lenders, contractors, tenants/lessees, cities, etc.
- Provide follow-up support on a weekly basis with various parties involved once a property owner elects to initiate qualified improvements in connection with the PACE program

• **COMPENSATION AND BUDGET**

The Partnership will invoice for Services for PACE outreach and technical services utilizing the following hourly rates.

<u>In-house Positions</u>	<u>Rate</u>
Director of Commercial PACE Programs	\$61.25
Business Assistance Manager	\$53.00
Office Manager/Executive Assistant	\$40.00
Accounting Specialist	\$28.00

Proposed **Annual Budget:**

Administration	\$2,500
Design and Printing of Promotional Outreach materials	\$10,000
Personnel costs (Outreach and Technical Services)	<u>\$87,500</u>
TOTAL Annual Budget	\$100,000

• **OUTREACH GOALS, TIMELINE, AND REPORTING**

Understanding that the objective of this “pilot” program is to engage private commercial property owners in the Los Angeles County PACE program, the Partnership will establish the following timeline and goals in its efforts to achieve the desired objective.

Action 1. Completion of design and printing of marketing materials in English and Chinese

Timeline Goal: Within six weeks of contract award

Action 2. Identify the specific number and locations of “target market” commercial buildings for potential PACE funded improvements

Timeline Goal: Within 60 days of contract award

Action 3. Make presentations to economic development staff members in no less than five cities with significant numbers of “target market” commercial buildings

Timeline Goal: Within the first 120 days of contract award

Action 4. Following the completion of Actions 1, 2, and 3 above, the Partnership will provide monthly reports on the following categories.

Number of commercial building owners/operators contacted and presented with marketing materials by email, mail or in person

Annual Goal: 1,200 Actual YTD ____

Number of prescheduled face-to-face meetings with building owners/operators

Annual Goal: 100 Actual YTD ____

Number of energy audits and cost-benefits analyses completed

Annual Goal: 25 Actual YTD ____

Number of PACE applications submitted and lender approved, by month

Annual Goal: 10 Actual YTD ____

Memorandum of Understanding

**COMMERCIAL PROPERTY ASSESSED CLEAN ENERGY FINANCING (PACE)
MEMORANDUM OF UNDERSTANDING BETWEEN THE SAN GABRIEL VALLEY
COUNCIL OF GOVERNMENTS AND THE COUNTY OF LOS ANGELES**

This Memorandum of Understanding (MOU) is entered into by and between the San Gabriel Valley Council of Governments (SGVCOG) and the County of Los Angeles (COUNTY).

WHEREAS, the SGVCOG was established to have a unified voice to maximize resources and advocate for regional and member interests to improve the quality of life in the San Gabriel Valley by the member cities and other local governmental agencies; and

WHEREAS, the COUNTY serves as the Program Administrator of the Southern California Regional Energy Network (SoCalREN), a Program funded under the California Public Utilities Commission (CPUC) Energy Efficiency Portfolio; and

WHEREAS, key goals of the CPUC Energy Efficiency Portfolio include conservation and reduction of energy use in commercial buildings; and

WHEREAS, the SoCalREN Portfolio includes a Commercial Property Assessed Clean Energy (PACE) Program to offer a competitive financing mechanism to commercial building owners seeking to install energy retrofits and upgrades; and

WHEREAS, the SGVCOG and COUNTY have a mutual desire to promote and expand participation in the County's Commercial PACE program; and

WHEREAS, the SGVCOG and the COUNTY desire to set forth the terms of their collaboration with respect to this effort in this MOU.

NOW, THEREFORE, the Parties agree to the following:

I. General Conditions

- A. The Parties to this MOU are the San Gabriel Valley Council of Governments and the County of Los Angeles.
- B. The term of this MOU shall commence upon execution of the MOU by both parties and shall continue through December 31, 2017. The term may be extended by mutual agreement of both Parties.

II. Responsibilities of each of the Parties

A. COUNTY

- 1. Provide reimbursement to the SGVCOG for eligible work completed by SGVCOG staff and subcontractors.

B. SGVCOG

- 1. SGVCO shall adhere to all County, IOU, and/or CPUC invoicing policies, guidelines, requirements as applicable based on funding source and are subject to change at any time due to compliance directives. SGVCOG shall make their best effort to

- implement such invoice requirement changes as directed by LAC not to exceed 2 billing periods unless otherwise directed. SGVCOG shall be responsible for correctly accounting for all labor and expenses as applicable per LAC guidelines and/or CPUC guidelines, while assuming full responsibility and oversight of all sub-contractor invoicing. When funding source is non-CPUC funds, invoice requirements shall still apply as applicable. SGVCOG shall adhere to any funding source invoice and reporting requirements. SGVCOG shall be required to adhere to the following monthly invoicing requirements and guidelines.
2. SGVCOG and their sub-contractors are required to use the most recent Invoice Reporting (IR) Tool as directed by LAC staff.
 3. Invoicing shall be monthly and transmitted to LAC no later than the 25th of the month for the prior month services.
 4. Invoicing periods shall be on a calendar basis starting with the first day in the month to the last day of the month.
 5. Invoicing shall include all services rendered in the invoice month including all sub-contractor(s) expenditures.
 6. Invoices for unaccounted expenses, labor, and/or services rendered in periods of performance prior to the current month being invoiced will not be accepted after such months invoice has been approved for payment by LAC.
 7. Expenses being invoiced shall have been incurred by contractor and/or sub-contractor.
 8. Expenses for events, conferences, etc. shall not be expensed till such event has occurred and all final billings have been paid by contractor and/or sub-contractor.
 9. Deposits such as for event venues, etc. will not be allowed to be expensed prior to the event concluding. All invoices must be final, no estimations will be accepted.
 10. Labor and expenses associated with administrative and marketing tasks which impact the overall SoCalREN (RENwide) shall be identified as RENwide in the IR Tool.
 11. All labor and expense entries must include a detailed description of the activity being billed for and included for each line as provided for in the IR Tool.
 12. All expenses must meet LAC guidelines and receipts shall be provided for all expenses billed as required by LAC Expense guidelines.
 13. SGVCOG shall be required to provide a monthly narrative with the submittal of their invoice providing a high level report out of all programs managed including YTD goal and/or metrics status. (Details on the format will be forthcoming with training from LAC)
 14. All invoices are subject to review and verification by the COUNTY. Reimbursements will be capped by a not to exceed maximum per deliverable as indicated in Table 1 below.

Subtask	Amount
Task 1: Administration <ul style="list-style-type: none"> • Submit monthly invoices and report on status of tasks. • Conduct monthly meetings with subcontractors. 	\$10,000
Task 2: Marketing and Outreach <ul style="list-style-type: none"> • Create marketing materials for dissemination to businesses, commercial property owners, and cities. • Conduct prescheduled face-to-face on site meetings with targeted businesses, commercial property owners, and city staff in each of its 31 member cities to introduce the Commercial PACE program and provide them information and materials. • Coordinate and conduct informational workshops with property owners, businesses and cities on Commercial PACE. • Disseminate electronic communications with PACE via email, social media, and website. 	\$90,000
Task 3: Technical Assistance <ul style="list-style-type: none"> • Assist property owners with PACE financing applications • Provide assistance with coordinating energy audits • Conduct cost-benefit analyses • Obtain approval from existing mortgage lenders 	\$20,000
<u>Total</u>	\$120,000

Table 1. Maximum Reimbursement by Subtask

1. Maintain official timesheets and other records that support hours billed to the MOU for a five-year period following the completion of the project.
2. Warrants and represents as follows:
 - a. Understands and agrees that for the purposes of the foregoing, any requirements imposed upon COUNTY associated with the funding sources used for this effort are hereby passed-through and adopted as obligations of the SGVCOG to the maximum extent allowable by law;
 - b. Agrees to strictly comply with the scope of any and all authorizations, limitations, exclusions, and/or exceptions for use of funds;
 - c. Shall comply with all applicable Federal, State, and local laws, rules, regulations, ordinances, and directives, now existing and as such may change from time-to-time. Any such laws, rules, regulations, ordinances, and directives required thereby to be included in this MOU are incorporated herein by reference.
3. Notwithstanding any provision to the contrary, whether expressly or by implication, the SGVCOG agrees to indemnify, defend, and hold harmless COUNTY, its elected and appointed officers, employees, and agents from and against any and all liability resulting from the SGVCOG'S negligent and wrongful act(s) and/or omission(s) arising from and/or relating to the MOU and as such would be imposed in the absence of Government Code section 895.2. Without limiting the scope above, such liability includes but is not limited to the following: any funding disallowance; audits;

demands; claims; actions; liabilities; damages; fines; fees, costs, and expenses, including attorney, auditor, and/or expert witness fees.

4. The SGVCOG understands and agrees that it is solely responsible for any and all incurred amounts found by COUNTY to be ineligible. Immediately upon the request of the COUNTY, the SGVCOG shall return any funds that have been disbursed to the extent that their use has been disallowed.

For the San Gabriel Valley Council of Governments

Signed: _____

Date: _____

For the County of Los Angeles

Signed: _____

Date: _____

REPORT

DATE: July 20, 2017

TO: SGVCOG Governing Board Delegates and Alternates

FROM: Phil Hawkey, Executive Director

RE: **LOS ANGELES COUNTY COMMUNITY CHOICE ENERGY JOINT POWERS AUTHORITY**

RECOMMENDED ACTION

Adopt Resolution 17-24 in support of LACCE JPA and direct staff to provide support to cities interested in participating in LACCE.

EXECUTIVE SUMMARY

Los Angeles Community Choice Energy (LACCE) is a regional Community Choice Energy program in Los Angeles County. Community Choice Energy (CCE) allows local governments to purchase and sell electricity to customers in their jurisdictions as an alternative to traditional investor-owned utility (IOU).

The County of Los Angeles, at the direction of the Board of Supervisors, initiated a technical feasibility study to determine if the County can meet the electricity load requirements for 82 eligible cities and County unincorporated areas with rates that are competitive with the local IOU, in this case, Southern California Edison (SCE). The County of Los Angeles Community Choice Energy Business Plan concluded that the formation of a community choice energy (CCE) program in Los Angeles County would be financially prudent and would yield considerable benefits to residents and businesses. The Board of Supervisors directed County staff to develop a JPA to govern the CCE program and allow interested cities to join (Attachment A).

BACKGROUND

CCE programs allow local governments and special districts to pool their electricity needs and purchase and/or develop environmentally sustainable energy on behalf of residents, businesses, and municipal agencies. CCE is an energy supply model that works in partnership with the region's existing IOU. In our region, Southern California Edison (SCE) is the existing IOU. The existing utility continues to deliver electricity to customers through the existing power grid and continues to provide customer service and billing. The CCE procures the electricity that is delivered through the existing power grid and sets electricity rates for end-use customers. Those customers that do not desire to switch to the CCE can choose to remain customers of the existing IOU.

There are a number of reasons that communities have formed and/or joined CCE programs. The creation of a CCE provides residents and businesses with a choice for their electricity provider. When a CCE is created in a City, all businesses and residents in that City become customers of the new CCE. However, all customers have the option to "opt-out" of the CCE and remain customers of the existing utility. Customers must be adequately informed of the opt-out option, and it must be easy for them to do so. In most CCEs, CCE customers can also decide between electricity

product options that are generated from more renewable sources. For example, Peninsula Clean Energy (“PCE”) – the State’s most recent CCE that rolled out in San Mateo County in summer 2016 – provides customers with the option of electricity from 50% renewable sources of 100% renewable sources.

The creation of a CCE also increases the amount of control for local governments in electric services for their residents. Cities will have more control in things like the deployment of renewable energy resources, setting rates, and developing programs. SCE has historically offered electricity coming from the lowest State-mandated level of renewable resources, and these are offered at rates that are set through a legal rate-setting proceeding at the California Public Utilities Commission (CPUC). SCE has recently begun offering electricity that comes from more renewable sources, and these rates were also set through proceedings at the CPUC. Likewise, any programs that are administered by SCE are developed through proceedings at the CPUC. With a CCE, the governing body of the CCE determines the renewable energy make-up of electricity, as well as customer electricity rates, and programs.

Finally, CCEs allow communities to deploy more renewable energy and reduce greenhouse gas emissions. CCEs can purchase electricity from the power grid that comes from more renewable sources, allowing communities to more easily decrease their reliance on traditional power plants for electricity and meet their overall sustainability goals. Many municipalities that have already formed CCEs have done so with a primary focus on increasing the amount of renewable energy in their communities, reducing their greenhouse gas (GHG) emissions and making progress on all their sustainability goals. In 2014, electric power was the State’s third-largest GHG-emitting sector – following transportation and the industrial sector – with approximately 20% of emissions coming from electric power.

LACCE RATES AND CUTOMER IMPACTS

As indicated previously, the LACCE Business Plan found that the creation of a Countywide CCE would be financially viable and would yield economic and sustainability benefits for residents and businesses. Since the release of the report an updated rate analysis was released in Spring 2017 which can be seen below:

Rate Class	Renewable Portfolio Standard (“RPS”) (33% by 2020)		50% Renewable		100% Renewable	
	SCE	CCE	SCE	CCE	SCE	CCE
Residential	\$0.172	\$0.163 (-5%)	\$0.189	\$0.165 (-13%)	\$0.207	\$0.183 (-12%)
Commercial (GS-1)	\$0.166	\$0.157 (-5%)	\$0.182	\$0.159 (-13%)	\$0.198	\$0.167 (-11%)
Commercial (GS-2)	\$0.157	\$0.149 (-5%)	\$0.178	\$0.152 (-15%)	\$0.198	\$0.167 (-16%)
Commercial (GS-3)	\$0.142	\$0.134 (-6%)	\$0.165	\$0.136 (-18%)	\$0.187	\$0.151 (-19%)

Overall, it is estimated that end-user rates could be at least 4% lower than those of SCE, and the difference would likely be even greater when comparing the rates for 50% and 100% renewable energy. The CCE would deploy approximately twice the amount of renewable resources.

Impacts to customer will be as follows:

- All customer will be given a minimum of four notifications about LACCE service, two prior to the start of service and two within the first month of service;
- Customers will automatically be enrolled in the LACCE program;
- SCE will still bill customers for their electrical use;
- The bill will include a line item noting the LACCE power charge;
- SCE will still deliver electricity to customers through their transmission lines;
- Residents and businesses may choose to return to SCE at any time; and
- Customers will have the option to choose the percentage of power from renewable energy at tiered rates.

LACCE JPA

Beginning in December 2016, LA County, the COG, and others met to develop the JPA. That process was completed in early April. Key features of the JPA are as follows:

- **Voting:**
 - Every city who joins will have one vote;
 - There is an option for members to call for a weighted vote based on load share, members can only call for a weighted vote to stop an affirmative action if three members in the minority oppose that action and call for the vote;
 - Some special items will require a two-thirds vote of all members;
- **Representation:**
 - LACCE will be governed by a Board of Directors comprised of one representative and up to two alternates from each participating city.
 - The Board member from each city must be an elected official. However, the alternates may be elected or appointed officials from that city, city staff, or members of the public. To be eligible, members of the public must demonstrate knowledge in energy-related matter through significant experience.
- **Committees:**
 - At a minimum, there will be three standing committees: Executive Committee, Finance Committee, and Community Advisory Committee;
- **Enrollment and Withdrawal:**
 - After two agencies have adopted the JPA, other agencies will have 180 days to join the JPA during an “open enrollment” period and will be considered initial participants. There will be no cost to join the JPA during this period. Following this period, the JPA Board must approve additional members and may assess a membership fee to reflect prior incurred costs.
 - If cities join during the open enrollment period, there will be no cost to join, however, if cities join after the open enrollment period ends they may have to pay a fee to cover prior incurred LACCE expenses; and
 - Any party may withdrawal from the JPA with 180 written notice.

CITY PARTICIPATION

On April 18th, the County of Los Angeles adopted the LACCE JPA, and the City of Rolling Hills Estates passed an ordinance and adopted the JPA on June 27th, thereby officially forming the LACCE JPA. Currently, those agencies are the only two members of the JPA. However, the cities of South Pasadena and Calabasas have conducted a first reading of their ordinance to adopt the LACCE JPA and are scheduled to have a second reading in the coming weeks.

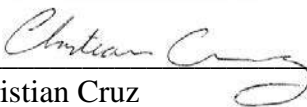
Cities have through December 27th, 2017 to join during the “open enrollment” period. Over the next six to twelve months, LACCE Board will be making several key decisions on foundational steps, including hiring an Executive Director and staff, developing a rate structure, entering into energy procurement contracts, and creating an organizational structure that will guide the operation of the LACCE. SGVCOG staff urges interested cities to join and participate in these early meetings.

IMPLEMENTATION SCHEDULE


LACCE will roll out in three phases. The first phase will include the County’s municipal facilities in its unincorporated area and will begin in January 2018. The second phase will begin no later than July 2018 and will include all the commercial and industrial customers in participating cities and the County’s unincorporated area. The third phase will include all city and County residential customers and will begin no later than January 2019.

Matthew Skolnik, from the Los Angeles County Office of Sustainability, and Bill Carnahan, Interim Executive Director of the LACCE JPA, will attend the July Governing Board meeting to answer questions.

Prepared by:


Christian Cruz
Management Analyst

Approved by:


Marisa Creter
Assistant Executive Director

ATTACHMENTS

- Attachment A – Final JPA
- Attachment B – Presentation
- Attachment C – Resolution 17-24
- Attachment D – LACCE Information Packet

LOS ANGELES COMMUNITY CHOICE ENERGY AUTHORITY

JOINT POWERS AGREEMENT

This Joint Powers Agreement (the "Agreement"), effective as of _____, is made and entered into pursuant to the provisions of Title 1, Division 7, Chapter 5, Article 1 (Section 6500 et seq.) of the California Government Code relating to the joint exercise of powers among the public agencies set forth in Exhibit A.

RECITALS

1. The Parties are public agencies sharing various powers under California laws, including but not limited to the power to purchase supply, and aggregate electricity for themselves and their inhabitants.
2. In 2006, the State Legislature adopted AB 32, the Global Warming Solutions Act, which mandates a reduction in greenhouse gas emissions in 2020 to 1990 levels. The California Air Resources Board is promulgating regulations to implement AB 32 which will require local government to develop programs to reduce greenhouse emissions.
3. The purposes for the Initial Participants (as such term is defined in Section 2.3 below) entering into this Agreement include addressing climate change by reducing energy related greenhouse gas emissions and securing energy supply and price stability; energy efficiencies and local economic benefits, such as jobs creation, community energy programs; and local power development. It is the intent of this Agreement to promote the development and use of a wide range of renewable energy sources and energy efficiency programs, including but not limited to solar and wind energy production.
4. The Parties desire to establish a separate public agency, known as the Los Angeles Community Choice Energy Authority ("Authority"), under the provisions of the Joint Exercise of Powers Act of the State of California (Government Code Section 6500 et seq.) ("Act") in order to collectively study, promote, develop, conduct, operate, and manage energy programs.
5. The Initial Participants have each adopted an ordinance electing to implement through the Authority a Community Choice Aggregation program pursuant to California Public Utilities Code Section 366.2 ("CCA Program"). The first priority of the Authority will be the consideration of those actions necessary to implement the CCA Program.
6. By establishing the Authority, the Parties seek to:
 - (a) Develop an electric supply portfolio with overall lower greenhouse gas intensity and lower greenhouse gas (GHG) emissions than Southern California Edison ("SCE"), and one that supports the achievement of the parties' greenhouse gas reduction goals and the comparable goals of all participating jurisdictions;

- (b) Establish an energy portfolio that encourages the use and development of cost-effective local renewable and distributed energy resources and that discourages the use unbundled renewable energy credits;
- (c) Promote an energy portfolio that incorporates energy efficiency and demand response programs and pursues ambitious energy consumption reduction goals;
- (d) Provide electricity rates that are lower or at worst competitive with those offered by SCE for similar products;
- (e) Offer differentiated energy options (e.g. 33% or 50% qualified renewable) for default service, and a 100% renewable content option in which customers may "opt-up" and voluntarily participate;
- (f) Achieve quantifiable economic benefits to the region;
- (g) Recognize the value of current workers in existing jobs that support the energy infrastructure of Los Angeles County and Southern California (e.g. union and prevailing wage jobs, local workforce development, apprenticeship programs, and local hire). The Authority, as a leader in the shift to clean energy, commits to ensuring it will take steps to minimize any adverse impacts to these workers to ensure a "just transition" to the new clean energy economy;
- (h) Support a stable, skilled workforce through such mechanisms as project labor agreements, collective bargaining agreements, or community benefit agreements, or other workforce programs that are designed to avoid work stoppages, ensure quality, and benefit local residents by delivering cost-effective clean energy programs and projects (e.g. new energy programs and increased local energy investments);
- (i) Promote supplier and workforce diversity, including returning veterans and those from disadvantaged and under-represented communities, to better reflect the diversity of the region;
- (j) Promote personal and community ownership of renewable resources, spurring equitable economic development and increased resilience, especially in low income communities;
- (k) Provide and manage its energy portfolio and products in a manner that provides cost savings to customers and promotes public health in areas impacted by energy production;
- (l) Ensure that low-income households and communities are provided with affordable and flexible energy options, including the provision of energy discounted rates to eligible low-income households;
- (m) Recognize and address the importance of healthy communities, including those disproportionately affected by air pollution and climate change;

LOS ANGELES COMMUNITY CHOICE ENERGY – JOINT POWERS AGREEMENT

- (n) Use program revenues to provide energy-related programs and services; and
- (o) Create an administering Authority that is financially sustainable, responsive to regional priorities, well-managed, and a leader in fair and equitable treatment of employees.

1. DEFINITIONS

- 1.1 "AB 117" means Assembly Bill 117 (Stat. 2002, Ch. 838, codified at Public Utilities Code Section 366.2), which created Community Choice Aggregation.
- 1.2 "Act" means the Joint Exercise of Powers Act of the State of California (Chapter 5, Division 7, Title 1 of the Government Code commencing with Section 6500).
- 1.3 "Agreement" means this Joint Powers Agreement.
- 1.4 "Authority" means Los Angeles Community Choice Energy Authority.
- 1.5 "Authority Document(s)" means document(s) duly adopted by the Board by resolution or motion implementing the powers, functions and activities of the Authority, including but not limited to the Operating Policies and Procedures, the annual budget, and plans and policies.
- 1.6 "Board" means the Board of Directors of the Authority.
- 1.7 "Community Choice Aggregation" or "CCA" means an electric service option available to cities, counties, and other public agencies pursuant to Public Utilities Code Section 366.2.
- 1.8 "CCA Program" means the Authority's program relating to CCA that is principally described in Section 2.4 (Purpose) of this Agreement.
- 1.9 "Days" shall mean calendar days unless otherwise specified by this Agreement.
- 1.10 "Director" means a member of the Board representing a Party, including up to two alternate Directors appointed in accordance with Sections 4.1 (Board of Directors) and 4.2 (Appointment and Removal of Directors) of this Agreement.
- 1.11 "Effective Date" means the date on which the Agreement shall become effective and the Authority shall exist as a separate public agency, as further described in Section 2.1 (Effective Date and Term) of this Agreement.
- 1.12 "Initial Costs" means all costs incurred by the Authority relating to the establishment and initial operation of the Authority, such as the hiring of the executive, technical, and any administrative staff, any required accounting, administrative, technical and legal services in support of the Authority's initial formation activities or in support of the negotiation, preparation and approval of

power purchase agreements. The Board shall determine the termination date for the Initial Costs.

- 1.13 "Initial Participants" means, for purpose of this Agreement, the County of Los Angeles, and the cities of _____, and any other Parties joining in accordance with Section 2.3 (Initial Participants) of this Agreement.
- 1.14 "Operating Policies and Procedures" means the rules, regulations, policies, bylaws and procedures governing the operation of the Authority.
- 1.15 "Parties" means, collectively, the signatories to this Agreement that have satisfied the conditions in Sections 2.3 (Initial Participants) or 2.5 (Addition of Parties) of this Agreement, such that they are considered members of the Authority.
- 1.16 "Party" means, singularly, a signatory to this Agreement that has satisfied the conditions in Sections 2.3 (Initial Participants) or 2.5 (Addition of Parties) of this Agreement, such that it is considered a member of the Authority.
- 1.17 "Public Agency" as defined in the Act includes, but is not limited to, the federal government or any federal department or agency, this state, another state or any state department or agency, a county, a county board of education, county superintendent of schools, city, public corporation, public district, regional transportation commission of this state or another state, a federally recognized Indian tribe, or any joint powers authority formed pursuant to the Act.

2. FORMATION OF LOS ANGELES COMMUNITY CHOICE ENERGY AUTHORITY

- 2.1 **Effective Date and Term.** This Agreement shall become effective and the Authority shall exist as a separate public agency on the date this Agreement is executed by the County of Los Angeles and at least one other public agency after the adoption of the ordinances required by Public Utilities Code Section 366.2(c)(12). The Authority shall provide notice to the Parties of the Effective Date. The Authority shall continue to exist, and this Agreement shall be effective, until the Agreement is terminated in accordance with Section 8.3 (Mutual Termination) of this Agreement, subject to the rights of the Parties to withdraw from the Authority.
- 2.2 **Formation of the Authority.** Under the Act, the Parties hereby create a separate joint exercise of power agency which is named Los Angeles Community Choice Energy Authority. Pursuant to Sections 6506 and 6507 of the Act, the Authority is a public agency separate from the Parties. The debts, liabilities or obligations of the Authority shall not be debts, liabilities or obligations of the individual Parties unless the governing body of a Party agrees in writing to assume any of the debts, liabilities or obligations of the Authority. The jurisdiction of the Authority shall be all territory within the geographic boundaries of the Parties;

LOS ANGELES COMMUNITY CHOICE ENERGY – JOINT POWERS AGREEMENT

however the Authority may, as authorized under applicable law, undertake any action outside such geographic boundaries as is necessary and incidental to the accomplishment of its purpose.

- 2.3 **Initial Participants.** In addition to Parties executing this Agreement on or prior to the Effective Date, any incorporated municipality, county, or other eligible public agency may become a Party and recognized as an Initial Participant provided during the first 180 days after the Effective Date it executes this Agreement and delivers an executed copy of this Agreement and a copy of the adopted ordinance required by Public Utilities Code Section 366.2(c)(12) to the Authority. All Initial Participants to this Agreement shall be required to commence electric service as soon as practicable, as determined by the Board.
- 2.4 **Purpose.** The purpose and objectives of this Agreement are to establish the Authority, to provide for its governance and administration, and to define the rights and obligations of the Parties. This Agreement authorizes the Authority to provide a means by which the Parties can more effectively develop and implement sustainable energy initiatives that reduce energy demand, increase energy efficiency, and advance the use of clean, efficient, and renewable resources in the region for the benefit of the Parties and their constituents, including, but not limited to, establishing and operating a Community Choice Aggregation program.
- 2.5 **Addition of Parties.** After 180 days from the Effective Date any incorporated municipality, county, or other public agency may become a Party to this Agreement if all of the following conditions are met:
- 2.5.1 The adoption of a resolution of the Board admitting the public agency to the Authority;
- 2.5.2 The adoption by an affirmative vote of the Board satisfying the requirements described in Section 4.10 (Board Voting) of this Agreement, of a resolution authorizing membership into the Authority and establishing its pro rata share of organizational, planning and other pre-existing expenditures, and describing additional conditions, if any, associated with membership;
- 2.5.3 The adoption by the public agency of an ordinance required by Public Utilities Code Section 366.2(c)(12) and approval and execution of this Agreement and other necessary program agreements by the public agency;
- 2.5.4 Payment of the membership payment, if any; and
- 2.5.5 Satisfaction of any reasonable conditions established by the Board.

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Pursuant to this Section 2.5 (Addition of Parties), all parties shall be required to commence electric service as soon as is practicable, as determined by the Board, as a condition to becoming a Party to this Agreement.

- 2.6 **Continuing Participation.** The Parties acknowledge that membership in the Authority may change by the addition, withdrawal and/or termination of Parties. The Parties agree to participate with such other Parties as may later be added, as described in Section 2.5 (Addition of Parties) of this Agreement. The Parties also agree that the withdrawal or termination of a Party shall not affect this Agreement or the remaining Parties' continuing obligations under this Agreement.

3. POWERS

- 3.1 **General Powers.** The Authority shall have the powers common to the Parties and which are necessary or convenient to the accomplishment of the purposes of this Agreement, subject to the restrictions set forth in Section 3.4 (Limitation on Powers) of this Agreement. As provided in the Act, the Authority shall be a public agency separate and apart from the Parties.
- 3.2 **Specific Powers.** The Authority shall have all powers common to the Parties and such additional powers accorded to it by law. The Authority is authorized, in its own name, to exercise all powers and do all acts necessary and proper to carry out the provisions of this Agreement and fulfill its purposes, including, but not limited to, each of the following:
- 3.2.1 make and enter into contracts;
 - 3.2.2 employ agents and employees, including but not limited to an Executive Director;
 - 3.2.3 acquire, contract, manage, maintain, and operate any buildings, works or improvements;
 - 3.2.4 acquire property by eminent domain, or otherwise, except as limited under Section 6508 of the Act, and to hold or dispose of any property;
 - 3.2.5 lease any property;
 - 3.2.6 sue and be sued in its own name;
 - 3.2.7 incur debts, liabilities, and obligations, including but not limited to loans from private lending sources pursuant to its temporary borrowing powers authorized by law pursuant to Government Code Section 53850 et seq. and authority under the Act;
 - 3.2.8 issue revenue bonds and other forms of indebtedness;

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- 3.2.9 apply for, accept, and receive all licenses, permits, grants, loans or other aids from any federal, state or local public agency;
 - 3.2.10 form independent corporations or entities, if necessary to carry out energy supply and energy conservation programs at the lowest possible cost or to take advantage of legislative or regulatory changes;
 - 3.2.11 submit documentation and notices, register, and comply with orders, tariffs and agreements for the establishment and implementation of the CCA Program and other energy programs;
 - 3.2.12 adopt rules, regulations, policies, bylaws and procedures governing the operation of the Authority ("Operating Policies and Procedures"); and
 - 3.2.13 make and enter into service agreements relating to the provision of services necessary to plan, implement, operate and administer the CCA Program and other energy programs, including the acquisition of electric power supply and the provision of retail and regulatory support services.
- 3.3 **Additional Powers to be Exercised.** In addition to those powers common to each of the Parties, the Authority shall have those powers that may be conferred upon it as a matter of law and by subsequently enacted legislation.
- 3.4 **Limitation on Powers.** As required by Section 6509 of the Act, the powers of the Authority are subject to the restrictions upon the manner of exercising power possessed by the County of Los Angeles.
- 3.5 **Obligations of the Authority.** The debts, liabilities, and obligations of the Authority shall not be the debts, liabilities, and obligations of the Parties unless the governing body of a Party agrees in writing to assume any of the debts, liabilities, and obligations of the Authority. In addition, pursuant to the Act, no Director shall be personally liable on the bonds or subject to any personal liability or accountability by reason of the issuance of bonds.
- 3.6 **Compliance with the Political Reform Act and Government Code Section 1090.** The Authority and its officers and employees shall comply with the Political Reform Act (Government Code Section 81000 et seq.) and Government Code Section 1090 et seq. The Board shall adopt a Conflict of Interest Code pursuant to Government Code Section 87300. The Board may adopt additional conflict of interest regulations in the Operating Policies and Procedures.

4. GOVERNANCE

- 4.1 **Board of Directors.** The governing body of the Authority shall be a Board of Directors ("Board") consisting of one director for each Party appointed in accordance with Section 4.2 (Appointment and Removal of Directors) of this

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Agreement. The Board, in consultation with the Executive Director, may determine at any time to consider options to reduce the size of the Board if it determines that the efficient functioning and operation of the Board would be improved by having a smaller number of Directors. Any such change to the size of the Board would require amendment of this Joint Powers Agreement in accordance with Section 4.11 (Special Voting).

- 4.2 **Appointment and Removal of Directors.** The Directors shall be appointed and may be removed as follows:
- 4.2.1 The governing body of each Party shall appoint and designate in writing one regular Director who shall be authorized to act for and on behalf of the Party on matters within the powers of the Authority. The governing body of each Party shall appoint and designate in writing up to two alternate Directors who may vote on matters when the regular Director is absent from a Board meeting. The person appointed and designated as the regular Director shall be an elected or appointed member of the governing body of the Party. The persons appointed and designated as the alternate Directors may be an elected or appointed member of the governing body of the Party, an appointed member of an advisory body of the Party, a staff member of the Party or a member of the public who meets the criteria below. All Directors and alternates shall be subject to the Board's adopted Conflict of Interest Code.
- (a) Any alternate Director that is a member of the public must have demonstrated knowledge in energy-related matters through significant experience in either: 1) an electric utility or company, agency, or nonprofit providing services to a utility, 2) a regulatory agency or local government body overseeing an electric utility or a company, agency, or nonprofit providing services to such an agency, 3) an academic or nonprofit organization engaged in research and/or advocacy related to the electric sector.
- 4.2.2 The Operating Policies and Procedures, to be developed and approved by the Board in accordance with Section 3.2.12 (Specific Powers), shall specify the reasons for and process associated with the removal of an individual Director for cause. Notwithstanding the foregoing, no Party shall be deprived of its right to seat a Director on the Board and any such Party for which its Director and/or alternate Directors have been removed may appoint a replacement.
- 4.3 **Terms of Office.** Each regular and alternate Director shall serve at the pleasure of the governing body of the Party that the Director represents, and may be removed as Director by such governing body at any time. If at any time a vacancy occurs on the Board, the affected Party shall appoint to fill the position of

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the previous Director within 90 days of the date that such position becomes vacant.

- 4.4 **Purpose of Board.** The general purpose of the Board is to:
- 4.4.1 Provide structure for administrative and fiscal oversight;
 - 4.4.2 Retain an Executive Director to oversee day-to-day operations;
 - 4.4.3 Retain legal counsel;
 - 4.4.4 Identify and pursue funding sources;
 - 4.4.5 Set policy;
 - 4.4.6 Maximize the utilization of available resources; and
 - 4.4.7 Oversee all Committee activities.
- 4.5 **Specific Responsibilities of the Board.** The specific responsibilities of the Board shall be as follows:
- 4.5.1 Identify Party needs and requirements;
 - 4.5.2 Formulate and adopt the budget prior to the commencement of the fiscal year;
 - 4.5.3 Develop and implement a financing and/or funding plan for ongoing Authority operations;
 - 4.5.4 Retain necessary and sufficient staff and adopt personnel and compensation policies, rules and regulations;
 - 4.5.5 Adopt rules for procuring supplies, equipment, and services;
 - 4.5.6 Adopt rules for the disposal of surplus property;
 - 4.5.7 Establish standing and ad hoc committees as necessary to ensure that the interests and concerns of each Party are represented and to ensure operational, technical, and financial issues are thoroughly researched and analyzed;
 - 4.5.8 The setting of retail rates for power sold by the Authority and the setting of charges for any other category of retail service provided by the Authority;
 - 4.5.9 Termination of the CCA Program;

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- 4.5.10 Address any concerns of consumers and customers;
 - 4.5.11 Conduct and oversee Authority audits at intervals not to exceed three years;
 - 4.5.12 Arrange for an annual independent fiscal audit;
 - 4.5.13 Adopt such bylaws, rules and regulations as are necessary or desirable for the purposes hereof; provided that nothing in the bylaws, rules and regulations shall be inconsistent with this Agreement;
 - 4.5.14 Exercise the Specific Powers identified in Sections 3.2 and 4.6 except as the Board may elect to delegate to the Executive Director; and
 - 4.5.15 Discharge other duties as appropriate or required by statute.
- 4.6 **Startup Responsibilities.** The Authority shall have the duty to do the following within one year of the Effective Date of the Agreement:
- 4.6.1 To adopt an implementation plan prepared by the County of Los Angeles, pursuant to Public Utilities Code Section 366.2(c)(3), for electrical load aggregation;
 - 4.6.2 To prepare a statement of intent, pursuant to Public Utilities Code Section 366.2(c)(4), for electrical load aggregation;
 - 4.6.3 To encourage other qualified public agencies to participate in the Authority;
 - 4.6.4 To obtain financing and/or funding as is necessary or desirable;
 - 4.6.5 To evaluate the need for, acquire, and maintain insurance.
- 4.7 **Meetings and Special Meetings of the Board.** The Board shall hold at least one regular meetings per year but the Board may provide for the holding of regular meetings at more frequent intervals. The date, hour and place of each regular meeting shall be fixed by resolution or ordinance of the Board. Regular meetings may be adjourned to another meeting time. Special meetings of the Board may be called in accordance with the provisions of Government Code Section 54956. Directors may participate in meetings telephonically, with full voting rights, only to the extent permitted by law.
- 4.8 **Brown Act Applicable.** All meetings of the Board shall be conducted in accordance with the provisions of the Ralph M. Brown Act (Government Code Section 54950, et seq.).
- 4.9 **Quorum; Approvals.** A majority of the Directors shall constitute a quorum, except that less than a quorum may adjourn from time to time in accordance with

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law. The affirmative votes of a majority of the Directors who are present at the subject meeting shall be required to take any action by the Board.

4.10 **Board Voting.**

4.10.1 **Percentage Vote.** Each Director shall have one vote. Action of the Board on all matters shall require an affirmative vote of a majority of all Directors who are present at the subject meeting, except when a supermajority vote is expressly required by this Agreement. When a supermajority vote is required under Section 4.11 (Special Voting), action of the Board shall require an affirmative vote of the specified supermajority of all Directors who are present at the subject meeting. All votes taken pursuant to this Section 4.10.1 shall be referred to as a percentage vote. Notwithstanding the foregoing, in the event of a tie in a percentage vote, the Board can break the tie and act upon an affirmative voting shares vote as described in section 4.10.2 (Voting Shares Vote).

4.10.2 **Voting Shares Vote.** In addition to and immediately after an affirmative percentage vote three or more Directors may request that a vote of the voting shares shall be held. In such event, the corresponding voting shares, as described in section 4.10.3, of all Directors voting in order to take an action shall exceed 50%, or such other higher voting shares percentage expressly required by this Agreement or the Operating Policies and Procedures of all Directors who are present at the subject meeting. All votes taken pursuant to this Section 4.10.2 shall be referred to as a voting shares vote. In the event that any one Director has a voting share that equals or exceeds that which is necessary to disapprove the matter being voted on by the Board, at least one other Director shall be required to vote in the negative in order to disapprove such matter. When a voting shares vote is held, action by the Board requires both an affirmative percentage vote and an affirmative voting shares vote.

4.10.3 **Voting Shares Formula.** When a voting shares vote is requested by three or more Directors, voting shares of the Directors shall be determined by the following formula:

(Annual Energy Use/Total Annual Energy) multiplied by 100, where (a) "Annual Energy Use" means (i) with respect to the first two years following the Effective Date, the annual electricity usage, expressed in kilowatt hours ("kWh"), within the Party's respective jurisdiction and (ii) with respect to the period after the second anniversary of the Effective Date, the annual electricity usage, expressed in kWh, of accounts within a Party's respective jurisdiction that are served by the Authority and (b) "Total Annual Energy" means the sum of all Parties' Annual Energy Use.

LOS ANGELES COMMUNITY CHOICE ENERGY – JOINT POWERS AGREEMENT**4.11 Special Voting.**

4.11.1 Except as provided below, matters that require Special Voting as described in this Section shall require 72 hours prior notice to any Brown Act meeting or special meeting. Two-thirds vote (or such greater vote as required by state law) of the appointed Directors shall be required to take any action on the following:

- (a) Change the designation of Treasurer or Auditor of the Authority;
- (b) Issue bonds or other forms of debt;
- (c) Exercise the power of eminent domain, subject to prior approval by the passage of an authorizing ordinance or other legally sufficient action by the affected Party; and
- (d) Amend this Agreement or adopt or amend the bylaws of the Authority. At least 30 days advance notice shall be provided for such actions. The Authority shall also provide prompt written notice to all Parties of the action taken and enclose the adopted or modified documents.

5. INTERNAL ORGANIZATION

5.1 **Chair and Vice Chair.** For each fiscal year, the Board shall elect a Chair and Vice Chair from among the Directors. The term of office of the Chair and Vice Chair shall continue for one year, but there shall be no limit on the number of terms held by either the Chair or Vice Chair. The Chair shall be the presiding officer of all Board meetings, and the Vice Chair shall serve in the absence of the Chair. The Chair shall sign all contracts on behalf of the Authority, and shall perform such other duties as may be imposed by the Board. In the absence of the Chair, the Vice-Chair shall sign contracts and perform all of the Chair's duties. The office of the Chair or Vice Chair shall be declared vacant and a new selection shall be made if: (a) the person serving dies, resigns, or the Party that the person represents removes the person as its representative on the Board, or (b) the Party that he or she represents withdraws from the Authority pursuant to the provisions of this Agreement. Upon a vacancy, the position shall be filled at the next regular meeting of the Board held after such vacancy occurs or as soon as practicable thereafter. Succeeding officers shall perform the duties normal to said offices.

5.2 **Secretary.** The Board shall appoint a Secretary, who need not be a member of the Board, who shall be responsible for keeping the minutes of all meetings of the Board and all other office records of the Authority.

5.3 **Treasurer.** The Board shall appoint a qualified person to act as the Treasurer, who need not be a member of the Board. Unless otherwise exempted from such

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requirement, the Authority shall cause an independent audit to be made by a certified public accountant, or public accountant, in compliance with Section 6506 of the Act. The Treasurer shall act as the depository of the Authority and have custody of all the money of the Authority, from whatever source, and as such, shall have all of the duties and responsibilities specified in Section 6505.5 of the Act. The Board may require the Treasurer to file with the Authority an official bond in an amount to be fixed by the Board, and if so requested the Authority shall pay the cost of premiums associated with the bond. The Treasurer shall report directly to the Board and shall comply with the requirements of treasurers of incorporated municipalities. The Board may transfer the responsibilities of Treasurer to any person or entity as the law may provide at the time.

- 5.4 **Auditor.** The Board shall appoint a qualified person to act as the Auditor, who shall not be a member of the Board. The Board may require the Auditor to file with the Authority an official bond in an amount to be fixed by the Board, and if so requested the Authority shall pay the cost of premiums associated with the bond.
- 5.5 **Executive Director.** The Board shall appoint an Executive Director for the Authority, who shall be responsible for the day-to-day operation and management of the Authority and the CCA Program. The Executive Director may exercise all powers of the Authority, except those powers specifically reserved to the Board including but not limited to those set forth in Section 4.5 (Specific Responsibilities of the Board) of this Agreement or the Operating Policies and Procedures, or those powers which by law must be exercised by the Board. The Executive Director may enter into and execute any Energy Contract, in accordance with criteria and policies established by the Board.
- 5.6 **Bonding of Persons Having Access to Property.** Pursuant to the Act, the Board shall designate the public officer or officers or person or persons who have charge of, handle, or have access to any property of the Authority exceeding a value as established by the Board, and shall require such public officer or officers or person or persons to file an official bond in an amount to be fixed by the Board.
- 5.7 **Other Employees/Agents.** The Board shall have the power by resolution to hire employees or appoint or retain such other agents, including officers, loan-out employees, or independent contractors, as may be necessary or desirable to carry-out the purpose of this Agreement.
- 5.8 **Privileges and Immunities from Liability.** All of the privileges and immunities from liability, exemption from laws, ordinances and rules, all pension, relief, disability, workers' compensation and other benefits which apply to the activities of officers, agents or employees of a public agency when performing their respective functions shall apply to the officers, agents or employees of the Authority to the same degree and extent while engaged in the performance of any of the functions and other duties of such officers, agents or employees under this

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Agreement. None of the officers, agents or employees directly employed by the Board shall be deemed, by reason of their employment by the Authority to be employed by the Parties or by reason of their employment by the Authority, to be subject to any of the requirements of the Parties.

- 5.9 **Commissions, Boards and Committees.** The Board may establish any advisory commissions, boards and committees as the Board deems appropriate to assist the Board in carrying out its functions and implementing the CCA Program, other energy programs and the provisions of this Agreement. The Board may establish rules, regulations, policies, bylaws or procedures to govern any such commissions, boards, or committees and shall determine whether members shall be compensated or entitled to reimbursement for expenses.

5.9.1 The Board shall establish the following Advisory Committees:

- (a) **Executive Committee.** The Board shall establish an executive committee consisting of a smaller number of Directors. The Board may delegate to the Executive Committee's such authority as the Board might otherwise exercise, except that the Board may not delegate authority regarding certain essential functions, including but not limited to, approving the fiscal year budget or hiring or firing the Executive Director, and other functions as provided in the Operating Policies and Procedures. The Board may not delegate to the Executive Committee or any other committee its authority under Section 3.2.12 to adopt and amend the Operating Policies and Procedures.
- (b) **Finance Committee.** The Board shall establish a finance committee consisting of a smaller number of Directors. The primary purpose of the Finance Committee is to review and recommend to the Board:
 - (1) A funding plan;
 - (2) A fiscal year budget;
 - (3) Financial policies and procedures to ensure equitable contributions by Parties;
 - (4) Such other responsibilities as provided in the Operating Policies and Procedures, including but not limited to policies, rules and regulations governing investment of surplus funds, and selection and designation of financial institutions for deposit of Authority funds.
- (c) **Community Advisory Committee.** The Board shall establish a community advisory committee comprised of members of the

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public representing key stakeholder communities. The primary purpose of the Community Advisory Committee shall be to provide a venue for ongoing citizen support and engagement in the operations of the Authority.

- (d) **Meetings of the Advisory Committees.** All meetings of the Advisory Committees shall be held in accordance with the Ralph M. Brown Act. For the purposes of convening meetings and conducting business, unless otherwise provided in the bylaws, a majority of the members of the Advisory Committee shall constitute a quorum for the transaction of business, except that less than a quorum or the secretary of each Advisory Committee may adjourn meetings from time-to-time. As soon as practicable, but no later than the time of posting, the Secretary of the Advisory Committee shall provide notice and the agenda to each Party, Director and Alternate Directors.
- (e) **Officers of Advisory Committees.** Unless otherwise determined by the Board, each Advisory Committee shall choose its officers, comprised of a Chairperson, a Vice-Chairperson and a Secretary.

6. IMPLEMENTATION ACTION AND AUTHORITY DOCUMENTS

6.1 Preliminary Implementation of the CCA Program.

- 6.1.1 **Enabling Ordinance.** In addition to the execution of this Agreement, each Party shall adopt an ordinance in accordance with Public Utilities Code Section 366.2(c)(12) for the purpose of specifying that the Party intends to implement a CCA Program by and through its participation in the Authority.
- 6.1.2 **Implementation Plan.** The Authority shall cause to be prepared and secure Board approval of an Implementation Plan meeting the requirements of Public Utilities Code Section 366.2 and any applicable Public Utilities Commission regulations as soon after the Effective Date as reasonably practicable. .
- 6.1.3 **Termination of CCA Program.** Nothing contained in this Section 6 or this Agreement shall be construed to limit the discretion of the Authority to terminate the implementation or operation of the CCA Program at any time in accordance with any applicable requirements of state law.

- 6.2 **Authority Documents.** The Parties acknowledge and agree that the affairs of the Authority will be implemented through various documents duly adopted by the Board through Board resolution or minute action, including but not necessarily limited to the Operating Policies and Procedures, the annual budget, and specified plans and policies defined as the Authority Documents by this Agreement. The

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Parties agree to abide by and comply with the terms and conditions of all such Authority Documents that may be adopted by the Board, subject to the Parties' right to withdraw from the Authority as described in Section 8 (Withdrawal and Termination) of this Agreement.

7. FINANCIAL PROVISIONS

7.1 **Fiscal Year.** The Authority's fiscal year shall be 12 months commencing July 1 and ending June 30. The fiscal year may be changed by Board resolution.

7.2 **Depository.**

7.2.1 All funds of the Authority shall be held in separate accounts in the name of the Authority and not commingled with funds of any Party or any other person or entity.

7.2.2 All funds of the Authority shall be strictly and separately accounted for, and regular reports shall be rendered of all receipts and disbursements, at least quarterly during the fiscal year. The books and records of the Authority shall be open to inspection and duplication by the Parties at all reasonable times. The Board shall contract with a certified public accountant or public accountant to make an annual audit of the accounts and records of the Authority, which shall be conducted in accordance with the requirements of Section 6506 of the Act.

7.2.3 All expenditures shall be made in accordance with the approved budget and upon the approval of any officer so authorized by the Board in accordance with its Operating Policies and Procedures. The Treasurer shall draw checks or warrants or make payments by other means for claims or disbursements not within an applicable budget only upon the prior approval of the Board.

7.3 **Budget and Recovery Costs.**

7.3.1 **Budget.** The initial budget shall be approved by the Board. The Board may revise the budget from time to time as may be reasonably necessary to address contingencies and unexpected expenses. All subsequent budgets of the Authority shall be prepared and approved by the Board in accordance with the Operating Policies and Procedures.

7.3.2 **Funding of Initial Costs.** Subject to the approval of the Board of Supervisors, the County of Los Angeles has agreed to provide up to \$10 million for funding Initial Costs in establishing the Authority and implementing the CCA Program. In the event that the CCA Program becomes operational, the County of Los Angeles shall be reimbursed for the Initial Costs. The County and the Authority will execute an agreement specifying the terms and conditions of the Initial Costs provided by the

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County, including but not limited to: (a) Repayment of this amount, which shall be first priority in relation to all other indebtedness of the Authority; and (b) authorization for the County Auditor-Controller to conduct an audit of the Authority's books and records (including personnel records, as necessary) and/or investigation, following reasonable advance notice from the County, to ensure compliance with the terms and conditions of the agreement. The Authority may establish a reasonable time period over which such costs are recovered. In the event that the CCA Program does not become operational, the County shall not be entitled to any reimbursement of the Initial Costs they have paid from the Authority or any other Party.

7.3.3 **Program Costs.** The Parties desire that, to the extent reasonably practicable, all costs incurred by the Authority that are directly or indirectly attributable to the provision of electric services under the CCA Program, including the establishment and maintenance of various reserve and performance funds, shall be recovered through charges to CCA customers receiving such electric services.

7.3.4 **General Costs.** Costs that are not directly or indirectly attributable to the provision of electric services under the CCA Program, as determined by the Board, shall be defined as general costs. General costs shall be shared among the Parties on such bases as the Board shall determine pursuant to the Authority documents.

7.4 **Contributions.** Parties are not required under this Agreement to make any financial contributions. Consumers may subscribe as customers of the Authority pursuant to the Act and outside of this Agreement and through their on-bill selections.

7.4.1 A Party may, in the appropriate circumstance, and when agreed-to:

- (a) Make contributions from its treasury for the purposes set forth in this Agreement;
- (b) Make payments of public funds to defray the cost of the purposes of the Agreement and Authority;
- (c) Make advances of public funds for such purposes, such advances to be repaid as provided by written agreement; or
- (d) Use its personnel, equipment or property in lieu of other contributions or advances.
- (e) No Party shall be required to adopt any tax, assessment, fee or charge under any circumstances.

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- 7.5 **Accounts and Reports.** The Treasurer shall establish and maintain such funds and accounts as may be required by good accounting practice or by any provision of any trust agreement entered into with respect to the proceeds of any bonds issued by the Authority. The books and records of the Authority in the hands of the Treasurer shall be open to inspection and duplication at all reasonable times by duly appointed representatives of the Parties. The Treasurer, within 180 days after the close of each fiscal year, shall give a complete written report of all financial activities for such fiscal year to the Parties.
- 7.6 **Funds.** The Treasurer shall receive, have custody of and/or disburse Authority funds in accordance with the laws applicable to public agencies and generally accepted accounting practices, and shall make the disbursements required by this Agreement in order to carry out any of the purposes of this Agreement.

8. WITHDRAWAL AND TERMINATION**8.1 Withdrawal**

- 8.1.1 **Withdrawal by Parties.** Any Party may withdraw its membership in the Authority, effective as of the beginning of the Authority's fiscal year, by giving no less than 180 days advance written notice of its election to do so, which notice shall be given to the Authority and each Party. Withdrawal of a Party shall require an affirmative vote of the Party's governing board.
- 8.1.2 **Amendment.** Notwithstanding Section 8.1.1 (Withdrawal by Parties) of this Agreement, a Party may withdraw its membership in the Authority upon approval and execution of an amendment to this Agreement provided that the requirements of this Section 8.1.2 are strictly followed. A Party shall be deemed to have withdrawn its membership in the Authority effective 180 days after the Board approves an amendment to this Agreement if the Director representing such Party has provided notice to the other Directors immediately preceding the Board's vote of the Party's intention to withdraw its membership in the Authority should the amendment be approved by the Board.
- 8.1.3 **Continuing Liability; Further Assurances.** A Party that withdraws its membership in the Authority may be subject to certain continuing liabilities, as described in Section 8.4 (Continuing Liability; Refund) of this Agreement, including, but not limited to, Power Purchase Agreements. The withdrawing Party and the Authority shall execute and deliver all further instruments and documents, and take any further action that may be reasonably necessary, as determined by the Board, to effectuate the orderly withdrawal of such Party from membership in the Authority. The Operating Policies and Procedures shall prescribe the rights if any of a withdrawn Party to continue to participate in those Board

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discussions and decisions affecting customers of the CCA Program that reside or do business within the jurisdiction of the Party.

- 8.2 **Involuntary Termination.** This Agreement may be terminated with respect to a Party for material non-compliance with provisions of this Agreement or the Authority Documents upon an affirmative vote of the Board in which the minimum percentage vote and percentage voting shares, as described in Section 4.10 (Board Voting) of this Agreement, shall be no less than 67% excluding the vote and voting shares of the Party subject to possible termination. Prior to any vote to terminate this Agreement with respect to a Party, written notice of the proposed termination and the reason(s) for such termination shall be delivered to the Party whose termination is proposed at least 30 days prior to the regular Board meeting at which such matter shall first be discussed as an agenda item. The written notice of proposed termination shall specify the particular provisions of this Agreement or the Authority Documents that the Party has allegedly violated. The Party subject to possible termination shall have the opportunity at the next regular Board meeting to respond to any reasons and allegations that may be cited as a basis for termination prior to a vote regarding termination. A Party that has had its membership in the Authority terminated may be subject to certain continuing liabilities, as described in Section 8.4 (Continuing Liability; Refund) of this Agreement. In the event that the Authority decides to not implement the CCA Program, the minimum percentage vote of 67% shall be conducted in accordance with Section 4.10 (Board Voting) of this Agreement.
- 8.3 **Mutual Termination.** This Agreement may be terminated by mutual agreement of all the Parties; provided, however, the foregoing shall not be construed as limiting the rights of a Party to withdraw its membership in the Authority, and thus terminate this Agreement with respect to such withdrawing Party, as described in Section 8.1 (Withdrawal) of this Agreement.
- 8.4 **Continuing Liability; Refund.** Upon a withdrawal or involuntary termination of a Party, the Party shall remain responsible for any claims, demands, damages, or liabilities arising from the Party's membership in the Authority through the date of its withdrawal or involuntary termination, it being agreed that the Party shall not be responsible for any claims, demands, damages, or liabilities arising after the date of the Party's withdrawal or involuntary termination. In addition, such Party also shall be responsible for any costs or obligations associated with the Party's participation in any program in accordance with the provisions of any agreements relating to such program provided such costs or obligations were incurred prior to the withdrawal of the Party. The Authority may withhold funds otherwise owing to the Party or may require the Party to deposit sufficient funds with the Authority, as reasonably determined by the Authority, to cover the Party's liability for the costs described above. Any amount of the Party's funds held on deposit with the Authority above that which is required to pay any liabilities or obligations shall be returned to the Party.

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8.5 **Disposition of Authority Assets.** Upon termination of this Agreement and dissolution of the Authority by all Parties, and after payment of all obligations of the Authority, the Board:

8.5.1 May sell or liquidate Authority property; and

8.5.2 Shall distribute assets to Parties in proportion to the contributions made by the existing Parties.

Any assets provided by a Party to the Authority shall remain the asset of that Party and shall not be subject to distribution under this section.

9. **MISCELLANEOUS PROVISIONS**

9.1 **Dispute Resolution.** The Parties and the Authority shall make reasonable efforts to settle all disputes arising out of or in connection with this Agreement. Before exercising any remedy provided by law, a Party or the Parties and the Authority shall engage in nonbinding mediation or arbitration in the manner agreed upon by the Party or Parties and the Authority. The Parties agree that each Party may specifically enforce this section 9.1 (Dispute Resolution). In the event that nonbinding mediation or arbitration is not initiated or does not result in the settlement of a dispute within 60 days after the demand for mediation or arbitration is made, any Party and the Authority may pursue any remedies provided by law.

9.2 **Liability of Directors, Officers, and Employees.** The Directors, officers, and employees of the Authority shall use ordinary care and reasonable diligence in the exercise of their powers and in the performance of their duties pursuant to this Agreement. No current or former Director, officer, or employee will be responsible for any act or omission by another Director, officer, or employee. The Authority shall defend, indemnify and hold harmless the individual current and former Directors, officers, and employees for any acts or omissions in the scope of their employment or duties in the manner provided by Government Code Section 995 et seq. Nothing in this section shall be construed to limit the defenses available under the law, to the Parties, the Authority, or its Directors, officers, or employees.

9.3 **Indemnification of Parties.** The Authority shall acquire such insurance coverage as is necessary to protect the interests of the Authority, the Parties and the public. The Authority shall defend, indemnify and hold harmless the Parties and each of their respective governing board members, officers, agents and employees, from any and all claims, losses, damages, costs, injuries and liabilities of every kind arising directly or indirectly from the conduct, activities, operations, acts and omissions of the Authority under this Agreement.

9.4 **Notices.** Any notice required or permitted to be made hereunder shall be in writing and shall be delivered in the manner prescribed herein at the principal

LOS ANGELES COMMUNITY CHOICE ENERGY – JOINT POWERS AGREEMENT

place of business of each Party. The Parties may give notice by (1) personal delivery; (2) e-mail; (3) U.S. Mail, first class postage prepaid, or a faster delivery method; or (3) by any other method deemed appropriate by the Board.

Upon providing written notice to all Parties, any Party may change the designated address or e-mail for receiving notice.

All written notices or correspondence sent in the described manner will be deemed given to a party on whichever date occurs earliest: (1) the date of personal delivery; (2) the third business day following deposit in the U.S. mail, when sent by “first class” mail; or (3) the date of transmission, when sent by e-mail or facsimile.

- 9.5 **Successors.** This Agreement shall be binding upon and shall inure to the benefit of the successors of each Party.
- 9.6 **Assignment.** Except as otherwise expressly provided in this Agreement, the rights and duties of the Parties may not be assigned or delegated without the advance written consent of all of the other Parties, and any attempt to assign or delegate such rights or duties in contravention of this Section 9.6 shall be null and void. This Agreement shall inure to the benefit of, and be binding upon, the successors and assigns of the Parties. This Section 9.6 does not prohibit a Party from entering into an independent agreement with another agency, person, or entity regarding the financing of that Party's contributions to the Authority, or the disposition of the proceeds which that Party receives under this Agreement, so long as such independent agreement does not affect, or purport to affect, the rights and duties of the Authority or the Parties under this Agreement.
- 9.7 **Severability.** If any one or more of the terms, provisions, promises, covenants, or conditions of this Agreement were adjudged invalid or void by a court of competent jurisdiction, each and all of the remaining terms, provisions, promises, covenants, and conditions of this Agreement shall not be affected thereby and shall remain in full force and effect to the maximum extent permitted by law.
- 9.8 **Governing Law.** This Agreement is made and to be performed in the State of California, and as such California substantive and procedural law shall apply.
- 9.9 **Headings.** The section headings herein are for convenience only and are not to be construed as modifying or governing the language of this Agreement.
- 9.10 **Counterparts.** This Agreement may be executed in any number of counterparts, and upon execution by all Parties, each executed counterpart shall have the same force and effect as an original instrument and as if all Parties had signed the same instrument. Any signature page of this Agreement may be detached from any counterpart of this Agreement without impairing the legal effect of any signatures thereon, and may be attached to another counterpart of this Agreement identical in form hereto but having attached to it one or more signature pages.

LOS ANGELES COMMUNITY CHOICE ENERGY – JOINT POWERS AGREEMENT

- 9.11 **No Third Party Beneficiaries.** This Agreement and the obligations hereunder are not intended to benefit any party other than the Authority and its Parties, except as expressly provided otherwise herein. No entity that is not a signatory to this Agreement shall have any rights or causes of action against any party to this Agreement as a result of that party's performance or non-performance under this Agreement, except as expressly provided otherwise herein.
- 9.12 **Filing of Notice of Agreement.** Within 30 days after the Effective Date, or amendment thereto, the Secretary shall cause to be filed with the Secretary of State the notice of Agreement required by the Act.

IN WITNESS WHEREOF, each Party has caused this Agreement to be executed and attested by its proper officers thereunto duly authorized, its official seals to be hereto affixed, as follows:



LOS ANGELES COUNTY COMMUNITY CHOICE ENERGY

Background

How Local Energy Aggregation Works



In the News

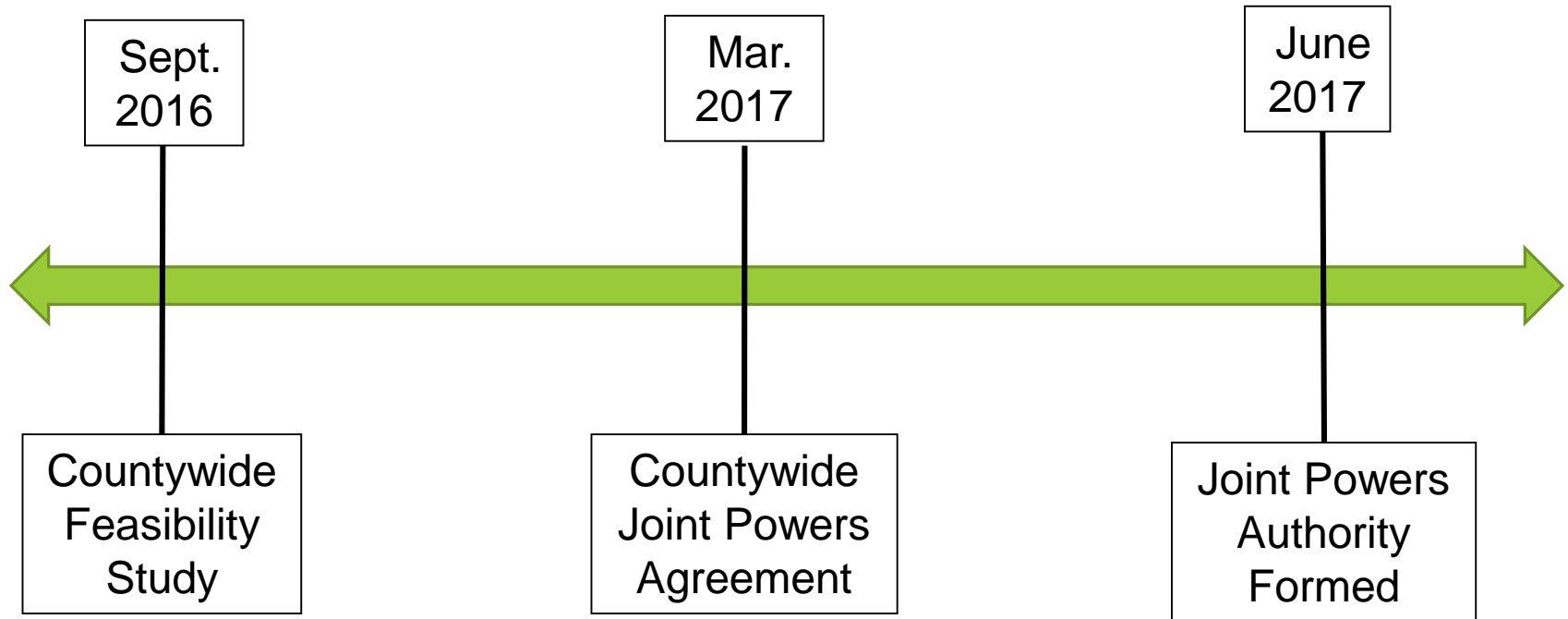
Sunday LA Times – June 25, 2017

**Energy goes to waste as
state power glut grows**

Sunday LA Times – April 30, 2017

**Public energy programs save customers money
— at least in the beginning**

Timeline



Los Angeles Community Choice Energy (LACCE)

Benefits	Risks
<ul style="list-style-type: none"> Expected lower customer rates (for similar energy mixes) 	<ul style="list-style-type: none"> Ensuring sufficient local control for City
<ul style="list-style-type: none"> More renewable energy 	<ul style="list-style-type: none"> Success of LACCE roll-out
<ul style="list-style-type: none"> More local control 	<ul style="list-style-type: none"> Uncertainty in program roll-out
<ul style="list-style-type: none"> Choice for residents 	
<ul style="list-style-type: none"> Ability to influence LACCE formation 	
<ul style="list-style-type: none"> Minimal additional staff support/resources required 	
<ul style="list-style-type: none"> Maximized economies of scale 	

Los Angeles Community Choice Energy (LACCE)

Rate Class	Renewable Portfolio Standard ("RPS")		50% Renewable		100% Renewable	
	SCE	CCA	SCE	CCA	SCE	CCA
Residential	\$0.172	\$0.163 (-5%)	\$0.189	\$0.165 (-13%)	\$0.207	\$0.183 (-12%)
Commercial (GS-1)	\$0.166	\$0.157 (-5%)	\$0.182	\$0.159 (-13%)	\$0.198	\$0.177 (-11%)
Commercial (GS-2)	\$0.157	\$0.149 (-5%)	\$0.178	\$0.151 (-15%)	\$0.198	\$0.167 (-16%)
Commercial (GS-3)	\$0.142	\$0.134 (-6%)	\$0.165	\$0.136 (-18%)	\$0.187	\$0.151 (-19%)

Los Angeles County Community Choice Energy (LACCE) Joint Powers Agreement

- One vote per City
 - Majority vote for most items
 - Can call for voting shares vote

- Standing Committees:
 - Executive Committee
 - Finance Committee
 - Community Advisory Committee

- Enrollment
 - Initial participant enrollment period = 6 months (June 27, 2017 – December 27, 2017)
 - No fee for joining
 - Can join after initial 6 month enrollment, but may have to pay fee to cover prior incurred LACCE expenses.
 - Can exit in future, but may be a fee to cover city's share of sunk costs

Recommendation

- Accept EENR Committee's recommendation
 - Adopt Resolution 17-24 in support of LACCE JPA and direct staff to provide support to cities interested in participating in LACCE.

RESOLUTION 17-24

A RESOLUTION OF THE GOVERNING BOARD OF THE SAN GABRIEL VALLEY COUNCIL OF GOVERNMENTS (“SGVCOG”) SUPPORTING THE LOS ANGELES COMMUNITY CHOICE ENERGY (LACCE) JOINT POWERS AUTHORITY (JPA)

WHEREAS, the California legislature adopted Community Choice Energy (CCE) legislation in 2002 setting out the process by which cities and counties in California can form non-profit entities that either purchase electricity from wholesale power generators and/or produce electricity on behalf of their communities,

WHEREAS, CCE programs are a mechanism that increases the amount of control for local governments in electric services for their residents, including deployment renewable energy resources, setting rates, and developing programs,

WHEREAS, the LACCE JPA provides an alternative option to the existing investor-owned utilities in obtaining electricity and designing retail electricity rates for end-use customers,

WHEREAS, LACCE will negotiate contracts for power supply and offer renewable electricity at competitive rates, and

WHEREAS, Los Angeles County supervisors approved the creation of the LACCE JPA giving interested cities a 180-day window to adopt the JPA and pass a local LACCE ordinance.

NOW, THEREFORE BE IT RESOLVED THAT THE GOVERNING BOARD OF THE SGVCOG SUPPORTS THE LOS ANGELES COUNTY COMMUNITY CHOICE ENERGY JPA AND ENCOURAGES INTERESTED MEMBER CITIES TO PARTICIPATE.

PASSED, APPROVED, and ADOPTED this 20th day of July, 2017.

SAN GABRIEL VALLEY COUNCIL OF GOVERNMENTS

By: _____

Cynthia Sternquist, President

Attest:

I, Philip A. Hawkey, Executive Director and Secretary of the Board of Directors of the San Gabriel Valley Council of Governments, do hereby certify that Resolution 17-24 was adopted at a regular meeting of the Governing Board held on the 20th day of July, 2017, by the following roll call vote:

AYES:	
NOES:	
ABSTAIN:	
ABSENT:	

Philip A. Hawkey, Secretary

LOS ANGELES COUNTY
CHIEF SUSTAINABILITY OFFICE
Los Angeles Community Choice Energy FAQ

What is Los Angeles Community Choice Energy (LACCE)?

LACCE is the name for a Community Choice Aggregation (CCA) program in Los Angeles County. California law allows local governments to control the source and the price of the electricity consumed by their residents and businesses using a CCA program.

How does LACCE work?

LACCE will negotiate contracts for power supply and offer renewable electricity at competitive rates. Southern California Edison (SCE) delivers it through its existing utility lines. SCE continues to bill the customer, maintain power lines and handle new service requests and emergencies.

How will LACCE be run?

LACCE will be run by an Executive Director and a small staff. It will be overseen by elected officials from cities and the county who will serve on a Board of Directors of the LACCE Authority, a nonprofit agency established to operate the program. The Board will be advised by a public Community Advisory Committee.

Will LACCE just create another layer of bureaucracy?

No. LACCE will be entirely self-funded by revenues it receives from the sale of electricity to customers. None of its expenses are paid by taxes, and its revenues cannot be diverted to pay for non-LACCE uses.

Have other communities done this before?

Yes, more than 70 cities and counties in California are already doing this. There are currently seven operational CCAs in California: Apple Valley Choice Energy, CleanPowerSF, Lancaster Choice Energy, MCE Clean Energy, Peninsula Clean Energy, Silicon Valley Clean Energy and Sonoma Clean Power. More



and more communities in California continue to investigate Community Choice Aggregation. In addition, Illinois, Ohio, Massachusetts, New Jersey, Rhode Island, and New York also have community power programs. Furthermore, the State of California estimates that by the mid-2020s, more than 80% of Investor Owned Utility (IOU) customers will receive their power from non-IOU providers like CCAs.

Have the 70 cities and counties in California that have already formed CCAs experienced rate increases?

No. Almost every city has reduced its residents' utility bills. Some CCAs in California offer rates approximately equal to those offered by their existing utility. However, in these cases the CCAs power is significantly greener than the power offered by the existing utility.

How can CCAs offer lower rates than the existing utilities?

There are many factors that contribute to CCA's ability to offer cheaper rates than incumbent utilities. CCAs have less overhead and can acquire low-cost government debt financing. Also, because CCAs are nonprofit governmental entities, they do not need to make profits for shareholders

Who can participate?

LACCE is available to all residents and businesses in L.A. County cities serviced by SCE. The only cities that cannot participate are cities with their own municipal utility (like LADWP in Los Angeles or Glendale Water & Power in Glendale)

How does a city join LACCE?

Cities join LACCE by having their city councils approve the LACCE Joint Powers Agreement and the CCA enabling ordinance. Once a city chooses to participate, all its residents and businesses will automatically be enrolled for LACCE service, starting in 2018. Importantly, customers can opt out of LACCE service and return to SCE at any time.



There are many cities in LA County. Won't they have different goals in terms of how much renewable energy to purchase and the importance of maintaining lower rates?

Yes. That is why each city can make its own choice on the level of renewable energy it wants to purchase for its residents (e.g., 33%, 50%, or 100%).

Is there a liability or legal risk to a city or its residents for joining?

No. The city and its residents are protected because LACCE is a separate legal entity as defined in California law. Its liabilities and obligations are its own, not those of the individual cities that are members.

Won't L.A. County just make all the decisions for the cities that join?

No. Decisions will be made by the LACCE Board of Directors. L.A. County will have one seat on the Board, as will any participating city. So L.A. County will not be able to make decisions on behalf of cities.

Does it cost for customers opt out of LACCE?

Customers can opt out of LACCE at no cost during the first 60 days of the program. After that, a small processing fee (around \$1.50) may be charged.

How much does it cost a city to join?

There are no membership fees or other costs for cities to participate. Cities may choose to spend money on public information materials and may dedicate some staff time to supporting their representative on the Board of Directors of the LACCE Authority.

Does LACCE replace SCE?

No. LACCE only replaces SCE's electric procurement services with its LACCE's own electric generation services. LACCE will generate cleaner electricity, and pay SCE to carry and deliver it to your home or business through their wires. SCE is still responsible for electric delivery, billing and powerline maintenance, including handling power outages and other emergencies.



How does SCE feel about LACCE?

SCE is officially neutral on the formation of LACCE and is committed to ensuring a smooth transition for all LACCE customers.

Will I get two electric bills?

Customers will see no change with their billing and will continue to receive one monthly bill from SCE. The only difference will be a few line items that note that the customer's electricity was generated by LACCE. And, their bill may be lower.

Will SCE programs still be available to LACCE customers?

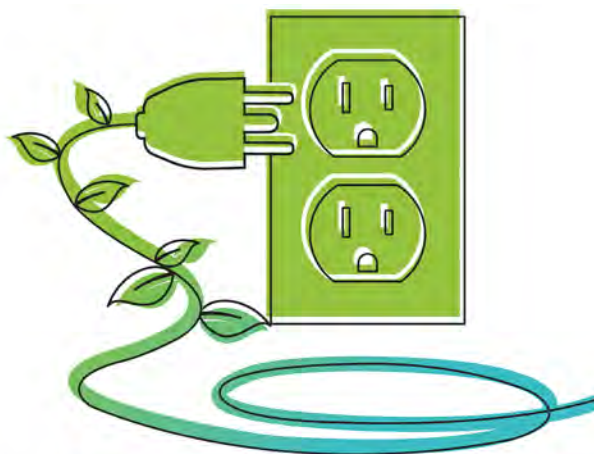
Yes, almost all SCE programs are still available to LACCE customers. Furthermore, LACCE will offer other, separate programs for its customers in addition to the existing programs offered by SCE.

When does LACCE begin serving customers?

LACCE will begin serving customers through a three-phase enrollment period. The initial group of customers begin enrollment in January, 2018. The second and third phases will take place later in 2018



LOS ANGELES COMMUNITY CHOICE ENERGY (LACCE)



LA's got **GREEN POWER**
#GreenLA #EnergyChoice

1. What is LACCE?

Los Angeles Community Choice Energy (LACCE) is the name for a regional Community Choice Aggregation program in Los Angeles County.

Community Choice Aggregation (CCA), authorized in California under AB 117 (2002) and SB 790 (2011), allows local governments, including counties and cities, to purchase electricity in the wholesale power market and sell it to their residents and businesses at competitive rates as an alternative to electricity provided by an investor owned utility (IOU).

2. About the LACCE Feasibility Study

The County of Los Angeles, at the direction of the Board of Supervisors, initiated a technical feasibility study to determine if the County can meet the electricity load requirements for 82 eligible cities and County unincorporated areas with rates that are competitive with the local IOU, Southern California Edison. This feasibility study culminated in a Business Plan. This Business Plan concluded that the formation of a CCA in Los Angeles County is financially feasible and would yield considerable benefits for all participating County residents and businesses.

3. LACCE Benefits

Perhaps the greatest benefit of CCA to local governments is the economic vitality it can bring to the community, and the region as a whole. Benefits to the local community include:

- Local control over energy mix - meet or exceed Renewable Portfolio Standard (RPS)
- Create quality jobs and local, renewable generation assets
- Meet or exceed Climate Action Plan goals
- Invest in local energy programs - integrated demand side management
- Provide rate stability - lower costs for homeowners and businesses
- Consumer choice - competition for lower rates and options for cleaner energy

4. Process of Formation and Funding

From December 2016 - March 2017, the County worked with relevant stakeholders and interested cities to negotiate a Joint Powers Agreement (JPA) to govern the LACCE program.

On Tuesday, April 18, 2017, the Los Angeles County Board of Supervisors unanimously approved a motion to begin the implementation of LACCE, including the JPA and the \$10 Million in funding needed to begin pre-operation and start up activities.

5. Options for Cities

Initial Participants

Cities that execute the LACCE JPA within 180 days of LACCE's formation will become Initial Participants of the program. Initial Participants will benefit from the \$10 Million loan from Los Angeles County and will not have to commit any funds of their own.

Furthermore, Initial Participants will have the opportunity to make important, foundational decisions at the inception of LACCE. These include the establishment of committees to ensure sound governance and the hiring of an Executive Director to oversee LACCE operations.

(Continued on back)

Membership after Formation

If cities do not wish to be Initial Participants, they will have the option to become a member of LACCE after its formation. In this scenario, a city’s membership will be subject to approval of the LACCE Board of Directors, and any conditions that the Board of Directors finds reasonable, potentially including a monetary contribution.



Implementation Schedule

LACCE IMPLEMENTATION SCHEDULE										
2017-2018										
	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec	Jan	
First City adopts JPA		OPEN ENROLLMENT PERIOD								
First LACCE Board Meeting										
Executive Director Search										
Phase 1 begins										

6. Next Steps for Cities

Cities that would like to participate in the LACCE program should reach out to the County of Los Angeles for more information. The County will provide information on upcoming meetings and a more detailed timeline of LACCE formation and launch.

The County can also schedule individual briefings for city councilmembers and/or city staff.

For more information, please contact:

GARY GERO

Chief Sustainability Officer

County of Los Angeles

Phone 213-974-1160

Email ggero@ceo.lacounty.gov

Community Choice Energy in California

Sonoma Clean Power

- Santa Rosa
- Sonoma County
- Mendocino County
- Town of Windsor
- Sebastopol
- Petaluma
- Cloverdale
- Cotati
- Town of Sonoma
- Rohnert Park
- Fort Bragg

Silicon Valley Clean Energy

- Cupertino
- Los Gatos
- Mountain View
- Santa Clara County
- Los Altos Hills
- Los Altos
- Campbell
- Gilroy
- Morgan Hill
- Sunnyvale
- Monte Sereno
- Saratoga

Peninsula Clean Energy

- San Mateo County
- City of San Mateo
- Atherton
- Belmont
- Brisbane
- Burlingame
- Colma
- Daly City
- Foster City
- East Palo Alto
- Hillsborough
- Menlo Park
- Half Moon Bay
- Millbrae
- Pacifica
- Portola Valley
- Redwood City
- San Bruno
- San Carlos
- Woodside
- South San Francisco

Lancaster Choice Energy

- Lancaster
- Pico Rivera
- San Jacinto

Marin Clean Energy

- Mill Valley
- Walnut Creek
- County of Marin
- Richmond
- Benicia
- San Rafael
- El Cerrito
- Town of Ross
- Larkspur
- Sausalito
- Town of San Anselmo
- County of Napa
- San Pablo
- Town of Tiburon
- Novato
- Belvedere
- Town of Corte Madera
- Town of Fairfax

Clean Power San Francisco

- San Francisco

Apple Valley Choice Energy

- Apple Valley

DATE: July 10, 2017

TO: Executive Committee
City Managers' Steering Committee
Transportation Committee
SGVCOG Governing Board Delegates and Alternates

FROM: Phil Hawkey, Executive Director

RE: **METRO OPEN STREETS GRANT PROGRAM**

RECOMMENDED ACTIONS

Recommend that the Governing Board authorize the Executive Director to execute the following agreements:

- 1) Contract with the Los Angeles County Metropolitan Transportation Authority (Metro) for \$596,000 to execute an open streets event on April 22, 2018;
- 2) Contract with Ciclavia in an amount not to exceed \$325,000 for production of the event; and
- 3) Memorandums of Understanding (MOUs) with the cities of San Dimas, La Verne, Pomona and Claremont for event planning, public safety, traffic controls and other support services.

LA METRO OPEN STEETS AGREEMENT

On September 22, 2016, the Metro Board approved the 2016 Open Streets Grant Program, which provides Funds for one-day events that close the streets to automotive traffic and open them to people to walk or bike ("Open Street Event"). The SGVCOG, along with the cities of San Dimas, Claremont, La Verne and Pomona were successfully awarded \$596,000 under the Open Streets Grant Program to host an event on April 22, 2018. The open street route will be approximately 6 miles, connecting Downtown San Dimas, La Verne, Claremont and Palomares Park in Pomona.

The cities have requested that the SGVCOG serve as the lead applicant and contract with Metro. The SGVCOG will be responsible for invoicing, as well as contact management. The estimated allocation of funds is as follows:

- Traffic Plan/Controls: \$100,000
- Marketing and Programming: \$325,000
- Day of Municipal Services (public Safety, sanitation, etc.): \$150,000
- Administration and Grant Management: \$21,000

See Attachment A for a copy of the standardized Metro contract for this grant program.

CICLAVIA CONTRACT

The SGVCOG, as well as the cities of San Dimas, La Verne, Pomona, and Claremont will partner with CicLAvia to produce this event. CicLAvia is a non-profit that encourages the use of public spaces, and active transportation through hosting events that are car-free by temporary closing major city streets. Since 2010, CicLAvia has held multiple open street events across Los Angeles

REPORT

County, traversing 140 miles across the following communities: San Fernando Valley, Culver City, Venice, Mar Vista, Wilshire Blvd., Koreatown, MacArthur Park, South LA, Echo Park, Chinatown, Little Tokyo, Boyle Heights, Historic Downtown, East LA, Pasadena, Pacoima, Arleta, Panorama City, and Southeast Cities.

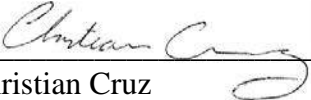
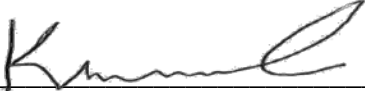
CicLAvia will be responsible for the production of the event, which includes advance planning, permitting, outreach, programming, and working with key stakeholders in programming the event. The following activities will be contracted by CicLAvia to provide:


- Direct all day-of-event logistics that include setting up HUBS, volunteer management and all necessary signage;
- Work closely with all City and County departments to create a strategic route plan and develop program elements;
- Conduct all necessary outreach along the route and encourage stakeholder participation and support; and
- Work with Metro, and other transportation agencies to determine appropriate bus line detours due to event street closures.

See Attachment B for a complete scope of work submitted by CicLAvia.

CITY MOUS

Each city will be responsible for participating in planning of the event, as well as providing municipal services, such as public safety, street closures, and sanitation, on the day of the event. Additionally, the cities and SGVCOG are responsible for collectively providing a minimum in-kind match of \$119,200 (20% of the grant award). The SGVCOG and the cities are still working to develop consensus on an equitable formula to distribute the grant funding and allocate the in-kind match requirements. It is anticipated that will be finalized by the end of July. A draft MOU is included as Attachment C. The MOU also creates an “Open Streets Working Group” established for the purpose of combining resources (financial, staffing and other in-kind) in order to plan and host the Four Cities Open Streets Festival. The working group will be comprised of the City Manager or their designee from each partner city.

Prepared by:  
Christian Cruz
Management Analyst
Katie Ward
Management Analyst

Approved by: 
Marisa Creter
Assistant Executive Director

ATTACHMENT

- Attachment A— Metro Open Streets Agreement
- Attachment B— Ciclavia SOW
- Attachment C— City MOU Agreement

Open Streets ID# [REDACTED]

**GRANT AGREEMENT FOR
OPEN STREETS GRANT PROGRAM CYCLE TWO**

This Grant Agreement for Open Streets Grant Program Cycle Two (the “**Agreement**”) is dated the day of the LACMTA Board Approval September 22, 2016 (the “**Effective Date**”) and is by and between the City of [REDACTED] (the “**Grantee**”) and the Los Angeles County Metropolitan Transportation Authority (“**LACMTA**”).

RECITALS

- A. On September 22, 2016, the LACMTA Board approved the Open Streets Grant Program Cycle Two providing Los Angeles County Proposition C 25% funds for one-day events that close the street to automotive traffic and open them to people to walk or bike (“**Open Street Events**”). Should other eligible funding sources become available, they may be used in place of the identified funds. .
- B. Proposition C 25% funds are eligible for transportation system management/demand management (TSM/TDM) programs such as Open Streets events. SCAG identifies Open Street Events as Transportation System Management / Demand Management (TSM/TDM) programs in the 2012 RTP Congestion Management Appendix in the section titled Congestion Management Toolbox - Motor Vehicle Restriction Zones.
- C. On September 22, 2016, the LACMTA Board approved the award of \$ [REDACTED] to Grantee for Grantee’s Open Street Event titled [REDACTED] (Open Street Grant Program ID#CYC161 [REDACTED]), and which is more particularly described in the Scope of Work (“**Scope of Work**”) attached as Exhibit “A” hereto (the “**Project**”). Grantee’s actual one day open street event is referred to herein as the “**Event**.” The term Project, as used herein, is defined to include all planning activities as well as the Event itself.
- D. Grantee has agreed to provide the required local match (in kind or monetary) of \$ [REDACTED] (the “**Local Match**”), as described in the Financial Plan that is attached as Exhibit “B”, and any additional funding required to complete the Project. The Financial Plan documents all sources of funds programmed for the Project.

NOW, THEREFORE, the parties hereto do agree as follows:

AGREEMENT

1. GRANT OF FUNDS

1.1 LACMTA shall make a one-time grant of funds in the amount of \$ [REDACTED] (the “Funds”) to Grantee subject to the terms and conditions of the Grant and this Agreement.

1.2 This one time grant shall be paid on a reimbursement basis. The Local or In-Kind Match must be spent in the appropriate proportion to the Funds.

1.3 Grantee shall be subject to, and shall comply with, all requirements of the United States Department of Transportation (USDOT) and the United States Department of Labor (USDOL). In addition, Grantee shall comply with all requirements of LACMTA.

1.4 The obligation for LACMTA to advance the Funds for the Project is subject to sufficient funds being made available for the Project by the LACMTA Board of Directors. If such funds are not made available for the Project, this Agreement shall be void and have no further force and effect.

2. SCOPE OF WORK

2.1 Grantee shall complete the Project, including, without limitation, producing the Event, as described in the Scope of Work. The Scope of Work for the Project is attached to this Agreement as Exhibit “A” hereto. The Scope of Work includes a description of the Project, a detailed description of the work to be completed by Grantee including, without limitation, Project milestones and a set schedule for the Event. Work shall be delivered in accordance with that schedule unless otherwise agreed to by the parties in writing. If a Grantee is consistently behind schedule in meeting milestones or in delivering the Event, then LACMTA will have the option to terminate this Agreement for default. Immaterial changes to the Scope of Work that do not affect the intent or length of the event such as changes of event name, start time, date and route may be approved administratively in writing by an LACMTA Executive Officer of Countywide Planning without a formal amendment. Any changes to the Scope of Work that change intent of the original Scope of Work, including but not limited to route length, changes in funding and/or changes to the Financial Plan must be made by amendment, in the manner described in paragraph 16.1.

2.2 Grantee shall utilize the Funds provided herein to complete the Project as described in the Scope of Work and in accordance with this Agreement. The grant funds provided herein can only be used towards the completion of the Scope of Work.

2.3 The grant shall provide the Funds for the non-infrastructure costs of implementing Open Street events per the Metro Board award on September 22, 2016. Per

the funding guidelines, physical infrastructure costs associated with the events are not eligible for reimbursement.

3. TERM

3.1 The term of this Agreement shall commence on the Effective Date and shall terminate on December 31, 2018 (the "Termination Date"), unless terminated earlier as provided herein or extended by a written amendment to this Agreement.

4. REQUEST FOR REIMBURSEMENT

4.1 Not more frequently than once a month, Grantee will prepare and submit to LACMTA a Request for Reimbursement for allowable Project costs incurred by Grantee consistent with the Project's Scope of Work. The Request for Reimbursement submitted by Grantee shall be signed by an authorized agent who can duly certify the accuracy of the included information.

4.2 Each Request for Reimbursement must be submitted on Grantee's letterhead and shall include an invoice number and report the total of Project expenditures, specify the percent and amount of Proposition C Funds to be reimbursed, the amount of Local Match expended and include a detailed invoice describing all invoiced work completed along with appropriate detailed documentation supporting costs incurred. To ensure timely processing of invoices, each Request for Reimbursement shall not include any invoices which are older than three (3) months from the date of the Request for Reimbursement.

4.3 LACMTA will make all disbursements electronically unless an exception is requested in writing. Disbursements via Automated Clearing House (ACH) will be made at no cost to Grantee. Grantee must complete the ACH form and submit such form to LACMTA before grant payments can be made. ACH Request Forms can be found at www.metro.net/projects_studies/call_projects/ref_docs.htm.

4.4 Any funds expended by Grantee prior to the Effective Date of this Agreement shall not be reimbursed nor shall they be credited toward Grantee's Local Match requirement, without the prior written consent of LACMTA. Local Match dollars expended prior to the Effective Date shall be spent at Grantee's own risk. If applicable, the first Request for Reimbursement may be accompanied by a report describing any tasks specified in the Scope of Work document which were accomplished prior to the Effective Date of this Agreement, which costs could be reimbursed with the Funds provided that LACMTA has provided prior written approval for such expenditures to Grantee and authorized reimbursement for such amounts.

4.5 Grantee shall be responsible for any and all cost overruns for the Project.

4.6 Grantee shall contribute Grantee's Local Match (in kind or monetary) of

\$ [redacted] toward the Project. If the funds identified in Exhibit "B" are insufficient to complete the Project, Grantee agrees to secure and provide such additional non-LACMTA programmed funds necessary to complete the Project.

4.7 LACMTA will withhold ten percent (10%) of eligible expenditures per invoice as retainage. LACMTA will release the retainage after LACMTA has evaluated Grantee's performance according to the criteria specified by LACMTA and the data provided by Grantee in coordination with LACMTA's selected data collection contractor and has determined that all contract requirements under this Agreement have been satisfactorily fulfilled. Grantee shall invoice LACMTA for reimbursement of the ten percent retention separately.

4.8 Grantee should consult with LACMTA's Open Streets Program Manager for questions regarding non-reimbursable expenses.

4.9 Total payments shall not exceed the Funds specified in Section 1.1. No Request for Reimbursement will be processed by LACMTA for expenses incurred more than sixty (60) days after the date of the Event.

4.10 Grantee shall comply with and ensure that work performed under this Agreement is done in compliance with all applicable provisions of federal, state and local laws, statutes, ordinances, rules, regulations and procedural requirements, including without limitation, the applicable requirements and regulations of LACMTA and any other regulations or requirements stipulated by the source of funding used. Grantee acknowledges responsibility for obtaining copies of and complying with the terms of the most recent applicable federal, state or local laws and regulations and LACMTA requirements, including any amendments thereto.

4.11 All requests for reimbursement shall be transmitted to LACMTA's Accounts Payable Department using one of the following two options:

1) E-mail:

AccountsPayable@Metro.net
Ref# Open Streets ID#CYC161 [redacted]

2) Standard Mail:

Los Angeles County Metropolitan Transportation Authority
P.O. Box 512296
Attention: Accounts Payable
Los Angeles, CA 90051-0296
Ref# Open Streets ID#CYC16 [redacted]

A copy of all Request for Reimbursement submittals shall also be forward to the LACMTA

Open Streets Program Manager, either by email ShavitA@Metro.net or by standard mail to the address set forth in Section 4.14 below.

4.12 All notices required to be provided under this Agreement will be given to the parties at the addresses specified below, unless otherwise notified in writing of change of address.

LACMTA's Address:

Los Angeles County Metropolitan Transportation Authority
One Gateway Plaza
Los Angeles, CA 90012
Attention: LACMTA Open Streets Program Manager
Avital Shavit, MS 99-22-2
Open Streets Grant Program Manager
ShavitA@metro.net

Grantee's Address:

[Insert Grantee Name]
[Insert Grantee Address]
[Insert City, CA ZIPCODE]
Attention: [Insert Appropriate Agency/Program]
[Insert Responsible Staff Person Name]
[Insert Responsible Staff Person Title]
[Insert Email Address]

5. START AND END DATE OF REIMBURSABLE ACTIVITIES

Unless written notification is otherwise provided by LACMTA, the start date of reimbursable activities is the Effective Date of this Agreement. Actual reimbursement of eligible work cannot occur until LACMTA and Grantee execute this Agreement. The end date of reimbursable activities is sixty (60) days after the date of the Event.

6. REPORTING AND AUDIT REQUIREMENTS

6.1 Grantee shall be subject to and shall comply with all applicable requirements of LACMTA regarding Project reporting and audit requirements. Grantee shall use the assigned Open Streets ID# CYC160 [redacted] on all correspondence.

6.2 Grantee shall submit the following Reports and Certifications to LACMTA for the duration of the Project:

- (a) Narrative and Financial Report on Project Progress as required by LACMTA.

(b) Other reports that may be required.

6.3 LACMTA and/or their respective designees, in order to fulfill their respective responsibilities as grantor of the Funds, shall have the right to conduct audits of the Project, as needed, such as financial and compliance audits and performance audits. Grantee shall establish and maintain proper accounting procedures and cash management records and documents in accordance with Generally Accepted Accounting Principles (GAAP) as applied to governmental agencies. Grantee shall reimburse LACMTA for any expenditure not in compliance with the Scope of Work or other terms and conditions of this Agreement. LACMTA shall have the right to conduct an audit using an outside auditing firm. The findings of that LACMTA audit will be final.

6.4 Grantee shall retain all original records and documents related to the Project for a period of three years after final payment.

6.5 Grantee's records shall include, without limitation, accounting records, written policies and procedures, contract files, original estimates, correspondence, change order files (including documentation covering negotiated settlements), invoices, and any other supporting evidence deemed necessary by LACMTA to substantiate charges related to the Project (all collectively referred to as "records") shall be open to inspection and subject to audit and reproduction by LACMTA auditors or authorized representatives to the extent deemed necessary by LACMTA to adequately permit evaluation of expended costs. Such records subject to audit shall also include, without limitation, those records deemed necessary by LACMTA to evaluate and verify, direct and indirect costs, (including overhead allocations) as they may apply to costs associated with the Project. These records must be retained by Grantee for three years following final payment under this Agreement. Payment of retention amounts shall not occur until after the LACMTA's final audit is completed.

6.6 Grantee shall cause all contractors to comply with the requirements of Sections 6.3, 6.4 and 6.5 above. Grantee shall cause all contractors to cooperate fully in furnishing or in making available to LACMTA all records deemed necessary by LACMTA auditors or authorized representatives related to the Project.

6.7 LACMTA or any of its duly authorized representatives, upon reasonable written notice, shall have access to the offices of Grantee and its contractors, shall have access to all necessary records, including reproduction at no charge to LACMTA, and shall be provided adequate and appropriate work space in order to conduct audits in compliance with the terms and conditions of this Agreement.

6.8 In addition to LACMTA's other remedies as provided in this Agreement, LACMTA shall withhold the Funds provided herein and/or recommend not to award future Open Streets Program grants to Grantee if the LACMTA audit has determined that Grantee failed to comply with the Scope of Work (such as misusing the Funds provided herein or failure to return the Funds provided herein owed to LACMTA in accordance with LACMTA

audit findings) and/or is severely out of compliance with other terms and conditions as defined by this Agreement, including the access to records provisions.

6.9 When business travel associated with the Project requires use of a vehicle, the mileage incurred shall be reimbursed at the mileage rates set by the Internal Revenue Service, as indicated in the United States General Services Administration Federal Travel Regulation, Privately Owned Vehicle Reimbursement Rates.

6.10 Grantee shall support a predetermined consultant selected by Metro to provide the LACMTA Open Streets Program Manager a post implementation report no later than three months after the day of the Event which report shall include items i-v listed below. Once LACMTA receives a satisfactory report, LACMTA will release any retention and make final payment to Grantee.

- (i) Participation Counts of pedestrians and people on bikes at the Event using at least one of the following count methods
 - Install temporary electronic detection counters (tube, video, or infrared).
 - Conduct an “incomplete count” (a methodology from ecological studies) using visual or pictorial counts. This may be conducted by using crowdsourcing via Facebook, Twitter or Instagram.
 - An incomplete count involves counting part of a population and then extrapolating to the entire population. A geographic area or screenline may be established as the sample area and an attempt made to count all the individuals in the set area or passing through the screenline. In the case of an Open Street event several geographic areas or screenlines should be established and sample counting should take place at regular intervals at the same time at all locations.

- (ii) Transportation use data
 - Counts of people on bikes exiting at all rail transit stations directly adjacent to the route
 - Survey of at least 500 individuals exiting the train asking the following questions:
 - Are you attending today's open street event?
 - Is this your first time riding Metro Rail?
 - If “NO” how often do you ride metro rail
 - Less than once a month
 - 1-3 times per a month
 - 4-7 times per a month
 - 8 or more times a month

- (iii) Personal Anecdotes
Provide personal stories from participants, business owners along the

route or Event volunteers describing how the Event has positively affected their lives or community. Grantee shall engage in a dialogue with the community in person, via e-mail or through a social media platform like Facebook, Twitter or Instagram using (at least) one of the following questions:

- Participants & Volunteers
 - How has the Event improved your neighborhood/community?
 - Has the Event encouraged you to use active transportation or transit modes more often?
- Business owners
 - Has the Event brought new or more patrons to you?
 - In light of the Event, do you think that active transportation (pedestrian and bicycle) infrastructure improvements would improve your business opportunities?

- (iv) **Bike-Trains & Bike Bus Shuttles Ridership**
If bike-trains or special bike shuttles were used to transport participants to the event, then report the ridership of these services on the day of. If municipal bus services were employed, report on ridership on the day of the event and provide a monthly average for the same day of the week since the event took place.
- (v) **Local Economic Benefit**
Provide at least one of the following:
- Report the sales tax receipts revenue for all businesses along the route and/or within ¼ mile of the route for the day of the Event and a monthly average for that same day of the week for comparison.
 - Report how the Event affected sales at selected participating businesses along the route (a minimum of one business for every mile of the event). These businesses may have participated by providing discounts to pedestrians and cyclists or by having a sales display or dining tables on the sidewalk.

7. ALLOWABLE COSTS

7.2 Allowable Project costs are described in the Scope of Work.

7.3 The following guidelines shall apply for indirect costs and in-kind contributions and donations:

- (a) Indirect costs shall not be considered eligible costs for reimbursement, unless all the following requirements are met by Grantee: i) submit a written request to LACMTA; and, ii) receive a written approval from LACMTA prior to incurring the expenditure.

- (b) In-kind contributions and donations shall be considered eligible as local match only upon written approval by LACMTA.

8. [INTENTIONALLY OMITTED]

9. EXPENDITURE AND DISPOSITION OF FUNDS

9.1 The expenditure and disposition of the Funds by Grantee shall be subject to and in accordance with the terms and conditions of this Agreement and the applicable requirements of LACMTA. Grantee shall not utilize the Funds in any way or on any project other than that specified in this Agreement.

9.2 Grantee shall address all correspondence regarding this Project to the LACMTA Open Streets Program Manager.

9.3 The programmed budget (the "**Financial Plan**") specifying the sources and amounts of the Funds to be used to pay for the Project is attached to this Agreement as Exhibit "B".

9.4 No material changes, as determined by LACMTA in its reasonable discretion, to the Financial Plan or the Scope of Work shall be funded or allowed without an amendment to this Agreement approved and signed by LACMTA's CEO or his/her designee. Grantee shall give advance written notice to LACMTA of all proposed changes to the Financial Plan or Scope of Work that it originally submitted to LACMTA.

10. TIMELY USE OF FUNDS

10.1 Grantee shall obligate the Funds programmed under this Agreement no later than sixty (60) days after the date of the Event.

10.2 In the event this Agreement is not executed and/or evidence of timely obligation of the Funds is not provided as described in Section 11.1 of this Agreement, the Project will be reevaluated by LACMTA and the Funds may be deobligated. In the event that the Funds are deobligated, this Agreement shall automatically terminate.

11. DEFAULT

Default under this Agreement is defined as one or more of the following: (i) Grantee fails to comply with the terms and conditions contained in this Agreement; (ii) Grantee fails to perform satisfactorily or to make sufficient progress toward Project completion; (iii) Grantee makes a material change to the Scope of Work or the Financial Plan without prior written consent or approval by LACMTA; or, (iv) Grantee is in default of any other applicable requirements of LACMTA.

12. REMEDIES

12.1 In the event of a default by Grantee (as defined in Section 11), the LACMTA shall provide written notice of such default to Grantee with a 30-day period to cure the default. In the event Grantee fails to cure the default, or commit to cure the default and commence the same within such 30-day period to the satisfaction of LACMTA, the following remedies shall be available to LACMTA:

- (a) LACMTA may terminate this Agreement;
- (b) LACMTA may make a determination to make no further disbursements of the Funds to Grantee;
- (c) LACMTA may recover from Grantee any funds paid to Grantee after the default; and/or,

12.2 Effective upon receipt of written notice of termination from LACMTA, Grantee shall not undertake any new work or obligation with respect to this Agreement unless so approved by LACMTA in writing.

12.3 The remedies described herein are non-exclusive. In addition to the above contractual remedies, LACMTA shall have the right to enforce any and all rights and remedies which may be now or hereafter available at law or in equity.

13. TERMINATION

13.1 Notwithstanding the term of this Agreement, specified in Section 3 above, either Grantee or LACMTA may terminate its obligations hereunder at any time, without cause, on (30) days prior written notice. Upon termination, LACMTA shall have no obligation to reimburse for any costs or expenses incurred after the termination date.

14. COMMUNICATIONS

14.1 LACMTA will be the exclusive presenting sponsor of the Event and all promotional materials, press releases, graphics, promotions via print, TV, radio or web channels and other identifiers will identify the Event as "Metro presents [insert Event name]," or "[insert Event name] presented by Metro." The presenting sponsorship may not be shared. In addition, all printed and/or online promotional materials and promotions via print, TV, radio or web channels must include the "Open Streets Made Possible By Metro" type and logo lock up as supplied by the LACMTA Program Manager. Any other sponsor logos or credits for the Event must be separated graphically, in type and/or in following succession from the presenting sponsor mention of LACMTA and "Open Streets Made Possible By Metro" type and logo lock up.

14.2 For purposes of this Agreement, "Communications Materials" include, but are not limited to, literature, newsletters, publications, websites, advertisements, brochures,

maps, information materials, video, radio and public service announcements, press releases, press event advisories, and all other related materials.

14.3 All Social Media notification calling out the event will identify the Event as “Metro presents [insert Event name],” or “[insert Event name] presented by Metro.” Any graphics used in said notifications that include the title of the event must include the “Open Streets Made Possible By Metro” type and logo lock up as supplied by the LACMTA Program Manager.

14.4 Grantee shall ensure that all Event promotions via print, TV, Radio or social media channels include one of the following references or links to LACMTA’s online presence as appropriate depending on the platform: Twitter accounts: @BikeMetro or @Metrolosangeles; Facebook pages: facebook.com/bikemetro or facebook.com/losangelesmetro.

14.5 Grantee shall notify the LACMTA Chief Communications Officer or its designee of all press events related to the Project in such a manner that allows LACMTA to participate in such events, at LACMTA’s sole discretion.

14.6 Grantee shall ensure that all Communication Materials identify the Event as “Metro presents [insert Event name],” or “[insert Event name] presented by Metro,” or other mutually agreeable language and graphic lockup featuring Metro and/or the Metro logo, and comply with recognition of LACMTA’s contribution to the Event as more particularly set forth in “Funding Agreement Communications Materials Guidelines” available on line or from the LACMTA Open Streets Program Manager. Grantee shall check with the LACMTA Open Streets Program Manager for the web address. The Funding Agreement Communications Materials Guidelines may be changed from time to time during the course of this Agreement. Grantee shall be responsible for complying with the communications requirements specified in this Agreement and with the latest Funding Agreement Communications Materials Guidelines during the term of this Agreement, unless otherwise specifically authorized in writing by the LACMTA Chief Communications Officer.

14.7 Grantee shall submit all graphic files and Communication Materials to LACMTA for approval by the LACMTA Open Streets Program Manager and LACMTA Communications prior to the release of such publicity or promotional materials or Communication Materials for the Event. LACMTA shall have at least one day to review and provide its approval. After any Communication Materials has been released to the public, Grantee shall provide a copy of or notice of such Communication Material to the LACMTA Open Streets Program Manager by either e-mail or social media channels.

14.8 LACMTA shall be provided at no cost with a minimum of 1,000 SF space in a prominent, central location at the Event for an LACMTA booth/activity space, plus at least two 10’ x 10’ spaces for satellite displays elsewhere at the Event. LACMTA shall have the right at any one or more of the above three locations or through a mobile vending cart, bicycle, or other vehicle, to sell, distribute or otherwise make available to Event attendees

marketing, outreach and other promotional products and merchandise, including, without limitation, fare media, t-shirts and other apparel, accessories, items available for sale at the Metro Store, brochures, maps, take-ones and other novelty items. The selection of products and merchandise available for sale and distribution shall be at LACMTA's sole discretion.

14.9 The LACMTA Open Streets Program Manager shall be responsible for monitoring Grantee compliance with the terms and conditions of this Section 14. Grantee failure to comply with the terms of this Section shall be deemed a default hereunder and LACMTA shall have all rights and remedies set forth herein.

14.10 The Metro logo is a trademarked item that shall be reproduced and displayed in accordance with specific graphic guidelines available from the LACMTA Communications Division. Upon request, LACMTA shall provide scalable vector files with required type styling and logo placement for tagline and visual materials.

14.11 Grantee shall ensure that any subcontractor, including, without limitation, public relations, public affairs, and/or marketing firms hired to produce Project related Communications Materials will comply with the requirements contained in this Section 14.

15. INDEMNITY

15.1 Neither LACMTA nor any officer or employee thereof shall be responsible for any damage or liability occurring by reason of anything done or committed to be done by Grantee under or in connection with the Project, any work performed by, and/or service provided by, Grantee, its officers, agents, employees, contractors and subcontractors under this Agreement. Grantee shall fully indemnify, defend and hold LACMTA, its subsidiaries and their respective officers, agents and employees harmless from and against any claims, loss demand, action, damages, liability, penalty, fine judgment, lien, cost and expenses, including without limitation, defense costs, any costs or liability on account of bodily injury, death or personal injury of any person or for damage to or loss of use of property, any environmental obligation, any legal fees and any claims for damages of any nature whatsoever (including consequential damages) (collectively, "Claims") arising out of the Project, including, without limitation: (i) use of the Funds provided herein by Grantee, or its officers, agents, employees, contractors or subcontractors; (ii) challenges, claims or litigation filed on behalf of any affected transportation provider and/or employees' union; (iii) breach of the Grantee obligations under this Agreement or the Grant; (iv) any act or omission of Grantee, or its officers, agents, employees, contractors or subcontractors in the performance of the Scope of Work and the Project; or (v) any Claims arising from the actual Event itself.

16. OTHER TERMS AND CONDITIONS

16.1 This Agreement, along with the applicable requirements of LACMTA constitutes the entire understanding between the parties with respect to the subject matter herein. The Agreement shall not be amended, nor any provisions or breach hereof waived, except in writing and signed by the parties who executed the original Agreement or by those at the

same level of authority.

16.2 In the event that there is any legal court (e.g. Superior Court of the State of California, County of Los Angeles, or the U.S. Agency Court for the Central Agency of California) proceeding between the parties to enforce or interpret this Agreement or the applicable requirements of LACMTA to protect or establish any rights or remedies hereunder, each party shall be responsible for its costs and expenses.

16.3 Neither party hereto shall be considered in default in the performance of its obligations hereunder to the extent that the performance of any such obligation is prevented or delayed by unforeseen causes including acts of God, floods, earthquake, fires, acts of a public enemy, and government acts beyond the control and without fault or negligence of the affected party. Each party hereto shall give notice promptly to the other of the nature and extent of any such circumstances claimed to delay, hinder, or prevent performance of any obligations under this Agreement.

16.4 Grantee shall comply with and ensure that work performed under this Agreement is done in compliance with Generally Accepted Accounting Principles (GAAP), all applicable provisions of federal, state, and local laws, statutes, ordinances, rules, regulations, and procedural requirements and applicable requirements and regulations of the LACMTA.

16.5 Grantee shall not assign this Agreement, or any part thereof, without written consent and prior approval of the LACMTA's CEO or his/her designee, and any assignment without said consent shall be void and unenforceable.

16.6 Subject to all requirements of this Agreement, and all other applicable requirements of LACMTA, including, without limitation, any requirement of competitive procurement of services and assets, Grantee may contract with other entities to implement this Agreement.

16.7 This Agreement shall be governed by California law and applicable federal law. If any provision of this Agreement is held by a court of competent jurisdiction to be invalid, void, or unenforceable, the remaining provisions shall nevertheless continue in full force without being impaired or invalidated in any way.

16.8 The terms of this Agreement shall inure to the benefit of, and shall be binding upon, each of the parties and their respective successors and assigns.

16.9 Grantee, in the performance of the work required by this Agreement, is not a contractor nor an agent or employee of LACMTA and attests to no organizational or personal conflicts of interest and agrees to notify LACMTA immediately in the event that a conflict, or the appearance thereof, arises. Grantee shall not represent itself as an agent or employee of LACMTA and shall have no powers to bind LACMTA in contract or otherwise.

16.10 On September 26, 2002 the LACMTA Board of Directors required that prior to

receiving Proposition C 10% or 25% grant funds, GRANTEE meet a Maintenance of Effort (MOE) requirement consistent with the State of California’s MOE as determined by the State Controller’s office. With regard to enforcing the MOE, LACMTA will follow the State of California’s MOE requirements, including, without limitation, suspension and re-implementation.

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed by their duly authorized representatives as of the dates indicated below:

LACMTA:

LOS ANGELES COUNTY METROPOLITAN TRANSPORTATION AUTHORITY

By: _____
Phillip A. Washington Date
Chief Executive Officer

APPROVED AS TO FORM:

MARY C. WICKHAM
County Counsel

By: _____
Deputy Date

GRANTEE: [Insert Grantee City]

By: _____
Name Date
Title

APPROVED AS TO FORM (OPTIONAL):

By: _____
Date
General Counsel

EXHIBIT A
SCOPE OF WORK

Event

Event Date and Time:

Purpose:

Event Description:

Event Location:

Roles and Responsibilities:

Schedule:

Event Map:

EXHIBIT B
FINANCIAL PLAN

The total cost of the Project is \$ [REDACTED]. The following is a description of the funding category and the corresponding funding amounts and funding source to implement the Project.

Funding Resources Table:

Funding Source	Total	PC25	Local Match*
Proposition C 25%	\$	\$	\$

Event Budget Table:

Item Description	Total	PC25 (80%)	Local Match* (20%) (Prop C local return okay)
Public Outreach Program	\$	\$	\$
Pre-Event Planning	\$	\$	\$
Event Day Costs (Staffing, Rentals, Permits, Etc.)	\$	\$	\$
Totals	\$	\$	\$

* = In-kind local contribution as required by the Metro Open Streets Grant Program.

DRAFT**CICLAVIA SCOPE OF WORK**

Event Name: **Four Cities Golden Route CicLAvia Event**

Event Date and Time: April 22, 2018 – 9am-4pm

Event Description:

The San Gabriel Valley Council of Governments (SGVCOG), will partner with CicLAvia (a non-profit organization) for the open streets event that will include the cities of San Dimas, La Verne, Pomona, and Claremont. During the event streets will be closed to cars and open for cyclists, pedestrians, runners and skaters to use as a recreational space. The event will include HUBS (one in each city) that will serve as central points of community, art, and cultural activities, as well as locations for first aid, bike repair, and general CicLAvia event information. CicLAvia will partner with local and regional organizations, such as local arts groups, schools, cultural institutions, health and recreational groups to provide programming activities along the route.

Event Location:

The open streets event will be approximately 7 miles along streets that connect the cities of San Dimas, La Verne, Pomona, and Claremont. The western end of the route in San Dimas will travel along Bonita Ave, to Arrow Hwy, and along College Ave and 2nd Street on the western end in Claremont. There is no official starting point or ending point, but rather participants can enter the open streets event at any point along route. Along the 7 miles route, there will be crossing points at major intersections for vehicle traffic to cross the route. The route itself is closed to vehicle traffic.

Roles and Responsibilities

The SGVCOG, the City of San Dimas, the City of La Verne, the City of Pomona, and the City of Claremont will partner with CicLAvia to produce the open streets event. The cities are responsible for enforcing street closures and delivering streets that are cleared of automobiles to CicLAvia, and the cities are responsible for providing traffic control and public safety during the event.

CicLAvia is responsible for the production of the event, which includes advance planning, permitting, outreach, programming, and working with key stakeholders in programming the event.

- CicLAvia will coordinate the planning and outreach with city councils, commissions, city/county departments, relevant permits, and other management related activities.
- CicLAvia will direct all day-of-event logistics that include setting up HUBS, volunteer management and all necessary signage.
- CicLAvia will coordinate and lead the rentals of equipment related to the HUBs and other programming needs along the route.
- CicLAvia works closely with all City and County departments to create a strategic route plan and develop program elements for the April 22, 2018 event.

- CicLAvia will conduct all necessary outreach along the route and encourage stakeholder participation and support. Outreach will include pre-planning outreach and meetings with key stakeholders.
- CicLAvia will implement communications strategy and social media outreach for the event.
- CicLAvia will develop all outreach materials, including, but not limited to outreach flyers, business engagement materials, and residential/business notifications.
- CicLAvia will work with Metro, and other transportation agencies to determine appropriate bus line detours due to event street closures. Informational brochures will be available to regular Metro riders on buses and at transit stations
- Provide a report to the project manager no later than 3 months after the event.

BUDGET

Staff Costs	\$100,000
Pre-Event Planning, Outreach, Communications	\$75,000
Programming and Staging the Event (day-of staff, permits, rentals, programming, etc.)	\$150,000
TOTAL	\$325,000

Hourly Rate Staff

Position	Rate
Executive Director	\$72.12
Admin Assistant	\$15.00
Finance Director	\$53.27
Accounting & Project Assistant	\$19.00
Production Director	\$53.27
Production Manager	\$38.85
Production Assistant	\$17.00
Outreach & Volunteer Manager	\$36.44
Outreach Coordinators	\$24.00
Communications Director	\$43.65
Communications Assistant	\$33.65
Program Manager	\$46.06

**A MEMORANDUM OF UNDERSTANDING (MOU) BETWEEN THE CITIES OF
SAN DIMAS, LA VERNE, POMONA, AND CLAREMONT AND SAN GABRIEL VALLEY
COUNCIL OF GOVERNMENTS TO SHARE RESOURCES TO PLAN AND HOST THE
FOUR CITIES OPEN STREET FESTIVAL THROUGH THE CREATION OF A “FOUR CITIES
OPEN STREET WORKING GROUP”**

WHEREAS, on September 22, 2016, the Los Angeles County Metropolitan Transportation Authority (LACMTA) Board approved the 2016 Open Streets Grant Program providing Congestion Mitigation Air Quality (“CMAQ”) Funds for one-day events that close the streets to automotive traffic and open them to people to walk or bike (“Open Street Event”). Further, the LACMTA Board approved that LACMTA serve as the pass through agency of the CMAQ Funds with local cities; and

WHEREAS, the City of San Dimas (Grantee) and the San Gabriel Valley Council of Governments (SGVCOG) were successful in securing \$596,000 in CMAQ funds from the LACMTA county-wide “Open Streets Event” program to host the Golden Streets Route for outreach, pre-event planning, and day of event staging costs; and

WHEREAS, the Four Cities Open Street, which qualifies as an “Open Street Event,” for the use of the LACMTA pass through of CMAQ funds, will promote active transportation and complete street concepts in conjunction with the grand opening of the Gold Line Foothill Extension in the future; and

WHEREAS, LACMTA will advance local funds up to \$596,000, to the Grantee for the Four Cities Open Street Festival and then submit requests, based on Grantee’s invoices to Caltrans for reimbursement with CMAQ Funds; and

WHEREAS, Grantee shall be subject to, and shall comply with, all requirements of the Federal Grant and other applicable requirements of the United States Department of Transportation (USDOT), the United States Department of Labor (USDOL), and Caltrans. In addition, the Grantee shall comply with all requirements of LACMTA so that LACMTA can fulfill its responsibilities as the grantee under the Federal Grant and as the pass-through agency; and,

WHEREAS, the LACMTA “Open Streets Event” program requires a 20% (\$119,200) in-kind or local fund match of the total cost of the event; and

WHEREAS, the Grantee shall utilize the local grant funds for non-infrastructure costs of implementing the Four Cities Open Street Festival. Per the funding guidelines, physical infrastructure costs associated with the event are not eligible for reimbursement; and

WHEREAS, not more frequently than once a month, the Grantee will prepare and submit to LACMTA a Request for Reimbursement for allowable costs incurred; and

WHEREAS, each Request for Reimbursement must be submitted on Grantee’s letterhead and shall include an invoice number and report the total expenditures, specify the percent and amount of CMAQ Funds to be reimbursed, the total amount of Local Match expended and

include a detailed invoice describing all invoiced work completed along with appropriate detailed documentation supporting costs incurred. To ensure timely processing of invoices, each Request for Reimbursement shall not include any invoices which are older than three (3) months from the date of the Request for Reimbursement; and

WHEREAS, the cities of San Dimas, La Verne, Pomona, and Claremont (collectively referred to as the “Cities” or individually referred to respectively as “Partner City”) have partnered together to host a 6.5 mile contiguous open streets event on Sunday, April 22, 2018 from San Dimas to Claremont (referred to herein as the “Four Cities Open Street Festival”; and

WHEREAS, the Cities will be responsible for street closures, approving vehicular detour plans, outreach, event staging, and public safety within their own jurisdiction; and

WHEREAS, the Cities desire to work jointly and collaboratively to share monetary, staffing, and other resources in planning and hosting the Four Cities Open Street Festival, and desire to formalize their relationship through the creation of the “Four Cities Open Street Working Group” or “Working Group” to coordinate their activities; and

WHEREAS, nothing in this MOU should be construed as creating a Joint Powers Agreement or Joint Powers Agency as would otherwise be authorized under California Government Code §§6500 as the Parties do not intend such a relationship.

NOW, **THEREFORE**, the Cities hereto agree as follows:

1. **CREATION OF THE “OPEN STRET WORKING GROUP”** – There is hereby created a “Open Street Working Group” established for the purpose of combining resources (financial, staffing and other in-kind) in order to plan and host the Four Cities Open Street Festival. The Working Group shall be composed of the City Manager, or designee, from each Partner City.
2. **MANAGEMENT OF OPERATIONS** – The City Managers (or their designees) from each Partner City shall be authorized to consider and direct, by majority vote the use of resources that are available to the Working Group consistent with the functions and purposes of the planning and hosting of the Four Cities Open Street Festival.
 - a. **VOTING** – Each City Manager (or his/her designee) shall have one (1) vote on matters within the Working Group’s subject matter jurisdiction. A majority vote shall be necessary to approve any policy, position or decision of the Working Group. **FIDUCIARY AGENT** – The San Gabriel Valley Council of Governments shall act as the “Fiduciary Agent” of the Working Group. The Fiduciary Agent will hold the financial contributions received on behalf of the Working Group and shall be responsible for the management and safekeeping of grant funding awarded to the Four Cities Open Street Festival. Said contributions shall be held in trust and shall be accounted for on an apportioned basis such that, at any time, it can be readily determined the balance of each Partner Cities’ contribution. Subject to direction of the Working Group, the Fiduciary Agent shall pay expenses of the

Working Group and shall report regularly to the Working Group the funding and grant status of the Four Cities Open Street Festival. The Fiduciary Agent shall retain \$21,000 grant funds for these administrative services.

3. **CONTRIBUTIONS** – Each Partner City shall contribute towards the 20% in-kind match for the funds received through the LACMTA grant as shown in Exhibit A.
4. **CONSULTANT WORK** – The Working Group may enlist the work of independent contractors, consultants, vendors, and other professionals to assist in the planning and operations of the Four Cities Open Street Festival as set forth in the recitals herein. Such consultant(s) shall not be employees of the Working Group nor of any Partner City but shall be engaged by the Fiduciary Agent on behalf of the Working Group. The consultant(s) shall provide indemnification, hold harmless and additional insured coverage in the manner and amounts as set forth by the Working Group naming each respective Partner City.
5. **ALLOCATION OF FUNDS** – The Working Group will authorize the Fiduciary Agent to enter into contracts for the planning, implementation, and hosting of the Four Cities Open Street Festival. Any remaining LACMTA funds that have not been expended on behalf of the Working Group for shared resources or purchases will be allocated to individual Partner Cities as shown in Exhibit A.
6. **INDEMNIFICATION** – Each Partner City to this MOU is a public entity. In contemplation of the provisions of Section 895.2 of the Government Code imposing certain tort liability jointly upon public entities, solely by reason of such entities being parties to an MOU as defined by Section 895 of the Government Code, the Partner Cities as between themselves, pursuant to the authorization contained in Government Code Sections 985.4 and 895.6 will each assume the full liability imposed upon it or upon any of its officers, agents or employees by law for injury caused by a negligent or wrongful act or omission occurring in the performance of this MOU, to the same extent that such liability would be imposed in the absence of Government Code Section 895.2. To achieve the above stated purpose, each party indemnifies and holds harmless the other party solely by virtue of Government Code Section 895.2. The provision of California Civil Code Section 2778 is made a part hereto as if fully set forth herein. Each Partner City certifies that it has adequate self-insured retention of funds to meet any obligation arising from this MOU. Each Partner City will be responsible for its own actions in providing services under this MOU in connection with the Four Cities Open Street Festival within its jurisdictions and shall not be liable for any civil liability that may arise from the furnishing of services by any other Partner City within that Partner City's jurisdiction.
7. **DISSOLUTION** – Upon completion of the purpose of this MOU, or as determined by the Partner Cities, at any time, this MOU may be terminated and the Working Group dissolved.

8. **NOTICE TO PARTIES (AUTHORIZED REPRESENTATIVES)** – Notices given pursuant to the requirement of this MOU shall be by personal service upon the Partner City to be notified by writing upon such notice being deposited into the custody of the United States Postal Service addressed as follows:

City of San Dimas
 City Manager
 245 E. Bonita Avenue
 San Dimas, CA 91773

City of La Verne
 City Manager
 3660 "D" Street
 La Verne, CA 91750

City of Pomona
 City Manager
 505 South Garey Avenue
 Pomona, CA 91766

City of Claremont
 City Manager
 207 Harvard Avenue
 Claremont, CA 91711

9. **AMENDMENTS** – This MOU may be amended upon unanimous action by each respective Partner City’s city manager.

IN WITNESS WHEREOF, the Parties hereto have caused MOU to be executed by their duly authorized representatives:

CITY OF SAN DIMAS:

 Blaine Michaelis, City Manager

 Date

CITY OF LA VERNE:

 Bob Russi, City Manager

 Date

CITY OF POMONA:

 Linda Lowry, City Manager

 Date

CITY OF CLAREMONT:

 Tony Ramos, City Manager

 Date