CITY OF LAGUNA HILLS
CITY COUNCIL/PLANNING AGENCY

REGULAR MEETING AGENDA
Tuesday, February 23, 2021 – 7:00 PM
(Closed Session at 6:00 PM when scheduled)

Erica Pezold, Mayor

Don Sedgwick, Mayor Pro Tempore | **Janine Heft, Council Member**
Bill Hunt, Council Member | **Dave Wheeler, Council Member**

Location: City Council Chamber, 24035 El Toro Road, Laguna Hills, CA 92653

NOTICE REGARDING CORONAVIRUS (COVID-19): Please be advised that some, or all, of the City Council Members may attend this meeting via teleconference. This meeting is being conducted utilizing teleconferencing and electronic means consistent with State of California Executive Order N-29-20 dated March 17, 2020, regarding the COVID-19 pandemic. If you wish to attend the City Council meeting in person, the City Council Chamber is located at 24035 El Toro Road, Laguna Hills, CA 92653. The public shall have the right to observe and offer public comment at this location. If you plan on attending, please follow the California Department of Health Guidelines by wearing a mask, washing your hands often, refraining from handshakes and maintaining social distance of six feet between individuals. You may also view the live stream of the meeting online at http://lagunahillsca.iqm2.com/Citizens/Default.aspx.

Submission of Public Comments: While you may attend this meeting in person, given the health risks associated with COVID-19, the City encourages those wishing to make public comments at the February 23, 2021, City Council meeting, to submit your comments by email to the City Clerk at publiccomments@lagunahillsCA.gov, by 5:00 p.m. on February 23, 2021. In the subject line of the email, please state your name and the item number you are commenting on. Any public comment received that does not specify a particular agenda item number will be announced during the general public comment portion of the agenda. If you wish to submit a public comment on more than one agenda item, please send a separate email for each item you are commenting on. All comments received by 5:00 p.m. on the date of the meeting will be provided to the City Council in advance to allow time for the Council Members to read them. Email comments will NOT be read by the City Clerk during the meeting, but will be announced and made part of the record. Electronic public comments may only be submitted via email and comments via text and social media (Facebook, Twitter, etc.) will not be accepted.

Announcement of Public Comments: During the applicable agenda item, the City Clerk will announce the name of the sender and subject matter of all email comments received by 5:00 p.m. on February 23, 2021. The email comments, including your name, will become part of the record of the City Council meeting and will be public information.

GENERAL BUSINESS - CONVENING AT 7:00 PM

CALL TO ORDER

Resolution No. 96-04-09-1 established rules of decorum for public meetings held by the City of Laguna Hills. Resolution No. 96-04-09-1 is available on the table at the back of the City Council Chamber.

PLEDGE OF ALLEGIANCE

ROLL CALL OF CITY COUNCIL MEMBERS

1. PRESENTATIONS AND PROCLAMATIONS

1.1 Laguna Hills High School Student Liaison

Recommendation: That the City Council receive an oral report from Laguna Hills High School Student Liaison Darya Ardehali.

1.2 Twenty-Five Year Anniversary Recognition

Recommendation: That the City Council adopt a Resolution entitled: "A Resolution of the City Council of the City of Laguna Hills, California, recognizing Kenneth H. Rosenfield for twenty-five years of service to the City."

2. PUBLIC COMMENTS

This is the time to address the City Council on any matter not listed on this Agenda that is within the subject matter jurisdiction of the City Council. Public Comments are limited to three minutes per person, an overall time limit of ten minutes for any one subject, and a total time limit of thirty minutes.

3. CONSENT CALENDAR

All matters listed under “CONSENT CALENDAR” are considered to be routine and will be enacted by one motion approving the recommendation listed on the Agenda. There will be no separate discussion unless Members of the City Council or Staff request specific items be removed from the Consent Calendar.

3.1 Waive Reading in Full of all Ordinances and Resolutions on the Agenda

Recommendation: That the City Council waive reading in full of all ordinances and resolutions on the agenda and declare that said titles which appear on the public agenda shall be determined to have been read by title and further reading waived.

3.2 Approval of Minutes for February 9, 2021, Regular Meeting

Recommendation: That the City Council approve the Minutes for the February 9, 2021, Regular Meeting.

3.3 Ratification of February 23, 2021, Warrant Register

Recommendation: That the City Council ratify the accompanying Warrant Register for the period from January 29, 2021 to February 11, 2021, in the amount of $474,780.05.

3.4 City Council Review and Confirmation of the Necessity for Continuing the Local Emergency Related to the On-Going Threat of the Novel COVID-19 Virus

Recommendation: That the City Council review and confirm the necessity for continuing the local emergency declared in response to the Novel COVID-19 virus

3.5 Establishment of an Updated Agenda Format and Order of Business for Regular City Council Meetings

Recommendation: That the City Council adopt a Resolution entitled: "A Resolution of the City Council of the City of Laguna Hills, California, establishing an Updated Agenda Format and Order of Business for Regular City Council Meetings."

3.6 Second Quarter Financial & Treasurer's Report for Fiscal Year 2020/2021

Recommendation: That the City Council receive and file the Second Quarter Financial and Treasurer's Report for Fiscal Year 2020/2021.

3.7 Updated Resolution Authorizing City Staff to Deposit and Withdraw City Monies in the Local Agency Investment Fund (LAIF) in the State Treasury

Recommendation: That the City Council adopt an updated Resolution entitled: "A Resolution of the City Council of the City of Laguna Hills, California, authorizing the investment of monies in the Local Agency Investment Fund"

3.8 Proposed Amendment No. 2 to the Consulting Services Agreement With Eco/Nomics, Inc., for Continued Solid Waste and Recycling Consulting Services

Recommendation: That the City Council: 1) Waive formal competitive bidding requirements and procedures set forth in the City of Laguna Hills Municipal Code (LHMC) Section 3-08.150 pursuant to the exceptions set forth in LHMC Sections 3-08.110(D), (I), and (J), for approval of the proposed Amendment No. 2 to the Consulting Services Agreement for Solid Waste and Recycling Consulting Services with Eco/Nomics, Inc.; 2) Approve proposed Amendment No. 2 to the Consulting Services Agreement with Eco/Nomics, Inc., extending the term of the Agreement for an additional 2 years through June 30, 2023, and increasing the maximum contract amount by $248,000 from $330,000 to $578,000; and 3) Authorize the Mayor to sign the proposed Amendment No. 2.

3.9 2020 General Plan Annual Progress Report

Recommendation: That the City Council approve the 2020 General Plan Annual Progress Report and Housing Element Annual Progress Report-Housing Implementation and direct staff to forward the Report to the State of California Department of Housing and Community Development (HCD).

3.10 Periodic Review of Development Agreement No. 12-11-2137 (Ordinance No. 2012-4) Between the City of Laguna Hills and Laguna Hills Investment Company: Oakbrook Village Shopping Center Mixed Use Project

Recommendation: That the City Council: 1) Receive and file a report demonstrating the property owner's good faith compliance with the terms and conditions of the Development Agreement; and 2) Find and determine that the Laguna Hills Investment Company has complied in good faith with the terms and conditions of the Development Agreement for the 12-month period of January 2020 to January 2021.

ITEMS REMOVED FROM THE CONSENT CALENDAR

4. PLANNING AGENCY

4.1. ROLL CALL OF PLANNING AGENCY MEMBERS

4.2. PUBLIC COMMENTS

This is the time to address the Planning Agency on any matter not listed on this Agenda that is within the subject matter jurisdiction of the Planning Agency. Public Comments are limited to three minutes per person, an overall time limit of ten minutes for any one subject, and a total time limit of thirty minutes.

4.3. APPROVAL OF MINUTES

4.3.1 Approval of Minutes for February 9, 2021, Regular Meeting

Recommendation: That the Planning Agency approve the Minutes for the February 9, 2021, Regular Meeting.

4.4. ADMINISTRATIVE REPORTS

4.5. PLANNING AGENCY PUBLIC HEARINGS

PLANNING AGENCY ADJOURNMENT

5. CITY COUNCIL PUBLIC HEARINGS

6. ADMINISTRATIVE REPORTS

6.1. City Manager

6.2. Deputy City Manager/Community Services Director

6.2.1 SB 1383 Organic Waste Reduction Regulations

Recommendation: That the City Council receive and file a presentation on SB 1383 organic waste reduction regulations including a summary of the City's work efforts required to implement the regulations.

7. MATTERS AGENDIZED AND PRESENTED BY CITY COUNCIL MEMBERS

7.1. Council Member Heft

7.1.1 Request for Reconsideration of Membership in Regional Organizations

Recommendation: Councilmember Heft recommends that the City Council: 1) Consider a Motion for Reconsideration to discuss the potential of reinstating City membership in Regional Organizations and, if the Motion for Reconsideration is made, seconded and approved by the City

Council, consider the following recommended action: 2) Reinstate the City's memberships in Regional Organizations including the League of California Cities (LOCC), Association of California Cities-Orange County (ACC-OC), Southern California Association of Governments (SCAG), and Orange County Council of Governments (OCCOG)

8. CITY COUNCIL MEMBER COMMENTS

ADJOURNMENT

The next Regular Meeting of the City Council/Planning Agency will be March 9, 2021, in the City Council Chamber, located at 24035 El Toro Road, Laguna Hills, California.

CERTIFICATION

I, Melissa Au-Yeung, City Clerk of the City of Laguna Hills, do hereby certify that a copy of the foregoing Agenda was posted at Laguna Hills City Hall, Laguna Hills Community Center, and the Courtyard at La Paz Center by February 19, 2021, at 5:00 pm.

February 18, 2021

City Clerk ***Date***

In compliance with the Americans with Disabilities Act, if you need special assistance to participate in this meeting, you should contact the office of the City Clerk at (949) 707-2635. Notification 48 hours prior to the meeting will enable the City to make reasonable arrangements to assure accessibility to this meeting.

Materials related to an item on this Agenda submitted to the City Council after distribution of the agenda packet are available for public inspection in the City Clerk's Office at 24035 El Toro Road, Laguna Hills, California, during normal business hours.

City Council Members receive no additional compensation or stipend as a result of simultaneously convening meetings of the Laguna Hills Planning Agency.

City of Laguna Hills

City Council/Planning Agency

Staff Report

DATE: February 23, 2021

TO: Mayor and Council Members

FROM: Melissa Au-Yeung
Deputy City Manager

ISSUE: Twenty-Five Year Anniversary Recognition

RECOMMENDATION: That the City Council adopt a Resolution entitled: "A Resolution of the City Council of the City of Laguna Hills, California, recognizing Kenneth H. Rosenfield for twenty-five years of service to the City."

SUMMARY:

At this meeting, Mayor Pezold will recognize Kenneth H. Rosenfield, Interim City Manager/Director of Public Services, for twenty-five years of service to the City of Laguna Hills. Mr. Rosenfield was hired on July 17, 1995, as Director of Public Services/City Engineer, reclassified as Assistant City Manager/Director of Public Services in 2018 and at their last regular meeting, the City Council unanimously voted to name Mr. Rosenfield the Interim City Manager.

Employees are presented with a Certificate of Recognition and a City of Laguna Hills pen and pencil set when they complete their first five years of service. Employees with ten, fifteen, and twenty years of service are presented with a Certificate of Recognition at a City Council meeting. Employees that reach the milestone of twenty-five years of service are recognized with a Resolution presented by the Mayor and a gift certificate.

ATTACHMENTS:

- Proposed Resolution Recognizing Twenty-Five Years of Service
- Certificate of Recognition for Twenty-Five Years of Service

RESOLUTION NO. 2021-02-23-X

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LAGUNA HILLS, CALIFORNIA, RECOGNIZING KENNETH H. ROSENFIELD FOR TWENTY-FIVE YEARS OF SERVICE TO THE CITY

WHEREAS, Kenneth H. Rosenfield was the first City Engineer hired by the City on July 17, 1995, and has served as Director of Public Services/City Engineer, Assistant City Manager/Director of Public Services, and Interim City Manager/Director of Public Services; and

WHEREAS, it is the policy and practice of the City of Laguna Hills to attract and retain highly qualified and motivated people; and

WHEREAS, Kenneth H. Rosenfield has served the City of Laguna Hills in a professional, caring and conscientious manner for twenty-five years; and

WHEREAS, Mr. Rosenfield's service has greatly contributed to the overall success of the City in its efforts to provide quality local government services, programs, and projects to the residents and businesses of Laguna Hills; and

WHEREAS, it is an honor to recognize the length and quality of Mr. Rosenfield's service to the City.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF LAGUNA HILLS, CALIFORNIA, does hereby express appreciation to Kenneth H. Rosenfield for twenty-five years of service to the City of Laguna Hills.

PASSED, APPROVED, AND ADOPTED this 23rd day of February 2021.

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ERICA PEZOLD, MAYOR

ATTEST:

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MELISSA AU-YEUNG, CITY CLERK

STATE OF CALIFORNIA)
COUNTY OF ORANGE) ss
CITY OF LAGUNA HILLS)

I, Melissa Au-Yeung, City Clerk of the City of Laguna Hills, California, DO HEREBY CERTIFY that the foregoing is a true and correct copy of Resolution No. 2021-02-23-X adopted by the City Council of the City of Laguna Hills, California, at a Regular Meeting thereof held on the 23rd day of February 2021, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

(SEAL)

____
MELISSA AU-YEUNG, CITY CLERK

CITY OF LAGUNA HILLS

CERTIFICATE OF RECOGNITION

KENNETH H. ROSENFIELD

Interim City Manager/
Director of Public Services
Twenty-Five Year Service Award

WHEREAS, Kenneth H. Rosenfield was the first City Engineer hired by the City on July 17, 1995, and has served as Director of Public Services/City Engineer, Assistant City Manager/Director of Public Services, and Interim City Manager/Director of Public Services; and

WHEREAS, it is the policy and practice of the City of Laguna Hills to attract and retain highly qualified and motivated people; and

WHEREAS, Kenneth H. Rosenfield has served the City of Laguna Hills in a professional, caring and conscientious manner for twenty-five years; and

WHEREAS, Mr. Rosenfield's service has greatly contributed to the overall success of the City in its efforts to provide quality local government services, programs, and projects to the residents and businesses of Laguna Hills; and

WHEREAS, it is an honor to recognize the length and quality of Mr. Rosenfield's service to the City.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF LAGUNA HILLS, CALIFORNIA, does hereby express appreciation to Kenneth H. Rosenfield for twenty-five years of service to the City of Laguna Hills.

Dated this 23rd day of February 2021.

ERICA PEZOLD, MAYOR

City of Laguna Hills

City Council/Planning Agency

Staff Report

DATE: February 23, 2021

TO: Mayor and Council Members

FROM: Jennifer Lee
Assistant City Clerk

ISSUE: Approval of Minutes for February 9, 2021, Regular Meeting

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RECOMMENDATION: That the City Council approve the Minutes for the February 9, 2021, Regular Meeting.

ATTACHMENTS:

- 210209 CC Minutes

CITY OF LAGUNA HILLS
CITY COUNCIL/PLANNING AGENCY

REGULAR MEETING
MINUTES
Tuesday, February 9, 2021

GENERAL BUSINESS - CONVENING AT 7:00 PM

CALL TO ORDER

The meeting was called to order at 7:00 p.m. by Mayor Pezold.

PLEDGE OF ALLEGIANCE: Mayor Pro Tempore Sedgwick

ROLL CALL OF CITY COUNCIL MEMBERS

Attendee Name	Title	Status	Arrived
Erica Pezold	Mayor	Present	
Don Sedgwick	Mayor Pro Tempore	Present	
Janine Heft	Council Member	Present	
Bill Hunt	Council Member	Present	
Dave Wheeler	Council Member	Present	

1. PRESENTATIONS AND PROCLAMATIONS

1.1 Appointment of Laguna Hills High School Student Liaisons Kourosh Arfania and Darya Ardehali for the Spring 2021 Semester

Recommendation: Mayor Pezold presented Certificates of Appointment to Laguna Hills High School Student Liaisons Kourosh Arfania and Darya Ardehali.

1.2 Laguna Hills High School Student Liaison

Recommendation: The City Council received an oral report from Laguna Hills High School Student Liaison Kory Arfania.

1.3 Recognition of Outgoing Parks and Recreation Commissioners David Robbins and Victoria Auer

Recommendation: Mayor Pezold presented a Certificate of Recognition to Victoria Auer recognizing her service to the City.

1.4 Recognition of Outgoing Traffic Commissioners Larry Woodruff and Chris Mackey

Recommendation: Mayor Pezold presented Certificates of Recognition to Larry Woodruff and Chris Mackey recognizing their service to the City.

1.5 Oaths of Office and Certificates of Appointment for Two Parks and Recreation Commissioners and Three Traffic Commissioners

Recommendation: Mayor Pezold administered the Oaths of Office and presented Certificates of Appointment to Parks and Recreation Commissioners Don Caskey and Patricia Thee and Traffic Commissioners Manuel Hernandez, Mark Schaff, and Susan Caskey.

2. PUBLIC COMMENTS

The following individuals submitted electronic public comments that were received, forwarded to the Council prior to the meeting, and announced into the record by Assistant City Clerk Lee:

Stephanie Hall Peck and Michele Whitaker submitted emails regarding a profanity and freedom of speech issue on Alicia Pkwy, and

Jonathan Hawes sent an email regarding scholarship fund embezzlement affecting the residents of El Monte, CA.

3. CONSENT CALENDAR

Motion to approve the Consent Calendar with Mayor Pezold removing Item No. 3.10.

RESULT:	**APPROVED [UNANIMOUS]**
MOVER:	Janine Heft, Council Member
SECONDER:	Don Sedgwick, Mayor Pro Tempore
AYES:	Erica Pezold, Mayor; Don Sedgwick, Mayor Pro Tempore; Janine Heft, Council Member; Bill Hunt, Council Member; Dave Wheeler, Council Member

3.1 Waive Reading in Full of all Ordinances and Resolutions on the Agenda

Recommendation: That the City Council waive reading in full of all ordinances and resolutions on the agenda and declare that said titles which appear on the public agenda shall be determined to have been read by title and further reading waived.

3.2 **Approval of Minutes for January 26, 2021, Special Meeting**

Recommendation: That the City Council approve the Minutes for the January 26, 2021, Special Meeting.

3.3 **Approval of Minutes for January 26, 2021, Regular Meeting**

Recommendation: That the City Council approve the Minutes for the January 26, 2021, Regular Meeting.

3.4 **Ratification of February 9, 2021, Warrant Register**

Recommendation: That the City Council ratify the accompanying Warrant Register for the period from January 15, 2021 to January 28, 2021, in the amount of $146,746.58.

3.5 **City Council Review and Confirmation of the Necessity for Continuing the Local Emergency Related to the On-Going Threat of the Novel COVID-19 Virus**

Recommendation: That the City Council review and confirm the necessity for continuing the local emergency declared in response to the Novel COVID-19 virus

3.6 **Civic Center Second Quarter Financial Report for Fiscal Year 2020/2021**

Recommendation: That the City Council receive and file the report.

3.7 **Amendment No. 2 to Office Lease with Koorosh Hosn, D.D.S., for 24031 El Toro Rd, Suite 230, Laguna Hills, California**

Recommendation: That the City Council approve Amendment No. 2 to the Office Lease with Koorosh Hosn, D.D.S., a professional corporation, for 24031 El Toro Road, Suite 230, Laguna Hills, California, and authorize the City Manager to execute the Amendment.

3.8 **Amendment No. 2 to Consulting Services Agreement with Kelly Associates Management Group, LLC for Strategic Planning, Economic Development, and Project Management Consulting Services for the Processing of the Proposed Village at Laguna Hills Project, Located at the Site of the Former Laguna Hills Mall**

Recommendation: That the City Council approve Amendment No. 2 to Consulting Services Agreement with Kelly Associates Management Group, LLC, for Strategic Planning, Economic Development, and Project Management Consulting Services for the Processing of the Proposed Village at Laguna Hills Project, located at the Site of the Former Laguna Hills Mall, and authorize the Mayor to execute Amendment No. 2.

3.9 Amendment No. 2 to the Professional Services Agreement with Kosmont & Associates, Inc.

Recommendation: That the City Council approve Amendment No. 2 to the Professional Services Agreement with Kosmont & Associates, Inc., and authorize the City Manager to execute the Agreement

ITEMS REMOVED FROM THE CONSENT CALENDAR

3.10 Citywide Photo Contest Selections

Mayor Pezold removed Item No. 3.10 to allow Acting City Manager Rosenfield and Deputy City Manager/Community Services Director Reynolds to provide information on the item and to show a PowerPoint presentation in recognition of the photo contest winners.

Recommendation: That the City Council receive and file this report.

RESULT:	**RECEIVE AND FILE [UNANIMOUS]**
MOVER:	Janine Heft, Council Member
SECONDER:	Don Sedgwick, Mayor Pro Tempore
AYES:	Erica Pezold, Mayor; Don Sedgwick, Mayor Pro Tempore; Janine Heft, Council Member; Bill Hunt, Council Member; Dave Wheeler, Council Member

4. PLANNING AGENCY

Mayor Pezold recessed the City Council Meeting, and acting in capacity as Chair, called the Regular Meeting of the Planning Agency of the City of Laguna Hills, California, to order at 7:25 p.m.

4.1. ROLL CALL OF PLANNING AGENCY MEMBERS

Attendee Name	Title	Status	Arrived
Erica Pezold	Chair	Present	
Don Sedgwick	Vice Chair	Present	
Janine Heft	Agency Member	Present	
Bill Hunt	Agency Member	Present	
Dave Wheeler	Agency Member	Present	

4.2. PUBLIC COMMENTS

There were no Planning Agency public comments on non-agendized items.

4.3. APPROVAL OF MINUTES

4.3.1 Approval of Minutes for January 26, 2021, Regular Meeting

Recommendation: That the Planning Agency approve the Minutes for the January 26, 2021, Regular Meeting.

4.4. ADMINISTRATIVE REPORTS

There were no Planning Agency administrative reports.

4.5. PLANNING AGENCY PUBLIC HEARINGS

There were no Planning Agency public hearings.

PLANNING AGENCY ADJOURNMENT

Chair Pezold adjourned the Planning Agency Meeting at 7:26 p.m. and invited Acting City Manager Rosenfield to convene the Public Improvement Corporation (PIC) Meeting. Mayor Pezold reconvened the City Council Meeting at 7:27 p.m. All Council Members were present in chamber.

5. CITY COUNCIL PUBLIC HEARINGS

There were no City Council public hearings.

6. ADMINISTRATIVE REPORTS

6.1. City Manager

The City Manager gave no administrative reports.

6.2. City Attorney

6.2.1 Appointment of Interim City Manager and Approval of Interim City Manager Employment Agreement

City Attorney Simonian reviewed the information provided in the staff report and, pursuant to SB1436, provided a summary of the Interim City Manager's compensation prior to the City Council taking action on this item.

Recommendation: That the City Council:

1) Receive an oral report providing a summary of proposed changes to the annual base salary and benefits for Kenneth H. Rosenfield, P.E., Assistant City Manager/Public Services Director/City Engineer, to serve as Interim City Manager; and,

2) Appoint Assistant City Manager/Public Services Director/City Engineer Kenneth H. Rosenfield, P.E., as Interim City Manager of the City of Laguna Hills, effective February 10, 2021, to serve at the direction and pleasure of the City Council, pursuant to Laguna Hills Municipal Code Chapter 2-08; and,

3) Adopt Resolution No. 2021-02-09-1: "A Resolution of the City Council of the City of Laguna Hills, California, Appointing Kenneth H. Rosenfield, P.E., as Interim City Manager of the City of Laguna Hills, and Approving and Authorizing the Mayor to Execute an Interim City Manager Employment Agreement"; and,

4) Direct the City Clerk to administer the Oath of Office.

RESULT:	**APPROVED [UNANIMOUS]**
MOVER:	Dave Wheeler, Council Member
SECONDER:	Janine Heft, Council Member
AYES:	Erica Pezold, Mayor; Don Sedgwick, Mayor Pro Tempore; Janine Heft, Council Member; Bill Hunt, Council Member; Dave Wheeler, Council Member

6.3. Deputy City Manager/Community Services Director

6.3.1 <u>Establishment of a Video Messaging Program Entitled, "Mayor's Message" - Video Online Community Messaging Program.</u>

Deputy City Manager/Community Services Director Reynolds reviewed the information provided in the staff report and the information provided as a Hot Envelope Memo.

Recommendation: That the City Council: 1) Direct Staff to implement Option 2, as set forth in the Staff Report, for establishing a new "Mayor's Message" - Video Online Community Messaging Program; and 2) Adopt Resolution No. 2021-02-09-2: "A Resolution of the City Council of the City of Laguna Hills, California, Adopting City Council Policy No. 135 Regarding the Establishment of Parameters and Procedures for the 'Mayor's Message' - Video Online Community Messaging Program."

RESULT:	**APPROVED [UNANIMOUS]**
MOVER:	Erica Pezold, Mayor
SECONDER:	Don Sedgwick, Mayor Pro Tempore
AYES:	Erica Pezold, Mayor; Don Sedgwick, Mayor Pro Tempore; Janine Heft, Council Member; Bill Hunt, Council Member; Dave Wheeler, Council Member

7. MATTERS AGENDIZED AND PRESENTED BY CITY COUNCIL MEMBERS

There were no matters agendized and presented by City Council Members.

8. CITY COUNCIL MEMBER COMMENTS

Council Member Heft

Council Member Heft announced an OCTA Community Meeting on February 10, 2021, at 5:30p.m. and shared a video of the TCA and the County of Orange's Virtual Grand Opening of the Oso Parkway Bridge on Wednesday, January 13, 2021.

ADJOURNMENT

There being no further business before the City Council at this session, Mayor Pezold declared the meeting adjourned at 8:08 p.m.

Melissa Au-Yeung, City Clerk

ATTEST:

Erica Pezold, Mayor

Approved at meeting of February 23, 2021

City of Laguna Hills

City Council/Planning Agency

Staff Report

DATE: February 23, 2021

TO: Mayor and Council Members

FROM: Janice Reyes
Finance Director

ISSUE: Ratification of February 23, 2021, Warrant Register

RECOMMENDATION: That the City Council ratify the accompanying Warrant Register for the period from January 29, 2021 to February 11, 2021, in the amount of $474,780.05.

SUMMARY:

The City issues accounts payable disbursements on a regular basis and presents it to City Council for ratification at its next regularly scheduled City Council Meeting. The attached Warrant Register containing checks and electronic funds transfers for the period from January 29, 2021, to February 11, 2021, is being presented for ratification by the City Council. Payments have been reviewed and approved by the appropriate departmental staff. The Director of Finance certifies to the accuracy of the attached register and to the availability of monies for payment thereof.

ATTACHMENTS:

- Warrant Register - February 23, 2021
- Warrant Register, Payables Detail Report - February 23, 2021

City of Laguna Hills, CA

Warrant Register - February 23, 2021

By Check Number

Date Range: 01/29/2021 - 02/11/2021

Check Number	Vendor Number	Vendor Name	Payment Date	Payment Amount
Payment Type: Regular				
8818895	Z-CD-0241	ABOVE IT ALL ROOFING INC	02/04/2021	720.00
8818896	Z-CD-0208	ADVANCED PERMIT SERVICES	02/04/2021	352.47
8818897	A-0311	ALLIANT INSURANCE SERVICES	02/04/2021	201.00
8818898	C-1177	CANON FINANCIAL SERVICES, INC.	02/04/2021	1,429.31
8818899	C-1181	CIVIC PLUS	02/04/2021	8,123.41
8818900	C-1139	COMPLETE OFFICE OF CALIFORNIA	02/04/2021	1,308.09
8818901	D-0561	DOCU-TRUST	02/04/2021	75.00
8818902	H-0848	HDL, COREN & CONE	02/04/2021	2,781.00
8818903	J-1088	J THAYER COMPANY, INC	02/04/2021	36.83
8818904	Z-CD-0147	JIM MURRAY ROOFING INC.	02/04/2021	2,580.00
8818905	N-1493	NEXUSTEK	02/04/2021	4,929.37
8818906	O-1546	OFFICE SOLUTIONS	02/04/2021	178.71
8818907	P-1834	PLACEWORKS, INC.	02/04/2021	420.75
8818908	Q-1716	QUADIENT LEASING USA, INC.	02/04/2021	498.39
8818909	Z-CD-0287	SANDOR JENEI EURO ROOFING CO	02/04/2021	840.00
8818910	S-2296	SHUTE, MIHALY WEINBERGER LLP	02/04/2021	137.60
8818911	Z-CD-0288	SMITH & SEVERSON BUILDERS, LLC	02/04/2021	4,909.00
8818912	S-2250	SPARKLETTS	02/04/2021	98.30
8818913	Z-CD-0289	WANG, YANG	02/04/2021	3,497.00
8818914	R-1801	WOODRUFF, SPRADLIN & SMART	02/04/2021	67,848.46
8818915	C-0363	ORANGE COUNTY CLERK-RECORDER	02/05/2021	34.00
8818916	A-0138	ALL CITY MANAGEMENT, INC.	02/11/2021	8,591.94
8818917	A-0320	AMTEC	02/11/2021	500.00
8818918	B-0304	BEE MAN, THE	02/11/2021	1,233.50
8818919	B-0437	BRINKS, INCORPORATED	02/11/2021	157.52
8818920	C-1133	CALIFORNIA YELLOW CAB	02/11/2021	112.00
8818921	C-1144	CHARLES ABBOTT ASSOCIATES, INC	02/11/2021	17,977.45
8818922	C-0324	CITY OF MISSION VIEJO	02/11/2021	55,131.59
8818923	C-0051	CITY OF NEWPORT BEACH	02/11/2021	1,000.00
8818924	C-1209	CLIFTONLARSONALLEN LLP	02/11/2021	3,270.00
8818925	C-1191	COMMUNICATIONS CHGS- LAW ENF - COUNTY OF ORANGE	02/11/2021	4,318.81
8818926	C-1139	COMPLETE OFFICE OF CALIFORNIA	02/11/2021	143.31
8818927	C-0023	COX COMMUNICATION	02/11/2021	195.86
8818928	C-1122	CROSSTOWN ELECTRICAL & DATA, INC.	02/11/2021	63,332.16
8818929	D-0541	DIAMOND ENVIRONMENTAL SERVICES	02/11/2021	2,772.48
8818930	E-0544	ECONOLITE SYSTEMS, INC	02/11/2021	15,331.36
8818931	E-0554	ECONOMICS, INC.	02/11/2021	16,531.89
8818932	E-0504	EL TORO WATER DISTRICT	02/11/2021	8,055.36
8818933	C-1190	FINGERPRINT ID (AFIS) LAW ENF. - COUNTY OF ORANGE	02/11/2021	1,388.00
8818934	G-0862	GRANICUS	02/11/2021	1,067.82
8818935	H-0829	HARTZOG & CRABILL, INC.	02/11/2021	3,806.60
8818936	I-0960	IRV SEAVER MOTORCYCLES	02/11/2021	1,483.47
8818937	I-0942	IRVINE RANCH WATER DISTRICT	02/11/2021	98.70
8818938	J-1057	JAMEY CLARK, INC.	02/11/2021	549.50
8818939	K-1196	KELLY ASSOCIATES MANAGEMENT GROUP, LLC	02/11/2021	9,071.25
8818940	M-1600	MERCY HOUSE LIVING CENTERS, INC.	02/11/2021	600.00
8818941	M-1388	MOBILE MINI, INC.	02/11/2021	82.97
8818942	N-1474	NIEVES LANDSCAPE, INC.	02/11/2021	84,508.00
8818943	O-1528	OCTA	02/11/2021	24,500.00
8818944	O-1546	OFFICE SOLUTIONS	02/11/2021	34.16
8818945	O-1575	ORANGE COUNTY REGISTER-FREEDOM CA. NEWSPAPER PARTNERSHIP	02/11/2021	455.00
8818946	Z-CS-0361	PARK, JAMIE	02/11/2021	250.00
8818947	R-1976	REAL ESTATE CONSULTING & SERVICES, INC.	02/11/2021	320.00

Attachment: Warrant Register - February 23, 2021 (2340 : Warrant Register, February 23, 2021)

Warrant Register - February 9, 2021 **Date Range: 01/29/2021 - 02/11/2021**

Check Number	Vendor Number	Vendor Name	Payment Date	Payment Amount
8818948	R-1977	RJ ELECTRIC	02/11/2021	1,135.00
8818949	S-1902	SAN DIEGO GAS & ELECTRIC	02/11/2021	9,745.87
8818950	S-2201	SUNSET PROPERTY SERVICES JONSET CORPORATION	02/11/2021	13,964.43
8818951	W-2302	THOMSON REUTERS - WEST	02/11/2021	533.22
8818952	T-2709	TOT LOT PROS	02/11/2021	1,872.33
8818953	T-2698	TPX COMMUNICATIONS	02/11/2021	538.25
8818954	U-2165	UNDERGROUND SERVICE ALERT OF SOUTHERN CALIFORNIA	02/11/2021	104.05
8818955	V-2224	VERIZON WIRELESS	02/11/2021	1,241.51
8818956	W-2337	WEST COAST ARBORISTS, INC.	02/11/2021	10,276.00
8818957	W-2448	WEST GATE CONTRACTOR	02/11/2021	7,500.00
			Total Regular:	**474,780.05**

Bank Code AP Bank Summary

Payment Type	Payable Count	Payment Count	Discount	Payment
Regular Checks	81	63	0.00	474,780.05
Manual Checks	0	0	0.00	0.00
Voided Checks	0	0	0.00	0.00
Bank Drafts	0	0	0.00	0.00
EFT's	0	0	0.00	0.00
	81	**63**	**0.00**	**474,780.05**

All Bank Codes Check Summary

Payment Type	Payable Count	Payment Count	Discount	Payment
Regular Checks	81	63	0.00	474,780.05
Manual Checks	0	0	0.00	0.00
Voided Checks	0	0	0.00	0.00
Bank Drafts	0	0	0.00	0.00
EFT's	0	0	0.00	0.00
	81	**63**	**0.00**	**474,780.05**

Fund Summary

Fund	Name	Period	Amount
998	POOL	2/2021	474,780.05
			474,780.05

Warrant Register - Payables Detail Report

City of Laguna Hills, CA

By Fund

Payment Dates 01/29/2021 - 02/11/2021

Payment Date	Vendor Name	Payable Number	Description (Payable)	Account Number	Amount
Fund: 100 - GENERAL FUND					
02/04/2021	DOCU-TRUST	042112	Offsite Data Storage, Jan '21	100-155-700030	75.00
02/04/2021	J THAYER COMPANY, INC	1504267-0	Operating Supplies, Comm Ctr, Jan	100-310-622005	36.83
02/04/2021	ALLIANT INSURANCE SERVICES	1535122	Commercial Auto Premium, 12/22/20 - 12/22/21	100-105-690100	201.00
02/04/2021	CIVIC PLUS	205066	Annual Maint, Website, IT, 12/15/20 - 12/14/21	100-195-720050	8,123.41
02/04/2021	NEXUSTEK	228067	Professional Services, Software Support, Dec '20	100-195-720050	92.50
02/04/2021	NEXUSTEK	229667	Professional Services, Software Support, Jan '21	100-195-720050	4,836.87
02/04/2021	COMPLETE OFFICE OF CALIFORNIA	2530777-0	Computer Supplies, Jan '21	100-195-621000	927.30
02/04/2021	COMPLETE OFFICE OF CALIFORNIA	2531903-0	Computer Supplies, Feb '21	100-195-621000	380.79
02/04/2021	CANON FINANCIAL SERVICES, INC.	26059345	Lease - Copier, Comm Ctr, 1/1/21 - 1/31/21	100-195-641200	279.86
02/04/2021	CANON FINANCIAL SERVICES, INC.	26059356	Lease - Copier, City Hall, 1/1/21 - 1/31/21	100-195-641200	253.84
02/04/2021	CANON FINANCIAL SERVICES, INC.	26059367	Lease - Copier, New Admin Copier, 1/1/21 - 1/31/21	100-195-641200	895.61
02/04/2021	SHUTE, MIHALY WEINBERGER LLP	271632	Professional Services, Legal, Dec '20	100-155-700011	137.60
02/04/2021	SPARKLETTS	4228482 012921	Operating Supplies, Jan '21	100-195-622000	98.30
02/04/2021	WOODRUFF, SPRADLIN & SMART	67262 - 67263	Professional Services Legal, Nov '20	100-155-700010	32,530.46
02/04/2021	WOODRUFF, SPRADLIN & SMART	67262 - 67263	Professional Services Legal, Nov '20	100-155-700011	352.00
02/04/2021	WOODRUFF, SPRADLIN & SMART	67262 - 67263	Professional Services Legal, Nov '20	100-225-700012	880.00
02/04/2021	PLACEWORKS, INC.	74138	Housing Element, Dec '20	100-225-700225	420.75
02/04/2021	ABOVE IT ALL ROOFING INC	CD-0653-BLDR-0572-202	Refund, C&D Deposit, R #7763	100-000-227001	720.00
02/04/2021	ADVANCED PERMIT SERVICES	CD-0654-MECR-0421-202	Refund, Permit Fees, R #8343	100-000-221011	2.00
02/04/2021	ADVANCED PERMIT SERVICES	CD-0654-MECR-0421-202	Refund, Permit Fees, R #8343	100-000-221012	4.00
02/04/2021	ADVANCED PERMIT SERVICES	CD-0654-MECR-0421-202	Refund, Permit Fees, R #8343	100-000-442000	346.47
02/04/2021	JIM MURRAY ROOFING INC.	CD-0655-BLDR-0623-202	Refund, C&D Deposit, R #8068	100-000-227001	1,290.00
02/04/2021	JIM MURRAY ROOFING INC.	CD-0656-BLDR-0631-202	Refund, C&D Deposit, R #8135	100-000-227001	1,290.00
02/04/2021	SANDOR JENEI EURO ROOFING CO	CD-0657-BLDR-0613-202	Refund, C&D Deposit, R #8036	100-000-227001	840.00
02/04/2021	SMITH & SEVERSON BUILDERS, LLC	CD-0658-BLDC-0073-202	Refund, C&D Deposit, R #6977	100-000-227001	4,909.00
02/04/2021	WANG, YANG	CD-0659-BLDC-0070-202	Refund, C&D Deposit, R #7083	100-000-227001	3,497.00
02/04/2021	OFFICE SOLUTIONS	I-01838971	Office Supplies, Jan '21	100-195-620000	166.22
02/04/2021	OFFICE SOLUTIONS	I-01839320	Office Supplies, Feb '21	100-195-620000	12.49
02/04/2021	QUADIENT LEASING USA, INC.	N8698145	Lease - Mailing Equip, 12/1/20 - 2/28/21	100-195-641000	498.39
02/04/2021	HDL, COREN & CONE	SIN006380	Property Tax Audit, Jan - Mar '21	100-155-700055	2,781.00
02/05/2021	ORANGE COUNTY CLERK-RECORDER	020521	Recording Fee, LLA-0002-2020	100-000-220444	34.00
02/11/2021	ORANGE COUNTY REGISTER-FREEDOM CA. NEWSPAPER	0000504112	Legal Advertising, Jan '21	100-155-624001	455.00
02/11/2021	COX COMMUNICATION	012921	WiFi, Community Center, Jan '21	100-195-630000	195.86
02/11/2021	IRVINE RANCH WATER DISTRICT	020221	Water Usage, Public Services, Jan '21	100-355-635000	98.70
02/11/2021	SAN DIEGO GAS & ELECTRIC	021021	Street Lights, Traffic Control, Jan '21	100-355-631400	9,745.87
02/11/2021	EL TORO WATER DISTRICT	021121	Water Usage, Public Services, Jan '21	100-355-635000	8,055.36
02/11/2021	BEE MAN, THE	113012	Bee Removal, Public Services, Jan '21	100-355-720701	1,038.50
02/11/2021	BEE MAN, THE	113022	Bee Removal, Public Services, Jan '21	100-355-720701	195.00
02/11/2021	BRINKS, INCORPORATED	11459300	Courier Fee, Armored Transport, Feb '21	100-155-625000	157.52
02/11/2021	CITY OF NEWPORT BEACH	11805	City Share of Amicus Brief	100-155-700011	1,000.00
02/11/2021	UNDERGROUND SERVICE ALERT OF SOUTHERN CALIFORNIA	120210368	Street Maintenance, Jan '21	100-355-720400	104.05
02/11/2021	SUNSET PROPERTY SERVICES JONSET CORPORATION	123779	Street Sweeping Services, Jan '21	100-355-720410	11,926.76
02/11/2021	GRANICUS	136057	Agenda Software, FY 20/21	100-195-720050	1,067.82

Attachment: Warrant Register, Payables Detail Report - February 23, 2021 (2340 : Warrant Register, February 23, 2021)

Warrant Register - Payables Detail Report **Payment Dates: 01/29/2021 - 02/11/2021**

Payment Date	Vendor Name	Payable Number	Description (Payable)	Account Number	Amount
02/11/2021	TPX COMMUNICATIONS	139305489-0	Communications Expense, Feb '21	100-195-630000	538.25
02/11/2021	REAL ESTATE CONSULTING & SERVICES, INC.	13972	Parks Contract Repair, Jan '21	100-355-720701	320.00
02/11/2021	WEST COAST ARBORISTS, INC.	168404	Tree Trimming Services, Dec '20	100-355-720702	5,765.80
02/11/2021	WEST COAST ARBORISTS, INC.	168410	Tree Trimming Services, Dec '20	100-355-720702	1,988.90
02/11/2021	WEST COAST ARBORISTS, INC.	168501	Tree Trimming Services, Jan '21	100-355-720702	2,521.30
02/11/2021	TOT LOT PROS	1856	Parks Contract Repair, Feb '21	100-355-720701	1,872.33
02/11/2021	HARTZOG & CRABILL, INC.	20-0763	Traffic Signal Mgmt Services & CIP 168-I, Dec '20	100-000-120004	312.50
02/11/2021	HARTZOG & CRABILL, INC.	20-0763	Traffic Signal Mgmt Services & CIP 168-I, Dec '20	100-355-700101	2,619.10
02/11/2021	HARTZOG & CRABILL, INC.	20-0763	Traffic Signal Mgmt Services & CIP 168-I, Dec '20	100-600-790600	875.00
02/11/2021	IRV SEAVER MOTORCYCLES	20210232	Motorcycle Maintenance, Police Svcs, Feb '21	100-420-646100	1,483.47
02/11/2021	CITY OF MISSION VIEJO	20768	Animal Care Services, Jan-Mar '21	100-420-720401	55,131.59
02/11/2021	WEST GATE CONTRACTOR	21	Graffiti Removal, Public Services, Jan '21	100-355-720500	7,500.00
02/11/2021	COMPLETE OFFICE OF CALIFORNIA	2532798-0	Computer Supplies, Feb '21	100-195-621000	143.31
02/11/2021	CLIFTONLARSONALLEN LLP	2737963	State Controller's Financial Report, 19/20	100-155-700051	3,270.00
02/11/2021	CROSSTOWN ELECTRICAL & DATA,	3364 - 3395	Traffic Signal Maintenance, Dec '20	100-000-120004	38,239.89
02/11/2021	CROSSTOWN ELECTRICAL & DATA,	3364 - 3395	Traffic Signal Maintenance, Dec '20	100-355-720420	15,441.62
02/11/2021	CROSSTOWN ELECTRICAL & DATA,	3396 - 3432	Traffic Signal Maintenance, Jan '21	100-355-720420	9,650.65
02/11/2021	AMTEC	3516-02-21	Rebate Report, Bond Issue	100-155-700050	500.00
02/11/2021	MERCY HOUSE LIVING CENTERS, INC.	5003-20-12	Contract Services - Homelessness, Dec '20	100-310-720302	600.00
02/11/2021	RJ ELECTRIC	59395	Parks Contract Repair, Jan '21	100-355-720701	1,135.00
02/11/2021	CHARLES ABBOTT ASSOCIATES, INC	62126	Road Maintenance, Jan '21	100-355-720400	17,977.45
02/11/2021	NIEVES LANDSCAPE, INC.	68925	Monthly and Misc Landscape, Jan '21	100-355-720700	84,508.00
02/11/2021	ALL CITY MANAGEMENT, INC.	69019	Crossing Guard Services, 1/10/21 - 1/23/21	100-420-720822	4,909.68
02/11/2021	JAMEY CLARK, INC.	72286	Park Repairs, Public Services, Jan '21	100-355-720701	173.50
02/11/2021	JAMEY CLARK, INC.	72294	Graffiti Removal, Public Services, Jan '21	100-355-720500	376.00
02/11/2021	THOMSON REUTERS - WEST	843582693	Subscription, City Clerk, Dec '20	100-155-626000	266.61
02/11/2021	THOMSON REUTERS - WEST	843754744	Subscription, City Clerk, Jan '21	100-155-626000	266.61
02/11/2021	MOBILE MINI, INC.	9009880654	Storage Rental, Community Center, 1/26 - 2/22/21	100-310-641000	82.97
02/11/2021	VERIZON WIRELESS	9872054283	Communication Expense, Jan '21	100-195-630000	1,241.51
02/11/2021	OCTA	AR142081	City Share, CIP 168-G	100-600-790600	24,500.00
02/11/2021	PARK, JAMIE	FRDCOV-0066	Refund, Facility Deposit, R #1033912.002	100-000-222000	250.00
02/11/2021	OFFICE SOLUTIONS	I-01840946	Office Supplies, Feb '21	100-195-620000	34.16
02/11/2021	ECONOLITE SYSTEMS, INC	INV201967	Property Damage, Alicia / Community Ctr	100-000-120004	15,331.36
02/11/2021	COMMUNICATIONS CHGS- LAW ENF - COUNTY OF ORANGE	SC12606	Communications Charges, 10/1/20 - 12/31/20	100-420-646000	997.81
02/11/2021	COMMUNICATIONS CHGS- LAW ENF - COUNTY OF ORANGE	SC12658	Communications Charges, 1/1/21 - 3/31/21	100-420-646000	3,321.00
02/11/2021	FINGERPRINT ID (AFIS) LAW ENF. - COUNTY OF ORANGE	SH 58531	Fingerprint ID System Charges, Feb	100-420-720835	1,388.00
				Fund 100 - GENERAL FUND Total:	**406,486.50**
Fund: 101 - MGP DEVELOPMENT APPLICATION - VALH PROJECT					
02/04/2021	WOODRUFF, SPRADLIN & SMART	67262 - 67263	Professional Services Legal, Nov '20	101-000-223000	32,524.00
02/04/2021	WOODRUFF, SPRADLIN & SMART	67262 - 67263	Professional Services Legal, Nov '20	101-000-450000	(32,524.00)
02/04/2021	WOODRUFF, SPRADLIN & SMART	67262 - 67263	Professional Services Legal, Nov '20	101-225-700012	32,524.00
02/11/2021	KELLY ASSOCIATES MANAGEMENT GROUP, LLC	020121	Professional Services, Jan '21	101-000-223000	9,071.25
02/11/2021	KELLY ASSOCIATES MANAGEMENT GROUP, LLC	020121	Professional Services, Jan '21	101-000-450000	(9,071.25)

Warrant Register - Payables Detail Report | **Payment Dates: 01/29/2021 - 02/11/2021**

Payment Date	Vendor Name	Payable Number	Description (Payable)	Account Number	Amount
02/11/2021	KELLY ASSOCIATES MANAGEMENT GROUP, LLC	020121	Professional Services, Jan '21	101-225-700040	9,071.25
			Fund 101 - MGP DEVELOPMENT APPLICATION - VALH PROJECT Total:		**41,595.25**
Fund: 221 - SENIOR MOBILITY PROGRAM					
02/11/2021	CALIFORNIA YELLOW CAB	1406021	Senior Mobility Program, Jan '21	221-310-720000	112.00
			Fund 221 - SENIOR MOBILITY PROGRAM Total:		**112.00**
Fund: 307 - C & D FORFEITED DEPOSITS					
02/11/2021	ECONOMICS, INC.	2017-2018.42	Professional Services, Recycling Program, Dec '20	307-355-700000	8,239.65
02/11/2021	ECONOMICS, INC.	2017-2018.43	Professional Services, Recycling Program, Jan '21	307-355-700000	8,292.24
			Fund 307 - C & D FORFEITED DEPOSITS Total:		**16,531.89**
Fund: 430 - CARES Act Assistance - State					
02/04/2021	WOODRUFF, SPRADLIN & SMART	67262 - 67263	Professional Services Legal, Nov '20	430-420-700010	1,452.00
02/11/2021	DIAMOND ENVIRONMENTAL	0003076250	Contract Serv - Sanitation, Comm Ctr, Feb '21	430-420-721505	924.16
02/11/2021	DIAMOND ENVIRONMENTAL	0003076251	Contract Serv - Sanitation, Cabot Park, Feb '21	430-420-721505	924.16
02/11/2021	DIAMOND ENVIRONMENTAL	0003076252	Contract Serv - Sanitation, Civic Ctr, Feb '21	430-420-721505	924.16
02/11/2021	SUNSET PROPERTY SERVICES JONSET CORPORATION	123770	Pressure Washing Services, Jan '21	430-420-720000	208.08
02/11/2021	SUNSET PROPERTY SERVICES JONSET CORPORATION	123771	Contract Serv - Public Safety, COVID-19, Jan '21	430-420-720000	1,829.59
02/11/2021	ALL CITY MANAGEMENT, INC.	69019	Crossing Guard Services, 1/10/21 - 1/23/21	430-420-720822	3,682.26
			Fund 430 - CARES Act Assistance - State Total:		**9,944.41**
Fund: 451 - LIABILITY SELF-INSURANCE					
02/04/2021	WOODRUFF, SPRADLIN & SMART	67262 - 67263	Professional Services Legal, Nov '20	451-155-700011	110.00
			Fund 451 - LIABILITY SELF-INSURANCE Total:		**110.00**
Fund: 600 - CAPITAL IMPROVEMENT PROJECT					
02/11/2021	HARTZOG & CRABILL, INC.	20-0763	Traffic Signal Mgmt Services & CIP 168-I, Dec '20	600-000-490100	(875.00)
02/11/2021	HARTZOG & CRABILL, INC.	20-0763	Traffic Signal Mgmt Services & CIP 168-I, Dec '20	600-251-950168	875.00
02/11/2021	OCTA	AR142081	City Share, CIP 168-G	600-000-490100	(24,500.00)
02/11/2021	OCTA	AR142081	City Share, CIP 168-G	600-251-950168	24,500.00
			Fund 600 - CAPITAL IMPROVEMENT PROJECT Total:		**-**
			Grand Total:		**474,780.05**

Report Summary

Fund Summary

Fund	Expense Amount	Payment Amount
100 - GENERAL FUND	406,486.50	406,486.50
101 - MGP DEVELOPMENT APPLICATION - VALH PROJECT	41,595.25	41,595.25
221 - SENIOR MOBILITY PROGRAM	112.00	112.00
307 - C & D FORFEITED DEPOSITS	16,531.89	16,531.89
430 - CARES Act Assistance - State	9,944.41	9,944.41
451 - LIABILITY SELF-INSURANCE	110.00	110.00
600 - CAPITAL IMPROVEMENT PROJECT	-	-
Grand Total:	**474,780.05**	**474,780.05**

Account Summary

Account Number	Account Name	Expense Amount	Payment Amount
100-000-120004	AcctsReceivable-	53,883.75	53,883.75
100-000-220444	EncroachmentGrading	34.00	34.00
100-000-221011	Building Standards Fee	2.00	2.00
100-000-221012	SB1186 ADA CASp Fees	4.00	4.00
100-000-222000	Refundable Deposits	250.00	250.00
100-000-227001	SecurityDeposit-WasteRecycling	12,546.00	12,546.00
100-000-442000	Building Related Permits	346.47	346.47
100-105-690100	Property Loss Coverage	201.00	201.00
100-155-624001	Advertising - Legal	455.00	455.00
100-155-625000	Postage & Delivery	157.52	157.52
100-155-626000	Subscriptions & Books	533.22	533.22
100-155-700010	Legal Services-General Counsel	32,530.46	32,530.46
100-155-700011	Legal Services-Litigation	1,489.60	1,489.60
100-155-700030	Professional Svcs- City Clerk	75.00	75.00
100-155-700050	Professional Services- Financial	500.00	500.00
100-155-700051	Professional Services - Annual	3,270.00	3,270.00
100-155-700055	Professional Services -	2,781.00	2,781.00
100-195-620000	Office Supplies	212.87	212.87
100-195-621000	Computer Supplies	1,451.40	1,451.40
100-195-622000	Operating Supplies	98.30	98.30
100-195-630000	Telephone & Communication	1,975.62	1,975.62
100-195-641000	Rent/Lease - Equipment	498.39	498.39
100-195-641200	Rent/Lease - Copier	1,429.31	1,429.31
100-195-720050	Contract Serv-Software Support	14,120.60	14,120.60
100-225-700012	Legal Services - Community	880.00	880.00
100-225-700225	Housing Element	420.75	420.75
100-310-622005	Operating Supplies Comm Ctr	36.83	36.83
100-310-641000	Rent/Lease - Equipment	82.97	82.97
100-310-720302	Contract Services - Homelessness	600.00	600.00
100-355-631400	Electric-Street Lights/Signals	9,745.87	9,745.87
100-355-635000	Utilities - Water	8,154.06	8,154.06
100-355-700101	Traffic Engineer Services	2,619.10	2,619.10
100-355-720400	Street Maintenance	18,081.50	18,081.50
100-355-720410	Street Sweeping	11,926.76	11,926.76
100-355-720420	Traffic Signal Maintenance	25,092.27	25,092.27
100-355-720500	Graffiti Removal	7,876.00	7,876.00
100-355-720700	Landscape Maintenance Contract	84,508.00	84,508.00
100-355-720701	Parks Contract Repair	4,734.33	4,734.33
100-355-720702	Tree Maintenance	10,276.00	10,276.00
100-420-646000	Maint & Rep-Equip & Machinery	4,318.81	4,318.81
100-420-646100	Maint & Repairs - Vehicles	1,483.47	1,483.47
100-420-720401	Animal Care & Shelter Services	55,131.59	55,131.59
100-420-720822	Crossing Guard Services	4,909.68	4,909.68
100-420-720835	Fingerprint Identification Svc	1,388.00	1,388.00
100-600-790600	Transfers Out - Capital Imprv	25,375.00	25,375.00
101-000-223000	Plan Application Deposit	41,595.25	41,595.25

Account Summary

Account Number	Account Name	Expense Amount	Payment Amount
101-000-450000	Planning Fees	(41,595.25)	(41,595.25)
101-225-700012	Legal Services	32,524.00	32,524.00
101-225-700040	Consultant Services, Project	9,071.25	9,071.25
221-310-720000	Contract Services	112.00	112.00
307-355-700000	Professional Services	16,531.89	16,531.89
430-420-700010	Legal Services, COVID-19	1,452.00	1,452.00
430-420-720000	Contract Services - Public Safety,	2,037.67	2,037.67
430-420-720822	Contract Services - Crossing	3,682.26	3,682.26
430-420-721505	Contract Services-	2,772.48	2,772.48
451-155-700011	Legal Services-Litigation	110.00	110.00
600-000-490100	Transfer In- General Fund	(25,375.00)	(25,375.00)
600-251-950168	TrafficSignalmprovCoordination	25,375.00	25,375.00
	Grand Total:	**474,780.05**	**474,780.05**

Project Account Summary

Project Account Key		Expense Amount	Payment Amount
None		474,780.05	474,780.05
	Grand Total:	**474,780.05**	**474,780.05**

City of Laguna Hills

City Council/Planning Agency

Staff Report

DATE: **February 23, 2021**

TO: **Mayor and Council Members**

FROM: **Kenneth H. Rosenfield P.E.**
Interim Director of Emergency Services/Interim City Manager

ISSUE: **City Council Review and Confirmation of the Necessity for Continuing the Local Emergency Related to the On-Going Threat of the Novel COVID-19 Virus**

RECOMMENDATION: That the City Council review and confirm the necessity for continuing the local emergency declared in response to the Novel COVID-19 virus

SUMMARY:

On March 18, 2020, the City Manager, acting in his capacity as Director of Emergency Services, proclaimed the existence of a local emergency relating to COVID-19 (the "coronavirus"), at which time the City Council was not in session. On March 24, 2020, during a special meeting the City Council ratified and confirmed the City Manager's proclamation declaring the existence of a local emergency. Since that time, the rate of infection and threat to public health and safety have not abated, as the number of cases continue to grow. As of February 4, 2021, there were more than 105 million worldwide cases of COVID-19, and 2.28 million deaths. Locally, there were 249,000 confirmed cases and 3,199 deaths in Orange County. Since then, the worldwide cases have increased to more than 110 million, and the worldwide deaths have increased to more than 2.43 million. County-wide, the number of confirmed cases has increase from 249,000 to 258,000 and deaths have increased from 3,199 to 3,644. Pursuant to Laguna Hills Municipal Code ("LHMC") Section 2-32.060, the City Council must review the necessity for continuing the local emergency no less frequently than at every subsequent regular meeting of the City Council until the emergency is terminated. LHMC Section 2-32.150 further requires any rules and regulations, such as Executive Orders, issued by the

Director of Emergency Services/City Manager that are reasonably related to the local emergency, such as for the protection of life and property as affected by the emergency, to be confirmed as soon as practicable by the City Council.

BACKGROUND:

On January 30, 2020, the World Health Organization (“WHO”) declared the outbreak of COVID-19 a "public health emergency of international concern" and by March 11, 2020, the WHO elevated the public health emergency to the status of a pandemic. On January 31, 2020, United States Health and Human Services Secretary Alex M. Azar II declared a public health emergency for the United States to aid the nation's healthcare community in responding to COVID-19. On February 26, 2020, the County of Orange and County Health Officer Dr. Nichole Quick declared a local emergency and a local health emergency to prepare for COVID-19, and on March 4, 2020, the Governor declared a State of Emergency in California allowing state agencies to take any action necessary to address COVID-19.

On March 11, 2020, the Governor and the California Department of Health issued a statement entitled "California Public Health Experts: Mass Gatherings Should be Postponed or Canceled Statewide to Slow the Spread of COVID-19" determining that gatherings should be postponed or canceled across the state until at least the end of March. Non-essential gatherings must be limited to no more than 250 people, while smaller events can proceed only if the organizers can implement social distancing of six (6) feet per person. Gatherings of individuals who are at higher risk for severe illness from COVID-19 should be limited to no more than ten (10) people, while also following social distancing guidelines. Furthermore, essential gatherings should only be conducted if the essential activity could not be postponed or achieved without gathering, meaning that some other means of communication could not be used to conduct the essential function.

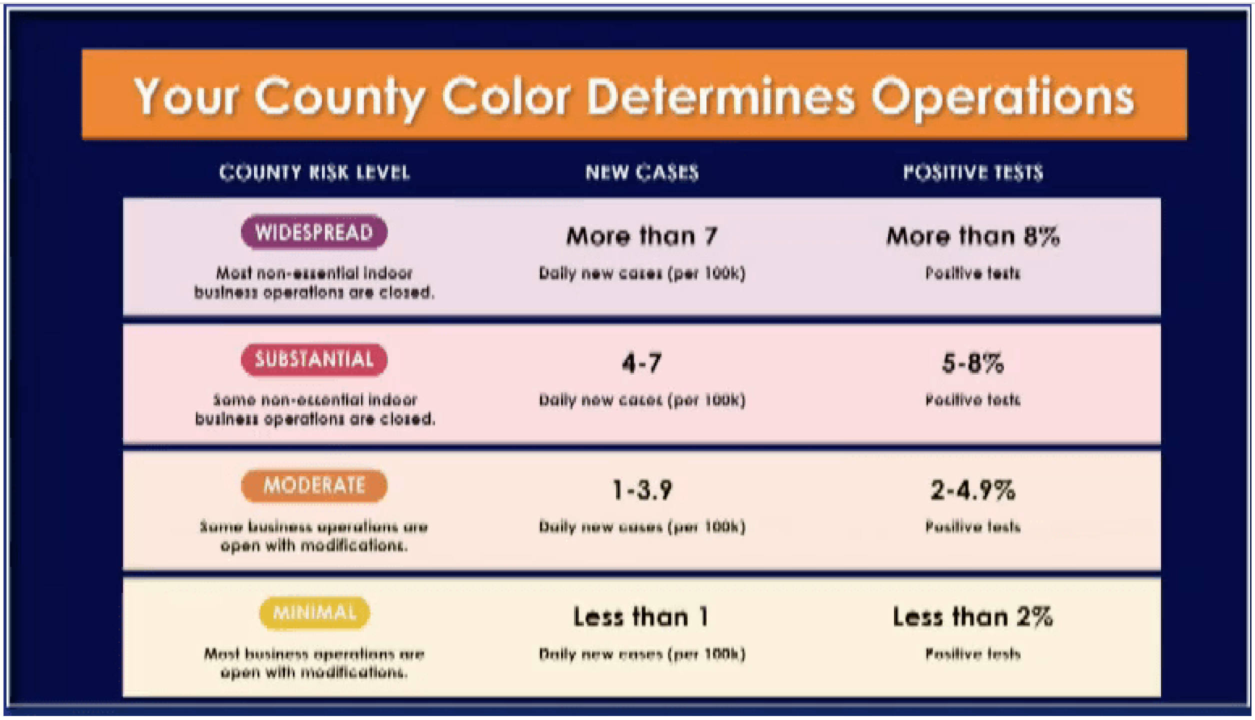
Within a short period of time thereafter COVID-19 began to spread rapidly throughout California necessitating more stringent public health emergency orders. On March 12, 2020, the Governor issued Executive Order N-25-20, ordering that all residents are to heed the orders and guidance of state and local public health officials. Subsequently, on March 13, 2020, President Donald J. Trump declared a National Emergency to provide disaster funding, speed up the United States response to the crisis created by COVID-19, and to offer maximum flexibility to attack the problem. By March 16, 2020, President Trump advised the public to avoid groups of more than ten

(10) people to fight the COVID-19 outbreak. On March 17, 2020, the Orange County Health Officer issued a Public Health Order prohibiting all public and private gatherings of any number of people, including at places of work, occurring outside a single household or living unit, until March 31, 2020, except for the purposes of engaging in an Essential Activity, as defined. This Public Health Order was superseded by the State's Executive Order and continues in effect until further notice.

In light of these events, on March 18, 2020, the City Manager, acting as the Director of Emergency Services pursuant to LHMC Section 2-32.060(B), proclaimed the existence of a local emergency within the City of Laguna Hills by enacting Proclamation No. 2020-03-18-1, at which time the City Council was not in session. A copy of Proclamation No. 2020-03-18-1 is attached hereto. On March 24, 2020, the City Council unanimously ratified and confirmed the City Manager's proclamation declaring the existence of a local emergency during a special meeting, as required by LHMC Section 2-32.060(B).

In order to mitigate the impact of COVID-19 across the State, on March 19, 2020, the Governor issued Executive Order N-33-20, which directed and ordered all residents to: 1) immediately heed the current State public health directives; and 2) to stay at home or at their place of residence except as needed to maintain continuity of operations of the federal critical infrastructure sectors. On March 22, 2020, President Donald J. Trump declared California a major disaster area, thereby making federal emergency aid available for the State to supplement state, tribal, and local recovery efforts in the areas affected by the COVID-19 pandemic beginning on January 1, 2020, and continuing.

Effective August 31, 2020, Governor Newsom implemented a "Blueprint for a Safer Economy," within the COVID-19 portion of the state's website at: https://covid19.ca.gov/safer-economy/, which allows the public to enter a County and a desired activity to verify if it is open. The system also labels each county's risk level using a four color-coded tier system for COVID-19 monitoring that will replace any former county-based monitoring systems. As you can see in the graphic below, the system is based on the amount of positive cases and positivity rates as either widespread, substantial, moderate or minimal.



As to the continuing need for the proclamation of emergency and the rules, measures, and orders issued to date by the City Council, the following facts are instructive. The County of Orange continues to be labeled with a risk factor of Widespread.

On December 3, 2020, Governor Newsom announced a new Regional Stay Home Order that will prohibit gatherings of any size, close operations except for critical infrastructure and retail, and require 100% masking and physical distancing. Orange County is part of the Southern California Region that includes the counties of Imperial, Inyo, Los Angeles, Mono, Orange, Riverside, San Bernardino, San Diego, San Luis Obispo, Santa Barbara, and Ventura. This Regional Stay Home Order will go into effect within 24 hours in regions with less than 15% ICU availability. The order will remain in effect for at least 3 weeks and, after that period, will be lifted when a region's projected ICU capacity meets or exceeds 15% based on a weekly assessment. On December 6, 2020, the Southern California Region was placed on a Regional Stay at Home Order that recently ended on January 25, 2021. County restrictions return to their assigned risk level tier.

As of February 4, 2021, there were more than 105 million worldwide cases of COVID-19, and 2.28 million deaths. Locally, there were 249,000 confirmed cases and 3,199 deaths in Orange County. Between February 4, 2021, and the date of publication of this staff report (February 18, 2021), the worldwide cases have increased to more than 110 million and the worldwide deaths have increased to more than 2.43 million. County-wide cases have increase from 249,000 to 258,000 and county-wide deaths have increased from 3,199 to 3,644. These figures continue to grow on a daily basis. The rate of infection, potential impact to health care systems, and the threat to public health and safety have not abated. The state of local emergency continues to exist.

It is recommended that the City Council review the necessity for continuing the local emergency related to the COVID-19 pandemic. Based on the recommendations of the Acting Director of Emergency Services/Acting City Manager and the Chief of Police Services, it has been determined that the need for the locally declared emergency, pursuant to Proclamation No. 2020-03-18-1, continues to exist and should not be terminated at this time.

ATTACHMENTS:

- Proclamation No. 2020-03-18-1, Declaration of Existence of a Local Emergency

PROCLAMATION NO. 2020-03-18-1

A PROCLAMATION OF THE DIRECTOR OF EMERGENCY SERVICES OF THE CITY OF LAGUNA HILLS, CALIFORNIA, DECLARING THE EXISTENCE OF A LOCAL EMERGENCY

WHEREAS, Laguna Hills Municipal Code Section 2-32.060 empowers the City Council (while in session), or the Director of Emergency Services (if the City Council is not in session), to declare the existence or threatened existence of a local emergency; and

WHEREAS, California Government Code Section 8550 *et seq.*, including Section 8558(c), authorizes the Director of Emergency Services to proclaim a local emergency when the City is threatened by conditions of disaster or extreme peril to the safety of persons and property within the City that are likely to be beyond the control of the services, personnel, equipment, and facilities of the City; and

WHEREAS, a novel coronavirus, COVID-19, causes infectious disease and was first detected in Wuhan City, Hubei Province, China in December 2019. Symptoms of COVID-19 include fever, cough, and shortness of breath; outcomes have ranged from mild to severe illness and in some cases death. The Center for Disease Control and Prevention (CDC) has indicated the virus is a significant public health threat; and

WHEREAS, Chinese health officials have reported tens of thousands of cases of COVID-19 in China, with the virus reportedly spreading from person-to-person. COVID-19 illnesses, most of them associated with travel from Wuhan, are also being reported in numerous countries, with thousands of cases, including the United States; and

WHEREAS, on January 30, 2020, the World Health Organization (WHO) declared the outbreak a "public health emergency of international concern" and on March 11, 2020, the WHO elevated the public health emergency to the status of a pandemic. On January 31, 2020, United States Health and Human Services Secretary Alex M. Azar II declared a public health emergency for the United States to aid the nation's healthcare community in responding to COVID-19. On February 26, 2020, the County of Orange declared a local emergency and a local health emergency. On March 4, 2020, California Governor Gavin Newsom declared a State of Emergency in California; and

WHEREAS, on February 2, 2020, the federal government initiated the suspension of entry of foreign nationals who were in China during the 14-day period preceding their entry or attempted entry into the United States; and

WHEREAS, as of March 10, 2020, the WHO reported that, to date, 125,048 confirmed cases of COVID-19, 4,613 of which resulted in death, across 117 countries; and

WHEREAS, the Governor and the California Department of Health on March 11, 2020, issued a statement entitled "California Public Health Experts: Mass Gatherings Should be Postponed or Canceled Statewide to Slow the Spread of COVID-19," determining that gatherings should be postponed or canceled across the state until at least the end of March. Non-essential gatherings must be limited to no more than 250 people, while smaller events can proceed only if the organizers can implement social distancing of 6 feet per person. Gatherings of individuals who are at higher risk for severe illness from COVID-19 should be limited to no more than 10 people, while also following social distancing guidelines. Furthermore, essential gatherings should only be conducted if the essential activity could not be postponed or achieved without gathering, meaning that some other means of communication could not be used to conduct the essential function; and

WHEREAS, the Governor on March 12, 2020, issued Executive Order N-25-20, ordering, inter alia, that all residents are to heed the orders and guidance of state and local public health officials; and

WHEREAS, President Donald J. Trump on March 13, 2020, declared a national emergency to provide disaster funding, speed up the United States response to the crisis created by COVID-19, and to offer maximum flexibility to attack the problem; and

WHEREAS, on March 15, 2020, Governor Newsome requested bars and nightclubs to close, restaurants to reduce capacity by half, and all Californians aged 65 and older to self-isolate; and

WHEREAS, on March 16, 2020, President Donald J. Trump advised the public to avoid groups of more than 10 people to fight the coronavirus outbreak; and

WHEREAS, the City of Laguna Hills has the authority to impose measures to promote social distancing including, but not limited to, limitations on public events; and

WHEREAS, the City of Laguna Hills is a significantly populated city within Orange County, which is the sixth largest county in the United States; and

WHEREAS, conditions of extreme peril to the safety of persons and property have arisen due to the potential introduction of COVID-19 to the City of Laguna Hills and Orange County; and

WHEREAS, such conditions are beyond the control of the services, personnel, equipment, and facilities of the City of Laguna Hills and require the combined forces of other political subdivisions to combat; and

WHEREAS, it is imperative to prepare for and respond to suspected or confirmed COVID-19 cases, to implement measures to mitigate the spread of COVID-19, and to prepare to respond to an increasing number of individuals requiring medical care and hospitalization; and

WHEREAS, if COVID-19 spreads in California at a rate comparable to the rate of spread in other countries, the number of persons requiring medical care may exceed locally available resources, and controlling outbreaks minimizes the risk to the public, maintains the health and safety of the community, and limits the spread of infection in the community and within the healthcare delivery system; and

WHEREAS, the mobilization of local resources, ability to coordinate interagency response, accelerate procurement of vital supplies, use mutual aid, and allow for future reimbursement by the state and federal governments will be critical to successfully responding to COVID-19; and

WHEREAS, the Director of Emergency Services has the authority to declare a local emergency as authorized by California Government Code Section 8630 and Laguna Hills Municipal Code Section 2-32.060.

NOW, THEREFORE, IT IS HEREBY PROCLAIMED AND ORDERD BY DIRECTOR OF EMERGENCY SERVICES OF THE CITY OF LAGUNA HILLS AS FOLLOWS:

Section 1. As contemplated in the Emergency Services Act contained in California Government Code Section 8550 *et seq.*, including Section 8558(c), and Chapter 2-32 of Title 2 of the Laguna Hills Municipal Code, a local emergency exists based on the existence of conditions of disaster or of extreme peril to the safety of persons and property caused by an epidemic, as detailed in the recitals set forth above.

Section 2. The area of the City of Laguna Hills which is endangered/imperiled is the entire city.

Section 3. During the existence of this local emergency, the powers, functions, and duties of the emergency organization of this City shall be those prescribed by state law and by ordinances, resolutions, and orders of this City, including but not limited to the City's Emergency Operations Plan.

Section 4. The City Council shall review and ratify this proclamation of the City Manager within **seven (7) days** as required by state law, and if ratified, shall continue to exist until the City Council proclaims the termination of this local emergency. The City Council shall review the need for continuing the local emergency as required by state and local law until it terminates the local emergency, and shall terminate the local emergency at the earliest possible date that conditions warrant.

Section 5. A copy of this proclamation shall be forwarded to the Director of California Governor's Office of Emergency Services requesting that the Director find it acceptable in accordance with state law; that the Governor of California, pursuant to the Emergency Services Act, issue a proclamation declaring an emergency in the City of Laguna Hills; that the Governor waive regulations that may hinder response and recovery efforts; that recovery assistance be made available under the California Disaster Assistance Act; and that the State expedite access to State and Federal resources and any other appropriate federal disaster relief programs.

PROCLAIMED this 18th day of March 2020.

Donald J. White,
Director of Emergency Services/
City Manager

ATTEST:

Melissa Au-Yeung, City Clerk

STATE OF CALIFORNIA)
COUNTY OF ORANGE) ss
CITY OF LAGUNA HILLS)

I, Melissa Au-Yeung, City Clerk of the City of Laguna Hills, California, DO HEREBY CERTIFY that the foregoing is a true and correct copy of Proclamation No. 2020-03-18-1 adopted by the Director of Emergency Services of the City of Laguna Hills, California, on the 18th day of March 2020.

(SEAL)

MELISSA AU-YEUNG, CITY CLERK

1480578.1

City of Laguna Hills

City Council/Planning Agency

Staff Report

DATE: **February 23, 2021**

TO: **Mayor and Council Members**

FROM: **Melissa Au-Yeung**
Deputy City Manager

ISSUE: **Establishment of an Updated Agenda Format and Order of Business for Regular City Council Meetings**

RECOMMENDATION: That the City Council adopt a Resolution entitled: "A Resolution of the City Council of the City of Laguna Hills, California, establishing an Updated Agenda Format and Order of Business for Regular City Council Meetings."

SUMMARY:

As defined by the Laguna Hills Municipal Code, Regular City Council meetings are held on the second and fourth Tuesday of every month. Pursuant to the State's open meeting law, the "Brown Act", set forth in Government Code Section 54950, regular meetings of a legislative body must be noticed and an agenda posted a minimum of 72 hours prior to the meeting being held. Over the years, the agenda format and order of business for the City's Regular City Council meetings has largely remained the same, with few changes.

At the January 12, 2021 City Council meeting, Mayor Pezold requested staff prepare a Resolution to modify and update the agenda format and order of business for the Regular City Council meetings. Specifically, Mayor Pezold requested the addition of the following sections: (1) Schedule of Future Events; and (2) City Council Member Committee Reports. In addition, it is necessary to add the City Council approved Invocation program section at the beginning of the meeting.

BACKGROUND:

As defined by the Laguna Hills Municipal Code, Regular City Council meetings are held on the second and fourth Tuesday of every month and we utilize a standard and consistent Agenda Format to present the meeting in an orderly fashion. Pursuant to the State's open meeting law, the "Brown Act", set forth in Government Code Section 54950, regular meetings of a legislative body must be noticed and an agenda posted a minimum of 72 hours prior to the meeting being held. Over the years, the City's Agenda Format and order of business for the City's Regular City Council meetings has largely remained unchanged.

At the January 12, 2021, City Council meeting, Mayor Pezold requested staff prepare a Resolution to modify and update the agenda format and order of business for the Regular City Council meetings. Specifically, Mayor Pezold requested the addition of the following sections: (1) Schedule of Future Events; and (2) City Council Member Committee Reports. In addition, it is necessary to add the City Council approved Invocation section at the beginning of the meeting. The attached updated Agenda Format, attached to the proposed Resolution, includes the following modifications.

Schedule of Future Events:This section is intended to serve as a time for staff to inform the City Council and members of the public by providing a brief announcement of events occurring in and throughout the City, or of interest to the community. As shown in the agenda template (Exhibit A of the proposed Resolution), this is intended to take place between the current **Presentations and Proclamations** and **Public Comments** portions of the meeting.

City Council Member Committee Reports: This portion of the meeting is intended to provide Council Members an opportunity to present to the City Council as a whole and members of the public pertinent information from or about the various committees to which the Council Members serve. This portion of the meeting will occur after **Matters Agendized and Presented by City Council Members** and before **City Council Member Comments**.

Invocation: Also included in the updated Agenda Format and order of business is an **Invocation** section. At the March 10, 2020, City Council meeting, the City Council approved. on a 4-0-1 vote (with Council Member Wheeler abstaining), the adoption of an "Invocations Policy" and directed staff to proceed with the implementation of an invocation program for City Council meetings. These efforts were temporarily disrupted due to the COVID-19 pandemic emergency. On March 17, 2020, the Orange County Health Officer issued a stay-at-home order that effectively prohibited all public and private gatherings of any number of people outside a single household or living unit, including at houses of worship. Given the evolving nature of the Covid-19 pandemic, Staff has resumed implementation of the Invocation program, including reaching out to all the houses of worship located within the City boundaries, as well as located within a 1-mile radius adjacent to City boundaries, to develop a congregations list for the Invocations program.

The invocation will occur at the beginning of the City Council meeting, after the **Call to Order** and before the **Pledge of Allegiance**. Until such time that the congregations list is finalized, it is recommended that the City Council, on a rotational basis, give a brief opening non-sectarian prayer during this portion of the City Council meeting.

Staff recommends that the City Council adopt the proposed Resolution establishing an updated agenda format and order of business for Regular City Council meetings.

FISCAL IMPACT:

None.

ATTACHMENTS:

- Proposed Resolution with Exhibit A

RESOLUTION NO. 2021-02-23-X

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LAGUNA HILLS, CALIFORNIA, ESTABLISHING AN UPDATED AGENDA FORMAT AND ORDER OF BUSINESS FOR REGULAR CITY COUNCIL MEETINGS

The City Council of the City of Laguna Hills, California, hereby finds, determines, declares, and resolves as follows:

WHEREAS, California's open meeting law, otherwise known as the Brown Act (Government Code Section 54950), seeks to ensure that the people's business be conducted openly and transparently; and

WHEREAS, the Brown Act contains several key provisions, one of which mandates that a legislative body of the local agency post an agenda at least 72 hours before a regular meeting; and

WHEREAS, as set forth by the Laguna Hills Municipal Code in Section 2-40.010, regular meetings of the City Council of the City of Laguna Hills are to be held on the second and fourth Tuesday of each month; and

WHEREAS, the City Council desires to update the City Council meeting agenda format and order of business for Regular City Council Meetings.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF LAGUNA HILLS, CALIFORNIA, DOES RESOLVE, DECLARE, DETERMINE, AND ORDER AS FOLLOWS:

SECTION 1. The recitals set forth above are true and correct and are hereby incorporated by reference.

SECTION 2. Generally, Regular City Council Meetings will follow the format as set forth in Exhibit "A", attached hereto and incorporated herein by reference, except as may otherwise be ordered by the City Manager or by a majority of the City Council.

PASSED, APPROVED AND ADOPTED this 23rd day of February 2021.

____
ERICA PEZOLD, MAYOR

ATTEST:

____
MELISSA AU-YEUNG, CITY CLERK

STATE OF CALIFORNIA)
COUNTY OF ORANGE) ss
CITY OF LAGUNA HILLS)

I, Melissa Au-Yeung, City Clerk of the City of Laguna Hills, California, DO HEREBY CERTIFY that the foregoing is a true and correct copy of Resolution No. 2021-02-23-X adopted by the City Council of the City of Laguna Hills, California, at a Regular Meeting thereof held on the 23rd day of February 2021, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

(SEAL)

MELISSA AU-YEUNG, CITY CLERK

CITY OF LAGUNA HILLS
CITY COUNCIL/PLANNING AGENCY

REGULAR MEETING AGENDA
Tuesday, January XX, 2021 – 7:00 PM
(Closed Session at 6:00 PM when scheduled)

, Mayor

, Mayor Pro Tempore **, Council Member**
, Council Member **, Council Member**

Location:

NOTICE REGARDING CORONAVIRUS (COVID-19): Please be advised that some, or all, of the City Council Members may attend this meeting via teleconference. This meeting is being conducted utilizing teleconferencing and electronic means consistent with State of California Executive Order N-29-20 dated March 17, 2020, regarding the COVID-19 pandemic. If you wish to attend the City Council meeting in person, the City Council Chamber is located at 24035 El Toro Road, Laguna Hills, CA 92653. The public shall have the right to observe and offer public comment at this location. If you plan on attending, please follow the California Department of Health Guidelines by wearing a mask, washing your hands often, refraining from handshakes and maintaining social distance of six feet between individuals. You may also view the live stream of the meeting online at http://lagunahillsca.iqm2.com/Citizens/Default.aspx.

Submission of Public Comments: While you may attend this meeting in person, given the health risks associated with COVID-19, the City encourages those wishing to make public comments at the January XX, 2021, City Council meeting, to submit your comments by email to the City Clerk at publiccomments@lagunahillsCA.gov, by 5:00 p.m. on January XX, 2021. In the subject line of the email, please state your name and the item number you are commenting on. Any public comment received that does not specify a particular agenda item number will be announced during the general public comment portion of the agenda. If you wish to submit a public comment on more than one agenda item, please send a separate email for each item you are commenting on. All comments received by 5:00 p.m. on the date of the meeting will be provided to the City Council in advance to allow time for the Council Members to read them. Email comments will NOT be read by the City Clerk during the meeting, but will be announced and made part of the record. Electronic public comments may only be submitted via email and comments via text and social media (Facebook, Twitter, etc.) will not be accepted.

Announcement of Public Comments: During the applicable agenda item, the City Clerk will announce the name of the sender and subject matter of all email comments received by 5:00 p.m. on January XX, 2021. The email comments, including your name, will become part of the record of the City Council meeting and will be public information.

<u>CLOSED SESSION - CONVENING AT 6:00 PM (when scheduled)</u>

CALL TO ORDER

ROLL CALL OF CITY COUNCIL MEMBERS

ANNOUNCEMENT OF CLOSED SESSION ITEM(S)

PUBLIC COMMENT ON CLOSED SESSION ITEM(S)

CONVENE INTO CLOSED SESSION

RECONVENE TO CITY COUNCIL CHAMBERS

<u>RECESS</u>

<u>GENERAL BUSINESS - CONVENING AT 7:00 PM</u>

CALL TO ORDER

Resolution No. 96-04-09-1 established rules of decorum for public meetings held by the City of Laguna Hills. Resolution No. 96-04-09-1 is available on the table at the back of the City Council Chamber.

INVOCATION

PLEDGE OF ALLEGIANCE

ROLL CALL OF CITY COUNCIL MEMBERS

1. PRESENTATIONS AND PROCLAMATIONS

2. SCHEDULE OF FUTURE EVENTS

3. PUBLIC COMMENTS

This is the time to address the City Council on any matter not listed on this Agenda that is within the subject matter jurisdiction of the City Council. Public Comments are limited to three minutes per person, an overall time limit of ten minutes for any one subject, and a total time limit of thirty minutes.

4. CONSENT CALENDAR

All matters listed under "CONSENT CALENDAR" are considered to be routine and will be enacted by one motion approving the recommendation listed on the Agenda. There will be no separate discussion unless Members of the City Council or Staff request specific items be removed from the Consent Calendar.

ITEMS REMOVED FROM THE CONSENT CALENDAR

5. PLANNING AGENCY

5.1. ROLL CALL OF PLANNING AGENCY MEMBERS

5.2. PUBLIC COMMENTS

This is the time to address the Planning Agency on any matter not listed on this Agenda that is within the subject matter jurisdiction of the Planning Agency. Public Comments are limited to three minutes per person, an overall time limit of ten minutes for any one subject, and a total time limit of thirty minutes.

5.3. APPROVAL OF MINUTES

5.4. ADMINISTRATIVE REPORTS

5.5. PLANNING AGENCY PUBLIC HEARINGS

PLANNING AGENCY ADJOURNMENT

6. CITY COUNCIL PUBLIC HEARINGS

7. ADMINISTRATIVE REPORTS

8. MATTERS AGENDIZED AND PRESENTED BY CITY COUNCIL MEMBERS

9. CITY COUNCIL MEMBER COMMITTEE REPORTS

10. CITY COUNCIL MEMBER COMMENTS

11. CLOSED SESSION (when scheduled)

ANNOUNCEMENT OF CLOSED SESSION ITEM(S)

PUBLIC COMMENTS ON CLOSED SESSION ITEM(S)

CONVENE INTO CLOSED SESSION

RECONVENE TO CITY COUNCIL CHAMBER

CLOSED SESSION REPORT

ADJOURNMENT

CERTIFICATION

I, Melissa Au-Yeung, City Clerk of the City of Laguna Hills, do hereby certify that a copy of the foregoing Agenda was posted at Laguna Hills City Hall, Laguna Hills Community Center, and the Courtyard at La Paz Center by January XX, 2021, at 5:00 pm.

City Clerk ***Date***

In compliance with the Americans with Disabilities Act, if you need special assistance to participate in this meeting, you should contact the office of the City Clerk at (949) 707-2635. Notification 48 hours prior to the meeting will enable the City to make reasonable arrangements to assure accessibility to this meeting.

Materials related to an item on this Agenda submitted to the City Council after distribution of the agenda packet are available for public inspection in the City Clerk's Office at 24035 El Toro Road, Laguna Hills, California, during normal business hours.

City Council Members receive no additional compensation or stipend as a result of simultaneously convening meetings of the Laguna Hills Planning Agency.

City of Laguna Hills

City Council/Planning Agency

Staff Report

DATE: February 23, 2021

TO: Mayor and Council Members

FROM: Janice Reyes
Finance Director

ISSUE: Second Quarter Financial & Treasurer's Report for Fiscal Year 2020/2021

RECOMMENDATION: That the City Council receive and file the Second Quarter Financial and Treasurer's Report for Fiscal Year 2020/2021.

SUMMARY:

The City of Laguna Hills Quarterly Financial Report for the Second Quarter of Fiscal Year 2020/2021 has been completed and is attached. The information presented in the Quarterly Financial Report provides the City Council, management, and the public with the results of the City's financial operations for the 2020/2021 fiscal year through December 31, 2020, on a modified accrual basis for all governmental funds. The total fund balance at the end of the second quarter for all governmental funds totaled $11,262,890.

At this time, there are no material deviations or significant variances to report at the end of the second quarter, when compared to the same period of the prior fiscal year. That said, material deviations are expected to materialize in the financial reports for the upcoming quarters of the fiscal year, due to the evolving COVID-19 pandemic and its significant impact on the economy, as reported in the fiscal year 2020/2021 budget update to City Council in July 2020. At present, staff is engaged in an in-depth analysis, reviewing and forecasting revenues and expenditures, as part of the Biennial Budget preparation process, which will include an updated year-end estimate for this fiscal year 2020/2021.

The Quarterly Financial Report contains a condensed Treasurer's Investment Report as of December 31, 2020, on Page 6. The City's total portfolio of $12,194,660 at the end of the second quarter for all fund types is invested in authorized securities. The City's investment policy approved by City Council Resolution is the prevailing guideline in managing investments.

ATTACHMENTS:

- Quarterly Financial Report for the Second Quarter of Fiscal Year 2020/2021

CITY OF LAGUNA HILLS

Quarterly Financial Report

Second Quarter, Fiscal Year 2020/2021

The following unaudited financial information summarizes the City's overall financial activity for the current fiscal year through December 31, 2020. Financial analysis for this report is provided for the General Fund, Capital Improvement Program, Debt Service, and other City governmental funds, and is intended to provide the City Council and the public with a summary overview of the City's general fiscal condition through December 31, 2020.

A Summary of Funding Sources and Uses for the six months ended December 31, 2020, is presented in the table below.

Summary of Funding Sources & Uses
For the Six Months Ended December 31, 2020

	YTD Actual (million)	Budget (million)	YTD % of Budget
Funding Sources	*$ 9.6*	*$ 26.1*	*37%*
Funding Uses	*10.9*	*25.0*	*44%*
Net Change	*($1.3)*	*$1.2*	

The Comparative Statement of Operations for Governmental Funds, on page 3, shows the detail of the year-to-date actual financial activity in relation to the Amended Budget. Year-to-date financial activity for all governmental funds through December 31, 2020, reports expenditures exceeding revenues by approximately $1.3 million, with the City receiving roughly $9.6 million in total funding sources and incurring roughly $10.9 million in total funding uses.

The financial activity is reported using modified-accrual basis of accounting. Revenues are recognized when they become measurable and available as net current assets. Available means that the amounts were collected during the reporting period or soon enough thereafter to be available to finance the expenditures accrued for the reporting period. Generally, the City uses an availability period of 60 days. Expenditures are recognized in the period in which the liability is incurred and expected to be paid with expendable available financial resources.

Interpreting the information presented herein requires consideration of the cash flow fluctuations of revenues and expenditures during the fiscal year. With two quarters of the fiscal year complete, total funding sources for all governmental funds was 37% of budget and funding uses was at 44% of budget. There are a number of revenue and expenditures items that would show significant deviation if a straight-line comparison was applied. In a straight-line approach, one would expect line items to approximate 50% of budget by the end of the quarter. However, the timing of many revenue and expenditure transactions do not occur at uniform times or at equal intervals over the course of the fiscal year. Hence, although the second quarter represents 50% of the fiscal year, not all line items will be at 50% of the budget.

There are no material variances to report as of the end of the second quarter, when compared with the same period of the previous fiscal year. However, given the dynamic conditions of the current COVID-19 pandemic and its impact on the economy, significant variances are expected to materialize in the proceeding quarters of the fiscal year 2020/21, most notably as shortfalls in sales tax revenue and transient occupancy tax revenues. The anticipated shortfalls in revenue will be partially offset by the expected reductions in total expenditure, as presented in the budget update to City Council in July 2020. At present, staff is engaged in an in-depth analysis, reviewing and forecasting revenues and expenditures, as part of the Biennial Budget preparation process, which will include an updated year-end estimate for this fiscal year 2020-2021.

Funding Sources

The City's total funding sources comprise of general fund revenues, special fund revenues, and other financing sources. At the end of the second quarter, total funding sources were approximately $9.6 million, or 37% of budget.

General Fund Revenues

General Fund Revenues are utilized primarily to finance the City's general governmental activities. At quarter end, general fund revenues totaled $7,970,040 or 35% of budget. Receipts of Property Tax came in at $4,421,450, or 38% of budget. Intergovernmental Revenues, which includes sales tax revenue, were $1,820,425, or 30%, of budget. The recording of these revenue sources comply with GASB 33 which addresses the timing of recognition of non-exchange transactions, e.g. taxes and fines. Revenues from non-exchange transactions, such as property and sales tax, received in the first two months of this fiscal year were accrued in the prior fiscal year. Franchise Tax from utility companies and Transient Occupancy Tax came in at $494,879 or 19% of budget. These receipts lag at least a quarter and no accrual was made at quarter end. Revenues from Licenses & Permits, $481,339, and Charges for Services, $691,146, are dependent upon development activities and came in at 47% and 55% of budget, respectively. Fines and Forfeitures, which includes parking and vehicle fines, ended the quarter at 32% of budget, at $60,800.

Special Revenues and Grants

Many of the Special Revenue funding sources are tied in with the City's Capital Improvement Plan. The receipts of funding sources for certain capital projects typically lag behind the spending on the projects, as the claims are applied for during construction or after project-completion. At the end of the second quarter, special revenues receipts totaled $1,595,475, or 52% of budget.

Other Funding Sources

The City reported interest income of $31,819, or 21% of budget, for the first six months of the fiscal year.

Funding Uses

The City's total funding uses consist of the City's Operating Expenditures, outlay for Capital Improvement projects, debt charges and expenditures for grant related programs. At the end of the second quarter, total funding uses were approximately $10.9 million, which was 44% of budget.

Operating Expenditures

At the end of the second quarter, operating expenditures totaled roughly $9.75 million, which represents 45% of the total operating budget. While total operating expenditures came in at 44% of budget, the spending level for Non-Departmental came in much higher, at 82% of its budget, due to annual insurance premiums paid in full at the onset of the fiscal year, as well as annual IT related maintenance contracts.

Capital Improvement Plan (CIP)

The purpose of the Capital Improvement Plan is to systematically plan, schedule, and finance capital projects as approved and prioritized by the City Council. CIP expenditures totaled $598,760, or 73% of budget, at the end of the second quarter.

The following table lists the YTD expenditures for capital projects by type as of December 31, 2020.

Capital Improvement Program

For the 6 Months Ended, December 31, 2020

Streets, Signals & Lighting	$ 53,637
Flood Control & Water Quality	138,347
Public Facilities	406,777
Total	**$ 598,760**

Other Funding Uses

As of the end of the second quarter, payments for debt service totaled $103,441. Use of Reserves totaled $1,216 for claims expense; $1,240 was spent on the senior mobility program, primarily funded by OCTA M2 SMP funds; $42,568 of forfeited C&D deposits was spent toward the City's recycling program; CARES Act expenditures were $377,339, plus the touchless public facility capital project of $100,000 reported in with CIP expenditures.

CITY OF LAGUNA HILLS
COMPARATIVE STATEMENT OF OPERATION - GOVERNMENTAL FUNDS
FOR THE 6 MONTHS ENDED, DECEMBER 31, 2020

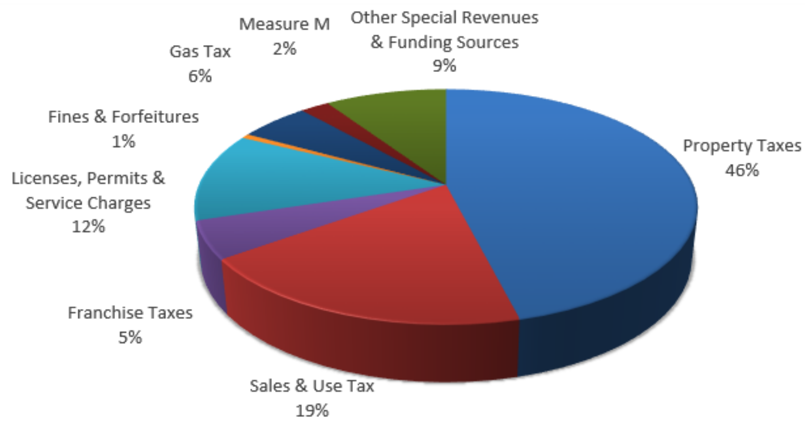
	FY 2020/21 Y-T-D ACTUAL	FY 2020/21 AMENDED BUDGET	FY 2020/21 YTD % of BUDGET	FY 2019/20 Y-T-D ACTUAL	FY 2019/20 AMENDED BUDGET	FY 2019/20 YTD % of BUDGET
FUNDING SOURCES						
General Fund Revenues						
Property Tax	$ 4,421,450	$ 11,704,415	38%	$ 4,244,456	$ 11,341,052	37%
Intergovernmental Revenues	1,820,425	6,050,338	30%	1,867,841	6,085,638	31%
Franchise & Transient Occupancy Tax	494,879	2,658,735	19%	681,258	2,593,887	26%
Licenses and Permits	481,339	1,031,000	47%	524,065	1,041,000	50%
Charges for Current Services	691,146	1,246,225	55%	517,989	2,322,590	22%
Fines & Forfeitures	60,800	190,000	32%	87,024	190,000	46%
Total General Fund Revenues	7,970,040	22,880,713	35%	7,922,632	23,574,167	34%
Special Revenue Funds						
Gas Tax - HUTA	320,644	700,000	46%	339,309	842,507	40%
Gas Tax -SB1 RMRA	195,339	550,000	36%	201,836	526,640	38%
Measure M2 Fair Share	212,349	628,798	34%	224,025	613,462	37%
Measure M2 - Competitive	-	-		-	200,000	0%
AB 2766 Fund	10,529	40,000	26%	10,241	40,000	26%
Proposition 68	-	200,000	0%	-	-	
CDBG	-	-		-	70,000	0%
CASp	-	5,000	0%	1,667	5,000	0%
CARES Act	681,260	692,650	98%	-	692,650	0%
Beverage Recycling Fund	-	8,500	0%	-	-	
CR&R Recycling Fees	2,000	2,000	100%	2,000	2,000	100%
C&D Forfeited Deposits	45,906	35,000	131%	53,142	35,000	152%
Senior Mobility Program	13,587	38,091	36%	14,109	36,936	38%
Law Enforcement Grants	113,861	140,000	81%	129,237	140,000	92%
Total Special Revenue Funding	1,595,475	3,040,039	52%	975,566	3,204,195	30%
Other Funding Sources						
Insurance proceeds loss recovery	-	-		250,000	-	
Interest Income	31,819	161,486	20%	113,036	162,350	70%
Total Other Funding Sources	31,819	161,486		363,036	162,350	
TOTAL FUNDING SOURCES	**$ 9,597,334**	**$ 26,082,238**	37%	**$ 9,261,234**	**$ 26,940,712**	34%
FUNDING USES						
Operating Expenditures						
General Government	$ 1,081,579	2,721,473	40%	$ 1,174,297	$ 2,713,895	43%
Non-Departmental	1,036,648	1,262,036	82%	1,017,467	1,303,887	78%
Community Development	828,266	1,639,977	51%	557,203	2,130,803	26%
Public Services	1,938,473	4,792,514	40%	2,294,672	4,661,974	49%
Community Services	569,902	2,212,855	26%	990,892	2,156,280	46%
Police Services	4,296,858	8,910,462	48%	4,200,343	8,568,347	49%
Total Operating Expenditures	9,751,727	21,539,317	45%	10,234,875	21,535,186	48%
Capital Improvement Program	598,760	825,000	73%	598,760	4,020,336	15%
Other Funding Uses						
Debt Charges	103,441	1,788,921	6%	141,441	1,804,921	8%
Use of Reserves	1,216	50,000	2%	6,400	50,000	13%
Special Revenue Fund Expenditures						
AB2766	-	35,000	0%	-	70,000	0%
CASp	-	5,000	0%	-	5,000	0%
CARES Act	377,339	539,664	70%	-	705,000	0%
Senior Mobility Program	1,240	64,904	2%	6,336	64,272	10%
Beverage Recyling	-	8,500	0%	-	21,757	0%
CR&R Recyling Fund	-	2,879	0%	-	2,879	0%
Forfeited C&D Deposits	42,568	68,000	63%	31,592	68,000	46%
Total Other Funding Uses	536,553	2,562,868	21%	185,769	2,791,829	7%
TOTAL FUNDING USES	**$ 10,887,041**	**$ 24,927,185**	44%	**$ 11,019,404**	**$ 28,347,351**	39%
NET CHANGE IN FUND BALANCE	**$ (1,289,707)**	**$ 1,155,053**		**$ (1,758,170)**	**$ (1,406,639)**	

CITY OF LAGUNA HILLS
ABRIDGED BALANCE SHEET - GOVERNMENTAL FUNDS (UNAUDITED)
DECEMBER 31, 2020

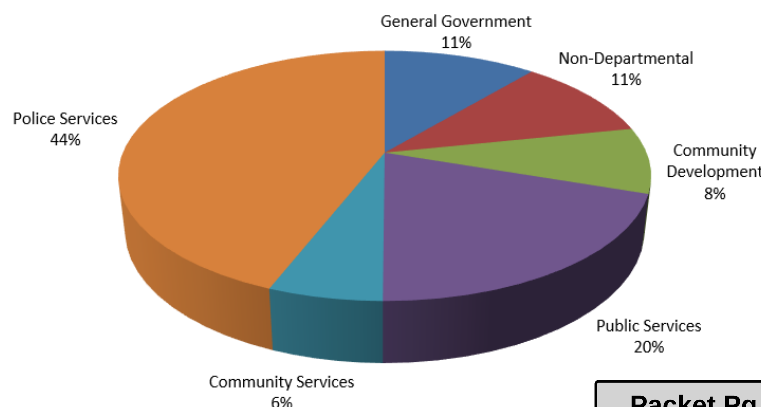
ASSETS		
Cash and investments	$	12,019,409
Receivables:		
Accounts		122,152
Interest		11,248
Due from other governments		277,283
Prepaid items		48,246
Total assets	**$**	**12,478,338**
LIABILITIES AND FUND BALANCES		
Liabilities:		
Accounts payable	$	515,235
Due to Other Governments		77,283
Payroll and benefits		9,484
Refundable deposits		506,520
Deferred revenue		97,954
Trust accounts		8,973
Total liabilities		1,215,448
Fund balances:		11,262,890
Total liabilities and fund balances	**$**	**12,478,338**

REVENUES

General Fund & Special Revenue Funds FY 2020/21, As of 12/31/2020



OPERATING EXPENDITURES FY 2020/21, As of 12/31/20



Attachment: Quarterly Financial Report for the Second Quarter of Fiscal Year 2020/2021 (2339 : Second Quarter Financial & Treasurer's Report

Below is a snapshot of the City's fund balance as of December 31, 2020. At the end of the second quarter of the current fiscal year, the City's total fund balance for its governmental funds stood at $11,262,890. Additionally, an abridged balance sheet, which summarizes the City's assets and liabilities, is included on page 4 and reconciles the fund balance at quarter end. City-managed short-term idle funds, as well as debt service funds, are invested in approved securities.

CITY OF LAGUNA HILLS

Governmental Funds

Statement of Working Funds (Unaudited)
As of December 31, 2020

Fund Balance		
General Fund	$	8,352,741
Gas Tax		300,447
AB 2766 Fund		269,223
CARITS		1,272,384
Water Conservation		342,437
Senior Mobility Program		81,383
CASp		15,187
Beverage Recycling		19,961
CR&R Recycling		5,041
C&D Forfeited Deposits		66,433
Public Art Fund		71,948
CARES Act Assistance		(164,472)
Grants & Contributions		88,155
Debt Service		1,831,729
Total Beginning Fund Balance, as of July 1, 2020		**12,552,596**
Net Change in Fund Balance, as of December 31, 2020		(1,289,707)
Total Fund Balance, as of December 31, 2020	$	**11,262,890**
Disposition of Working Funds		
Total Cash and Demand Deposits	$	1,079,385
Total Investments		10,940,024
Total Cash and Investments		12,019,409
Receivables Net of Liabilities		(756,519)
Total Fund Balance, as of December 31, 2020	$	**11,262,890**

The Quarter End Financial Management Report for the Second Quarter of Fiscal Year 2020-21 is hereby submitted. The accounts of the City are organized on the basis of funds, each of which is considered a separate accounting entity. To the best of our knowledge and belief, the above information is reported in a manner that presents fairly the financial position and results of operation of the Governmental Funds of the City of Laguna Hills as of December 31, 2020.

TREASURER'S INVESTMENT REPORT - ALL FUNDS (CONDENSED)
FOR THE SECOND QUARTER ENDED DECEMBER 31, 2020

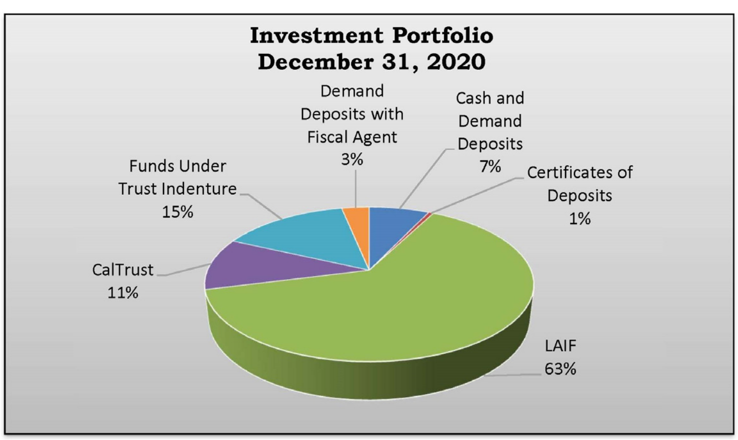
Cash and Investments by Type	Beginning Book Value	Deposits	Withdrawals	Ending Book Value	2nd Quarter Interest Income
Cash on Hand	$ 2,000	$ -	$ -	$ 2,000	$ -
Demand Deposits	1,604,127	7,766,428	8,511,784	858,770	-
Certificates of Deposits	250,000	-	250,000	-	56
Multiple Maturity Certificates of Deposits	70,502	-	-	70,502	910
State Treasurer's Investment Fund (LAIF)	4,467,518	3,261,863	-	7,729,381	7,512
Investment Trust of CA (CalTRUST)	1,324,205	856	-	1,325,061	856
Debt Service Funds Under Trust Indenture	1,811,235	15,020	11,175	1,815,080	2,867
Demand Deposits with Custodial Agent	377,689	373,803	357,625	393,866	6
TOTAL	**$ 9,907,275**	**$ 11,417,969**	**$ 9,130,584**	**$ 12,194,660**	**$ 12,207**

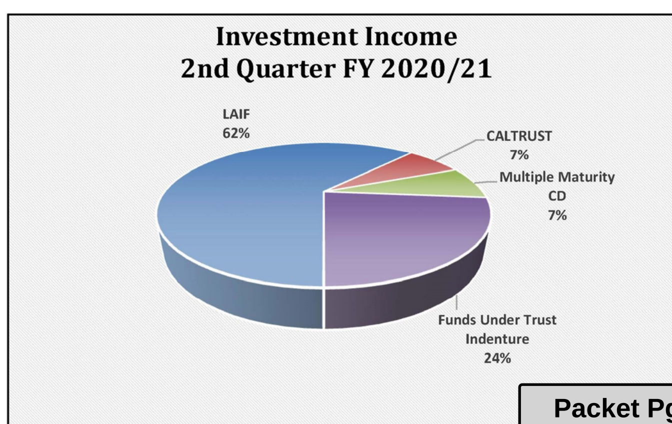
The City's investment policy approved by Council resolution is the prevailing guideline in managing investments. Short-term excess cash is currently invested primarily in the State Treasurer's Local Agency Investment Fund (LAIF) and the Investment Trust of California (CalTRUST), a Public Joint Powers Authority (JPA). Restricted investments held under trust indenture by The Bank of New York Mellon Trust Company, N.A, is a Reserve Fund, deposited with LAIF, established to secure the timely payment of principal and interest represented by the 2010 Refinancing Project bond issues.

The following is the summary of the cash and investments as of December 31, 2020, compared with the same period of the previous fiscal year:

	December 31, 2020	December 31, 2019
Cash on hand	$ 2,000	$ 2,000
Pooled Deposits:		
Demand Deposits	1,252,636	1,426,078
Certificates of Deposits	70,502	570,502
Total Pooled Deposits	1,323,139	1,996,580
Pooled Investments:		
Local Agency Investment Fund	7,729,381	7,880,854
Investment Trust of California	1,325,061	1,313,595
Restricted Cash and Investments:		
Local Agency Investment Fund	1,804,492	1,804,135
Demand Deposits	10,588	23,475
Total Cash and Investments	$ 12,194,660	$ 13,020,640

We believe the City's portfolio provides sufficient cash flow liquidity to meet the next six months of the City's projected operating expenditures.





City of Laguna Hills

City Council/Planning Agency

Staff Report

DATE: February 23, 2021

TO: Mayor and Council Members

FROM: Janice Reyes
Finance Director

ISSUE: Updated Resolution Authorizing City Staff to Deposit and Withdraw City Monies in the Local Agency Investment Fund (LAIF) in the State Treasury

RECOMMENDATION: That the City Council adopt an updated Resolution entitled: "A Resolution of the City Council of the City of Laguna Hills, California, authorizing the investment of monies in the Local Agency Investment Fund"

SUMMARY:

The State of California Local Agency Investment Fund (LAIF) requires that the City submit an updated list of the City staff authorized to deposit and withdraw money in to and out of the State investment pool. It is staff's recommendation that the City Council adopt a Resolution in a format required by LAIF authorizing the Interim City Manager/ City Treasurer and the Finance Director to act on behalf of the City with LAIF.

BACKGROUND:

LAIF is a State investment pool administered by the Treasurer of the State of California into which cities and other local governmental entities may invest idle funds. By pooling the cash deposited by these local agencies, LAIF staff is able to invest through a diversified portfolio with savings on security purchase costs due to economies of scale. The pool invests in high quality securities to ensure the portfolio's safety. The portfolio is managed so that any agency can withdraw up to all its deposits on any given day, subject to certain restrictions. LAIF staff has managed to achieve exceptional yields over the life of the investment pool considering its emphasis on safety and liquidity.

California Government Code section 16429.3 protects the local governmental entities' funds from seizure, impoundment, loan or transfer by the State of California. If the State fails to adopt a budget, California Government Code Section 16429.4 protects the rights of participating local agencies to withdraw funds upon demand. Such rights cannot be "altered, impaired or denied in any way" by the State official or State agency under this code section.

The City's authorization with LAIF was originally established in 1992 under Resolution No. 92-03-24-1 and there have been City staff changes since that time. As a result, an updated resolution is required by LAIF. The attached proposed updated resolution grants authority to the Interim City Manager/City Treasurer and Finance Director to transact business with LAIF.

FISCAL IMPACT:

The utilization of LAIF for investment of City funds provides interest earnings to the City's benefit.

ATTACHMENTS:

- Proposed Resolution Authorizing the Investment of City Monies in LAIF

RESOLUTION NO. 2021-02-23-X

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LAGUNA HILLS, CALIFORNIA, AUTHORIZING INVESTMENT OF MONIES IN THE LOCAL AGENCY INVESTMENT FUND (LAIF)

WHEREAS, The Local Agency Investment Fund is established in the State Treasury under Government Code section 16429.1 et. seq. for the deposit of money of a local agency for purposes of investment by the State Treasurer; and

WHEREAS, the City Council hereby finds that the deposit and withdrawal of money in the Local Agency Investment Fund in accordance with Government Code Section 16429.1 et. seq. for the purpose of investment as provided therein is in the best interests of the City.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF LAGUNA HILLS, CALIFORNIA, DOES RESOLVE, DECLARE, DETERMINE, AND ORDER AS FOLLOWS:

SECTION 1. Authorize the deposit and withdrawal of the City of Laguna Hills' monies in the Local Agency Investment Fund in the State Treasury in accordance with the provisions of Section 16429.1 et. seq. of the Government Code for the purpose of investment as provided therein.

SECTION 2. The following City officers holding the titles specified herein below or their successors in office are each hereby authorized to order the deposit or withdrawal of monies in the Local Agency Investment Fund and may execute and deliver any and all documents necessary or advisable in order to effectuate the purposes of this resolution and the transactions contemplated hereby:

Kenneth H. Rosenfield - Interim City Manager/City Treasurer

Janice Mateo Reyes - Finance Director

SECTION 3. This resolution shall remain in full force and effect until rescinded by the City Council by resolution and a copy of the resolution rescinding this resolution is filed with the State Treasurer's Office.

PASSED, APPROVED, AND ADOPTED this 23rd day of February 2021.

ERICA PEZOLD, MAYOR

ATTEST:

MELISSA AU-YEUNG, CITY CLERK

STATE OF CALIFORNIA)
COUNTY OF ORANGE) ss
CITY OF LAGUNA HILLS)

I, Melissa Au-Yeung, City Clerk of the City of Laguna Hills, California, DO HEREBY CERTIFY that the foregoing is a true and correct copy of Resolution No. 2021-02-23-X adopted by the City Council of the City of Laguna Hills, California, at a Regular Meeting thereof held on the 23rd day of February, 2021, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

(SEAL)

____
MELISSA AU-YEUNG, CITY CLERK

City of Laguna Hills

City Council/Planning Agency

Staff Report

DATE: February 23, 2021

TO: Mayor and Council Members

FROM: David Reynolds
Deputy City Manager

ISSUE: Proposed Amendment No. 2 to the Consulting Services Agreement With Eco/Nomics, Inc., for Continued Solid Waste and Recycling Consulting Services

RECOMMENDATION: That the City Council: 1) Waive formal competitive bidding requirements and procedures set forth in the City of Laguna Hills Municipal Code (LHMC) Section 3-08.150 pursuant to the exceptions set forth in LHMC Sections 3-08.110(D), (I), and (J), for approval of the proposed Amendment No. 2 to the Consulting Services Agreement for Solid Waste and Recycling Consulting Services with Eco/Nomics, Inc.; 2) Approve proposed Amendment No. 2 to the Consulting Services Agreement with Eco/Nomics, Inc., extending the term of the Agreement for an additional 2 years through June 30, 2023, and increasing the maximum contract amount by $248,000 from $330,000 to $578,000; and 3) Authorize the Mayor to sign the proposed Amendment No. 2.

SUMMARY:

Consistent with the City's contract model approach to providing services to the community, on June 14, 2016, the City entered into a consulting services agreement ("Agreement") for solid waste and recycling consulting services with Eco/Nomics, Inc. ("EcoNomics"). The Agreement called for consulting services to be provided during an initial three (3) year term ("Initial Term") ending June 30, 2019. On June 11, 2019, the City Council approved and entered into Amendment No. 1 to the Agreement for the purpose of extending the Initial Term of the Agreement for an additional two (2) year period ("Renewal Option") under the same terms and conditions set forth in the

Agreement. Amendment No. 1 also increased the Maximum Contract Amount set forth in Section 2.1 of the Agreement by $80,000, from $250,000 to $330,000.

Typically, when a contract for professional services expires, the City prepares a new competitive selection process and issues a request for proposals (RFP) inviting qualified firms to submit proposals to provide consulting services and establish a new contract term. However, in light of the COVID-19 pandemic, it is staff's opinion that such formal competitive procurement process at this time is not in the City's best interest for the reasons stated in this staff report. Therefore, Staff recommends that the City Council approve and enter into a second amendment (Amendment No. 2) with EcoNomics, extending the term of the Agreement for an additional two (2) years to June 30, 2023, to ensure the City has continued, uninterrupted on-call solid waste and recycling consulting services. There is also a need to simultaneously increase the Maximum Contract Amount set forth in Section 2.1 of the Agreement by $248,000, from $330,000 to $578,000 in order for EcoNomics to continue to assist the City with the implementation of State required recycling programs (including organics), with contract negotiations with CR&R (City's solid waste and recycling franchised hauler), and with the development of RFP documents and a sample franchise agreement for the procurement process for the next 10-year franchise agreement which begins July 1, 2024. Amendment No. 2 increases the Maximum Contract Amount as described above.

Staff further recommends that the City Council make findings and declare that due to the declared state of emergency it is appropriate to waive provisions of the Laguna Hills Municipal Code (LHMC) Procurement Code Section 3-08.150 and approve proposed Amendment No. 2. The consulting services provided by EcoNomics are essential for support to staff with the administration of the Solid Waste and Recycling Franchise with CR&R, the implementation of recycling programs, and guidance through the numerous regulations and reporting requirements imposed on local governments by the State.

BACKGROUND:

The competitive selection requirements and procedures for professional services are set forth in Section 3.08.150 of the LHMC (Procurement Code). Staff issued an RFP and completed a formal competitive selection process in 2016 where EcoNomics was identified as the most qualified firm. The City and EcoNomics entered into a consulting services agreement which provided for an Initial Term that expired June 30, 2019. Prior to the Agreement's 2019 expiration date, the City Council approved Amendment No. 1 to the Agreement to add the Renewal Term for an additional two (2) years to the

Agreement. The Agreement is currently scheduled to expire on June 30, 2021, by operation of its own terms, unless extended.

On March 4, 2020, the Governor declared a state of emergency in California in response to the outbreak of the novel COVID-19 virus, and by March 11, 2020, the World Health Organization designated the outbreak of the virus as a pandemic. Subsequently on March 18, 2020, the City proclaimed a local emergency in order for the City to promptly address, prepare for, and take actions necessary to protect the public health, safety, and welfare within the City in response to the anticipated spread of the novel COVID-19 virus. In light of the COVID-19 pandemic, the declared local emergency, the statewide emergency declaration, the partial closure of City Hall, reduced access to businesses, modified work schedules, work-from-home health orders, and reduced service levels, it is Staff’s opinion that such formal competitive procurement process at this time is not in the City's best interest as it would result in an interruption to the necessary, ongoing recycling and solid waste franchise consulting services contracted for under the Agreement, which could negatively impact City's ability to timely implement various CalRecycle regulations, as mandated by State law, and most likely will not result in any significant cost savings to the City.

Due to the declared state of emergency caused by the novel COVID-9 pandemic, and based on the facts herein the City Council is requested to waive the formal competitive bidding requirements set forth in Laguna Hills Municipal Code ("LHMC") Section 3-08.150, pursuant to the exceptions set forth in LHMC Sections 3-08.110(D), (I) and (J). For each of the exceptions, staff has provided justifications below for waiving the requirements of LHMC 3-08.150.

LHMC 3-08.110(D)

When emergency conditions require the immediate purchase of goods and supplies, equipment, materials, or services. For purposes of this section, emergency purchases are those procurements that are required to prevent immediate interruption or cessation of necessary city services or to safeguard life, property, or the public health and welfare. The Purchasing Officer shall file promptly with the City Council a report showing such conditions and the necessity for such action, together with an itemized account of all expenditures.

Justification: AB 1826 established recycling legislation that set a tiered (phased in approach) of implementing mandatory commercial organic waste recycling requirements. First enacted in 2016, AB 1826 initially set a waste generation threshold that businesses that generate 8 cubic yards or more of organic waste per week shall arrange for organic waste recycling services. Each year after 2016 the waste generation threshold became more inclusive and was modified on January 1, 2019, to require that businesses that generate 4 cubic yards or more of commercial solid waste[1] per week shall arrange for organic waste recycling services. Local jurisdictions, per AB 1826 are required to provide education and outreach to businesses for the successful implementation of organic waste recycling programs.

EcoNomics has helped the City with the requirements of AB 1826 since its enactment and our education and outreach efforts during calendar year 2019 still resulted in a large number of businesses not implementing a mandatory organic waste recycling service. Consequently, Staff, EcoNomics, and CR&R began an intensive commercial outreach campaign in early January 2020, to include site visits to non-compliant businesses, on-site waste assessments, development of proposals to highlight service cost savings to non-compliant businesses, and assistance with the implementation (including training of staff) of an organic recycling program. Unfortunately, the Governor declared a state of emergency in California on March 4, 2020, in response to the outbreak of the novel COVID-19 virus, and the City's commercial outreach campaign work efforts were severely curtailed by the pandemic during 2020.

It is important to note the commercial recycling programs are mandatory under State law, and the State has thus far refused to postpone any program implementation deadlines due to COVID-19. For instance, because the State did not attain its Statewide goal of achieving 50% diversion of organic waste by 2020, CalRecycle in September 2020 modified the AB 1826 commercial generation threshold to require businesses that generate 2 cubic yards of organic waste or more per week to implement an organics recycling program—which requires the City to contact more businesses to verify AB 1826 compliance and the implementation of recycling programs.

[1] The definition of commercial solid waste was further clarified through AB 1398 and includes **all types** of solid waste generated by a store, office, or other commercial or public entity source, including a business or a multifamily dwelling of five or more units that falls under the definition of a covered business above (PRC Section 42649.1).

It is advisable to not switch to a new solid waste and recycling consultant at this time because COVID-19 has negatively impacted EcoNomics' public outreach efforts to implement successful organic recycling programs. In addition, there is a tremendous amount of work that is involved in the successful implementation of recycling programs as well as the solid waste and recycling franchise agreement work in light of SB 1383 that is described in the following sections of this staff report. This has required the City to increase the Maximum Contract Amount in the Agreement in 2019, and now requires the City to again increase the Maximum Contract Amount as stipulated in the Agreement because the funding allocation will be exhausted before June 30, 2020.

LHMC 3-08.110(I)

When an unusual or unique situation exists, in that due to experience, specialized qualifications, particular expertise, performance history, and/or reputation, a particular company, vendor, consultant, or contractor is uniquely qualified for a particular task or project, which makes application of the requirements for competitive solicitation under this chapter contrary to either the intended purpose of the project or the public interest.

Justification: EcoNomics drafted the City's current Solid Waste and Recycling Franchise Agreement and is very familiar with it. EcoNomics is also well versed on SB 1383 with a looming deadline of January 1, 2022, to implement several of its requirements. Both SB 1383 regulation implementation and ongoing efforts to evaluate changes to the City's Solid Waste and Recycling Franchise Agreement are currently underway by EcoNomics.

EcoNomics is uniquely qualified to assist the City with its negotiation efforts with CR&R to incorporate SB 1383 requirements into the Solid Waste and Recycling Franchise Agreement and assisting with a solid waste and recycling franchise procurement. EcoNomics is currently working for 10 cities in Orange County on a wide range of projects for SB 1383, AB 1826, and AB 341 compliance management, implementation, and contract management. They are very familiar with the countywide solid waste and recycling issues, the compliance assessment and enforcement protocols used by CalRecycle by Local Assistance and Market Development (LAMD) representatives, as well as all the haulers operating within the area. They are currently negotiating franchise amendments and rates with CR&R to incorporate SB 1383 requirements for two cities in Orange County: Newport Beach and Lake Forest. In the last two years, EcoNomics has amended, or conducted an RFP process for a franchise agreement for six Orange County cities: Laguna Niguel, Lake Forest, Tustin, Newport Beach, Anaheim, and San Juan Capistrano. Moreover, EcoNomics has also assisted several cities with the adoption of SB 1383 enforcement ordinances

At this juncture, staff believes that it is not in the City's best interest to conduct a competitive bid process for a solid waste and recycling consultant. This will interrupt the City's progress, already underway, to draft a SB 1383 enforcement ordinance, to negotiate new agreement terms with CR&R to meet the SB 1383 requirements deadline of January 1, 2022, and the establishment of a new 10-year franchise agreement template and RFP documents planned to be used during a competitive procurement process initiated by the City in 2022.

LHMC 3-08.110(J)

When, in the opinion of the City Council, it is determined that compliance with the procurement policies, procedures and/or requirements is not in the best interest of the city.

Justification: Staff believes that the cost for solid waste and recycling consulting services will increase if a competitive bid process is initiated. Especially with the amount of work that is required to implement SB 1383 regulations and the procurement process for the next 10-year franchise agreement commencing on July 1, 2024. Since 2016, EcoNomics has not increased its hourly rates for service and is not requesting a rate increase for the requested two-year extension; thereby, providing no hourly rate increases for the City over a seven-year period if Amendment No. 2 is approved by the City Council.

It is in the City's best interest to secure EcoNomics' current hourly rates for consulting services for another two years which will afford more consulting time for EcoNomics to assist City staff with solid waste and recycling work efforts through June 30, 2023.

FISCAL IMPACT:

Staff recommends that the maximum contract amount be increased by $248,000, from $330,000 to $578,000. Monies paid to EcoNomics have come from the City's recycling special revenue funds and payments made by CR&R per the franchise agreement; therefore, there is no anticipated general fund impact for EcoNomics' consulting services at this time.

ATTACHMENTS:

- Attachment a - Proposed Amendment No. 2 to Consulting Services Agreement with Eco/Nomics Inc.
- Attachment b - Amendment No. 1 to Consulting Services Agreement with Eco/ Nomics, Inc.
- Attachment c - Consulting Services Agreement with Eco/Nomics, Inc.

AMENDMENT NO. 2
TO CONSULTING SERVICES AGREEMENT
Eco/Nomics, Inc., dba Ecal/Nomics, Inc.
(Solid Waste and Recycling Consulting Services)

THIS SECOND AMENDMENT to the Consulting Services Agreement with ECO/NOMICS, INC., (the "Amendment" or "Amendment No. 2")) is made and entered into to be effective the 23rd day of February 2021, by and between the CITY OF LAGUNA HILLS, a municipal corporation organized and existing under the laws of the State of California (hereinafter referred to as the "City"), and ECO/NOMICS, INC., a Colorado corporation, doing business in the State of California as ECAL/NOMICS, INC., (hereinafter referred to as "Consultant"). City and Consultant are sometimes hereinafter individually referred to as "Party" and are hereinafter collectively referred to as "Parties."

RECITALS

A. City and Consultant previously entered into a Consulting Services Agreement for the provision of certain solid waste and recycling consulting services to be performed for the Project, as defined in the Agreement, on as as-needed, on-call basis, which agreement was made and entered into on June 14, 2016 (the "Agreement") and which may be duly amended, in writing, from time to time by the Parties. City does not have the personnel or technical expertise necessary to perform the work and services contracted for under the Agreement.

B. Sections 2.3 (Changes in Scope) and 10.2 (Amendment) of the Agreement provide that the Agreement may be amended in writing at any time by mutual consent of the Parties. Section 2.3 provides that the Parties may enter into an amendment to provide for additional services not included in the Agreement. Additionally, Section 1.8 (Additional Services) of the Agreement specifically provides that the City shall have the right at any time during the performance of the Services, without invalidating the Agreement, to order extra work beyond that specified in the Scope of Services or make changes by altering, adding to, or deducting from such Work.

C. The initial term of the Agreement was scheduled to expire on June 30, 2019, by operation of its own terms, unless extended by mutual written agreement of the Parties. Section 3.4 (Term) provides that the City had the option, at its sole discretion, to renew and extend the Initial Term of the Agreement for an additional two (2) year term ("Renewal Term"). On June 11, 2019, the Parties approved and entered into Amendment No. 1 to the Agreement for the purpose of extending the Term ("Initial Term") of the Agreement for an additional two (2) year period ("Renewal Option") in order to provide for continued, uninterrupted solid waste and recycling consulting services on as as-needed, on-call basis for the Project, as defined in the Agreement, under the same terms and conditions set forth in the Agreement, but with an updated listing of assigned and available consultants and same corresponding hourly rates. Amendment No. 1 also increased the Maximum Contract Amount set forth in Section 2.1 of the Agreement by $80,000, from $250,000 to $330,000.

D. Unless amended by mutual agreement of the Parties, the Term of the Agreement is currently scheduled to expire on June 30, 2021 by operation of its own terms.

E. On March 4, 2020, the Governor declared a state of emergency in California in response to the outbreak of the novel COVID-19 virus, and by March 11, 2020, the World Health Organization designated the outbreak of the virus as a pandemic. Subsequently on March 18, 2020, the City proclaimed a local emergency in order for the City to promptly address, prepare for, and take actions necessary to protect the public health, safety, and welfare within the City in response to the anticipated spread of the novel COVID-19 virus. In light of the COVID-19 pandemic, the declared local emergency, the statewide emergency declaration, the partial closure of City Hall, modified work schedules, work-from-home health orders, and reduced service levels, the City does not wish to rebid this contract or conduct bidder interviews at this time, and the Procurement Officer and City Council have determined that such formal competitive procurement process at this time is not in the City's best interest as it would result in an interruption to the necessary, ongoing recycling and solid waste franchise consulting services contracted for under the Agreement, which could negatively impact City's ability to timely implement various CalRecycle regulations, as mandated by State law, and most likely will not result in any significant cost savings to the City.

F. Based on emergency circumstances related to the COVID-19 pandemic, the City has now determined that there is a need to extend the term of the Agreement for two years in order to ensure continuity of these essential consulting services. The continuation of the current level of services, under the same terms and conditions and at the same professional hourly rates, provided by the Agreement will ensure the provision of continued cost-effective, uninterrupted solid waste and recycling consulting services on an as-needed, on-call basis.

G. Due to the COVID-19 pandemic and declared State and local emergencies which have been in effect since March 2020, as well as the negative impacts the ongoing pandemic has had on Consultant's outreach efforts to businesses for the implementation of successful organic recycling programs, by way of correspondence from Consultant to City, dated January 18, 2021, Consultant has requested that the City now extend the term of the Agreement for an additional two (2) year period under the same terms and conditions and at the same professional hourly rates set forth in the Agreement (a copy of which is attached hereto as **Attachment "1"**), but with an updated listing of solid waste and recycling consultants, assigned and available personnel, and corresponding hourly rates from those established in Section 5.1 (Table of Fee Schedules) of Consultant's Proposal/Scope of Work, dated April 29, 2016, which is set forth in Exhibit "A" to the Agreement.

H. The Parties now desire to enter into this Amendment No. 2 to the Agreement for the purpose of extending the Term of the Agreement for an additional two (2) year period in order to provide for continued, uninterrupted solid waste and recycling consulting services on as as-needed, on-call basis for the Project, as defined in the Agreement, under the same terms and conditions set forth in the Agreement, but with an updated listing of assigned and available consultants and corresponding hourly rates. The proposed two-year Term extension creates a need to now increase the Maximum Contract Amount set forth in Section 2.1 of the Agreement by $248,000, from $330,000 to $578,000.

NOW THEREFORE, in consideration of the mutual promises and covenants herein, the Parties agree as follows:

AGREEMENT

1. Amendment to Section 3.4, entitled "Term," of the Agreement. Section 3.4 of the Agreement is hereby amended and restated in its entirety to read as follows:

   3.4 Term. Unless earlier terminated as provided elsewhere in this Agreement, this Agreement shall commence upon the effective date of this Agreement and shall continue in full force and effect for a period of seven (7) years, commencing July 1, 2016, and ending on June 30, 2023.

2. Amendment to Section 5.1 (Table of Fee Schedules) of Consultant's Proposal/Scope of Work, dated April 29, 2016, Set Forth in Exhibit "A" to the Agreement. Pursuant to Consultant's January 18, 2021 letter request, Section 5.1 (Table of Fee Schedules) of Consultant's Proposal/Scope of Work, dated April 29, 2016, which is attached as Exhibit "A" to and incorporated by reference in the Agreement, as modified by Amendment No. 2 to the Agreement, is hereby amended and restated in its entirety to reflect Consultant's updated listing of assigned and available consultants and corresponding hourly rates, a copy of which is attached hereto as **Attachment "1"** to this Amendment and is hereby incorporated by reference and made a part of the Agreement.

3. Amendment to Section 2.1, entitled "Maximum Contract Amount," of the Agreement. Section 2.1 of the Agreement is hereby amended and restated in its entirety to read as follows:

   2.1 Maximum Contract Amount. For the Services and Work rendered pursuant to this Agreement, Consultant shall be compensated by City for the services performed, including authorized reimbursements, on a time and materials basis in accordance with the hourly rates and charges set forth in the Schedule of Compensation/Fees, which is attached hereto as Exhibit "A" and is incorporated herein by reference, but not exceeding the total maximum contract amount of Five Hundred Seventy Eight Thousand Dollars ($578,000) (hereinafter referred to as the "Maximum Contract Amount"), except as may be provided pursuant to Section 1.8 above. The method of compensation shall be as set forth in Exhibit "A". The maximum amount of City's payment obligation under this Agreement is the amount specified in this section.

4. Amendment to Section 4.3, entitled "Prohibition Against Subcontracting or Assignments," of the Agreement. Section 4.3 of the Agreement is hereby amended in part to reflect the updated list of Consultant's personnel assigned to perform the Work and Services under the Agreement:

Name:	Title:
William O'Toole	President
Cerene St. John, J.D.	Director
Trevor S. Blythe, MBA	Senior Vice President
Christy Hurlburt, MBA	Vice President
Ian Beavan, MBA	Program Implementation Manager
Kim Riley	Program Implementation Coordinator
Geiza Goulart da Silva	Program Implementation Coordinator

5. Full Force and Effect. This Amendment No. 2 is supplemental to the Agreement and is by reference made part of said Agreement. All of the terms, conditions, and provisions, thereof, unless specifically modified herein, shall continue in full force and effect. In the event of any conflict or inconsistency between the provisions of this Amendment and any provisions of the Agreement, the provisions of this Amendment shall in all respects govern and control.

6. Recitals. The above-referenced Recitals are hereby incorporated into this Amendment as though fully set forth herein and made part of the Agreement and each Party acknowledges and agrees that such Party is bound, for purposes of this Agreement, by the same.

7. Corporate Authority. Each of the undersigned represents and warrants that (i) the Party for which he/she is executing this Amendment is duly authorized and existing, (ii) he/she is duly authorized to execute and deliver this Amendment on behalf of the Party for which he/she is signing, (iii) by so executing this Amendment, the Party for which he/she is signing is formally bound to the provisions of this Amendment, and (iv) the entering into this Amendment does not violate any provision of any other agreement to which the Party for which he/she is signing is bound.

[*SIGNATURES ON NEXT PAGE*]

IN WITNESS WHEREOF, the Parties have executed and entered into this Amendment as of the date first written above.

"CITY"
City of Laguna Hills,
a California municipal corporation

ERICA PEZOLD,
Mayor

ATTEST:

(SEAL)

MELISSA AU-YEUNG,
Deputy City Manager/ City Clerk

APPROVED AS TO FORM:

GREGORY E. SIMONIAN,
City Attorney

"CONSULTANT"
Eco/Nomics, Inc., a Colorado corporation, doing business in the State of California as Ecal/Nomics, Inc.

By:
WILLIAM O'TOOLE, President

By:
TREVOR S. BLYTHE, Secretary

ATTACHMENT "1"

CONSULTANT'S LETTER REQUEST FOR A TWO-YEAR

CONTRACT TERM EXTENSION DUE TO COVID-19 PANDEMIC

AND

UPDATED LIST OF ASSIGNED AND AVAILABLE SOLID WASTE AND RECYCLING

CONSULTANTS AND CORRESPONDING HOURLY RATES

DATE: JANUARY 18, 2021

EcoNomics

January 18, 2021

David Reynolds
Deputy City Manager
City of Laguna Hills
25555 Alicia Parkway
Laguna Hills, California 92653

RE: Request to Extend the Term of Economics' Solid Waste and Recycling Consulting Services Contract

Dear Mr. Reynolds:

As per your direction, EcoNomics Inc. is pleased to submit our request to extend our Contract, under the same terms and conditions, with the City for solid waste and recycling consulting services for an additional two years. As you are aware, COVID-19 negatively impacted our outreach efforts to businesses for the implementation of successful organic recycling programs. Commercial organic recycling is mandatory under AB 1826 and work still needs to be accomplished to bring businesses into compliance. Further, our help this year and next will ensure the City is in compliance with the State's momentous organic recycling requirements of SB 1383. These requirements include enforcement ordinances, food-recovery programs, and a residential organic recycling program by January 1, 2022.

Please note, we have kept the hourly rates at the same level for all EcoNomics staff that were originally included in our 2016 proposal (see Attachment A). We have included one additional staff member that may be assigned project work with prior consent from the City (Christy Hurlbert, MBA). The rate is at the same existing rate that Trevor Blythe and Geiza Goulart currently bill to the City. We have attached Ms. Hurlburt's resume for your review.

Please feel free to contact me directly at (805) 331-9591 or email william@economicsinc.net if you have any questions.

Best Regards,

William O'Toole
President
EcoNomics, Inc.
832 Camino del Mar, Suite 2
Del Mar, California 92104

Attachment

ATTACHMENT A

Extension

Table 1 Allocation/Fee Schedule

Name	Position	Hourly Rate	Allocation	Areas of Expertise
William O'Toole	President	$180	20%	Project management, client interface, strategy, negotiations with haulers; contract management, council presentations, CalRecycle compliance, relevant industry analysis and projections
Cerene St. John, JD	Negotiation Support	$180	20%	Assistance with hauler negotiations. Solid waste legislation tracking and interpretation
Trevor S. Blythe, MBA	Sr. Vice President	$120	5%	Oversight of field data quality, diversion program development and implementation, operations analysis, annual rate adjustment
Christy Hurlburt, MBA	Vice President	$120	20%	Financial and program analysis, performance monitoring, public outreach,
Kim Riley	Program Implementation Coordinator	$80	25%	AB 1826 generator identification, commercial list analysis, analysis, program implementation
Ian Bevan, MBA	Manager, Program Implementation	$90	10%	Annual Report, educational programs, waste audits, cost-saving diversion program proposal development

Updated Resumes of Staff

William O'Toole
Title: President & Founder
Time with EcoNomics, Inc.: 40+ years
Education: Bachelor of Science in Biology (Systems Ecology), University California, San Diego, 1976

Mr. O'Toole will provide senior review and strategic direction on the project's implementation goals and results. Mr. O'Toole is a "hands-on visionary" working with cities and counties to anticipate legislative trends, shifts in secondary materials markets, and other factors that affect local collection contracts. He devises practical, cost effective methods for implementing diversion programs that benefit the customers and enable our clients to meet the requirements of both AB 939 and the evolving requirements of AB 341 and AB 1826 for now and over the course of their new collection contracts.

He founded EcoNomics, Inc. in 1977 and has 40 years of experience in the recycling and solid waste industry. As one of the early pioneers in the recycling industry he worked to implement some of the first curbside recycling programs in California and then developed secondary materials markets to accept the materials collected. He then turned his attention to implementing commercial recycling programs, which, in most cities yield far more tons of diversion due to the size and composition of these waste streams. He is now heavily involved in continuing the transition from the traditional view of solid waste and recycling towards the more encompassing vision of a sustainable materials management industry.

During the process of developing recycling programs, it became clear that existing collection contracts were insufficient with respect to programs, reporting, and enforcement tools to handle the additional requirements of diversion mandates. In addition, the segmentation of wastes into subcomponents (i.e., E-waste, HHW, "big box" recyclable streams, etc.) also required a new development of contract language and management tools to meet the demands of a different approach to the handling of what used to be considered as Municipal Solid Waste (MSW). It was at this point that Mr. O'Toole became involved in overseeing the procurement of hauler services. The aim of his client cities was the development of contracts that are specifically tailored to maximize diversion, identify costs, and develop rate structures that are transparent.

Mr. O'Toole is one of the founders of the California Resource Recovery Association (CRRA) as well as Californians Against Waste (CAW). He has worked on statewide legislation and has been a member of several committees and task forces for the California Integrated Waste Management Board (now known as CalRecycle) on AB 939 Diversion Calculations and Reporting Requirements for Material Recovery Facilities (MRF) and Transfer Stations.

Mr. O'Toole brings significant local knowledge about the Orange County solid waste and recycling system including familiarity with the recycling, materials recovery, construction and demolition waste processing facilities, the landfill system and all of the solid waste and recycling companies that are active in the Orange County area. Mr. O'Toole has worked with the City of Anaheim to assist with its AB 1826 commercial organics recycling program and compliance efforts.

Trevor Blythe MBA

Title: Vice President, Principal
Time with EcoNomics, Inc.: 13 years
Education: BS in Environmental Science, University California, Santa Barbara, 2006
MBA in Sustainable Management from Presidio Graduate School, 2014

Trevor Blythe has over 13 years of experience as a consultant in the sustainable materials management industry. Mr. Blythe works daily with local governments, private industry, and waste haulers to overcome operational and financial barriers to implementing sustainable materials management programs at the municipal scale. He is an expert on solid waste regulations, operations, and collection system optimization. Mr. Blythe holds a Master's Degree in Business Administration/Sustainable Management from Presidio Graduate School in San Francisco (Received May 2014). During his coursework at Presidio, Trevor explored market-based solutions for returning key nutrients from organic waste back to the soil. He holds a Bachelor of Science in Environmental Sciences (awarded in 2006) from the University of California, Santa Barbara with an emphasis on Geographic Information Systems.

Mr. Blythe is based in the EcoNomics' San Juan Capistrano office and is currently assisting the Cities of Anaheim, Newport Beach, Santa Ana, San Juan Capistrano, Laguna Niguel, Mission Viejo, Lake Forest, Laguna Hills, Tustin, and Stanton with CalRecycle compliance and reporting, waste diversion program implementation and planning, program cost and rate impact analyses, and other tasks. Mr. Blythe also assists EcoNomics' client cities with contract management oversight, including overseeing waste characterizations of the commercial and residential waste streams, monitoring diversion reports to assess hauler compliance with state laws, and leading meetings with cities and haulers to monitor contractual compliance and resolve outstanding contractual obligations.

Mr. Blythe has developed a comprehensive food scrap cost model that has been used in the City of Anaheim, Mission Viejo, Tustin, Santa Ana, Laguna Niguel, and Napa. The model is used to project the cost of AB 1826 compliance and to examine the impact of these costs on different components of the City's rate base. The model allows for real-time entry of generator participation assumptions, rate incentives, and service scenarios to predict the total cost of the program and the potential rate impact on residential and commercial accounts. The model is being used to illustrate the impacts of different funding scenarios for presentation to elected officials and senior City management. The model was developed with the franchise haulers to construct a rate that adequately compensates the hauler while still providing a rate incentive for the generator.

Mr. Blythe has worked over the last several years in bringing recycling services to multifamily apartments and HOAs throughout three Orange County cities. This achievement has brought recycling services to over 7,500 units throughout the service areas. More recently, Mr. Blythe has focused on delivering cost-effective organic waste diversion solutions to large restaurants, venues, and hospitals in EcoNomics' client cities. To date, Mr. Blythe has actively directed the implementation of food scraps diversion programs at over 300 locations.

Cerene St. John, J.D.

Position: Director/Outside Legal Counsel (as subcontractor)
Time with EcoNomics, Inc.: 18 years as employee: additional 12 years as legal support (subcontractor)
Education: B.A. in Political Science from California State University, San Bernardino (1977)
J.D. degree from The University of Santa Clara School of Law (1980).

Ms. St. John began her solid waste career as a Deputy City Attorney for the City and County of San Francisco. Assigned to the Special Projects Division, she led a team in the Chief Administrator's Office to find a new landfill for the City when existing contracts were due to expire. She conducted a five-county negotiating effort that resulted in a contract and associated permits for the City's use of the Altamont Landfill located in Alameda County beginning in 1983.

Ms. St. John then served for six years as the Solid Waste Program Manager for the City of Sunnyvale. While there she conducted a Request for Proposals (RFP) process for solid waste and collection services resulting in a new contract with a detailed scope of work and performance standards. She conducted an RFP process for long-term landfill capacity for the City of Sunnyvale and 4 other cities resulting in a 30-year contract with the Kirby Canyon Landfill owned and operated by Waste Management. She also initiated work on the design and construction of the City-owned SMaRT Station, a transfer station/MRF that began operation in 1993.

Ms. St. John joined EcoNomics in 1990 and served as Vice President through June 2008, when she became a Director of EcoNomics and began providing a broader range of sustainability consulting services through her own company, It's A Natural Product, Inc. She also serves as outside legal counsel to several cities through the Law Office of Cerene St. John. In addition to solid waste and recycling consulting, Ms. St. John assists clients with food localization and food security projects. She is currently conducting a demonstration project to determine methodologies, actual costs and timeframes for sequestration of carbon in agricultural soils using compost, microbes and no-till growing methods. With regard to solid waste and recycling consulting service, she specializes in conducting procurements for solid waste and recycling collection services and the use of, or construction and operation of MRF's, transfer stations, and landfills. She also assists cities and counties with negotiations for these services and with contract amendments, ordinance revisions, and review of proposed legislation.

As a former City Attorney and an active member of the State Bar of California, Ms. St. John prepares draft contract amendments, draft contracts, and RFP language for review by City Attorneys and/or outside legal counsel. Ms. St. John is able to write precise and thorough scopes of work for diversion programs and to craft contracts that protect the interest of the jurisdiction and its ratepayers. She is able to serve as a "bridge" between the technical requirements in these contracts and the legal language needed to enforce them. This generally saves our client's time and expense, as the City Attorney can senior review her work rather than spending time crafting the legal language, and the technical scope of work for the contract.

Ms. St. John's unique understanding of the legal underpinnings of the RFP process, the political and financial realities of cities and her experience in negotiations with the solid waste industry allow her to create procurement processes and negotiations for contract amendments that are fair, public, and that anticipate potential pitfalls so problems can be avoided.

Christy Hurlburt MBA
Title: Vice President
Time with EcoNomics, Inc.: 3 months
Education: BS in Electrical Engineering, University California, Berkeley, 2000
MBA in Sustainable Management from Presidio Graduate School, 2011
Specializations: Implementation Diversion Technology, Program Management

Christy Hurlburt brings over 20 years of experience in the waste, sustainability and technology industries as both a consultant and marketing leader. Ms. Hurlburt has worked with a variety of clients including local government and corporations to advance their resource management goals. Ms. Hurlburt has also worked in the field performing waste audits and sorts, route efficiency assessments and hauler program verification.

Prior to EcoNomics, Ms. Hurlburt was the VP of Marketing for Enevo, a waste sensor technology company. At Enevo, she worked with haulers, cities, restaurants and multi-family complexes to increase their operational efficiency, increase recycling and reduce their overall waste costs.

Ms. Hurlburt was the Senior Director of Cascadia Consulting's corporate sustainability practice area working on the planning and implementation of clients' waste reduction and zero-waste goals. Ms. Hurlburt worked directly with large technology, food and outdoor apparel companies in the Bay Area. She has also held roles as the Director of Marketing for Bosch Solar Energy and

District Manager for Medtronic. Ms. Hurlburt started off her career in sales and marketing at Agilent Technologies, a high-tech test equipment company.

AMENDMENT NO. 1
TO CONSULTING SERVICES AGREEMENT
Eco/Nomics, Inc., dba Ecal/Nomics, Inc.
(Solid Waste and Recycling Consulting Services)

THIS FIRST AMENDMENT to the Consulting Services Agreement with ECO/NOMICS, INC., (the "Amendment" or "Amendment No. 1") is made and entered into to be effective the 11th day of June 2019, by and between the CITY OF LAGUNA HILLS, a municipal corporation organized and existing under the laws of the State of California (hereinafter referred to as the "City"), and ECO/NOMICS, INC., a Colorado corporation, doing business in the State of California as ECAL/NOMICS, INC., (hereinafter referred to as "Consultant"). City and Consultant are sometimes hereinafter individually referred to as "Party" and are hereinafter collectively referred to as "Parties."

RECITALS

A. City and Consultant previously entered into a Consulting Services Agreement for the provision of certain solid waste and recycling consulting services to be performed for the Project, as defined in the Agreement, on as as-needed, on-call basis, which was made and entered into on June 14, 2016 (the "Agreement") and which may be duly amended, in writing, from time to time by the Parties. City does not have the personnel, specialized equipment, or technical expertise able to perform the work or services contracted for under the Agreement.

B. Unless amended by mutual written agreement of the Parties, the Agreement is scheduled to expire on June 30, 2019, by operation of its own terms, unless extended by mutual written agreement of the Parties. Sections 2.3 (Changes in Scope) and 10.3 (Amendment) of the Agreement provide that the Agreement may be amended in writing at any time by mutual consent of the Parties. Additionally, Section 3.4 (Term) provides that the City has the option, at its sole discretion, to renew and extend the Initial Term of the Agreement for no more than one additional two (2) year term ("Renewal Term").

C. By way of correspondence from Consultant to City dated May 30, 2019, Consultant has requested that the City extend the term of the Agreement for two (2) additional years under the same terms and conditions set forth in the Agreement (a copy of which is attached hereto as **Attachment "1"**), but with an updated listing of solid waste and recycling consultants, assigned and available personnel, and corresponding hourly rates from those established in Section 5.1 (Table of Fee Schedules) of Consultant's Proposal/Scope of Work, dated April 29, 2016, which is set forth in Exhibit "A" to the Agreement.

D. The Parties now desire to enter into this Amendment No. 1 to the Agreement for the purpose of extending the Term ("Initial Term") of the Agreement for an additional two (2) year period ("Renewal Option") in order to provide for continued, uninterrupted solid waste and recycling consulting services on as as-needed, on-call basis for the Project, as defined in the Agreement, under the same terms and conditions set forth in the Agreement, but with an updated listing of assigned and available consultants and corresponding hourly rates. The proposed two (2) year Term extension creates a need to now increase the Maximum Contract Amount set forth in Section 2.1 of the Agreement by $80,000, from $250,000 to $330,000.

NOW THEREFORE, in consideration of the mutual promises and covenants herein, the Parties agree as follows:

AGREEMENT

1. Amendment to Section 3.4, entitled "Term," of the Agreement. Section 3.4 of the Agreement is hereby amended and restated in its entirety to read as follows:

3.4 Term. Unless earlier terminated as provided elsewhere in this Agreement, this Agreement shall commence upon the effective date of this Agreement and shall continue in full force and effect for a period of five (5) years, commencing July 1, 2016, and ending on June 30, 2021.

2. Amendment to Section 5.1 (Table of Fee Schedules) of Consultant's Proposal/Scope of Work, dated April 29, 2016, Set Forth in Exhibit "A" to the Agreement. Pursuant to Consultant's May 30, 2019 letter request, Section 5.1 (Table of Fee Schedules) of Consultant's Proposal/Scope of Work, dated April 29, 2016, which is attached as Exhibit "A" to, and incorporated by reference in, the Agreement, is hereby amended and restated in its entirety to reflect Consultant's updated listing of assigned and available consultants and corresponding hourly rates, a copy of which is attached hereto as **Attachment "1"** to this Amendment and is hereby incorporated by reference and made a part of the Agreement.

3. Amendment to Section 2.1, entitled "Maximum Contract Amount," of the Agreement. Section 2.1 of the Agreement is hereby amended and restated in its entirety to read as follows:

2.1 Maximum Contract Amount. For the Services and Work rendered pursuant to this Agreement, Consultant shall be compensated by City for the services performed, including authorized reimbursements, on a time and materials basis in accordance with the hourly rates and charges set forth in the Schedule of Compensation/Fees, which is attached hereto as Exhibit "A" and is incorporated herein by reference, but not exceeding the total maximum contract amount of Three Hundred Thirty Thousand Dollars and No Cents ($330,000.00) (hereinafter referred to as the "Maximum Contract Amount"), except as may be provided pursuant to Section 1.8 above. The method of compensation shall be as set forth in Exhibit "A". The maximum amount of City's payment obligation under this Agreement is the amount specified in this section.

4. Full Force and Effect. This Amendment No. 1 is supplemental to the Agreement and is by reference made part of said Agreement. All of the terms, conditions, and provisions, thereof, unless specifically modified herein, shall continue in full force and effect. In the event of any conflict or inconsistency between the provisions of this Amendment and any provisions of the Agreement, the provisions of this Amendment shall in all respects govern and control.

5. Recitals. The above-referenced Recitals are hereby incorporated into this Amendment as though fully set forth herein and made part of the Agreement and each Party acknowledges and agrees that such Party is bound, for purposes of this Agreement, by the same.

6. Corporate Authority. Each of the undersigned represents and warrants that (i) the Party for which he/she is executing this Amendment is duly authorized and existing, (ii) he/she is duly authorized to execute and deliver this Amendment on behalf of the Party for which he/she is signing, (iii) by so executing this Amendment, the Party for which he/she is signing is formally bound to the provisions of this Amendment, and (iv) the entering into this Amendment does not violate any provision of any other agreement to which the Party for which he/she is signing is bound.

[SIGNATURES ON NEXT PAGE]

IN WITNESS WHEREOF, the Parties have executed and entered into this Amendment as of the date first written above.

"CITY"
City of Laguna Hills,
a California municipal corporation

DON SEDGWICK,
Mayor

ATTEST:

(SEAL)
MELISSA AU-YEUNG,
City Clerk

APPROVED AS TO FORM:

GREGORY E. SIMONIAN,
City Attorney

"CONSULTANT"
Eco/Nomics, Inc., a Colorado corporation, doing business in the State of California as Ecal/Nomics, Inc.

By:
WILLIAM O'TOOLE, President

By:
TREVOR S. BLYTHE, Secretary

ATTACHMENT "1"

CONSULTANT'S LETTER REQUEST FOR A TWO-YEAR

CONTRACT TERM EXTENSION

AND

UPDATED LIST OF ASSIGNED AND AVAILABLE SOLID WASTE AND RECYCLING

CONSULTANTS AND CORRESPONDING HOURLY RATES

DATED: MAY 30, 2019

ATTACHMENT B

EcoNomics

May 30, 2019

David Reynolds
Deputy City Manager
City of Laguna Hills
25555 Alicia Parkway
Laguna Hills, California 92653

RE: Request to Exercise Section 3.4 for an Additional Two (2) Year Term of EcoNomics Solid Waste and Recycling Consulting Services Contract

Dear Mr. Reynolds

As per your direction, EcoNomics Inc. is pleased to submit our request to exercise our two (2) year term extension in accordance with Section 3.4 of our Contract with the City for solid waste and recycling consulting services. We have also included an attachment to this letter with an updated listing of employees and their respective billing rates. Please note, we have kept the hourly rates the same for all EcoNomics staff that were originally included in the 2016 proposal, but have modified some staff assignment allocations based on the past two years of project experience. We have also included two staff members that may be assigned project work with prior consent from the City (Lisa Robles and Tina Nguyen). Lastly, we have included updated staff resumes for all proposed EcoNomics' team members that will be available to work with the City.

Please feel free to contact me directly at (805) 331-9591 or email william@economicsinc.net if you have any questions.

Best Regards,

William O'Toole
President
EcoNomics, Inc.
832 Camino del Mar, Suite 2
Del Mar, California 92104

Attachment

ATTACHMENT A

Two (2) Year Extension

Table 1 Fee Schedule

Name	Position	Hourly Rate	Allocation	Areas of Expertise
William O'Toole	President	$180	10%	Project management, client interface, strategy, negotiations with haulers; contract management, oversight of field data quality, council presentations, CalRecycle compliance, relevant industry analysis and projections
Cerene St. John, JD	Technical Consulting	$180	5%	Solid waste legislation tracking and interpretation, assistance with hauler negotiations.
Trevor S. Blythe, MBA	Vice President	$120	15%	Financial and program analysis, diversion program development and implementation, performance monitoring, operations analysis
Ian Bevan, MBA	Manager, Program Implementation	$90	5%	Public outreach, Annual Report, educational programs, waste audits, cost-saving diversion program proposal development
Geiza Goulart da Silva, MS	Coordinator, Program Implementation	$80	55%	AB 1826 generator identification, commercial list analysis, analysis, program implementation

Table 1.2 Rates and Responsibilities for Staff Hired after EcoNomics 2016 Proposal Submittal

Name	Position	Hourly Rate	Allocation	Areas of Expertise
William O'Toole	President	$180	15%	Project management, client interface, strategy, negotiations with haulers; contract management, oversight of field data quality, council presentations, CalRecycle compliance, relevant industry analysis and projections
Cerene St. John, JD	Technical Consulting	$180	5%	Solid waste legislation tracking and interpretation, assistance with hauler negotiations.
Trevor S. Blythe, MBA	Vice President	$120	15%	Financial and program analysis, diversion program development and implementation, performance monitoring, operations analysis
Ian Bevan, MBA	Manager, Program Implementation	$90	5%	Public outreach, educational programs, waste audits, cost-saving diversion program proposal development
Geiza Goulart da	Coordinator, Program	$80	20%	AB 1826 generator identification, commercial list analysis, analysis, program

Silva, MS	Implementation			implementation
Yvonne Lau	Coordinator, Program Implementation	$80	30%	AB 1826 generator identification, commercial list analysis, analysis, program implementation
Winley Durham	Database Development Assistant	$80	TBD	Develop GIS maps
Winley Durham	Assistant, Program Implementation	$45	TBD	Site audits, AB 1826 and AB341 generator identification, implementation
Sergio Escobar	Assistant, Program Implementation	$45	10%	Site audits, AB 1826 and AB341 generator identification, implementation

Table 1.3 Additional EcoNomics, Inc. Staff Available on an As-needed Basis with Prior City Consent

Name	Position	Hourly Rate	Allocation
Lisa Robles	Manager, Program Implementation	$90	10%
Tina Nguyen	Coordinator, Program Implementation	$80	25%

Updated Resumes of Staff

William O'Toole
Title: President & Founder
Time with EcoNomics, Inc.: 40+ years
Education: Bachelor of Science in Biology (Systems Ecology), University California, San Diego, 1976

Mr. O'Toole will provide senior review and strategic direction on the project's implementation goals and results. Mr. O'Toole is a "hands-on visionary" working with cities and counties to anticipate legislative trends, shifts in secondary materials markets, and other factors that affect local collection contracts. He devises practical, cost effective methods for implementing diversion programs that benefit the customers and enable our clients to meet the requirements of both AB 939 and the evolving requirements of AB 341 and AB 1826 for now and over the course of their new collection contracts.

He founded EcoNomics, Inc. in 1977 and has 40 years of experience in the recycling and solid waste industry. As one of the early pioneers in the recycling industry he worked to implement some of the first curbside recycling programs in California and then developed secondary materials markets to accept the materials collected. He then turned his attention to implementing commercial recycling programs, which, in most cities yield far more tons of diversion due to the size and composition of these waste streams. He is now heavily involved in continuing the transition from the traditional view of solid waste and recycling towards the more encompassing vision of a sustainable materials management industry.

During the process of developing recycling programs, it became clear that existing collection contracts were insufficient with respect to programs, reporting, and enforcement tools to handle the additional requirements of diversion mandates. In addition, the segmentation of wastes into subcomponents (i.e. E-waste, HHW, "big box" recyclable streams, etc.) also required a new development of contract language and management tools to meet the demands of a different approach to the handling of what used to be considered as Municipal Solid Waste (MSW). It was at this point that Mr. O'Toole became involved in overseeing the procurement of hauler services. The aim of his client cities was the development of contracts that are specifically tailored to maximize diversion, identify costs, and develop rate structures that are transparent.

Mr. O'Toole is one of the founders of the California Resource Recovery Association (CRRA) as well as Californians Against Waste (CAW). He has worked on statewide legislation and has been a member of several committees and task forces for the California Integrated Waste Management Board (now known as CalRecycle) on AB 939 Diversion Calculations and Reporting Requirements for Material Recovery Facilities (MRF) and Transfer Stations.

Mr. O'Toole brings significant local knowledge about the Orange County solid waste and recycling system including familiarity with the recycling, materials recovery, construction and demolition waste processing facilities, the landfill system and all of the solid waste and recycling companies that are active in the Orange County area. Mr. O'Toole has worked with the City of Anaheim to assist with its AB 1826 commercial organics recycling program and compliance efforts.

Trevor Blythe MBA
Title: Vice President, Principal
Time with EcoNomics, Inc.: 13 years
Education: BS in Environmental Science, University California, Santa Barbara, 2006
MBA in Sustainable Management from Presidio Graduate School, 2014

Trevor Blythe has over 13 years of experience as a consultant in the sustainable materials management industry. Mr. Blythe works daily with local governments, private industry, and waste haulers to overcome operational and financial barriers to implementing sustainable materials management programs at the municipal scale. He is an expert on solid waste regulations, operations, and collection system optimization. Mr. Blythe holds a Master's Degree in Business Administration/Sustainable Management from Presidio Graduate School in San Francisco (Received May 2014). During his coursework at Presidio, Trevor explored market-based solutions for returning key nutrients from organic waste back to the soil. He holds a Bachelor of Science in Environmental Sciences (awarded in 2006) from the University of California, Santa Barbara with an emphasis on Geographic Information Systems.

Mr. Blythe is based in the EcoNomics' San Juan Capistrano office and is currently assisting the Cities of Anaheim, Newport Beach, Santa Ana, San Juan Capistrano, Laguna Niguel, Mission Viejo, Lake Forest, Laguna Hills, Tustin, and Stanton with CalRecycle compliance and reporting, waste diversion program implementation and planning, program cost and rate impact analyses, and other tasks. Mr. Blythe also assists EcoNomics' client cities with contract management oversight, including overseeing waste characterizations of the commercial and residential waste streams, monitoring diversion reports to assess hauler compliance with state laws, and leading meetings with cities and haulers to monitor contractual compliance and resolve outstanding contractual obligations.

Mr. Blythe has developed a comprehensive food scrap cost model that has been used in the City of Anaheim, Mission Viejo, Tustin, Santa Ana, Laguna Niguel, and Napa. The model is used to project the cost of AB 1826 compliance and to examine the impact of these costs on different components of the City's rate base. The model allows for real-time entry of generator participation assumptions, rate incentives, and service scenarios to predict the total cost of the program and the potential rate impact on residential and commercial accounts. The model is being used to illustrate the impacts of different funding scenarios for presentation to elected officials and senior City management. The model was developed with the franchise haulers to construct a rate that adequately compensates the hauler while still providing a rate incentive for the generator.

Mr. Blythe has worked over the last several years in bringing recycling services to multifamily apartments and HOAs throughout three Orange County cities. This achievement has brought recycling services to over 7,500 units throughout the service areas. More recently, Mr. Blythe has focused on delivering cost-effective organic waste diversion solutions to large restaurants, venues, and hospitals in EcoNomics' client cities. To date, Mr. Blythe has actively directed the implementation of food scraps diversion programs at over 300 locations.

Cerene St. John, J.D.
Position: Director/Outside Legal Counsel (as subcontractor)
Time with EcoNomics, Inc.: 18 years as employee: additional 11 years as subcontractor
Education: B.A. in Political Science from California State University, San Bernardino (1977)
J.D. degree from The University of Santa Clara School of Law (1980).

Ms. St. John began her solid waste career as a Deputy City Attorney for the City and County of San Francisco. Assigned to the Special Projects Division, she led a team in the Chief Administrator's Office to find a new landfill for the City when existing contracts were due to expire. She conducted a five-county negotiating effort that resulted in a contract and associated permits for the City's use of the Altamont Landfill located in Alameda County beginning in 1983.

Ms. St. John then served for six years as the Solid Waste Program Manager for the City of Sunnyvale. While there she conducted a Request for Proposals (RFP) process for solid waste and collection services resulting in a new contract with a detailed scope of work and performance standards. She conducted an RFP process for long-term landfill capacity for the City of Sunnyvale and 4 other cities resulting in a 30-year contract with the Kirby Canyon Landfill owned and operated by Waste Management. She also initiated work on the design and construction of the City-owned SMaRT Station, a transfer station/MRF that began operation in 1993.

Ms. St. John joined EcoNomics in 1990 and served as Vice President through June 2008, when she became a Director of EcoNomics and began providing a broader range of sustainability consulting services through her own company, It's A Natural Product, Inc. She also serves as outside legal counsel to several cities through the Law Office of Cerene St. John. In addition to solid waste and recycling consulting, Ms. St. John assists clients with food localization and food security projects. She is currently conducting a demonstration project to determine methodologies, actual costs and timeframes for sequestration of carbon in agricultural soils using compost, microbes and no-till growing methods. With regard to solid waste and recycling consulting service, she specializes in conducting procurements for solid waste and recycling collection services and the use of, or construction and operation of MRF's, transfer stations, and landfills. She also assists cities and counties with negotiations for these services and with contract amendments, ordinance revisions, and review of proposed legislation.

As a former City Attorney and an active member of the State Bar of California, Ms. St. John prepares draft contract amendments, draft contracts, and RFP language for review by City Attorneys and/or outside legal counsel. Ms. St. John is able to write precise and thorough scopes of work for diversion programs and to craft contracts that protect the interest of the jurisdiction and its ratepayers. She is able to serve as a "bridge" between the technical requirements in these contracts and the legal language needed to enforce them. This generally saves our client's time and expense, as the City Attorney can senior review her work rather than spending time crafting the legal language, and the technical scope of work for the contract.

Ms. St. John's unique understanding of the legal underpinnings of the RFP process, the political and financial realities of cities and her experience in negotiations with the solid waste industry allow her to create procurement processes and negotiations for contract amendments that are fair, public, and that anticipate potential pitfalls so problems can be avoided.

Lisa Robles MS
Title: Manager, Project Implementation
Time with EcoNomics, Inc.: 1 year
Education: BS in Communications, California State Polytechnic University, Pomona, 2011
Masters in Environmental Studies (MS), California State University Fullerton, 2018

Ms. Robles joined the EcoNomics team in April 2018 and has been managing the AB 341/AB 1826 compliance implementation efforts in the City of Santa Ana as well as the CalGreen C&D program revision and development in the City of Lake Forest. Ms. Robles has also assisted the City of Anaheim with implementing the OC Waste and Recycling grant, and has experience drafting grant reports, developing CRM systems, and managing a competitive procurement process for PR firms. Ms. Robles has six years of experience developing and managing solid waste and recycling programs in both the both private and public sector. Ms. Robles worked as Republic Services recycling coordinator based out of the Anaheim facility for over four years and gained valuable experience in the operational and outreach components of the materials management industry. At Republic, Ms. Robles assisted client cities with designing and implementing waste diversion programs, ranging from food scrap recycling programs to HHW collection events. She was also the main liaison point with client cities to assist with diversion tonnage and compliance reporting. At Republic, Ms. Robles developed key partnerships through involvement in community groups such as MUZEO and Anaheim Beautiful. As an intern in the Public Works Department at the City of Laguna Beach, Ms. Robles managed the City's CalGreen Construction and Demolition recycling program and worked to continuously improve compliance and diversion rates. At Laguna Beach, Ms. Robles assisted the City with its hauler contract management and oversight as well as overseeing CalRecycle compliance reporting. During her Master's program coursework, Ms. Robles gained experience in Geographic Information Systems (GIS) as well as an in depth understanding of how sustainable waste management at a municipal scale can result in desirable environmental outcomes. Ms. Robles is proficient in the Microsoft Office suite, the Adobe design platform, ARCGIS, and is a native speaker of Spanish.

Geiza Goulart da Silva MS
Title: Program Implementation Manager
Time with EcoNomics, Inc.: 4 years
Education: BS in Economics, University of Joinville Region, Joinville, Brazil, 2005
Masters in Economics (MS) in Corporate and Social Responsibility, University of Trento, Trento, Italy, 2012
Irvine Valley College's Sustainability and Resource Management Certification Program, 2014.

Mrs. Goulart da Silva joined the EcoNomics team in June 2015. Mrs. Goulart da Silva completed her Master's of Science in Economics from the University of Trento in Italy in October 2012 where she studied corporate social responsibility at large financial institutions. Mrs. Goulart assists Mission Viejo and Huntington Beach with certifying sustainable businesses for the cities' green business certification programs. Mrs. Goulart, who is proficient in Spanish, specializes in working to certify businesses within Spanish-speaking communities who have not been previously exposed to the concept of sustainability. Mrs. Goulart da Silva also works with the cities of Anaheim, Mission Viejo, Tustin, Laguna Hills, San Juan Capistrano, and Newport Beach, to implement organics diversion programs at restaurants to assist the cities in complying with AB 1826. She has worked with over 100 restaurants to design and implement cost-saving organics diversion programs. Recently, she has assisted the cities of Anaheim and Mission Viejo with analysis to determine the projected cost impact of a full-scale food scrap recycling program on the ratepayers using multiple different program-funding scenarios. Mrs. Goulart also worked as an intern in the Public Works Department of the City of Rancho Santa Margarita and Brea and understands how municipal government operates. In her native Brazil, she has 7 years of experience in human relations. She is fluent in Portuguese, Italian, and English and proficient in Spanish.

Ian Bevan MBA
Title: Senior Program Implementation Coordinator
Time with EcoNomics, Inc.: 6 years
Education: BA in Political Science, San Diego State University, 2008
MBA in Sustainable Management from Presidio Graduate School, 2012

Mr. Bevan joined EcoNomics in June 2013. He has extensive experience with implementing commercial and multi-family recycling programs for several cities including Anaheim, Laguna Hills, Mission Viejo, San Juan Capistrano, and Tustin. For the past 3 years, Mr. Bevan has been involved in assisting the Cities of Huntington Beach and Mission Viejo with implementation of a green business certification program. To this end, he has coordinated closely with the California Green Business Network to attain access to the statewide network, assisted the Cities in engaging stakeholders from electric and water utilities to develop program criteria, researched incentive programs for specific energy and water saving programs, secured grant funding in the amount of $20,000 from the Environmental Protection Agency, and has coordinated input from a multitude of stakeholders to move the certification process forward in both cities.

Mr. Bevan specializes in developing cost-effective waste diversion programs that help businesses meet compliance requirements. He has conducted site audits at hundreds of commercial and multi-family properties to assess the feasibility of implementing diversion programs. Mr. Bevan uses information gathered at site audits to develop customized cost-saving waste reduction programs that fit the unique needs of each property, from split trash and recycling bins to specialized enclosure signage and outreach. Mr. Bevan has also worked with large retail operations to implement organics waste diversion programs and to manage increases in trash and recyclables during the holiday season using novel and innovative outreach and public education approaches.

Mr. Bevan has experience working with the City of San Diego Environmental Department managing the construction and demolition ordinance. In this capacity, Mr. Bevan worked with contractors to ensure they met or exceeded the City's 50% diversion requirement for construction and demolition waste. Mr. Bevan leveraged his experience as an on-campus sustainability activist at the University of San Diego to found a non-profit company committed to facilitating grassroots, student-led sustainability programs at colleges and universities.

Tina Nguyen
Title: Program Implementation Coordinator
Time with EcoNomics, Inc.: 2 months
Education: BA in Geography with Emphasis on Geographic Information Systems (GIS) and Spanish, University of California, Santa Barbara, 2012
Masters in Sustainability from University of Cape Town, South Africa, 2018

Ms. Nguyen joined EcoNomics in 2019 to assist with AB 341 and AB 1826 program verification and compliance implementation in the City of Santa Ana. Ms. Nguyen studied the implementation of sustainability programs extensively during her Masters' coursework in South Africa and during her undergraduate course work at UC Santa Barbara. Ms. Nguyen has experience implementing sustainable waste management and waste reduction programs at large-scale surf competitions and in Hawaii and South Africa. Further, she has applied her GIS skillset to develop interactive maps of pollution run-off as an intern for Heal the Bay in Santa Monica. Ms. Nguyen is fluent in Vietnamese and proficient in Spanish.

Yvonne Lau
Title: Program Implementation Coordinator
Time with EcoNomics, Inc.: 2 years
Education: Dual BA in Social Ecology and Public Health Policy, University of California, Irvine, 2013

Ms. Lau joined EcoNomics in February of 2017. She is focused on monitoring newly implemented organics and recycling programs in Mission Viejo, Laguna Hills, Newport Beach, San Juan Capistrano, and Tustin; providing training to kitchen staff on how to incorporate organics recycling programs; and the analysis of organics program cost analytics for the City of Laguna Niguel. Ms. Lau is currently in the process of obtaining certification in Irvine Valley College's Sustainability and Resource Management program. Ms. Lau has extensive experience with monitoring and troubleshooting newly implemented diversion programs in EcoNomics' client cities. In February 2018, Ms. Lau oversaw the implementation of a property-wide organics program at The Tustin District, which will ultimately divert an estimated 400 tons of organics per year. Ms. Lau coordinated with all food service tenants, the solid waste hauler, and The District corporate management team to provide training, technical assistance, and monitoring services to over 40 restaurants on-site.

Winley Durham
Title: GIS Analyst and Database Management Associate
Time with EcoNomics, Inc.: 5 months
Education: BA in Geographic Information System from California State University Fullerton (in progress – expected graduation June 2019)

Ms. Durham joined the EcoNomics team in August of 2018 and has assisted the City of Santa Ana with applying tools from Geographic Information Systems (GIS) to geocode and optimize AB 341 and AB 1826 compliance implementation efforts. If selected, Ms. Durham's extensive GIS skills will be utilized to assist the City in selecting optimal routes and neighborhoods for pilot-scale residential and multi-family organics diversion programs. GIS tools will also be used to confirm hauler-provided productivity assumptions during cost development negotiations.

Sergio Escobar Palacios
Title: Field Coordinator
Time with EcoNomics, Inc.: 6 months
Education: AA in Environmental Studies from Palomar College (in progress – expected graduation June 2019)

Mr. Escobar-Palacios joined EcoNomics in October 2018 and has provided data entry and field assistance to the City of Santa Ana as a means to comply with AB 341. To demonstrate compliance with AB 341, Mr. Escobar-Palacios has conducted numerous site audits to Santa Ana businesses to verify and document informal recycling programs and to educate businesses about the requirements of AB 341. Mr. Escobar-Palacios has also assisted the City of Newport Beach with AB 1826 compliance audits and generator education and outreach. Mr. Escobar-Palacios is a native speaker of Spanish. If selected, he would provide critical program monitoring for newly implemented pilot and full-scale organics recycling programs as well as Spanish-language training to restaurants.

CONSULTING SERVICES AGREEMENT
Eco/Nomics, Inc., dba Ecal/Nomics, Inc.
(*Professional Solid Waste and Recycling Consulting Services*)

THIS CONSULTING SERVICES AGREEMENT (hereinafter "Agreement") is made and entered into, to be effective this 14th day of June 2016, by and between the CITY OF LAGUNA HILLS, a municipal corporation organized and existing under the laws of the State of California (hereinafter referred to as "City"), and ECO/NOMICS, INC., a Colorado corporation, doing business in the State of California as ECAL/NOMICS, INC. (hereinafter referred to as "Consultant"). City and Consultant are sometimes hereinafter individually referred to as "Party" and are hereinafter collectively referred to as the "Parties."

RECITALS

A. City has determined that there is a need to retain the professional services of a qualified solid waste collection, contracting and recycling firm to continue to provide City with consulting services on an as-needed basis related to the administration of the City's solid waste and recycling services franchise agreement, ordinance, and related programs, as well as with ensuring compliance with all applicable solid waste collection, contracting and recycling laws promulgated by the State of California and with regarding to CalRecycle compliance and reporting (the "Project").

B. Consultant has submitted to City a formal written proposal, dated April 29, 2016, in response to City's Request for Proposals (RFP) for "Solid Waste and Recycling Consulting Services," dated March 29, 2016, to provide City with consulting services on an as-needed basis related to the administration of the City's solid waste and recycling services franchise agreement, ordinance, and related programs, as well as with ensuring compliance with all applicable solid waste collection, contracting and recycling laws promulgated by the State of California and with regarding to CalRecycle compliance and reporting for the Project pursuant to the terms of this Agreement.

C. Consultant represents and maintains that it is uniquely qualified by virtue of its experience, training, education, reputation, and expertise to provide these services to City for the Project and has agreed to provide such services as provided herein. City does not have the personnel, specialized equipment, or technical expertise able to perform the work and services contracted for herein.

D. City desires to retain Consultant to provide such professional services for the Project.

NOW, THEREFORE, in consideration of the promises and mutual obligations, covenants, and conditions contained herein, and other valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties agree as follows:

AGREEMENT

1. SERVICES OF CONSULTANT

1.1 Scope of Services and Standard of Performance. In compliance with all terms and conditions of this Agreement, Consultant agrees to provide and perform solid waste collection, contracting and recycling consulting services to City on an as-needed basis related to the administration of the City's solid waste and recycling services franchise agreement, ordinance, and related programs, as well as with ensuring compliance with all applicable solid waste collection, contracting and recycling laws promulgated by the State of California and with regarding to CalRecycle compliance and reporting for the Project as described and as set forth in Consultant's Proposal/Scope of Work, dated April 29, 2016, which is attached hereto as Exhibit "A" and is incorporated herein by reference (hereinafter referred to as the "Scope of Services," the "Services" or "Work"). As a material inducement to the City entering into this Agreement, Consultant acknowledges and understands that the Services and Work contracted for under this Agreement require specialized skills and abilities and that, consistent with this understanding, Consultant's Services and Work shall be performed in a skillful and competent manner and shall be held to a standard of quality and workmanship prevalent in the industry for such Services and Work and with the standards recognized as being employed by professionals in the same discipline in the State of California. Consultant represents and warrants that it is skilled in the professional discipline necessary to perform the Services and Work and that it holds the necessary skills and abilities to satisfy the standard of work as set forth in this Agreement. Consultant represents and warrants that it and all of its employees, subconsultants and subcontractors providing any Work or Services under this Agreement shall have sufficient skill and experience to perform the Work or Services assigned to them. All Services and Work shall be completed to the reasonable satisfaction of the City.

1.2 Contract Documents. The Agreement between the Parties shall consist of the following: (1) this Agreement; and, (2) the Consultant's signed, original April 29, 2016 Proposal/Scope of Work submitted to the City ("Consultant's Proposal") in response to City's March 29, 2016 Request for Proposals for Solid Waste and Recycling Consulting Services, which shall both be referred to collectively hereinafter as the "Contract Documents." The Consultant's Proposal, attached hereto as Exhibit "A," is hereby incorporated by reference and is made a part of this Agreement. All provisions of the Contract Documents shall be binding on the Parties. Should any conflict or inconsistency exist in the Contract Documents, the conflict or inconsistency shall be resolved by applying the provisions in the highest priority document, which shall be determined in the following order of priority: (1^{st}) the terms of this Agreement; and, (2^{nd}) the provisions of the Consultant's Proposal.

1.3 Compliance with Law. Consultant shall comply at all times during the term of this Agreement with all applicable federal, state, and local laws, statutes, and ordinances and all lawful orders, rules, and regulations promulgated thereunder, including without limitation all applicable fair labor standards and Cal/OSHA requirements. Consultant shall keep itself fully informed of and in compliance with all local, state, and federal laws, rules, and regulations in any manner affecting the performance of the Work and Services, including all Cal/OSHA requirements, and shall give all notices required by law. Consultant shall be liable for all violations of such laws and regulations in connection with performing the Work and Services. If Consultant performs any Work or Services in violation of such laws, rules, and regulations, Consultant shall be solely responsible for all penalties and costs arising therefrom. Consultant shall defend, indemnify, and hold City, its officials, officers, employees, agents and volunteers, free and harmless from any claim or liability arising out of any failure or alleged failure to comply with such laws, rules, or regulations.

1.4 **Licenses, Permits, Fees, and Assessments.** Prior to performing any Services or Work hereunder Consultant shall obtain all licenses, permits, qualifications, and approvals of whatever nature that are legally required to practice its profession and perform the Work and Services required by this Agreement. Consultant represents and warrants to City that Consultant shall, at its sole cost and expense, keep in effect at all times during the term of this Agreement and any extension, any license, permit, qualification, or approval that is legally required for Consultant to perform the Work and Services under this Agreement. Consultant shall have the sole obligation to pay for any fees, assessments, and taxes, plus applicable penalties and interest, which may be imposed by law and arise from or are necessary for the Consultant's performance of the Work and Services required by this Agreement, and shall defend, indemnify, and hold the City, its officials, officers, employees, agents and volunteers, free and harmless from and against any claim or liability arising out of any failure or alleged failure to obtain such license, permits, and approvals of whatever nature that are legally required to perform the Work or Services.

1.5 **Familiarity with Work.** By executing this Agreement, Consultant represents and warrants that it (a) has thoroughly investigated and considered the Scope of Work or Services to be performed, (b) has carefully considered how the Services should be performed and has carefully examined the location or locations at or with respect to where such Services or Work is to be performed, and (c) fully understands the facilities, difficulties, and restrictions attending performance of the Services under this Agreement.

1.6 **Care of Work.** Consultant shall adopt reasonable methods during the term of the Agreement to furnish continuous protection to the Work and the equipment, materials, papers, documents, plans, studies, and/or other components thereof to prevent losses or damages, and shall be responsible for all such damages, to persons or property, until acceptance of the Work by the City, except such losses or damages as may be caused by City's own negligence.

1.7 **Further Responsibilities of Parties.** Both Parties agree to use reasonable care and diligence to perform their respective obligations under this Agreement. Both Parties agree to act in good faith to execute all instruments, prepare all documents, and take all actions as may be reasonably necessary to carry out the purposes of this Agreement.

1.8 **Additional Services.** City shall have the right at any time during the performance of the Services, without invalidating this Agreement, to order extra work beyond that specified in the Scope of Services (Exhibit "A") or make changes by altering, adding to, or deducting from such Work. No such extra work may be undertaken unless a written order is first given by the City to the Consultant, incorporating therein any adjustment in (i) the Maximum Contract Amount, as defined below, and/or (ii) the time to perform this Agreement, which adjustments are subject to the written approval of the Consultant. It is expressly understood by Consultant that the provisions of this section shall not apply to the Work and Services specifically set forth in the Scope of Services or reasonably contemplated therein, regardless of whether the time or materials required to complete any Work or Service identified in the Scope of Services exceeds any time or material amounts or estimates provided therein.

1.9 Non-Exclusive Agreement. Consultant acknowledges that City may enter into agreements with other contractors, consultants, or vendors for services similar to the services that are the subject of this Agreement. Consultant further acknowledges that City may have its own employees perform services similar to the services that are the subject of this Agreement.

2. COMPENSATION

2.1 Maximum Contract Amount. For the Services and Work rendered pursuant to this Agreement, Consultant shall be compensated by City for the services performed, including authorized reimbursements, on a time and materials basis in accordance with the professional hourly rates and charges set forth in the Schedule of Compensation/Fees, which is attached hereto as Exhibit "A" and is incorporated herein by reference, but not exceeding the total maximum contract amount of Two Hundred Fifty Thousand Dollars and No Cents ($250,000.00) (hereinafter referred to as the "Maximum Contract Amount"), except as may be provided pursuant to Section 1.8 above. The method of compensation shall be as set forth in Exhibit "A". The maximum amount of City's payment obligation under this Agreement is the amount specified in this section.

2.2. Method of Payment. Unless some other method of payment is specified in the Schedule of Compensation/Fees (Exhibit "A"), in any month in which Consultant wishes to receive payment, no later than the tenth (10^{th}) working day of such month, Consultant shall submit to the City, in a form approved by the City's Finance Manager, an invoice for services rendered prior to the date of the invoice. Such requests shall be based upon the amount and value of the services performed by Consultant and accompanied by such reporting data including an itemized breakdown of all costs incurred and tasks performed during the period covered by the invoice, as may be required by the City. City shall use reasonable efforts to make payments to Consultant within forty-five (45) days after receipt of the invoice or a soon thereafter as is reasonably practical.

2.3 Changes in Scope. In the event any change or changes in the Scope of Services is requested by the City, the Parties shall execute a written amendment to this Agreement, setting forth with particularity all terms of such amendment, including, but not limited to, any additional professional fees. An amendment may be entered into: (a) to provide for revisions or modifications to documents or other work product or work when documents or other work product or work is required by the enactment or revision of law subsequent to the preparation of any documents, other work product, or work; and/or (b) to provide for additional services not included in this Agreement or not customarily furnished in accordance with generally accepted practice in Consultant's profession.

2.4 Appropriations. This Agreement is subject to and contingent upon funds being appropriated therefore by the Laguna Hills City Council for each fiscal year covered by the

Agreement. If such appropriations are not made, this Agreement shall automatically terminate without penalty to the City.

3. SCHEDULE OF PERFORMANCE

3.1 **Time of Essence**. Time is of the essence in the performance of this Agreement. The time for completion of the services to be performed by Consultant is an essential condition of this Agreement. Consultant shall prosecute regularly and diligently the Work of this Agreement according to the agreed upon Schedule of Performance.

3.2 **Schedule of Performance**. Consultant shall commence the Services pursuant to this Agreement upon receipt of a written notice to proceed and shall perform all Services within the time period(s) established in the Schedule of Performance, which is attached hereto as Exhibit "A" and is incorporated herein by reference. When requested by Consultant, extensions to the time period(s) specified in the Schedule of Performance may be approved in writing by the Contract Officer; however, the City shall not be obligated to grant such an extension.

3.3 **Force Majeure**. The time period(s) specified in the Schedule of Performance for performance of the Services rendered pursuant to this Agreement shall be extended because of any delays due to unforeseeable causes beyond the control and without the fault or negligence of the Consultant (financial inability excepted), including, but not limited to, acts of God or of the public enemy, unusually severe weather, fires, earthquakes, floods, epidemics, quarantine restrictions, riots, strikes, freight embargoes, wars, and/or acts of any governmental agency, including the City, if Consultant, within ten (10) days of the commencement of such delay, notifies the City Manager in writing of the causes of the delay. The City Manager shall ascertain the facts and the extent of delay, and extend the time for performing the Services for the period of the enforced delay when and if in the judgment of the City Manager such delay is justified. The City Manager's determination shall be final and conclusive upon the Parties to this Agreement. In no event shall Consultant be entitled to recover damages against the City for any delay in the performance of this Agreement, however caused, Consultant's sole remedy being extension of the Agreement pursuant to this section.

3.4 **Term**. Unless earlier terminated as provided elsewhere in this Agreement, this Agreement shall continue in full force and effect for an initial period of three (3) years, commencing on July 1, 2016, and ending on June 30, 2019 ("Initial Term"). The City shall have the unilateral option, at its sole discretion, to renew and extend the term of this Agreement for no more than one additional two (2) year term ("Renewal Term").

4. COORDINATION OF WORK

4.1 **Representative of Consultant**. The following principal of Consultant is hereby designated as being the principal and representative of Consultant authorized to act in its behalf with respect to the Services to be performed under this Agreement and make all decisions in connection therewith: William O'Toole, President. It is expressly understood that the experience, knowledge, education, capability, expertise, and reputation of the foregoing principal is a substantial inducement for City to enter into this Agreement. Therefore, the foregoing principal shall be responsible during the term of this Agreement for directing all activities of Consultant and devoting sufficient time to personally supervise the Work or Services performed hereunder. The foregoing principal may not be changed by Consultant without prior written approval of the Contract Officer.

4.2 **Contract Officer.** The Contract Officer shall be such person as may be designated by the City Manager of City, and is subject to change by the City Manager. It shall be the Consultant's responsibility to ensure that the Contract Officer is kept fully informed of the progress of the performance of the Services, and the Consultant shall refer any decisions which must be made by City to the Contract Officer. Unless otherwise specified herein, any approval of City required hereunder shall mean the approval of the Contract Officer. The Contract Officer shall have authority to sign all documents on behalf of the City required hereunder to carry out the terms of this Agreement.

4.3 **Prohibition Against Subcontracting or Assignments.** The experience, knowledge, capability, expertise, and reputation of Consultant, its principals and employees, were a substantial inducement for City to enter into this Agreement. Therefore, Consultant shall not assign the performance of this Agreement, nor any part thereof, nor any monies due hereunder, voluntarily or by operation of law, without the prior written consent of City. Consultant shall not contract with any other entity to perform the Services required without prior written consent of City. If Consultant is permitted to subcontract any part of this Agreement by City, Consultant shall be responsible to City for the acts and omissions of its subcontractor(s) in the same manner as it is for persons directly employed. Nothing contained in this Agreement shall create any contractual relationships between any subcontractor and City. All persons engaged in the Work will be considered employees of Consultant. City will deal directly with and will make all payments to Consultant. Consultant further agrees to assign the following individuals, based on their education, experience, and qualifications, to perform the Work and Services set forth herein; and Consultant agrees to not alter the assignment of the following consultants without the prior written approval of the Contract Officer:

Name:	Title:
William O'Toole	President
Cerene St. John	Director
Trevor Blythe	Vice President
Ian Bevan	Program Implementation Manager
Geiza Goulart da Silva	Program Implementation Coordinator

4.4 **Independent Contractor.**

A. The legal relationship between the Parties is that of an independent contractor, and nothing herein shall be deemed to make Consultant a City employee. During the performance of this Agreement, Consultant and its officers, employees, and agents shall act in an independent capacity and shall not act as City officers or employees. Consultant will determine the means, methods and details of performing the Sevices subject to the requirements of this Agreement. 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 City nor any of its officials, officers, employees, agents or volunteers shall have control over the conduct of Consultant or any of its officers, employees, or agents, except as set forth in this Agreement. Consultant, its officers, employees or agents, shall not maintain a permanent office or fixed business location at City's offices. City shall have no voice in the selection, discharge, supervision, or control of Consultant's officers, employees, representatives or agents or in fixing their number, compensation, or hours of service. Consultant shall pay all wages, salaries, and other amounts due its employees in connection with the performance of Services under this Agreement and shall be responsible for all reports and obligations respecting them, including but not limited to social security income tax withholding, unemployment compensation, workers' compensation, and other similar matters. City shall not in any way or for any purpose be deemed to be a partner of Consultant in its business or otherwise a joint venturer or a member of any joint enterprise with Consultant.

B. Consultant shall not incur or have the power to incur any debt, obligation, or liability against City, or bind City in any manner.

C. No City benefits shall be available to Consultant, its officers, employees, or agents, in connection with the performance of any Work or Services under this Agreement. Except for professional fees paid to Consultant as provided for in this Agreement, City shall not pay salaries, wages, or other compensation to Consultant for the performance of any Work or Services under this Agreement. City shall not be liable for compensation or indemnification to Consultant, its officers, employees, or agents, for injury or sickness arising out of performing any Work or Services hereunder. If for any reason any court or governmental agency determines that the City has financial obligations, other than pursuant to Section 2 and Subsection 1.8 herein, of any nature relating to salary, taxes, or benefits of Consultant's officers, employees, representatives, agents, or subconsultants or subcontractors, Consultant shall defend, indemnify, and hold harmless City from and against all such financial obligations.

4.5 **PERS Eligibility Indemnification**.

A. In the event that Consultant or any employee, agent, or subcontractor of Consultant providing any Work or Services under this Agreement claims or is determined by a court of competent jurisdiction or the California Public Employee Retirement System (PERS) to be eligible for enrollment in PERS as an employee of the City, Consultant shall indemnify, defend, and hold harmless City 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 the City.

B. 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 any Work or Services 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 City, including but not limited to eligibility to enroll in PERS as an employee of City and entitlement to any contribution to be paid by City for employer contribution and/or employee contributions for PERS benefits.

5. INSURANCE

5.1 Compliance with Insurance Requirements. Consultant shall obtain, maintain, and keep in full force and effect during the term of this Agreement, at its sole cost and expense, and in a form and content satisfactory to City, all insurance required under this section. Consultant shall not commence any Work or Services under this Agreement unless and until it has provided evidence satisfactory to City that it has secured all insurance required under this section. In addition, Consultant shall not allow any subconsultant or subcontractor to commence any Work or Services until it has provided evidence satisfactory to City that the subconsultant or subcontractor has secured all insurance required under this section. If Consultant's existing insurance policies do not meet the insurance requirements set forth herein, Consultant agrees to amend, supplement or endorse the policies to do so.

5.2 Types of Insurance Required. As a condition precedent to the effectiveness of this Agreement, and without limiting the indemnity provisions set forth in this Agreement, Consultant shall obtain and maintain in full force and effect during the term of this Agreement, including any extension thereof, the following policies of insurance:

A. Commercial General Liability Insurance. Consultant shall obtain and maintain, in full force and effect throughout the term of this Agreement, a policy of Commercial General Liability Insurance written on an occurrence basis with limits of at least one million dollars ($1,000,000.00) per occurrence, two million dollars ($2,000,000.00) in the general aggregate, and one million dollars ($1,000,000.00) for products and completed operations. Defense costs shall be paid in addition to the limits. The policy shall contain no endorsements or provisions limiting coverage for (1) contractual liability; (2) cross liability exclusion for claims or suits by one insured against another; or (3) contain any other exclusion contrary to the Agreement.

B. Automobile Liability Insurance. Consultant shall obtain and maintain, in full force and effect throughout the term of this Agreement, a policy of Automobile Liability Insurance written on a per occurrence basis with limits of at least one million dollars ($1,000,000.00) combined limit for each occurrence covering bodily injury and property damage. The policy shall specifically include coverage for owned, non-owned, leased, and hired automobiles.

C. Workers' Compensation Insurance. Consultant shall obtain and maintain, in full force and effect throughout the term of this Agreement, a policy of Workers' Compensation Insurance in at least the minimum statutory amounts, and in compliance with all other statutory requirements, as required by the State of California. Consultant agrees to waive and obtain endorsements from its workers' compensation insurer waiving all subrogation rights under its workers' compensation insurance policy against the City, its officials, officers, employees, agents and volunteers, and to require each of its subconsultants and subcontractors, if any, to do likewise under their workers' compensation insurance policies. Consultant shall obtain and maintain, in full force and effect throughout the term of this Agreement, a policy of

Employer's Liability Insurance written on a per occurrence basis with limits of at least one million dollars ($1,000,000.00) per accident for bodily injury or disease.

5.3 **Acceptability of Insurers**. Insurance required by this section shall be issued by a licensed company authorized to transact business in the state by the Department of Insurance for the State of California with a current rating of A-:VII or better (if an admitted carrier), or a current rating of A:X or better (if offered by a non-admitted insurer listed on the State of California List of Eligible Surplus Lines Insurers (LESLI), by the latest edition of A.M. Best's Key Rating Guide, except that the City will accept workers' compensation insurance from the State Compensation Fund. In the event the City determines that the Work or Services to be performed under this Agreement creates an increased or decreased risk of loss to the City, the Consultant agrees that the minimum limits of the insurance policies may be changed accordingly upon receipt of written notice from the City. Consultant shall immediately substitute any insurer whose A.M. Best rating drops below the levels specified herein.

5.4 **Insurance Endorsements**. Required insurance policies shall not be in compliance if they include any limiting provision or endorsement that has not been submitted to the City for written approval. Required insurance policies shall contain the following provisions, or Consultant shall provide endorsements on forms approved by the City to add the following provisions to the insurance policies:

A. The policy or policies of insurance required by this section for Commercial General Liability and Automobile Liability Insurance shall be endorsed to provide the following:

1. Additional Insured: The City, its officials, officers, employees, agents and volunteers, shall be additional insureds with regard to liability and defense of suits or claims arising out of the performance of the Agreement; and

2. Additional Insured Endorsements: Additional insured endorsements shall not (1) be restricted to "ongoing operations", (2) exclude "contractual liability", (3) restrict coverage to "sole" liability of Consultant, or (4) contain any other exclusions contrary to the Agreement; and, the coverage shall contain no special limitations on the scope of protection afforded to additional insureds.

3. Notice: The policy or policies of insurance required by this section for Commercial General Liability and Automobile Liability Insurance shall be endorsed to state that coverage shall not be suspended, voided, cancelled, or modified, or reduced in coverage or in limits, except after thirty (30) days prior written notice by First Class U.S. Mail, postage-prepaid, has been provided to the City. Notwithstanding the foregoing, if coverage is to be suspended, voided, or cancelled because of Consultant's failure to pay the insurance premium, the notice provided to City shall be by ten (10) days prior written notice.

B. For all policies of Commercial General Liability Insurance, Consultant shall provide endorsements for ongoing operations and completed operations to effectuate this requirement.

5.5 **Deductibles and Self-Insured Retentions**. Any deductible or self-insured retention must be approved in writing by the City in advance and shall protect the City, its officials, officers, employees, agents and volunteers, in the same manner and to the same extent as they would have been protected had the policy or policies not contained a deductible or self-insured retention.

5.6 **Primary and Non-Contributing Insurance**. All policies of Commercial General Liability Insurance and Automobile Liability Insurance shall be primary and any other insurance, deductible, or self-insurance maintained by the City, its officials, officers, employees, agents or volunteers, shall not contribute with this primary insurance. Policies shall contain or be endorsed to contain such provisions.

5.7 **Waiver of Subrogation**. All policies of Commercial General Liability and Automobile Liability Insurance shall contain or be endorsed to waive subrogation against the City, its officials, officers, employees, agents and volunteers, or shall specifically allow Consultant or others providing insurance evidence in compliance with the requirements set forth in this section to waive their right to recovery prior to a loss. Consultant hereby agrees to waive its own right of recovery against the City, its officials, officers, employees, agents and volunteers, and Consultant hereby agrees to require similar written express waivers and insurance clauses from each of its subconsultants or subcontractors.

5.8 **Evidence of Coverage**. Concurrently with the execution of the Agreement, Consultant shall deliver certificates of insurance together with original endorsements affecting each of the insurance policies required by this section. Required insurance policies shall not be in compliance if they include any limiting provision or endorsement that has not been submitted to the City for written approval. The certificates of insurance and original endorsements for each insurance policy shall be signed by a person authorized by that insurer to bind coverage on its behalf. At least fifteen (15) days prior to the expiration of any such policy, evidence of insurance showing that such insurance coverage has been renewed or extended shall be filed with the City. If such coverage is cancelled or reduced and not replaced immediately so as to avoid a lapse in the required coverage, Consultant shall, within ten (10) days after receipt of written notice of such cancellation or reduction of coverage, file with the City evidence of insurance showing that the required insurance has been reinstated or has been provided through another insurance company or companies. Consultant shall promptly furnish, at City's request, copies of actual policies including all declaration pages, endorsements, exclusions and any other policy documents City requires to verify coverage.

5.9 **Requirements Not Limiting**. Requirement of specific coverage or minimum limits contained in this section are not intended as a limitation on coverage, limits, or other requirements, or a waiver of any coverage normally provided by any insurance. Nothing in this section shall be construed as limiting in any way the indemnification provision contained in this Agreement, or the extent to which Consultant may be held responsible for payments of damages to persons or property.

5.10 **Enforcement of Agreement (Non-Estoppel)**. Consultant acknowledges and agrees that actual or alleged failure on the part of the City to inform Consultant of any non-compliance with any of the insurance requirements set forth in this section imposes no additional obligation on the City nor does it waive any rights hereunder.

5.11 **Insurance for Subconsultants**. Consultant shall include all subconsultants or subcontractors engaged in any Work or Services for Consultant relating to this Agreement as additional insureds under the Consultant's insurance policies, or Consultant shall be responsible for causing its subconsultants or subcontractors to procure and maintain the appropriate insurance in compliance with the terms of the insurance requirements set forth in this section, including adding the City, its officials, officers, employees, agents and volunteers, as additional insureds to their respective policies. All policies of Commercial General Liability Insurance provided by Consultant's subconsultants or subcontractors performing any Work or Services related to this Agreement shall be endorsed to name the City, its officials, officers, employees, agents and volunteers, as additional insureds. Consultant shall not allow any subconsultant or subcontractor to commence any Work or Services relating to this Agreement unless and until it has received satisfactory evidence of their compliance with all insurance requirements under this Agreement, to the extent applicable. Consultant agrees to provide satisfactory evidence of compliance with this subsection upon request of the City.

5.12 **Other Insurance Requirements**. The following terms and conditions shall apply to the insurance policies required of Consultant pursuant to this Agreement:

A. Consultant shall provide immediate written notice to City if (1) any of the insurance policies required herein are terminated, cancelled or suspended, (2) the limits of any of the insurance coverages required herein are reduced, or (3) the deductible or self-insured retention is increased.

B. All insurance coverage and limits provided by Consultant and available or applicable to this Agreement are intended to apply to each insured, including additional insureds, against whom a claim is made or suit is brought to the full extent of the policies. Nothing contained in this Agreement or any other agreement relating to the City or its operations shall limit the application of such insurance coverage.

C. None of the insurance coverages required herein will be in compliance with the requirements of this section if they include any limiting endorsement which substantially impairs the coverages set forth herein (e.g., elimination of contractual liability or reduction of discovery period), unless the endorsement has first been submitted to the City and approved in writing.

D. Certificates of insurance will not be accepted in lieu of required endorsements, and submittal of certificates without required endorsements may delay commencement of the Project. It is Consultant's obligation to ensure timely compliance with all insurance submittal requirements as provided herein.

E. Consultant agrees to ensure that subconsultants and subcontractors, if any, and any other parties involved with the Project who are brought onto or involved in the Project by Consultant, provide the same minimum insurance coverage required of Consultant. Consultant agrees to monitor and review all such coverage and assumes all responsibility for ensuring that such coverage is provided in conformity with the requirements of this section. Consultant agrees that upon request, all agreements with subcontractors and others engaged in the Project will be submitted to the City for review.

F. Consultant agrees to provide immediate written notice to City of any claim, demand or loss against Consultant arising out of the Work or Services performed under this Agreement and for any other claim, demand or loss which may reduce the insurance available to pay claims, demands or losses arising out of this Agreement.

6. INDEMNIFICATION

To the fullest extent permitted by law, Consultant shall defend (at Consultant's sole cost and expense with legal counsel reasonably acceptable to City), indemnify, protect, and hold harmless City, its officials, officers, employees, agents and volunteers (collectively the "Indemnified Parties"), from and against any and all liabilities, actions, suits, claims, demands, losses, costs, judgments, arbitration awards, settlements, damages, demands, orders, penalties, and expenses including legal costs and attorney fees (collectively "Claims"), including but not limited to Claims arising from injuries to or death of persons (Consultant's employees included), for damage to property, including property owned by City, or from any violation of any federal, state, or local law or ordinance, which Claims arise out of, pertain to, or are related to Consultant's performance under this Agreement. Under no circumstances shall the insurance requirements and limits set forth in this Agreement be construed to limit Consultant's indemnification obligation or other liability hereunder.

7. REPORTS AND RECORDS

7.1 **Accounting Records.** Consultant shall keep complete, accurate, and detailed accounts of all time, costs, expenses, and expenditures pertaining in any way to this Agreement. Consultant shall keep such books and records as shall be necessary to properly perform the Services required by this Agreement and to enable the Contract Officer to evaluate the performance of such Services. The Contract Officer shall have full and free access to such books and records at all reasonable times, including the right to inspect, copy, audit, and make records and transcripts from such records.

7.2 **Reports.** Consultant shall periodically prepare and submit to the Contract Officer such reports concerning the performance of the Services required by this Agreement as the Contract Officer shall require.

7.3 **Ownership of Documents.** All drawings, specifications, reports, records, documents, memoranda, correspondence, computations, and other materials prepared by Consultant, its employees, subcontractors, and agents in the performance of this Agreement shall be the property of City and shall be promptly delivered to City upon request of the Contract Officer or upon the termination of this Agreement, and Consultant shall have no claim for further employment or additional compensation as a result of the exercise by City of its full rights of ownership of the documents and materials hereunder.

7.4 **Release of Documents**. All drawings, specifications, reports, records, documents, and other materials prepared by Consultant in the performance of services under this Agreement shall not be released publicly without the prior written approval of the Contract Officer. All information gained by Consultant in the performance of this Agreement shall be considered confidential and shall not be released by Consultant without City's prior written authorization.

7.5 **Audit and Inspection of Records**. After receipt of reasonable notice and during the regular business hours of City, Consultant shall provide City, or other agents of City, such access to Consultant's books, records, payroll documents, and facilities as City deems necessary to examine, copy, audit, and inspect all accounting books, records, work data, documents, and activities directly related to Consultant's performance under this Agreement. Consultant shall maintain such books, records, data, and documents in accordance with generally accepted accounting principles and shall clearly identify and make such items readily accessible to such parties during the term of this Agreement and for a period of three (3) years from the date of final payment by City hereunder.

8. ENFORCEMENT OF AGREEMENT

8.1 **California Law and Venue**. This Agreement shall be construed and interpreted both as to validity and as to performance of the Parties in accordance with the laws of the State of California. Legal actions concerning any dispute, claim, or matter arising out of or in relation to this Agreement shall be instituted in the Superior Court of the County of Orange, State of California, or any other appropriate court in such County, and Consultant covenants and agrees to submit to the personal jurisdiction of such court in the event of such action.

8.2 **Interpretation**. This Agreement shall be construed as a whole according to its fair language and common meaning to achieve the objectives and purposes of the Parties. The terms of this Agreement are contractual and the result of negotiation between the Parties. Accordingly, any rule of construction of contracts (including, without limitation, California Civil Code Section 1654) that ambiguities are to be construed against the drafting Party, shall not be employed in the interpretation of this Agreement. The caption headings of the various sections and paragraphs of this Agreement are for convenience and identification purposes only and shall not be deemed to limit, expand, or define the contents of the respective sections or paragraphs.

8.3 **Termination**. City may terminate this Agreement for any reason, with or without cause, upon giving Consultant thirty (30) days written notice. Upon such notice, City shall pay Consultant for Services performed through the date of termination. Upon receipt of such notice, Consultant shall immediately cease all work under this Agreement, unless the notice provides otherwise. Thereafter, Consultant shall have no further claims against the City under this Agreement. Upon termination of the Agreement pursuant to this section, Consultant shall submit to the City an invoice for work and services performed prior to the date of termination. In addition, Consultant reserves the right to terminate this Agreement at any time upon sixty (60) days written notice to the City, except that where termination is due to material default by the City, the period of notice may be such shorter time as the Consultant may determine.

8.4 Waiver. No waiver of any provision of this Agreement shall be effective unless in writing and signed by a duly authorized representative of the Party against whom enforcement of a waiver is sought. Any waiver by the Parties of any default or breach of any covenant, condition, or term contained in this Agreement, shall not be construed to be a waiver of any subsequent or other default or breach, nor shall failure by the Parties to require exact, full, and complete compliance with any of the covenants, conditions, or terms contained in this Agreement be construed as changing the terms of this Agreement in any manner or preventing the Parties from enforcing the full provisions hereof.

8.5 Rights and Remedies Cumulative. Except with respect to rights and remedies expressly declared to be exclusive in this Agreement, the rights and remedies of the Parties are cumulative and the exercise by either Party of one or more of such rights or remedies shall not preclude the exercise by it, at the same or different times, of any other rights or remedies for the same default or any other default by the other Party.

8.6 Legal Action. In addition to any other rights or remedies, either Party may take legal action, in law or in equity, to cure, correct or remedy any default, to recover damages for any default, to compel specific performance of this Agreement, to obtain declaratory or injunctive relief, or to obtain any other remedy consistent with the purposes of this Agreement.

8.7 Attorneys' Fees. In the event any dispute between the Parties with respect to this Agreement results in litigation or any non-judicial proceeding, the prevailing Party shall be entitled, in addition to such other relief as may be granted, to recover from the non-prevailing Party all reasonable costs and expenses, including but not limited to reasonable attorneys' fees, expert consultant fees, court costs and all fees, costs, and expenses incurred in any appeal or in collection of any judgment entered in such proceeding. To the extent authorized by law, in the event of a dismissal by the plaintiff or petitioner of the litigation or non-judicial proceeding within thirty (30) days of the date set for trial or hearing, the other Party shall be deemed to be the prevailing Party in such litigation or proceeding.

9. CITY OFFICERS AND EMPLOYEES: NON-DISCRIMINATION

9.1 Non-liability of City Officers and Employees. No officer or employee of the City shall be personally liable to the Consultant, or any successor-in-interest, in the event of any default or breach by the City or for any amount which may become due to the Consultant or to its successor, or for breach of any obligation of the terms of this Agreement.

9.2 Conflict of Interest. No officer or employee of the City shall have any financial interest, direct or indirect, in this Agreement nor shall any such officer or employee participate in any decision relating to the Agreement which effects his or her financial interest or the financial interest of any corporation, partnership, or association in which they are, directly or indirectly, interested in violation of any state statute or regulation. Consultant represents and warrants that it has not paid or given and will not pay or give any third party any money or other consideration in exchange for obtaining this Agreement.

9.3 Covenant Against Discrimination. In connection with its performance under this Agreement, Consultant shall not discriminate against any employee or applicant for employment because of race, disability, medical condition, religion, color, sex, sexual orientation, age, marital status, ancestry, or national origin. Consultant shall ensure that applicants are employed, and that employees are treated during their employment, without regard to their race, disability, medical condition, religion, color, sex, sexual orientation, age, marital status, ancestry, or national origin. Such actions shall include, but not be limited to, the following: employment, upgrading, demotion or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship.

10. MISCELLANEOUS PROVISIONS

10.1 **Notices.** All notices or other communications required or permitted hereunder shall be in writing, and shall be personally delivered, sent by registered or certified mail, postage prepaid, return receipt requested, or delivered or sent by facsimile with attached evidence of completed transmission, and shall be deemed received upon the earlier of (i) the date of delivery to the address of the person to receive such notice if delivered personally or by messenger or overnight courier; (ii) five (5) business days after the date of posting by the United States Post Office if by mail; or (iii) when sent if given by facsimile. Notices or other communications shall be addressed as follows:

To City:

City of Laguna Hills
Attention: City Manager
24035 El Toro Road
Laguna Hills, California 92653
Telephone: (949) 707-2600
Facsimile: (949) 707-2633

To Consultant:

Eco/Nomics, Inc., dba Ecal/Nomics, Inc.
Attention: William O'Toole, President
P.O. Box 2790
Del Mar, California 92014
Telephone: (805) 331-9591
E-mail: william@economicsinc.net

10.2 **Entire Agreement.** This Agreement constitutes the entire agreement between the Parties and supersedes all prior negotiations, arrangements, agreements, representations, and understandings, if any, made by or among the Parties with respect to the subject matter hereof. No amendments or other modifications of this Agreement shall be binding unless executed in writing by both Parties hereto, or their respective successors, assigns, or grantees.

10.3 **Severability.** Whenever possible, each provision of this Agreement shall be interpreted in such a manner as to be effective and valid under applicable law, but if any provision of this Agreement shall be determined to be invalid by a final judgment or decree of a court of competent jurisdiction, such provision shall be ineffective only to the extent of such prohibition or invalidity, without invalidating the reminder of that provision, or the remaining provisions of this Agreement unless the invalid provision is so material that its invalidity deprives either Party of the basic benefit of their bargain or renders this Agreement meaningless.

10.4 **Successors in Interest.** This Agreement shall be binding upon and inure to the benefit of the Parties' successors and assignees.

10.5 **Third Party Beneficiary.** Nothing contained in this Agreement is intended to confer, nor shall this Agreement be construed as conferring, any rights, including, without limitation, any rights as a third-party beneficiary or otherwise, upon any entity or person not a party hereto.

10.6 **Recitals.** The above-referenced Recitals are hereby incorporated into the Agreement as though fully set forth herein and each Party acknowledges and agrees that such Party is bound, for purposes of this Agreement, by the same.

10.7 **Corporate Authority.** Each of the undersigned represents and warrants that (i) the Party for which he/she is executing this Agreement is duly authorized and existing, (ii) he/she is duly authorized to execute and deliver this Agreement on behalf of the Party for which he/she is signing, (iii) by so executing this Agreement, the Party for which he/she is signing is formally bound to the provisions of this Agreement, and (iv) the entering into this Agreement does not violate any provision of any other Agreement to which the Party for which he/she is signing is bound.

[SIGNATURES ON NEXT PAGE]

IN WITNESS WHEREOF, the Parties have executed and entered into this Agreement as of the date first written above.

"CITY"
City of Laguna Hills,
a California municipal corporation

BARBARA KOGERMAN, Mayor

ATTEST:

(SEAL)
MELISSA AU-YEUNG,
Assistant to the City Manager/City Clerk

APPROVED AS TO FORM:

GREGORY E. SIMONIAN,
City Attorney

"CONSULTANT"
Eco/Nomics, Inc., doing business in the State of California as Ecal/Nomics, Inc.

By:
WILLIAM O'TOOLE, President

By:
CERENE ST. JOHN, Secretary

EXHIBIT “A”

CONSULTANT’S PROPOSAL/ SCOPE OF WORK

DATED: APRIL 29, 2016

SCOPE OF SERVICES FOR PROJECT

INCLUDING,

SCHEDULE OF PERFORMANCE

AND

SCHEDULE OF COMPENSATION/ FEES

1163392.1

Response to the City of Laguna Hills' Request for Proposals for Solid Waste and Recycling Consulting Services

EcoNomics

Submitted by EcoNomics, Inc.
April 29, 2016

24682 Del Prado, Suite 230
Dana Point, California 92629

Table of Contents

Section 1: Executive Summary

EcoNomics

April 29, 2016

David Reynolds
Deputy City Manager
City of Laguna Hills
25555 Alicia Parkway
Laguna Hills, California 92653

RE: Response to the City of Laguna Hills March 29, 2016 Request for Proposals for Solid Waste and Recycling Consulting Services

Dear Mr. Reynolds

EcoNomics Inc. is pleased to submit the attached proposal to assist the City with solid waste and recycling consulting services. The proposal includes descriptions of our relevant experience, an introduction to our management team, references from current clients on similar projects, a scope of work based on our understanding of the project, hourly rates and resumes for the members of our team assigned to this project.

EcoNomics experienced team brings the following unique set of skills and local knowledge to this project:

- EcoNomics has overseen the City's AB 939 compliance efforts since the year 2004 and is uniquely familiar with the City's diversion programs. Economics has gained a deep insight into the City's compliance efforts from its experiences drafting the City's SRRE, managing the RFP process to ensure the selected hauler implemented diversion programs, conducting the 2005 base year study that increased the City's diversion rate by nearly 20 percentage points, interfacing annually with CalRecycle in its annual review for the past eight years, and by drafting the City's Electronic Annual Report for the past 10 years.
- Over the past decade, EcoNomics has worked with nearly every business and multi-family property in the City to notify them of changes in recycling legislation and, in many cases, to implement cost-saving recycling and organics programs.
- EcoNomics wrote the hauler contract that is currently in place and knows where the City can leverage key provisions to achieve desired programmatic and compliance outcomes.
- Recent experience gained while working with the Community Development Department on the Five Lagunas project to ensure adequate infrastructure and conditions of approval to ensure 75% diversion at the City's largest generator.
- Our core strength is the design, implementation, and procurement of recycling and waste diversion services. This has been our specialty for over 30 years. With AB 341 and AB 1826 mandating higher levels of diversion from the City's commercial and

Attachment: Attachment c - Consulting Services Agreement with Eco/Nomics, Inc. (2341 : EcoNomics Amendment No. 2) multifamily waste stream by 2020, Laguna Hills' diversion programs will need to be thoughtfully managed to achieve this diversion in the most cost-effective manner possible.

- Extensive field experience implementing food scrap diversion programs in the City. EcoNomics has just implemented four additional organics (restaurant) diversion programs in Laguna Hills in the first three months of 2016.
- The team members assigned to this project have years of relevant experience. Mr. O'Toole is a recognized industry leader active since 1976 and was central in the development of recent innovative and diversion-centric contracts (Lake Forest 2014). He worked with Ms. Cerene St. John JD, a Director of EcoNomics, who has written groundbreaking contracts for over 12 cities. She is an active member of the California bar and is familiar with Propositions 218 and 26 as well as CalRecycle regulations. Mr. Blythe has 9 years of experience implementing diversion programs throughout Orange County and holds a degree from one of only two schools offering a Masters of Business Administration (MBA) in sustainability.
- Local Orange County office in Dana Point.
- Local Orange County specific knowledge on issues with ADC and costs of processing food scraps and green waste (Anaerobic Digestion versus Composting)
- Currently working for eight cities in Orange County on a wide range of implementation and contract management projects and are very familiar with the solid waste and recycling issues In the local area.
- No conflict of interest. EcoNomics works exclusively for cities, counties, and other public agencies. We do not work for refuse haulers.
- EcoNomics is in sound financial condition with potential revenue from secured contracts in excess of overhead and administrative costs.
- There are no filed, pending or threatened claims or litigation by clients (current or past) during the last five years against EcoNomics, Inc.

We have included in the Scope of Work seven additional areas that we believe will need to be addressed during the term of the City's consulting contract. In brief they are:

- Assistance with assessing rate impacts and developing solutions for organics (food scraps) and green waste
- Assistance with 75% Diversion Goal Planning and Attainment
- Assessing the impacts on Laguna Hills existing rate structure as the overall diversion levels increase from 50% to 75%
- Assess the need and/or desirability, for negotiation/revision of the City's existing hauler contract in order to handle the provisions of AB 1826, AB 1594, lack of organics handling infrastructure in Orange County, and other structural changes impacting diversion and solid waste handling options
- Overseeing the C&D diversion of the construction of Five Lagunas and the implementation of the CUPs for diversion during the malls startup phase
- Identification of technological developments in truck routing, collection equipment, and processing that can provide cost savings to Laguna Hills
- Research into the value of Green Business Certification, as being utilized in other Orange County cities, as a way to increase positive outcomes in the retail and business community

Per the RFP, you will find the following exhibits demonstrating EcoNomics' ability to effectively execute the scope associated with this project:

- Exhibit 1: Statement of EcoNomics' Sound Financial Condition
- Exhibit 2: EcoNomics' Completed "Certificate of Non-Discrimination" (also included as Attachment 1 to Executive Summary)
- Exhibit 3: EcoNomics' Litigation
- Exhibit 4: EcoNomics Completed 'Certificate of Employment Relationships and Financial Interest' (also included as Attachment 2 to Executive Summary)
- Exhibit 5: Signed Consulting Agreement
- Exhibit 6: Certificates of Insurance

Please feel free to contact me directly at (805) 331-9591 or email william@economicsinc.net if you have any questions.

Sincerely,

William O'Toole
President
EcoNomics, Inc.
832 Camino del Mar, Suite 1
Del Mar, California 92104

Attachments:
Attachment 1 to Executive Summary: Signed Certificate of Non-discrimination
Attachment 2 to Executive Summary: Signed Certificate of Employment Relationships and Financial Interest
Response to the City of Laguna Hills March 29, 2016 Request for Proposals for Solid Waste and Recycling Consulting Services (Sections 2 – 5)

Attachment 1 to Executive Summary: Signed Certificate of Non-discrimination

Please note: a signed, wet copy of this form was submitted to the City in EcoNomics paper copy of the proposal.

Exhibit B

CITY OF LAGUNA HILLS
CERTIFICATE OF NON-DISCRIMINATION

I hereby certify on behalf of Eco/Nomics Inc that all persons employed by Eco Nomics Inc. are, and shall be treated fairly without regard to race, creed, color, national origin, political affiliation, marital status, sex, age, or disability, and in compliance with all Federal and State laws prohibiting discrimination in employment, including, but not limited to, the Civil rights Act of 1964, the Unruh Civil Rights Acts, and the Americans With Disabilities Act.

Name: William O'Toole

Signature:

Title: President

Attachment 2 to Executive Summary: Signed Certificate of Certificate of Employment Relationships and Financial Interest

Please note: a signed, wet copy of this form was submitted to the City in EcoNomics paper copy of the proposal.

Exhibit C

CITY OF LAGUNA HILLS
CERTIFICATE OF
EMPLOYMENT RELATIONSHIPS
AND FINANCIAL INTERESTS

NAME OF ENTITY: EcoNomics Inc

EMPLOYMENT RELATIONSHIPS WITH CITY OFFICIALS OR CITY EMPLOYEES:

None

FINANCIAL INTERESTS OF CITY OFFICIALS OR CITY EMPLOYEES IN THE ENTITY:
(If known and applicable, please state the percentage ownership interest)

None

I declare, under penalty of perjury, under the laws of the State of California, that the foregoing is true and correct.

Signed this 29th day of April, 2016, at Dana Point, California.

Name: William O'Toole
Signature:
Title: President

Section 2: Scope and Approach

EcoNomics structured its response to the City's scope of work into three sections. The first section (Section 2.1) is a direct response to the tasks requested by the City in its Request for Proposals. Section 2.2. is a response to the City's invitation to provide insight on what can be done beyond the City's general scope of work. Finally, Section 2.3 includes resumes of personnel.

Section 2.1. Response to City's Scope

2.1.1. Task B1. CalRecycle Support

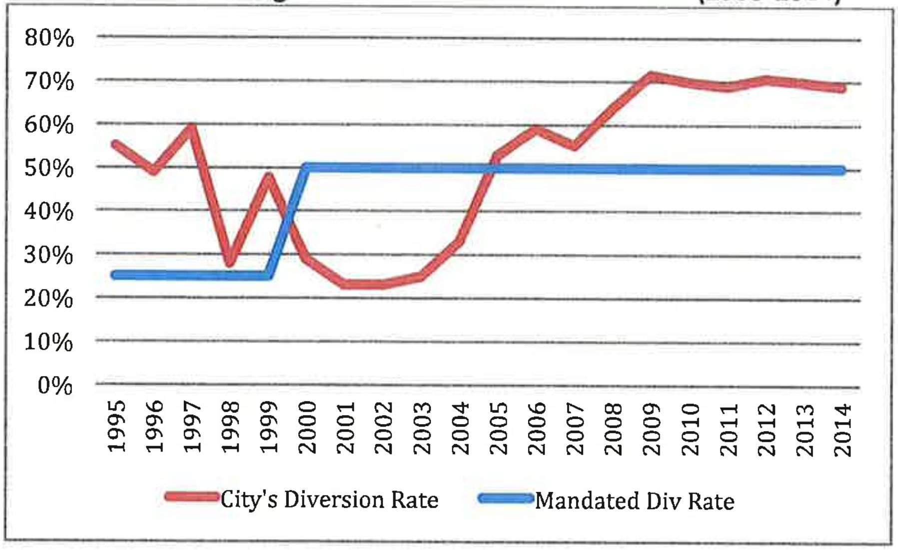
2.1.1.1 Assistance with CalRecycle Compliance and Annual Site Assessments

a. From the City's RFP: Work with CalRecycle staff to answer and document any questions or concerns in regards to both residential and non-residential programs. Consultant shall respond to City's request to contact CalRecycle for any issue or concern.

Since 2004 EcoNomics has assisted the City with successfully working with CalRecycle and it staff in meeting mandated diversion and reporting goals. In 2004 and 2005 EcoNomics worked with CalRecycle to get a SB 1066 time extension approved and developed an RFP for a new franchise that incorporated the needed new diversion and contract reporting provisions. EcoNomics developed an innovative contract that incorporated strong diversion performance metrics and had powerful disincentives for a hauler's non-attainment of a 50% diversion rate. The contract was awarded to CR&R in 2005 and was effective in 2006. Within the first year of the contract, CR&R achieved a 50% diversion rate.

Since 2005, Laguna Hills has achieved and maintained compliance with AB 939 for the past decade. EcoNomics has worked with the City in developing a proactive approach to all new diversion regulations and has experience in interacting with CalRecycle both at its sites visits as well as in preparing and submitting the City's mandated Annual Report.

Chart 2.1.1.1 – Laguna Hills Historical Diversion Rate (1995-2014)



Since 2008, EcoNomics has assisted the City with conducting nine CalRecycle site visits. Senate Bill 1016, among other provisions, required that CalRecycle conduct annual site visits to each jurisdiction to assess the degree in which programs selected in the jurisdictions SRRE were implemented. EcoNomics' in-depth knowledge of the City's diversion programs translates into communicating a clear and coherent picture of the City's diversion efforts in any and all compliance interfaces with CalRecycle. For example, at CalRecycle's most recent site visit in February 2016, EcoNomics provided extensive documentation of work completed by CR&R, the City, and EcoNomics on identifying and notifying food service establishments of the provisions of Assembly Bill 1826 that require the diversion of organics from the landfill. At the same meeting, EcoNomics provided an overview of recent work efforts in building adequate diversion infrastructure at the Five Lagunas as a means to achieve a 75% property-wide diversion rate at the City's largest and most high-profile generator. In previous visits, EcoNomics in collaboration with CR&R, has facilitated tours of properties that showcase innovative and cost-saving diversion programs. If selected, EcoNomics will continue to facilitate these tours as they are an effective means to showcase the City's compliance efforts. Historically, EcoNomics has anticipated most questions from CalRecycle at the annual site visit, but any unanswered questions from CalRecycle have been provided in writing by EcoNomics within a 48-hour period from the conclusion of the site visit.

2.1.1.2 Assistance with CalRecycle Compliance Reporting

From the City's RFP: Assist in the preparation of any required CalRecycle reports for City review including the CalRecycle annual report (EAR report). Assistance shall include the collection of all required data from the franchise holder and the operators of any other recycling programs in the City (e.g. supermarket back hauling of organics and cardboard) *and from local recycling facilities, other private recyclers, and any other data collection required for CalRecycle reports.*

EcoNomics has assisted the City with filing its Annual Report since 2005. We believe our existing database on the Laguna Hills diversion, disposal, and reporting is unmatched by any other firm.

The annual reporting process is an important opportunity for the City to showcase its diversion programs and to demonstrate its compliance with state diversion mandates. As part of its preparation of the Laguna Hills' annual report, EcoNomics takes the following actions and gathers the following data points to provide CalRecycle a holistic picture of the City's diversion programs:

- Review CR&R tonnage reports for the reporting year to determine diversion quantities for commercial, residential, and special event sectors
- Review of City's SRRE to determine implementation progress to date
- Contact the CalRecycle to obtain exact California Redemption Value recycling activity at buyback centers within the City limits.
- Review County of Orange reports to obtain self-haul and salvage figures from County landfills
- Review CalRecycle reports to determine amount of Alternate Daily Cover (ADC) that Stanton can claim as diversion for reporting year
- Contact local scrap yards and auto centers to determine amount of tires and scrap metal recycled in reporting year
- Review hauler tonnage reports, contact local construction and demolition (C&D) processing facilities, and review City records of C&D ordinance compliance forms to determine the amount of C&D materials diverted during reporting year.
- Contact hauler and review City records to obtain information on outreach used to inform residents and businesses of recycling programs
- Coordinate with County of Orange to obtain quantities of hazardous materials and electronic waste taken to County facilities by Stanton residents
- Coordinate with local school district to identify recycling programs and quantify their diversion during reporting year
- Contact local grocery stores and restaurants to quantify existing internal rendering and composting programs for the reporting year
- Contact local golf courses, schools, and parks to determine acreage turf in which mulching mowers were used to cut grass
- Coordinate with State government agencies to quantify internal diversion activities
- Analyze the City's Capital Improvement Project (CIP) bid sheets to quantify the diversion of materials crushed an reused as road base and to determine the tons of rubberized asphalt used in the City

- Conduct analysis of the City's Waste Reduction and Recycling Plan's submitted by contractors to determine tonnage diverted through C&D projects
- Coordination with local food banks to determine the weight of edible materials donated
- Coordinate with Sharps Compliance to determine weight of sharps dropped off at City's participating pharmacy
- Coordinate with Mercury Disposal Systems to determine CFL and battery diversion tonnage
- Coordinate with landscaping contractors to determine tons of landscaping waste diverted from the landfill

Over the last decade, EcoNomics have established a database and a preparation schedule for assembling the necessary data and entering it into Laguna Hills CalRecycle's required Electronic Annual Report. The database and the schedule for obtaining the data are provided in Exhibit 6. The data collection process has been refined over the past 10 years and has allowed EcoNomics to collect and report diverse tonnage data efficiently and precisely, leading to a thorough annual report that provides CalRecycle with a compelling narrative that clearly demonstrate the City's compliance with diversion mandates.

2.1.2. Task B2. Provide Technical and Field Support for the Administration of the City's Solid Waste and Recycling Franchise Agreement.

a. From the City's RFP: Maintain a checklist of all contract requirements and due dates contained in the contract. Support the City in periodic meetings with CR&R to review the contract requirements and to coordinate with CR&R concerning public education items, writing of brochures and public education materials, placement of customer communications on the CR&R web site, implementation and enhancement of programs, and other coordination issues. Attend monthly solid waste and recycling meetings held with CR&R and City staff. Perform additional work items as assigned by the City.

As the author of the City's core franchise agreement, EcoNomics has an in-depth understanding of the various contractual mechanisms that can be used to compel the City's contractor to expand diversion programs, provide reports, verify data, etc. Further, EcoNomics is familiar with deliverables required by the contract and when these should be provided to the City by CR&R. With a ten-year comparative database, EcoNomics has been monitoring CR&R's diversion reports to evaluate progress in implementing state-mandated diversion programs and is familiar with the format of the reports, the source of the data provided, and where data can be manipulated. Monthly meetings with the City, the hauler, and the City's consultant are crucial in keeping an open line of communication between all parties and to clearly communicate the City's expectations. In order to track time sensitive contractual obligations, EcoNomics has developed a tracking document that has aggregated these items in a spreadsheet that allows for quick reference of pending deliverables. This tracking document is helpful when developing agendas for monthly meetings with the City and the hauler to ensure all parties are aware of upcoming deliverables.

b. From the City's RFP: Coordinate with City and CR&R staff to accompany CR&R representatives at meetings with local businesses to assist in implementation of recycling programs at each business. Provide technical support to City staff and perform site visits to local businesses to discuss recycling programs.

Since Craig Dibley has been assigned to the City, EcoNomics has developed an effective working relationship with CR&R's sustainability coordinator. EcoNomics often utilizes Mr. Dibley to conduct site visits to implement new diversion programs at businesses, multi-family properties, and restaurants and he, in turn, has reached out to EcoNomics for joint implementation actions.

EcoNomics has worked with the City's assigned staff to discuss, and develop, appropriate actions and strategies to implement and maintain franchise contract compliance. When necessary, contract administrative advice has been provided as well as in-depth industry insights into rate and operational discrepancies that have appeared over the years.

c. From the City's RFP: Review reports and correspondence submitted by CR&R, track recycling program implementation for reporting purposes of state mandated recycling programs such as AB 939, AB 341, and AB 1826. Perform additional work items as assigned by the City.

EcoNomics is familiar with all of CR&R's reporting requirements. Each month, EcoNomics reviews CR&R's submitted reports and identifies areas of inquiry that are reviewed at the monthly meetings. This monthly format was established by EcoNomics and has proven its worth in maintaining accurate reporting and program oversight.

For commercial account issues, we have CR&R's account listing which can be used to access key account service information needed to implement diversion programs. With minimal effort, the commercial list can be sorted to identify the City's compliance status with AB 341 and AB 1826. CR&R submits the commercial list to the City monthly, which can be sorted to provide the City with real-time compliance updates. EcoNomics also works with Mr. Dibley to assist with delivering needed equipment such as new recycling bins, exchanging out trash and recycling equipment, and receptacles for organics diversion.

Over the years, CR&R has submitted correspondence to the City on a variety of issues with respect to franchise compliance interpretations. EcoNomics has worked with City staff to resolve these items and continues to provide the City with information and trends that assists the City in successfully maintaining a high quality of contract oversight.

d. From the City's RFP: Conduct waste audits of CR&R recycling facilities and the residential and business communities as requested by the City.

The City's contract requires CR&R to conduct annual waste characterizations to assess the quantity and types of materials found in the different waste streams collected by CR&R. In EcoNomics' experience, waste characterizations can be used to assess contamination levels of single-stream recycling routes, identify additional diversion opportunities, and to assess the impact of the City's or the hauler's educational outreach efforts. Also, the City's entire diversion tonnage is calculated from the results of the annual characterization. In the past, EcoNomics has audited the City's waste characterization studies to assess the degree in which CR&R's characterization methodology complies with the methodology set forth in Attachment N. In addition, these audits allowed EcoNomics to identify non-recyclable contaminants and trace them back to specific generators and different parts of the City in an effort to provide targeted educational outreach. In addition to the required annual waste characterization studies, the City has the right to request additional characterizations in order to monitor the evolving nature of its waste stream. EcoNomics will assist the City in targeting key routes and developing a sampling methodology that ensures the annual waste characterizations are representative of the entire City. These characterizations may be needed to true up diversion tonnage when apparent program results do not seem to match reported diversion results. It is also likely that targeted "spot" audits will be required to resolve organics (restaurant) contamination issues.

e. From the City's RFP: Assist the City in reviewing OC Disposal Recording System to resolve any errors in assignment of tonnage to the City of Laguna Hills.

As part of its consulting services to the City, EcoNomics conducts annual analyses of the disposal tonnage attributed to the City by CR&R. This tonnage is compared to the annual tonnage attributed to the City by CR&R's accounts in the Orange County Disposal Reporting System (DRS). Consistently, there has been a sizable annual discrepancy between the tons of disposal attributed to the City by CR&R in its monthly reports and the tons attributes to the City in the DRS system. In previous years, EcoNomics has worked with the City and CR&R to determine the reasons for these discrepancies. Going forward, EcoNomics will track these discrepancies monthly or quarterly in order to avoid a large tonnage reconciliation effort at the end of each calendar year. In its annual review of CR&R's diversion rate in 2015, EcoNomics identified additional areas of concern with Alternative Daily Cover (ADC) allocations and A/B routing systems that it brought to the City's attention. The areas of concern identified can have significant impact on the City's overall diversion rate and need to be addressed in a timely manner though a letter agreement, contract amendment, or memorandum of understanding to avoid any future diversion impacts. If selected by the City, these items will be one of

EcoNomics top priority items to resolve in FY 2016/2017.

f. From the City's RFP: Assist the City with processing any request for a rate increase or other requests pursuant to the contract requirements.

EcoNomics expects that this task will be a significant emerging focus of attention in the next few years. The expansion of food scrap diversion in Laguna Hills is occurring without a clear accompanying rate. In the paragraphs below we identify what we feel are the important rate developments that Laguna Hills will meet in 2016 and beyond.

As part of its current contract management services to the City, EcoNomics provides recycling and solid waste rate analysis on an as needed basis. Since the first approved rate adjustment in 2008, EcoNomics has conducted in-depth analysis of all proposed rate increases on an annual basis to ensure the hauler has applied the contractually approved methodology in Attachment J to calculate the rate adjustment. EcoNomics is familiar with the rate adjustment workbook used by CR&R to adjust rates annually as well as the PPI indices used to calculate inflation applied to the various rate components. The nomenclature for the PPI index for Finished Goods less Food and Energy, a key PPI index used to adjust the collection and processing components of the rates, have been recently changed by the Bureau of Labor Statistics (BLS). This change in nomenclature will impact the upcoming October 2016 rate adjustment and a letter of understanding will need to be signed between the City and CR&R to memorialize the change.

EcoNomics has also assisted client cities with developing rate analyses for expansion of diversion programs. For example, EcoNomics assisted the City of Napa in assessing the rate revenue impacts of expanding a commercial food scrap collection program from a pilot program to a full-scale program. The City of Napa owns its own composting facility and collects rate revenue from its customers, therefore EcoNomics was required to project the revenue impacts of an additional 200 restaurants implementing food scrap diversion programs over a 2 year period. EcoNomics' rate analysis included the increased cost of processing an estimated 2,000 tons of food scraps per year, the reduced rate revenue for participating restaurants reducing their MSW service levels, the increase in revenue from the sale of finished compost, etc. Although Laguna Hills will not have as many factors impacting its food rate, there will still be significant collection and processing costs that are likely to be large and ongoing. Please see Exhibit 7 for a copy of the Napa food rate study to see what the main components of establishing a food rate are in practice.

g. From the City's RFP: Consultant will periodically perform site visits to determine the condition of bins. Bins will be checked for missing lids, broken wheels, graffiti, condition of paint, and placement of appropriate decal(s) and signage. In addition, bins will be checked for floors that are rusted and/or leaking, damaged arm sleeves, or dented sides.

EcoNomics assisted the City in 2006 to conduct a bin audit to assess the conditions of the bins provided by CR&R during its takeover of the City's hauling operations from the previous hauler, Waste Management. EcoNomics audited nearly every bin in the City to assess the condition of the container, to note if graffiti is present, and to confirm the contractually required markings were included on the bins. The audit found many bins in a state of disrepair, lacking key signage, or marked up with graffiti. The audit results were used by the City to repair or replace the containers. Since this project was completed 10 years ago, the City may consider re-assessing the condition of its commercial and residential bins.

2.1.3. Task B3. Provide Technical Recycling Assistance to Local Restaurants and Businesses to Maintain and Develop Recycling Programs.

From the City's RFP: In addition to the work in Task B2, Consultant shall provide technical recycling assistance to individual restaurants and businesses in the City to implement and/or expand recycling programs, training materials and employee training, assistance with recyclables storage container selection, assistance in identifying which materials can be recycled, and technical recycling assistance to business groups as directed by the City.

In an effort to prepare the City for compliance with AB 341, EcoNomics has, in the prior year, conducted waste audits throughout the City. The analysis of the audits identified that over 80 businesses in the City did not have source-separated recycling programs in place. Using the data obtained from the commercial waste audits, EcoNomics developed diversion programs to implement single-stream recycling programs. Since single-stream recycling programs are offered at a 50% the cost of equivalent trash service, the proposals include the estimated disposal cost reductions that the business would realize if they implemented a recycling program. These proposals were mailed to all commercial generators not in compliance with AB 341 along with a letter from the City notifying them of the law. A significant number of properties implemented recycling programs as a result of the letter and the business specific diversion proposal that accompanied the letter. This approach provided the businesses with a compelling business case to implement a recycling program (i.e. cost-savings), which proved to be effective and is in line with the City's intent to be 'business-friendly'. EcoNomics implemented a similar program with the multi-family sector. If selected for this proposal, EcoNomics will continue with its successful track record of working with the City's businesses and the franchised hauler in moving the City to its mandated compliance goals.

EcoNomics has extensive experience in the City working directly with businesses to implement cost-effective diversion programs. Beginning in 2008, EcoNomics has worked with the City's largest generators, the Laguna Hills Mall and Saddleback Hospital, to expand existing diversion programs or implement new programs. EcoNomics provided direct technical assistance to these and many other generators to develop 'turn-key' diversion programs that are cost-effective and helped the City comply with state diversion mandates. EcoNomics has a decade of "on-the-street" knowledge of the businesses in Laguna Hills that is unmatched by any other firm.

a. From City's RFP: Provide assistance to the Five Lagunas (Laguna Hills Mall project) and the Saddleback Memorial Medical Center with its recycling programs.

In 2015 and 2016, EcoNomics worked with the City's Community Development Department throughout the review phase of the Five Lagunas mall to incorporate all the laws and provisions pertinent to recycling and solid waste for the project. Tasks completed included writing the CEQA language and establishing all the key conditions that needed to be addressed in the Five Lagunas development plan to achieve a project-wide 75% diversion level. The Five Lagunas, when completed, will be the largest generator of waste in the City and therefore it was a high priority to ensure that there was the infrastructure for a 75% property-wide diversion rate. In order to ensure a 75% property diversion rate, EcoNomics worked closely with the architects for the multi-family portion of the development and the builder's solid waste consultants for the retail component of the project. The design review of the project required EcoNomics to 1) calculate expected retail generation volumes; 2) ensure that adequate enclosure space to house these materials was included in the site drawings and; 3) verify that the methods to move the materials and process them onsite were within industry standards and the aesthetic standards of the City.

The final conditions of use for Five Lagunas were finalized in March 2016. These conditions provide detailed guidance for enclosure dimensions, estimated recyclable and organics generation volumes, established the requirements for recycling and organics receptacles in the public right-of-way, required the use of compostable or durable service-ware for food service tenants, and require diversion reporting to the City. These conditions will ensure that the City's largest and highest profile generator will have been built and be managed to meet current and future diversion mandates.

EcoNomics worked with Saddleback Hospital beginning in 2008. The hospital had developed a 'green team' to implement sustainability programs at the hospital. EcoNomics assisted the green team in securing CalRecycle grant funding to implement CRV recycling receptacles throughout the entire hospital. Futther, EcoNomics worked with the Orange County Conservation Corps (OCCC) to service the CRV receptacles weekly at no cost to the hospital. The OCCC employs at-risk youth to collect recyclables, cleanup litter, and conduct other environmental tasks to provide vocation skills. EcoNomics also worked the nutrition director at the hospital to implement a food scrap diversion program that diverts both pre- and post-consumer food scraps from the hospital's cafeteria and from patient trays. EcoNomics has developed key relationships with senior management at the hospital that can be leveraged to implement future diversion programs, as needed.

b. From City's RFP: Assist with the implementation and support of the City's organic waste recycling program.

Assembly Bill 1826 requires large food service establishments to make arrangements to divert organic waste away from the landfill on or before April 1, 2016. Large generators are defined as establishments that generate 8 or more cubic yards of organics per week. In 2015, using its CalRecycle-approved AB 1826 generator identification methodology, EcoNomics identified 10 Tier 1 generators within Laguna Hills. Of these 10 generators, three already had an organics program in place (Ralph's, King's Fish House, and Saddleback Memorial Care). EcoNomics worked directly with two establishments (The Hills Hotel and The Willows) to implement AB 1826 compliant organics diversion programs utilizing a supporting letter from the City. EcoNomics notified the other five AB 1826 non-compliant generators of the requirements of AB 1826. EcoNomics also developed cost-saving proposals for these five generators to demonstrate the business case for organics recycling programs. AB 1826 requires that 1) jurisdictions provide a commercial organics program on or before January 2016; 2) that the City identify generators that fall within the different generation-based compliance tiers, 3) that the City notify these generators of the requirements of AB 1826; and 4) that the City report to CalRecycle on its compliance efforts in its 2016 annual report. The organics program outreach and implementation actions detailed above satisfy the City's AB 1826 compliance obligation for the 2016 reporting year. Working with EcoNomics, the City demonstrated to CalRecycle, in its February 2016 site audit, that it is taking a proactive approach to AB 1826 compliance.

Going forward, beginning in January 2017, the next compliance tier of AB 1826 is effective and will require all restaurants that generate 4 yards of organics per week to implement an organics diversion program. EcoNomics has identified 35 restaurants that meet the Tier 2 generation threshold. If EcoNomics is selected for the project, it will begin the next phase of restaurant outreach in early FY 2016-2017 to ensure adequate time for the restaurant community to respond to the new mandate.

2.1.4. Task B4. Attend Progress Meetings and Prepare Monthly Progress Reports.

From City's RFP: Consultant shall attend a monthly progress meeting with City staff to discuss the status of all tasks in progress, problems encountered, schedules, etc. Prepare a written monthly progress report to the City for submittal with each month's invoice.

EcoNomics established the format, the reporting documentation, and currently facilitates recurring hauler meetings with the City. There are several levels of project status tracking required for this program. These meetings serve the following purposes: 1) Establish where the City is with respect to satisfying each of its overall AB 939 SRRE program requirements; 2) provide a monthly tracking of individual numbers of businesses with commercial programs (AB 341), restaurant food scrap diversion (AB 1826), and tonnage diverted from each group; 3) provide a comparison of the number of individual businesses and restaurants with programs versus the schedule of implementation required to meet the various yearly targets contained in the regulations; 4) provide a running month-to-month report that allows all the information to be understood and be seen in relationship to the City's overall compliance. EcoNomics runs efficient meetings with clear objectives that hold all parties involved accountable. Before a meeting, EcoNomics provides all attendees with an agenda to allow for adequate time to prepare for items. EcoNomics frequently holds an internal meeting with city staff to discuss and strategize about sensitive agenda items before meeting with the hauler.

2.1.5. Task B5. Perform Other Duties As Assigned by the City.

From City's RFP: Consultant shall perform other duties as assigned by the City to ensure for successful support of existing recycling programs and the successful implementation of new recycling programs, compliance with state solid waste and recycling mandates, and administration of the City's waste hauling franchise agreement

EcoNomics is confident that it will continue to be responsive to the City's requests for any, and all, additional duties that the City may require over the term of the contract. We have taken the opportunity to provide a detailed identification of additional tasks that we anticipate will be needed in the near future. Section 2.2 below is a response to the City's invitation to provide insight on what can be done beyond the City's general scope of work.

Section 2.2. Recommendations Beyond the City's general scope

2.2.1. Assistance with assessing rate impacts and developing solutions for organics (food scraps) and green waste

We noted in our response to Task B2.f (*f. From the City's RFP: Assist the City with processing any request for a rate increase or other requests pursuant to the contract requirements.)* that EcoNomics believes that the rates surrounding organics diversion are likely to require significant attention. There are two components that comprise the organics waste steam of Laguna Hills: food scraps and green waste (shrubs, grass, landscape materials). The regulatory requirements applicable to these materials are AB 1826 (food scraps) and AB 1594 (prohibits use of green waste for Alternative Daily Cover (ADC)). In addition to these two current laws, based on a recently released report, 90% of organic materials will likely be banned from landfills by the California Air Resource Board (CARB) in 2025 as a means to reduce short-term climate pollutants (SLCPs) such as methane to achieve ambitious AB 32 greenhouse gas reduction goals.

The only diversion options currently available to Laguna Hills for organics processing are composting and anaerobic digestion (AD). Due to lack of action by the County of

Orange, there are currently no available composting sites within the County of a size that can handle the flow of AB 1826 food scraps. Waste Management of Orange is currently transporting food scraps from their Orange facility to the sewage digestion treatment plant in Los Angeles County. CR&R is currently delivering some of their cities' food scraps to Waste Management.

CR&R is currently delivering Laguna Hills food scraps to a composting facility. It was originally being delivered to Athen's composting in Apple Valley, however, recent conversations with CR&R indicate that the food material is being delivered to another composting site in Corona, CA.

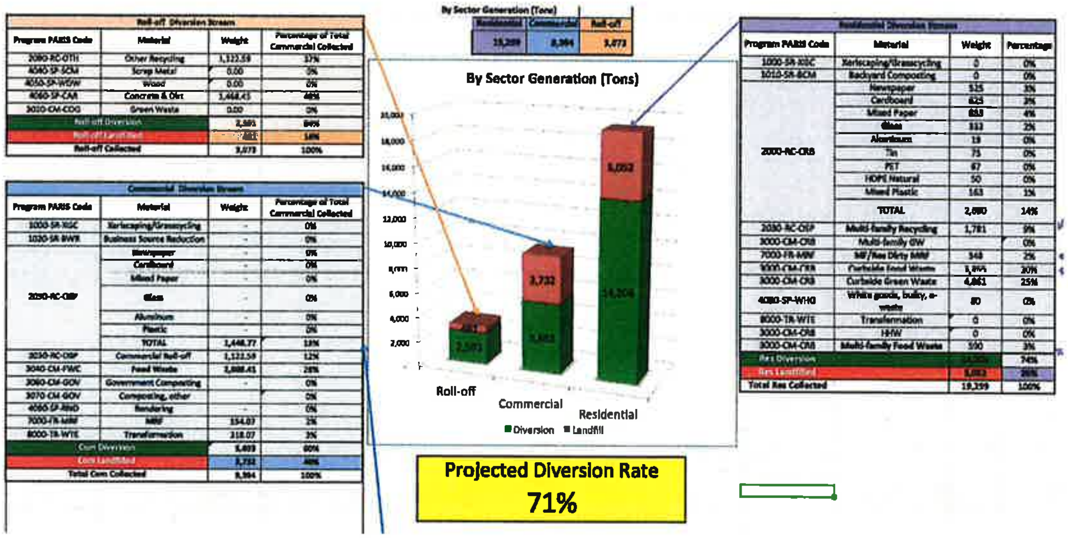
CR&R has indicated that their AD facility in Perris will be open by mid 2016. The transportation distance is 50+ miles to the facility from Orange County. The charge for processing the food scraps with anaerobic digestion ranges from $80 to $120 per ton.

The City's organics diversion program currently services eight restaurants and diverts between 8 -15 tons per month. In analyzing Laguna Hills organics flow for our current work while implementing AB 1826 programs, EcoNomics estimates that as AB 1826 continues to require more restaurants to divert organics, the City's organics route will expand to an estimated 100 organics generators by 2019 and will be diverting 150-200 tons per month. Using a mid-figure of $100/ton cost for organics processing that is a projected annual cost of $180,000 to $240,000 or $15,000 to $20,000 per month. In summary, using a conservative processing cost for sending these materials to an AD facility, the impact would range from $15,000 to $20,000 per month. That is a significant impact considering that CR&R's entire monthly rate revenue is approximately $250,000.

The cost for green waste would also go from $0 to at least $40 per ton at the Orange County landfill, but, if disposed at the landfill, it would no longer count as diversion. If the diversion option were AD, all generators of green waste would feel a similar dramatic cost impact.

2.2.2. Assessing the impacts on Laguna Hills existing rate structure as the overall diversion levels increase from 50% to 75%

In order to cost effectively reach 75% diversion, a balancing of program diversion options and cost will be required. The figure below shows all the City's SRRE programs, along with the various diversion impacts of each program, both in terms of tons and expressed as a percentage on the bar charts.



Other relevant factors that will impact 75% Diversion Goal planning are:

> The resolution of CalRecycle's definition of a Super MRF, which is a MRF that is capable of achieving recovery/diversion levels from the commercial waste stream at the comparable level of a source separation program. We know from the audits done at CR&R's Stanton Dirty MRF that the maximum recovery rate is in the low 60% range, with an overall average recovery rate of 52% to 54%. A comparable source separation rate at their Clean MRF is 75 to 85%. It is likely this issue will be raised within the term of CR&R's existing contract.
>
> Given that the current contract with CR&R expires on 6/30/2024 there will likely be additional regulation and/or legislation impacting diversion and solid waste. For example, CARB organic landfill ban has regulations in process for adoption in 2018 and a ban on organics going in to effect in 2025.

2.2.3. Impact of 75% diversion on current rate structure

The rate structure that was originally developed to pay for the collection and disposal of MSW has been modified through the last 20 years for recycling. It somewhat worked up to a 50% diversion level. It is struggling to work for a 75%+ franchise.

Haulers traditionally see that the way to increase their net margins by increasing the top operating line through rate increases (i.e. collection revenue). Thus, the hauling industry has traditionally favored top-line incentive structures, i.e. revenue from rate increases, to increase profit margins. These additional monies always come from the rates (rate payers). The collection companies, whether consciously or unconsciously, tends to see any bottom line margin-enhancing savings from operational efficiencies as "their money".

However, as the amount of material being diverted increases to 75% or more, significant rate impacts will come from the switch of operational focus from collecting and disposing of MSW to increasingly broader diversion actions. The cost reductions/increases from this switch will, therefore, become the focus of new rate structures.

A significant question arises for a jurisdiction such as Laguna Hills when the potential of non-rate payer revenues is factored into the total costs of the franchise structure. How will non-rate-generated monies from MSW collection to diversion revenue (such as CR&R's carbon credits from AD processing) be factored into the overall cost/revenue structure? It will create a more complex distribution of monies, some of which will come from ratepayers, while other parts will come from alternative revenue sources such as: carbon credits; the reduction of equipment capital costs; secondary material sales; and the introduction of telemetric "big data" into the collection and diversion infrastructure. EcoNomics believes that in the next few years, as AD organics processing costs are introduced into Laguna Hills' rate structure, routing and equipment changes are adopted, and Alternative Daily Cover is eliminated, concepts of how the new rate structures can be constructed will go from "theoretical" to important in reducing the impact to the ratepayers.

2.2.4. Assess the need and/or desirability, for negotiation/revision of the City's existing hauler contract in order to handle the provisions of AB 1826, AB 1594, lack of organics handling infrastructure in Orange County, and other structural changes impacting diversion and solid waste handling options

With the unknowns surrounding organics processing, MRFing capabilities and regulatory definitions, the addition of cost saving technologies, and the potential cost reduction in collection vehicles of 20% to 35%, the current contract may need to be updated. If so, rather than imposing tonnage diversion requirements on CR&R, the City may want to look towards modifying their contract towards setting diversion performance standards and asking CR&R to respond with concepts and costs of how to meet the standard. Once the standards are agreed upon and the impacts of technology and regulation are more certain, this approach could be more effective programmatically and more cost effective.

2.2.5. Overseeing the C&D diversion of the construction of Five Lagunas and the implementation of the CUPs for diversion during the malls startup phase

As the City's urban core continues to be developed, significant amounts of C&D materials will be generated by the demolition of the Laguna Hills Mall and the excavation of the parking lots to build parking structures and multi-family properties. The project is large enough that, if not closely supervised to ensure diligent construction and demolition diversion efforts; the City may experience a sizable increase in landfill disposal. EcoNomics is recommending that the City track closely the tonnage being diverted from the demolition phase of this project to ensure maximum landfill diversion. Additionally, as the Five Lagunas begins operations, it would be prudent to monitor enclosure configurations and lease agreement language to ensure the Conditions of Approval are actually being implemented after the construction phase of the project.

2.2.6. Identification of technological developments in truck routing, collection equipment, and processing that can provide cost savings to Laguna Hills

The waste management industry is currently benefiting from breakthroughs in technology that enable the 'internet of things' to greatly increase routing efficiencies and reduce instances of over-servicing. An example of this emerging technology is Enevo, a Finnish company founded in 2010, has developed a device that can be attached to dumpsters to wirelessly broadcast the fullness of the bin to the hauler. By incorporating the fullness of the bin into its routes, the hauler can implement dynamic routes that only service bins that are full. In November 2015, EcoNomics worked with Waste Management of Orange County as an agent of the City of Mission Viejo to implement the Enevo technology for over 440 recycling bins within the City. Waste Management offers commercial recycling for free in Mission Viejo, which has resulted in decreasing revenue as more customers downsize their trash service and increase their recycling service to comply with state laws. The Enevo technology allows Waste Management to continue to provide free recycling to Mission Viejo customers in a more efficient manner, since drivers only service bins that are full and do not waste time and fuel on collecting bins that are partially full or empty. The City benefits from the arrangement because Waste Management is less resistant to implementing state-mandated, fee recycling programs as recycling service can be executed more cost-effectively.

In Laguna Hills, compliance with AB 341 and AB 1826 may require a significant expansion of existing single-stream recycling programs. The Enevo system, or some other emerging technology, may be a means to efficiently comply with state-mandated programmatic obligations without an outsized financial impact on the haulers collection costs or the rate-payers monthly bill.

Another development that could have cost reduction impacts is the Wrightspeed hybrid collection vehicle. Designed and built by the Tesla engineer partner of Elon Musk, the vehicle is a currently undergoing 12 truck fleet evaluation by a small refuse company. Results to date indicate a savings of over 40% in fuel cost and over 20% reduction in maintenance costs. This is pointing to an overall reduction of 15+% in collection costs.

2.2.7. Research into the value of Green Business Certification, as being utilized in other Orange County cities, as a way to increase positive outcomes in the retail and business community

Recently, EcoNomics has worked with the Cities of Mission Viejo and Huntington Beach to develop green business certification programs that helps businesses to be in compliance with environmental laws, reduce operational costs, and to attract new customers. EcoNomics has assisted its client Cities in developing specific criteria for waste reduction, energy management, water management, and pollution prevention. Additionally, EcoNomics has acted as a liaison between the many stakeholder groups involved in the program, including the business community, the California Green Business Network, waste haulers, and utilities. As of April 2016, five businesses have been certified through Mission Viejo's Green Business Certification program with several more pending. EcoNomics is also engaged with the City of Huntington Beach to implement a turnkey Sustainable Business Certification Program similar to Mission Viejo's. EcoNomics has received grant funding through the EPA to target low-income communities for the green business certification program. In Laguna Hills, a green business certification program may allow the City to expand the concept, where appropriate, that was developed and proven at The Willows in terms of incentives and voluntary nature of program implementation to other businesses.

Section 2.3. Resumes

2.3.1. William O'Toole

President

Mr. O'Toole founded EcoNomics, Inc. in 1977 and has extensive experience in the recycling and solid waste industry. As one of the early pioneers in the recycling industry he worked to implement some of the first curbside recycling programs in California and then developed secondary materials markets to accept the materials collected. He then turned his attention to implementing commercial recycling programs, which, in most cities yield far more tons of diversion due to the size and composition of these waste streams. He is now heavily involved in continuing the transition from the traditional view of solid waste and recycling towards the more encompassing vision of a sustainable materials management industry.

During the process of developing recycling programs, it became clear that existing collection contracts were insufficient with respect to programs, reporting, and enforcement tools to handle the additional requirements of diversion mandates. In addition, the segmentation of wastes into subcomponents (i.e. E-waste, HHW, "big box" recyclable streams, etc.) also required a new development of contract language and management tools to meet the demands of a different approach to the handling of what used to be considered as Municipal Solid Waste (MSW). It was at this point that Mr. O'Toole became involved in overseeing the procurement of hauler services. The aim of his client cities was the development of contracts that are specifically tailored to maximize diversion, identify costs, and develop rate structures that are transparent.

Mr. O'Toole is one of the founders of the California Resource Recovery Association (CRRA) as well as Californians Against Waste (CAW). He has worked on statewide legislation and has been a member of several committees and task forces for the California Integrated Waste Management Board (now known as CalRecycle) on AB 939 Diversion Calculations and Reporting Requirements for Material Recovery Facilities (MRF) and Transfer Stations.

Mr. O'Toole brings significant local knowledge about the Orange County solid waste and recycling system including familiarity with the recycling, materials recovery, construction and demolition waste processing facilities, the landfill system and all of the solid waste and recycling companies that are active in the Orange County area.

Mr. O'Toole is a "hands-on visionary" working with cities and counties to anticipate legislative trends, shifts in secondary materials markets, and other factors that affect local collection contracts. He devises practical, cost effective methods for implementing diversion programs that benefit the customers and enable our clients to meet the requirements of both AB 939 and the evolving requirements of AB 341 for now and over the course of their new collection contracts.

2.3.2. Cerene St. John J.D.

Director

Ms. St. John began her solid waste career as a Deputy City Attorney for the City and County of San Francisco. Assigned to the Special Projects Division, she led a team in the Chief Administrator's Office to find a new landfill for the City when existing contracts were due to expire. She conducted a five-county negotiating effort that resulted in a contract and associated permits for the City's use of the Altamont Landfill located in Alameda County beginning in 1983.

Ms. St. John then served for six years as the Solid Waste Program Manager for the City of Sunnyvale. While there she conducted a Request for Proposals (RFP) process for solid waste and collection services resulting in a new contract with a detailed scope of work and performance standards. She conducted an RFP process for long-term landfill capacity for the City of Sunnyvale and 4 other cities resulting in a 30-year contract with the Kirby Canyon Landfill owned and operated by Waste Management. She also initiated work on the design and construction of the City-owned SMaRT Station, a transfer station/MRF that began operation in 1993.

Ms. St. John joined EcoNomics in 1990 and served as Vice President through June 2008, when she became a Director of EcoNomics and began providing a broader range of sustainability consulting services through her own company, It's A Natural Product, Inc.

In addition to solid waste and recycling consulting, Ms. St. John assists clients with food localization and food security projects. She is currently conducting a demonstration project to determine methodologies, actual costs and timeframes for sequestration of carbon in agricultural soils using compost, microbes and no-till growing methods. With regard to solid waste and recycling consulting service, she specializes in conducting procurements for solid waste and recycling collection services and the use of, or construction and operation of MRF's, transfer stations, and landfills. She also assists cities and counties with negotiations for these services and with contract amendments, ordinance revisions, and review proposed legislation.

As a former City Attorney and an active member of the State Bar of California, Ms. St. John prepares draft contract amendments, draft contracts, and RFP language for review by City Attorneys and/or outside legal counsel. Ms. St. John is able to write precise and thorough scopes of work for diversion programs and to craft contracts that protect the interest of the jurisdiction and its ratepayers. She is able to serve as a "bridge" between the technical requirements in these contracts and the legal language needed to enforce them. This generally saves our client's time and expense, as the City Attorney can senior review her work rather than spending time crafting the legal language, and the technical scope of work for the contract.

Ms. St. John's unique understanding of the legal underpinnings of the RFP process, the political and financial realities of cities and her experience in negotiations with the solid waste industry allow her to create procurement processes and negotiations for contract amendments that are fair, public, and that anticipate potential pitfalls so problems can be avoided.

Ms. St. John holds a B.A. in Political Science from California State University, San Bernardino (1977) and a J.D. degree from The University of Santa Clara School of Law (1980).

2.3.3. Trevor S. Blythe, MBA

Vice-President

Trevor Blythe has over 9 years of experience as a consultant in the sustainable materials management industry. Mr. Blythe works daily with local governments, private industry, and waste haulers to overcome operational and financial barriers to implementing sustainable materials management programs at the municipal scale. He is an expert on solid waste regulations, operations, and collection system optimization. Mr. Blythe holds a Masters Degree in Business Administration/Sustainable Management from Presidio Graduate School in San Francisco. (Received May 2014.) During his coursework at Presidio, Trevor explored market-based solutions for returning key nutrients from organic waste back to the soil. He holds a Bachelor of Science in Environmental Sciences (awarded in 2006) from the University of California, Santa Barbara with an emphasis on Geographic Information Systems.

Mr. Blythe is based in the EcoNomics' Dana Point office and provides field services to implement commercial, industrial, school and special event recycling programs for EcoNomics' clients in Orange County. In Orange County, Mr. Blythe is currently assisting the Cities of Mission Viejo, Laguna Hills, Tustin, Stanton with the design, implementation and monitoring of waste diversion programs at a variety of businesses ranging from large shopping malls, hospitals, industrial generators, stand alone office buildings, and office parks. Mr. Blythe also assists EcoNomics' client cities with contract management oversight, including overseeing audits of the commercial and residential waste streams, monitoring diversion reports to assess hauler compliance with state laws.

Mr. Blythe has worked over the last several years in bringing recycling services to 100% of the multifamily apartments and HOAs in Mission Viejo. This achievement has brought recycling services to over 4,500 units throughout Mission Viejo. More recently, Mr. Blythe has focused on delivering cost-effective organic waste diversion solutions to large restaurants and hospitals in EcoNomics' client cities.

Mr. Blythe recently created a comprehensive food scrap cost model for the City of Napa. Elements of the model include incentives to the restaurants, impacts on rate revenues, predictions of service migration as the program expands, and refinement of density factors used in projecting overall program impacts on diversion and operational costs.

2.3.4. Ian Bevan, MBA
Manager, Program Implementation

Mr. Bevan joined EcoNomics in June 2013. He has extensive experience with implementing commercial and multi-family recycling programs for several cities including Laguna Hills, Mission Viejo, and Tustin. Mr. Bevan specializes in developing cost-effective waste diversion programs that help businesses meet compliance requirements. He has conducted site audits at hundreds of commercial and multi-family properties to assess the feasibility of implementing recycling programs. Mr. Bevan uses information gathered at site audits to develop customized cost-saving waste reduction programs that fit the unique needs of each property, from split trash and recycling bins to specialized enclosure signage and outreach. Mr. Bevan has also worked with large retail operations to implement organics waste diversion programs and to manage increases in trash and recyclables during the holiday season using novel and innovative outreach and public education approaches. Most recently, Mr. Bevan has been involved in assisting the City of Mission Viejo with implementation of a green business certification program. To this end, he has coordinated closely with the California Green Business Network to attain access to the statewide network, assisted the City in engaging stakeholders from electric and water utilities to develop program criteria, researched incentive programs for specific energy and water saving programs, secured grant funding in the amount of $20,000 from the Environmental Protection Agency, and has coordinated input from a multitude of stakeholders to move the process forward.

Mr. Bevan has experience working with the City of San Diego Environmental Department managing the construction and demolition ordinance. In this capacity, Mr. Bevan worked with contractors to ensure they met or exceeded the City's 50% diversion requirement for construction and demolition waste. Mr. Bevan leveraged his experience as an on-campus sustainability activist at University of San Diego to found a non-profit company committed to facilitating grassroots, student-led sustainability programs at colleges and universities. Mr. Bevan holds a Bachelor's Degree in Political Science from the University of San Diego. He received his Masters of Business Administration from the Presidio Graduate School in San Francisco in December 2012.

2.3.5. Geiza Goulart, MS

Program Implementation Coordinator

Mrs. Goulart da Silva joined the EcoNomics team in June 2015. Mrs. Goulart da Silva completed her Masters of Science in Economics from the University of Trento in Italy in October 2012 where she studied corporate social responsibility at large financial institutions. Mrs. Goulart da Silva works with the cities of Mission Viejo and Laguna Hills to assist with implementing organics diversion programs at restaurants to assist the cities obtain compliance with AB 1826. She has worked with over 20 restaurants to design and implement cost-saving organics diversion programs. Mrs. Goulart also worked as an intern in the Public Works Department of the City of Rancho Santa Margarita and La Habra and understands how municipal government operates. In her native Brazil, she has 6 years of experience in human relations. She is fluent in Portuguese, Italian, and English and proficient in Spanish. She received certification in Irvine Valley College's Sustainability and Resource Management program in 2014.

Section 3: Agreement

ATTACHMENT C

EcoNomics is taking no exceptions to the agreement as presented in the City's RFP.

EcoNomics can meet the insurance requirements of this agreement.

See Exhibit 5 for EcoNomics' current Insurance Certificates.

Section 4: References

Table 4.1. Table of References

Name of Project Manager at City	Position	Affiliation	Contact Information	Completion Date	Project Description
Doug Stack	Director of Public Works	City of Tustin	**Address:** 300 Centennial Way **Telephone:** 714.573.3037 **Email:** dstack@cityoftustin.org	On-going	Develop organics rate for commercial businesses; Prop 218 notification assistance for rate adjustments; assist with contract extension negotiations; assist city in compliance with AB 939, AB 341, AB 1826; analysis of annual rate adjustment; develop and implement commercial, restaurant, and multi-family diversion programs; diversion tonnage report analysis; RFP for collection contract including diversion program design, writing of new contract, writing RFP; managing RFP process, proposal evaluation, contract award, contract monitoring.
Kevin Miller	Materials Diversion Administrator	City of Napa	**Address:** 1600 First St. **Telephone:** 707.257.9291 **Email:** kmiller@cityofnapa.org	On-going	Develop organics rate and staff report for commercial businesses; Prop 218 notification assistance for rate adjustments; assist with contract extension negotiations; assist city in compliance with AB 939, AB 341, AB 1826; develop and implement commercial and multi-family recycling programs
Randy Viegas	Project Manager	City of Rancho Mirage	**Address:** 69825 Hwy 111 **Telephone:** 760.770.3224 ext242 **Email:** randyv@RanchoMirageCA.gov	On-going	Draft contract and manage RFP process for 2000 and 2006. Negotiate new post AB 341 contract 2013-14. Develop food scrap rate structure and expand restaurant organics diversion program; develop performance metrics pegged to AB 341 and AB 1826 mandates; assist in waste and route audits; provide CalRecycle compliance and reporting assistance; assist City with AB 1826 compliance; assist City with Burrtec contract management; develop staff reports to inform AB 1826 organics program implementation and optimal rate structure.
Denise Matson	Environmental Programs Administrator	City of Mission Viejo	**Address:** 200 Civic Center Dr. **Telephone:** 949.470.3010 **Email:** DMatson@ cityofmissionviejo.org	On-going	Develop and implement commercial and multi-family recycling programs; implement sustainability programs at schools; develop and implement AB 1826 organic waste diversion programs; disposal report analysis; develop and implement green business certification program; assist with CalRecycle compliance; and monthly meetings with city and its hauler Waste Management.
Thomas Wheeler	Director of Public Works	City of Lake Forest	**Address:** 25550 Commercentre, Suite 100 **Telephone:** 949.461.3481 **Email:** twheeler @lakeforestca.gov	On-going	RFP for collection contract including diversion program design, writing of new contract, writing RFP; managing RFP process, proposal evaluation, contract award, contract monitoring; Prop 218 notification assistance for rate adjustments; design and rollout of AB 341 and AB 1826 compliance programs including commercial food scrap program.
Dora Delgadillo	Solid Waste Programs Administrator	City of Anaheim	**Address:** 400 E Vermont **Telephone:** 714.765.6860 **Email:** ddelgadillo@anaheim.net	On-going	Identify 154 Tier 1 generators for AB 1826 implementation; develop letter for AB 1826 notification; manage compliance notification effort and provide direct technical assistance to 60+ Tier 1 generators; actively enroll generators into Republic organics pilot program; track implementation progress in cloud-based collaborative document.
Nasser Abbaszadeh	Public Works Director	City of Laguna Niguel	**Address:** 30111 Crown Valley Pkwy **Telephone:** 949.362.4377 **Email:** NAbbaszadeh@cityoflagunaniguel.org	On-going	Manage negotiation and write interim amendment between City and CR&R; develop diversion program performance metrics in alignment with new legislation AB 1826, 1594 and 341; develop assessment tools; assist in field implementation

Section 5: Fee Schedule and Cost Controls

5.1. Table of Fee Schedules

Name	Position	Hourly Rate	Allocation	Areas of Expertise
William O'Toole	President	$180	20%	Project management, client interface, strategy, negotiations with haulers; contract management, oversight of field data quality, council presentations, CalRecycle compliance, relevant industry analysis and projections
Cerene St. John, JD	Technical Consulting	$180	5%	Solid waste legislation tracking and interpretation, assistance with hauler negotiations.
Trevor S. Blythe, MBA	Vice President	$120	25%	Financial and program analysis, diversion program development and implementation, performance monitoring, operations analysis
Ian Bevan, MBA	Manager, Program Implementation	$90	15%	Public outreach, educational programs, waste audits, cost-saving diversion program proposal development
Geiza Goulart da Silva, MS	Coordinator, Program Implementation	$80	35%	AB 1826 generator identification, commercial list analysis, analysis, program implementation

5.2. Cost Controls

The main reasons a project falls behind schedule and over budget are: unanticipated complexity, delay in obtaining key information from a third party source, inadequate internal staffing resources, delays in one or more projects which cause the projects timelines to begin to overlap and overstrain the resources needed for completion. The best strategy to overcome any of the above issues is close monitoring of each project to catch the schedule drift as soon as possible. This is achieved by internal weekly project/client updates and the use of scheduling software which tracks Gantt charts set up at the beginning of projects. In addition, we schedule each individual at 120 hours per month of billable time. This allows a buffer of 15 hours per month for additional effort or a reallocation of one person to assist another team member. The coordination of billable hours to project execution internally reinforces team adherence to budget to avoid having to "work for free".

List of Exhibits

- Exhibit 1: Statement of EcoNomics' Sound Financial Condition
- Exhibit 2: EcoNomics' Completed "Certificate of Non-Discrimination"
- Exhibit 3: EcoNomics' Litigation
- Exhibit 4: EcoNomics Completed 'Certificate of Employment Relationships and Financial Interest'
- Exhibit 5: Certificates of Insurance
- Exhibit 6: Excerpt of EcoNomics Annual Report Tracking Database
- Exhibit 7: City Of Napa Staff Report Detailing Rate Impact Of Full-Scale Citywide Commercial Organics Program

Exhibit 1: Statement of EcoNomics' Sound Financial Condition

EcoNomics is in sound financial condition with potential revenue from secured contracts in excess of overhead and administrative costs.

Exhibit 2: EcoNomics' Completed "Certificate of Non-Discrimination"

Please note: a signed, wet copy of this form was submitted to the City in EcoNomics paper copy of the proposal.

Exhibit B

CITY OF LAGUNA HILLS
CERTIFICATE OF NON-DISCRIMINATION

I hereby certify on behalf of Eco/Nomics Inc that all persons employed by Eco/Nomics Inc. are, and shall be treated fairly without regard to race, creed, color, national origin, political affiliation, marital status, sex, age, or disability, and in compliance with all Federal and State laws prohibiting discrimination in employment, including, but not limited to, the Civil rights Act of 1964, the Unruh Civil Rights Acts, and the Americans With Disabilities Act.

Name: William O'Toole

Signature:

Title: President

Exhibit 3: EcoNomics' Litigation

There are no filed, pending or threatened claims or litigation by clients (current or past) during the last five years against EcoNomics, Inc.

Exhibit 4: EcoNomics Completed 'Certificate of Employment Relationships and Financial Interest'

Please note: a signed, wet copy of this form was submitted to the City in EcoNomics paper copy of the proposal.

CITY OF LAGUNA HILLS
CERTIFICATE OF
EMPLOYMENT RELATIONSHIPS
AND FINANCIAL INTERESTS

NAME OF ENTITY: EcoNomics Inc

EMPLOYMENT RELATIONSHIPS WITH CITY OFFICIALS OR CITY EMPLOYEES:

None

FINANCIAL INTERESTS OF CITY OFFICIALS OR CITY EMPLOYEES IN THE ENTITY:
(If known and applicable, please state the percentage ownership interest)

None

I declare, under penalty of perjury, under the laws of the State of California, that the foregoing is true and correct.

Signed this 29th day of April, 2016, at Dana Point, California.

Name: William O'Toole
Signature:
Title: President

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Exhibit 5: Certificates of Insurance

5.1 Workers Compensation

STATE COMPENSATION INSURANCE FUND

IN REPLY REFER TO

APRIL 27, 2016

CITY OF LAGUNA HILLS
CITY MANAGER
24035 EL TORO RD
LAGUNA HILLS CA 92653-3103

CERTIFICATE OF WORKERS'
COMPENSATION INSURANCE
CANCELLATION WITHDRAWAL NOTICE

RE: CERTIFICATE DATED OCTOBER 1, 2015

THE CANCELLATION HAS BEEN WITHDRAWN FOR THE WORKERS' COMPENSATION INSURANCE POLICY FOR THE EMPLOYER NAMED BELOW. THIS LETTER SUPERSEDES THE NOTICE OF CANCELLATION SENT TO YOU ON APRIL 20, 2016.

THIS EMPLOYER'S WORKERS' COMPENSATION INSURANCE COVERAGE CONTINUED UNINTERRUPTED.

EMPLOYER:

ECO/NOMICS, INC
PO BOX 2790
DEL MAR, CA 92014
POLICY 1397885-15

CUSTOMER SERVICE REPRESENTATIVE
CUSTOMER SERVICE CENTER
(888) 782-8338

SCIF 19102

5880 Owens Drive • Pleasanton, CA 94588-3900
Mailing Address: P.O. Box 8192 • Pleasanton, CA 94588-9682

5.2. General Liability and Automobile

ACORD CERTIFICATE OF LIABILITY INSURANCE DATE (MM/DD/YYYY) 04/20/2016

PRODUCER (858) 569-8100 Network One Insurance & Financial Services, Inc 3914 Murphy Canyon Rd., Suite San Diego CA 92123-	THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW.

INSURED	INSURERS AFFORDING COVERAGE	NAIC #
Economic's Inc. 832 Camino del Mar Ste. 1 Del Mar CA 92014-	INSURER A Liberty Mutual	
	INSURER B	
	INSURER C	
	INSURER D	
	INSURER E	

COVERAGES

THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. AGGREGATE LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	ADD'L INSRD	TYPE OF INSURANCE	POLICY NUMBER	POLICY EFFECTIVE DATE (MM/DD/YY)	POLICY EXPIRATION DATE (MM/DD/YY)	LIMITS	
A	X	GENERAL LIABILITY X COMMERCIAL GENERAL LIABILITY CLAIMS MADE X OCCUR GEN'L AGGREGATE LIMIT APPLIES PER: X POLICY PRO-JECT LOC	BKS (16) 57048355	12/09/2015	12/09/2016	EACH OCCURRENCE	$ 1,000,000
						DAMAGE TO RENTED PREMISES (Ea occurrence)	$ 500,000
						MED EXP (Any one person)	$ 15,000
						PERSONAL & ADV INJURY	$ 1,000,000
						GENERAL AGGREGATE	$ 2,000,000
						PRODUCTS - COMP/OP AGG	$ 2,000,000
A	X	AUTOMOBILE LIABILITY X ANY AUTO ALL OWNED AUTOS SCHEDULED AUTOS X HIRED AUTOS X NON-OWNED AUTOS	BKS (16) 57048355	12/09/2015	12/09/2016	COMBINED SINGLE LIMIT (Ea accident)	$ 1,000,000
						BODILY INJURY (Per person)	$
						BODILY INJURY (Per accident)	$
						PROPERTY DAMAGE (Per accident)	$
		GARAGE LIABILITY ANY AUTO				AUTO ONLY - EA ACCIDENT	$
						OTHER THAN AUTO ONLY: EA ACC	$
						AGG	$
		EXCESS/UMBRELLA LIABILITY OCCUR CLAIMS MADE DEDUCTIBLE RETENTION $				EACH OCCURRENCE	$
						AGGREGATE	$
							$
							$
							$
		WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? If yes, describe under SPECIAL PROVISIONS below				WC STATU-TORY LIMITS / OTH-ER	
						E.L. EACH ACCIDENT	$
						E.L. DISEASE - EA EMPLOYEE	$
						E.L. DISEASE - POLICY LIMIT	$
		OTHER					

DESCRIPTION OF OPERATIONS/LOCATIONS/VEHICLES/EXCLUSIONS ADDED BY ENDORSEMENT/SPECIAL PROVISIONS

The City, it's officials, officers, employees, agents, volunteers, shall be additional insureds with regard to liability and defense of suits or claims arising out of the performance agreement.
Coverage subject to terms and conditions of the policy.
*Except 10 days if non-payment cancellation.

CERTIFICATE HOLDER	CANCELLATION
( ) - ( ) - City of Laguna Hills 240 El Toro Road Laguna Hills CA 92653-	SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, THE ISSUING INSURER WILL ENDEAVOR TO MAIL *30 DAYS WRITTEN NOTICE TO THE CERTIFICATE HOLDER NAMED TO THE LEFT, BUT FAILURE TO DO SO SHALL IMPOSE NO OBLIGATION OR LIABILITY OF ANY KIND UPON THE INSURER, ITS AGENTS OR REPRESENTATIVES. AUTHORIZED REPRESENTATIVE

ACORD 25 (2001/08) © ACORD CORPORATION 1988
INS025 (0108).05 ELECTRONIC LASER FORMS, INC - (800)327-0545 Page 1 of 2

IMPORTANT

If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must be endorsed. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

DISCLAIMER

The Certificate of Insurance on the reverse side of this form does not constitute a contract between the issuing insurer(s), authorized representative or producer, and the certificate holder, nor does it affirmatively or negatively amend, extend or alter the coverage afforded by the policies listed thereon.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

COMMERCIAL GENERAL LIABILITY EXTENSION

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

INDEX

With respect to coverage afforded by this endorsement, the provisions of the policy apply unless modified by the endorsement.

A. NON-OWNED AIRCRAFT

Under Paragraph **2. Exclusions** of **Section I – Coverage A - Bodily Injury And Property Damage Liability,** exclusion **g. Aircraft, Auto Or Watercraft** does not apply to an aircraft provided:

1. It is not owned by any insured;
2. It is hired, chartered or loaned with a trained paid crew;
3. The pilot in command holds a currently effective certificate, issued by the duly constituted authority of the United States of America or Canada, designating her or him a commercial or airline pilot; and
4. It is not being used to carry persons or property for a charge.

However, the insurance afforded by this provision does not apply if there is available to the insured other valid and collectible insurance, whether primary, excess (other than insurance written to apply specifically in excess of this policy), contingent or on any other basis, that would also apply to the loss covered under this provision.

B. NON-OWNED WATERCRAFT

Under Paragraph **2. Exclusions** of **Section I – Coverage A – Bodily Injury And Property Damage Liability,** Subparagraph **(2)** of exclusion **g. Aircraft, Auto Or Watercraft** is replaced by the following:

This exclusion does not apply to:

(2) A watercraft you do not own that is:

(a) Less than 52 feet long; and

(b) Not being used to carry persons or property for a charge.

C. PROPERTY DAMAGE LIABILITY – ELEVATORS

1. Under Paragraph **2. Exclusions** of **Section I – Coverage A – Bodily Injury And Property Damage Liability,** Subparagraphs **(3), (4)** and **(6)** of exclusion **j. Damage To Property** do not apply if such "property damage" results from the use of elevators. For the purpose of this provision, elevators do not include vehicle lifts. Vehicle lifts are lifts or hoists used in automobile service or repair operations.
2. The following is added to **Section IV – Commercial General Liability Conditions,** Condition **4. Other Insurance,** Paragraph **b. Excess Insurance:**

   The insurance afforded by this provision of this endorsement is excess over any property insurance, whether primary, excess, contingent or on any other basis.

D. EXTENDED DAMAGE TO PROPERTY RENTED TO YOU (Tenant's Property Damage)

If Damage To Premises Rented To You is not otherwise excluded from this Coverage Part:

1. Under Paragraph **2. Exclusions of Section I - Coverage A - Bodily Injury and Property Damage Liability:**

   a. The fourth from the last paragraph of exclusion **j. Damage To Property** is replaced by the following:

   Paragraphs **(1), (3)** and **(4)** of this exclusion do not apply to "property damage" (other than damage by fire, lightning, explosion, smoke, or leakage from an automatic fire protection system) to:

   (i) Premises rented to you for a period of 7 or fewer consecutive days; or

   (ii) Contents that you rent or lease as part of a premises rental or lease agreement for a period of more than 7 days.

   Paragraphs **(1), (3)** and **(4)** of this exclusion do not apply to "property damage" to contents of premises rented to you for a period of 7 or fewer consecutive days.

   A separate limit of insurance applies to this coverage as described in **Section III – Limits of Insurance.**

b. The last paragraph of subsection **2. Exclusions** is replaced by the following:

Exclusions **c.** through **n.** do not apply to damage by fire, lightning, explosion, smoke or leakage from automatic fire protection systems to premises while rented to you or temporarily occupied by you with permission of the owner. A separate limit of insurance applies to Damage To Premises Rented To You as described in **Section III – Limits Of Insurance.**

2. Paragraph **6.** under **Section III – Limits Of Insurance** is replaced by the following:

6. Subject to Paragraph **5.** above, the Damage To Premises Rented To You Limit is the most we will pay under **Coverage A** for damages because of "property damage" to:

a. Any one premise:

(1) While rented to you; or

(2) While rented to you or temporarily occupied by you with permission of the owner for damage by fire, lightning, explosion, smoke or leakage from automatic protection systems; or

b. Contents that you rent or lease as part of a premises rental or lease agreement.

3. As regards coverage provided by this provision **D. EXTENDED DAMAGE TO PROPERTY RENTED TO YOU (Tenant's Property Damage)** - Paragraph **9.a.** of **Definitions** is replaced with the following:

9.a. A contract for a lease of premises. However, that portion of the contract for a lease of premises that indemnifies any person or organization for damage by fire, lightning, explosion, smoke, or leakage from automatic fire protection systems to premises while rented to you or temporarily occupied by you with the permission of the owner, or for damage to contents of such premises that are included in your premises rental or lease agreement, is not an "insured contract".

E. MEDICAL PAYMENTS EXTENSION

If **Coverage C Medical Payments** is not otherwise excluded, the Medical Payments provided by this policy are amended as follows:

Under Paragraph **1. Insuring Agreement** of **Section I – Coverage C – Medical Payments,** Subparagraph **(b)** of Paragraph **a.** is replaced by the following:

(b) The expenses are incurred and reported within three years of the date of the accident; and

F. EXTENSION OF SUPPLEMENTARY PAYMENTS – COVERAGES A AND B

1. Under **Supplementary Payments** – **Coverages A** and **B,** Paragraph **1.b.** is replaced by the following:

b. Up to **$3,000** for cost of bail bonds required because of accidents or traffic law violations arising out of the use of any vehicle to which the Bodily Injury Liability Coverage applies. We do not have to furnish these bonds.

2. Paragraph **1.d.** is replaced by the following:

d. All reasonable expenses incurred by the insured at our request to assist us in the investigation or defense of the claim or "suit", including actual loss of earnings up to **$500** a day because of time off from work.

G. ADDITIONAL INSUREDS - BY CONTRACT, AGREEMENT OR PERMIT

1. Paragraph **2.** under **Section II – Who Is An Insured** is amended to include as an insured any person or organization whom you have agreed to add as an additional insured in a written contract, written agreement or permit. Such person or organization is an additional insured but only with respect to liability for "bodily injury", "property damage" or "personal and advertising injury" caused in whole or in part by:

a. Your acts or omissions, or the acts or omissions of those acting on your behalf, in the performance of your on going operations for the additional insured that are the subject of the written contract or written agreement provided that the "bodily injury" or "property damage" occurs, or the "personal and advertising injury" is committed, subsequent to the signing of such written contract or written agreement; or

b. Premises or facilities rented by you or used by you; or

c. The maintenance, operation or use by you of equipment rented or leased to you by such person or organization; or

d. Operations performed by you or on your behalf for which the state or political subdivision has issued a permit subject to the following additional provisions:

(1) This insurance does not apply to "bodily injury", "property damage", or "personal and advertising injury" arising out of the operations performed for the state or political subdivision;

(2) This insurance does not apply to "bodily injury" or "property damage" included within the "completed operations hazard".

(3) Insurance applies to premises you own, rent, or control but only with respect to the following hazards:

a) The existence, maintenance, repair, construction, erection, or removal of advertising signs, awnings, canopies, cellar entrances, coal holes, driveways, manholes, marquees, hoist away openings, sidewalk vaults, street banners, or decorations and similar exposures; or

(b) The construction, erection, or removal of elevators; or

(c) The ownership, maintenance, or use of any elevators covered by this insurance.

However:

1. The insurance afforded to such additional insured only applies to the extent permitted by law; and

2. If coverage provided to the additional insured is required by a contract or agreement, the insurance afforded to such additional insured will not be broader than that which you are required by the contract or agreement to provide for such additional insured.

With respect to Paragraph **1.a.** above, a person's or organization's status as an additional insured under this endorsement ends when:

(1) All work, including materials, parts or equipment furnished in connection with such work, on the project (other than service, maintenance or repairs) to be performed by or on behalf of the additional insured(s) at the location of the covered operations has been completed; or

(2) That portion of "your work" out of which the injury or damage arises has been put to its intended use by any person or organization other than another contractor or subcontractor engaged in performing operations for a principal as a part of the same project.

With respect to Paragraph **1.b.** above, a person's or organization's status as an additional insured under this endorsement ends when their written contract or written agreement with you for such premises or facilities ends.

With respects to Paragraph **1.c.** above, this insurance does not apply to any "occurrence" which takes place after the equipment rental or lease agreement has expired or you have returned such equipment to the lessor.

The insurance provided by this endorsement applies only if the written contract or written agreement is signed prior to the "bodily injury" or "property damage".

We have no duty to defend an additional insured under this endorsement until we receive written notice of a "suit" by the additional insured as required in Paragraph **b.** of Condition **2. Duties In the Event Of Occurrence, Offense, Claim Or Suit** under **Section IV – Commercial General Liability Conditions.**

2. With respect to the insurance provided by this endorsement, the following are added to Paragraph **2. Exclusions** under **Section I - Coverage A - Bodily Injury And Property Damage Liability:**

This insurance does not apply to:

a. "Bodily injury" or "property damage" arising from the sole negligence of the additional insured.

b. "Bodily injury" or "property damage" that occurs prior to you commencing operations at the location where such "bodily injury" or "property damage" occurs.

c. "Bodily injury", "property damage" or "personal and advertising injury" arising out of the rendering of, or the failure to render, any professional architectural, engineering or surveying services, including:

(1) The preparing, approving, or failing to prepare or approve, maps, shop drawings, opinions, reports, surveys, field orders, change orders or drawings and specifications; or

(2) Supervisory, inspection, architectural or engineering activities.

This exclusion applies even if the claims against any insured allege negligence or other wrongdoing in the supervision, hiring, employment, training or monitoring of others by that insured, if the "occurrence" which caused the "bodily injury" or "property damage", or the offense which caused the "personal and advertising injury", involved the rendering of, or the failure to render, any professional architectural, engineering or surveying services.

d. "Bodily injury" or "property damage" occurring after:

(1) All work, including materials, parts or equipment furnished in connection with such work, on the project (other than service, maintenance or repairs) to be performed by or on behalf of the additional insured(s) at the location of the covered operations has been completed; or

(2) That portion of "your work" out of which the injury or damage arises has been put to its intended use by any person or organization other than another contractor or subcontractor engaged in performing operations for a principal as a part of the same project.

e. Any person or organization specifically designated as an additional insured for ongoing operations by a separate **ADDITIONAL INSURED – OWNERS, LESSEES OR CONTRACTORS** endorsement issued by us and made a part of this policy.

3. With respect to the insurance afforded to these additional insureds, the following is added to **Section III – Limits Of Insurance:**

If coverage provided to the additional insured is required by a contract or agreement, the most we will pay on behalf of the additional insured is the amount of insurance:

a. Required by the contract or agreement; or

b. Available under the applicable Limits of Insurance shown in the Declarations;

whichever is less.

This endorsement shall not increase the applicable Limits of Insurance shown in the Declarations.

H. PRIMARY AND NON-CONTRIBUTORY ADDITIONAL INSURED EXTENSION

This provision applies to any person or organization who qualifies as an additional insured under any form or endorsement under this policy.

Condition **4. Other Insurance of SECTION IV – COMMERCIAL GENERAL LIABILITY CONDITIONS** is amended as follows:

a. The following is added to Paragraph **a. Primary Insurance:**

If an additional insured's policy has an Other Insurance provision making its policy excess, and you have agreed in a written contract or written agreement to provide the additional insured coverage on a primary and noncontributory basis, this policy shall be primary and we will not seek contribution from the additional insured's policy for damages we cover.

b. The following is added to Paragraph **b. Excess Insurance:**

When a written contract or written agreement, other than a premises lease, facilities rental contract or agreement, an equipment rental or lease contract or agreement, or permit issued by a state or political subdivision between you and an additional insured does not require this insurance to be primary or primary and non-contributory, this insurance is excess over any other insurance for which the additional insured is designated as a Named Insured.

Regardless of the written agreement between you and an additional insured, this insurance is excess over any other insurance whether primary, excess, contingent or on any other basis for which the additional insured has been added as an additional insured on other policies.

I. ADDITIONAL INSUREDS - EXTENDED PROTECTION OF YOUR "LIMITS OF INSURANCE"

This provision applies to any person or organization who qualifies as an additional insured under any form or endorsement under this policy.

1. The following is added to Condition **2. Duties In The Event Of Occurrence, Offense, Claim or Suit:**

An additional insured under this endorsement will as soon as practicable:

a. Give written notice of an "occurrence" or an offense that may result in a claim or "suit" under this insurance to us;

b. Tender the defense and indemnity of any claim or "suit" to all insurers whom also have insurance available to the additional insured; and

c. Agree to make available any other insurance which the additional insured has for a loss we cover under this Coverage Part.

d. We have no duty to defend or indemnify an additional insured under this endorsement until we receive written notice of a "suit" by the additional insured.

2. The limits of insurance applicable to the additional insured are those specified in a written contract or written agreement or the limits of insurance as stated in the Declarations of this policy and defined in **Section III – Limits of Insurance** of this policy, whichever are less. These limits are inclusive of and not in addition to the limits of insurance available under this policy.

J. WHO IS AN INSURED - INCIDENTAL MEDICAL ERRORS / MALPRACTICE
WHO IS AN INSURED - FELLOW EMPLOYEE EXTENSION - MANAGEMENT EMPLOYEES

Paragraph **2.a.(1)** of **Section II - Who Is An Insured** is replaced with the following:

(1) "Bodily injury" or "personal and advertising injury":

(a) To you, to your partners or members (if you are a partnership or joint venture), to your members (if you are a limited liability company), to a co-"employee" while in the course of his or her employment or performing duties related to the conduct of your business, or to your other "volunteer workers" while performing duties related to the conduct of your business;

(b) To the spouse, child, parent, brother or sister of that co-"employee" or "volunteer worker" as a consequence of Paragraph **(1) (a)** above;

(c) For which there is any obligation to share damages with or repay someone else who must pay damages because of the injury described in Paragraphs **(1) (a)** or **(b)** above; or

(d) Arising out of his or her providing or failing to provide professional health care services. However, if you are not in the business of providing professional health care services or providing professional health care personnel to others, or if coverage for providing professional health care services is not otherwise excluded by separate endorsement, this provision (Paragraph **(d)**) does not apply.

Paragraphs **(a)** and **(b)** above do not apply to "bodily injury" or "personal and advertising injury" caused by an "employee" who is acting in a supervisory capacity for you. Supervisory capacity as used herein means the "employee's" job responsibilities assigned by you, includes the direct supervision of other "employees" of yours. However, none of these "employees" are insureds for "bodily injury" or "personal and advertising injury" arising out of their willful conduct, which is defined as the purposeful or willful intent to cause "bodily injury" or "personal and advertising injury", or caused in whole or in part by their intoxication by liquor or controlled substances.

The coverage provided by provision **J.** is excess over any other valid and collectable insurance available to your "employee".

K. NEWLY FORMED OR ADDITIONALLY ACQUIRED ENTITIES

Paragraph **3.** of **Section II - Who Is An Insured** is replaced by the following:

3. Any organization you newly acquire or form and over which you maintain ownership or majority interest, will qualify as a Named Insured if there is no other similar insurance available to that organization. However:

a. Coverage under this provision is afforded only until the expiration of the policy period in which the entity was acquired or formed by you;

b. Coverage **A** does not apply to "bodily injury" or "property damage" that occurred before you acquired or formed the organization; and

c. Coverage **B** does not apply to "personal and advertising injury" arising out of an offense committed before you acquired or formed the organization.

d. Records and descriptions of operations must be maintained by the first Named Insured.

No person or organization is an insured with respect to the conduct of any current or past partnership, joint venture or limited liability company that is not shown as a Named Insured in the Declarations or qualifies as an insured under this provision.

L. FAILURE TO DISCLOSE HAZARDS AND PRIOR OCCURRENCES

Under **Section IV – Commercial General Liability Conditions,** the following is added to Condition **6. Representations:**

Your failure to disclose all hazards or prior "occurrences" existing as of the inception date of the policy shall not prejudice the coverage afforded by this policy provided such failure to disclose all hazards or prior "occurrences" is not intentional.

M. KNOWLEDGE OF OCCURRENCE, OFFENSE, CLAIM OR SUIT

Under **Section IV – Commercial General Liability Conditions,** the following is added to Condition **2. Duties In The Event of Occurrence, Offense, Claim Or Suit:**

Knowledge of an "occurrence", offense, claim or "suit" by an agent, servant or "employee" of any insured shall not in itself constitute knowledge of the insured unless an insured listed under Paragraph **1.** of **Section II – Who Is An Insured** or a person who has been designated by them to receive reports of "occurrences", offenses, claims or "suits" shall have received such notice from the agent, servant or "employee".

N. LIBERALIZATION CLAUSE

If we revise this Commercial General Liability Extension Endorsement to provide more coverage without additional premium charge, your policy will automatically provide the coverage as of the day the revision is effective in your state.

O. BODILY INJURY REDEFINED

Under **Section V – Definitions,** Definition **3.** is replaced by the following:

3. "Bodily Injury" means physical injury, sickness or disease sustained by a person. This includes mental anguish, mental injury, shock, fright or death that results from such physical injury, sickness or disease.

P. EXTENDED PROPERTY DAMAGE

Exclusion a. of **COVERAGE A. BODILY INJURY AND PROPERTY DAMAGE LIABILITY** is replaced by the following:

a. Expected Or Intended Injury

"Bodily injury" or "property damage" expected or intended from the standpoint of the insured. This exclusion does not apply to "bodily injury" or "property damage" resulting from the use of reasonable force to protect persons or property.

Q. WAIVER OF TRANSFER OF RIGHTS OF RECOVERY AGAINST OTHERS TO US – WHEN REQUIRED IN A CONTRACT OR AGREEMENT WITH YOU

Under **Section IV – Commercial General Liability Conditions,** the following is added to Condition **8. Transfer Of Rights Of Recovery Against Others To Us:**

We waive any right of recovery we may have against a person or organization because of payments we make for injury or damage arising out of your ongoing operations or "your work" done under a contract with that person or organization and included in the "products-completed operations hazard" provided:

1. You and that person or organization have agreed in writing in a contract or agreement that you waive such rights against that person or organization; and
2. The injury or damage occurs subsequent to the execution of the written contract or written agreement.

Exhibit 6: Excerpt of EcoNomics Annual Report Tracking Database

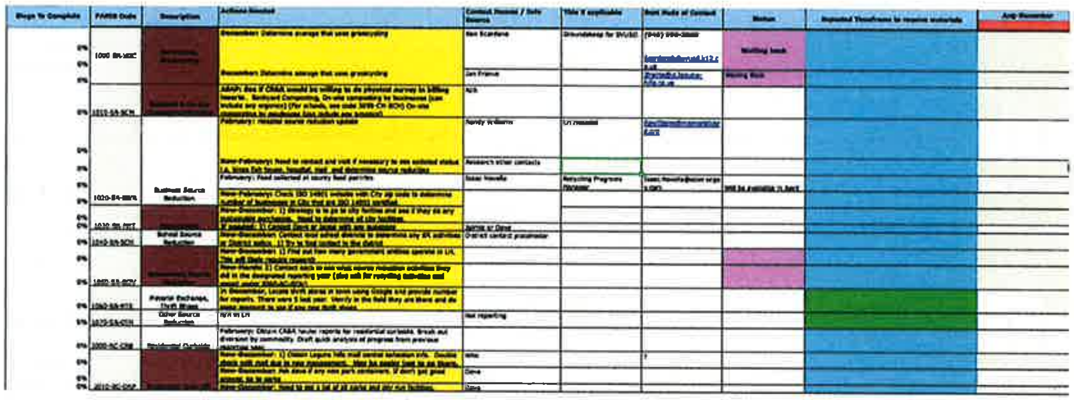


Exhibit 7: City Of Napa Staff Report Detailing Rate Impact Of Full-Scale Citywide Commercial Organics Program

MEMORANDUM

DATE: January 12, 2015

TO: Kevin Miller
City of Napa
Materials Diversion Administrator

FROM: Trevor S Blythe
Vice-President, Project Implementation

RE: Cost and Revenue Impact Analysis on City's Materials Diversion and Solid Waste Enterprise Fund of Expanding Pilot Food Scrap Diversion Program to a Full Scale Program

Background:

In July 2011, the City directed NRWS to implement a pilot food scrap diversion program. The program aimed to divert food scraps generated by food service establishments away from the landfill. Food scrap materials are taken to the City's Materials Diversion Facility (MDF) where they are composted and converted into a soil amendment. The program benefits the City by reducing the amount of tons delivered to the Devlin Road Transfer Station, which costs approximately $64 per ton, and by increasing the revenue of materials sold the City receives through the sale of finished compost. The cost of the pilot program (paid to NRWS for collection services) ranged from $5,430.67 per month for 20 stops to $7,972 per month for 55 stops. Current pilot participants receive food scrap collection service at no charge provided they do not reduce their baseline garbage service levels. As of November 2014, the program has 45 participating restaurants.

In September 2014, Governor Brown signed Assembly Bill 1826 into law. AB 1826 makes it mandatory for large generators of food waste, such as restaurants and hospitals, to divert these materials away from the landfill by April 1, 2016. By the year 2020, nearly every food service establishment, including small generators, will be required to divert their food waste from landfills. In addition, Assembly Bill 341 passed in October 2011 set a statewide goal of 75% landfill diversion by the year 2020. To comply with AB 341 and to encourage waste reduction, the City Council established a 75% diversion goal for the year 2020 in its Disposal Reduction Policy (Resolution R2012 -100) on July 24, 2012. By expanding the number of restaurants that participate in the food scrap diversion program, the City will achieve compliance with state laws and meet the disposal reduction goals of the City Council. Staff anticipates that nearly 5,000 tons of additional diversion could result from expanding the current food scrap diversion program to the remaining 200 non-participating restaurants, increasing the City's diversion rate by 6%, from approximately 65% to 71%.

The following analysis calculates the projected net fiscal impact on the City's Materials Diversion and Solid Waste enterprise fund ("enterprise fund") of the expanded food scrap diversion program. The City's consultant, EcoNomics, was the lead on developing the revenue impact analysis. Per the City's direction, EcoNomics also assessed the impact of charging a rate for food scrap collection at commercial premises and special events (both services are currently provided for free). This analysis included performing sensitivity analysis on what this rate should be, given:

1. The costs for the program and
2. The need to incentivize the food scrap generators to participate in the program.

Various potential rates were compared to the existing rates for collection of Municipal Solid Waste (MSW) from existing restaurants. EcoNomics also studied the impact of reducing food scrap compactor collection rates. The impact on the enterprise fund from the expanded food scrap collection program for each rate year can be broken into the following four categories, which are described in detail in this report and include references to Excel worksheets as supporting documentation when noted:

Net Projected Impact on the City's Rate Fund of the Expanded Food Scrap Collection Program

	RY 2015	RY 2016
Section 1. Impact of increased food scrap program collection rate revenue and decreased garbage service revenue	-$116,349.87	-$288,770.48
Section 2. Impact of increased collection payment to NRWS	-$189,118.24	-$232,615.44
Section 3. Impact of increased food scrap processing costs and decreased landfill disposal costs	$29,124.49	$121,802.92
Section 4. Impact of increased material sales revenue	$6,313.14	$25,954.02
Total	**-$270,030.50**	**-$373,628.98**

NOTE: Please refer to Exhibit 1: Rate Year 2015 and 2016 Net Revenue Impact Analysis for additional information about how the net impact analysis was calculated for rate years 2015 and 2016.

The total net cost to the City's enterprise fund of the expanded food scrap collection program is projected to be as follows:

- Rate Year 2015 (April 1 – December 31, 2015): -$270,030.50
- Rate Year 2016 (January 1 – December 31, 2016): -$373,628.98

The cost increase would require the following approximate rate increases:

- Rate Year 2015: 1.6% increase

- Rate Year 2016: 2.2% increase

Section 1. Impact of Increased Food Scrap Program Collection Rate Revenue and Decreased Garbage Revenue

The rate structure for food scrap collection service was designed to provide a cost incentive for participating restaurants. The current pilot program is offered at no charge provided the restaurant does not reduce their garbage service. Therefore, the current participating restaurants are not realizing a disposal cost reduction since they have not been able to reduce their garbage collection service to accommodate the decrease in garbage volume resulting from the food scraps being collected. When the full-scale commercial food scrap collection program begins on April 1, 2015, EcoNomics is recommending that food scrap collection service be offered at a 25% savings when compared to equivalent MSW service.

To arrive at a cost for food scrap carts, EcoNomics examined (1) the level of incentive required to motivate food scrap generators to participate and (2) the projected reduction in MSW cart and bin revenue to arrive at a net cost of the total food waste program. As a result of that analysis, EcoNomics confirmed that the discrepancy between the rates for wheeled cart service compared to the rates for the equivalent per-gallon cost of commercial bin service exists and presents a problem for implementing the food scrap collection program. Further analysis determined that the cost for commercial cart service is understated by approximately 25% in the current Napa rate structure.

One goal of the food scrap collection rate is to provide a sufficient economic benefit for food scrap collection service to incentivize customers to utilize the program, versus continuing to dispose of food scraps as MSW at the current MSW rate. If the existing commercial cart rate is artificially low compared to the cost of the providing the service, this will skew the relationship between commercial food composting cart rates and commercial garbage cart rates.

In discussions with City staff, it was decided that correcting the discrepancy in a single rate year could create too large an economic impact for existing commercial cart customers. A 5-year phase-in plan (as was employed previously for a similar situation involving 65-gallon residential cart service) could be utilized to correct the discrepancy and arrive at a more equitable and linear cost distribution for commercial MSW cart rates.

Customers currently pay an average of $0.75 per gallon for commercial MSW cart service and an average of $1.02 per gallon for commercial MSW bin service. The five-year rate levelization plan would increase commercial MSW cart rates by 5% each year to bring the per-gallon cart rates in alignment with equivalent per-gallon bin service rates. The 5% per year increase would be in addition to any council-approved rate adjustments needed to cover changes in costs of service and inflation. The impact of the 5% commercial MSW cart rate increase on ***all*** commercial customers for rate year 2015 is projected to be an increase of $33,477 and an increase of $46,868 in rate year 2016 (see Exhibit 12: Levelized Commercial MSW Cart Rate Impact). The most common MSW cart service is the 95-gallon serviced 1 day per week. The current commercial cart rate for monthly MSW service of a 95-gallon cart emptied one time per week is $73.95. A 5% increase (independent of any overall increase the City Council chooses to adopt) would Increase the monthly cost to $77.65 (an increase of $3.70). The rate impact of the 5% per year increase in MSW cart service on the ***restaurant community*** is discussed below.

EcoNomics projects that restaurants currently participating in the food scrap diversion program will pay an average rate increase of $5.67 per month in rate year 2015 and an additional $5.95 per month in rate year 2016 as a result of the 5% per year increase in commercial garbage cart service rates (see Exhibit 7: Average Impact Analysis of 5% MSW Commercial Cart Rate Increase on Participating Restaurants). Restaurants that are not currently enrolled in the food scrap diversion program will see a monthly increase of $2.14 per month in rate year 2015 and $2.25 per month in rate year 2016 as a result of the 5% per year increase in garbage cart service rates (see Exhibit 5: Average Impact Analysis of 5% MSW Commercial Cart Rate Increase on Non-Participating Restaurants).

To identify the rate impact of charging customers a food scrap collection rate that provides a savings of roughly 25% compared to the rate for comparable MSW service, EcoNomics developed a "calculator" (Excel spreadsheet) that projects and analyzes the rates of different service and inventory scenarios for MSW, recycling, and food scrap collection and diversion programs. The calculator automatically compares a baseline service scenario with a service scenario that includes food scrap collection to calculate the rate impact on the restaurants' monthly bill and on the City's rate revenue.

Using the rate calculator described above, EcoNomics ran service cost simulations for 45 restaurants currently participating in the pilot program as well as 111 non-participating restaurants to accomplish the following:

1) Assess if the restaurants could reduce their disposal costs by implementing a food scrap diversion program using the proposed economic incentive of approximately 25% for collection of food scraps compared to non-participation and continuing to put food scraps in the MSW container and pay the MSW rate for this material;
2) Calculate the aggregate reduction in rate revenue the City would realize as a result of each restaurant participating in the program if a 25% economic incentive was used.

1a. Revenue impact results for currently participating restaurants

Table 1.1 shows an example of the rate impact calculations for a common service scenario for current restaurants participating in the pilot food scrap collection program.

Table 1.1. Service Levels for Common Restaurant Service Scenario

Service Line	Number of Container(s)	Size of Container(s) in Cubic Yards	Collection Frequency (days per week)	Cubic Yards Per Week	Generator Savings	Cost Per Month
Garbage	1	3	2	6	-	$1,222.25
Recycling	1	3	2	6	100%	$-
Food Scraps	3	65-gallon	2	2	100%	$-
Total	**5**	**-**	**-**	**14**	**-**	**$1,222.25**

The scenario above represents a restaurant that has one 3-yard MSW bin picked-up two days per week, one 3-yard recycling bin serviced 2 days per week, and three 65-gallon food scrap carts collected 2 days per week. The property currently has a total of 14 cubic yards of materials being collected by NRWS. The restaurants' garbage is likely being over-serviced in this scenario because restaurants that participate in the pilot program were instructed by the City not to reduce the level of their trash service regardless of the amount of food scraps that were diverted.

The City requested that businesses not reduce garbage service in order to avoid negative rate impacts during the pilot program, in exchange for the pilot program being provided at no charge to the participants. This particular restaurant is diverting 2 cubic yards of food scraps per week through the food scrap diversion program and can reduce its trash service accordingly. If the proposed food scrap rate is approved by the City Council and becomes effective on April 1, 2015, this restaurant will be charged for food scrap collection at new food scrap rate which represents a 25% savings compared to equivalent garbage service, and the restaurant will also be able to reduce its garbage service. Table 1.2 shows the rate impact of these actions on the restaurant.

Table 1.2. Impact of Proposed New Rates on Restaurant Currently Enrolled in the Pilot Food Scrap Collection Program – Cost Savings of $268.32 per month (a 22% reduction)

Service Line	Number of Container(s)	Size of Container(s) in Cubic Yards	Collection Frequency (days per week)	Cubic Yards Per Week	Generator Savings	Cost Per Month
Garbage	1	4	1	4	-	$731.74
Recycling	1	3	2	6	100%	$0
Food Scraps	3	65-gallon	2	2	25%	$222.19
Total	**5**	**-**	**-**	**12**	**-**	**$953.93**

As Table 1.2 shows, the restaurant has diverted 2-cubic yards of food scraps per week, and therefore can reduce the volume of MSW being collected by NRWS by 2 cubic yards. To accomplish this, the restaurant can replace its 3-yard trash bin picked-up 2 days per week with a larger 4-yard trash bin collected only 1 day per week. Downsizing the trash service by 2 cubic yards per week results in a cost reduction of $490 per month for the restaurant. The cost of food scrap collection service increases from $0 per month to $222.19. Therefore, this restaurant can save $268.32 per month by reducing its garbage service and by continuing to participate in the food scrap collection program.

Of the restaurants currently participating in the food scrap diversion program, half will realize cost savings by "right-sizing" their trash service if the proposed food scrap rate is approved by the City Council and becomes effective on April 1, 2015. These cost savings range from to $24 per month to $742 per month. The remaining 50% of the currently participating restaurants will realize a rate *increase* if the proposed food scrap rates become effective even assuming these restaurants downsize their trash service. However, these restaurants may have the option to downsize their current inventory and collection frequency of food scrap carts. During "ride alongs" with the food scrap driver conducted in May and June of 2014, EcoNomics noted that restaurants utilized only about 40% of the total food scrap cart capacity they had on site. EcoNomics anticipates that restaurants can and should scale back food scrap service significantly as a cost-cutting measure if the new food scrap rate is approved and becomes effective. NRWS and City staff will assist these restaurants in implementing these service level reductions as the full-scale program is rolled out.

When the above simulation was applied to all 45 restaurants currently participating in the pilot food scrap program, EcoNomics found that using the 25% economic incentive would save restaurants that are currently part of the pilot program an average of $61.68 per month during rate year 2015. Please refer to Exhibit 6: Service and Inventory List of Currently Participating Accounts for the details of the aggregate rate impact analysis for participating restaurants. If the currently participating restaurant also decided to "right-size" its food scrap collection service, each restaurant would save on average over $100 per month (see Exhibit 9: Impact of Right-sizing Carts). EcoNomics expects that 90% of current restaurant participants will reduce the inventory or frequency of collection of their current food scrap cart inventory if and when the collection rate for this service line is initiated on April 1, 2015. The assumption used by EcoNomics in calculating these rate revenue impact projections, is that the "right-sizing" of food scrap collection service among currently participating restaurants would take place gradually over the first rate year. Similarly, in EcoNomics' projections, it anticipated that the "right-sizing" of garbage service among participating restaurants would take place over the course of the second quarter of 2015. This is based upon EcoNomics' experience implementing commercial food scrap collection service in other cities. The aggregate rate impact of currently participating restaurants right-sizing their garbage service and their food scrap collection service during rate years 2015 and 2016 is included as Table 1.3 below.

Table 1.3: Aggregate Annual Revenue Impact of Currently Participating Restaurants Right-sizing their Garbage and Food Scrap Service

	RY2015	RY2016
Revenue Impact of Participating Restaurants **Right-sizing MSW Service (includes new FW rate revenue)**	-$24,641.69	-$33,436.01
Revenue Impact of Participating Restaurants **Right-sizing Food Scrap Cart Inventory** when Rate is Enacted	-$28,947.48	-$174,008.35
Net Impact on City Rate Fund	**-$53,589.17**	**-$207,444.36**

1b. Revenue impact results for non-participating restaurants

To identify restaurants that are currently not participating in the food scrap diversion program, EcoNomics obtained a list of all permitted food service establishments from the County of Napa Health Department. The list included all permitted food service establishments within the City, broken into 3 risk categories by the County: high, medium, and low. The categorizations, which were based on the frequency of inspections and the nature of the food service establishment, were useful in determining which restaurants would be likely participants in the food scrap program. In using the County list of permitted food service establishments, EcoNomics noted that the risk categories roughly corresponded to the size of the restaurant, cafeteria, etc. It also allowed for the identification of coffee shops, pizza outlets, bars, and other types of food service establishments. Table 1.4 below provides a directory of the County's risk based categorization system as modified for purposes of this study. It shows the number of non-participating restaurants that belong to each category, and the expected amount of restaurants that will subscribe to the food scrap diversion program based on the modified food service category.

Table 1.4: Modified Categorization Directory and Expected Participation

Modified "Risk" Category	High	Medium	Low
Type of Food Service Facilities (FSE)	Hospitals, full-prep restaurants, fast food restaurants, retirement centers, schools, caterers, delicatessens with extensive food preparation, full grocery stores, wineries that conduct full food preparation (i.e. using their kitchen more than once per week), and jail facilities.	Delicatessens that prepare sandwiches and salads, pizza places, butcher shops, convenience stores with prepared food, commissaries, bakeries, medium risk winery kitchens	Bars that only prepare beverages, gas stations without food prep, coffee houses, convenience stores without prepared foods, bakeries, low risk caterers, and low-risk wineries.
Number of Non-participating FSE in Napa	152	88	87
Anticipated Number of Food Scrap Diversion Participants from Risk Category	152	33	18

The total number of non-participating restaurants that are expected to participate in the food scrap diversion program is 203. Of these 203 accounts, 111 had their own trash accounts through NRWS. To determine the rate impact and the potential cost-savings if these restaurants subscribed to the food scrap diversion program, EcoNomics entered service data for 111 non-participating restaurants that had their own trash account into the incentive calculator. Please refer to Exhibit 4: Service and Inventory List of Non-Participating Accounts for the details of the aggregate rate impact analysis for all non-participating restaurants.

Table 1.5 shows an example of the rate impact calculations for a common service scenario among restaurants that are not currently participating in the food scraps collection program.

Table 1.5. Common Service Levels for Restaurant Not Participating in the Food Scrap Diversion Pilot Program

Service Line	Number of Container(s)	Size of Container(s) in Cubic Yards	Collection Frequency (days per week)	Cubic Yards Per Week	Generator Savings	Cost Per Month
Garbage	1	4	2	8	-	$1,607.07
Recycling	1	4	2	8	100%	$0
Total	**2**	-	-	**16**	-	**$1,607.07**

The scenario above represents a restaurant that has 1 4-yard trash bin picked-up two days per week, 1 4-yard recycling bin serviced 2 days per week, and no food scrap service. The property currently has a total 16 cubic yards of volume being collected by NRWS. This particular restaurant is probably generating over 3-yards of food scraps per week. This projection uses data from five of EcoNomics' client food diversion programs and CalRecycle estimates that 40% of the garbage generated by restaurants is food scraps. If the proposed food scrap collection rate is approved by the City Council and becomes effective on April 1, 2015, this restaurant will be able to implement a food scrap collection program using a rate that provides a 25% savings compared to equivalent garbage service. Table 1.6 shows the rate impact of the restaurant implementing a food scrap diversion program.

Table 1.6. Impact of New Rates on Restaurant Currently Enrolled in the Pilot Food Scrap Collection Program – Cost Savings of $162.63 per month (a 10% reduction)

Service Line	Number of Container(s)	Size of Container(s) in Cubic Yards	Collection Frequency (days per week)	Cubic Yards Per Week	Generator Savings	Cost Per Month
Garbage	1	3	2	6	-	$1,222.25
Recycling	1	4	2	8	100%	$0
Food Scraps	3	65-gallon	2	2	25%	$222.19
Total	**5**	-	-	**16**	-	**$1,444.44**

As Table 1.6 shows, the restaurant has diverted 2-cubic yards of food scraps per week and can therefore reduce the volume of garbage being collected by NRWS by 2 cubic yards per week. To accomplish this, the restaurant can replace its 4-yard trash bin picked-up 2 days per week with a smaller 3-yard trash bin being collected 2 days per week. Downsizing the trash service by 2 cubic yards per week results in a cost reduction of $384 per month for the restaurant. The cost of food scrap collection service increases from $0 per month to $222.19. Therefore, this restaurant can save $162.63 per month by right-sizing its garbage service through participation in the food scrap collection program.

After calculating incentives for all 111 non-participating restaurants that have their own accounts through NRWS, EcoNomics found that restaurants not currently participating in the food scrap program save an average of $96.31 per month by implementing a food scrap diversion program with the 25% economic incentive for food scraps and by reducing their garbage service. EcoNomics found that 82% of non-participating restaurants could realize cost-savings by participating in the food scrap collection program and downsizing their garbage service. The cost savings that can be realized by restaurants ranges from $12.27 per month to $1,023 per month. Table 1.7 shows the aggregate rate impact for rate years 2015 and 2016 of new restaurants implementing a food scrap diversion program at a pace of 10 per month beginning April 1, 2015 and ending December 31, 2016. The analysis assumes that each new restaurant implementing a food scrap diversion program reduces its MSW cost by an average of $96.31 per month.

Table 1.7: Net Revenue Impact to City Fund of New Restaurants Implementing Food Scrap Service

	RY 2015	RY 2016
Net Revenue Impact of Implementing Food Waste Program at New Restaurants	-$43,339.62	-$174,008.35

Table 1.8 shows the total expected revenue impact for rate years 2015 and 2016 for current restaurants right-sizing their garbage and food waste inventory and for new restaurants initiating food scrap programs.

Table 1.8: Projected Rate Revenue Impact of Expanded Food Scrap Diversion Program

	RY 2015	RY 2016
Revenue Impact of Participating Restaurants **Right-sizing MSW Service (includes new FW rate revenue)**	-$24,641.69	-$33,436.01
Revenue Impact of Participating Restaurants **Right-sizing FW Cart Inventory** when Rate is Enacted	-$28,947.48	-$55,431.34
Net Revenue Impact of Implementing Food Waste Program at New Restaurants (assumes implementation pace of 10 restaurants per month)	-$43,339.62	-$174,008.35

Total Net Revenue Change from Rates	-$96,928.79	-$262,875.70

1c. Revenue impacts from special events collection

EcoNomics calculated the revenue impact of initiating a rate for special event collection of food scraps. Special event food scrap collection service is currently being offered at no charge to event organizers. In 2013, NRWS provided food scrap collection service at 46 events and collected nearly 90 tons of food scraps. Using the City's high-end average weight per food scrap cart of 250 lbs., EcoNomics estimated approximately 700 food scrap carts are deployed at special events per year. In order to provide an economic incentive for event organizers, EcoNomics is recommending that food scrap collection service be offered at a customer savings of 50% compared to equivalent trash service. This would result in a rate of $11.07 per 65-gallon food scrap cart. Using this rate for each 65-gallon food cart deployed at a special event, the City of Napa will receive an estimated $7,745.50 per year in additional revenue from special event food scrap service. Table 1.9 shows the projected rate impacts for rate years 2015 and 2016 of charging a rate for food scrap collection at special events. Additional analysis can be found in Exhibit 11: Special Event Analysis.

Table 1.9: Revenue Impact from Charging 50% the Cost of Equivalent Garbage Service Rate for Special Event Food Scrap Collection

	RY 2015	RY 2016
Net Revenue Impact of Providing Special Event Food Scrap Service at 50% the Cost of Garbage Special Event Service	$5,809.13	$7,745.50

1d. Revenue impacts from food scrap compactor rate decrease

EcoNomics analyzed the revenue impacts of creating an economic incentive for customers who currently subscribe to compactor collection service for food scraps. There is currently one customer in the City with compactor service for food scraps and it pays the MSW rate for this service. This customer currently generates over $11,200 in rate revenue per month from food scrap compactor service. Applying the same economic incentive (resulting in a 25% savings over MSW service) that is recommended for the full-scale cart and bin food scrap collection program to food scrap compactor service, the City would lose approximately $2,800 per month from this customer. Table 1.10 shows the revenue impact of providing a 25% savings to customers subscribing to food scrap compactor service in rate years 2015 and 2016. Additional analysis can be found in Exhibit 10: Food Scrap Compactor Analysis.

Table 1.10: Revenue Impact from Charging 25% the Cost of Equivalent Garbage Service Rate for Food Scrap Compactor Service

	RY 2015	RY 2016
Net Revenue Impact of Providing Food Scrap Compactor Service at 25% economic incentive compared to the Cost of Garbage Compactor Service	-$25,230.21	-$33,640.28

Table 1.11 shows the projected net revenue impact of all the rate-related changes detailed in tables 1.1-1.10.

Table 1.11: Net Revenue Impact of Implementing an Expanded Food Scrap Program Rate

	RY 2015	RY 2016
1a. Revenue Impact of Participating Restaurants **Right-sizing MSW Service (includes new FW rate revenue)**	-$24,641.69	-$33,436.01
1a. Revenue Impact of Participating Restaurants **Right-sizing FW Cart Inventory** when Rate is Enacted	-$28,947.48	-$55,431.34
1b. Net Revenue Impact of Implementing Food Waste Program at **New** Restaurants (assumes implementation pace of 10 restaurants per month)	-$43,339.62	-$174,008.35
1c. Net Revenue Impact of Providing Special Event Food Scrap Service with economic incentive roughly equal to 50% the Cost of Garbage Special Event Service	$5,809.13	$7,745.50
1d. Net Revenue Impact of Providing Food Scrap Compactor Service with economic incentive roughly equal to 50% the Cost of Garbage Compactor Service	-$25,230.21	-$33,640.28
Net Rate Revenue Impact	**-$116,349.87**	**-$288,770.48**

Please refer to Table 1 in Exhibit 2: Rate Year 2015 Revenue Impacts of Expanded Food Scrap Diversion Program and Exhibit 3: Rate Year 2016 Revenue Impacts of Expanded Food Scrap Diversion Program for additional information about how the rate revenue impact was calculated for rate years 2015 and 2016.

Section 2. Impact of Increased Collection Payment to NRWS

NRWS currently provides food scrap collection services for the 45 restaurants participating in the pilot program. NRWS receives $7,972.95 per month from the City to provide food scrap collection services two days per week for up to 60 restaurants. On May 28, 2014, NRWS submitted a cost proposal for a full-scale food scrap diversion program that could service up to 100 restaurants per day, 5 days per week. The proposal would cost the City $226,941.89 per year or $18,911.82 per month, an increase of 237% compared to the current monthly collection payment to NRWS. The general cost components of the proposal are included as Table 2.1 below.

Table 2.1. Cost Components of NRWS Full Scale Food Scrap Collection Proposal

Cost Component	Proposed Cost	Percent of Total
Direct Labor	$99,884.41	44%
Direct Truck	$38,159.49	17%
Direct Equipment	$695.94	0%
Container Delivery & Cleaning	$24,950.24	11%
Shop	$3,225.17	1%
Administrative	$1,952.03	1%
Capital	$51,464.65	23%
Profit	$6,609.96	3%
Total	**$226,941.89**	**100%**

SOURCE: NRWS Cost Proposal

Based on EcoNomics' analysis, the route capacity of 100 restaurants per day serviced up to 5 days per week is sufficient to service all 250 restaurants in the City that are expected to participate in the food scrap program when fully implemented. EcoNomics found that the average restaurant requires two 65-gallon food scrap carts serviced 2 days per week. Using this average, NRWS will need to make 500 stops per week, which is what it has proposed. NRWS' proposed route capacity of 500 stops per week might be insufficient if additional restaurants open in the City or restaurants contribute more food scraps to the program than expected. NRWS' detailed cost proposal is included as Exhibit 8: NRWS Cost Proposal for Expanded Food Scrap Collection Service. Table 2.2 below shows the impact of the increased collection payments to NRWS for rate year 2015 and 2016.

Table 2.2. Impact of Increased Collection Payments to NRWS for Rate Years 2015 and 2016

	RY 2015	RY 2016
Impact of Increased Collection Payments to NRWS	**-$189,118.24**	**-$232,615.44**

Section 3. Impact of Increased Food Scrap Processing Costs and Decreased Landfill Disposal Costs

To calculate the expected tonnage of food scraps collected from a full-scale food scrap diversion program, EcoNomics analyzed the average monthly weight contribution for each restaurant participating in the pilot program. Initially, EcoNomics analyzed NRWS' monthly food scrap collection productivity reports from August 2011 to October 2014. The NRWS productivity reports included monthly data collected from the pilot program, including average number of stops on the route, the number of carts serviced per month (known as 'lifts'), the monthly tons collected, etc. By dividing the total number of tons collected per month by the total number of lifts reported by NRWS, EcoNomics calculated the average weight of a cart at the time of service. Using the NRWS reports, the average weight per cart at time of service was approximately 135 lbs. per lift.

This weight per lift of 135 lbs. conflicted with data gathered by EcoNomics in its work with several other cities to implement food scrap diversion programs. For example, the City of Rancho Mirage has had a food scrap program in place for over 6 years and the average cart weight per service is 268 lbs. EcoNomics also conducted a field weight audit for the City of Laguna Hills in 2009 and actually weighed a 65-gallon cart full of post-consumer food scraps. The cart weighed approximately 330 lbs. when full. Comparatively, the cart weights calculated using the NRWS food scrap productivity reports appeared to be light. The reasoning for the lighter-than-expected food scrap carts may be that the service is offered at no charge to restaurants, therefore the restaurants have no incentive to fully utilize their cart inventory if there is no marginal cost to having additional, unused carts. The City would charge a rate for food scrap collection service when the full-scale food scrap program is initiated in April 2015, therefore the cart weight projections should be adjusted to reflect optimal capacity utilization by the participating restaurant. In other words, when the restaurant has to pay for each food scrap cart, it will be more likely to use only the carts that are needed and remove unused carts. Both Laguna Hills and Rancho Mirage charge a rate for food scrap collection and have higher cart weights than Napa's pilot program.

To field check the data, EcoNomics conducted two "ride-alongs" with the NRWS food scrap collection route driver in May and June of 2014 to assess the fullness of the food scrap carts at the time of collection and the number of carts collected per account. The ride along found that the average fullness of the carts serviced was 37%. Using 37% fullness, EcoNomics extrapolated that the average weight per full cart would be closer to 260 lbs., which is in-line with the cart weights observed in other cities. To further confirm the weight of a full cart, EcoNomics coordinated with the City to conduct field cart weight audits. The results of the cart weight audits found that the average weight of a full cart ranged between 215 lbs. for primarily pre-consumer food scrap materials (i.e. produce trimmings) and 250 lbs. for primarily post-consumer food scrap materials (i.e. plate scrapings), averaging out to 235 lbs. per full cart.

EcoNomics used data from its field observations conducted in May and June of 2014 to determine the average food scrap generation rate for participating restaurants was four full carts per week. Using the average cart weight of 235 lbs., the expected tonnage contribution per restaurant was calculated to be approximately 2 tons of food scraps per month. Per the City's direction, EcoNomics' participation projections assumed that 10 new restaurants per month would initiate participation in the food scrap diversion program beginning April 1, 2015. Using these projections, EcoNomics developed the quarterly food scrap diversion collection tonnage assumptions shown in Table 3.1 below:

Table 3.1: Quarterly Restaurant Participation and Food Scrap Generation Projections

Rate Year	Quarter	Number of Participating Restaurants	Expected Tons of Food Scraps per Quarter
Rate Year 2015	Q2 2015	30	60
	Q3 2015	60	121
	Q4 2015	90	181
Rate Year 2016	Q1 2016	120	242
	Q2 2016	150	302
	Q3 2016	180	362
	Q4 2016	200	403

To assess the impact of processing the additional tonnage collected from the restaurants, EcoNomics multiplied the tons of organics collected by the following processing costs:

1. Yardwaste processing cost of $22.48 per ton in 2015 and $22.98 in 2016.
2. Aerated Static Pile (ASP) processing cost premium of $6.09 until July 2015 and $3.05 until Feb 2016 when it increases to $3.11.

Using the cost per ton assumptions above, Economics projected the following negative revenue impacts during rate year 2015 and rate year 2016 due to increased processing costs for the expanded organics program:

Table 3.2: Fiscal Impact of Increased Food Scrap Processing Costs for Expanded Program

	RY 2015	RY 2016
Baseline Yard Waste Processing Costs for Organics	-$20,371.68	-$85,592.76
Aerated Static Pile Premium Processing Cost	-$3,127.36	-$11,579.09
Total Increased Processing Costs	**-$23,499.04**	**-$97,171.85**

However, the increased cost of processing the additional food scraps is offset by the avoided cost of disposing of the food scraps at the Devlin Road Transfer Station (DRTS). The cost of disposal at DRTS is $64 per ton. This cost will escalate by $1 per ton effective October 1, 2015 and by an additional $1 per ton effective October 1, 2016. The avoided transfer station and disposal cost of the expanded food scrap diversion program is included below for Rate Year 2015 and 2016:

Table 3.3: Avoided Disposal Cost Impacts of Expanded Food Scrap Diversion Program

	RY 2015	RY 2016
Avoided Disposal Costs of Expanded Food Waste Program	$52,623.5292	$218,974.77

When the costs of increased processing shown in Table 3.2 and the avoided disposal costs shown in Table 3.3 are combined, the net rate impacts can be seen in Table 3.4.

Table 3.4: Net Impact of Increased Processing Costs and Avoided Disposal Costs of Expanded Food Scrap Diversion Program

	RY 2015	RY 2016
Increased Processing Cost of Expanded Food Scrap Program	-$23,499.04	-$97,171.85
Avoided Disposal Costs of Expanded Food Waste Program	$52,623.53	$218,974.77
Net Benefit to City Rate Fund	**$29,124.49**	**$121,802.92**

Section 4. Impact of Increased Material Sales Revenue

A result of the expanded food scrap collection program is that more tons of organics will be processed through the City's composting facility. The City projects that it will sell finished compost to customers for $10 per cubic yard beginning in 2015. By increasing the tonnage of organics processed, the City will also increase its revenue from the sale of compost. The impact of the increase in revenue from the sale of composting was calculated using the following assumptions:

1. Price per cubic yard of finished compost: $10
2. Contamination rate of food scraps (i.e. the percent of the food scraps collected that could not be composted): 30%
3. Volume reduction of composting process (i.e. the amount of water that evaporates during the decomposition process): 50%

The assumptions above are conservative so as not to overstate the additional revenue projected from the sale of finished compost. Table 4.1 below shows the projected increase in revenue from the sale of finished compost if the food scrap program were expanded to 200 additional restaurants.

Table 4.1: Projected Increase in Revenue from the Sale of Finished Compost

	RY 2015	RY 2016
Additional Revenue from the sale of finished compost	$6,313.14	$25,954.02

Section 5. Net Impact on Rates

The total expected impact on the City's enterprise fund of the expanded food scrap collection program can be seen in Table 5.1 below. It shows the projected net impact of the expanded program to cost the City rate fund $270,030.50 in rate year 2015 and $373,628.98 in rate year 2016. This increase would require a rate increase of approximately 1.6% for 2015 and 2.2% in 2016 to cover the projected shortfall.

Table 5.1. Net Projected Impact on The City's Rate Fund of the Expanded Food Scrap Collection Program

	RY 2015	RY 2016
1. Impact of increased food scrap program collection rate revenue and decreased garbage service revenue	-$116,349.87	-$288,770.48
2. Impact of increased collection payment to NRWS	-$189,118.24	-$232,615.44
3. Impact of increased food scrap processing costs and decreased landfill disposal costs	$29,124.49	$121,802.92
4. Impact of increased material sales revenue	$6,313.14	$25,954.02
Total	**-$270,030.50**	**-$373,628.98**

NOTE: Please refer to Exhibit 1: Rate Year 2015 and 2016 Net Revenue Impact Analysis for additional information about how the net impact analysis was calculated for rate years 2015 and 2016.

__List of Exhibits__

- Exhibit 1: Rate Year 2015 and 2016 Net Revenue Impact Analysis
- Exhibit 2: Rate Year 2015 Revenue Impacts of Expanded Food Scrap Diversion Program
- Exhibit 3: Rate Year 2016 Revenue Impacts of Expanded Food Scrap Diversion Program
- Exhibit 4: Service and Inventory List of Non-Participating Accounts
- Exhibit 5: Average Impact Analysis of 5% MSW Commercial Cart Rate Increase on Non-Participating Restaurants
- Exhibit 6: Service and Inventory List of Currently Participating Accounts
- Exhibit 7: Average Impact Analysis of 5% MSW Commercial Cart Rate Increase on Participating Restaurants
- Exhibit 8: NRWS Cost Proposal for Expanded Food Scrap Collection Service
- Exhibit 9: Impact of Right-sizing Carts
- Exhibit 10: Food Scrap Compactor Analysis
- Exhibit 11: Special Event Analysis
- Exhibit 12: Levelized Commercial MSW Cart Rate Impact

City of Laguna Hills

City Council/Planning Agency

Staff Report

DATE: February 23, 2021

TO: Mayor and Council Members

FROM: David Chantarangsu
Community Development Director

ISSUE: 2020 General Plan Annual Progress Report

RECOMMENDATION: That the City Council approve the 2020 General Plan Annual Progress Report and Housing Element Annual Progress Report-Housing Implementation and direct staff to forward the Report to the State of California Department of Housing and Community Development (HCD).

SUMMARY:

State law requires each city to submit an annual progress report to the State describing steps it took to implement its General Plan during the previous calendar year. In addition to documenting the City's general progress for the State, the annual report provides the City Council with a snapshot of how the City has implemented the General Plan and assists the State in understanding how each jurisdiction is progressing toward meeting its assigned regional housing needs.

Attached is the City's 2020 General Plan Annual Progress Report (APR), which provides the status of the City's General Plan implementation efforts and the purpose of each General Plan Element (i.e. Land Use, Mobility, Conservation and Open Space, Community Services and Facilities, Safety, Noise, and Housing). The activities described in the APR depict the major accomplishments during 2020, and do not reflect every aspect of an adopted goal or policy which may be more routine in nature.

BACKGROUND:

The City's General Plan was updated in 2009 and includes an updated Housing Element, for the planning period covering 2013-2021. Government Code Section 65400 requires that all cities and counties submit to their legislative bodies an annual report on the status of the General Plan and progress made in its implementation. Senate Bill No. 375 (adopted in 2008) requires that the annual report include a section describing the actions taken by the local government to complete the programs and meet the deadlines specified in the Housing Element. SB 375 builds on the existing framework of regional planning to tie together the regional allocation of housing needs and regional transportation planning in an effort to reduce greenhouse gas (GHG) emissions.

Previously, there were no consequences if a local government failed to prepare an Annual Report. However, with the enactment of SB 375, failure to comply with the reporting requirements can now lead to court injunctions and sanctions. The APR must be forwarded to the HCD and the Governor's Office of Planning and Research within 60 days of April 1st of each year. Further, the enactment of SB 35 by the state in 2017 could lead to negative consequences for the City if an APR is not filed. Generally, failure by the City to file an APR could require the City to approve any proposed housing development if it meets state-mandated affordable housing requirements.

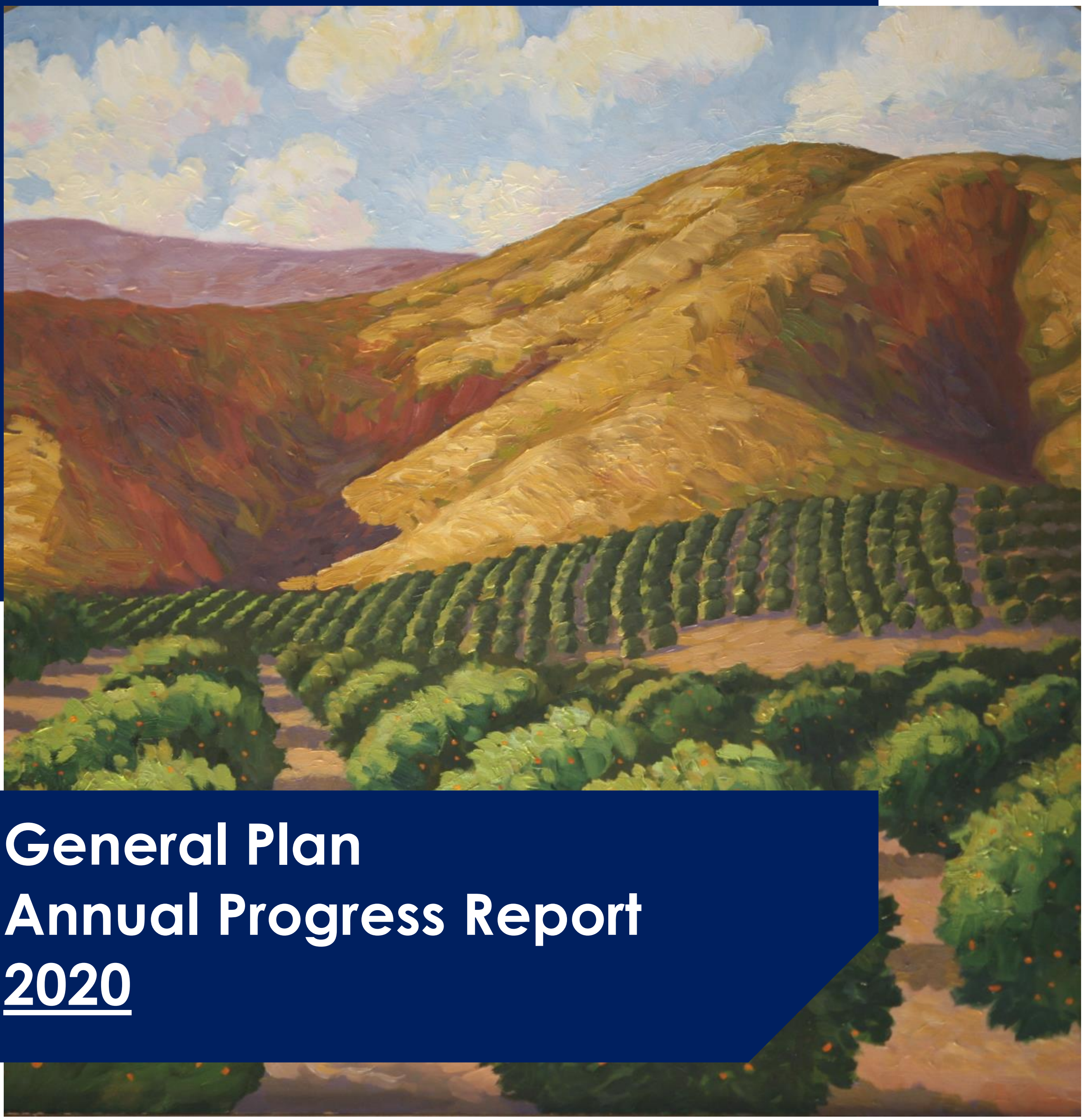
The State of California has created a standardized format that each city is expected to use in preparing an annual report on the status of the Housing Element and the City's progress in implementing its goals and programs. These forms are included in the attached City's APR. Following the City Council's review and approval of the 2020 APR, staff will forward the APR to the State of California as required.

CEQA FINDINGS:

A General Plan Annual Report is not considered a "project" subject to the California Environmental Quality Act (CEQA).

ATTACHMENTS:

- Attachment a - 2020 General Plan Annual Progress Report
- Attachment b - HCD Form



General Plan
Annual Progress Report
2020

City of Laguna Hills | Community Development Department

February 23, 2021

24035 El Toro Road, Laguna Hills, 92653
949-707-2600
www.lagunahillsca.gov

TABLE OF CONTENTS

OVERVIEW

Government Code Section 65400 mandates that all cities and counties submit to their legislative bodies an annual report on the status of the General Plan and progress in its implementation; otherwise referred to as the "Annual Progress Report." The Annual Progress Report is intended as a tool for informing local legislative bodies of the jurisdiction's effectiveness in implementing its General Plan. A copy of the Annual Progress Report must also be sent to the Governor's Office of Planning and Research (OPR) and the Department of Housing and Community Development (HCD).

The purpose and intent of this statute is to ensure that the General Plan directs all land use decisions and remains an effective guide for the long-term physical development of a community. The Annual Progress Report is a tool for doing this. The Annual Progress Report provides a correlation between land use decisions that have been made during the 12-month reporting period and the goals, policies and implementation programs of the adopted General Plan.

Providing a copy of the Annual Progress Report to OPR provides information that allows OPR to monitor local planning activities and to identify trends in land use planning and decision-making throughout the State of California. The information is necessary for OPR to serve in its capacity as the statewide planning agency. It can also provide the State with information to identify necessary modifications and improvements to its General Plan Guidelines, while serving to apprise state government of local planning activities and facilitating the legislative process as it pertains to land use and local planning issues.

Providing a copy of this report to HCD fulfills a statutory requirement to report certain housing information, including the local agency's progress in meeting its share of regional housing needs and local efforts to remove governmental constraints to the development of housing (as defined in Government Code Sections 65584 and 65583(c)(3)).

The focus of the Annual Progress Report should be on implementation of the General Plan's goals, policies and implementation measures. It can provide information to identify necessary "course adjustments" or modifications to the General Plan and means to improve local implementation. Since there is no specific form provided by OPR, the Annual Progress Report can vary in format and approach from jurisdiction to jurisdiction.

General Plan Background

After an extensive two year process, the City adopted a Comprehensive Update to the General Plan in July 2009. This was the first comprehensive revision of the General Plan since the City's first general Plan was adopted in 1994. The General Plan is based on extensive research and analysis of existing conditions, changing local and regional conditions, evolving trends in urban planning and a collaborative partnership with community members through an extensive public participation process.

The Laguna Hills General Plan is organized into 10 sections. The sections include an introduction, seven General Plan elements, a general Plan Implementation Program, description of related plans and programs, and a glossary of terms used throughout the General Plan.

The following seven Laguna Hills General Plan elements encompass all of the elements required by California General Plan law: Land Use, Mobility, Conservation and Open Space, Community Services and Facilities, Safety, Noise, and Housing. The Laguna Hills General Plan combines the mandatory Open Space and Conservation Elements required by State law, and includes a separate, optional element on Community Services and Facilities.

The seven elements are generally organized in a similar format. Each element contains an Introduction, Background, and Plan section. The "Introduction" indicates the purpose of each element and how it will help Laguna Hills achieve its vision for the community as articulated through the eight Guiding Themes. The "Background" provides the reader with the existing conditions and/or the environmental setting particular to that element topic. The "Plan" section is composed of three sections: issues, goals and policies, and approach. The issues section describes issues and concerns expressed by the community, City staff, and the City Council. The goals and policies section sets both broad and specific direction for the future of the City based on the identified issues and concerns. The approach section provides a general description and summary of the City's course of action to achieve the goals and policies.

The Laguna Hills General Plan also contains the following appendices, which are integral parts of the General Plan: 1) Implementation Program - The Implementation Program follows the elements and identifies the specific actions that will achieve the goals, policies, and plans identified in each element; 2) Related Plans and Programs - This section identifies plans and programs related to the General Plan and applicable to future activities and land use decisions within Laguna Hills; 3) Glossary - This section provides definitions for technical terms used throughout the General Plan.

DEVELOPMENT ACTIVITY

In 2020, the City reviewed numerous projects through the development review process and participated in numerous planning efforts. The following summaries provide a general overview of the projects, programs, and permits that were reviewed. These summaries are general and are not intended to be exhaustive.

Planning Activity

Noteworthy Projects

- The Village at Laguna Hills (formerly Five Lagunas)
  - After beginning various construction and development activities in 2017, Merlone-Geier Partners (MGP), the owner of the former Laguna Hills Mall, had announced in 2018 that it was taking a strategic pause in the redevelopment of the Mall. This action by MGP was prompted by the 2018 closures of Macy's and JC Penney, and all of the businesses in the Mall's interior. MGP submitted a new project plan in November, 2019, and the City is currently processing this application.

- Redevelopment of Former Automobile Dealership (24888 Alicia Parkway)
  - The Planning Agency approved Conditional Use Permit/ Site Development Permit No. 0015-2020 for a new 2,500 square foot drive-thru restaurant (Taco Bell) on a portion of the property. The Applicant also submitted plans for two additional drive-thru restaurants on the same property, Starbucks and Plant Power, and the City is currently processing these applications.

Current Planning

- The Community Development Department approved Site Development Permit No. 0016-2020 for a 7,500 square foot group fitness health club at 23301 Avenida de la Carlota. The gym has not opened, and likely may not, due to the ongoing COVID-19 pandemic and its impact on the group fitness industry.

- The Community Development Department approved Site Development Permit No. 0021-2020 for an expansion to Gamecraft Brewing located at 23301 Avenida de la Carlota. Building permits have not been issued for the expansion; it is unknown if/when construction will begin due to the ongoing COVID-19 pandemic and its impact on the restaurant/bar industry.

Advanced Planning

- The Community Development Department monitored and participated in the Regional Housing Needs Allocation process throughout the year, and will continue to do so in 2021.

- In order to help fund multiple projects, including completion of a Sites Inventory Analysis as part of the upcoming General Plan Housing Element Update, creation of Objective Design and Development Standards for the City's Mixed-Use zoning district and update of the City's Accessory Dwelling Unit ordinance, the Community Development Department applied for and received approval of SB 2 Planning Grants Program funds and Local Early Action Planning (LEAP) funds through the State Department of Housing and Community Development (HCD).

New Businesses

- In an effort to promote a business-friendly environment, the City has emphasized providing resources and support for the local business community and to businesses looking to locate in the City. Consequently, the Community Development Department has met with several commercial property owners and has maintained a regular dialogue regarding issues that impact parking, leasing, uses, and signage. In addition, staff has assisted several owners in evaluating conceptual plans for remodeling activities.

  With the support of the Community Development Department, several businesses have been able to locate in the City, including Storymakery, Laguna Golf Carts, BBK Psychotherapeutic Services, and Bear Self Preservation Systems, among others. By providing assistance to businesses regarding best practices in obtaining zoning permits necessary to begin tenant renovations, staff has contributed to processes that support businesses.

Building Permit Activity

- In 2020, the Building Division issued approximately 1,552 building permits. General remodeling activity in residential (396 permits) and commercial (52 permits) properties continues to drive building activity in the City. The City continues to complete over 97% percent of its building plan checks within 10 days for first review, and 5 days for second review, which is the department's customer service goal. For building inspection, the City provided approximately 3,814 inspections. Staff estimates that it provided service to over 577 customers in person and 1,611 customers virtually (e.g. email, web portal, etc.) in 2020.

Code Compliance Activity

- The City Council recently approved the use of Administrative Citations for the City's code enforcement efforts in its building, zoning, and property maintenance codes. When implemented, Staff anticipates that the new program will help reduce the City's cost of Code Enforcement by using Administrative Citations to gain code compliance instead of through criminal or civil prosecution of code enforcement matters through the City Attorney's office.

- In 2020, the City's Code Enforcement services continued to obtain voluntary compliance from residents and businesses through frequent engagement, maintaining a consistent presence in commercial areas prone to violations, and the implementation of code enforcement processes that resolve potential violations before the need for formal prosecution. Complaints concerning potential violations on residential properties generated over 276 calls for service, while complaints regarding commercial properties resulted in over 93 calls for service. In a few instances, cases had to be referred to the City Attorney's office for additional assistance.

GENERAL PLAN ELEMENTS

General Plan Implementation Status

The tables below analyze selected General Plan programs and policies that made notable progress in 2020. These are not a comprehensive list of all programs, policies, and action items in the General Plan; many are under ongoing implementation, and may not be listed here. As the majority of the General Plan policies and related items have been implemented through the adoption of ordinances or resolutions, incorporated into the regular governmental activities of the respective departments, or included in development proposals as they are reviewed for consistency with the City's policies, the purpose of providing the implementation statuses below is simply to highlight annual progress. A comprehensive list of all General Plan policies and action items with status and/or implementation can be viewed in the General Plan and prior General Plan Annual Progress Reports.

Land Use

The Land Use Element is the foundation of the General Plan and serves as a compass that guides citizens, planners, and decision makers on the desired pattern of growth, development, and change in Laguna Hills. This Element describes both existing and future land use activities and unifies the other elements of the General Plan by providing an overall policy context. The Land Use Element deals with the central issues of development and growth, and the quality of the community, and helps define the desired balance among the social, environmental, and economic costs and benefits associated with growth.

The Land Use Element identifies the distribution, location, and intensity of all land use types throughout the City. Text, maps, and diagrams establish the direction for land uses within the City and describe how these uses are integrated with other General Plan Elements and policies.

As a built-out community with no remaining residential or commercial vacant land, new development opportunities are focused on larger existing developed parcels that are considered underutilized and/or can be reasonably intensified by incorporating parking structures within parking lot areas. The Laguna Hills Mall and the Oakbrook Village Shopping Center are both examples of these new development opportunities and are zoned for a range of mixed land uses, including residential uses. The General Plan focuses on those sites within the community that have redevelopment potential.

Land Use Element Background		
Original Adoption Date	2009 (with Comprehensive General Plan Update)	
Previous Amendments	2000	West-side annexation
	2001	Saddleback Valley Unified School District Surplus Property Land Use Designation Change
	2014	"Hospitality Overlay Zone" in North Laguna Hills
	2017	Amend "Hospitality Overlay Zone" to increase the allowable building area
2020 Amendments	None	

Land Use Element Implementation		
Program	LU-1. Balanced Growth Review discretionary development proposals to assess the project's effect on the community's jobs/housing balance and fiscal stability. Ensure developments provide their fair share of infrastructure such as utilities, roads, parks, and recreational opportunities or pay in lieu fees toward the development/extension of these facilities.	
	Policies	LU-1.1, 1.2, 1.3
	Status	Ongoing The planning projects approved in 2020, particularly the Taco Bell project, are subject to a variety of development impact fees and in-lieu fees, and have been designed to meet utility and infrastructure requirements.
Program	LU-2. CEQA Review Ensure all projects are reviewed and processed per CEQA.	
	Policies	LU-4.6
	Status	Ongoing All projects have been reviewed per CEQA requirements. To further support staff on CEQA review, the Community Development Department continued to utilize qualified on-call CEQA consultants throughout the year. Furthermore, in July 2020, the City adopted Vehicle Miles Traveled Analysis Guidelines which establish thresholds of significance to be used for evaluating transportation impacts within the City. The VMT Guidelines incorporate initial screening criteria which, if met, demonstrate that a project will not result in significant impacts due to VMT without the need for a detailed VMT study.

Program	LU-5. Community Participation Use the City's website, newsletters, advertisements, and other measures to inform the community of and encourage participation at civic and community events. Continue to coordinate the City's Traffic and Community Services Commissions, which provide for resident input on these issues.	
	Policies	LU-1.7, 1.8
	Status	Ongoing Staff continues to provide meeting agendas and project information on the City's website. Staff has promoted and advertised community events in creative ways that ensure all segments of the community are encouraged to participate.
Program	LU-6. Compatibility Assessment and Buffering Review discretionary development proposals to assess the compatibility of proposed development with adjacent/surrounding uses and activities. Require site design, buffers, architectural and buffering techniques, and other measures are incorporated into projects to ensure compatibility between uses and activities.	
	Policies	LU-2.5, 2.6, 2.7, 2.8
	Status	Ongoing Planning projects approved in 2020 were assessed for compatibility with the existing built environment. Where required, landscaping buffers, architectural enhancements, additional setbacks, and conditions of approval were required for projects to remain compatible and to minimize impacts to surrounding neighborhoods and land uses.

Mobility

The Mobility Element describes existing and future transportation conditions and systems. The Element establishes goals and policies that will guide the City's mobility system, including streets, transit facilities and services, bicycle and pedestrian facilities, and the recreational trail system. The text, maps, and diagrams are a basis for the development of the City's approach to maintaining and improving the mobility network.

Mobility Element Background		
Original Adoption Date	2009 (with Comprehensive General Plan Update)	
Previous Amendments	2013	Minor changes made to the Orange County Master Plan of Arterial Highways

	2017	Avenida De La Carlota right-of-way configuration
2020 Amendments	None	

Mobility Element Implementation		
Program	M-1. Mobility Planning and Traffic Analysis Review discretionary development proposals for potential impacts to the mobility and infrastructure systems and to ensure the street system meets City standards. The level of service standards established in the Mobility Element will be used to determine the significance of impacts. Intersection level of service will be determined by the volume to capacity ratio and the Highway Capacity Manual calculations. Mitigation in the form of physical improvements and/or impact fees will be required to reduce the significant impacts. As part of this program, the City will coordinate with local jurisdictions to reduce the impacts of development in Laguna Hills on adjacent jurisdictions.	
	Policies	M-1.3
	Status	Ongoing When applicable, the Public Services Department reviewed planning projects in 2020, and if necessary, required projects to minimize traffic impacts and to incorporate mitigation or payment of "fair share" of improvements.
Program	M-2. Capital Improvement Plan Continue to bi-annually update the City of Laguna Hills Six-year Capital Improvement Program, which complies with the requirements of Measure M and the Congestion Management Program (CMP). The Plan identifies and recommends funding for future improvements to the mobility system, as well as other public facilities, including improvements to the existing pedestrian and bicycle network and landscaping right-of-ways.	
	Policies	M-1.3
	Status	Ongoing The Public Services Department continues to comply with the requirements of the Congestion Management Program as part of the City's bi-annual budget process.

Housing

Every California city and county is required to include a Housing Element in its General Plan which establishes housing goals, policies, and programs that respond to community housing conditions and needs. The purpose of the Laguna Hills Housing Element is to identify housing opportunities and solutions specific to the housing issues of the City.

The 2013-2021 Housing Element was adopted in October 2013. The City received State Certification for its 2013-2021 Housing Element in November 2013.

The following Housing goals and programs were implemented in 2020:

- Continuum of Care Funding and Consolidated Plan Participation
  The City continues to participate in the Orange County Consolidated Plan Programs and in the Orange County Continuum of Care local housing process to facilitate obtaining funds for affordable housing and related social services for special needs populations.

- Section 8 Rental Assistance
  The City continues to cooperate with Orange County Housing Authority (OCHA) and provide referral services and information to the City's residents.

- Annual Progress Reports
  The City prepared a 2019 annual report on citywide housing programs as part of its annual General Plan review and distributed the annual report on Housing Implementation to the California Department of Housing and Community Development (HCD) in April 2020.

Note: In addition to the information provided above, the status of the Housing Element and progress in its implementation are described in an attachment to this Annual Progress Report – Annual Element Progress Report - Housing Element Implementation.

Conservation and Open Space

The purpose of the Conservation and Open Space Element is to identify natural, cultural, and open space resources, ensuring a high-quality living environment for residents of Laguna Hills. This Element provides goals, policies, and programs related to open space and conservation as well as a wide range of other topics that together comprise the natural setting of Laguna Hills, including biological, scenic, cultural, and historical resources. The goals and policies contained in this element also address global climate change and sustainable practices related to water conservation, energy conservation, air quality, and water quality.

Conservation and Open Space Element Background		
Original Adoption Date	2009 (with Comprehensive General Plan Update)	
Previous Amendments	None	
2020 Amendments	None	

Conservation and Open Space Element Implementation		
Program	COS-2 Adequate Water Supply Implement applicable provisions in the Moulton Niguel and El Toro water districts' Urban Water Master Plans and ensure that adequate water supplies are available to meet the needs of current and future growth, as well as during an emergency event or drought. Support efforts by these agencies to research and employ new technologies that improve water services and/or sustainability of water supplies serving Laguna Hills.	
	Policies	COS-1.2; CSF-5.1, 5.2
	Status	Ongoing As part of both planning entitlement and building permit review processes, staff continues to coordinate with regional water service providers to plan for emergency water services and drought.
Program	COS--7. Air Quality Management Plan Work with the South Coast Air Quality Management District (SCAQMD) and the Southern California Association of Governments (SCAG) to implement the Air Quality Management Plan and meet all federal and State air quality standards for pollutants. Participate in any future amendments and updates to the Plan. Implement, review, and interpret the General Plan and future discretionary projects in a manner consistent with the Air Quality Management Plan to meet standards and reduce overall emissions from mobile and stationary sources.	
	Policies	COS-3.2
	Status	Ongoing Through the CEQA review process, planning projects approved in 2020 were consistent with requirements of the AQMD. Staff will continue to monitor AQMD and SCAG initiatives regarding reducing air pollutant emissions from mobile and stationary sources.

Noise

The purpose of the Noise Element is to identify and assess existing noise sources in the community, and to discuss the City's role in ensuring comfortable and safe noise levels in the future. As a part of the General Plan process, citizens and City officials identified goals for the future relating to balancing land uses in the City, in part to minimize incompatibilities and exposure to excessive noise while providing the range of uses needed to maintain a high quality of life. The goals, policies, and programs will assist in achieving noise compatibility between land uses.

Noise Element Background	
Original Adoption Date	2009 (with Comprehensive General Plan Update)

Previous Amendments	None	
2020 Amendments	None	

Noise Element Implementation		
Program	N-4. Commercial Noise Review the locations of proposed projects with the potential to generate noise in relation to sensitive receptors through the discretionary project review process. Limit delivery or service hours for stores and businesses with loading areas, docks, or trash bins that front, side, or gain access on driveways next to residential and other noise sensitive areas. Only approve exceptions if full compliance with the nighttime limits of the noise regulations is achieved.	
	Policies	N-1.1, N-1.2, N-3.1, N-3.2
	Status	Ongoing The City reviewed development proposals to ensure that the noise standards and compatibility criteria set forth in the Noise Element were met. If necessary, conditions of approval were placed on discretionary permits to minimize noise impacts.
Program	N-5. Construction Noise Require all construction activity to comply with the limits (maximum noise levels, hours, and days of allowed activity) established in City noise regulations to reduce impacts associated with temporary construction noise to the extent feasible. Trucks associated with construction activities shall follow designated truck routes, where appropriate.	
	Policies	N-3.1
	Status	Ongoing The Community Development Department and the Orange County Sheriff's Department continue to monitor violation or complaints of the City's construction noise requirements. The City reviewed development proposals to ensure that the noise standards and compatibility criteria set forth in the Noise Element were met.

Safety

The Safety Element establishes policies and programs to protect the community from risks associated with seismic, geologic, flood, and wildfire hazards.

Safety Element Background		
Original Adoption Date	2009 (with Comprehensive General Plan Update)	
Previous Amendments	None	
2020 Amendments	None	

Safety Element Implementation		
Program	S-2 Natural Hazards Risk Reduction Reduce the risk to the community from hazards related to geologic conditions, seismic activity, flooding, and structural and wildfires by requiring feasible mitigation of such impacts on discretionary development projects. Assess development proposals for potential hazards pursuant to CEQA. Require measures to mitigate all identified significant public safety hazards.	
	Policies	S-1.2
	Status	Ongoing Through the CEQA review process, planning projects approved in 2020 were evaluated to reduce the risk of impacts from geologic and seismic hazards by applying current and proper land use planning, development engineering, building construction, and retrofitting requirements.
Program	S-5. Orange County Fire Authority Work closely with the Orange County Fire Authority (OCFA) to implement fire hazard education and fire prevention programs, including fuel modification programs and controlled burns. Coordinate with OCFA to ensure that water pressure is adequate for firefighting purposes in all areas of the City, particularly in redevelopment projects/areas. Coordinate with OCFA to implement the Hazardous Materials Area Plan within Laguna Hills.	
	Policies	S-5.1, 5.2, 5.3, 5.4
	Status	Ongoing Staff continues to coordinate with the Orange County Fire Authority for permit and project review to ensure that OCFA requirements are being met. Staff continues to cooperate with the Orange County Integrated Waste Management Department to address hazardous materials.
Program	S-9. Crime Prevention through Environmental Design (CPTED) Review all new development and redevelopment proposals for sensitivity to CPTED principles. Encourage incorporation of design features that employ adequate lighting and	

	place increased emphasis on public areas. Coordinate with the OCSD to develop guidelines on CPTED principles.	
	Policies	S-4.1; LU-3.12
	Status	Ongoing When feasible, staff has incorporated Crime Prevention through Environmental Design measures and "visible spaces" into new developments as a means of promoting safe environments. Lighting of public areas have been designed to meet the Municipal Code lighting requirements, while providing adequate lighting for the safety of the public.
Program	S-12. Project-Related Flood Control and Stormwater Management and Comprehensive Drainage Studies As a condition of project approval, require new development and redevelopment to provide adequate on-site and off-site storm water and flood management facilities to control direct and indirect erosion and discharges of pollutants and/or sediments. To determine the facility and Best Management Practices (BMP) needs, the City will require, when necessary, a hydrological/drainage analysis be performed by a state-licensed and City-approved engineer, with the cost of said analysis the responsibility of the project applicant	
	Policies	S-6.2; COS-1.3
	Status	Ongoing All projects approved in 2020 were reviewed and accepted by the City Engineer. Conditions of approval were implemented regarding Water Quality Management Plan requirements and plan check review procedures.

Community Services and Facilities

The purpose of the Community Services and Facilities Element is to assess the current status of community services as well as evaluate their long-term provision to ensure that adequate services and facilities are both planned and provided proportionate with the projected growth, as well as development and redevelopment, as it occurs within the City. The Community Services and Facilities Element also establishes the City's plan to provide and maintain infrastructure and public services for future growth, without diminishing services to existing development. Community services collectively refer to law enforcement, fire protection, water, sewer, solid waste, electricity and natural gas, communication, and animal care services. Community facilities collectively refer to schools, libraries, parks, and recreational facilities.

Community Services and Facilities Element Background	
Original Adoption Date	2009 (with Comprehensive General Plan Update)

Previous Amendments	None	
2020 Amendments	None	

Community Services and Facilities Element Implementation		
Program	CSF-4. Water and Sewer Services for New Development Review development and redevelopment proposals and require necessary studies, as appropriate, and water conservation and mitigation measures to ensure adequate water and sewer service.	
	Policies	CSF-5.1, 5.2, 6.1, 6.2
	Status	Ongoing All development proposals reviewed and approved in 2020 have obtained or have been required to obtain through conditions of approval all required clearances from local water agencies. Staff will continue to monitor and work closely with local and regional water suppliers and distributors to ensure that high-quality water and sewer services is available for the community.
Program	CSF-5. Solid Waste Services Continue to contract for solid waste services from a private sector provider. Ensure that community needs for solid waste disposal are being met.	
	Policies	CSF-7.1
	Status	Ongoing In 2020, staff made progress in establishing a review process and outreach to the development and business community regarding AB 1826 (Mandatory Commercial Organics Recycling), SB 1383 (Short-Lived Climate Pollutants), and AB 341 (Mandatory Commercial Recycling). Staff will continue to work with local service providers to ensure adequate solid waste collection, disposal, and recycling services.

CONCLUSION

This Annual Progress Report documents the City's recent progress in updating and implementing the General Plan. The information contained herein will be forwarded to the Governor's Office of Planning and Research and the Department of Housing and Community Development to serve as the City of Laguna Hills' General Plan Annual Progress Report for calendar year **2020**.

The Laguna Hills City Council reviewed and accepted the report on **February 23, 2021**.

This form has been re-sized to improve readability; to see the form in its original format, please contact Senior Planner Jay Wuu at jwuu@lagunahillsca.gov.

Please Start Here

General Information	
Jurisidiction Name	Laguna Hills
Reporting Calendar Year	2020
Contact Information	
First Name	JAY
Last Name	WUU
Title	SENIOR PLANNER
Email	JWUU@LAGUNAHILLSCA.GOV
Phone	9497072662
Mailing Address	
Street Address	24035 EL TORO ROAD
City	LAGUNA HILLS
Zipcode	92653

Optional: Click here to import last year's data. This is best used when the workbook is new and empty. You will be prompted to pick an old workbook to import from. Project and program data will be copied exactly how it was entered in last year's form and must be updated.

v 1_26_21

Jurisdiction	Laguna Hills	
Reporting Year	2020	(Jan. 1 - Dec. 31)

ANNUAL ELEMENT PROGRESS REPORT
Housing Element Implementation

(CCR Title 25 §6202)

Note: "+" indicates an optional field
Cells in grey contain auto-calculation formulas

Table A
Housing Development Applications Submitted

Project Identifier					Unit Types		Date Application Submitted	Proposed Units - Affordability by Household Incomes								Total Approved Units by Project	Total Disapproved Units by Project	Streamlining	Notes
1					2	3	4	5							6	7	8	9	10
Prior APN+	Current APN	Street Address	Project Name+	Local Jurisdiction Tracking ID+	Unit Category (SFA,SFD,2 to 4,5+,ADU,MH)	Tenure R=Renter O=Owner	Date Application Submitted (see instructions)	Very Low-Income Deed Restricted	Very Low-Income Non Deed Restricted	Low-Income Deed Restricted	Low-Income Non Deed Restricted	Moderate-Income Deed Restricted	Moderate-Income Non Deed Restricted	Above Moderate-Income	Total PROPOSED Units by Project	Total APPROVED Units by project	Total DISAPPROVED Units by Project	Was APPLICATION SUBMITTED Pursuant to GC 65913.4(b)? (SB 35 Streamlining)	Notes+
Summary Row: Start Data Entry Below								0	0	0	0	0	0	0	0	0	0	0	
															0				

Attachment: Attachment b - HCD Form (2344 : 2020 General Plan Annual Progress Report)

Jurisdiction	Laguna Hills	
Reporting Year	2020	(Jan. 1 - Dec. 31)

ANNUAL ELEMENT PROGRESS REPORT
Housing Element Implementation
(CCR Title 25 §6202)

Note: "+" indicates an optional field

Cells in grey contain auto-calculation formulas

Table A2
Annual Building Activity Report Summary - New Construction, Entitled, Permits and Completed Units

Project Identifier					Unit Types		Affordability by Household Incomes - Completed Entitlement									Affordability by Household Incomes - Building Permits								
1					2	3	4							5	6	7							8	9
Prior APN+	Current APN	Street Address	Project Name+	Local Jurisdiction Tracking ID+	Unit Category (SFA,SFD,2 to 4,5+,ADU,MH)	Tenure R=Renter O=Owner	Very Low-Income Deed Restricted	Very Low-Income Non Deed Restricted	Low-Income Deed Restricted	Low-Income Non Deed Restricted	Moderate-Income Deed Restricted	Moderate-Income Non Deed Restricted	Above Moderate-Income	Entitlement Date Approved	# of Units issued Entitlements	Very Low-Income Deed Restricted	Very Low-Income Non Deed Restricted	Low-Income Deed Restricted	Low-Income Non Deed Restricted	Moderate-Income Deed Restricted	Moderate-Income Non Deed Restricted	Above Moderate-Income	Building Permits Date Issued	# of Units Issued Building Permits
Summary Row: Start Data Entry Below							0	0	0	0	0	0	0		0	0	0	0	0	0	0	5		
62721105	62721105	25031 BUCKBOARD LN		DEMO-0013-2020	SFD	O									0								2/21/2020	
62721105	62721105	25031 BUCKBOARD LN		BLDR-0321-2020	SFD	O									0							1	5/11/2020	
62725106	62725106	26542 WILD VIEW TERRACE		BLDR-0055-2019	SFD	O									0							1	10/21/2020	
62006409	62006409	25203 VESPUCCI		BLDR-0223-2019	ADU	O									0							1	1/14/2020	
63617101	63617101	25199 STAGELINE DR		BLDR-0361-2020	ADU	O									0							1	5/19/2020	
62019201	62019201	25734 CALIFIA		BLDR-0302-2020	ADU	O									0							1	6/8/2020	

Affordability by Household Incomes - Certificates of Occupancy										Streamlining	Infill	Housing with Financial Assistance and/or Deed Restrictions		Housing without Financial Assistance or Deed Restrictions	Term of Affordability or Deed Restriction	Demolished/Destroyed Units			Notes
10							11	12	13	14	15	16	17	18	19	20			21
Very Low-Income Deed Restricted	Very Low-Income Non Deed Restricted	Low- Income Deed Restricted	Low- Income Non Deed Restricted	Moderate-Income Deed Restricted	Moderate-Income Non Deed Restricted	Above Moderate-Income	Certificates of Occupancy or other forms of readiness (see instructions) **Date Issued**	# of Units issued Certificates of Occupancy or other forms of readiness	How many of the units were Extremely Low Income?+	Was Project **APPROVED** using GC 65913.4(b)? (SB 35 Streamlining) Y/N	Infill Units? Y/N+	Assistance Programs for Each Development (see instructions)	Deed Restriction Type (see instructions)	For units affordable without financial assistance or deed restrictions, explain how the locality determined the units were affordable (see instructions)	Term of Affordability or Deed Restriction (years) (if affordable in perpetuity enter 1000)+	Number of Demolished/Destroyed Units+	Demolished or Destroyed Units+	Demolished/Destroyed Units Owner or Renter+	Notes+
0	0	0	0	0	0	2		2	0	0						1	0	0	
								0		N						1	Demolished	O	
								0		N									
								0		N									
						1	9/17/2020	1		N									
								0		N									
						1	10/21/2020	1		N									

Attachment: Attachment b - HCD Form (2344 : 2020 General Plan Annual Progress Report)

Jurisdiction	Laguna Hills	
Reporting Year	2020	(Jan. 1 - Dec. 31)

ANNUAL ELEMENT PROGRESS REPORT
Housing Element Implementation
(CCR Title 25 §6202)

This table is auto-populated once you enter your jurisdiction name and current year data. Past year information comes from previous APRs.

Please contact HCD if your data is different than the material supplied here

Table B
Regional Housing Needs Allocation Progress
Permitted Units Issued by Affordability

		1	2									3	4
Income Level		**RHNA Allocation by Income Level**	**2013**	**2014**	**2015**	**2016**	**2017**	**2018**	**2019**	**2020**	**2021**	**Total Units to Date (all years)**	**Total Remaining RHNA by Income Level**
Very Low	Deed Restricted	1											1
	Non-Deed Restricted												
Low	Deed Restricted	1											1
	Non-Deed Restricted												
Moderate	Deed Restricted											292	
	Non-Deed Restricted					291	1						
Above Moderate						1	1		2	5		9	
Total RHNA		2											
Total Units						292	2		2	5		301	2

Note: units serving extremely low-income households are included in the very low-income permitted units totals

Cells in grey contain auto-calculation formulas

Jurisdiction	Laguna Hills	
Reporting Year	2020	(Jan. 1 - Dec. 31)

ANNUAL ELEMENT PROGRESS REPORT
Housing Element Implementation
(CCR Title 25 §6202)

Note: "+" indicates an optional field

Cells in grey contain auto-calculation formulas

Table C
Sites Identified or Rezoned to Accommodate Shortfall Housing Need

Project Identifier				Date of Rezone	RHNA Shortfall by Household Income Category				Type of Shortfall	Sites Description							
1				2	3				4	5	6	7	8		9	10	11
APN	Street Address	Project Name+	Local Jurisdiction Tracking ID+	Date of Rezone	Very Low-Income	Low-Income	Moderate-Income	Above Moderate-Income	Type of Shortfall	Parcel Size (Acres)	General Plan Designation	Zoning	Minimum Density Allowed	Maximum Density Allowed	Realistic Capacity	Vacant/Nonvacant	Description of Existing Uses
Summary Row: Start Data Entry Below																	

ANNUAL ELEMENT PROGRESS REPORT
Housing Element Implementation
(CCR Title 25 §6202)

Jurisdiction	Laguna Hills	
Reporting Year	2020	(Jan. 1 - Dec. 31)

Table D

Program Implementation Status pursuant to GC Section 65583

Housing Programs Progress Report

Describe progress of all programs including local efforts to remove governmental constraints to the maintenance, improvement, and development of housing as identified in the housing element.

1 Name of Program	2 Objective	3 Timeframe in H.E	4 Status of Program Implementation
H-1. Code Enforcement Program	Enforce building code regulations and abate code violations, nuisances, and existing uses, activities, buildings, or structures that pose a threat to public health, safety, or welfare. Enforcement activities will focus on property maintenance, such as eliminating derelict or abandoned vehicles, outdoor storage, or other situations that may constitute health, safety, or fire hazards.	Ongoing	With the goal of voluntary compliance, the City's Code Enforcement staff continues to monitor and address complaints related to property maintenance. Staff investigated hundreds of complaints associated with housing or property maintenance and took appropritate steps to work with the property owner to resolve code violations, or referred unresponsive owners to the City Attorney's office for prosecution.
H-2. State Franchise Tax Board Code Enforcement	To promote maintenance of existing rental properties, the City shall work with the California State Franchise Tax Board to enforce provisions of California Revenue and Taxation code Sections 17274 and 24436.5, which prohibit owners of substandard rental housing from claiming depreciation, amortization, mortgage interest, and property tax deductions of state income tax. The City will notify the State Franchise Tax Board if substandard rental housing is identified	Ongoing	The City is not aware of any substandard housing within the community. If such housing is identified, the City will notify the State Franchise Tax Board.
H-3. Housing Rehabilitation	The City will continue to work with the Orange County Housing and Community Services Department to receive rehabilitation loans and grants for low and moderate income homeowners and rental property owners, including senior/disabled households, to maintain housing stock. Efforts will focus on rehabilitating approximately 148 units in the Aliso Meadows Condominium Development. The rehabilitation loan and grant program will use CDBG funds distributed by the County as appropriate. The City will publicize the availability of this program in local newspapers, on the City's website, at the Community Development Department, and in information items at Planning Agency Public Hearings	Annually by September of each year or as otherwise required by the County CDBG schedule	Due to staffing/resource limitations, the City did not participate in the CDBG program in FY 19/20. However, the City intends to apply to the County for CDBG funds to use in FY 21/22 and 22/23.
H-4. At-Risk Units	The City will continue to pursue the extension of affordability controls for 51 units, either in the existing Rancho Moulton housing development or as part of new or redevelopment activities in the Via Lomas area or other areas of the City. . The City will annually prepare a "Risk Assessment" report provided by the California Housing Partnership Corporation (CHPC). Projects determined high risk are those most likely to decline continued federal assistance because they currently have rents below market rate(s) and are owned by profit-motivated entities. The City will work with potential purchasers to preserve 51 units in the existing development or in new development by finding an interested nonprofit entity and securing funding to acquire and preserve the property. The City will use HCD resources listed on the HCD website, as well as other resources, to locate potential funding sources as needed for the preservation of affordable housing. As needed, the City will work with tenants of at-risk units and provide them with education regarding tenant rights, notification procedures, and conversion procedures. The City will also provide	By January of each year.	In 2020, the city continued to monitor existing at-risk units in the City, and continued to refer prospective tenants to the County of Orange regarding Sectio 8 housing. In 2020, Rancho Moulton continued to participate in the County's Section 8 rental assistance program.

H-5. Foreclosure Referral Program	Based on current dynamics, the City seeks to address the increased incidence of residents facing foreclosure. The City will provide foreclosure information on the City's website, and provide resources at the City to refer residents to external agencies to assist in reducing incidents of foreclosures in Laguna Hills.	1/1/2014	As necessary, the City has been referring people to the County's foreclosure websites, which provide a wealth of information regarding foreclosures.
H-6. Urban Village Specific Plan Area for Housing Opportunities	The City shall inform existing property owners and prospective developers that housing opportunities are available in the Urban Village Specific Plan area. Housing opportunities include market rate housing units and could also include housing for low and moderate income households, families, seniors, and special needs households. City staff will inform prospective developers at time of project application meeting(s). Additionally, the City will promote the UVSP area on the City's website and will also promote housing development incentives consistent with Chapter 9-72 of the Zoning Ordinance.	Ongoing	The City has met with multiple developers interested in development within the UVSP that may incorporate housing. Staff referred the developers to a variety of development regulations and density bonus provisions.
H-7. Alicia Gateway for Housing Opportunities	The City shall inform existing property owners and prospective developers that housing opportunities are available in the Alicia Gateway. Housing opportunities could include market rate housing units and could also include housing for low and moderate income households, families, seniors and special needs households. City staff will inform prospective developers at time of project application meeting(s). Additionally, the City will promote Alicia Gateway on the City's website and will also promote housing development incentives consistent with Chapter 9-72 of the Zoning Ordinance.	12/1/2013	During 2020 the city met with multiple developers interested in development within the Alicia Gateway that may incorporate housing. Staff referred the developers to a variety of development regulations and density bonus provision
H-8. Zoning Ordinance Update	The implementation of housing goals, policies, and programs will require updating the City's Zoning Ordinance. In addition, certain City rules and regulations may constrain the development of housing affordable to low and moderate income households with special needs. To mitigate potential constraints and implement housing goals, policies, and programs, the City will update the following regulations in the Zoning Ordinance: 1. Consolidate and remove duplicitous definitions of manufactured housing and mobile homes and ensure consistency in the Zoning Ordinance, use regulations, and development standards. 2. Reduce the open space requirement in the High Density Residential district; 3. Increase the maximum lot coverage requirement in the Mixed Use district. 4. Transitional and supportive housing will be permitted as a residential use and only subject to those restrictions that apply to other residential dwellings of the same type in the same zone.	10/1/2014	Due to staffing/resource limitations, staff has been able to complete numbers 1 and 4, and will be considering addressing numbers 2 and 3 in the next budget cycle (FY 21/22, 22/23)
H-9. Second Units	The City shall continue to implement the Second Unit provisions of the Zoning Ordinance consistent with state law. The City will continue to permit second units by right in all residential zones of the City, requiring only ministerial approval. Residential second units provide a viable option for providing additional housing opportunities which could include affordable housing for lower income seniors, single persons, or small households within existing neighborhoods.	Ongoing	The City has updated the Second Unit provisions to comply with new State Accessory Dwelling Unit regulations. Staff will continue to monitor any future updates to ADU law.

H-10. CDBG Funding for Shelter for the Homeless	The City shall apply for United States Department of Housing and Urban Development CDBG funds and allocate a portion of such funds to subrecipients who provide shelter for the homeless.	Annually by September of each year or as otherwise required by the County CDBG schedule	The City of Laguna Hills is a non-entitlement city and therefore relies on the County of Orange to receive and administer CDBG funding on the City's behalf. As in previous years, in 2020 the City relied on the County of Orange to coordinate a comprehensive regional Continuum of Care (CoC) strategy that includes the participation of all thirty-four cities in Orange County, County Agencies, the County's homeless housing and service providers, and other community groups (including non-profits, local governmental agencies, faith-based organizations, the homeless and formerly homeless, interested business leaders, schools, and many other stakeholders) to identify the gaps and unmet needs of the County's homeless. Through cooperative agreements between the City and the County, the County has pursued funding for housing and related social services for the City's homeless population.
H-11. Continuum of Care Funding and Consolidated Plan Participation	The City shall continue to participate in the Orange County Consolidated Plan Programs and in the Orange County Continuum of Care local housing planning process to facilitate obtaining funds for affordable housing and related social services for special needs populations. The Continuum of Care local housing and service delivery system focuses on homeless prevention, outreach, and assessment, emergency shelters, transitional housing, supportive services, and permanent supportive housing for homeless individuals and families. The City shall pursue homeless assistance grants through the Continuum. The City will assist public and private nonprofit housing developers in preparation of funding applications for special needs populations.	Annually by September of each year or as otherwise required by the County CDBG schedule	The City of Laguna Hills is a non-entitlement city and therefore relies on the County of Orange to receive and administer CDBG funding on the City's behalf. As in previous years, in 2020 the City relied on the County of Orange to coordinate a comprehensive regional Continuum of Care (CoC) strategy that includes the participation of all thirty-four cities in Orange County, County Agencies, the County's homeless housing and service providers, and other community groups (including non-profits, local governmental agencies, faith-based organizations, the homeless and formerly homeless, interested business leaders, schools, and many other stakeholders) to identify the gaps and unmet needs of the County's homeless. Through cooperative agreements between the City and the County, the County has pursued funding for housing and related social services for the City's special needs population.
H-12. Section 8 Rental Assistance	The Orange County Housing Authority currently administers the Section 8 Rental Assistance program on behalf of the City. Currently the program assists renter households in the City of Laguna Hills. Based on future congressional appropriations, the County Housing Authority will apply for additional funding which will enable the Housing Authority to administer additional vouchers for families, seniors, and disabled persons over the Housing Element planning period. The City of Laguna Hills will continue to provide referral services and information to the City's residents.	Ongoing	In 2020 the City continued to refer interested residents to the Orange County Housing Authority.
H-13. Affordable Housing Developer Partnerships	The City will continue to develop partnerships with mainstream and/or special needs affordable housing developers that could result in set-asides in existing and planned low income housing projects. These partnerships may include incentives (such as expedited processing, fee waivers, and density bonuses) provided by the City to facilitate the set-asides for planned low income units and actively cooperating with the owners of existing units to secure appropriate federal funding necessary to maintain existing affordability. The City will promote lower income housing development incentives on the City's website, consistent with Chapter 9-72 of the Zoning Ordinance. The City will use HCD's housing resources website to locate available sites and potential funding sources as needed for the development of affordable housing.	Ongoing	In 2020 the city met with multiple developers interested in development within th City that might incorporate affordable housing into their projects. Staff referred the developers to a variety of development regulations and density bonus provisions.
H-14. Fair Housing Program	The City will continue to maintain services and personnel to receive housing complaints and continue to address or resolve complaints. The City will also continue to refer fair housing complaints to the Fair Housing Council if they cannot be resolved at the City level. The City will also continue to disseminate written literature about fair housing laws, resident rights, and remedies for fair housing complaints The City will ensure that fair housing literature is available in the Community Development Department, on the City's website, and at the Laguna Hills Technology Library. The City will monitor these sites to ensure timely, accurate information is available.	Ongoing	In 2020, city staff continued to monitor and respond to housing complaints, and refered residents to various agencies that provide fair housing services in Orang County.

H-15. Universal Design Features in Housing	The City recognizes that all people have varying abilities and that many people will encounter temporary or permanent changes in ability to conduct the tasks necessary for daily living throughout their lives. Universal design features create housing suited for people of all abilities and can allow residents to stay in their homes over their lifetime. The City will explore programs, an ordinance, and incentives to encourage provision of universal design features in housing. The City will refer to the HCD website for guidelines and a model ordinance consistent with the principles of universal design. The universal design ordinance will address such topics as findings, definitions, scope and application, standards, and enforcement. City staff will encourage prospective developers to provide universal design features at the time of project application meeting(s).	10/1/2014	Staff will continue to explore programs and incentives related to universal desig in housing.
H-16. Annual Progress Reports	The City will report annually on progress toward implementation of the Housing Element and residential development activities citywide.	Prepare an annual report for submittal to HCD by April 1 of each year in the planning period	The APR for 2020 is scheduled to be received by the City Council on February 23 2021. If approved, it will be transmitted to HCD as directed by Government Code Section 65400.
H-17. Housing Issues Monitoring	The City will monitor existing and proposed affordable housing developments in the City. The City will also monitor legislation, trends, and policy issues related to the development and maintenance of affordable housing in Laguna Hills.	Ongoing	In 2020 staff continued to monitor existing and proposed affordable housing developments in the City, as well as legislation, trends, and policy issues relatec to the development and maintenance of affordable housing.
H-20. Local Housing Efforts Coordination	The City shall coordinate local housing efforts with appropriate federal, state, regional, and local government and/or agencies and cooperate in implementation of intergovernmental housing programs to ensure maximum effectiveness in solving local and regional housing problems. The City will submit CDBG applications to assist in preserving existing affordable housing stock.	12/1/2009	Due to staffing/resource limitations, the City has not continuously participated ir the CDBG program. However, the City intends to apply to the County for CDBG funds to use for FY 21/22 and 22/23.

Jurisdiction	Laguna Hills	
Reporting Period	2020	(Jan. 1 - Dec. 31)

ANNUAL ELEMENT PROGRESS REPORT
Housing Element Implementation
(CCR Title 25 §6202)

Note: "+" indicates an optional field
Cells in grey contain auto-calculation formulas

Table E									
Commercial Development Bonus Approved pursuant to GC Section 65915.7									
Project Identifier				Units Constructed as Part of Agreement				Description of Commercial Development Bonus	Commercial Development Bonus Date Approved
1				2				3	4
APN	Street Address	Project Name+	Local Jurisdiction Tracking ID+	Very Low Income	Low Income	Moderate Income	Above Moderate Income	Description of Commercial Development Bonus	Commercial Development Bonus Date Approved
Summary Row: Start Data Entry Below									

Jurisdiction	Laguna Hills	
Reporting Period	2020	(Jan. 1 - Dec. 31)

ANNUAL ELEMENT PROGRESS REPORT
Housing Element Implementation
(CCR Title 25 §6202)

Note: "+" indicates an optional field

Cells in grey contain auto-calculation formulas

Table F
Units Rehabilitated, Preserved and Acquired for Alternative Adequate Sites pursuant to Government Code section 65583.1(c)

Please note this table is optional: The jurisdiction can use this table to report units that have been substantially rehabilitated, converted from non-affordable to affordable by acquisition, and preserved, including mobilehome park preservation, consistent with the standards set forth in Government Code section 65583.1, subdivision (c). Please note, motel, hotel, hostel rooms or other structures that are converted from non-residential to residential units pursuant to Government Code section 65583.1(c)(1)(D) are considered net-new housing units and must be reported in Table A2 and not reported in Table F.

Activity Type	Units that Do Not Count Towards RHNA+ Listed for Informational Purposes Only				Units that Count Towards RHNA + Note - Because the statutory requirements severely limit what can be counted, please contact HCD to receive the password that will enable you to populate these fields.				The description should adequately document how each unit complies with subsection (c) of Government Code Section 65583.1+
	Extremely Low-Income+	Very Low-Income+	Low-Income+	TOTAL UNITS+	Extremely Low-Income+	Very Low-Income+	Low-Income+	TOTAL UNITS+	
Rehabilitation Activity									
Preservation of Units At-Risk									
Acquisition of Units									
Mobilehome Park Preservation									
Total Units by Income									

Jurisdiction	Laguna Hills
Reporting Period	2020 (Jan. 1 - Dec. 31)

NOTE: This table must only be filled out if the housing element sites inventory contains a site which is or was owned by the reporting jurisdiction, and has been sold, leased, or otherwise disposed of during the reporting year.

Note: "+" indicates an optional field

Cells in grey contain auto-calculation formulas

ANNUAL ELEMENT PROGRESS REPORT
Housing Element Implementation
(CCR Title 25 §6202)

Table G
Locally Owned Lands Included in the Housing Element Sites Inventory that have been sold, leased, or otherwise disposed of

Project Identifier						
1				2	3	4
APN	Street Address	Project Name+	Local Jurisdiction Tracking ID+	Realistic Capacity Identified in the Housing Element	Entity to whom the site transferred	Intended Use for Site
Summary Row: Start Data Entry Below						

Jurisdiction	Laguna Hills	
Reporting Period	2020	(Jan. 1 - Dec. 31)

Note: "+" indicates an optional field

Cells in grey contain auto-calculation formulas

ANNUAL ELEMENT PROGRESS REPORT
Housing Element Implementation
(CCR Title 25 §6202)

Table H						
Locally Owned Surplus Sites						
Parcel Identifier				**Designation**	**Size**	**Notes**
1	**2**	**3**	**4**	**5**	**6**	**7**
APN	**Street Address/Intersection**	**Existing Use**	**Number of Units**	**Surplus Designation**	**Parcel Size (in acres)**	**Notes**
Summary Row: Start Data Entry Below						

Jurisdiction	Laguna Hills	
Reporting Year	2020	(Jan. 1 - Dec. 31)

Building Permits Issued by Affordability Summary		
Income Level		**Current Year**
Very Low	Deed Restricted	0
	Non-Deed Restricted	0
Low	Deed Restricted	0
	Non-Deed Restricted	0
Moderate	Deed Restricted	0
	Non-Deed Restricted	0
Above Moderate		5
Total Units		**5**

Note: Units serving extremely low-income households are included in the very low-income permitted units totals

Housing Applications Summary	
Total Housing Applications Submitted:	0
Number of Proposed Units in All Applications Received:	0
Total Housing Units Approved:	0
Total Housing Units Disapproved:	0

Use of SB 35 Streamlining Provisions	
Number of Applications for Streamlining	0
Number of Streamlining Applications Approved	0
Total Developments Approved with Streamlining	0
Total Units Constructed with Streamlining	0

Units Constructed - SB 35 Streamlining Permits			
Income	**Rental**	**Ownership**	**Total**
Very Low	0	0	0
Low	0	0	0
Moderate	0	0	0
Above Moderate	0	0	0
Total	0	0	0

Cells in grey contain auto-calculation formulas

Jurisdiction	Laguna Hills	
Reporting Year	2020	(Jan. 1 - Dec. 31)

ANNUAL ELEMENT PROGRESS REPORT
Local Early Action Planning (LEAP) Reporting
(CCR Title 25 §6202)

Please update the status of the proposed uses listed in the entity's application for funding and the corresponding impact on housing within the region or jurisdiction, as applicable, categorized based on the eligible uses specified in Section 50515.02 or 50515.03, as applicable.

Total Award Amount	$ 150,000.00

Total award amount is auto-populated based on amounts entered in rows 15-26.

Task	$ Amount Awarded	$ Cumulative Reimbursement Requested	Task Status	Other Funding	Notes
					Revised Timeline and Budget currently being reviewed by HCD

Summary of entitlements, building permits, and certificates of occupancy (auto-populated from Table A2)

Completed Entitlement Issued by Affordability Summary		
Income Level		**Current Year**
Very Low	Deed Restricted	0
	Non-Deed Restricted	0
Low	Deed Restricted	0
	Non-Deed Restricted	0
Moderate	Deed Restricted	0
	Non-Deed Restricted	0
Above Moderate		0
Total Units		**0**

Building Permits Issued by Affordability Summary		
Income Level		**Current Year**
Very Low	Deed Restricted	0
	Non-Deed Restricted	0
Low	Deed Restricted	0
	Non-Deed Restricted	0
Moderate	Deed Restricted	0
	Non-Deed Restricted	0
Above Moderate		5
Total Units		**5**

Certificate of Occupancy Issued by Affordability Summary		
Income Level		**Current Year**
Very Low	Deed Restricted	0
	Non-Deed Restricted	0
Low	Deed Restricted	0
	Non-Deed Restricted	0
Moderate	Deed Restricted	0
	Non-Deed Restricted	0
Above Moderate		2
Total Units		**2**

City of Laguna Hills

City Council/Planning Agency

Staff Report

DATE: **February 23, 2021**

TO: **Mayor and Council Members**

FROM: **David Chantarangsu**
Community Development Director

ISSUE: **Periodic Review of Development Agreement No. 12-11-2137 (Ordinance No. 2012-4) Between the City of Laguna Hills and Laguna Hills Investment Company: Oakbrook Village Shopping Center Mixed Use Project**

RECOMMENDATION: That the City Council: 1) Receive and file a report demonstrating the property owner's good faith compliance with the terms and conditions of the Development Agreement; and 2) Find and determine that the Laguna Hills Investment Company has complied in good faith with the terms and conditions of the Development Agreement for the 12-month period of January 2020 to January 2021.

SUMMARY:

In 2012, the City entered into a Development Agreement with Laguna Hills Investment Company for the redevelopment of the Oakbrook Village Shopping Center. In 2014, Laguna Hills Investment Company assigned an interest in the Development Agreement to Oakbrook Urban Village I, LLC, the developer of the Phase 1 residential portion of the Project. In 2015, the City and the two property owners entered into Amendment No. 1 to the Development Agreement. In 2016, the City and the two property owners entered into Amendment No. 2 to the Development Agreement. The Development Agreement, as amended, provides for a general renovation program for the shopping center, including the establishment of a mixed-use residential development within the property, along with significant property improvements. The Municipal Code and the Development Agreement provide for the City Council to annually review the Owners' good faith compliance with the terms of the Development Agreement. To support the City's determination, the Owner has provided a description of the activities it has undertaken to comply with the Agreement. These activities are described in Attachment 1.

Staff has reviewed the list of activities identified in the progress letter and agrees that the Owner has complied in good faith with the Agreement. Additionally, staff has met several times with the Laguna Hills Investment Company and has been in regular contact with them during the past year to ensure that the Applicant continues to make progress in implementing the project.

AUTHORITY:

Section 9-84.060 (Periodic Review) of the Laguna Hills Municipal Code states:

> "Each development agreement shall be reviewed annually by the City Council to determine compliance with provisions contained therein. A report of the findings of that review shall be made a part of the project record. Each developer or owner of land subject to a development agreement shall provide written data and report to the Community Development Director demonstrating compliance with the terms and conditions of the agreement."

Section 18 of the Development Agreement also provides for the City's periodic review, at least every 12 months, of the Owners' good faith compliance with the terms of the Development Agreement. At the time of each review, the property owner is to submit evidence to the City's Community Development Director demonstrating its good faith compliance with the terms and conditions of the Development Agreement. The City Council then determines whether or not the property owner has, for the period under review, complied in good faith with the terms and conditions of the Development Agreement.

BACKGROUND:

In 2012, the Laguna Hills Investment Company, the owner of the Oakbrook Village Shopping Center, located at 24231-24391 Avenida de la Carlota in the Urban Village Specific Plan area, filed zoning applications requesting land use entitlement approvals for the redevelopment of Oakbrook Village Shopping Center with a two-phased mixed-use development (the "2012 Project"). The 2012 Project contemplated the development of up to 489 residential dwelling units (289 in Phase 1 and up to 200 in Phase 2) in multistory residential buildings and approximately 82,575 square feet of new commercial/retail space (23,974 in Phase 1 and 58,600 in Phase 2), along with building façade enhancements, pedestrian paseos (walkways), village greens, landscaping, and connectivity to the regional mall (Five Lagunas). To accommodate this new construction, the 2012 Project contemplated that a significant portion of the existing commercial building area would be demolished, resulting in a net total of at least 132,200 square feet of commercial/retail space in the center after completion of Phase 1 and at least 125,000 square feet of commercial/retail space within the center after completion of Phase 2.

On November 13, 2012, the Planning Agency adopted Resolution No. PA2012-11-13-1 approving Site Development Permit/ Master Sign Program/ Conditional Use Permit/ Parking Use Permit/ Vesting Tentative Tract Map/ Precise Plan/ Development Agreement No. 12-11-2137 for Phase 1 of the 2012 Project (the “Phase 1 Project Approvals”), subject to specified conditions of approval.

On November 27, 2012, the City Council adopted Ordinance No. 2012-4 approving a Development Agreement between the City and the Laguna Hills Investment Company pertaining to Phase 1 and Phase 2 of the 2012 Project (the "Development Agreement"), which Development Agreement became effective December 28, 2012 and was recorded in the Official Records, Orange County Clerk-Recorder's Office on January 2, 2013, as Document No. 2013000002329. The Development Agreement contains specific provisions regarding the timing of development of Phase 1 components of the Project, the provision of public art, and the completion of required public improvements. The new commercial space in Phase 1 includes development of two “Deferred Retail Pads” which, pursuant to the Development Agreement, may be completed at any time prior to, or concurrently with, Phase 2. In addition, the Development Agreement provides that, subject to obtaining all applicable Subsequent Development Approvals, in lieu of one or both of the Deferred Retail Pads, the property owner may develop an equivalent or greater amount of new retail space on the property.

On February 11, 2014, the Planning Agency adopted Resolution No. PA2014-02-11-2 making modifications to certain Conditions of Approval of the Phase 1 Project Approvals related to the early issuance of building permits and other project sequencing matters.

On April 24, 2014, Laguna Hills Investment Company assigned an interest in the Development Agreement to Oakbrook Urban Village I, LLC, as described and as set forth in that certain Assignment of Development Agreement dated April 24, 2014, as recorded in the Official Records, Orange County, Clerk Recorder, on April 2, 2014, bearing document number 2014000157001.

On July 8, 2014, the City Council approved Operating Memorandum No. 1 to the Development Agreement to clarify certain matters pertaining to the provision of public art in conjunction with the project. Under operating Memorandum No. 1, the deadline for the installation of the public art was moved from the first residential Certificate of Occupancy to the last residential Certificate of Occupancy.

Laguna Hills Investment Company and Oakbrook Urban Village I, LLC (collectively, the "Owners") subsequently proposed an Amendment No. 1 to the Project Development Agreement to extend the time periods for commencement or completion of certain on-site improvements in Phase 1 of the Project. On February 10, 2015, the Planning Agency adopted Resolution No. PA2015-02-10-1 modifying Condition of Approval No. 47 of the Phase 1 Project Approvals to extend time frames related to the construction of the pedestrian and parking lot paseos consistent with the proposed Amendment No. 1 to the Project Development Agreement. On February 24, 2015, the City Council adopted Ordinance No. 2015-3 approving Amendment No. 1 to Development Agreement, Amendment No. 1 to Development Agreement became effective March 27, 2015, and was recorded in the Official Records, Orange County Clerk-Recorder's Office on March 31, 2015, as Document No. 2015000163595.

On July 14, 2015, the City Council approved the First Amendment to the Operating Memorandum No. 1 to the Development Agreement, which modified Section 3.4 of the Operating Memorandum to require that the public art for Phase 1, specified in the approved Final Public Art Plan, be furnished and installed by the Owner prior to October 31, 2016.

The Owners subsequently proposed an Amendment No. 2 to the Development Agreement to modify the timing, location, and scope of development of certain on-site pedestrian, landscaping, and façade improvements. On March 8, 2016, the Planning Agency adopted Resolution No. 2016-03-8-1 amending Resolution Nos. PA2015-02-10-1, PA2012-11-13-1 and PA2014-02-11-2 to modify Condition of Approval No. 47 of the Phase 1 Project Approvals to be consistent with the Development Agreement, as amended by Amendment Nos. 1 and 2 to Development Agreement, and to modify Condition of Approval No. 54 of the Phase 1 Project Approvals to extend the time period by which Owner is required to construct secondary entry signs. On March 22, 2016, the City Council adopted Ordinance No. 2016-2 approving Amendment No. 2 to Development Agreement, which Amendment No. 2 to Development Agreement became effective April 22, 2016, and was recorded in the Official Records, Orange County Clerk-Recorder's Office on April 26, 2016, as Document No. 2016000181582.

On March 22, 2016, the Planning Agency and City Council approved the Five Lagunas Project, which proposed the redevelopment of the Laguna Hills Mall shopping center to the north of the current project site (and also within the UVSP) into a mixed-use urban village center branded "Five Lagunas" (the "Five Lagunas Project").

On August 23, 2016, the City Council approved the Second Amendment to Operating Memorandum No. 1 to the Development Agreement, which further extended the date to furnish and install the public art for Phase 1 to February 28, 2017.

On February 27, 2017, the City Council approved the Third Amendment to Operating Memorandum No. 1 to the Development Agreement. The Amendment extended the date by which the Owner was required to have furnished and installed the public art for Phase 1 to April 30, 2017.

In August 2017, the Owner submitted an application for a Subsequent Development Approval in accordance with the Development Agreement for the 2012 Project for Site Development Permit/Master Sign Program Amendment No. 8-17-3965 (a) to demolish the existing vacant 7,800 square foot Lone Star restaurant building, (b) to construct two new commercial/retail buildings (approximately 20,650 square feet total) in place of the existing Lone Star restaurant and in lieu of constructing one of the Deferred Retail Pads, (c) to modify the parking area and construct the relocated Parking Lot Paseo #2 and new East-West Parking Lot Paseo 2A described in Amendment No. 2 to the Development Agreement; and (d) to amend the Master Sign Program for the Oakbrook Village mixed-use commercial center (collectively, the "2018 Project"). On April 10, 2018, the Planning Agency and City Council adopted Resolution No. PA2018-04-10-1 approving the 2018 Project, subject to specified conditions of approval. On September 6, 2018, the City issued building permits (COM-11-17-15833, 15834, 15836) to begin construction on the 2018 Project.

In June 2019, construction of the 2018 Project was completed, and the Trader Joe's grocery store relocated from its previous location in Oakbrook Village into one of the new commercial/retail buildings.

No development activity occurred in Oakbrook Village in 2020.

<u>Summary of Improvements Completed to Date</u>

To date, the mixed-use building containing 289 residential units above ground-floor commercial tenant spaces (Reata), the Phase 1 Village Green, the required façade upgrades of the remaining buildings, and certain pedestrian paseos and other required Phase 1 Public Improvements have been completed. In addition, in April 2017, the public art piece approved by the City Council was installed at the Plaza Green of the Reata Apartments and serves as a community gathering place.

Future improvements remaining to be completed include the following:

- Development of the second Deferred Retail Pad. Pursuant to Section 5.4.2 of the Development Agreement, this may be completed at any time prior to, or concurrently with, development of Phase 2.

- Hillside Pedestrian Paseo. Pursuant to Section 4.B of Amendment No. 2 to the Development Agreement, the Hillside Pedestrian Paseo are to be completed on or before (a) the date that is six (6) months after the date the City issues the first certificate of occupancy for a new commercial building on the Five Lagunas Property adjacent to Oakbrook Village in the approximate location identified as “Building B” on Exhibit D to Amendment No. 2, or (b) December 28, 2023, whichever occurs first. To date, the referenced “Building B” on the Five Lagunas Property has not yet been built.

- Improvements Along North Property Line other than the Hillside Pedestrian Paseo. Pursuant to Section 4.C of the Amendment No. 2 to the Development Agreement, in lieu of construction of a pedestrian trail, Owner is to plan and construct new, enhanced landscape improvements and vehicular and pedestrian connections at the north Property line, which create coordinated and compatible linkages at the north Property boundary line between Oakbrook Village and the Five Lagunas Property. This will require coordination and cooperation between the Owners and the owners of the Five Lagunas Property and approval of Subsequent Development Approvals by the City. Pursuant to Amendment No. 2 to the Development Agreement, these improvements are to be completed on or before (a) the date that is six (6) months after the date the City issues the first certificate of occupancy for a new residential building on the Five Lagunas Property near Oakbrook Village in the approximate location identified as “Building A” on Exhibit D to Amendment No. 2, or (b) December 28, 2023, whichever occurs first. Amendment No. 2 to the Development Agreement also provides for the Owners to submit a complete application for Subsequent Development Approvals to construct these north property line improvements on or before (a) the date that is 180 days after the date on which the City approves entitlements for construction of the referenced Building “A” on the Five Lagunas Property, or (b) March 2, 2017, whichever occurs last. On November 1, 2019 MGP submitted a new development application to replace Five Lagunas. The improvements described above are deferred at this time since the City has not yet acted on MGP’s new project. In addition, a Final Map that would allow for the development of the referenced “Building A” has not yet been submitted by the owners of the Five Lagunas Property, and is unlikely given MGP’s new development application filing.

- The Phase 2 improvements. These are currently contemplated to include, without limitation: (i) a maximum of 200 additional multi-family residential units; (ii) a minimum of 27,000 square feet of new retail space within the residential/retail mixed-use structures or on other areas on the Property; (iii) such additional new retail space necessary to result in a minimum of 125,000 total aggregate square feet of retail space on the Property; (iv) an approximately 7,000 square foot secondary village green area directly adjacent to the Phase 1 village green area; (v) a potential reconstructed north-south pedestrian paseo pursuant to Section 6.A of Amendment No. 2 to the Development Agreement; (vi) a potential new east-west pedestrian paseo pursuant to Section 6.B of Amendment No. 2 to the Development Agreement; and (vii) new light poles pursuant to Section 6.C of Amendment No. 2 to the Development Agreement. Pursuant to Section 5.4.4 of the Development Agreement, in the event the Owners elect to proceed with the development of Phase 2, they must apply for all Phase 2 Project Approvals simultaneously.

Attachment 1 identifies a list of activities the Owner believes demonstrates its good faith compliance with the terms of the Development Agreement. The information submitted by the Owner in Attachment 1 provides the City Council with sufficient information to determine that the Owner has complied with the terms and conditions of the Development Agreement for this review period. All improvements provided to date are considered part of Phase 1 under the Development Agreement.

ATTACHMENTS:

- Attachment a – January 20, 2021, Letter from the Fritz Duda Company

FRITZ DUDA COMPANY

Real Estate Investment Builders • Developers

January 20, 2021

David Chantarangsu
Community Development Director
City of Laguna Hills
24035 El Toro Road
Laguna Hills, Ca 92653

Re: Development Agreement for Oakbrook Village Shopping Center Mixed-Use Project dated December 28, 2012 ("Development Agreement")

Dear David:

Pursuant to Section 18.2 of the Development Agreement, Laguna Hills Investment Company hereby submits the following summary (attached hereto) of our development activities during the calendar year, 2020, constituting good faith compliance with the terms of the Development Agreement, First Amendment to the Development Agreement and Second Amendment to the Development Agreement and Site Development Permit/Master Sign Program Amendment 8-17-965 Approved by Resolution PA2018-04-10-1 on April 10, 2018.

Please let me know if you have any questions or need any further information.

Sincerely

Matt Frederickson
Sr. Property Manager

Cc: Andrew S. Doughtie, Fritz Duda Company
Jon Loper, Palmtree Communities
Jay Wuu, Senior Planner

2801 Woodside Street • Dallas, TX 75204 • 972.616.8777 • Fax 972.991.5184
3425 Via Lido • Suite 250 • Newport Beach, CA 92663 • 949.723.7100 • Fax 949.723.1141
4785 Caughlin Parkway • Reno, NV 89519 • 775.332.8251 • Fax 775.827.2185
www.fritzduda.com

Summary of Owner Compliance with the Terms and Conditions of the Development Agreement, Dated December 28, 2012, By and Between the

City of Laguna Hills ("City") and Laguna Hills Investment Company ("Owner")

January 20, 2021 (for full calendar year, 2020)

Phase 1 and Phase 1 Public Improvements

Description of Scope per Paragraphs 1.23

and 1.25 of Development Agreement

Paragraph 1.23 (Phase 1)	**Description of Compliance Activity**
(i) Demolition of 82,730sf of existing retail space	Completed in July, 2014.
(ii) Construction of Deferred Retail Pads plus 9,000sf	Completed. Developer submitted and City approved subsequent development plans for Buildings "a1" and "A2" as depicted on Exhibit E of the Second Amendment to the Development Agreement. Approved by Resolution PA2018-04-10-1 April 10, 2018, Buildings "A1" and "A2" were completed in June of 2019 and satisfy all requirements of Section 1.23 (Phase 1) (ii) of the Development Agreement. The satisfaction of this section of the Development Agreement in no way limits the future construction of a building of Building F noted as a Deferred Retail Pad on Exhibit E of Amendment Number 2 to the Development Agreement.
(iii) Renovation of all retail building facades except D&E	Building B exterior façade remodel completed July, 2014. Building H (Trader Joe's) exterior façade remodel completed on December 21, 2015. Buildings A, C, P and Q façade remodel completed in November 2016 as required under the Second Amendment to the Development Agreement dated April 22, 2016. All building under section 1.23 Phase 1 (iii) have now been completed.
(iv) Construction of 289 multi-family residential units	Completed November 2016. CofO granted by the city of Laguna Hills on December 12, 2016
(v) Construction of Phase 1 Public Improvements	(See below).

Paragraph 1.25 (Phase 1 Public Improvements)	**Description of Compliance Activity**
(i) Construction of 17,000sf Village Green	Completed November 2016
(ii) Construction of east-west pedestrian paseo	Completed December 21, 2015

(iii) Construction of north-south pedestrian paseo	Completed in November of 2016 along with the completion of the required improvements for Building A, C, P and Q under the 2nd Amendment to the Development Agreement.
(iv) Construction of hillside pedestrian paseo	Deferred under Amendment #2 to the Development Agreement.
(v) Construction of a north P/L pedestrian trail	Pursuant to Amendment #2 to the Development Agreement the P/L Pedestrian Trail has been modified for the benefit of a joint landscape enhancement plan between LHIC and Mall ownership.
(vi) Construction of two parking lot paseos	Complete December 21, 2015.Modified and completed as part of the Section 1.23(ii) Deferred Retail Pads; Completed June of 2019. The new “east-west paseo” has been split into two pieces (Paseo 2A and Paseo 2B) Paseo 2A was completed in June of 2019 and satisfies all requirements under the Development Agreement. If/when Phase II Apartments commence construction, Paseo 2B will be required to be completed concurrently.
(vii) Construction of bldg. pedestrian connections	Completed. Contained in Phase 1 multi-family and retail redevelopment
(viii) Installation of traffic signal on Carlota	Completed.
(ix) Dedication of public ROW for Carlota	Completed.
(x) Construction of various storm drain items	Completed.
(xi) Installation of debris grates at catch basins	Completed.
(xii) Realignment of OBV driveway by Lone Star	Completed.
(xiii) Construction of ADA curb ramps along Carlota	Completed.
(xiv) Construction of misc. public improvements required per Existing Land Use Regulations and conditions of approval to the Existing Development Approvals	Completed.
Phase 2	Pending

City of Laguna Hills

City Council/Planning Agency

Staff Report

DATE: February 23, 2021

TO: Chair and Agency Members

FROM: Jennifer Lee
Assistant City Clerk

ISSUE: Approval of Minutes for February 9, 2021, Regular Meeting

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RECOMMENDATION: That the Planning Agency approve the Minutes for the February 9, 2021, Regular Meeting.

ATTACHMENTS:

- 210209 PA Minutes

for the Processing of the Proposed Village at Laguna Hills Project, located at the Site of the Former Laguna Hills Mall, and authorize the Mayor to execute Amendment No. 2.

3.9 Amendment No. 2 to the Professional Services Agreement with Kosmont & Associates, Inc.

Recommendation: That the City Council approve Amendment No. 2 to the Professional Services Agreement with Kosmont & Associates, Inc., and authorize the City Manager to execute the Agreement

ITEMS REMOVED FROM THE CONSENT CALENDAR

3.10 Citywide Photo Contest Selections

Mayor Pezold removed Item No. 3.10 to allow Acting City Manager Rosenfield and Deputy City Manager/Community Services Director Reynolds to provide information on the item and to show a PowerPoint presentation in recognition of the photo contest winners.

Recommendation: That the City Council receive and file this report.

RESULT:	**RECEIVE AND FILE [UNANIMOUS]**
MOVER:	Janine Heft, Council Member
SECONDER:	Don Sedgwick, Mayor Pro Tempore
AYES:	Erica Pezold, Mayor; Don Sedgwick, Mayor Pro Tempore; Janine Heft, Council Member; Bill Hunt, Council Member; Dave Wheeler, Council Member

4. PLANNING AGENCY

Mayor Pezold recessed the City Council Meeting, and acting in capacity as Chair, called the Regular Meeting of the Planning Agency of the City of Laguna Hills, California, to order at 7:25 p.m.

4.1. ROLL CALL OF PLANNING AGENCY MEMBERS

Attendee Name	Title	Status	Arrived
Erica Pezold	Chair	Present	
Don Sedgwick	Vice Chair	Present	
Janine Heft	Agency Member	Present	
Bill Hunt	Agency Member	Present	
Dave Wheeler	Agency Member	Present	

4.2. PUBLIC COMMENTS

There were no Planning Agency public comments on non-agendized items.

4.3. APPROVAL OF MINUTES

4.3.1 Approval of Minutes for January 26, 2021, Regular Meeting

Recommendation: That the Planning Agency approve the Minutes for the January 26, 2021, Regular Meeting.

4.4. ADMINISTRATIVE REPORTS

There were no Planning Agency administrative reports.

4.5. PLANNING AGENCY PUBLIC HEARINGS

There were no Planning Agency public hearings.

PLANNING AGENCY ADJOURNMENT

Chair Pezold adjourned the Planning Agency Meeting at 7:26 p.m. and invited Acting City Manager Rosenfield to convene the Public Improvement Corporation (PIC) Meeting. Mayor Pezold reconvened the City Council Meeting at 7:27 p.m. All Council Members were present in chamber.

5. CITY COUNCIL PUBLIC HEARINGS

There were no City Council public hearings.

6. ADMINISTRATIVE REPORTS

6.1. City Manager

The City Manager gave no administrative reports.

6.2. City Attorney

6.2.1 Appointment of Interim City Manager and Approval of Interim City Manager Employment Agreement

City Attorney Simonian reviewed the information provided in the staff report and, pursuant to SB1436, provided a summary of the Interim City Manager's compensation prior to the City Council taking action on this item.

City of Laguna Hills

City Council/Planning Agency

Staff Report

DATE: February 23, 2021

TO: Mayor and Council Members

FROM: David Reynolds
Deputy City Manager

ISSUE: SB 1383 Organic Waste Reduction Regulations

RECOMMENDATION: That the City Council receive and file a presentation on SB 1383 organic waste reduction regulations including a summary of the City's work efforts required to implement the regulations.

SUMMARY:

Staff presented an organic waste recycling PowerPoint to the City Council at its April 9, 2019, meeting. That presentation highlighted certain State regulations addressing solid waste and recycling and also introduced the organic waste reduction requirements of SB 1383 (Lara, Chapter 395, Statues of 2016) ("SB 1383"). The California Department of Resources Recycling and Recovery ("CalRecycle") finalized the regulations for implementation of SB 1383 in November 2020. A concerted work effort is underway this calendar year to implement the requirements of SB 1383 since a majority of these requirements are to be in place by January 1, 2022.

On February 23, 2021, staff will present a PowerPoint presentation to the City Council for the purposes of reviewing with the City Council the organics recycling requirements of SB 1383 and the work efforts that are required by the City to accomplish these requirements.

CalRecycle has dedicated webpages on SB 1383 which can be accessed for reference at https://www.calrecycle.ca.gov/Climate/SLCP

BACKGROUND:

In September 2016, Governor Brown signed into law SB 1383 (Lara, Chapter 395, Statues of 2016) ("SB 1383"), establishing methane emissions reduction targets in a Statewide effort to reduce emissions of short-lived climate pollutants (SLCP). Methane emissions resulting from the decomposition of organic waste in landfills have been identified as a significant source of greenhouse gases. The methane emissions reduction targets (or goals) under SB 1383 are:

- Achieve a 50 percent reduction in the level of the Statewide disposal of organic waste from the 2014 level by 2020, and a 75 percent reduction by 2025.
- Recover not less than 20 percent of edible food that is currently disposed of for human consumption by 2025.

Assigned the responsibility of adopting regulations necessary to achieve theses Statewide goals, CalRecycle has spent the last several years developing requirements under a voluminous document entitled *Short-lived Climate Pollutants (SLCP): Organic Waste Reductions* (hereafter referred to as "SB 1383 Regulations"). Local governments must comply with the SB 1383 Regulations for the reduction of organic waste being sent to landfills. Organic waste (also referred to as organics) means food waste, green waste, landscape and pruning waste, nonhazardous wood waste, and food soiled paper waste that is mixed in with food waste. According to CalRecycle, organics like food scraps, yard trimmings, paper, and cardboard make up half of what Californians discard into landfills. The State's Office of Administrative Law approved CalRecycle's SB 1383 Regulations in November 2020.

At the April 9, 2019, City Council meeting, staff presented to the City Council a PowerPoint presentation on organic waste recycling and State recycling legislation. It is timely to bring another presentation to the City Council on organics recycling including the new requirements of CalRecycle's SB 1383 Regulations. The requirements under SB 1383 Regulations will have a significant impact on the disposal habits of businesses and residents, the hauler's collection and processing of waste (specifically organics), the rates for service, local governments' administration of waste hauling franchise agreements, and local governments' reporting to the State and monitoring and enforcement of its recycling programs.

SB 1383 Regulations

The following is a summary of SB 1383 requirements imposed on local governments. Staff will provide more detail about them during the February 23, 2021, presentation. The majority of these requirements will need to be implemented by January 1, 2022.

1. Provide organic waste collection to all residents and businesses.
2. Establish an edible food recovery program that recovers edible food from the waste stream.
3. Adopt enforceable ordinance(s) requiring compliance by businesses, residents, haulers, and other entities.
4. Implement an inspection and compliance program.
5. Establish penalties for non-compliant businesses, residents, haulers, self-haulers, commercial edible food generator or other entities in accordance to SB 1383.
6. Procure recycled organic waste products like compost, mulch, and renewable natural gas (RNG).
7. Conduct public education and outreach of organic recycling and the regulations of SB 1383.
8. Imposition of penalties and enforcement action against businesses, residents, haulers, self-haulers, commercial edible food generators and other entities must commence by January 1, 2024.

SB 1383 Implementation Work

The following provides a summary of the major work efforts required of the City to be accomplished during 2021 for compliance with SB 1383. Some of these work efforts are already underway.

1. Negotiate new contract terms with CR&R (the City's Franchise Waste Hauler), under the current Solid Waste Franchise Agreement to meet the requirements of SB 1383. The Solid Waste Franchise Agreement expires on June 30, 2024, but certain SB 1383 requirements must be in place by January 1, 2022. A substantial new service that will need to be implemented by CR&R is a new residential organics collection and processing program.
2. Implement new or revised trash and recycling service fees after the conclusion of related negotiation with CR&R. Because new services will be introduced, it is

expected that CR&R's service fees will increase to accommodate SB 1383 Regulations. A future public hearing and notice pursuant to Proposition 218 are required to implement any new or revised fees.

3. Establish an SB 1383 enforcement ordinance and policies to meet the requirements of SB 1383 Regulations. This work effort may also include updates to *Chapter 5-32: Solid Waste* and *Chapter 5-48: Construction and Demolition Waste Recycling Program* of the Laguna Hills Municipal Code (LHMC).
4. Continued education and outreach to the public on the requirements of SB 1383.

The table below lists the tentative major milestone dates in 2021 to implement the SB 1383 Regulations by the deadline of January 1, 2022. Please note that the following dates are subject to change dependent on how the work efforts identified above progress forward.

Date	SB 1383 Implementation Milestone
6/22/2021	City Council first reading of proposed SB 1383 Ordinance and updates to existing LHMC solid waste and recycling chapters. PUBLIC HEARING.
7/13/2021	CR&R Solid Waste Franchise Agreement negotiation results and rates for service reviewed by City Council. If negotiation results and rates are approved by the City Council, then City Council will direct staff to draft an amendment to the Solid Waste Franchise Agreement and initiate the notification process of Proposition 218.
7/13/2021	City Council second reading of proposed SB 1383 Ordinance and updates to existing LHMC solid waste and recycling chapters. PUBLIC HEARING.
8/13/2021	SB 1383 proposed Ordinance and updates to existing LHMC solid waste and recycling chapters goes into effect after 30 days from second reading.
9/28/2021	City Council approve an amendment to the CR&R Solid Waste Franchise Agreement to abide by the SB 1383 Regulations. Review of Proposition 218 notification process. PUBLIC HEARING.

FISCAL IMPACT:

A considerable amount of staff time will be devoted to the implementation of SB 1383 organic waste reduction requirements. Staff's work efforts will also require the assistance of the City Attorney's office. Staff is also supported by EcoNomics, Inc., the City's solid waste and recycling consultant. EcoNomics' consulting services have been paid through the City's special revenue recycling funds.

City of Laguna Hills

City Council/Planning Agency

Staff Report

DATE: February 23, 2021

TO: Mayor and Council Members

FROM: Janine Heft
Council Member

ISSUE: Request for Reconsideration of Membership in Regional Organizations

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RECOMMENDATION: Councilmember Heft recommends that the City Council: 1) Consider a Motion for Reconsideration to discuss the potential of reinstating City membership in Regional Organizations and, if the Motion for Reconsideration is made, seconded and approved by the City Council, consider the following recommended action: 2) Reinstate the City's memberships in Regional Organizations including the League of California Cities (LOCC), Association of California Cities-Orange County (ACC-OC), Southern California Association of Governments (SCAG), and Orange County Council of Governments (OCCOG)

SUMMARY:

At the July 7, 2020, Special Meeting of the City Council, a motion was unanimously approved which, in part, directed a budget savings action to "include 1-year membership suspensions to SCAG, OCCOG, ACC-OC, and League of CA Cities." (City Council Minutes, July 7, 2021, Special Meeting of the City Council, Item 3. 2020 City-Wide Holiday Decorations). In order to revisit this decision now, the City Council will have to first approve a Motion for Reconsideration of memberships in regional organizations. I will be making the required Motion for Reconsideration prior to discussion of this item.

The City of Laguna Hills has been a longtime member and has been actively involved in the League of California Cities (LOCC), Association of California Cities – Orange County (ACC-OC), Southern California Association of Governments (SCAG) and the Orange County Council of Governments (OCCOG). The annual dues total cost for these four regional organizations, considering recent authorized discounts, is approximately $28,000. While it is understood that belts need to be tightened in light of everything cities are facing financially right now due to COVID-19, it is precisely during a time like this that we need our regional partnerships now more than ever. As this is a crucial year for many regional issues, the City of Laguna Hills cannot afford to not be represented in the decision-making process that will greatly affect our City, our residents, and our businesses.

BACKGROUND:

On July 7, 2020, the Laguna Hills City Council held a Special Meeting, which, among other agenda items, included consideration of whether or not to contract with The Christmas Kings (Vendor) for holiday decorations and lighting. This Vendor had contracted with the City the previous year and was requesting an early commitment for the upcoming work effort scheduled to begin in November 2020. The proposed budget for the holiday decorations and lighting was $100,000. To offset some of the costs of the proposal for holiday decorations and lighting, after much discussion, a motion was made to put 2021 memberships in the regional organizations of LOCC, ACC-OC, SCAG and OCCOG on hold for a year for budget savings. The motion was seconded and the vote was unanimous.

Since that time, a second wave of COVID-19 hit Orange County, causing record hospitalizations. Lockdowns were imposed once again, and the impacts on our local economy were severe. We have seen a dramatic increase of drug and alcohol use, domestic violence, depression, and even suicide. Homelessness became a critical problem for the first time in the history of our city, and new higher Regional Housing Needs Allocation (RHNA) numbers were proposed for cities. All of these issues, and more, are regional in nature and cannot be solved just by ourselves. We need strong regional alliances so that our city's voice can be heard and can be a full participant in the decision-making process once again.

Reinstating City memberships in regional organizations is a relatively small but crucial investment in the future of our City, especially this year, when many decisions will be made that could affect us for many years to come.

Key leaders and representatives from each organization mentioned herein will be attending in person, or virtually, to provide some more in-depth information as to the value that they add to cities and in particular our City. The representatives invited to this meeting include:

LOCC: Tony Cardenas, Public Affairs Manager, Orange County

ACC-OC: Bruce Channing, Executive Director

SCAG: Jonathon Hughes, Regional Affairs Officer

OCCOG: Marnie Primmer, Executive Director

These organizations and other involved individuals also provided the attached information and letters in support of rejoining these regional organizations.

FISCAL IMPACT:

In discussing this matter with the City Manager, he expressed the following points: 1. Cost savings from regional organization membership suspensions were a City Council directed offset against the cost of the 2020 holiday decorations and lights program; 2. The City's operations are still under a management directive to impose "tier 1" cost savings, although the suspension of memberships in regional organizations was not included in the original proposal for budget cost savings; and 3. The adverse economic impact of COVID-19 on City revenues is not yet fully known.

It is important to note that the ACC-OC recently voted to lower their annual dues by 10% across the board to assist cities that are currently experiencing financial difficulties due to COVID-19. In addition, SCAG is offering a reduced dues payment for this year at 80% of previous levels.

The annual dues for the regional organizations are as follows:

LOCC: $13,149.00; SCAG: $2,871.20 (Previously $3,589.00); ACC-OC: $8,407.00 (Previously $9,341.00); OCCOG: $3,539.72 (plus funding for the CSUF Center for Demographic Research $1,768.79).

ATTACHMENTS:

- Attachment a - 1 through 4 - ACC OC Reference Materials
- Attachment b - 1 through 2 - OCCOG Reference Materials
- Attachment c - 1 through 2 - SCAG Reference Materials
- Attachment d - LOCC - January 19, 2021, Membership Packet and Info Graphic

Item 7.1.1

Attachment a – 1

ACC OC – List of City Dues

with 10% reduction for 2021

Association of California Cities
Orange County
• Education
• Policy
• Advocacy

ACC-OC Approved 2021 Membership Dues - City		
Member City	*2020 Dues*	*2021 Dues*
Aliso Viejo	$ 12,064.00	$ 10,857.60
Anaheim	$ 54,409.00	$ 48,968.10
Buena Park	$ 16,465.00	$ 14,818.50
Costa Mesa	$ 20,927.00	$ 18,834.30
Dana Point	$ 9,709.00	$ 8,738.10
Fountain Valley	$ 12,790.00	$ 11,511.00
Fullerton	$ 24,638.00	$ 22,174.20
Garden Grove	$ 29,084.00	$ 26,175.60
Huntington Beach	$ 33,017.00	$ 29,715.30
Laguna Beach	$ 8,212.00	$ 7,390.80
Laguna Hills	$ 9,341.00	8,407
Laguna Niguel	$ 14,178.00	$ 12,760.20
Lake Forest	$ 16,873.00	$ 15,185.70
Mission Viejo	$ 18,260.00	$ 16,434.00
Newport Beach	$ 16,987.00	$ 15,288.30
Orange	$ 24,483.00	$ 22,034.70
Placentia	$ 12,575.00	$ 11,317.50
San Juan Capistrano	$ 10,063.00	$ 9,056.70
Santa Ana	$ 51,508.00	$ 46,357.20
Stanton	$ 10,405.00	$ 9,364.50
Tustin	$ 16,188.00	$ 14,569.20
Villa Park	$ 5,816.00	$ 5,234.40
Yorba Linda	$ 14,447.00	$ 13,002.30
Total	$ 442,439.00	$ 389,788.20

Attachment: Attachment a - 1 through 4 - ACC OC Reference Materials (2345 : Request for Reconsideration of Membership in Regional

Item 7.1.1

Attachment a – 2

ACC OC – List of City Dues

Laguna Hills missing

Association of California Cities
Orange County
• Education
• Policy
• Advocacy

ATTACHMENT I (Budget Report)

ACC-OC Proposed 2021 Membership Dues - City		
Member City	*2020 Dues*	*2021 Dues*
Aliso Viejo	$ 12,064.00	$ 10,857.60
Anaheim	$ 54,409.00	$ 48,968.10
Buena Park	$ 16,465.00	$ 14,818.50
Costa Mesa	$ 20,927.00	$ 18,834.30
Dana Point	$ 9,709.00	$ 8,738.10
Fountain Valley	$ 12,790.00	$ 11,511.00
Fullerton	$ 24,638.00	$ 22,174.20
Garden Grove	$ 29,084.00	$ 26,175.60
Huntington Beach	$ 33,017.00	$ 29,715.30
Laguna Beach	$ 8,212.00	$ 7,390.80
Laguna Hills	$ 9,341.00	
Laguna Niguel	$ 14,178.00	$ 12,760.20
Lake Forest	$ 16,873.00	$ 15,185.70
Mission Viejo	$ 18,260.00	$ 16,434.00
Newport Beach	$ 16,987.00	$ 15,288.30
Orange	$ 24,483.00	$ 22,034.70
Placentia	$ 12,575.00	$ 11,317.50
San Juan Capistrano	$ 10,063.00	$ 9,056.70
Santa Ana	$ 51,508.00	$ 46,357.20
Stanton	$ 10,405.00	$ 9,364.50
Tustin	$ 16,188.00	$ 14,569.20
Villa Park	$ 5,816.00	$ 5,234.40
Yorba Linda	$ 14,447.00	$ 13,002.30
Total	$ 442,439.00	$ 389,788.20

Attachment: Attachment a - 1 through 4 - ACC OC Reference Materials (2345 : Request for Reconsideration of Membership in Regional

Item 7.1.1

Attachment a – 3

ACC OC – February 16, 2021

Membership Benefits Memorandum

Memo

To: ACC-OC Board of Directors
Janine Heft, City of Laguna Hills

From: Bruce E. Channing

Date: February 16, 2021

Re: ACC-OC Membership Benefits

Background:

The Association of California Cities – Orange County (ACC-OC) is a 501c3, non-profit that educates local elected officials on the most important regional policy issues, advocates for policies that benefit all Orange County cities, and empowers local leaders to make informed decisions about the issues before them. ACC-OC is committed to providing opportunities to collaborate with public, private, and non-profit organizations to find ways to improve life for all Orange County residents.

Founded in 2011, ACC-OC has been an integral part of fostering regional policy solutions for more than a decade. In 2018, ACC-OC drafted and supported legislation that would eventually pass both houses unanimously and create the Orange County Housing Finance Trust, a JPA created to assist cities in building permanent supportive and affordable housing. Each month the Association hosts a variety of educational programming and committee meetings to educate both elected officials and city staff. Most of this programming is offered free to members.

Like the rest of the world, ACC-OC has had to pivot during the last year and re-imagine how it provides true benefit to its members. Under the leadership of the ACC-OC Board of Directors, the Association was able to capitalize on its nimble staff and low-overhead to create a variety of programming directly related to Covid-19 and the economic fall-out. The Board of Directors also supported a 10 percent dues reduction for all members for the calendar year 2021. ACC-OC realizes you are tightening your belts, and they are too.

ACC-OC is governed by a 13-member Board of Directors, all local City Council members representing different member cities. Bruce Channing, ACC-OC Executive Director, served as the City Manager for the City of Laguna Hills for more than 25 years.

His leadership has streamlined ACC-OC's finances and built a team that is able to provide content and programming that covers a range of policy issues including: housing & homelessness, CalPERS and pensions, energy, economic development, planning, water, 5G & smart tech, and many others.

ACC-OC is committed to the idea that Orange County is stronger when its cities collectively advocate for policies that benefit the entire region. The Association will also continue to support legislation and policies that empower local leaders to use discretion and make decisions about their communities. In short, ACC-OC is ensuring that we keep OC in L**OC**al Control.

Item 7.1.1

Attachment a – 4

ACC OC – February 17, 2021

Letter from Assemblymember Davies

STATE CAPITOL
P.O. BOX 942849
SACRAMENTO, CA 94249-0073
(916) 319-2073
FAX (916) 319-2173
E-MAIL
Assemblymember.Davies@assembly.ca.gov

Assembly
California Legislature

LAUDIE DAVIES
ASSEMBLYMEMBER, SEVENTY-THIRD DISTRICT

DISTRICT OFFICE
29122 RANCHO VIEJO ROAD, SUITE 111
SAN JUAN CAPISTRANO, CA 92675
(949) 347-7301
FAX (949) 347-7302

February 17, 2021

Honorable Mayor,
Mayor Pro Tem and
City Councilmembers of Laguna Hills:

As a former Councilmember and Mayor of the City of Laguna Niguel from 2012 until 2020, I was very active as a member, board member and President of the Association of California Cities Orange County.

Local control has always been one of the biggest issues our cities have had to deal with especially when it comes to the overreach of the state regarding housing, businesses, public safety and as we have experienced last year, Covid.

The ACC-OC has always been proactive on informing our members and cities on legislation that would negatively put more regulations and cost upon our communities. They have continually been a strong advocate and voice for us at the state level as well as providing monthly educational workshops and events that have provided important tools for our staff to use on all facets of government.

Not only has the ACC-OC been beneficial to our city but it has also allowed local councils to build lasting relationships that have resulted in solving issues as a whole.

As I now have a new role serving the 73rd Assembly district including your city, I can see firsthand the affects bad policy has on those you represent. We know that one size doesn't fit all, especially when it comes to housing, homelessness and small businesses. Having the ACC-OC representing you at both a County and State level is imperative to the health and well-being of your community. When it came to this year's budget, tough decisions had to be made due to the loss of revenue because of Covid.

If there was ever a time to have a place at the table when it comes to local control and making sure your city receives its fair share at both the County and State level its now. You know the saying if you are not at the table you are on the menu. With that said, I ask you to consider rejoining the ACC-OC.

Thank you for the opportunity to serve you, please feel free to contact me if you have any questions. My district office is located in San Juan Capistrano, (949) 240-7300.

Sincerely,

Laurie Davies

Assemblywoman Laurie Davies

Item 7.1.1

Attachment b – 1

OCCOG– February 16, 2021

Letter from Executive Director Primmer

Orange County Council of Governments

Orange County Council of Governments (OCCOG)
3972 Barranca Parkway, Ste. J127
Irvine, CA 92606

info@occog.com

February 16, 2021

Councilmember Heft
City of Laguna Hills
24035 El Toro Rd
Laguna Hills, CA 92653

Subject: FY 2020-2021 OCCOG Membership - *Sent Via Email*

Councilmember Heft,

The Orange County Council of Governments (OCCOG) values the City of Laguna Hills' membership. Having every city in our county be a part of the officially designated sub-regional planning body makes our county stronger. We certainly understand that the pandemic has created fiscal challenges for our member jurisdictions, but OCCOG believes that by working together, many of the obstacles we face can be overcome.

As Orange County's sub-regional planning organization, OCCOG is a voluntary Joint Powers Authority. Currently, every city in the county, as well as our county's 25 special districts, the OCSD, OCTA, TCA, and SCAQMD are members. OCCOG focuses on five policy areas: water, energy, air quality, housing/land use, and transportation. While OCCOG is funded exclusively through member dues, we have been able to keep our dues level for a decade, while enhancing the services and support we provide to our member jurisdictions. OCCOG is proud of the fact that we use contract staff to lead and operate the JPA, a cost-effective way for us to ensure that member dues are used primarily on programs to benefit our members. From hosting our annual General Assembly, to partnering with organizations like ACC-OC and the League of Cities for educational webinar and advocacy purposes, OCCOG provides the information and the forums to ensure that Orange County speaks with one voice when it matters most.

OCCOG provides leadership opportunities to elected officials from across the county. Each Board member of OCCOG also represents their district on the Southern California Association of Governments (SCAG) Regional Council. And, the OCCOG Board of Directors appoints the sub-region's 12 policy committee representatives to SCAG, ensuring that our county has a voice in regional decision-making. In fact, there are three (3) current openings for elected leaders to step into a policy committee role at SCAG. This opportunity is only open to council members from OCCOG and SCAG member jurisdictions. SCAG policy committees make recommendations to the SCAG regional council and influence policy-making at the regional level. Orange County needs strong voices to ensure our perspective is heard.

Orange County Council of Governments

Orange County Council of Governments (OCCOG)
3972 Barranca Parkway, Ste. J127
Irvine, CA 92606

info@occog.com

For this coming year in particular, it is essential for the City to maintain its OCCOG membership. OCCOG has received $3.2M in funding from the sub-regional partner Regional Early Action Planning grant program (REAP). This one-time source of funding will be used to support our member jurisdictions in preparing their housing elements due to the State this October. Support will include access to on-call consultant resources for housing-related planning activities, new GIS-based technology to enhance the site selection, and a suite of tools that help address the growing interest in ADUs.

OCCOG provides a forum for the planning staff of our members to come together to address common concerns and offer continuous learning opportunities. For example, the Technical Advisory Committee meets monthly to discuss pressing planning issues, such as changes to housing legislation, the Regional Housing Needs Assessment (RHNA), the Regional Transportation Plan and Sustainable Communities Strategy (RTP/SCS), the Orange County Data Acquisition Project (OCDAP), adoption of Accessory Dwelling Units ordinances and guidelines (ADUs), and other timely topics.

At OCCOG we like to say, "You're either at the table or you're on the menu." We keep Orange County at the table. Nowhere has this been more evident than OCCOG's leadership in the recent RHNA cycle. Chairman Trevor O'Neil from the City of Anaheim and Vice Chair Wendy Bucknum from the City of Mission Viejo, along with members of the Orange County delegation, have each applied pressure on SCAG staff and the Regional Council to push back against overreach by HCD throughout the process. OCCOG representatives act as a conscience to SCAG, to speak up for our region when Sacramento tries to usurp local control; and they serve as a watchdog for SCAG to ensure that they avoid mission creep and stay focused on delivering the mandated planning documents for our region with accurate data and a transparent process.

Respectfully, while OCCOG understands the need to look for efficiencies when you are in belt-tightening mode, we believe the $3,539.72 in dues you pay is more than offset by the value we provide. We hope you will retain your membership in the OCCOG this year and look forward to continuing to serve you.

Sincerely,

Marnie O. Primmer

Executive Director
Orange County Council of Governments

Item 7.1.1

Attachment b – 2

OCCOG– February 17, 2021

Letter from Chair O'Neil

CITY OF ANAHEIM
COUNCIL MEMBER TREVOR O'NEIL
DISTRICT 6

February 17, 2021

Mayor Erica Pezold
City of Laguna Hills
24035 El Toro Road
Laguna Hills, CA 92653

Dear Mayor Pezold:

As the Chair of the Orange County Council of Governments (OCCOG), I am supportive of your city's consideration to join this important regional organization, which provides a platform for discussions on housing, transportation and energy.

I first became involved with OCCOG through my appointment following my 2018 election as an Anaheim City Council Member, representing the city's District 6 in Anaheim Hills. At the same time, I was also appointed to the Southern California Association of Governments (SGAG), which interfaces with OCCOG. Immediately, we got to work on our region's critical housing shortage. As you know, cities across Southern California, including Laguna Hills, are facing increasingly onerous state mandates to produce affordable housing. Through OCCOG and SCAG, cities in Orange County can have a seat at the table as these housing regulations are debated.

OCCOG also serves as the regional hub of discussion for transportation projects affecting all of Southern California, as well as energy reliability. Regional public policy will be impacted by federal infrastructure spending, proposed climate change legislation at the federal and state levels and more. Laguna Hills residents deserve to be represented as these regional discussions take place.

I ask you and your council colleagues to join with the many Orange County cities and public agencies as a member of OCCOG. If you have questions or need more information on OCCOG, please contact me at toneil@anaheim.net or Marnie Primmer, Executive Director of OCCOG, at marnie@occog.com. You may also visit www.occog.com.

Sincerely,

Trevor O'Neil

Trevor O'Neil
Chair, OCCOG

200 South Anaheim Boulevard, Anaheim, California 92805
(714) 765-5247 • FAX (714) 765-5164 • www.anaheim.net

CC:
Don Sedgwick, Laguna Hills Mayor Pro Tem
Janine Heft, Laguna Hills Council Member
Bill Hunt, Laguna Hills Council Member
Dave Wheeler, Laguna Hills Council Member
Donald White, Laguna Hills City Manager
Melissa Au-Yeung, Laguna Hills Deputy City Manager
Jennifer Lee, Laguna Hills Assistant City Clerk

Item 7.1.1

Attachment c – 1

SCAG

Value for your Investment

SCAG

INNOVATING FOR A BETTER TOMORROW

SCAG MEMBER DUES:
VALUE FOR YOUR INVESTMENT

SOUTHERN CALIFORNIA ASSOCIATION OF GOVERNMENTS

Membership to SCAG is voluntary and member cities pay dues which are invoiced when the General Assembly approves them. Dues are based on the respective populations of the counties and cities, as determined by the State Department of Finance's most recent estimate. Below is a specific breakdown of how SCAG dues are calculated:

THE FIRST STEP IS ASSESSING A BASE RATE:

Once the base rate is established for all cities, they are added together and that total is deducted from the Annual Dues Goal (based off the total of the previous years' dues).

ASSESSING A BASE RATE

population range	*base dues*
0 to 9,999	$100
10,000 to 24,999	$250
25,000 to 99,999	$500
100,000 to 499,999	$750
500,000 to 999,999	$1,000
1,000,000 +	$1,250

THE SECOND STEP IS ASSESSING THE PERCENT OF THE REGIONAL POPULATION A COUNTY OR CITY REPRESENT:

- Cities are charged based on the proportion their population bears on the total regional population (tribal governments in the SCAG region are treated as cities for purposes of dues assessment)
- Counties are charged based on the proportion of the population their unincorporated areas bear on the regional population

Example:

- A city with a population of 29,000 would be assessed base dues of $500 (which are added to the total for all cities and subtracted from the Annual Dues Goal). Then, in the second step, the city's population represents approximately 0.00153% of the regional population (18.9 million) and would therefore be assessed an additional $2,833 for a total of $3,333 ($500 + $2833).

SCAG membership offers excellent value for minimal investment. Dues paid to SCAG are equivalent to eight cents per capita, far less than those assessed for other Councils of Government locally and statewide (dues in other metropolitan areas range from 12-21 cents per capita).

As the largest metropolitan planning organization in the nation, SCAG provides member cities a forum to discuss regional issues; have greater influence in legislation and increased access to the knowledge and insight of ongoing State and Local activities. SCAG membership affords many opportunities to engage regionally and enhance policies and projects affecting constituents, benefiting Southern California now and for the future.

FOR MORE INFORMATION, CONTACT THE REGIONAL SERVICES STAFF IN YOUR COUNTY:

IMPERIAL COUNTY
1503 N. Imperial Ave., Ste. 104
El Centro, CA 92243 | (760) 353-7800
David Salgado | salgado@scag.ca.gov

LOS ANGELES COUNTY
900 Wilshire Blvd., Ste. 1700
Los Angeles, CA 90017 | (213) 236-1800
Sarah Patterson | patterson@scag.ca.gov

ORANGE COUNTY
600 S. Main St., Ste. 741
Orange, CA 92868 | (714) 542-3687
Jonathan Hughes | hughesj@scag.ca.gov

RIVERSIDE COUNTY
3403 10th St., Ste. 805
Riverside, CA 92501 | (951) 784-1513
Arnold San Miguel | sanmigue@scag.ca.gov

SAN BERNARDINO COUNTY
1170 W. 3rd St., Ste. 140
San Bernardino, CA 92410 | (909) 806-3556
Arnold San Miguel | sanmigue@scag.ca.gov

VENTURA COUNTY
4001 Mission Oaks Blvd., Ste. L
Camarillo, CA 93012 | (805) 642-2800
Rachel Wagner | wagner@scag.ca.gov

SCAG RESOURCES

Funding

Members get help to find and secure grant funding from federal and state agencies for local projects.

Tools & Training

Members are provided the methodology, tools and trainin necessary to implement the strategies and principles of approved regional plans. SCAG can also perform site-specific performance analyses and transportation/land use benefits analyses.

Priority Response

Members receive priority response on requests for data, publications or planning support.

Custom Maps

Members can request the creation of customized maps for use on their jurisdiction's website.

Data Analyses

Members may access SCAG's website for jurisdictional data analyses; city general plan and land use maps; complete set of SCAG forecast spreadsheets and maps focusing on smaller levels of geography; selected transportation modeling data and modeling linked to the GIS street network; and easy-to-use census files, numerous publications and more.

Item 7.1.1

Attachment c – 2

SCAG & OCCOG – February 18, 2021

Letter from Mayor Pro Tempore

Wendy Bucknum, Mission Viejo

City of Mission Viejo

Office of the Mayor and City Council

Trish Kelley
Mayor

Wendy Bucknum
Mayor Pro Tem

Brian Goodell
Council Member

Greg Raths
Council Member

Edward Sachs
Council Member

February 18, 2021

Council Member Janine Heft
City of Laguna Hills
24035 El Toro Road
Laguna Hills, CA 92653

Dear Council Member Heft,

Subject: Mission Viejo Letter of Support of the City of Laguna Hills Re-joining OCCOG & SCAG

I understand the City of Laguna Hills City Council will soon be discussing whether to re-join as members of the Orange County Council of Governments (OCCOG) and the Southern California Association of Governments (SCAG), as part of the City's FY2021/22 budget deliberations.

I had hoped to be able to share some thoughts with you and your fellow councilmembers at your February 23, 2021 city council meeting, but as you know, the City of Mission Viejo shares the same schedule for council meetings. However, I have been thinking greatly about your upcoming discussions, and offer this letter to provide my perspectives and thoughts supporting the City's membership in OCCOG and SCAG.

OCCOG and SCAG have a common and important alignment: shared city representation on their respective governing boards.

OCCOG is one of fifteen official subregions of SCAG, and as an official SCAG subregion, OCCOG has the distinction of having an official seat at the table on regional policy making.

This is an invaluable alignment, as it allows for a consistent message and directive on local policy making at the OCCOG Board of Directors level, to be maintained and carried forth by the same individuals at the SCAG Regional Council level. This alignment provides a critical Orange County voice on housing, transportation and land use policy.

Further, OCCOG has twelve additional "at-large" city seats on SCAG's three policy committees: SCAG's Energy & Environment Committee, SCAG's CEHD land use and housing planning committee, or SCAG's Transportation Committee. It is at this level that the more comprehensive and detailed regional discussions are held on housing, transportation, growth forecasts, and greenhouse gas emissions reductions, before being considered by SCAG's Governing Board. Before serving as the Regional Council representative for District 13, which includes the City of Laguna Hills, I served for several years as an OCCOG subregional representative on the SCAG CEHD committee and also served as an Alternate on the OCCOG Board of Directors for former

200 Civic Center • Mission Viejo, California 92691
http://www.cityofmissionviejo.org

949/470-305_
FAX 949/859-1386

Laguna Hills Councilmember Barbara Kogerman. These were invaluable years in understanding regional policymaking at SCAG.

Last, both OCCOG and SCAG have additional Orange County representatives on their respective governing boards from the Orange County Transportation Authority and the Transportation Corridor Agencies, to balance land use policy with transportation policy, especially with the mandated Regional Transportation Plan (RTP) and Sustainable Communities planning process and the next iteration of growth forecasts for these plans that will start in FY2021/22.

As we all know, the past two years with the state-mandated RHNA planning process was a challenging one. The planning process shed light on how vast the SCAG region is, and how different counties have distinct and differing perspectives on how best to plan for the region. But what Orange County brings to the table –as members of OCCOG and SCAG – is a unified position and a show of strength that has made a difference and counters any rubber-stamping of regional policy positions.

I would hope that the City of Laguna Hills could carefully consider re-joining both OCCOG and SCAG. As individual jurisdictions, we must work together collectively to continue to push for a voice of reason against "one-size fits all" directives coming down from Sacramento and impinging upon local control at the regional and county levels. Through OCCOG and through Orange County's representation on SCAG committees and Governing Board, we can continue to be a watchdog and the "squeaky wheel" that continues to question and provoke, to insure that the issues and concerns of our cities, and of Orange County in general, are respected and considered. We could not achieve that without the solidarity of our Orange County jurisdictions.

I know that Mission Viejo's City Manager Dennis Wilberg shares these perspectives and continues to support Mission Viejo's membership in these two organizations. We both hope that the City of Laguna Hills could continue to be members of both OCCOG and SCAG, to allow South Orange County and Orange County as a whole, to work together for a voice of reason in transportation, land use and housing policy.

Respectfully,

Wendy M Bucknum

Wendy Bucknum,
Mayor Pro Tem

CC ~ Dennis Wilberg
Mission Viejo City Council

200 Civic Center • Mission Viejo, California 92691
http://www.cityofmissionviejo.org
949/470-3050
FAX 949/859-1386

Item 7.1.1

Attachment d

LOCC – January 19, 2021

Membership Packet and Info Graphic

LEAGUE OF CALIFORNIA CITIES

January 19, 2021

TO: **City Managers and City Clerks in Non-Manager Cities**

FROM: **League of California Cities Executive Director and CEO Carolyn Coleman**

SUBJECT: **League of California Cities Membership Invoice for 2021**

Thank you for your city's membership in the League of California Cities (Cal Cities). Your support during 2020 was critical as we partnered together to ensure the strength and resiliency of cities during an unprecedented year. I know your city's financial resources are not unlimited, and value your ongoing commitment to keep city leaders and cities strong now and into the future by belonging to Cal Cities.

Achieving Strong Results

Accompanying your city's 2021 membership invoice is the League of California Cities 2020 Annual Report. Together we fought proactively at the state and federal level for resources and drove policy that reflects the needs of California cities. Fueled by our powerful network of city officials and dedicated Cal Cities staff, cities of all sizes benefited as Cal Cities reimagined programs to support city leaders as they guided their communities through the transformative challenges of the day.

The value and benefits your city derives from membership in the League of California Cities makes the payment of Cal Cities dues a wise investment. Enclosed for your review is a customized "Return on Investment" report for your city. This report summarizes significant financial benefits your city receives as a direct result of Cal Cities' legislative and ballot measure advocacy.

Advancing the Mission

Equally important, the value of membership provides elected and appointed officials in your city the ability to engage in meaningful policy development discussions, pertinent educational workshops, and relevant networking opportunities. Working in concert with our 477 member cities, partners, and coalition supporters, advancing local priorities through advocacy and education remains the cornerstone of Cal Cities activities.

Focusing on member-driven priorities to secure state and federal funding for local COVID-19 public health response and economic recovery; improve state-local coordination and planning to strengthen community disaster preparedness, resiliency, and recovery; protect and modernize critical infrastructure; and secure funding to increase the supply and affordability of housing and resources to assist individuals at risk or experiencing homelessness while preserving local decision making, Cal Cities serves as a vital partner to your community, advancing the voice of city leaders with state and federal policymakers.

1400 K Street, Suite 400, Sacramento, CA 95814-3916 | www.cacities.org | (916) 658-8200

Membership Remains Affordable

Pursuant to Cal Cities bylaws, annual membership dues are determined using a city's population as set forth by the California Department of Finance.

Balancing the fiscal impact COVID-19 places on cities with the key role membership dues play in sustaining Cal Cities' strong operations, the board adopted the 2021 dues schedule retaining in place the 2020 membership rates for 2021. This decision reflects the board's commitment to the membership while ensuring adequate funding to support Cal Cities programs and advocacy activities.

In addition, consistent with board policy, Cal Cities maintains a Litigation Contingency Reserve Account (LCRA) funded through an optional voluntary surcharge set as a percentage of dues. Reviewed annually by Cal Cities' finance committee and board of directors, the LCRA is intended to: 1. cover expenses incurred from board-approved litigation within a single budget year; and 2. maintain sufficient set-asides to cover expenses Cal Cities would incur if Cal Cities becomes or remains involved in board-approved litigation during the following year. Fully funded for 2021, contributions to the optional voluntary litigation surcharge are not required and are shown as a zero on the enclosed invoice.

California Cities Work Stronger Together

Through Cal Cities, all cities and all city officials have the opportunity to help shape vital solutions to the issues of greatest importance to our cities and the state of California.

On behalf of Cal Cities officers and board, I encourage your enthusiastic support of and participation in the League of California Cities during 2021 and beyond. Working together, we amplify our collective voice on key statewide policy matters.

If you have any questions about this matter, please contact Norman Coppinger, Deputy Executive Director Finance and Operations, at ncoppinger@cacities.org or (916) 658-8277.

Enclosures: Dues invoice
Dues schedule
Return on Investment Report
2020 Annual Report

League of California Cities
2021 Dues Schedule

For cities having a population of:				2020 Dues	2021 Increase	2021 Dues
1	to	500	. . .	$81	-	$81
501	to	600	. . .	214	-	214
601	to	700	. . .	427	-	427
701	to	800	. . .	467	-	467
801	to	900	. . .	560	-	560
901	to	1,000	. . .	657	-	657
1,001	to	1,250	. . .	820	-	820
1,251	to	1,500	. . .	985	-	985
1,501	to	1,750	. . .	1,148	-	1,148
1,751	to	2,000	. . .	1,313	-	1,313
2,001	to	2,250	. . .	1,477	-	1,477
2,251	to	2,500	. . .	1,643	-	1,643
2,501	to	2,750	. . .	1,805	-	1,805
2,751	to	3,000	. . .	1,970	-	1,970
3,001	to	4,000	. . .	2,626	-	2,626
4,001	to	5,000	. . .	3,282	-	3,282
5,001	to	7,500	. . .	4,429	-	4,429
7,501	to	10,000	. . .	5,111	-	5,111
10,001	to	15,000	. . .	6,170	-	6,170
15,001	to	20,000	. . .	7,105	-	7,105
20,001	to	25,000	. . .	8,896	-	8,896
25,001	to	30,000	. . .	10,682	-	10,682
30,001	to	40,000	. . .	13,149	-	13,149
40,001	to	50,000	. . .	15,997	-	15,997
50,001	to	60,000	. . .	18,427	-	18,427
60,001	to	70,000	. . .	20,252	-	20,252
70,001	to	80,000	. . .	21,274	-	21,274
80,001	to	90,000	. . .	22,676	-	22,676
90,001	to	100,000	. . .	24,841	-	24,841
100,001	to	125,000	. . .	28,332	-	28,332
125,001	to	150,000	. . .	31,187	-	31,187
150,001	to	200,000	. . .	35,444	-	35,444
200,001	to	500,000	. . .	37,219	-	37,219
			Plus	1,776	-	1,776
		per each full 10,000 of population over 200,001				
500,001	to	640,000		90,343	-	90,343
			Plus	1,641	-	1,641
		per each full 10,000 of population over 500,001				
	Over	640,000		112,570	-	112,570

A bylaws provision states that no city's dues may increase by more than $5,000.

Attachment: Attachment d - LOCC - January 19, 2021, Membership Packet and Info Graphic (2345 : Request for Reconsideration of Membership

LEAGUE OF CALIFORNIA CITIES

LEAGUE MEMBERSHIP -- A GREAT INVESTMENT

Customized Return on Investment Report
December 2020

LAGUNA HILLS	FY2016-17	FY2017-18	FY2018-19	FY2019-20	FY2020-21	Total
LAGUNA HILLS's Dues	12,210	12,454	12,454	13,149	13,149	63,416
VLF/PropertyTax Swap (1)	981,412	962,867	1,072,016	1,224,914	1,173,982	5,415,190
Local Revenues protected by Prop. 22 (2)	635,015	660,399	649,863	807,153	703,398	3,455,828
SB89 VLF Shift	-150,823	-159,872	-167,209	-174,882	-182,227	-835,013
Police Grants - Supplemental Budget	30,994					30,994
SB1 Transportation Funds - Local Streets and Roads		220,073	539,163	561,739	592,886	1,913,861
CARES Act					389,033	389,033
Total Return	1,496,598	1,683,466	2,093,833	2,418,924	2,677,072	10,369,893
Rate of Return	123:1	135:1	168:1	184:1	204:1	164:1

1. Net gain in revenues by virtue of the VLF/Property Tax Swap. Growth in PropTax in Lieu of VLF versus estimated growth in VLF had it remained.

2. Prop. 22 ended the Legislature's ability to borrow or delay HUTA and Prop. 42 gas tax funds.

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Our mission is to expand and protect local control
for cities through education and advocacy
to enhance the quality of life for all Californians.

2020 By the Numbers

476 **Member** Cities

55 **Cal Cities** Board Members

16 **Regional** Divisions

9 **Professional** Departments

5 **Diversity** Caucuses

Residents represented by **Member Cities:** **33 Million**

ADVOCACY

Monitored, tracked, and **engaged** on

1,671 Bills
70% of the 2,390 total bills

434 members serving on **policy committees**

43 Friend-of-the-court briefs/letters filed

10 action alerts sent on high-priority legislation

EDUCATION

5,500 Conference and training **attendees**

115 Webinars with 15,118 webinar attendees

124 Conference and exhibitor **sponsors**

RECOGNITIONS

3 Cities honored with **Local Streets and Roads Awards**

11 Helen Putnam award-winning cities from **110** submissions

The Institute for Local Government

6 full **Beacon Vanguard** Award

36 cities received **Beacon Spotlight** Awards

FINANCIAL SOLUTIONS

CSCDA
$1.5 billion
in issuance in tax-exempt bonds and tax credits for cities, communities, and nonprofits
www.cscda.org

CalTRUST
$2.6 billion
in pooled investment of public funds at attractive rates
www.caltrust.org

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2020 By the Numbers

Continued

LEAGUE OF CALIFORNIA CITIES
cacities.org

CONNECTIONS

695,671 **webpage views** www.cacities.org

48 issues of *Cal Cities Advocate* with **8,688 newsletter** subscribers

15 listservs with **8,929** subscribers

285 Instagram followers

10,613 Twitter followers

823,000 Tweet views

5,067 Facebook followers

235,094 Facebook post views

12 issues of *Western City* magazine with **308** pages of content

132,394 webpage views **www.westerncity.com**

100+ reporter inquiries

3,266 media mentions

88.6 million estimated **media reach**

286,000 webpage views, **www.ca-ilg.org** with **23,100** ILG resources downloaded

COVID-19

How We Kept Cities Informed During COVID-19

100+ COVID-19 **email updates** to city officials

29,757 COVID-19 webpage views **www.cacities.org**

32 COVID-19-related **webinars** with **8,311** attendees

How We Kept State and Federal Leaders Informed About What Cities Needed

5 news conferences

150 news outlets ran stories

30 million reach

Launched the "Support Local Recovery Coalition"

Support Local RECOVERY

375+ members

400+ advocacy letters sent to state and federal legislators

120,000+ **#SupportLocalRecovery Tweets and Facebook** posts viewed