



CITY OF LAGUNA HILLS CITY COUNCIL/PLANNING AGENCY

REGULAR MEETING AGENDA Tuesday, September 27, 2022 – 7:00 PM (Closed Session at 6:00 PM when scheduled)

Dave Wheeler, Mayor

Janine Heft, Mayor Pro Tempore
Erica Pezold, Council Member

Don Caskey, Council Member
Don Sedgwick, Council Member

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

Any person wishing to address the City Council/Planning Agency on any matter, whether or not it appears on this Agenda, is asked to complete a pink "Request to Speak" form available on the table at the back of the Chamber. The completed form is to be submitted to the City Clerk prior to an individual being heard by the City Council/Planning Agency. Completion of the form is voluntary. All persons may attend the meeting regardless of whether this form is completed.

Members of the public wishing to address the City Council can do so during the Public Comments portion of the Agenda with a time limitation of three minutes per person, an overall time limit of ten minutes for any one subject, and a total time limit of thirty minutes for Public Comments. If you are commenting on an Agenda item, your comments will be heard at the time that item is scheduled on the Agenda. If you are addressing the City Council on an item not listed on the Agenda, the City Council is prohibited by law from discussing or taking any action on that item.

Submission of Electronic Public Comments: While you may attend this meeting in person, those wishing to make electronic public comments may submit their comments by email to the City Clerk at publiccomments@lagunahillsCA.gov, by 5:00 p.m. on September 27, 2022. 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.

Announcement of Electronic 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 September 27, 2022. Email comments will NOT be read by the City Clerk during the meeting. Electronic public comments may only be submitted via email and comments via text and social media (Facebook, Twitter, etc.) will not be accepted. The email comments, including your name, will become part of the record of the City Council meeting and will be public information.

CLOSED SESSION - CONVENING AT 6:00 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.

ROLL CALL OF CITY COUNCIL MEMBERS**ANNOUNCEMENT OF CLOSED SESSION ITEM(S)**

The City Council will convene into Closed Session, in the City Council Conference Room, City Hall, Laguna Hills Civic Center, to consider the following matter(s):

A. CONFERENCE WITH LEGAL COUNSEL - ANTICIPATED LITIGATION

Pursuant to California Government Code Section 54956.9

Significant exposure to litigation pursuant to paragraph (2) of subdivision (d) and paragraph (1) of subdivision (e) of Government Code Section 54956.9: (1 potential case).

PUBLIC COMMENT ON CLOSED SESSION ITEM(S)**ADJOURN TO CITY COUNCIL CONFERENCE ROOM OR CITY COUNCIL CHAMBER****CONVENE INTO CLOSED SESSION**

The City Council will convene into Closed Session to consider the matter(s) listed above.

RECONVENE TO CITY COUNCIL CHAMBER**RECESS**



CITY OF LAGUNA HILLS CITY COUNCIL/PLANNING AGENCY

REGULAR MEETING AGENDA Tuesday, September 27, 2022 – 7:00 PM (Closed Session at 6:00 PM when scheduled)

Dave Wheeler, Mayor

Janine Heft, Mayor Pro Tempore
Erica Pezold, Council Member

Don Caskey, Council Member
Don Sedgwick, Council Member

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

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Submission of Electronic Public Comments: While you may attend this meeting in person, those wishing to make electronic public comments may submit their comments by email to the City Clerk at publiccomments@lagunahillsCA.gov, by 5:00 p.m. on September 27, 2022. 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.

Announcement of Electronic 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 September 27, 2022. Email comments will NOT be read by the City Clerk during the meeting. Electronic public comments may only be submitted via email and comments via text and social media (Facebook, Twitter, etc.) will not be accepted. 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.

INVOCATION: Council Member Caskey

PLEDGE OF ALLEGIANCE: Mayor Pro Tempore Heft

ROLL CALL OF CITY COUNCIL MEMBERS**CLOSED SESSION REPORT****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 2022 Fall Student Liaison Ella Carnahan.

1.2 Recognition of Dan Meehan

Recommendation: That the City Council recognize Dan Meehan for 23 years of service to the City and that Mayor Wheeler present a City Tile and a Certificate of Recognition to Mr. Meehan.

1.3 Presentation by Mercy House on Homeless Outreach

Recommendation: That the City Council receive an update from Timothy Huynh on Mercy House's homeless outreach efforts in the City of Laguna Hills.

2. SCHEDULE OF FUTURE EVENTS**2.1 Schedule of Future Events**

Recommendation: That the Interim City Clerk announce the upcoming meetings and 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.

4.1 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.

4.2 Approval of Minutes for September 13, 2022, Regular Meeting

Recommendation: That the City Council approve the City Council Minutes for the September 13, 2022, Regular Meeting.

4.3 Ratification of September 27, 2022, Warrant Register

Recommendation: That the City Council ratify the accompanying Warrant Register for the period from September 2, 2022, to September 15, 2022, in the amount of \$754,504.18.

4.4 Response to the 2021-2022 Orange County Grand Jury Report Entitled "Where Have All the CRVs Gone?"

Recommendation: That the City Council authorize the Mayor to sign the letter of response to the 2021-2022 Orange County Grand Jury Report entitled "Where Have All the CRVs Gone?".

4.5 Proposed Amendment No. 3 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(I) and (J), for approval of the proposed Amendment No. 3 to the Consulting Services Agreement for Solid Waste and Recycling Consulting Services with Eco/Nomics, Inc.; 2) Approve proposed Amendment No. 3 to the Consulting Services Agreement with Eco/Nomics, Inc., increasing the maximum contract

amount by \$150,000 from \$578,000 to \$728,000; and 3) Authorize the Mayor or the Mayor Pro Tempore to sign the proposed Amendment No. 3.

4.6 Cooperative Agreement No. C-2-2632 Between the Orange County Transportation Authority and the Cities of Irvine, Laguna Hills and Lake Forest for the Bake Parkway and Rockfield Boulevard Regional Traffic Signal Synchronization Program Project

Recommendation: That the City Council approve Cooperative Agreement No. C-2-2632 with the Orange County Transportation Authority for the Bake Parkway and Rockfield Boulevard Regional Traffic Signal Synchronization Program Project and authorize the Mayor or Mayor Pro Tempore to sign the Agreement.

4.7 Cooperative Agreement No. C-2-2634 Between the Orange County Transportation Authority and the Cities of Dana Point, Laguna Hills and Laguna Niguel for the Moulton Parkway Regional Traffic Signal Synchronization Program Project

Recommendation: That the City Council approve Cooperative Agreement No. C-2-2634 with the Orange County Transportation Authority for the Moulton Parkway Regional Traffic Signal Synchronization Program Project and authorize the Mayor or Mayor Pro Tempore to sign the Agreement.

4.8 Progress Payment No. 1, Final, for Turf Renovation, CIP No. 238-C, Phase II

Recommendation: That the City Council approve Progress Payment No. 1, Final, in the net amount of \$102,799.50, and Contract Change Order No. 1, to CSA Holdings, Inc., dba Sports Fields Services, for Turf Renovation, CIP No. 238-C, Phase II, and authorize the filing of the Notice of Completion for Phase II and subsequent Release of Retention in 35 days, if no liens have been filed.

4.9 Progress Payment No. 1, Final, for Water Quality Improvement Phase X, CIP 412-J

Recommendation: That the City Council approve Progress Payment No. 1, Final, in the net amount of \$237,476.25, to G2 Construction, Inc., for Water Quality Improvement Catch Basin Debris Gate Project Phase X, CIP 412-J, and authorize the filing of the Notice of Completion and subsequent release of retention in 35 days, if no liens have been filed.

4.10 Rejection of Bid Proposals for Cooling Tower System Replacement at the Laguna Hills Civic Center, CIP No. 505A

Recommendation: That the City Council reject all Bid Proposals for Cooling Tower System Replacement at the Laguna Hills Civic Center, CIP No. 505-A and direct staff to reissue the Notice Inviting Bids and Specifications.

4.11 Second Reading & Adoption of Proposed Ordinance Adding Chapter 6-44 to Tile 6 (Public Welfare) of the Laguna Hills Municipal Code Establishing Regulations Prohibiting the Unlawful Possession of Catalytic Converters in the City

Recommendation: That the City Council: 1) Adopt an Ordinance entitled: “An Ordinance of the City Council of the City of Laguna Hills, California, Adding Chapter 6-44 to Tile 6 (Public Welfare) of the Laguna Hills Municipal Code Establishing Regulations Prohibiting the Unlawful Possession of Catalytic Converters in the City”; and 2) Authorize the Mayor/Mayor Pro Tempore to execute the Ordinance.

ITEMS REMOVED FROM THE CONSENT CALENDAR**5. PLANNING AGENCY**

There are no separate Planning Agency Business Items for this meeting.

6. CITY COUNCIL PUBLIC HEARINGS**7. ADMINISTRATIVE REPORTS****7.1. City Manager****7.2. Finance Director****7.2.1 Financial Update and Mid-Cycle 2021-2023 Biennial Budget Review**

Recommendation: That the City Council receive and file the financial update for the fiscal year ended June 30, 2022 and provide direction to staff on proposed amendments to the fiscal year 2022/2023 adopted budget.

7.3. Community Development Director**7.3.1 Short-Term Rentals**

Recommendation: That the City Council direct staff regarding regulatory options for short-term rentals.

8. MATTERS AGENDIZED AND PRESENTED BY CITY COUNCIL MEMBERS**9. CITY COUNCIL MEMBER COMMITTEE REPORTS****9.1. Committee Assignment Reports**

Recommendation: That the City Council receive oral reports on the following City Council Committee Assignments:

1. League of California Cities (Council Member Pezold)
September 7-9, 2022, Annual Conference and Expo
2. OC Mosquito & Vector Control District Board of Trustees (Council Member Pezold)
September 15, 2022 meeting.
3. Association of California Cities - Orange County Legislative and Regulatory Commission (Mayor Wheeler)
September 22, 2022 meeting.
4. Orange County Mayors (Mayor Wheeler)
biweekly meeting.

10. CITY COUNCIL MEMBER COMMENTS**ADJOURNMENT**

The next Regular Meeting of the City Council/Planning Agency will be October 11, 2022, at 7:00 p.m., in the City Council Chamber, located at 24035 El Toro Road, Laguna Hills, California.

CERTIFICATION

I, JENNIFER LEE, Interim 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 September 23, 2022, at 5:00 p.m.



Jennifer Lee, Interim City Clerk

September 22, 2022

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: September 27, 2022
TO: Mayor and Council Members
FROM: David Reynolds
Deputy City Manager/Community Services Director
ISSUE: Recognition of Dan Meehan

RECOMMENDATION: That the City Council recognize Dan Meehan for 23 years of service to the City and that Mayor Wheeler present a City Tile and a Certificate of Recognition to Mr. Meehan.

SUMMARY:

Dan Meehan, was first hired by the City as a part-time Community Services Leader for the Parks and Recreation Department on November 8, 1999, and was promoted to full-time Community Services Coordinator in 2001. Over the years, Dan has also served the City as Community Services Supervisor, Community Services Program Supervisor and was promoted to Community Services Superintendent in March of 2008.

After almost 23 years of service to the City of Laguna Hills, and numerous accomplishments on behalf of the City, Mr. Meehan has decided to leave the City effective October 3, 2022. A Certificate of Recognition has been prepared officially recognizing Dan Meehan for his service to the City.

ATTACHMENTS:

- Certificate of Recognition - Dan Meehan



CITY OF LAGUNA HILLS

CERTIFICATE OF RECOGNITION

DAN MEEHAN

Community Services Superintendent

WHEREAS, Dan Meehan, was first hired by the City as a part-time Community Services Leader for the Parks and Recreation Department on November 8, 1999, and was promoted to full-time Community Services Coordinator in 2001. Over the years, Dan has also served the City as Community Services Supervisor, Community Services Program Supervisor and was promoted to Community Services Superintendent in March of 2008; and

WHEREAS, Dan Meehan, was instrumental in building the City's recreation programs throughout the years including healthy recreation programs such as the "Get Fit" campaign; and

WHEREAS, Dan Meehan, has admirably managed the City's two major signatures events over the years: the Laguna Hills Memorial Day Half Marathon, 5K & 10K and the 4th of July Celebration; and

WHEREAS, Dan Meehan has established supporting relationships with community organizations such as the 3/5 Marine and Support Committee; and

WHEREAS, Dan Meehan is a recognized and respected parks and recreation professional and served as an officer on the California Parks and Recreation Society District 10; and

WHEREAS, Dan Meehan has served as a staff liaison for the Parks and Recreation Commission; and

WHEREAS, Dan Meehan has honorably and dutifully fulfilled the mission of the Community Services' department to provide quality recreation programming that promotes a healthy lifestyle, self-esteem, family life, community spirit, and public welfare; and

WHEREAS, Dan Meehan, has decided to leave after almost 23 of years as a City employee, effective October 3, 2022, and will be sincerely missed by friends, colleagues, and co-workers alike.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF LAGUNA HILLS, CALIFORNIA, does hereby express sincere appreciation and thanks to Dan Meehan, for his distinguished and dedicated service to the City of Laguna Hills, highly commends him for the manner in which he has carried out his duties as Community Services Superintendent and wishes him nothing but the very best in his future endeavors.

Dated this 27th day of September 2022.

Dave Wheeler, Mayor

Janine Heft, Mayor Pro Tempore

Don Caskey, Council Member

Erica Pezold, Council Member

Don Sedgwick, Council Member



City of Laguna Hills

City Council/Planning Agency

Staff Report

DATE: September 27, 2022
TO: Mayor and Council Members
FROM: David Reynolds
Deputy City Manager/Community Services Director
ISSUE: Presentation by Mercy House on Homeless Outreach

RECOMMENDATION: That the City Council receive an update from Timothy Huynh on Mercy House's homeless outreach efforts in the City of Laguna Hills.

SUMMARY:

The City of Laguna Hills contracts with Mercy House Living Centers (Mercy House) to provide the City with homelessness outreach services. Timothy Huynh, Chief Program Officer, of Mercy House will present an oral report to the City Council with an update on homelessness outreach work efforts in the City. Mercy House's latest monthly status report is attached for reference.

ATTACHMENTS:

- August 2022 -Laguna Hills Street Outreach Monthly Report

SOUTH COUNTY STREET OUTREACH PROGRAM

MONTHLY REPORT AUGUST 2022

MERCY  HOUSE

Report Contact:

Timothy Huynh, Chief Program Officer

EM: timothyh@mercyhouse.net

PH: (714) 836-7188 x132

July 1, 2022- August 31, 2022

PROGRAM HIGHLIGHTS

Regional approach to street outreach in South Orange County. Our outreach services include engagement, completing housing assessments to enter CES, connecting individuals to the system of care including physical and mental health services, drug and alcohol rehabilitation, housing and other social services such as General Relief, CALFresh, Medi-Cal, and addressing other conditions that may exist.

2

People have exited the streets to permanent housing

8

People have exited the streets to temporary housing, emergency shelter or institutional care

165

CLIENTS SERVED TO DATE

22

NEW CLIENTS SERVED DURING THE MONTH

136

CLIENTS ACTIVE IN THE PROGRAM

673

HOURS OF ENGAGEMENT PROVIDED DURING THE MONTH

155

SERVICES PROVIDED TO DATE

34

RESOURCES, REFERRALS, AND LINKAGES PROVIDED TO DATE

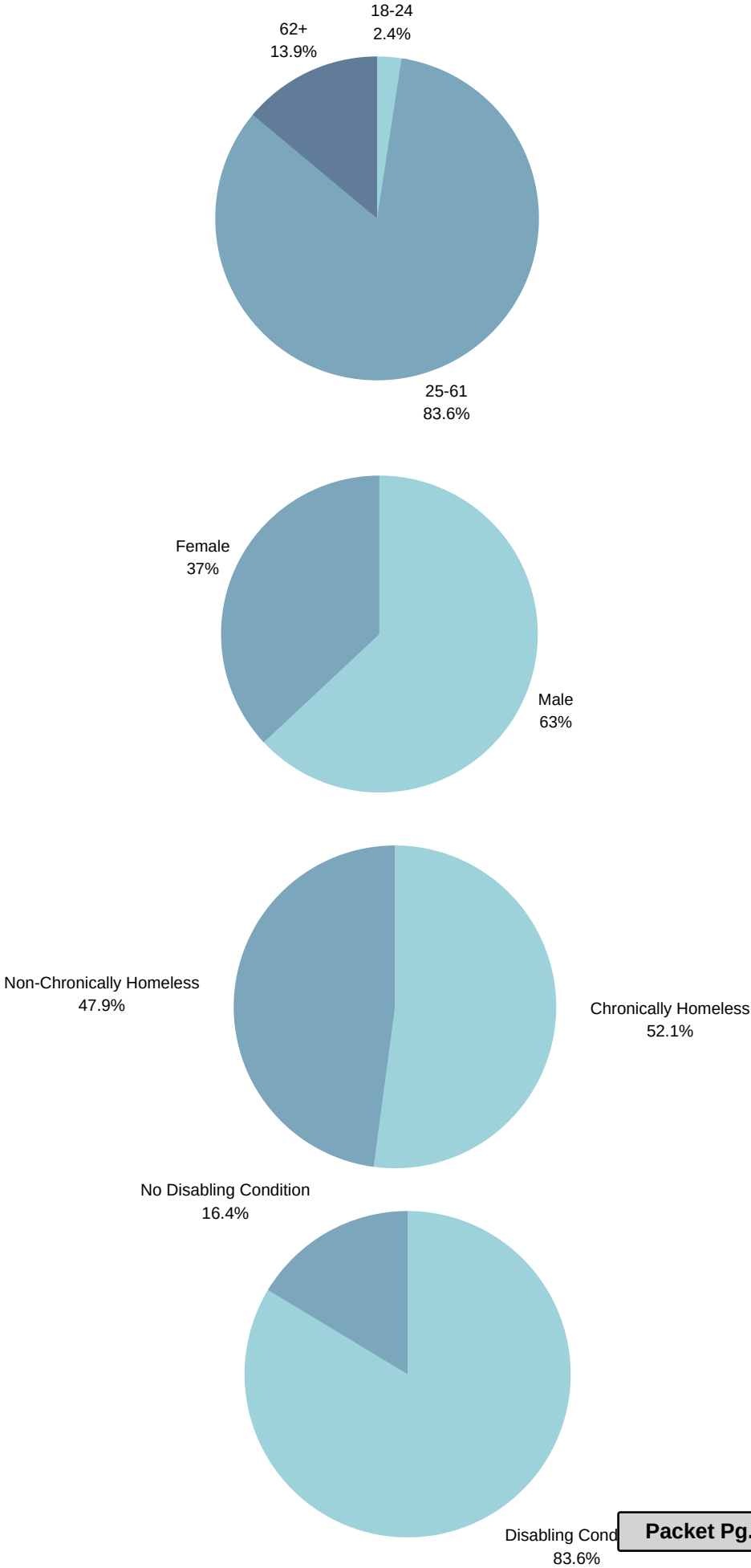
Outreach Programs are the first stepping stones for clients living on the streets to engage in help to end their homelessness.



MERCY HOUSE

July 1, 2022- August 31,2022

DEMOGRAPHICS



MERCY HOUSE

July 1, 2022- August 31, 2022

CITY OF LAGUNA HILLS

STREET OUTREACH PROGRAM

0

People have exited the streets to permanent housing

1

People have exited the streets to temporary housing, emergency shelter or insituational care

17

CLIENTS SERVED TO DATE

8

NEW CLIENTS SERVED DURING THE MONTH

15

CLIENTS ACTIVE IN THE PROGRAM

90

HOURS OF ENGAGEMENT PROVIDED DURING THE MONTH

27

SERVICES PROVIDED TO DATE

8

RESOURCES, REFERRALS, AND LINKAGES PROVIDED TO DATE

During the month of August, Mercy House's Street Outreach team began working with a new client referred by the City of Laguna Hills. He became homeless after a tragic personal event in his life. Mercy House's team was able to connect him to emergency shelter in the City of Santa Ana as he had ties to the city to qualify him for placement. Shortly after entering the shelter, he was able to get a job, leading him to a higher position than he had before he became homeless. Through Mercy House's connection to Vineyard Church he was able to obtain clothing for his new job as well as other items he needed. He is able to go once a month to continue to receive hygiene and clothing items. Mercy House was also able to provide him with a 30-day bus pass so he could get to and from work from the shelter every day. He is a great example of what can be achieved in a short amount of time with hard work, perseverance and support from Street Outreach workers.





City of Laguna Hills

City Council/Planning Agency

Staff Report

DATE: September 27, 2022

TO: Mayor and Council Members

FROM: Jennifer Lee
Interim City Clerk

ISSUE: Schedule of Future Events

RECOMMENDATION: That the Interim City Clerk announce the upcoming meetings and events.

SUMMARY:

Association of California Cities – Orange County Leadership Conference

Friday, September 30, 2022, Waterfront Beach Resort, Huntington Beach

1st Annual Heritage Day

Sunday, October 2, 2022, 12:00 p.m. – 6:00 p.m., Laguna Hills Community Center and Sports Complex

Parks & Recreation Commission Meeting

Wednesday, October 5, 2022, 7:00 p.m., Laguna Hills Civic Center Council Chamber

Moulton Niguel Water District's H₂O for HOA's

Tuesday, October 11, 2022, 8:00 a.m. – 12:00 p.m., Crown Valley Community Center

Regular City Council Meeting

Tuesday, October 11, 2022, 7:00 p.m., Laguna Hills Civic Center Council Chamber

Pacific Symphony's Symphony on the Go!

Saturday, October 15, 2022, 4:00 p.m., Laguna Hills Community Center and Sports Complex

Regular City Council Meeting

Tuesday, October 25, 2022, 7:00 p.m., Laguna Hills Civic Center Council Chamber



City of Laguna Hills

City Council/Planning Agency

Staff Report

DATE: September 27, 2022
TO: Mayor and Council Members
FROM: Jennifer Lee
Interim City Clerk
ISSUE: Approval of Minutes for September 13, 2022, Regular Meeting

RECOMMENDATION: That the City Council approve the City Council Minutes for the September 13, 2022, Regular Meeting.

ATTACHMENTS:

- 220913 CC Minutes

**CITY OF LAGUNA HILLS
CITY COUNCIL/PLANNING AGENCY**

**REGULAR MEETING
MINUTES
Tuesday, September 13, 2022**

CLOSED SESSION - CONVENING AT 6:00 PM

CALL TO ORDER

The meeting was called to order at 6:00 p.m. by Mayor Wheeler.

ROLL CALL OF CITY COUNCIL MEMBERS

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

ANNOUNCEMENT OF CLOSED SESSION ITEM(S)

A. CONFERENCE WITH LEGAL COUNSEL - ANTICIPATED LITIGATION

Pursuant to California Government Code Section 54956.9

Significant exposure to litigation pursuant to paragraph (2) of subdivision (d) and paragraph (1) of subdivision (e) of Government Code Section 54956.9: (1 potential case).

PUBLIC COMMENT ON CLOSED SESSION ITEM(S)

There were no public comments on the closed session item.

ADJOURN TO CITY COUNCIL CONFERENCE ROOM OR CITY COUNCIL CHAMBER

CONVENE INTO CLOSED SESSION

The City Council convened into Closed Session to consider the matter listed above.

RECONVENE TO CITY COUNCIL CHAMBER

RECESS

GENERAL BUSINESS - CONVENING AT 7:00 PM**CALL TO ORDER**

The meeting was called to order at 7:02 p.m. by Mayor Wheeler.

INVOCATION: Council Member Sedgwick

PLEDGE OF ALLEGIANCE: Council Member Caskey

ROLL CALL OF CITY COUNCIL MEMBERS

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

CLOSED SESSION REPORT

City Attorney Simonian stated that the City Council convened into closed session this evening pursuant to the authorities listed on the Agenda with no reportable action taken.

1. PRESENTATIONS AND PROCLAMATIONS**1.1 Laguna Hills High School Student Liaison**

The City Council received an oral report from Laguna Hills High School 2022 Fall Student Liaison Kia Arfania.

1.2 Fire Prevention Week, October 9, 2022, through October 15, 2022

The City Council issued a Proclamation declaring October 9, 2022, through October 15, 2022, as "Fire Prevention Week" and Mayor Wheeler presented the Proclamation.

1.3 Ten Year Anniversary Award

Mayor Wheeler and Deputy City Manager/Community Services Director Reynolds recognized Matthan Durham, Management Analyst, for Ten Years of Service to the City of Laguna Hills and presented a Certificate of Recognition to Mr. Durham.

2. SCHEDULE OF FUTURE EVENTS**2.1 Schedule of Future Events**

Assistant City Clerk Lee announced the upcoming meetings and events.

3. PUBLIC COMMENTS

The following individuals addressed the City Council on non-agendized items, providing comments and requesting support regarding contract negotiations between the Orange County Fire Authority and the two employee associations, Orange County Professional Fire Association IAFF Local 3631 and Orange County Employees Association:

Sam Semingson, Treasurer, Orange County Professional Fire Association IAFF Local 3631.

Justin Dillon, Vice President, Orange County Professional Fire Association IAFF Local 3631.

Todd Baldrige, President, Orange County Professional Fire Association IAFF Local 3631.

Parshan Khosravi, City Council Candidate and Laguna Hills resident.

Shawn Fraley, OCEA negotiating member and Laguna Hills resident.

Rich Swanson, OCEA negotiating member.

Sami Soto, OCEA negotiating member.

4. CONSENT CALENDAR

Motion to approve the Consent Calendar with Mayor Wheeler removing Item No. 4.4 and Item No. 4.5.

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

4.1 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.

4.2 Approval of Minutes for August 23, 2022, Regular Meeting

Recommendation: That the City Council approve the City Council Minutes for the August 23, 2022, Regular Meeting.

4.3 Ratification of September 13, 2022, Warrant Register

Recommendation: That the City Council ratify the accompanying Warrant Register for the period from August 12, 2022, to September 1, 2022, in the amount of \$1,176,140.30.

ITEMS REMOVED FROM THE CONSENT CALENDAR**4.4 City's Conflict of Interest Code Update**

Mayor Wheeler removed Item No. 4.4 from the Consent Calendar to request additional information.

City Manager Hildenbrand responded to Council Member requests for additional information.

Recommendation: That the City Council adopt Resolution No. 2022-09-13-1: "A Resolution of the City Council of the City of Laguna Hills, California, adopting an updated Conflict of Interest Code and rescinding Resolution No. 2020-07-14-2".

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

4.5 Response to the 2021-2022 Orange County Grand Jury Report Entitled "How is Orange County Addressing Homelessness?"

Mayor Wheeler removed Item No. 4.5 from the Consent Calendar to request additional information.

City Manager Hildenbrand responded to Council Member requests for additional information.

Recommendation: That the City Council authorize the Mayor to sign the letter of response to the 2021-2022 Orange County Grand Jury Report entitled "How is Orange County Addressing Homelessness?".

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

5. PLANNING AGENCY

There were no separate Planning Agency Business Items for this meeting.

6. CITY COUNCIL PUBLIC HEARINGS

There were no City Council public hearings.

7. ADMINISTRATIVE REPORTS

7.1. City Manager

City Manager Hildenbrand introduced the City's Public Services Director/City Engineer, Joe Ames and Acting Chief of Police Services, Captain Rene De La Rosa.

7.2. Chief of Police Services

7.2.1 Introduction and First Reading of a Proposed Ordinance Prohibiting Unlawful Possession of Catalytic Converters in the City

Acting Chief of Police Services Captain De La Rosa reviewed the information in the staff report and read the Ordinance title into the record.

City Attorney Simonian responded to Council Members requests for additional information.

Recommendation: That the City Council: 1) Receive and file the staff report and presentation; and 2) Introduce for first reading, read by title only, and waive further reading of an ordinance entitled: "An Ordinance of the City Council of the City of Laguna Hills, California, Adding Chapter 6-44 to Title 6 (Public Welfare) of the Laguna Hills Municipal Code Establishing Regulations Prohibiting the Unlawful Possession of Catalytic Converters in the City."

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

7.2.2 Laguna Hills Police Services Public Safety Quarterly Report

Acting Chief of Police Services Captain De La Rosa reviewed the information in the staff report and responded to Council Members requests for additional information.

Recommendation: That the City Council receive and file the Laguna Hills Police Services Public Safety Quarterly Report for the Second Quarter 2022.

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

8. MATTERS AGENDIZED AND PRESENTED BY CITY COUNCIL MEMBERS

8.1. Council Member Sedgwick

8.1.1 Bicycle, E-Bicycle, and Motorized Mobility Devices

Council Member Sedgwick provided an oral report on the item and responded to Council Member requests for additional information.

Recommendation: Council Member Sedgwick recommends that the City Council direct the Traffic Commission and staff to research safety concerns over bicycles, e-bicycles, and motorized mobility devices and provide a report to the City Council.

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

8.2. Mayor Pro Tempore Heft

8.2.1 Massage Establishments

Mayor Pro Tempore Heft provided an oral report on the item and responded to Council Member requests for additional information.

City Attorney Simonian responded to Council Members requests for additional information.

Recommendation: Mayor Pro Tempore Heft recommends that the City Council discuss human trafficking concerns regarding massage establishments.

9. CITY COUNCIL MEMBER COMMITTEE REPORTS

9.1. Committee Assignment Reports

Recommendation: That the City Council receive oral reports on the following City Council Committee Assignments:

1. Association of California Cities - Orange County Legislative and Regulatory Commission
(Mayor Wheeler) August 25, 2022 meeting

Mayor Wheeler provided an oral report.

2. California Mayor's Coalition
(Mayor Wheeler) September 2, 2022 meeting.

Mayor Wheeler provided no report.

3. Orange County Mayors
(Mayor Wheeler)

Mayor Wheeler provided no report.

10. CITY COUNCIL MEMBER COMMENTS**Council Member Caskey**

Council Member Caskey shared a status update on The Village at Laguna Hills project he received from David Geiser, Managing Director, Merlone Geier Partners.

ADJOURNMENT

There being no further business before the City Council at this session, Mayor Wheeler declared the meeting adjourned at 8:30 p.m.

Jennifer Lee, Interim City Clerk

ATTEST:

Dave Wheeler, Mayor

Approved at meeting of September 27, 2022



City of Laguna Hills

City Council/Planning Agency

Staff Report

DATE: September 27, 2022
TO: Mayor and Council Members
FROM: Janice Reyes
Finance Director
ISSUE: Ratification of September 27, 2022, Warrant Register

RECOMMENDATION: That the City Council ratify the accompanying Warrant Register for the period from September 2, 2022, to September 15, 2022, in the amount of \$754,504.18.

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 September 2, 2022, to September 15, 2022, 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 - September 27, 2022
- Payables Detail Report - September 27, 2022



City of Laguna Hills, CA

Warrant Register - September 27, 2022

By Check Number

Date Range: 09/02/2022 - 09/15/2022

Check Number	Vendor Number	Vendor Name	Payment Date	Payment Amount
Payment Type: Regular				
1018	Z-CD-0386	ACCURATE ROOFING	09/08/2022	780.00
1019	Z-CD-0389	AGI GENERAL CONTRACTING	09/08/2022	8,138.00
1020	Z-CD-0385	AGUILAR, MARTIN	09/08/2022	690.00
1021	B-0304	BEE MAN, THE	09/08/2022	180.00
1022	C-1179	CANON SOLUTIONS AMERICA	09/08/2022	66.24
1023	C-1144	CHARLES ABBOTT ASSOCIATES, INC	09/08/2022	59,365.13
1024	C-0023	COX COMMUNICATION	09/08/2022	214.25
1025	D-0561	DOCU-TRUST	09/08/2022	125.00
1026	E-0606	EIDE BAILLY LLP	09/08/2022	10,000.00
1027	E-0504	EL TORO WATER DISTRICT	09/08/2022	19,326.41
1028	F-0604	FEDERAL EXPRESS CORPORATION	09/08/2022	73.20
1029	G-0866	GLADWELL GOVERNMENTAL SERVICES, INC.	09/08/2022	300.00
1030	Z-CD-0384	GREATER PACIFIC ROOFING	09/08/2022	690.00
1031	H-0804	HINDERLITER, DE LLAMAS & ASSOC., INC.	09/08/2022	10,656.22
1032	J-1071	JCTEES.COM CORPORATION	09/08/2022	185.52
1033	Z-CD-0379	LARA, JEREMY	09/08/2022	910.61
1034	L-1381	LEE, JENNIFER	09/08/2022	601.96
1035	Z-CD-0387	MCDONNELL ROOFING INC	09/08/2022	1,950.00
1036	M-1302	MOULTON NIGUEL WATER DISTRICT	09/08/2022	30,953.68
1037	P-1695	PRESENTA PLAQUE, INC.	09/08/2022	285.86
1038	Z-CD-0081	REPIPE 1	09/08/2022	151.74
1039	R-1946	RK ENGINEERING GROUP, INC.	09/08/2022	8,500.00
1040	Z-CD-0388	ROVICS CONSTRUCTION	09/08/2022	100.00
1041	S-1902	SAN DIEGO GAS & ELECTRIC	09/08/2022	11,519.39
1042	S-2296	SHUTE, MIHALY WEINBERGER LLP	09/08/2022	108.30
1043	S-1949	SMART & FINAL	09/08/2022	139.24
1044	Z-CS-0393	SOLTANI, MARITA	09/08/2022	100.00
1045	S-1904	SOUTHERN CALIFORNIA EDISON	09/08/2022	12,364.36
1046	S-1980	STATE DEPARTMENT OF JUSTICE ACCOUNTING OFFICE	09/08/2022	32.00
1047	T-2002	TAB PRODUCTS COMPANY	09/08/2022	517.47
1048	W-2302	THOMSON REUTERS - WEST	09/08/2022	293.94
1049	T-2698	TPX COMMUNICATIONS	09/08/2022	685.50
1050	U-2165	UNDERGROUND SERVICE ALERT OF SOUTHERN CALIFORNIA	09/08/2022	142.27
1051	V-2224	VERIZON WIRELESS	09/08/2022	1,060.68
1052	W-2448	WEST GATE CONTRACTOR	09/08/2022	11,000.00
1053	C-1144	CHARLES ABBOTT ASSOCIATES, INC	09/08/2022	10,296.00
1054	A-0138	ALL CITY MANAGEMENT, INC.	09/15/2022	10,859.64
1055	A-0371	AVENU MUNISERVICES, LLC	09/15/2022	2,750.00
1056	B-0437	BRINKS, INCORPORATED	09/15/2022	198.12
1057	B-0440	BUCKNAM INFRASTRUCTURE GROUP, INC.	09/15/2022	2,070.00
1058	C-1133	CALIFORNIA YELLOW CAB	09/15/2022	538.00
1059	C-0023	COX COMMUNICATION	09/15/2022	895.41
1060	E-0554	ECONOMICS, INC.	09/15/2022	11,814.16
1061	C-1190	FINGERPRINT ID (AFIS) LAW ENF. - COUNTY OF ORANGE	09/15/2022	1,188.00
1062	L-1362	LAGUNA HILLS TEAM DARK HORSE	09/15/2022	7,797.00
1063	L-1382	LOYA, RICKY	09/15/2022	90.00
1064	M-1388	MOBILE MINI, INC.	09/15/2022	225.71
1065	O-1546	OFFICE SOLUTIONS	09/15/2022	380.01
1066	P-1832	PRINTEX PRINTING AND GRAPHICS INC.	09/15/2022	85.12
1067	R-1830	RALPHS GROCERY COMPANY	09/15/2022	104.90
1068	S-1957	SADDLEBACK VALLEY UNIFIED SCHOOL DISTRICT	09/15/2022	120.00
1069	S-2298	SO CAL-RIDES, LLC	09/15/2022	7,500.00
1070	S-2250	SPARKLETTS	09/15/2022	157.30

Attachment: Warrant Register - September 27, 2022 (2967 : Warrant Register, September 27, 2022)

Warrant Register - September 27, 2022

Check Number	Vendor Number	Vendor Name
1071	S-2209	STUDIO TWO BLACK DIAMOND
1072	C-1068	CITY OF ALISO VIEJO
1073	S-2296	SHUTE, MIHALY WEINBERGER LLP
1074	A-0359	ANDERSON PENNA PARTNERS, INC.
1075	C-1122	CROSSTOWN ELECTRICAL & DATA, INC.
1076	F-0720	FRIEDMAN IMAGING
1077	G-0821	G2 CONSTRUCTION INC.
1078	H-0960	HR GREEN PACIFIC, INC.
1079	I-0942	IRVINE RANCH WATER DISTRICT
1080	J-1057	JAMEY CLARK, INC.
1081	N-1474	NIEVES LANDSCAPE, INC.
1082	R-1893	REYNOLDS, DAVID
1083	R-1855	RICHARD FISHER ASSOCIATES
1084	R-1977	RJ ELECTRIC
1085	S-1904	SOUTHERN CALIFORNIA EDISON
1086	S-2220	SPORTS FIELD SERVICES CSA HOLDINGS, INC.
1087	L-1387	THE LUKES NETWORK LLC
1088	W-2450	WEX BANK
1089	S-1904	SOUTHERN CALIFORNIA EDISON

Date Range: 09/02/2022 - 09/15/2022

Payment Date	Payment Amount
09/15/2022	659.38
09/15/2022	2,401.34
09/15/2022	180.50
09/15/2022	5,600.00
09/15/2022	19,872.48
09/15/2022	1,137.94
09/15/2022	237,476.25
09/15/2022	17,625.00
09/15/2022	237.70
09/15/2022	511.00
09/15/2022	87,892.75
09/15/2022	370.00
09/15/2022	11,424.04
09/15/2022	725.00
09/15/2022	1,161.38
09/15/2022	102,799.50
09/15/2022	3,375.00
09/15/2022	1,139.04
09/15/2022	4,327.83
Total Regular:	748,192.47

Attachment: Warrant Register - September 27, 2022 (2967 : Warrant Register, September 27, 2022)

Warrant Register - September 27, 2022

Date Range: 09/02/2022 - 09/15/2022

Check Number	Vendor Number	Vendor Name	Payment Date	Payment Amount
Payment Type: Bank Draft				
DFT0002151	B-0276	BANK OF AMERICA VISA CARD	09/15/2022	195.00
DFT0002152	B-0276	BANK OF AMERICA VISA CARD	09/15/2022	834.46
DFT0002153	B-0276	BANK OF AMERICA VISA CARD	09/15/2022	1,339.57
DFT0002154	B-0276	BANK OF AMERICA VISA CARD	09/15/2022	886.80
DFT0002155	B-0276	BANK OF AMERICA VISA CARD	09/15/2022	3,055.88
Total Bank Draft:				6,311.71

Bank Code AP Bank Summary

Payment Type	Payable Count	Payment Count	Discount	Payment
Regular Checks	88	72	0.00	748,192.47
Manual Checks	0	0	0.00	0.00
Voided Checks	0	0	0.00	0.00
Bank Drafts	5	5	0.00	6,311.71
EFT's	0	0	0.00	0.00
	93	77	0.00	754,504.18

Attachment: Warrant Register - September 27, 2022 (2967 : Warrant Register, September 27, 2022)

All Bank Codes Check Summary

Payment Type	Payable Count	Payment Count	Discount	Payment
Regular Checks	88	72	0.00	748,192.47
Manual Checks	0	0	0.00	0.00
Voided Checks	0	0	0.00	0.00
Bank Drafts	5	5	0.00	6,311.71
EFT's	0	0	0.00	0.00
	93	78	0.00	754,504.18

Fund Summary

Fund	Name	Period	Amount
998	POOL	9/2022	754,504.18
			754,504.18



City of Laguna Hills, CA

Payables Detail Report

By Fund

Payment Dates 09/02/2022 - 09/15/2022

Payment Date	Vendor Name	Payable Number	Description (Payable)	Account Number	Amount
Fund: 100 - GENERAL FUND					
09/08/2022	DOCU-TRUST	047345	Offsite Data Storage, Aug '22	100-155-700030	125.00
09/08/2022	MOULTON NIGUEL WATER DISTRICT	082522a	Water Usage, Public Services, Aug	100-355-635000	30,953.68
09/08/2022	COX COMMUNICATION	082822	WiFi, Community Center, Aug '22	100-195-630000	214.25
09/08/2022	SOUTHERN CALIFORNIA EDISON	090122 - Acct #7002345C	Street Lights, Traffic Control, Jul & Aug '22	100-355-631000	850.64
09/08/2022	SOUTHERN CALIFORNIA EDISON	090122 - Acct #7002345C	Street Lights, Traffic Control, Jul & Aug '22	100-356-631400	11,494.70
09/08/2022	SOUTHERN CALIFORNIA EDISON	090122 - Acct #7006973C	Street Lights, Traffic Control, Aug '22	100-355-631000	19.02
09/08/2022	SAN DIEGO GAS & ELECTRIC	090222	Street Lights, Traffic Control, Aug '22	100-356-631400	11,519.39
09/08/2022	LEE, JENNIFER	090722	Reimbursement for Notary Renewal, Sep '22	100-155-611000	601.96
09/08/2022	EL TORO WATER DISTRICT	090722	Water Usage, Public Services, Jul '22	100-355-635000	19,326.41
09/08/2022	BEE MAN, THE	119696	Bee Removal, Public Services, Aug	100-355-720701	180.00
09/08/2022	TPX COMMUNICATIONS	160615384-0	Communications Expense, Sep '22	100-195-630000	685.50
09/08/2022	RK ENGINEERING GROUP, INC.	2207009	Engineering Services, USE-0105-2022, Jul '22	100-000-223000	3,000.00
09/08/2022	RK ENGINEERING GROUP, INC.	2207009	Engineering Services, USE-0105-2022, Jul '22	100-000-452000	(3,000.00)
09/08/2022	RK ENGINEERING GROUP, INC.	2207009	Engineering Services, USE-0105-2022, Jul '22	100-225-700201	3,000.00
09/08/2022	RK ENGINEERING GROUP, INC.	2207010	Engineering Services, USE-0105-2022, Jul '22	100-000-223000	5,500.00
09/08/2022	RK ENGINEERING GROUP, INC.	2207010	Engineering Services, USE-0105-2022, Jul '22	100-000-452000	(5,500.00)
09/08/2022	RK ENGINEERING GROUP, INC.	2207010	Engineering Services, USE-0105-2022, Jul '22	100-225-700201	5,500.00
09/08/2022	PRESENTA PLAQUE, INC.	27692	Office Supplies, Aug '22	100-155-620000	285.86
09/08/2022	SHUTE, MIHALY WEINBERGER LLP	278030	Professional Services, Legal, Jul '22	100-155-700011	108.30
09/08/2022	SMART & FINAL	3831400016405	Office & Operating Supplies, Aug '22	100-155-622000	49.83
09/08/2022	SMART & FINAL	3831400016405	Office & Operating Supplies, Aug '22	100-195-620000	55.99
09/08/2022	SMART & FINAL	3831400016405	Office & Operating Supplies, Aug '22	100-195-622000	33.42
09/08/2022	WEST GATE CONTRACTOR	40	Graffiti Removal, Public Services, Aug '22	100-355-720500	11,000.00
09/08/2022	GLADWELL GOVERNMENTAL SERVICES, INC.	4903	Professional Services, 2022 Election	100-155-700030	300.00
09/08/2022	STATE DEPARTMENT OF JUSTICE ACCOUNTING OFFICE	596778	Pre-employment Fingerprinting, Aug '22	100-195-617000	32.00
09/08/2022	CANON SOLUTIONS AMERICA	6001659767	Copier Usage, Community Services, Aug '22	100-195-641200	66.24
09/08/2022	CHARLES ABBOTT ASSOCIATES, INC	64493	Contract Staffing Services, Jun '22	100-225-720512	10,296.00
09/08/2022	CHARLES ABBOTT ASSOCIATES, INC	64494	Contract Staffing Services, Jul '22	100-225-720512	7,491.00
09/08/2022	CHARLES ABBOTT ASSOCIATES, INC	64646-A PARKS BILLING	Parks Contract Repair, Aug '22	100-355-720701	4,582.04
09/08/2022	FEDERAL EXPRESS CORPORATION	7-864-17853	Delivery Services, Aug '22	100-155-625000	39.96
09/08/2022	FEDERAL EXPRESS CORPORATION	7-870-76545	Delivery Services, Sep '22	100-195-625000	33.24
09/08/2022	JCTEES.COM CORPORATION	8296	Rooted Campaign Event, Sep '22	100-310-695500	185.52
09/08/2022	THOMSON REUTERS - WEST	846934466	Subscription, City Clerk, Sep '22	100-155-626000	293.94
09/08/2022	VERIZON WIRELESS	9914348068	Communication Expense, Aug '22	100-195-630000	1,060.68
09/08/2022	REPIPE 1	CD-0866-PLMR-0782-202	Refund, Permit Fees, REC-006265-2021	100-000-221011	1.00
09/08/2022	REPIPE 1	CD-0866-PLMR-0782-202	Refund, Permit Fees, REC-006265-2021	100-000-221012	4.00
09/08/2022	REPIPE 1	CD-0866-PLMR-0782-202	Refund, Permit Fees, REC-006265-2021	100-000-442000	146.74
09/08/2022	LARA, JEREMY	CD-0870-BLDR-1225-202	Refund, Permit Fees, REC-007481-2022	100-000-221011	1.00

Attachment: Payables Detail Report - September 27, 2022 (2967 : Warrant Register, September 27, 2022)

Payables Detail Report

Payment Dates: 09/02/2022 - 09/15/2022

Payment Date	Vendor Name	Payable Number	Description (Payable)	Account Number	Amount
09/08/2022	LARA, JEREMY	CD-0870-BLDR-1225-202	Refund, Permit Fees, REC-007481-2022	100-000-221012	4.00
09/08/2022	LARA, JEREMY	CD-0870-BLDR-1225-202	Refund, Permit Fees, REC-007481-2022	100-000-227001	736.20
09/08/2022	LARA, JEREMY	CD-0870-BLDR-1225-202	Refund, Permit Fees, REC-007481-2022	100-000-442000	169.41
09/08/2022	GREATER PACIFIC ROOFING	CD-0887-BLDR-1201-202	Refund, C&D Deposit, REC-007332-2022	100-000-227001	690.00
09/08/2022	AGUILAR, MARTIN	CD-0888-BLDR-1359-202	Refund, C&D Deposit, REC-008320-2022	100-000-227001	690.00
09/08/2022	ACCURATE ROOFING	CD-0889-BLDR-1311-202	Refund, C&D Deposit, REC-008030-2022	100-000-227001	780.00
09/08/2022	MCDONNELL ROOFING INC	CD-0890-BLDR-1308-202	Refund, C&D Deposit, REC-008011-2022	100-000-227001	1,950.00
09/08/2022	ROVICS CONSTRUCTION	CD-0891-BLDR-1168-202	Refund, C&D Deposit, REC-008608-2022	100-000-227001	100.00
09/08/2022	AGI GENERAL CONTRACTING	CD-0892-BLDC-0144-202	Refund, C&D Deposit, REC-006579-2022	100-000-227001	4,069.00
09/08/2022	AGI GENERAL CONTRACTING	CD-0893-DEMO-0025-20	Refund, C&D Deposit, REC-005745-2021	100-000-227001	4,069.00
09/08/2022	EIDE BAILLY LLP	EI01367853	Partial Audit Fees, YE 6/30/22	100-155-700051	10,000.00
09/08/2022	SOLTANI, MARITA	FRF-0014	Refund, Facility Rental, R #1035054.002	100-000-451100	100.00
09/08/2022	TAB PRODUCTS COMPANY	INV000023042	Office Supplies, General Government, Aug '22	100-155-620000	517.47
09/08/2022	HINDERLITER, DE LLAMAS & ASSOC., INC.	SIN020629	Sales Tax 3rd Qtr, Audit Sales 1st Qtr	100-155-700052	10,656.22
09/15/2022	SOUTHERN CALIFORNIA EDISON	063022c - Acct #7001624	Street Lights, Traffic Control, Jun '22	100-356-631900	4,327.83
09/15/2022	THE LUKES NETWORK LLC	072	Heritage Day Program, 2022	100-310-695531	3,375.00
09/15/2022	RALPHS GROCERY COMPANY	0722132409_22857406	Program Expense, Comm Svcs, Aug	100-310-622005	32.46
09/15/2022	BANK OF AMERICA VISA CARD	082022 COMDEV	Departmental Expenditure, Aug '22	100-225-610000	789.99
09/15/2022	BANK OF AMERICA VISA CARD	082022 COMDEV	Departmental Expenditure, Aug '22	100-225-623000	96.81
09/15/2022	BANK OF AMERICA VISA CARD	082022 COMSVCS	Departmental Expenditure, Aug '22	100-000-120000	(130.06)
09/15/2022	BANK OF AMERICA VISA CARD	082022 COMSVCS	Departmental Expenditure, Aug '22	100-195-720050	68.90
09/15/2022	BANK OF AMERICA VISA CARD	082022 COMSVCS	Departmental Expenditure, Aug '22	100-310-610000	70.00
09/15/2022	BANK OF AMERICA VISA CARD	082022 COMSVCS	Departmental Expenditure, Aug '22	100-310-695501	341.63
09/15/2022	BANK OF AMERICA VISA CARD	082022 COMSVCS	Departmental Expenditure, Aug '22	100-310-695502	9.99
09/15/2022	BANK OF AMERICA VISA CARD	082022 COMSVCS	Departmental Expenditure, Aug '22	100-310-695530	474.00
09/15/2022	BANK OF AMERICA VISA CARD	082022 GENG0V1	Departmental Expenditure, Aug '22	100-155-612002	195.00
09/15/2022	BANK OF AMERICA VISA CARD	082022 POLSVCS	Departmental Expenditure, Aug '22	100-420-611000	550.00
09/15/2022	BANK OF AMERICA VISA CARD	082022 POLSVCS	Departmental Expenditure, Aug '22	100-420-622000	141.67
09/15/2022	BANK OF AMERICA VISA CARD	082022 POLSVCS	Departmental Expenditure, Aug '22	100-420-695000	2,364.21
09/15/2022	BANK OF AMERICA VISA CARD	082022 PUBWKS	Departmental Expenditure, Aug '22	100-355-611000	55.00
09/15/2022	BANK OF AMERICA VISA CARD	082022 PUBWKS	Departmental Expenditure, Aug '22	100-355-622000	183.00
09/15/2022	BANK OF AMERICA VISA CARD	082022 PUBWKS	Departmental Expenditure, Aug '22	100-355-720701	189.61
09/15/2022	BANK OF AMERICA VISA CARD	082022 PUBWKS	Departmental Expenditure, Aug '22	100-356-646100	911.96
09/15/2022	RALPHS GROCERY COMPANY	0822132642_22879135	Program Expense, Comm Svcs, Aug	100-310-622005	72.44
09/15/2022	SOUTHERN CALIFORNIA EDISON	090122 - Acct #70016247	Street Lights, Traffic Control, Jul & Aug '22	100-356-631400	1,161.38
09/15/2022	IRVINE RANCH WATER DISTRICT	090222	Water Usage, Public Services, Aug	100-355-635000	237.70
09/15/2022	COX COMMUNICATION	090522	T-1 Line, Sep '22	100-195-630000	895.41
09/15/2022	LAGUNA HILLS TEAM DARK HORSE	091522	Community Assistance, 3/5	100-000-451600	7,797.00
09/15/2022	REYNOLDS, DAVID	091522	Travel Reimbursement, Cal Cities, Sep '22	100-155-612000	370.00
09/15/2022	LOYA, RICKY	091522	Umpire Fees, Community Services, Sep '22	100-310-622502	90.00
09/15/2022	SO CAL-RIDES, LLC	091522	Heritage Day, Sep '22	100-310-695531	7,500.00
09/15/2022	BRINKS, INCORPORATED	12046677	Courier Fee, Armored Transport, Sep '22	100-155-625000	198.12
09/15/2022	ANDERSON PENNA PARTNERS, INC.	128210	Inspection Services, Aug '22	100-356-700255	5,600.00
09/15/2022	HR GREEN PACIFIC, INC.	155426	Public Works Permit Inspections, Jul - Aug '22	100-356-700250	17,625.00
09/15/2022	FRIEDMAN IMAGING	2022027	Document Imaging Svcs, Sep '22	100-155-700030	1,137.94

Attachment: Payables Detail Report - September 27, 2022 (2967 : Warrant Register, September 27, 2022)

Payables Detail Report

Payment Dates: 09/02/2022 - 09/15/2022

Payment Date	Vendor Name	Payable Number	Description (Payable)	Account Number	Amount
09/15/2022	CITY OF ALISO VIEJO	2022-1340	Cost Share, Dairy Fork CIP 410	100-600-790600	2,401.34
09/15/2022	SPORTS FIELD SERVICES CSA HOLDINGS, INC.	212099	Professional Services, CIP #238-C	100-000-201001	(5,410.50)
09/15/2022	SPORTS FIELD SERVICES CSA HOLDINGS, INC.	212099	Professional Services, CIP #238-C	100-600-790600	108,210.00
09/15/2022	G2 CONSTRUCTION INC.	220907-N	Progress Payment #1, CIP #412-J	100-000-201001	(12,498.75)
09/15/2022	G2 CONSTRUCTION INC.	220907-N	Progress Payment #1, CIP #412-J	100-600-790600	249,975.00
09/15/2022	PRINTEX PRINTING AND GRAPHICS INC.	23493 (2)	Special Events, Rooted Campaign, Sep '22	100-310-695500	85.12
09/15/2022	SHUTE, MIHALY WEINBERGER LLP	277671	Professional Services, Legal, Jun '22	100-155-700011	180.50
09/15/2022	BUCKNAM INFRASTRUCTURE GROUP, INC.	361-01.29	Computer Consulting Services, Aug	100-195-700090	2,070.00
09/15/2022	SADDLEBACK VALLEY UNIFIED SCHOOL DISTRICT	36112a	Program Expense, 4th of July	100-310-695508	120.00
09/15/2022	CROSTOWN ELECTRICAL & DATA, SPARKLETTS	4096 - 4171	Traffic Signal Maintenance, Aug '22	100-356-720420	19,872.48
09/15/2022	SPARKLETTS	4228482 090922	Operating Supplies, Sep '22	100-195-622000	157.30
09/15/2022	RICHARD FISHER ASSOCIATES	4509	Professional Services, CIP 237, Aug	100-600-790600	4,132.54
09/15/2022	RICHARD FISHER ASSOCIATES	4510	Park Improvement Needs Assessment, Aug '22	100-355-700041	7,291.50
09/15/2022	RJ ELECTRIC	61082	Parks Contract Repair, Sep '22	100-355-720701	725.00
09/15/2022	NIEVES LANDSCAPE, INC.	72644	Monthly and Misc Landscape, Aug	100-355-720700	87,636.69
09/15/2022	NIEVES LANDSCAPE, INC.	72930	Monthly and Misc Landscape, Sep	100-355-720700	256.06
09/15/2022	JAMEY CLARK, INC.	73325	Park Repairs, Public Services, Sep '22	100-355-720701	135.00
09/15/2022	JAMEY CLARK, INC.	73335	Graffiti Removal, Public Services, Aug '22	100-355-720500	376.00
09/15/2022	ALL CITY MANAGEMENT, INC.	79039	Crossing Guard Services, 8/7/22 - 8/20/22	100-420-720822	3,637.20
09/15/2022	ALL CITY MANAGEMENT, INC.	79397	Crossing Guard Services, 8/21/22 - 9/3/22	100-420-720822	7,222.44
09/15/2022	WEX BANK	83255343 POLSVCS	Vehicle Fuel, Aug '22	100-420-646100	230.36
09/15/2022	WEX BANK	83255350 PUBWKS	Vehicle Fuel, Aug '22	100-356-613100	518.01
09/15/2022	WEX BANK	83255350 PUBWKS	Vehicle Fuel, Aug '22	100-356-646100	20.00
09/15/2022	WEX BANK	83255548 COMSVCS	Vehicle Fuel, Aug '22	100-310-613100	121.57
09/15/2022	WEX BANK	83255896 COMDEV	Vehicle Fuel, Aug '22	100-225-613100	249.10
09/15/2022	MOBILE MINI, INC.	9015088793	Storage Rental, Community Center, 8/31 - 9/27/22	100-310-641000	225.71
09/15/2022	STUDIO TWO BLACK DIAMOND	99136	Printing Services, Sep '22	100-195-623000	75.43
09/15/2022	STUDIO TWO BLACK DIAMOND	99143	Printing Services, Sep '22	100-195-623000	583.95
09/15/2022	OFFICE SOLUTIONS	I-02041773	Office Supplies, Sep '22	100-195-620000	380.01
09/15/2022	AVENU MUNISERVICES, LLC	INV06-014891	Professional Services, CAFR	100-155-626000	2,750.00
09/15/2022	FINGERPRINT ID (AFIS) LAW ENF. - COUNTY OF ORANGE	SH 62922	Fingerprint ID System Charges, Sep	100-420-720835	1,188.00
Fund 100 - GENERAL FUND Total:					694,717.66
Fund: 212 - MEASURE M					
09/08/2022	UNDERGROUND SERVICE ALERT OF SOUTHERN CALIFORNIA	22-2300643	Street Maintenance, Aug '22	212-355-720400	37.77
09/08/2022	CHARLES ABBOTT ASSOCIATES, INC	64646	Road Maintenance, Aug '22	212-355-720400	47,292.09
09/08/2022	UNDERGROUND SERVICE ALERT OF SOUTHERN CALIFORNIA	820220382	Street Maintenance, Aug '22	212-355-720400	104.50
Fund 212 - MEASURE M Total:					47,434.36
Fund: 221 - SENIOR MOBILITY PROGRAM					
09/15/2022	CALIFORNIA YELLOW CAB	8406022	Senior Mobility Program, Aug '22	221-310-720000	538.00
Fund 221 - SENIOR MOBILITY PROGRAM Total:					538.00
Fund: 307 - C & D FORFEITED DEPOSITS					
09/15/2022	ECONOMICS, INC.	2017-2018.62	Professional Services, Recycling Program, Aug '22	307-355-700000	11,814.16
Fund 307 - C & D FORFEITED DEPOSITS Total:					11,814.16
Fund: 600 - CAPITAL IMPROVEMENT PROJECT					
09/15/2022	CITY OF ALISO VIEJO	2022-1340	Cost Share, Dairy Fork CIP 410	600-000-490100	(2,401.34)
09/15/2022	CITY OF ALISO VIEJO	2022-1340	Cost Share, Dairy Fork CIP 410	600-254-950410	2,401.34

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Payables Detail Report

Payment Dates: 09/02/2022 - 09/15/2022

Payment Date	Vendor Name	Payable Number	Description (Payable)	Account Number	Amount
09/15/2022	SPORTS FIELD SERVICES CSA HOLDINGS, INC.	212099	Professional Services, CIP #238-C	600-000-490100	(108,210.00)
09/15/2022	SPORTS FIELD SERVICES CSA HOLDINGS, INC.	212099	Professional Services, CIP #238-C	600-252-950238	108,210.00
09/15/2022	G2 CONSTRUCTION INC.	220907-N	Progress Payment #1, CIP #412-J	600-000-490100	(249,975.00)
09/15/2022	G2 CONSTRUCTION INC.	220907-N	Progress Payment #1, CIP #412-J	600-254-950412	249,975.00
09/15/2022	RICHARD FISHER ASSOCIATES	4509	Professional Services, CIP 237, Aug	600-000-490100	(4,132.54)
09/15/2022	RICHARD FISHER ASSOCIATES	4509	Professional Services, CIP 237, Aug	600-252-950237	4,132.54
Fund 600 - CAPITAL IMPROVEMENT PROJECT Total:					-
Grand Total:					754,504.18

Attachment: Payables Detail Report - September 27, 2022 (2967 : Warrant Register, September 27, 2022)

Report Summary

Fund Summary

Fund	Expense Amount	Payment Amount
100 - GENERAL FUND	694,717.66	694,717.66
212 - MEASURE M	47,434.36	47,434.36
221 - SENIOR MOBILITY PROGRAM	538.00	538.00
307 - C & D FORFEITED DEPOSITS	11,814.16	11,814.16
600 - CAPITAL IMPROVEMENT PROJECT	-	-
Grand Total:	754,504.18	754,504.18

Account Summary

Account Number	Account Name	Expense Amount	Payment Amount
100-000-120000	Accounts Receivable	(130.06)	(130.06)
100-000-201001	Accounts Payable - Retention	(17,909.25)	(17,909.25)
100-000-221011	Building Standards Fee	2.00	2.00
100-000-221012	SB1186 ADA CAsp Fees	8.00	8.00
100-000-223000	Plan Application Deposit	8,500.00	8,500.00
100-000-227001	SecurityDeposit-WasteRecycling	13,084.20	13,084.20
100-000-442000	Building Related Permits	316.15	316.15
100-000-451100	Recreation Fees-Reservation	100.00	100.00
100-000-451600	RecreationFees-5K Registration	7,797.00	7,797.00
100-000-452000	Plan Check Fee - Fee Base	(8,500.00)	(8,500.00)
100-155-611000	Training and Education	601.96	601.96
100-155-612000	Travel, Conferences & Meetings	370.00	370.00
100-155-612002	Travel - ACC-OC	195.00	195.00
100-155-620000	Office Supplies	803.33	803.33
100-155-622000	Operating Supplies	49.83	49.83
100-155-625000	Postage & Delivery	238.08	238.08
100-155-626000	Subscriptions & Books	3,043.94	3,043.94
100-155-700011	Legal Services-Litigation	288.80	288.80
100-155-700030	Professional Svcs- City Clerk	1,562.94	1,562.94
100-155-700051	Professional Services - Annual	10,000.00	10,000.00
100-155-700052	Compliance Audit Services - Sales	10,656.22	10,656.22
100-195-617000	Recruitment	32.00	32.00
100-195-620000	Office Supplies	436.00	436.00
100-195-622000	Operating Supplies	190.72	190.72
100-195-623000	Printing	659.38	659.38
100-195-625000	Postage & Delivery	33.24	33.24
100-195-630000	Telephone & Communication	2,855.84	2,855.84
100-195-641200	Rent/Lease - Copier	66.24	66.24
100-195-700090	Computer Consulting Services	2,070.00	2,070.00
100-195-720050	Contract Serv-Software Support	68.90	68.90
100-225-610000	Memberships and Dues Expense	789.99	789.99
100-225-613100	Vehicle-Fuel	249.10	249.10
100-225-623000	Printing	96.81	96.81
100-225-700201	Plan Application	8,500.00	8,500.00
100-225-720512	Contract Staffing Services	17,787.00	17,787.00
100-310-610000	Memberships and Dues Expense	70.00	70.00
100-310-613100	Vehicle-Fuel	121.57	121.57
100-310-622005	Operating Supplies Comm Ctr	104.90	104.90
100-310-622502	Supplies-Adult Leagues	90.00	90.00
100-310-641000	Rent/Lease - Equipment	225.71	225.71
100-310-695500	Special Events-Program Service	270.64	270.64
100-310-695501	Day Camps & Build A Fort	341.63	341.63
100-310-695502	Special Needs Program	9.99	9.99
100-310-695508	July Fourth Celebration	120.00	120.00
100-310-695530	City Anniversary Program	474.00	474.00
100-310-695531	Heritage Day	10,875.00	10,875.00
100-355-611000	Training and Education	55.00	55.00
100-355-622000	Operating Supplies	183.00	183.00

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Payables Detail Report

Payment Dates: 09/02/2022 - 09/15/2022

Account Summary

Account Number	Account Name	Expense Amount	Payment Amount
100-355-631000	Utilities - Electric	869.66	869.66
100-355-635000	Utilities - Water	50,517.79	50,517.79
100-355-700041	Park Improvement Needs	7,291.50	7,291.50
100-355-720500	Graffiti Removal	11,376.00	11,376.00
100-355-720700	Landscape Maintenance Contract	87,892.75	87,892.75
100-355-720701	Parks Contract Repair	5,811.65	5,811.65
100-356-613100	MOE Vehicle Fuel	518.01	518.01
100-356-631400	MOE Electricity-Streetlights &	24,175.47	24,175.47
100-356-631900	MOE Electricity On-bill Financing	4,327.83	4,327.83
100-356-646100	MOE Maintenance & Repairs	931.96	931.96
100-356-700250	MOE On-Call Engineer Services	17,625.00	17,625.00
100-356-700255	MOE Improvement Inspection	5,600.00	5,600.00
100-356-720420	MOE Traffic Signal Maintenance	19,872.48	19,872.48
100-420-611000	Training and Education	550.00	550.00
100-420-622000	Operating Supplies	141.67	141.67
100-420-646100	Maint & Repairs - Vehicles	230.36	230.36
100-420-695000	CommunityAsstnc/PublicRelation	2,364.21	2,364.21
100-420-720822	Crossing Guard Services	10,859.64	10,859.64
100-420-720835	Fingerprint Identification Svc	1,188.00	1,188.00
100-600-790600	Transfers Out - Capital Imprv	364,718.88	364,718.88
212-355-720400	Street Maintenance	47,434.36	47,434.36
221-310-720000	Contract Services	538.00	538.00
307-355-700000	Professional Services	11,814.16	11,814.16
600-000-490100	Transfer In- General Fund	(364,718.88)	(364,718.88)
600-252-950237	Parks Refurbishment Project	4,132.54	4,132.54
600-252-950238	CommunityCtr&SportsFieldReno	108,210.00	108,210.00
600-254-950410	NPDES Permit & Fees	2,401.34	2,401.34
600-254-950412	Water Quality Improvements	249,975.00	249,975.00
Grand Total:		754,504.18	754,504.18

Project Account Summary

Project Account Key	Expense Amount	Payment Amount
None	754,504.18	754,504.18
Grand Total:	754,504.18	754,504.18

Attachment: Payables Detail Report - September 27, 2022 (2967 : Warrant Register, September 27, 2022)



City of Laguna Hills

City Council/Planning Agency

Staff Report

DATE: September 27, 2022

TO: Mayor and Council Members

FROM: Jarad Hildenbrand
City Manager

ISSUE: Response to the 2021-2022 Orange County Grand Jury Report Entitled "Where Have All the CRVs Gone?"

RECOMMENDATION: That the City Council authorize the Mayor to sign the letter of response to the 2021-2022 Orange County Grand Jury Report entitled "Where Have All the CRVs Gone?".

SUMMARY:

The 2021-2022 Orange County Grand Jury recently released a report regarding California Refund Value (CRV) fees and CRV redemption centers in Orange County. The report analyzed the number of CRV redemption centers in Orange County, including their utilization rates by resident customers and franchise waste haulers. Furthermore, the report analyzed the availability of grant funding opportunities related to CRVs, the use of CRV pilot programs, and the use of CRV programs by waste haulers in Orange County.

State law requires any public agency which the Grand Jury has reviewed, and about which it has issued a final report, to comment to the Presiding Judge of the Superior Court on the findings and recommendations pertaining to matters under control of the agency within ninety (90) days of the report's release date. The Grand Jury has requested a response from the City of Laguna Hills for Findings F1, F2, and F3, and Recommendations R1, R2, R3, and R4 of its report entitled "Where Have All the CRVs Gone?"

Staff has prepared a proposed response to the Grand Jury and recommends that the

Response to the Orange County Grand Jury Report on CRVs

September 27, 2022

Page 2

City Council authorize the Mayor to sign the response and send it to the Presiding Judge of the Superior Court.

ATTACHMENTS:

- Grand Jury Report
- Response to Grand Jury Report

Where Have All the CRVs Gone?



GRAND JURY 2021-2022

Where Have All the CRVs Gone?

Table of Contents

SUMMARY	3
BACKGROUND	3
REASON FOR THE STUDY	4
METHOD OF STUDY	5
INVESTIGATION AND ANALYSIS	5
<i>CRV Redemption.....</i>	<i>5</i>
<i>Waste Haulers.....</i>	<i>9</i>
<i>Beverage Container Recycling Pilot Program.....</i>	<i>11</i>
<i>Additional Grant Opportunities.....</i>	<i>12</i>
<i>Current State of Redemption Efforts in Orange County.....</i>	<i>13</i>
FINDINGS	14
RECOMMENDATIONS.....	14
COMMENDATIONS	15
RESPONSES	15
Responses Required	16
Responses Requested.....	19
GLOSSARY.....	20

Where Have All the CRVs Gone?

SUMMARY

Each year Californians pay over \$1.4 billion in California Refund Value (CRV) fees to the State of California, yet only a portion of those funds are redeemed by the consumer. Since 2013, more than 1,000 redemption centers have closed throughout California leaving 1,265 redemption centers statewide and only 109 in Orange County.¹ The quantity of convenient redemption centers is constantly changing. Where once the consumer need only return their cans and bottles to the grocery store to receive their money, today redemption could mean traveling many miles. Due to the reduction of CRV redemption sites, waste haulers have become the default beneficiaries and are paid the CRV redemption for the containers collected at curbside. Millions of dollars in CRV fees still go unclaimed. Currently this amount is over \$600 million, a portion of which belongs to Orange County residents.

This report will explore the lack of redemption sites and the innovative programs being piloted to return the CRV dollars to Orange County consumers. Based on the Orange County Grand Jury (OCGJ) investigation, we recommend all Orange County cities and the County of Orange assess the revenue stream from curbside pickup, processing, and sale of recyclable materials, and leverage this to benefit their residents when negotiating waste hauler contracts. They should also require waste hauler-funded additional redemption centers when negotiating contracts.

Additionally, the OCGJ recommends all cities and the County of Orange research and apply for available grants or pilot programs from Cal/EPA California Department of Resources Recycling and Recovery (CalRecycle) that focus on returning CRV funds to their residents. Lastly, the OCGJ recommends development of programs aimed at educating residents regarding CRV redemption opportunities.

BACKGROUND

California Redemption Value (CRV), also known as California Refund Value, is a regulatory fee paid on recyclable beverage containers in California. The fee was established by the California Beverage Container Recycling and Litter Reduction Act of 1986, also called the Bottle Bill (AB 2020, Margolin).² Since 2010 the program has been administered by the Cal/EPA California Department of Resources Recycling and Recovery (CalRecycle). This Act was intended to increase the recycling rate to 80 percent of all recyclable containers and to provide for convenience in redeeming consumer deposits (CRV).

This Act established convenience zones. A retailer/dealer in an unserved convenience zone (one without a functioning redemption center) may choose, after a 60-day grace period, to pay CalRecycle \$100 fine per day in lieu of redeeming containers on site or establishing a redemption center in the convenience zone. From the CalRecycle website, a convenience zone is

¹ <http://www2.calrecycle.ca.gov/bevcontainer/recyclingcenters>.

² <http://www.bottlebill.org>

Where Have All the CRVs Gone?

typically a half-mile radius circle with the center point originating at a supermarket that meets the following definitions based on Public Resources Code Sections 14509.4 and 14526.5:

- Supermarket is identified in the Progressive Grocer Market Guidebook.
- Supermarket gross annual sales are \$2 million or more.
- Supermarket is considered a full-line store that sells a line of dry groceries, canned goods, or non-food items and perishable items.

A convenience zone is required by law to have within the zone's boundaries a recycling center that redeems all California Redemption Value (CRV) containers. A convenience zone with a recycler inside its boundaries is considered a served zone. Convenience zone recyclers provide opportunities to redeem containers near where the beverages were purchased.

For the past several years, using the California redemption program has been a challenge for Orange County consumers. Several factors have led to this difficulty, including lack of access to fewer redemption centers. More than 1,369 supermarket redemption centers have closed since the peak in 2013. Just over 1,200 redemption centers remain in operation in California compared to nearly 2,600 centers in 2013. According to three separate surveys, supermarket chains and other beverage retailers legally obligated to be recyclers of last resort are refusing to redeem consumer deposits up to two-thirds of the time.³

CalRecycle brings together the state's recycling and waste management programs. They have provided grants to five pilot programs in California which make resident consumer CRV refunds more accessible and convenient, with the goal of diverting more recyclables from landfills. One pilot grant program is currently operating in Orange County.

REASON FOR THE STUDY

The subject of unclaimed CRV, and a pilot program being developed to address it, were brought to the attention of the OCJG through recently published articles and personal experience.

A yearlong investigation of the California bottle deposit program found that the system could collapse without fundamental reform and that best practices are not being used.⁴ Currently, redemption centers in Orange County are few and far between and have been closing at an alarming rate. The lack of redemption centers has increased the statewide unclaimed deposits held by CalRecycle to over \$600 million.

³ Liz Tucker, "Trashed, How California Recycling Failed and How to Fix It," Consumer Watchdog, published January 2020. For surveys showing that obligated stores refuse to redeem empties two thirds of the time, see: <https://www.consumerwatchdog.org/energy/consumer-watchdog-report-shows-66-grocery-stores-surveyed-refused-recycle> and <https://www.nbcbayarea.com/news/local/Cash-in-the-Can-Californias-Recycling-Run-Around-564236811.html>

and <https://abc7news.com/society/stores-required-to-redeem-crv-on-bottles/5553583/>.

⁴ Liz Tucker, "Trashed, How California Recycling Failed and How to Fix It," Consumer Watchdog, January 2020.

Where Have All the CRVs Gone?

The largest single recycling operator, rePlanet Recycling Centers, that had 600 locations in California, closed their last 284 centers on August 5, 2019, many of which were in Orange County. With fewer options, consumers have relinquished their CRV refunds to the trash haulers by resorting to single stream curbside collections. This CRV and material revenue is in addition to fees paid by residents to collect the recyclable materials. Waste haulers, including municipal haulers, were paid \$146 million in 2020 for consumer CRV *donated* to their recycling bins at curbside and rural drop off locations.⁵

The OCGJ discovered CalRecycle was exploring new ways to encourage recycling through five pilot programs. *Recycle From Home* in Irvine makes redemption of CRV as easy as taking out your trash. This report examines the issues and solutions behind recycling and CRV redemption and explores opportunities to expand innovative programs throughout the County.

METHOD OF STUDY

The OCGJ used a variety of methods to gather information for our investigation.

- Interviews with individuals with expertise in state and local waste and recycling management.
- Research about CRV, waste haulers, Convenience Zones, Cash for Trash, local newspapers, grant programs pertaining to Orange County and various sources relating to the overall operations of recycling and CRV fees.
- Report studies from CalRecycle, Consumer Watchdog, and Container Recycling Institute (CRI).
- Tours of Orange County landfills.
- Review of various Assembly and Senate Bills pertaining to recycling.
- Conducted a survey of Orange County cities recycling coordinators regarding their current CRV recycling programs.

INVESTIGATION AND ANALYSIS

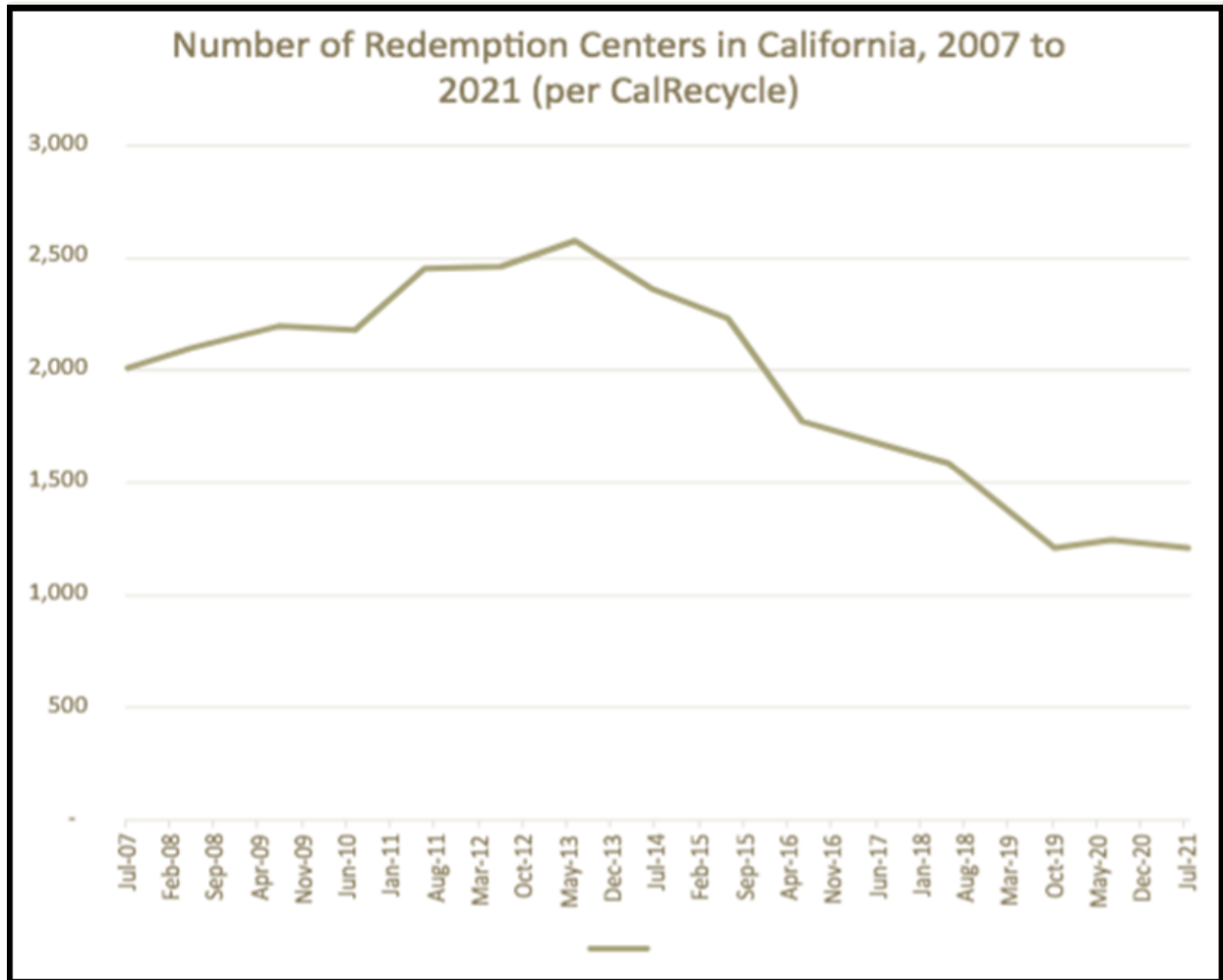
CRV Redemption

California's bottle and can recycling program was once considered successful. Today it has become a failed model. California now has a very inconvenient redemption structure compared to other states. As of May 2021, Californians have only one redemption center for about every 26,000 people. Oregon, in comparison, has 74 percent higher quantity of redemption centers than California,⁶ even though Oregon's population is one-ninth the size of California's.

⁵ For more on haulers and why consumers do not get back deposits, see: <https://www.consumerwatchdog.org/news-story/opinion-why-californians-don't-get-thier-bottle-and-can-deposits-back>.

⁶ OBRC, Quarterly Report Q4 2020

Where Have All the CRVs Gone?



More than half California's redemption centers have closed since 2013 due to State underpayments, commodities markets, and later the coronavirus pandemic. Redemption centers have faced financial hardships due to both scrap price declines and inadequate payments from CalRecycle. An additional hardship has been the increase in minimum wage for redemption center employees that has not been accounted for by the payment formula. More than 1,369 redemption centers have closed in California since the peak in 2013. Just over 1,200 redemption centers remain in operation in California, compared to nearly 2,600 centers in 2013.

According to CalRecycle, grocery stores can be granted exemptions if recycling centers would not be economically viable, or if another redemption center is sufficiently close by, or if consumers predominantly use curbside services in their location.⁷

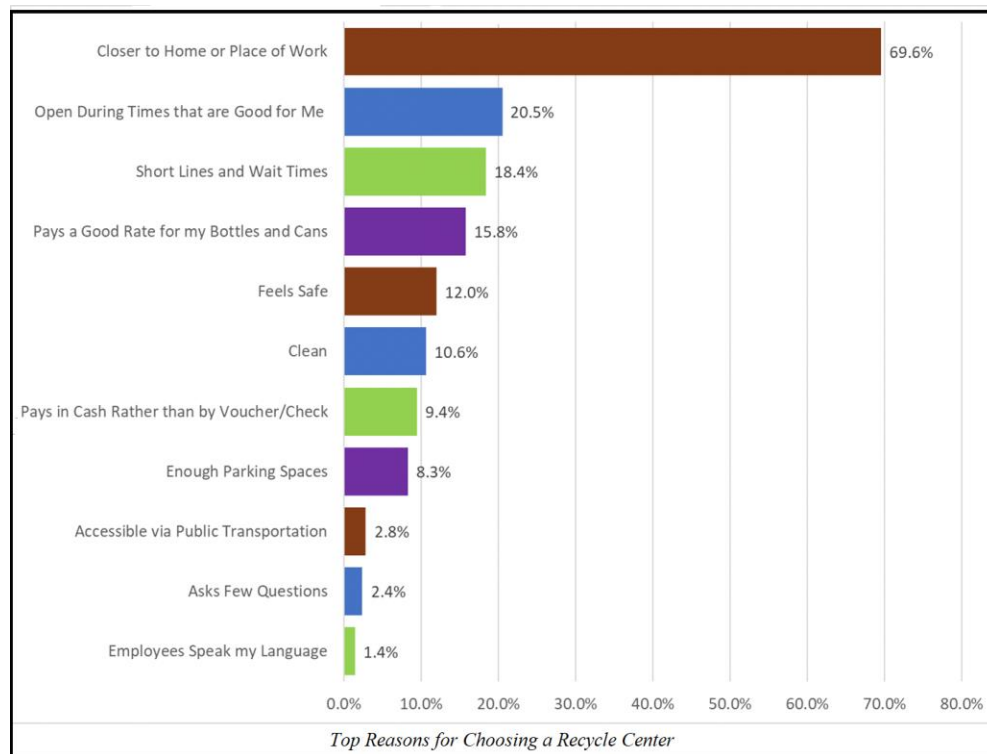
Orange County currently has 338 convenience zones, but only 134 of the convenience zones have a redemption center. There are 59 zones made exempt by CalRecycle, 10 more on hold,

⁷ For more on exemptions and other program rules, see: <https://www.calrecycle.ca.gov/bevcontainer/retailers/zones>.

Where Have All the CRVs Gone?

and 135 unserved.⁸ In the rest of the unserved zones lacking redemption centers, retailers are supposed to provide on-site redemption or pay State fees to avoid responsibility. Returning CRV containers to the local grocery store increases consumer convenience.

In an intercept survey, people were asked to choose from eleven options as to why they redeemed bottles at the recycling center. The top three reasons were ‘close to home’ (70 percent), ‘open at good times’ (21 percent), and ‘short lines and wait times’ (18 percent).⁹



Consumer Watchdog conducted an audit of 50 Los Angeles-area grocery, convenience and drug stores required by the State to refund consumer bottle deposits. The audit found up to two-thirds of retailers responsible for redemption may be refusing to take bottles back. The penalty from CalRecycle for refusing CRV redemption is between \$100 and \$1,000, depending on whether it is a repeat offense. It is very rare that retailers will be inspected and penalized by CalRecycle.¹⁰ Close to 4,000 California stores have signed up with CalRecycle to redeem CRV containers in zones lacking recycling centers.¹¹ In Orange County, 109 Recycling/Redemption centers remain open,¹² many with limited days and hours of operation. In addition, there are currently 195 in-

⁸ <https://www2.calrecycle.ca.gov/bevcontainer/recyclingcenters>.

⁹ Intercept Survey conducted by the University of California, Berkeley research team.

¹⁰ Liz Tucker, “Trashed, How California Recycling Failed and How to Fix It,” Consumer Watchdog, published January 2020.

¹¹ www2.calrecycle.ca.gov/BevContainer/InStoreRedemption.

¹² [www2.calrecycle.ca.gov/bevcontainer>recycling centers](http://www2.calrecycle.ca.gov/bevcontainer>recycling%20centers).

Where Have All the CRVs Gone?

store CRV redemption locations.¹³ Although the CalRecycle website lists the status, hours, and days of operation of recycling and redemption centers, the OCGJ determined the information is not always accurate.

The primary cause of redemption center closure is the lack of compensation received from CalRecycle. Liza Tucker, a consumer advocate with Container Recycling Institute, stated, “the formula for calculating state payments to recycling centers is flawed.” CalRecycle, she said, “averages costs to run centers across the state. But the cost of operating a redemption center in a grocery store parking lot – which is the most convenient for consumers – is substantially higher.”¹⁴

The rePlanet Recycling Centers suffered the largest closure. Established in 1984, rePlanet grew to 600 redemption centers in California at its peak. In 2016, it closed 191 centers and terminated 300 employees. On August 5, 2019, it closed the remaining 284 centers and laid off the remaining 750 employees. David Lawrence, rePlanet’s President said the factors were:

Reduction in State Fees:

- Depressed pricing of aluminum and plastic
- Minimum wage increases
- Required Health and Workers Compensation Insurance¹⁵

The decline in Redemption Centers will result in:

- Tons of metal, plastics, and glassware going into landfills
- Increased greenhouse gas
- Increased litter
- Lost jobs in recycling and redemption industry
- Income for families and individuals who gather discarded cans and bottles to earn extra cash

A letter from Container Recycling Institute (CRI) urged the State to extend the Processing Payment Emergency Regulations for one year.¹⁶ The Emergency Regulations add a 10 percent reasonable financial return to calculate the processing payments that will be made to certified recyclers for 2021. This processing payment subsidy is intended to offset the difference between their operating costs and the revenue earned from scrap sales and handling fees. “Recyclers” include recycling centers, and curbside and drop-off programs.

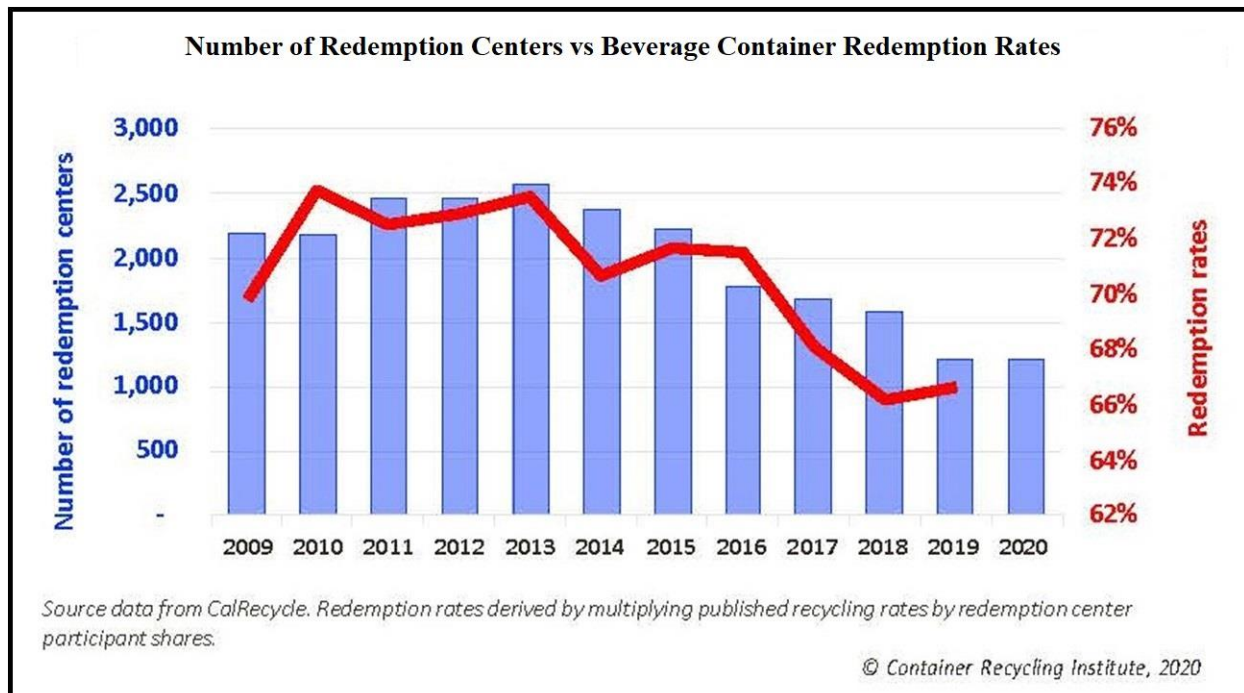
¹³ www2.calrecycle.ca.gov/beveragecontainer/instore redemption.

¹⁴ Kevin Smith, “rePlanet Closes all Recycling Centers, Prompting a Call for Bottle, Can Redemption at Stores,” San Gabriel Valley Tribune, August 6, 2019.

¹⁵ Ibid.

¹⁶ December 6, 2021, letter from Container Recycling Institute President and Executive Director, Susan Collins to The State of California Office of Administrative Law.

Where Have All the CRVs Gone?



California retailers are the failsafe for the program in locations lacking redemption centers. California has an average of one center for every 26,000 consumers,¹⁷ leading to CRV non-redemption.

Waste Haulers

Municipal curbside drop-off programs and trash haulers benefit from the redemption of CRV containers the consumers discard. When the Bottle Bill¹⁸ passed, environmental groups and lawmakers envisioned a network of redemption centers in supermarket parking lots to redeem containers. But California lawmakers and environmentalists also wanted to encourage developing curbside recycling. Operators of curbside and rural drop-off recycling programs are eligible to bill the State for the CRV stamped on the labels of containers without offering consumers refunds.¹⁹ Waste haulers were paid \$146 million in 2020 for consumer CRV *donated* to their recycling bins at curbside and rural drop off locations.²⁰ The rate at which consumers take bottles and cans for direct deposit refunds stands at 58.8 percent as of November 2021.

¹⁷ California's population of 40 million is served by 1,553 redemption centers, per CalRecycle presentation, Beverage Container Recycling Program, Certification and Registration Branch, 4th Quarter 2018, presented in January 2019.

¹⁸ AB 2020, Margolin.

¹⁹ <https://www.CalRecycle.ca.gov/bevcontainer>.

²⁰ In 2020 haulers were paid \$118 million for the CRV in curbside bins and \$28 million for the CRV at rural, drop off locations, according to the CalRecycle data analyzed by Container Recycling Institute. Corporate waste haulers operate a majority of these of these programs. Municipalities operate at least ten percent of these programs statewide.

Where Have All the CRVs Gone?

Meanwhile, unredeemed deposits in the State's main beverage fund are more than \$600 million.²¹

Curbside haulers in many cities use a single stream method of gathering recyclables. People put their recyclables into one bin and trucks take them to a processing center where machinery sorts the materials. But during transport, the materials are jostled together, rendering at least one quarter of the materials useless because they are contaminated with ground-in bits of organic waste, paper, plastic, and metal. This contamination contributes to increased landfill waste rather than recycling.

In California, waste haulers profit in numerous ways:

- They receive the CRV value, and the material scrap value of recyclables collected.
- Those that process recyclable materials are paid an additional three quarters of one percent, based on the total value of CRV collected, for administrative costs.
- They are paid subsidies to compensate for the difference between the cost of recycling and the market scrap value.
- They are awarded supplemental payments.

California awards "supplemental payments" to operators of curbside programs. These payments were initially created as an incentive to start and support curbside collection programs. Now that most cities have curbside collection programs supported by ratepayers, the supplemental payments are additional profit.

²¹ Liza Tucker, "State Obscures Extent of a Half-Billion-Dollar Surplus of Unredeemed CRV Deposits as Redemption Rate Stays Stuck at 58 percent," Consumer Watchdog, February 9, 2022.

Where Have All the CRVs Gone?



Visualization of flow of Payments to Waste Haulers²²

Beverage Container Recycling Pilot Program

Under previous legislation,²³ CalRecycle approved five pilot programs to boost consumer redemption access in the following jurisdictions: Culver City, San Francisco, San Mateo County, Sonoma County, and the City of Irvine.

Communities can create CRV redemption programs that work for them. Pilot programs allow flexible operating requirements and customized redemption programs designed to meet a region's unique needs. The CalRecycle Pilot Project Grant Program is designed to assist jurisdictions that lack CRV beverage container recycling opportunities for their residents.

The goals of the Pilot Project Grant Program are:

- Improving redemption opportunities in underserved areas.
- Allowing local governments and private industry to work together, to create new, convenient, and innovative recycling opportunities that work in their region or area.
- Increasing consumer redemption access.
- Increasing recycling percentages in pilot program areas.

²² Liza Tucker, "Waste Haulers: The Square Peg in the Circular Economy," *Consumer Watchdog*, May 2021. Used with permission of the author.

²³ California Beverage Container Recycling and Litter Reduction Act (Assembly Bill 2020, Margolin, Statutes of 1986 Chapter 1290) (Public Resources Code 14571.9) SB458 (Wiener Chapter 648 Statutes of 2017).

Where Have All the CRVs Gone?

Pilot program jurisdiction is defined as a city, county, or a combination thereof, that has authority to issue a grant permission for a certified pilot program recycler to operate in the designated pilot project area. Jurisdiction must meet at least one of the following criteria:

- The jurisdiction must have at least six unserved convenience zones.
- At least 75 percent of all convenience zones are unserved.

Local jurisdictions can now apply to turn their recycling deserts into hubs for convenient bottle and can redemption. California has approved five additional pilot grants, and the grant pilot program has been extended until June 30, 2026. The Governor has allocated an additional \$10 million to support the local pilot programs.

Additional Grant Opportunities

Currently, in Orange County, there is one grant pilot program operating. This program, called *Recycle from Home*, is a joint effort between the City of Irvine and the program's founder, Ryan Bloom. Irvine was an ideal location for a pilot program because of its high-density population with unserved CRV redemption zones. *Recycle from Home* picks up recycling directly from the resident's doorstep and deposits CRV refunds into the user's account of choice, minus 10 percent paid to the program. Participants are responsible for sorting their CRV recyclables and placing them in specially coded bags provided. Once the bag is ready, residents simply schedule a pick-up with *Recycle from Home* through an app or phone call and place the bag(s) on their porch. The OCGJ found this program to be an innovative way to return CRV funds to the consumers.

Additionally, CalRecycle offers the Beverage Container Recycling Grant Program. Beginning September 30, 2021, and ending June 28, 2024, grants are available to cities for beverage container recycling. The goal of this program is to reach and maintain an 80 percent recycling rate for all of California refund value beverage containers-aluminum, glass, plastic, and bi-metal. Unlike the Grant Pilot Program, no redemption element to consumers is required. The requirements are:

- The projects must be in California.
- Reimbursement will not exceed the amount stated on the Grant Agreement Cover Sheet (CalRecycle 110).
- The grantee will ensure that the recycling bins, if applicable, are serviced on a regular basis and that collected material is transported to a certified recycling center.
- The grantee will ensure, if applicable, that it and/or other entities certified to collect beverage containers are certified or registered by CalRecycle in the proper category and will provide the Grant Manager a copy of the certification certificates(s) upon request.

Where Have All the CRVs Gone?

The grantee shall monitor the project for the tonnage and revenues collected by material type, if applicable, and will report to the Grant Manager in the progress and final reports. Information for both these programs is available on the CalRecycle web site.²⁴

The OCGJ strongly encourages other cities and the County to research and apply for available grants or pilot programs from CalRecycle for their communities that focus on returning more CRV funds to their residents' benefit and to reduce recyclables from entering landfills.

Current State of Redemption Efforts in Orange County

The OCGJ surveyed the thirty-four cities in Orange County. The purpose of the survey was to evaluate the efforts the cities are currently undertaking to help residents obtain their CRV refunds and remove recycling from the waste stream. The City of Irvine is currently participating in the *Recycle from Home* grant pilot program and requires its solid waste hauler to operate a buy-back center for Irvine residents.

Over 40 percent of the 14 cities that responded to the OCGJ survey failed to offer an organized program for public outreach and education regarding CRV redemption and recycling. Many relied on their waste haulers to make recycling available and to educate their community. Brea had applied for CalRecycle Beverage Container Recycling grants for the purchase of designated recycling containers at several city and school locations.

Three of the responding cities took into consideration waste hauler revenue from CRV redemption and raw material sales in different ways. Laguna Beach had a windfall recycling payment clause in their waste hauler contract. It stipulated that the contractor agreed to pay Laguna Beach 25 percent of revenue that is attributable to the sale of recyclable material collected in the city that exceeds \$135 per ton (net processing costs). Similarly, Fountain Valley had CRV revenue sharing which required the waste hauler share CRV revenue with the city once the contractor's baseline CRV revenue exceeded \$275,000. San Juan Capistrano considered fundraising efforts by requiring the waste hauler to offer free 30-yard roll-off containers to local schools for collecting CRV from students and families. When these containers are filled, the contractor is required to provide the redemption value to the school as a fundraising source. The OCGJ applauds the efforts by these cities to benefit their citizenry and increase material recycling.

The OCGJ sees a missed opportunity for the cities that are not leveraging CRV or the raw material revenue when negotiating their waste hauler contracts. Orange County cities should be more proactive in encouraging CRV redemption and recycling by their residents. The OCGJ also encourages each City's participation and promotion of the grant pilot programs currently offered by CalRecycle.

An additional tool for sharing information about each City's recycling efforts is the City Recycling Coordinators Meeting. This meeting is held quarterly and facilitated by staff of OC Waste & Recycling (OCWR), a department of the County of Orange. A recent meeting included

²⁴ www.calrecycle.ca.gov

Where Have All the CRVs Gone?

recycling coordinators, representatives from CalRecycle and OCWR, consultant groups, and industry professionals. Agenda items included:

- Education Outreach Updates.
- CalRecycle Update.
- City/Consultant Q&A.

The OCGJ believes this is an educational and informative opportunity for City Recycling Managers and encourages participation by all cities.

FINDINGS

Based on its investigation described here, the 2021-2022 Orange County Grand Jury has arrived at the following principal findings:

- F1 Due to the reduced availability of convenient CRV redemption sites and the lack of accurate online information, it is difficult for resident consumers to redeem CRV fees.
- F2 Because redemption site locations have diminished in number, waste haulers are the beneficiaries to the CRV fees paid originally by resident consumers.
- F3 CalRecycle is attempting to improve CRV redemption and reduce CRV recyclables from landfills and are offering financial incentives to do so. Orange County and its cities are not fully taking advantage of the grant or pilot program opportunities available through CalRecycle.
- F4 Orange County and most OC Cities do not make CRV redemption and recycling a priority when negotiating their waste hauler contracts which results in missed financial opportunities and convenience for their residents.

In accordance with California Penal Code Sections 933 and 933.05, the 2021-2022 Grand Jury requires responses from each agency affected by the findings presented in this section. The responses are to be submitted to the Presiding Judge of the Superior Court.

RECOMMENDATIONS

- R1 By January of 2023, each of the cities in Orange County should research and apply for available grants or pilot programs from CalRecycle for their community that focus on returning more CRV funds to their residents. (F3)
- R2 By January of 2023, the Orange County Board of Supervisors should require OC Waste & Recycling to research and apply for available grants or pilot programs from CalRecycle for the unincorporated areas of OC that focus on returning more CRV funds to their residents. (F3)

Where Have All the CRVs Gone?

- R3 When renegotiating their current waste hauler contract, all cities and the County of Orange should assess the value of the CRV funds received by the waste hauler in their jurisdiction and creatively leverage this revenue for the benefit of their residents. (F2, F4)
- R4 By January of 2023, all cities and the County of Orange should develop extensive community outreach programs aimed at educating the public about how to access CRV redemption in their jurisdiction. (F1, F3)

COMMENDATIONS

The OCGJ commends *Recycle From Home* in the City of Irvine as CalRecycle's only pilot project grant program in Orange County. A collaboration between the City and private enterprise, *Recycle From Home* is a unique collaborative concept to service the entire City of Irvine's CRV recycling needs. This is an eco-friendly way to recycle right from your driveway or doorstep. This mobile residential recycling service was selected and approved as part of a new pilot project grant program established by the State of California. The pilot program is innovative, convenient, helps keep CRV recyclable material out of the waste stream and returns the deposits directly to the consumer.

RESPONSES

The following excerpts from the California Penal Code provide the requirements for public agencies to respond to the Findings and Recommendations of this Grand Jury report:

California Penal Code Section 933 requires the governing body of any public agency which the Grand Jury has reviewed, and about which it has issued a final report, to comment to the Presiding Judge of the Superior Court on the findings and recommendations pertaining to matters under the control of the governing body. Such comment shall be made *no later than 90 days* after the Grand Jury publishes its report (filed with the Clerk of the Court). Additionally, in the case of a report containing findings and recommendations pertaining to a department or agency headed by an elected County official (e.g., District Attorney, Sheriff, etc.), such elected County official shall comment on the findings and recommendations pertaining to the matters under that elected official's control *within 60 days* to the Presiding Judge with an information copy sent to the Board of Supervisors.

Furthermore, California Penal Code Section 933.05 specifies the way such comment(s) are to be made as follows:

(a) As to each Grand Jury finding, the responding person or entity shall indicate one of the following:

Where Have All the CRVs Gone?

- (1) The respondent agrees with the finding.
 - (2) The respondent disagrees wholly or partially with the finding; in which case the response shall specify the portion of the finding that is disputed and shall include an explanation of the reasons therefor.
- (b) As to each Grand Jury recommendation, the responding person or entity shall report one of the following actions:
- (1) The recommendation has been implemented, with a summary regarding the implemented action.
 - (2) The recommendation has not yet been implemented, but will be implemented in the future, with a time frame for implementation.
 - (3) The recommendation requires further analysis, with an explanation and the scope and parameters of an analysis or study, and a time frame for the matter to be prepared for discussion by the officer or head of the agency or department being investigated or reviewed, including the governing body of the public agency when applicable. This time frame shall not exceed six months from the date of publication of the Grand Jury report.
 - (4) The recommendation will not be implemented because it is not warranted or is not reasonable, with an explanation therefor.
- (c) If a finding or recommendation of the Grand Jury addresses budgetary or personnel matters of a county agency or department headed by an elected officer, both the agency or department head and the Board of Supervisors shall respond if requested by the Grand Jury, but the response of the Board of Supervisors shall address only those budgetary /or personnel matters over which it has some decision-making authority. The response of the elected agency or department head shall address all aspects of the findings or recommendations affecting his or her agency or department.

Responses Required

Comments to the Presiding Judge of the Superior Court in compliance with Penal Code §933.05 are required from:

90 Day Response Required	F1	F2	F3	F4
Orange County Board of Supervisors	X	X		X

90 Day Response Required	R1	R2	R3	R4
Orange County Board of Supervisors	X	X	X	X

Where Have All the CRVs Gone?

90 Day Response Required	F1	F2	F3
City Council of Laguna Hills	X	X	X

90 Day Response Required	R1	R2	R3	R4
City Council of Laguna Hills	X	X	X	X

90 Day Response Required	F1	F2	F3
City Council of Laguna Niguel	X	X	X

90 Day Response Required	R1	R2	R3	R4
City Council of Laguna Niguel	X	X	X	X

90 Day Response Required	F1	F2	F3
City Council of Laguna Woods	X	X	X

90 Day Response Required	R1	R2	R3	R4
City Council of Laguna Woods	X	X	X	X

90 Day Response Required	F1	F2	F3
City Council of Lake Forest	X	X	X

90 Day Response Required	R1	R2	R3	R4
City Council of Lake Forest	X	X	X	X

90 Day Response Required	F1	F2	F3
City Council of Los Alamitos	X	X	X

90 Day Response Required	R1	R2	R3	R4
City Council of Los Alamitos	X	X	X	X

90 Day Response Required	F1	F2	F3
City Council of Mission Viejo	X	X	X

90 Day Response Required	R1	R2	R3	R4
City Council of Mission Viejo	X	X	X	X

Where Have All the CRVs Gone?

90 Day Response Required	F1	F2	F3
City Council of Rancho Santa Margarita	X	X	X

90 Day Response Required	R1	R2	R3	R4
City Council of Rancho Santa Margarita	X	X	X	X

90 Day Response Required	F1	F2	F3
City Council of San Clemente	X	X	X

90 Day Response Required	R1	R2	R3	R4
City Council of San Clemente	X	X	X	X

90 Day Response Required	F1	F2	F3
City Council of San Juan Capistrano	X	X	X

90 Day Response Required	R1	R2	R3	R4
City Council of San Juan Capistrano	X	X	X	X

90 Day Response Required	F1	F2	F3
City Council of Santa Ana	X	X	X

90 Day Response Required	R1	R2	R3	R4
City Council of Santa Ana	X	X	X	X

90 Day Response Required	F1	F2	F3
City Council of Seal Beach	X	X	X

90 Day Response Required	R1	R2	R3	R4
City Council of Seal Beach	X	X	X	X

90 Day Response Required	F1	F2	F3
City Council of Stanton	X	X	X

Where Have All the CRVs Gone?

90 Day Response Required	R1	R2	R3	R4
City Council of Stanton	X	X	X	X

90 Day Response Required	F1	F2	F3
City Council of Tustin	X	X	X

90 Day Response Required	R1	R2	R3	R4
City Council of Tustin	X	X	X	X

90 Day Response Required	F1	F2	F3
City Council of Villa Park	X	X	X

90 Day Response Required	R1	R2	R3	R4
City Council of Villa Park	X	X	X	X

90 Day Response Required	F1	F2	F3
City Council of Westminster	X	X	X

90 Day Response Required	R1	R2	R3	R4
City Council of Westminster	X	X	X	X

90 Day Response Required	F1	F2	F3
City Council of Yorba Linda	X	X	X

90 Day Response Required	R1	R2	R3	R4
City Council of Yorba Linda	X	X	X	X

Responses Requested

90 Day Response Requested	F1	F2	F3	F4
OC Waste & Recycling		X	X	X

90 Day Response Requested	R1	R2	R3	R4
OC Waste & Recycling		X	X	X

Where Have All the CRVs Gone?

GLOSSARY

Assembly Bill 2020	Encourage recycling and reduce litter.
Assembly Bill 939	Integrated Waste Act – mandates reduction of waste being disposed.
Bottle Bill	Senate Bill 38.
CalRecycle	California Department of Resources, Recycling and Recovery.
CIP	Convenience Incentive Payment.
Convenience Zone	A convenience zone is required by law to have within the zone's boundaries, a recycling center that redeems all California Redemption Value (CRV) containers. A convenience zone with a recycler inside its boundaries is considered a served zone.
CRV	California Refund Value.
Handling Fee	Monthly payments made by the CalRecycle to recycling centers that meet certain eligibility requirements.
MRF	A facility utilized for the purpose of collecting, sorting, and processing materials to be recycled.
PRA	Public Records Act.
OAL	Office of Administrative Law.
OCWR	OC Waste & Recycling, a department of the County of Orange.
OCGJ	Orange County Grand Jury.
Processing Fee	Total cost charged per online transaction.
Redemption Center	Accepts empty deposit beverage containers from redeemers.
Senate Bill 38	“Bottle Bill” – requires beverage industry to establish convenient recycling and redemption places so consumers may get their deposits back.
Single Stream	Waste haulers pick up Recycle bins from customer's location.
Transaction Fee	Flat dollar amount charged based on the number of transactions.
Waste Hauler	Any person carrying or engaging in the collection of waste.

September 27, 2022

Erick L. Larsh
Presiding Judge of the Superior Court
700 Civic Center Drive West
Santa Ana, CA 92701

Re: California Penal Code Section 933 Response to the Orange County Grand Jury Report, “Where Have All the CRVs Gone?”

Dear Judge Larsh:

As requested by the Orange County Grand Jury letter dated June 28, 2022, the City of Laguna Hills is responding to Findings F1, F2, and F3, and Recommendations R1, R2, R3, and R4 of the Grand Jury Report entitled, “Where Have All the CRVs Gone?”

Findings and Responses

F1. Due to the reduced availability of convenient CRV redemption sites and the lack of accurate online information, it is difficult for resident consumers to redeem CRV fees.

Response: Agrees with the finding. Resident customers have contacted the City of Laguna Hills, other cities, and the County of Orange to find locations for CRV redemption. The CRV locations are not always convenient to the customer locations and require extra effort and travel benefit from the redemption program.

The recent passage of Senate Bill (SB) 1013 may lead to an increase of CRV redemption sites throughout the state. SB 1013 allows for dealers – retail establishments that offer sales of beverages in beverage containers – to create and join dealer cooperatives for the purpose of providing redemption opportunities to resident consumers. Consequently, in the near future, the state may see an increase of CRV redemption sites and increased opportunities for resident consumers to receive a beverage container redemption payment.

F2. Because redemption site locations have diminished in number, waste haulers are the beneficiaries to the CRV fees paid originally by resident consumers.

Response: Agrees with the finding. With the added effort resident customers must put forth to benefit from CRV redemption, many choose to forego the fees they would receive and dispose of the material instead. Waste haulers have better access to the redemption sites than resident customers, although it is not confirmed the waste haulers are benefiting from this availability.

However, with the recent passage of Senate Bill (SB) 1013 on September 9, 2022, the CRV redemption value increase to 10-cents on most of the bottles. It also establishes a 25-cent refund on “difficult to recycle” wine packaging including boxes, bladders, pouches and similar plastic containers. This redemption value increase may result in more resident consumers recycling their beverage containers to obtain the beverage container redemption payment.

F3. CalRecycle is attempting to improve CRV redemption and reduce CRV recyclables from landfills and are offering financial incentives to do so. Orange County and its cities are not fully taking advantage of the grant or pilot program opportunities available through CalRecycle.

Response: Agrees with the finding. The City of Laguna Hills (City) considers available funding opportunities from CalRecycle including the grant and reporting requirements compared to the resources needed to implement new programs with CRV-related funding. Since the City has limited staffing and human resources directly related to recycling programs and waste hauling, certain grant and funding opportunities for the implementation of new recycling programs are not necessarily beneficial to the City. The City will continue to proactively explore all CalRecycle related CRV grants.

Recommendations and Responses

R1. By January of 2023, each of the cities in Orange County should research and apply for available grants or pilot programs from CalRecycle for their community that focus on returning more CRV funds to their residents. (F3)

Response: The recommendation has already been implemented. The City of Laguna Hills (City) regularly applies for, receives and utilizes CalRecycle's Beverage Container Recycling Grant Program on an annual basis. Additionally, the City regularly reviews and applies for similar grants for which the City is eligible.

R2. By January of 2023, the Orange County Board of Supervisors should require OC Waste & Recycling to research and apply for available grants or pilot programs from CalRecycle for the unincorporated area of OC that focus on returning more CRV funds to their residents. (F3)

Response: The recommendation will not be implemented because both the OC Waste & Recycling and the focus areas (unincorporated Orange County) are not within the City's jurisdiction, control or authority.

R3. When renegotiating their current waste hauler contract, all cities and the County of Orange should assess the value of the CRV funds received by the waste hauler in their jurisdiction and creatively leverage this revenue for the benefit of their residents. (F2, F4)

Response: The recommendation has not yet been implemented, but will be implemented in the future. The City's agreement with its waste hauler expires June 30, 2024. The City is currently developing procurement documents for the next 10-year solid waste franchise agreement, and the recommendation will be considered for implementation during the procurement document development process.

R4. By January of 2023, all cities and the County of Orange should develop extensive community outreach programs aimed at educating the public about how to access CRV redemption in their jurisdiction. (F1, F3)

Response: The recommendation has been implemented. The City of Laguna Hills (City) promotes recycling programs and the recycling of bottles and cans, including CRV redemption opportunities in its education and outreach materials, including on the City's website, social media, printed materials such as flyers and booklets, and at various public events held throughout the year.

Additionally, Orange County Waste & Recycling promotes recycling bottles and cans, including CRV redemption opportunities in all education and outreach opportunities. According to the County of Orange, these include the online recycling resource located online at OCRecycleGuide.com which includes access to detailed information on CRV redemption locations provided by CalRecycle; the OCLandfills.com website; at community events and through regular outreach materials.

End of Responses

Should you have any questions or need additional information pertaining to the City of Laguna Hill's responses to the Orange County Grand Jury report, please contact Jarad Hildenbrand, City Manager, at (949) 707-2600.

Sincerely,

Dave Wheeler, Mayor
City of Laguna Hills

Cc: Gwen P. Isarowong, Foreperson
2021-2022 Orange County Grand Jury
700 Civic Center Drive West
Santa Ana, CA 92701



City of Laguna Hills

City Council/Planning Agency

Staff Report

DATE: September 27, 2022

TO: Mayor and Council Members

FROM: David Reynolds
Deputy City Manager/Community Services Director

ISSUE: Proposed Amendment No. 3 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(I) and (J), for approval of the proposed Amendment No. 3 to the Consulting Services Agreement for Solid Waste and Recycling Consulting Services with Eco/Nomics, Inc.; 2) Approve proposed Amendment No. 3 to the Consulting Services Agreement with Eco/Nomics, Inc., increasing the maximum contract amount by \$150,000 from \$578,000 to \$728,000; and 3) Authorize the Mayor or the Mayor Pro Tempore to sign the proposed Amendment No. 3.

SUMMARY:

The Consulting Services Agreement for Solid Waste Collection, Contracting and Recycling Consulting Services with Eco/Nomics ("Agreement") is set to expire on June 30, 2023. Due to a tremendous amount of work to implement and support the State's organic waste recycling mandates (i.e. SB 1383), staff estimates that payment expenditures for Eco/Nomics' services will be over the Agreement's Maximum Contract Amount ("MCA") in the next few months, well before the June 30, 2023, Agreement termination date (see Table 1. below). Consequently, Eco/Nomics consulting services under the Agreement will need to stop unless the Agreement is amended. Staff is requesting that the MCA be increased by \$150,000 from \$578,000 to \$728,000 in order

Eco/Nomics Amendment No. 3

September 27, 2022

Page 2

for Eco/Nomics to continue forward with work efforts that are currently underway for the remainder of the Agreement term. This will require the Council's approval and execution of the proposed Amendment No. 3 to the Agreement (see Attachment 1). The only revision to the Agreement, per Amendment No. 3, is to increase the MCA by \$150,000. There is no change to the Agreement's termination date which will remain as June 30, 2023. In early Spring of next year, staff plans on conducting a competitive procurement process for solid waste and recycling consulting services under a multi-year contract. After a consulting firm is selected and awarded a contract by the Council, consulting services under the new contract will commence on July 1, 2023.

Staff further recommends that the City Council make findings and declare that it is appropriate to waive provisions of the Laguna Hills Municipal Code ("LHMC") Procurement Code Section 3-08.150 in order to approve and execute the proposed Amendment No. 3. The consulting services provided by Eco/Nomics are essential for uninterrupted and continued support to staff with the implementation of recycling programs and outreach as required under the recent Amendment No. 2 to CR&R's Franchise Agreement ("Franchise Agreement") and by the State. Eco/Nomics continued guidance and support through the numerous regulations and reporting requirements imposed by CalRecycle for the remainder of the Agreement term is very desirable for staff.

The Agreement, Amendment No. 1 to the Agreement, and Amendment No. 2 to the Agreement are attached to this report for reference.

BACKGROUND:

Staff issued an RFP and completed a formal competitive selection process in 2016 where Eco/Nomics was identified as the most qualified firm. On June 14, 2016, the City entered into the Agreement with Eco/Nomics. 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.

Amendment No. 2 to the Agreement, which extended the Agreement for an additional two (2) years through June 30, 2023, and increased the maximum contract amount by

Eco/Nomics Amendment No. 3
 September 27, 2022
 Page 3

\$248,000, from \$330,000 to \$578,000, was approved by the Council on February 23, 2021. The Council waived the formal competitive bidding requirements and procedures set forth in the LPMC and approved and entered into Amendment No. 2. The reason for waiving the competitive bid requirements at that time was the negative impact of COVID-19 pandemic on staff and the consultant on completing project assignments related CalRecycle's diversion and recycling mandates.

Staff is now requesting another amendment to the Agreement to increase the MCA by \$150,000. Staff recommends that the City Council approve the attached proposed Amendment No. 3 to the Agreement and authorize the Mayor to execute the proposed amendment (see Attachment 1). As illustrated in the table below, staff estimates that the MCA of \$578,000 will be overrun in the next few months which necessitates an increase to that amount to ensure for continued and uninterrupted consulting service support for the remainder of the Agreement term (or until June 30, 2023).

Table 1. EcoNomics Maximum Contract Amount (MCA) & Estimated Payments			
Agreement MCA is \$578,000			
	Estimated Payments	MCA Balance	(Over)/ Under MCA
EcoNomics total payments ending July 2022		552,108	
August 2022	8,000	560,108	17,892
September 2022	8,000	568,108	9,892
October 2022	8,000	576,108	1,892
November 2022	8,000	584,108	(6,108)
June 30, 2023 (Agreement Expiration Date)			

Typically, when a contract for professional services exceeds the amount of \$50,000, the City prepares a competitive selection process and issues a request for proposals (RFP) inviting qualified firms to submit proposals to provide consulting services. In this case, staff is requesting an increase of \$150,000 to the Agreement's MCA. However, it is staff's opinion that such a 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. This would negatively impact the City's ability to timely implement various CalRecycle regulations under CR&R's recently amended Franchise Agreement—and as

mandated by State law—and most likely will not result in any significant cost savings to the City. Thus, the City Council is requested to waive the formal competitive bidding requirements set forth in LPMC Section 3-08.150, pursuant to the exceptions set forth in LPMC Sections 3-08.110 (I) and (J). For each of the exceptions, staff has provided justifications below for waiving the requirements of LPMC 3-08.150.

LPMC 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: Eco/Nomics assisted Staff with the update to the LPMC Chapter 5-32 (Solid Waste and Recycling) which incorporated the regulations of SB 1383. Moreover, Eco/Nomics was instrumental in conducting the recent contract negotiations with CR&R to account for SB 1383 requirements such as the implementation of a residential food scraps recycling program. These negotiations resulted in Amendment No. 2 to CR&R's Franchise Agreement which was approved by Council on June 14, 2022, and was effectuated on July 1, 2022.

Eco/Nomics' particular expertise with the terms and conditions of the Franchise Agreement, and Chapter 5-32 of the LPMC, makes them uniquely qualified to continue consulting work for the remainder of the Agreement term to ensure for successful program implementation, education and outreach, and program monitoring and enforcement. Currently, Eco/Nomics is assisting the City with its monitoring of CR&R's roll-out of residential and multi-family organic waste recycling programs which began on July 1 of this year. The Franchise Agreement specifies certain delivery dates and programs are phased in throughout the remainder of this calendar year. Additionally, Eco/Nomic's developed a thirteen (13) step implementation process with CR&R, which is incorporated into the Franchise Agreement. This implementation process will need to be followed and monitored to ensure 100% SB 1383 compliance with commercial and multi-family diversion programs throughout the term of the Agreement. Staff needs help with this work effort which will take several months.

Eco/Nomics is also in the process of developing the required reporting forms for compliance with SB 1383 such as organic waiver forms, and will also need to complete the comprehensive annual report that is submitted to CalRecycle.

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 implement the programs and monitoring requirements of the Franchise Agreement, which when successfully implemented, will ensure the City's compliance with CalRecycle's recycling mandates.

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 at this time. Since 2016, Eco/Nomics has not increased its hourly rates for service and a rate increase is not contemplated in Amendment No. 3.

It is in the City's best interest to secure Eco/Nomics' current hourly rates for consulting services for the remainder of the Agreement term through June 30, 2023.

FISCAL IMPACT:

Staff recommends that the Maximum Contract Amount be increased by \$150,000 from \$578,000 to \$728,000. Monies paid to Eco/Nomics have come from the City's recycling special revenue funds, such as funds received from CR&R. For instance, per the Franchise Agreement, CR&R is to pay the City in the amount of \$150,000 for 3rd party consulting services support this fiscal year and another \$150,000 next fiscal year. There is no anticipated general fund impact for Eco/Nomics' consulting services at this time.

ATTACHMENTS:

- Attachment 1 - Proposed Amendment No. 3 to Eco/Nomics Agreement
- Attachment 2 - Amendment No. 2 to Eco/Nomics Agreement
- Attachment 3 - Amendment No. 1 to Eco/Nomics Agreement
- Attachment 4 - Eco/Nomics Agreement

ATTACHMENT 1

Proposed Amendment No. 3
to Consulting Services Agreement

AMENDMENT NO. 3
TO CONSULTING SERVICES AGREEMENT
Eco/Nomics, Inc., dba Ecal/Nomics, Inc.
(Solid Waste and Recycling Consulting Services)

THIS THIRD AMENDMENT to the Consulting Services Agreement with ECO/NOMICS, INC., (the “Amendment” or “Amendment No. 3”) is made and entered into to be effective the 27th day of September 2022, 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 originally 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 1.8 (Additional Services), 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 to 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 (“Initial Term”), 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. Thereafter, unless amended by mutual agreement of the Parties, the Term of the Agreement was 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 full and partial closures of City Hall, modified work schedules, work-from-home health orders, and reduced service levels, the City did not wish to rebid this contract or conduct bidder interviews at that time, and the Procurement Officer and City Council determined that such formal competitive procurement process at that time was 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 have negatively impacted City's ability to timely implement various CalRecycle regulations, as mandated by State law, and most likely would not have resulted in any significant cost savings to the City.

F. Based on emergency circumstances related to the COVID-19 pandemic, the City previously determined that there was 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 level of services, under the same terms and conditions and at the same professional hourly rates, provided by the Agreement ensured 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 had been in effect since March 2020, as well as the negative impacts the ongoing pandemic 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 previously requested that the City 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, 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. As such, on February 23, 2021, the Parties approved and entered into 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 additional two-year Term extension created the need to increase the Maximum Contract Amount set forth in Section 2.1 of the Agreement by \$248,000, from \$330,000 to \$578,000.

I. Unless amended by mutual agreement of the Parties, the Term of the Agreement is currently scheduled to expire on June 30, 2023 by operation of its own terms.

J. Due to a tremendous amount of work to implement and support the State's organic waste recycling mandates (i.e., SB 1383), the City estimates that payment expenditures for the Consultant's services will soon exceed the Maximum Contract Amount set forth in the Agreement within the next few months, well before the June 30, 2023 Agreement termination date. Consequently, the Consultant's services under the Agreement will need to stop prior to completion of the Project unless the Agreement is amended. As such, the City has determined that the Maximum Contract Amount set forth in the Agreement must now be increased by \$150,000 from \$578,000 to \$728,000 in order for the Consultant to continue to provide uninterrupted consulting services necessary to complete the Project for the remainder of the extended term of the Agreement.

K. Therefore, the Parties now desire to enter into this Amendment No. 3 to the Agreement for the purpose of increasing the Maximum Contract Amount by \$150,000 from \$578,000 to \$728,000 in order for the Consultant to continue to provide uninterrupted consulting services necessary to complete the Project during the remainder of the extended term of the Agreement under the same terms and conditions and at the same professional hourly rates as set forth in the Agreement.

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

AGREEMENT

1. 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 Seven Hundred Twenty Eight Thousand Dollars (\$728,000.00) (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. Full Force and Effect. This Amendment No. 3 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.
3. 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 the 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 No. 3 as of the date first written above.

“CITY”
City of Laguna Hills,
 a California municipal corporation

 DAVE WHEELER,
 Mayor

ATTEST:

 (SEAL)
 JENNIFER LEE,
 Interim 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: Attachment 1 - Proposed Amendment No. 3 to Eco/Nomics Agreement (2970 : Eco/Nomics Amendment No. 3)

EXHIBIT A

Schedule of Compensation/Fees

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	5%	Assistance with hauler negotiations. Solid waste legislation tracking and interpretation
Trevor S. Blythe, MBA; Christy Hurlburt, MBA	Vice President	\$120	20%	Oversight of field data quality, diversion program development and implementation, operations analysis, annual rate adjustment, performance monitoring, public outreach, SB 1383 strategy and implementation
Kim Riley: Ian Bevan, MBA; Kelly Cisneros, MS; Geiza de Goulart Silva, MS	Program Implementation Manager	\$90	25%	Public outreach, educational programs, SB 1383 implementation, including edible food recovery and procurement, annual CalRecycle reporting
Valeria Ferrufino	Program Implementation Coordinator	\$80	30%	SB 1383 generator identification, commercial list analysis, analysis, program implementation and monitoring,

ATTACHMENT 2

Amendment No. 2
to Eco/Nomics Agreement

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
 Cerene St. John, J.D.
 Trevor S. Blythe, MBA
 Christy Hurlburt, MBA
 Ian Beavan, MBA
 Kim Riley
 Geiza Goulart da Silva

President
 Director
 Senior Vice President
 Vice President
 Program Implementation Manager
 Program Implementation Coordinator
 Program Implementation Coordinator

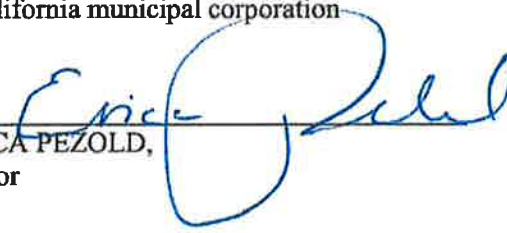
5. Full Force and Effect. This Amendment No. 2 is supplemental to the Agreement and is by reference made part of said Agreement. All of the terms, conditions, and provisions, thereof, unless specifically modified herein, shall continue in full force and effect. In the event of any conflict or inconsistency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

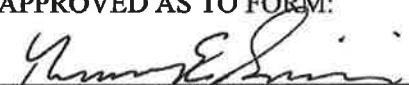
City of Laguna Hills,
a California municipal corporation


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

ATTACHMENT A



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 Gelza Goulart currently bill to the City. We have attached Ms. Hurlbert'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: Attachment 2 - Amendment No. 2 to EcoNomics Agreement (2970 : EcoNomics Amendment No. 3)

ATTACHMENT A

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

ATTACHMENT A

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 (CRRRA) 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,

ATTACHMENT A

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.

ATTACHMENT A

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

ATTACHMENT A

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

ATTACHMENT 3

Amendment No. 1
to Eco/Nomics Agreement

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.

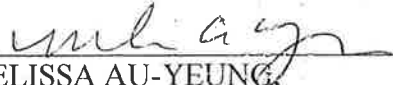
"CITY"

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: Attachment 3 - Amendment No. 1 to Eco/Nomics Agreement (2970 : Eco/Nomics Amendment No. 3)

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



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: Attachment 3 - Amendment No. 1 to EcoNomics Agreement (2970 : EcoNomics Amendment No. 3)

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
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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.

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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.

ATTACHMENT 4

Eco/Nomics Agreement

Attachment: Attachment 4 - Eco/Nomics Agreement (2970 : Eco/Nomics Amendment No. 3)

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: (1st) the terms of this Agreement; and, (2nd) 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 (10th) 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 Services 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 remainder 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]

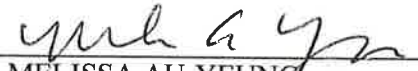
Attachment: Attachment 4 - Eco/Nomics Agreement (2970 : Eco/Nomics Amendment No. 3)

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:

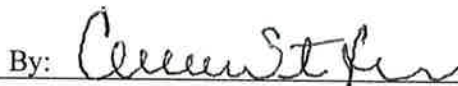
 (SEAL)
 MELISSA AU-YEUNG,
 Assistant to the City Manager/City Clerk

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

Attachment: Attachment 4 - Eco/Nomics Agreement (2970 : Eco/Nomics Amendment No. 3)

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**



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



**Submitted by EcoNomics, Inc.
April 29, 2016**

**24682 Del Prado, Suite 230
Dana Point, California 92629**

Table of Contents

Section 1: Executive Summary.....	4
Attachment 1 to Executive Summary: Signed Certificate of Non-discrimination	8
Attachment 2 to Executive Summary: Signed Certificate of Certificate of Employment Relationships and Financial Interest.....	9
Section 2: Scope and Approach	10
Section 2.1. Response to City's Scope	11
2.1.1. Task B1. CalRecycle Support	11
2.1.2. Task B2. Provide Technical and Field Support for the Administration of the.....	14
City's Solid Waste and Recycling Franchise Agreement.	14
2.1.3. Task B3. Provide Technical Recycling Assistance to Local Restaurants and Businesses to Maintain and Develop Recycling Programs.....	18
2.1.4. Task B4. Attend Progress Meetings and Prepare Monthly.....	20
Progress Reports.	20
2.1.5. Task B5. Perform Other Duties As Assigned by the City.	21
Section 2.2. Recommendations Beyond the City's general scope.....	21
2.2.1. Assistance with assessing rate impacts and developing solutions for organics (food scraps) and green waste	21
2.2.2. Assessing the impacts on Laguna Hills existing rate structure as the overall diversion levels increase from 50% to 75%.....	22
2.2.3. Impact of 75% diversion on current rate structure	23
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	24
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	24
2.2.6. Identification of technological developments in truck routing, collection equipment, and processing that can provide cost savings to Laguna Hills	25
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	26
Section 2.3. Resumes	26
2.3.1. William O'Toole	26
2.3.2. Cerene St. John J.D.	27
2.3.3. Trevor S. Blythe, MBA.....	28
2.3.4. Ian Bevan, MBA	29
2.3.5. Geiza Goulart, MS	30
Section 3: Agreement.....	31
Section 4: References	33
Table 4.1. Table of References	34
Section 5: Fee Schedule and Cost Controls	35
5.1. Table of Fee Schedules.....	36
5.2. Cost Controls.....	36

List of Exhibits	37
Exhibit 1: Statement of EcoNomics' Sound Financial Condition	38
Exhibit 2: EcoNomics' Completed "Certificate of Non-Discrimination"	39
Exhibit 3: EcoNomics' Litigation.....	40
Exhibit 4: EcoNomics Completed 'Certificate of Employment Relationships and Financial Interest'	41
Exhibit 5: Certificates of Insurance	42
5.1 Workers Compensation.....	42
5.2. General Liability and Automobile	43
Exhibit 6: Excerpt of EcoNomics Annual Report Tracking Database.....	53
Exhibit 7: City Of Napa Staff Report Detailing Rate Impact Of Full-Scale Citywide Commercial Organics Program	54

Section 1: Executive Summary



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

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 EcoNomics Inc that all persons employed by EcoNomics 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: [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.

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: [Signature]
Title: President

Attachment: Attachment 4 - Eco/Nomics Agreement (2970 : Eco/Nomics Amendment No. 3)

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

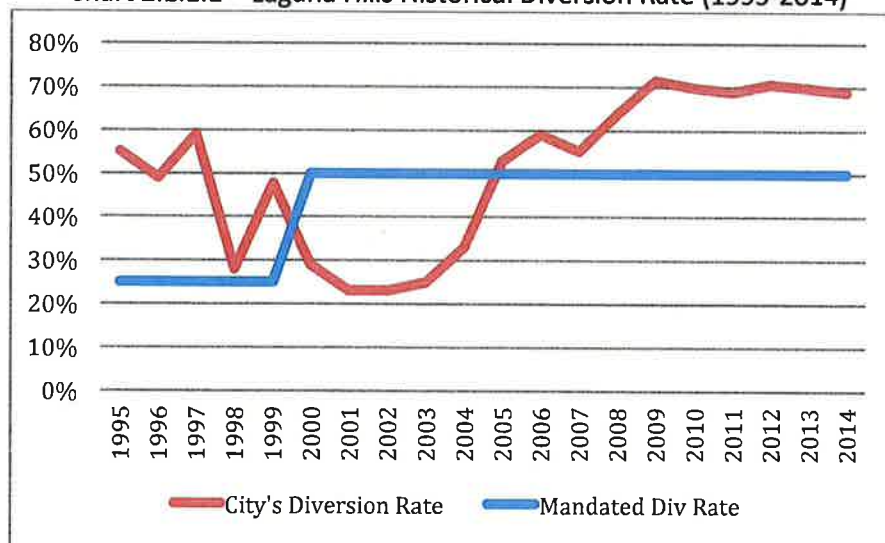
2.1.1.1 Assistance with CalRecycle Compliance and Annual Site Assessments

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 its 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 site 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 and 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 through 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. Further, 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 stream 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.

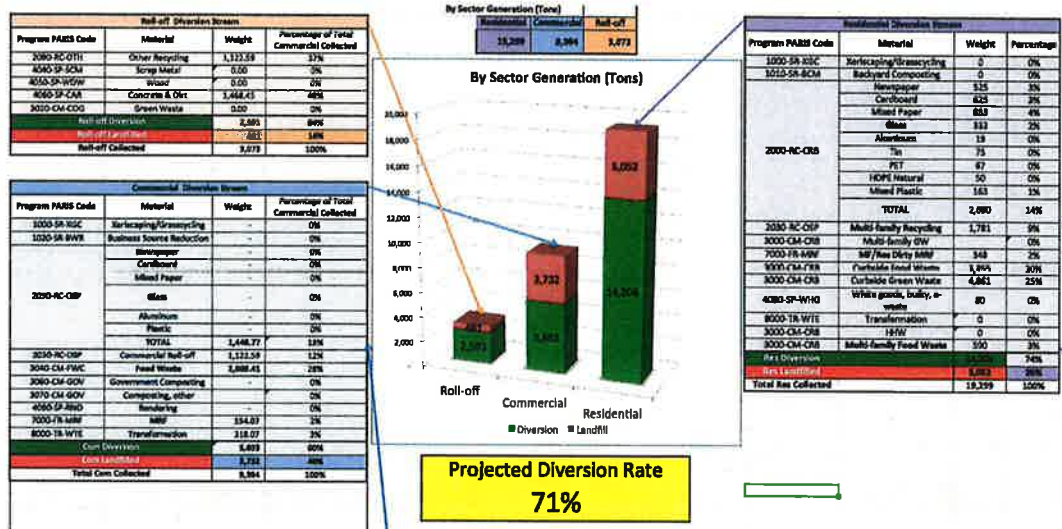
CR&R has indicated that their AD facility in Perris will be open by mid 2016. The transportation distance is 50+ miles to the facility from Orange County. The charge for processing the food scraps with anaerobic digestion ranges from \$80 to \$120 per ton.

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 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 (CRRRA) 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

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 Burretec 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 EcoNomics Inc that all persons employed by EcoNomics 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: [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: [Signature]
Title: President

Attachment: Attachment 4 - Eco/Nomics Agreement (2970 : Eco/Nomics Amendment No. 3)

Exhibit 5: Certificates of Insurance

5.1 Workers Compensation



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

SCIP 18102

5860 Owens Drive • Pleasanton, CA 94588-3900
Mailing Address: P.O. Box 8192 • Pleasanton, CA 94588-9882

Attachment: Attachment 4 - Eco/Nomics Agreement (2970 : Eco/Nomics Amendment No. 3)

5.2. General Liability and Automobile

ACORDTM 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			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.		
San Diego CA 92123- Economic's Inc. 832 Camino del Mar Ste. 1 Del Mar CA 92014-			INSURERS AFFORDING COVERAGE INSURER A Liberty Mutual INSURER B INSURER C INSURER D INSURER E		NAIC #
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.					
CLASS CODE DESCRIPTION	TYPE OF INSURANCE	POLICY NUMBER	POLICY EFFECTIVE DATE (MM/DD/YYYY)	POLICY EXPIRATION DATE (MM/DD/YYYY)	LIMITS
A	☒ GENERAL LIABILITY ☒ COMMERCIAL GENERAL LIABILITY ☐ CLAIMS MADE ☒ OCCUR ☐ GEN'L AGGREGATE LIMIT APPLIES PER ☒ POLICY ☐ PRO- ☐ LOC	BKS (16) 57048355	12/09/2015	12/09/2016	EACH OCCURRENCE \$ 1,000,000 DAMAGE TO RENTED PREMISES (EA OCCUR) \$ 500,000 MED EXP (Any one person) \$ 15,000 PERSONAL & ADV INJURY \$ 1,000,000 GENERAL AGGREGATE \$ 2,000,000 PRODUCTS - COMPROP AGG \$ 2,000,000 BOWED
A	☒ AUTOMOBILE LIABILITY ☒ ANY AUTO ☒ ALL OWNED AUTOS ☒ SCHEDULED AUTOS ☒ HIRED AUTOS ☒ NON-OWNED AUTOS	BKS (16) 57048355	12/09/2015	12/09/2016	COMBINED SINGLE LIMIT (Ea accident) \$ 1,000,000 BODILY INJURY (1-Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (Per accident) \$ GARAGE LIABILITY ☐ ANY AUTO EXCESS/UMBRELLA LIABILITY ☐ OCCUR ☐ CLAIMS MADE ☐ DEDUCTIBLE \$ ☐ RETENTION \$ WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/OWNER EXCLUDED? If yes, describe under SPECIAL PROVISIONS below OTHER
DESCRIPTION OF OPERATIONS/LOCATIONS/VEHICLES/EXCLUSIONS ADDED BY ENDORSEMENTS/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 () - () - City of Laguna Hills 240 El Toro Road Laguna Hills CA 92653-			CANCELLATION 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)
 INS025 (01/08) 05

ELECTRONIC LASER FORMS, INC. - (800) 327-0545

 © ACORD CORPORATION 1988
 Page 1 of 2

Attachment: Attachment 4 - Eco/Nomics Agreement (2970 : Eco/Nomics Amendment No. 3)

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.

**COMMERCIAL GENERAL LIABILITY
CG 88 10 04 13**

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

<u>SUBJECT</u>	<u>PAGE</u>
NON-OWNED AIRCRAFT	2
NON-OWNED WATERCRAFT	2
PROPERTY DAMAGE LIABILITY – ELEVATORS	2
EXTENDED DAMAGE TO PROPERTY RENTED TO YOU (Tenant's Property Damage)	2
MEDICAL PAYMENTS EXTENSION	3
EXTENSION OF SUPPLEMENTARY PAYMENTS – COVERAGES A AND B	3
ADDITIONAL INSURED – BY CONTRACT, AGREEMENT OR PERMIT	3
PRIMARY AND NON-CONTRIBUTORY – ADDITIONAL INSURED EXTENSION	5
ADDITIONAL INSURED – EXTENDED PROTECTION OF YOUR "LIMITS OF INSURANCE"	6
WHO IS AN INSURED – INCIDENTAL MEDICAL ERRORS/MALPRACTICE AND WHO IS AN INSURED – FELLOW EMPLOYEE EXTENSION – MANAGEMENT EMPLOYEES	6
NEWLY FORMED OR ADDITIONALLY ACQUIRED ENTITIES	7
FAILURE TO DISCLOSE HAZARDS AND PRIOR OCCURRENCES	7
KNOWLEDGE OF OCCURRENCE, OFFENSE, CLAIM OR SUIT	7
LIBERALIZATION CLAUSE	7
BODILY INJURY REDEFINED	7
EXTENDED PROPERTY DAMAGE	8
WAIVER OF TRANSFER OF RIGHTS OF RECOVERY AGAINST OTHERS TO US – WHEN REQUIRED IN A CONTRACT OR AGREEMENT WITH YOU	8

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 INSURED - 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 INSURED - 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.

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Page 7 of 8

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

[illegible]

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

M E M O R A N D U M

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-served 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 <u>10 restaurants per month</u>)	-\$43,339.62	-\$174,008.35

Total Net Revenue Change from Rates	-\$96,928.79	-\$262,875.70
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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: September 27, 2022

TO: Mayor and Council Members

FROM: Joe Ames, P.E., T.E.
Public Services Director/City Engineer

ISSUE: Cooperative Agreement No. C-2-2632 Between the Orange County Transportation Authority and the Cities of Irvine, Laguna Hills and Lake Forest for the Bake Parkway and Rockfield Boulevard Regional Traffic Signal Synchronization Program Project

RECOMMENDATION: That the City Council approve Cooperative Agreement No. C-2-2632 with the Orange County Transportation Authority for the Bake Parkway and Rockfield Boulevard Regional Traffic Signal Synchronization Program Project and authorize the Mayor or Mayor Pro Tempore to sign the Agreement.

SUMMARY:

Renewed Measure M (M2) provides funding opportunities through Project P for cities to collectively work on Regional Traffic Signal Synchronization Program (RTSSP) projects on arterial highways on a three-year return cycle. The Orange County Transportation Authority (OCTA) has approved a Project P grant for the Bake Parkway and Rockfield Boulevard RTSSP with the cities of Laguna Hills, Lake Forest and Irvine. OCTA has agreed to lead the project team and has issued a Cooperative Agreement to effectuate the project. Approval of Cooperative Agreement No. C-2-2632 for the Bake Parkway and Rockfield Boulevard Regional Traffic Signal Synchronization Program Project is recommended.

BACKGROUND:

On behalf of the cities through which Bake Parkway and Rockfield Boulevard traverses, the City of Irvine submitted a 2022 application to OCTA for Renewed Measure M

Project P funding of the Bake Parkway and Rockfield Boulevard RTSSP project. OCTA has recently granted the funding of this project and has also agreed to be the lead entity for this multi-agency project through the adoption of a Cooperative Agreement. As described in the attached Cooperative Agreement No. C-2-2632, OCTA will procure the consultant and contract services to implement updated traffic signal timing, synchronization and improvements along this arterial highway.

The cities of Laguna Hills, Lake Forest and Irvine are each participating in this project to improve traffic flow along these arterial highways. As further described in the Fiscal Impact section below, the cities will contribute a 20% match to the project.

The City of Laguna Hills' participation in this project only includes traffic signal timing and synchronization improvements at five offset signalized intersections. The five involved Laguna Hills traffic signals are: 1) Lake Forest Drive/Santa Vittoria Drive; 2) Lake Forest Drive/Interstate 5 SB On-Off Ramps; 3) El Toro Road/Regional Center; 4) El Toro Road/Avenida de la Carlota; and 5) Los Alisos Boulevard/Avenida de la Carlota. There are no equipment upgrades included at any of these signals.

The Bake Parkway and Rockfield Boulevard RTSSP project is expected to be implemented during the 2024 calendar year and then will be under a three-year monitoring program. The Cooperative Agreement is scheduled to run through December 2027. Approval of the Cooperative Agreement is recommended.

CEQA FINDINGS:

In accordance with Cooperative Agreement No. C-2-2632, OCTA accepts the responsibility for CEQA compliance.

FISCAL IMPACT:

The Bake Parkway and Rockfield Boulevard RTSSP project has an estimated total cost of consultant services and field improvements of \$3,133,426. The cities participating in this project are responsible for a 20% match of this cost. The Laguna Hills share of the match is estimated to be \$12,500. Funds are available for this project in the Traffic Signal Synchronization Capital Improvement Project, CIP No. 168-L.

ATTACHMENTS:

- Cooperative Agreement No. C-2-2632

COOPERATIVE AGREEMENT NO. C-2-2632**BETWEEN****ORANGE COUNTY TRANSPORTATION AUTHORITY****AND****CITIES OF IRVINE, LAGUNA HILLS, AND LAKE FOREST****FOR****BAKE PARKWAY AND ROCKFIELD BOULEVARD REGIONAL TRAFFIC SIGNAL****SYNCHRONIZATION PROGRAM PROJECT**

THIS COOPERATIVE AGREEMENT (Agreement), is effective this _____ day of _____, 2022, by and between the Orange County Transportation Authority, 550 South Main Street, P.O. Box 14184, Orange California 92863-1584, a public corporation of the State of California (herein referred to as "AUTHORITY") and the cities of Irvine, Laguna Hills, and Lake Forest (hereinafter referred to as "PARTICIPATING AGENCIES") each individually known as "Party" and collectively known as "Parties".

RECITALS:

WHEREAS, the AUTHORITY in cooperation with the PARTICIPATING AGENCIES is working together in coordinating traffic signals across multiple jurisdictional boundaries as a part of the Renewed Measure M (M2) Regional Traffic Signal Synchronization Program (RTSSP or Project P) to enhance countywide traffic flow and reduce congestion; and

WHEREAS, the AUTHORITY has completed the competitive 2022 Call for Projects (hereinafter, "2022 CALL") in support of Project P and awarded Project P funds based on the application (hereinafter, "APPLICATION") prepared by the City of Irvine (hereinafter referred to as the "APPLICANT AGENCY") for the implementation of signal synchronization of traffic signals along Bake Parkway (between Lake Forest Drive located in the City of Irvine and Rue de Fortuna located in the Lake Forest) and Rockfield Boulevard (between Oldfield in the City of Irvine and Los Alisos Boulevard in the City of Lake Forest) (hereinafter, "PROJECT"); and

**COOPERATIVE AGREEMENT NO. C-2-2632
BAKE PARKWAY AND ROCKFIELD BOULEVARD RTSSP PROJECT**

1 **WHEREAS**, the PARTICIPATING AGENCIES in their approved APPLICATION have elected to
2 designate the AUTHORITY and the AUTHORITY agrees to act as the implementing agency to carry out
3 the PROJECT; and

4 **WHEREAS**, the PROJECT will include approximately thirty-three (33) traffic signalized
5 intersections along the main corridor and thirty-three (33) offset signalized intersections from the main
6 corridor as identified in the APPLICATION; and

7 **WHEREAS**, the PROJECT will include Intelligent Transportation System (ITS) elements as
8 identified in the APPLICATION and other associated systems (hereinafter collectively referred to as
9 “ITS ELEMENTS”), that will be constructed and/or installed and implemented as part of the PROJECT
10 as identified in the APPLICATION; and

11 **WHEREAS**, the AUTHORITY agrees to work with PARTICIPATING AGENCIES to coordinate
12 the inclusion of other ITS ELEMENTS (hereinafter OTHER ELEMENTS) that should be installed
13 before or at the same time as the construction of the PROJECT and are not part of this Agreement;
14 and

15 **WHEREAS**, all costs associated with the inclusion of these OTHER ELEMENTS, if any, are
16 the sole responsibility of the Party owning each and any of those OTHER ELEMENTS; and

17 **WHEREAS**, AUTHORITY and each respective Party acknowledges and understands that
18 in-house resources (staff hours) from Party will provide various services for the PROJECT per the
19 APPLICATION; and

20 **WHEREAS**, AUTHORITY and each respective Party acknowledge and understand that
21 PROJECT costs for various types of additional work required by each respective Party may not have
22 been included in the original application and therefore those costs were not included in the PROJECT
23 allocation; and

24 **WHEREAS**, AUTHORITY and each respective Party agree that these additional costs will be
25 paid by the PROJECT with written approval by AUTHORITY, which may result in additional dollar
26 match; and

**COOPERATIVE AGREEMENT NO. C-2-2632
BAKE PARKWAY AND ROCKFIELD BOULEVARD RTSSP PROJECT**

1 **WHEREAS**, Parties acknowledge and understand that the costs for the additional work may
2 be reversed by AUTHORITY's Audit; and

3 **WHEREAS**, based on AUTHORITY's Board of Directors approved PROJECT ALLOCATION and
4 APPLICATION, the AUTHORITY agrees to implement the PROJECT; and

5 **WHEREAS**, the AUTHORITY and the PARTICIPATING AGENCIES desire to enter into this
6 Agreement to implement the PROJECT in support of Project P; and

7 **WHEREAS**, this Agreement defines the specific terms, conditions, and funding responsibilities
8 between the AUTHORITY and the PARTICIPATING AGENCIES for the implementation of the
9 PROJECT; and

10 **WHEREAS**, the AUTHORITY's Board of Directors authorized funding for the PROJECT on
11 May 9, 2022; and

12 **WHEREAS**, the AUTHORITY's Board of Directors authorized this cooperative agreement on
13 August 8, 2022; and

14 **WHEREAS**, the City of Irvine's City Council approved this Agreement on the ____ day of
15 _____, 20____; and

16 **WHEREAS**, the City of Laguna Hill's City Council approved this Agreement on the ____ day
17 of _____, 20____; and

18 **WHEREAS**, the City of Lake Forest's City Council approved this Agreement on the ____ day
19 of _____, 20____.

20 **NOW, THEREFORE**, it is mutually understood and agreed by AUTHORITY and the
21 PARTICIPATING AGENCIES as follows:

22 **ARTICLE 1. COMPLETE AGREEMENT**

23 A. This Agreement, including any attachments incorporated herein and made applicable by
24 reference, constitutes the complete and exclusive statement of the term(s) and conditions(s) of this
25 Agreement between AUTHORITY and PARTICIPATING AGENCIES and it supersedes all prior
26 representations, understandings, and communications. The invalidity in whole or in part of any term or

**COOPERATIVE AGREEMENT NO. C-2-2632
BAKE PARKWAY AND ROCKFIELD BOULEVARD RTSSP PROJECT**

condition of this Agreement shall not affect the validity of other term(s) or conditions(s) of this Agreement.

The above referenced Recitals are true and correct and are incorporated by reference herein.

B. AUTHORITY's failure to insist on any instance(s) of PARTICIPATING AGENCIES' performance of any term(s) or condition(s) of this Agreement shall not be construed as a waiver or relinquishment of AUTHORITY's right to such performance or to future performance of such term(s) or condition(s), and PARTICIPATING AGENCIES' obligation in respect thereto shall continue in full force and effect. Changes to any portion of this Agreement shall not be binding upon AUTHORITY except when specifically confirmed in writing by an authorized representative of AUTHORITY by way of a written amendment to this Agreement and issued in accordance with the provisions of this Agreement.

C. PARTICIPATING AGENCIES' failure to insist on any instance(s) of AUTHORITY's performance of any term(s) or condition(s) of this Agreement shall not be construed as a waiver or relinquishment of PARTICIPATING AGENCIES' right to such performance or to future performance of such term(s) or condition(s), and AUTHORITY's obligation in respect thereto shall continue in full force and effect. Changes to any portion of this Agreement shall not be binding upon PARTICIPATING AGENCIES except when specifically confirmed in writing by an authorized representative of PARTICIPATING AGENCIES by way of a written amendment to this Agreement and issued in accordance with the provisions of this Agreement.

ARTICLE 2. SCOPE OF AGREEMENT

This Agreement specifies the roles and responsibilities of the Parties as they pertain to the subjects and projects addressed herein. Both AUTHORITY and Parties agree that each will cooperate and coordinate with the other in all activities covered by this Agreement and any other supplemental agreements that may be required to facilitate purposes thereof.

ARTICLE 3. RESPONSIBILITIES OF AUTHORITY

AUTHORITY agrees to the following responsibilities for funding of the PROJECT:

/

/

**COOPERATIVE AGREEMENT NO. C-2-2632
BAKE PARKWAY AND ROCKFIELD BOULEVARD RTSSP PROJECT**

A. AUTHORITY shall implement the PROJECT based on the intent of the usage in the APPLICATION, prepared by the APPLICANT AGENCY in accordance with the policies and procedures contained in the Comprehensive Transportation Funding Program (CTFP) Guidelines.

B. AUTHORITY shall provide oversight to maintain inter-jurisdictional traffic signal operational integrity between PROJECT and other similar type projects not older than three (3) years.

C. AUTHORITY shall provide formats, templates, and guidance in reporting requirements as described in the CTFP Guidelines.

D. AUTHORITY, or agents of AUTHORITY, under this Agreement and upon closeout of PROJECT, may perform a technical and/or field review to ensure that the CTFP Guidelines, policies, and procedures were followed. Such a review may be performed one hundred and eighty (180) days after the PROJECT three-year grant period is complete. If the technical and or field review determines that any of the activities performed are ineligible for CTFP funding, PARTICIPATING AGENCIES must reimburse and return the amount of funding used to perform the ineligible activity to AUTHORITY.

E. AUTHORITY shall invoice the PARTICIPATING AGENCIES for twenty percent (20%) of actual costs at the end of the Primary Implementation phase or at a mutually agreed upon time to facilitate any respective Party funding timeframes. The estimated match per the APPLICATION is outlined in Attachment A.

F. AUTHORITY shall request updates for the PROJECT as part of the semi-annual review process, including documentation of in-kind match conforming to Attachment A and will include the PROJECT in the list of active projects in OCFundTracker until completion of the three-year grant period. Documents to be provided include, but are not limited to, payroll records, contracts, and purchase orders.

ARTICLE 4. RESPONSIBILITIES OF THE AUTHORITY AS PROJECT LEAD AGENCY

The AUTHORITY, as the LEAD AGENCY, agrees to the following responsibilities for the implementation of the PROJECT:

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**COOPERATIVE AGREEMENT NO. C-2-2632
BAKE PARKWAY AND ROCKFIELD BOULEVARD RTSSP PROJECT**

1 A. AUTHORITY, or agents of the AUTHORITY, shall manage, procure, implement, and
2 complete all aspects of the PROJECT as identified in the APPLICATION, including filing all
3 documentation necessary to comply with the California Environmental Quality Act (CEQA) regulations for
4 the PROJECT.

5 B. AUTHORITY, or agents of the AUTHORITY, shall coordinate outreach with
6 PARTICIPATING AGENCIES for the PROJECT.

7 C. AUTHORITY, or agents of the AUTHORITY, shall collect all data necessary to provide
8 new optimized timing plans including, but not limited to, manual or video all movement counts at each
9 PROJECT signalized intersection, and a mutually agreed upon number and location of twenty-four (24)
10 hour / seven (7) day automated machine traffic counts with vehicle classification.

11 D. AUTHORITY, or agents of the AUTHORITY, shall develop and implement new timing
12 plans optimized for signal synchronization.

13 E. AUTHORITY, or agents of the AUTHORITY, shall provide updated timing plans for all
14 control systems and all relevant data used to develop said plans to the PARTICIPATING AGENCIES.

15 F. AUTHORITY, or agents of the AUTHORITY, shall prepare a "Primary Implementation
16 Report" and "Operations and Maintenance Report" for the PROJECT as described in the Measure M2
17 Eligibility Guidelines and CTFP Guidelines adopted by the AUTHORITY. The AUTHORITY shall provide
18 the reports to the PARTICIPATING AGENCIES in draft and final formats for review and comment.
19 AGENCY comments shall be noted in the final study. If specified in the APPLICATION, AUTHORITY, or
20 agents of the AUTHORITY, shall provide a "Before and After Study" video of a representative portion of
21 PROJECT at up to two (2) public meetings.

22 **ARTICLE 5. RESPONSIBILITIES OF THE PARTICIPATING AGENCIES**

23 PARTICIPATING AGENCIES agree to the following responsibilities for implementation and
24 funding of the PROJECT:

25 A. PARTICIPATING AGENCIES shall provide a technical representative to meet and
26 participate as a member of the PROJECT's Traffic Forum.

**COOPERATIVE AGREEMENT NO. C-2-2632
BAKE PARKWAY AND ROCKFIELD BOULEVARD RTSSP PROJECT**

1 B. PARTICIPATING AGENCIES shall authorize the AUTHORITY to manage, procure,
2 and implement all aspects of the PROJECT.

3 C. PARTICIPATING AGENCIES shall participate and support the PROJECT
4 implementation within the timeframe outlined in the APPLICATION and consistent with the CTFP
5 Guidelines adopted by the AUTHORITY.

6 D. PARTICIPATING AGENCIES shall provide AUTHORITY, or agents of the
7 AUTHORITY, all current intersection as-built drawings, all current intersections controller assembly
8 plans as provided by the manufacturer and modified by Party since original installation, local field
9 master, local controller, and Advanced Traffic Management System timing plans and other ITS related
10 data upon request.

11 E. PARTICIPATING AGENCIES shall each provide the AUTHORITY with a combined
12 dollar and in-kind services match, totaling at least twenty percent (20%) of actual PROJECT costs.
13 The APPLICATION estimated this amount to be Six Hundred Twenty-Six Thousand, Six Hundred
14 Eighty-Six Dollars (\$626,686) as shown in Attachment A. PARTICIPATING AGENCIES shall work
15 with AUTHORITY to address and mitigate budget impacts. Failure to provide local dollar match and/or
16 evidence of in-kind services match may result in the ineligibility of future participation in competitive
17 funding opportunities.

18 F. PARTICIPATING AGENCIES shall provide payment for the dollar match to
19 AUTHORITY within thirty (30) calendar days of receipt of an invoice.

20 G. PARTICIPATING AGENCIES that have included an in-kind services match, as
21 identified in Attachment A, shall provide documentation of conformance as part of the semi-annual
22 review process or as requested by the AUTHORITY, or agents of the AUTHORITY.

23 H. PARTICIPATING AGENCIES shall waive all fees associated with any local agency
24 permits that may be required of the consultant, subconsultants, and/or service or equipment providers
25 in the performance of the PROJECT.

26 /

**COOPERATIVE AGREEMENT NO. C-2-2632
BAKE PARKWAY AND ROCKFIELD BOULEVARD RTSSP PROJECT**

I. PARTICIPATING AGENCIES shall provide updates on PROJECT to AUTHORITY, or agents of the AUTHORITY, as part of semi-annual review process until completion of the three-year PROJECT grant period. Documents to be provided include, but are not limited to, payroll records, contracts, and purchase orders.

J. PARTICIPATING AGENCIES shall, if specified in APPLICATION, continue Operations and Maintenance after the three-year grant period is complete and continue until the end of the PROJECT per additional maintenance of effort in APPLICATION.

ARTICLE 6. DELEGATED AUTHORITY

The actions required to be taken by PARTICIPATING AGENCIES in the implementation of this Agreement are delegated to their respective City Manager, or designee, and the actions required to be taken by AUTHORITY in the implementation of this Agreement are delegated to AUTHORITY's Chief Executive Officer or designee.

ARTICLE 7. AUDIT AND INSPECTION

AUTHORITY and PARTICIPATING AGENCIES shall maintain a complete set of records in accordance with generally accepted accounting principles. Upon reasonable notice, PARTICIPATING AGENCIES shall permit the authorized representatives of AUTHORITY to inspect and audit all work, materials, payroll, books, accounts, and other data and records of PARTICIPATING AGENCIES for a period of five (5) years after final payment, final closeout, or until any on-going audit is completed, whichever is later. For purposes of audit, the date of completion of this Agreement shall be the date of AUTHORITY's payment of consultant's final billing (so noted on the paid invoice) under this Agreement. AUTHORITY shall have the right to reproduce any such books, records, and accounts. The above provision with respect to audits shall extend to and/or be included in contracts with PARTICIPATING AGENCIES' contractor.

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**COOPERATIVE AGREEMENT NO. C-2-2632
BAKE PARKWAY AND ROCKFIELD BOULEVARD RTSSP PROJECT**

ARTICLE 8. INDEMNIFICATION

A. To the fullest extent permitted by law, PARTICIPATING AGENCIES shall defend (at PARTICIPATING AGENCIES' sole cost and expense with legal counsel reasonably acceptable to AUTHORITY), indemnify, protect, and hold harmless AUTHORITY, and its officers, directors, employees, and agents (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 (PARTICIPATING AGENCIES' employees included), for damage to property, including property owned by AUTHORITY, or from any violation of any federal, state, or local law or ordinance, alleged to be caused by the negligent acts, omissions or willful misconduct of PARTICIPATING AGENCIES, its officers, directors, employees or agents in connection with or arising out of the performance of this Agreement.

B. To the fullest extent permitted by law, AUTHORITY shall defend (at AUTHORITY's sole cost and expense with legal counsel reasonably acceptable to PARTICIPATING AGENCIES), indemnify, protect, and hold harmless PARTICIPATING AGENCIES, including their officers, directors, employees, and agents (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 (AUTHORITY's employees included), for damage to property, including property owned by PARTICIPATING AGENCIES, or from any violation of any federal, state, or local law or ordinance, alleged to be caused by the negligent acts, omissions or willful misconduct of AUTHORITY, its officers, directors, employees or agents in connection with or arising out of the performance of this Agreement.

C. The indemnification and defense obligations of this Agreement shall survive its expiration or termination.

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**COOPERATIVE AGREEMENT NO. C-2-2632
BAKE PARKWAY AND ROCKFIELD BOULEVARD RTSSP PROJECT**

ARTICLE 9. ADDITIONAL PROVISIONS

A. Term of Agreement: This Agreement shall be in full force and effect through December 31, 2027.

B. Amendment: This Agreement may be extended or amended in writing at any time by the mutual consent of all Parties and AUTHORITY. No amendment shall have any force or effect unless executed in writing by all Parties and AUTHORITY.

C. Termination: In the event any Party defaults in the performance of their respective obligations under this Agreement or breaches any of the provisions of this Agreement, a non-defaulting Party(s) shall have the option to terminate this Agreement upon thirty (30) calendar days prior written notice to the Party in default.

D. Termination for Convenience: Any Party may terminate this Agreement for its convenience by providing thirty (30) calendar days prior written notice of its intent to terminate for convenience to the other Party.

E. AUTHORITY and Parties shall comply with all applicable federal, state, and local laws, statues, ordinances, and regulations of any governmental authority having jurisdiction over the PROJECT.

F. Legal Authority: AUTHORITY and Parties hereto consent that they are authorized to execute this Agreement on behalf of said Parties and that, by so executing this Agreement, the Parties hereto are formally bound to the provisions of this Agreement.

G. Severability: If any term, provision, covenant or condition of this Agreement is held to be invalid, void or otherwise unenforceable, to any extent, by any court of competent jurisdiction, the remainder of this Agreement shall not be affected thereby, and each term, provision, covenant or condition of this Agreement shall be valid and enforceable to the fullest extent permitted by law.

H. Counterparts of Agreement: This Agreement may be executed and delivered in any number of counterparts, each of which, when executed and delivered shall be deemed an original and all of which together shall constitute the same agreement. Facsimile signatures shall be permitted.

**COOPERATIVE AGREEMENT NO. C-2-2632
BAKE PARKWAY AND ROCKFIELD BOULEVARD RTSSP PROJECT**

I. Assignment: Neither this Agreement, nor any of the Parties' rights, obligations, duties, or authority hereunder may be assigned in whole or in part by any Parties without the prior written consent of the other Parties in its sole and absolute discretion. Any such attempt of assignment shall be deemed void and of no force and effect. Consent to one assignment shall not be deemed consent to any subsequent assignment, nor the waiver of any right to consent to such subsequent assignment.

J. Governing Law: The laws of the State of California and applicable local and federal laws, regulations, and guidelines shall govern this Agreement.

K. Litigation fees: Should litigation arise out of this Agreement for the performance thereof, the court shall award costs and expenses, including attorney's fees, to the prevailing Party.

L. Notices: Any notices, requests, or demands made between the Parties pursuant to this Agreement are to be directed as follows:

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**COOPERATIVE AGREEMENT NO. C-2-2632
BAKE PARKWAY AND ROCKFIELD BOULEVARD RTSSP PROJECT**

To IRVINE:	To AUTHORITY:
City of Irvine	Orange County Transportation Authority
1 Civic Center Plaza	550 South Main Street
Irvine, CA 92606	P. O. Box 14184
	Orange, CA 92863-1584
Attention: Mark Ha	Attention: Michael Le
Supervising Transportation Analyst	Senior Contract Administrator
Tel: (949) 724-6186	Tel: (714) 560-5314
Email: mha@cityofirvine.org	Email: mle1@octa.net
To LAGUNA HILLS:	To LAKE FOREST:
City of Laguna Hills	City of Lake Forest
24035 El Toro Road	25550 Commercentre Drive
Laguna Hills, CA 92653	Lake Forest, CA 92630
Attention: Amber Shah	Attention: Tran Tran
Acting Public Services Director / City Engineer	Traffic Engineering Manager – Public Works
Tel: (949) 707-2657	Tel: (949) 461-3485
Email: ashah@lagunahillsca.gov	Email: ttran@lakeforestca.gov
	CC: Alicia Yang
	Project Manager
	Tel: (714) 560-5362
	Email: ayang@octa.net

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**COOPERATIVE AGREEMENT NO. C-2-2632
BAKE PARKWAY AND ROCKFIELD BOULEVARD RTSSP PROJECT**

M. Force Majeure: Any Party shall be excused from performing its obligations under this Agreement during the time and to the extent that it is prevented from performing by an unforeseeable cause beyond its control, including but not limited to: any incidence of fire, flood; acts of God; commandeering of material, products, plants or facilities by the federal, state or local government; national fuel shortage; or a material act or omission by the other Party, when satisfactory evidence of such cause is presented to the other Party, and provided further that such nonperformance is unforeseeable, beyond the control and is not due to the fault or negligence of the Party not performing. /

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**COOPERATIVE AGREEMENT NO. C-2-2632
BAKE PARKWAY AND ROCKFIELD BOULEVARD RTSSP PROJECT**

This Agreement shall be made effective upon execution by all Parties.

IN WITNESS WHEREOF, the Parties hereto have caused this Agreement No. C-2-2632 to be executed as of the date of the last signature below.

CITY OF IRVINE

ORANGE COUNTY TRANSPORTATION AUTHORITY

By: _____
Farrah N. Khan
Mayor

By: _____
Darrell E. Johnson
Chief Executive Officer

Dated: _____

Dated: _____

ATTEST:

APPROVED AS TO FORM:

By: _____
Carl Petersen
City Clerk

By:  _____
James Donich (Sep 12, 2022 10:56 PDT)
James M. Donich
General Counsel

Dated: _____

Dated: _____

APPROVED AS TO FORM:

APPROVAL RECOMMENDED:

By: _____
Jeff Melching
City Attorney

By: _____
Kia Mortazavi
Executive Director, Planning

Dated: _____

Dated: _____

**COOPERATIVE AGREEMENT NO. C-2-2632
BAKE PARKWAY AND ROCKFIELD BOULEVARD RTSSP PROJECT**

This Agreement shall be made effective upon execution by all Parties.

IN WITNESS WHEREOF, the Parties hereto have caused this Agreement No. C-2-2632 to be executed as of the date of the last signature below.

CITY OF LAGUNA HILLS

By: _____
Dave Wheeler
Mayor

Dated: _____

ATTEST:

By: _____
Jennifer Lee
Interim City Clerk

Dated: _____

APPROVED AS TO FORM:

By: _____
Gregory E. Simonian
City Attorney

Dated: _____

**COOPERATIVE AGREEMENT NO. C-2-2632
BAKE PARKWAY AND ROCKFIELD BOULEVARD RTSSP PROJECT**

This Agreement shall be made effective upon execution by all Parties.

IN WITNESS WHEREOF, the Parties hereto have caused this Agreement No. C-2-2632 to be executed as of the date of the last signature below.

CITY OF LAKE FOREST

By: _____
Robert Pequeno
Mayor

Dated: _____

ATTEST:

By: _____
Lisa Berglund
City Clerk

Dated: _____

APPROVED AS TO FORM:

By: _____
Matthew Richardson
City Attorney

Dated: _____

**COOPERATIVE AGREEMENT NO. C-2-2632
BAKE PARKWAY AND ROCKFIELD BOULEVARD – RTSSP
ATTACHMENT A**

ESTIMATED LOCAL MATCH COMMITMENT

SECTION 1: AGENCY TOTAL MATCH SUMMARY

AGENCY	CASH MATCH		IN-KIND MATCH*		TOTAL MATCH	
	PI	O & M	PI	O & M	PI	O & M
City of Irvine	\$ 201,951.00	\$ 10,180.00	\$ 35,300.00	\$ 4,700.00	\$ 237,251.00	\$ 14,880.00
	\$ 212,131.00		\$ 40,000.00		\$ 252,131.00	
City of Lake Forest	\$ 265,205.00	\$ 17,160.00	\$ 73,290.00	\$ 6,400.00	\$ 338,495.00	\$ 23,560.00
	\$ 282,365.00		\$ 79,690.00		\$ 362,055.00	
City of Laguna Hills	\$9,400.00	\$3,100.00	\$0.00	\$0.00	\$9,400.00	\$3,100.00
	\$12,500.00		\$0.00		\$12,500.00	
TOTAL MATCH	\$ 476,556.00	\$ 30,440.00	\$ 108,590.00	\$ 11,100.00	\$ 585,146.00	\$ 41,540.00
	\$ 506,996.00		\$ 119,690.00		\$ 626,686.00	

**In-kind match may be converted to cash match if agency does not satisfy in-kind match commitment by the end of the respective phase. However, Cash Match is NOT allowed to be converted to in-kind match.*

PI = PRIMARY IMPLEMENTATION

O&M = ONGOING MONITORING & MAINTENANCE

SECTION 2: MATCH BREAKDOWN (CASH VS IN-KIND SERVICES)

A. Cash Match

AGENCY	FUNDING SOURCE	AMOUNT OF CASH CONTRIBUTION
City of Irvine	General Fund	\$ 212,131.00
City of Lake Forest	City SCAQMD AB 2766	\$ 282,365.00
City of Laguna Hills	General Fund	\$12,500.00
TOTAL CASH MATCH:		\$ 506,996.00

B. In-Kind Services

i. Specific Improvements (List items and Cost):

AGENCY	IMPROVEMENT	DATE OF CONSTRUCTION	EXPENDITURE
N/A			
TOTAL FOR SPECIFIC IMPROVEMENTS (i):			\$ 0.00

**COOPERATIVE AGREEMENT NO. C-2-2632
BAKE PARKWAY AND ROCKFIELD BOULEVARD – RTSSP
ATTACHMENT A**

ii. Staffing Commitment:

AGENCY	STAFF POSITION	TYPE OF SERVICE TO PROJECT	NO. OF HOURS	FULLY BURDENED HOURLY RATE	TOTAL**
City of Irvine	Construction Inspector	Construction Engineering	120	\$ 90	\$ 10,800.00
	Associate Engineer	Project Management - PI Phase, Construction Engineering, Data Collection, Signal Timing Optimization and Implementation	290	\$ 80	\$ 23,200.00
	Associate Engineer	Project Management - O&M Phase, Continuing Support	75	\$ 80	\$ 6,000.00
Total for City of Irvine:					\$ 40,000.00
City of Lake Forest	Traffic Engineering Consultant	Project Administration, Signal Timing & Design Review, Implementation & Operation, Meeting Participation, Project Report/Technical Memo Review, TMC System Integration	130	\$ 145	\$ 18,850.00
	Traffic Signal Management (Consultant)	Project Administration, Signal Timing & Design Review, Implementation & Operation, Meeting Participation, Project Report/Technical Memo Review, TMC System Integration	180	\$ 226	\$ 40,680.00
	PW Inspector/Signal Tech (Consultant)	Project Inspection, Construction Engineering/Support, Timing Implementation, Meeting Participation, TMC System Integration	120	\$ 168	\$ 20,160.00
Total for City of Lake Forest:					\$ 79,690.00
TOTAL FOR STAFFING COMMITMENT (ii):					\$ 119,690.00

TOTAL IN-KIND MATCH (i + ii):	\$ 119,690.00
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***Total amount is the required participation by the identified agency. The number of hours and hourly rate will be based on each agency's actual fully burdened billing rates, which must collectively equal the same value of the assigned "Total" dollars. Each agency will be responsible for keeping detailed records of hours worked and description of work. An accounting record of personnel, hours at fully burdened rate is expected to be included with the final submittal. Records will be subject to auditing.*



City of Laguna Hills

City Council/Planning Agency

Staff Report

DATE: September 27, 2022

TO: Mayor and Council Members

FROM: Joe Ames, P.E., T.E.
Public Services Director/City Engineer

ISSUE: Cooperative Agreement No. C-2-2634 Between the Orange County Transportation Authority and the Cities of Dana Point, Laguna Hills and Laguna Niguel for the Moulton Parkway Regional Traffic Signal Synchronization Program Project

RECOMMENDATION: That the City Council approve Cooperative Agreement No. C-2-2634 with the Orange County Transportation Authority for the Moulton Parkway Regional Traffic Signal Synchronization Program Project and authorize the Mayor or Mayor Pro Tempore to sign the Agreement.

SUMMARY:

Renewed Measure M (M2) provides funding opportunities through Project P for cities to collectively work on Regional Traffic Signal Synchronization Program (RTSSP) projects on arterial highways on a three-year return cycle. The Orange County Transportation Authority (OCTA) has approved a Project P grant for the Moulton Parkway RTSSP with the cities of Laguna Hills, Laguna Niguel and Dana Point. OCTA has agreed to lead the project team and has issued a Cooperative Agreement to effectuate the project. Approval of Cooperative Agreement No. C-2-2634 for the Moulton Parkway Regional Traffic Signal Synchronization Program Project is recommended.

BACKGROUND:

On behalf of the cities through which Moulton Parkway traverses, the City of Laguna Niguel submitted a 2022 application to OCTA for Renewed Measure M Project P funding of the Moulton Parkway RTSSP project. OCTA has recently granted the funding of this

Cooperative Agreement with OCTA No. C-2-2634 Moulton RTSSP

September 27, 2022

Page 2

project and has also agreed to be the lead entity for this multi-agency project through the adoption of a Cooperative Agreement. As described in the attached Cooperative Agreement No. C-2-2634, OCTA will procure the consultant and contract services to implement updated traffic signal timing, synchronization and improvements along this arterial highway.

The cities of Laguna Hills, Laguna Niguel and Dana Point are each participating in this project to improve traffic flow along this arterial highway. As further described in the Fiscal Impact section below, the cities will contribute a 20% match to the project.

In addition to traffic signal timing and synchronization improvements along Moulton Parkway, some of the eight involved Laguna Hills traffic signals (at Indian Creek Ln, Laguna Hills Dr, Via Lomas, Alicia Pkwy, Gordon Rd, La Paz Rd, Oso Pkwy and Nellie Gail Rd) will also receive equipment upgrades including: emergency vehicle preemption (EVP), CCTV cameras, new pedestrian signal countdown heads and new audible pedestrian buttons for the vision impaired pedestrian.

The Moulton Parkway RTSSP project is expected to be implemented during the 2024 calendar year and then will be under a three-year monitoring program. The Cooperative Agreement is scheduled to run through December 2027. Approval of the Cooperative Agreement is recommended.

CEQA FINDINGS:

In accordance with Cooperative Agreement No. C-2-2634, OCTA accepts the responsibility for CEQA compliance.

FISCAL IMPACT:

The Moulton Parkway RTSSP project has an estimated total cost of consultant services and field improvements of \$3,314,566. The cities participating in this project are responsible for a 20% match of this cost. The Laguna Hills share of the match is estimated to be \$109,579. Funds are available for this project in the Traffic Signal Synchronization Capital Improvement Project, CIP No. 168-M.

ATTACHMENTS:

- Cooperative Agreement No. C-2-2634

COOPERATIVE AGREEMENT NO. C-2-2634

BETWEEN

ORANGE COUNTY TRANSPORTATION AUTHORITY

AND

CITIES OF DANA POINT, LAGUNA HILLS, AND LAGUNA NIGUEL

FOR

MOULTON PARKWAY REGIONAL TRAFFIC SIGNAL SYNCHRONIZATION PROGRAM PROJECT

THIS COOPERATIVE AGREEMENT (Agreement), is effective this _____ day of _____, 2022, by and between the Orange County Transportation Authority, 550 South Main Street, P.O. Box 14184, Orange California 92863-1584, a public corporation of the State of California (herein referred to as "AUTHORITY") and the cities of Dana Point, Laguna Hills, and Laguna Niguel (hereinafter referred to as "PARTICIPATING AGENCIES") each individually known as "Party" and collectively known as "Parties".

RECITALS:

WHEREAS, the AUTHORITY in cooperation with the PARTICIPATING AGENCIES is working together in coordinating traffic signals across multiple jurisdictional boundaries as a part of the Renewed Measure M (M2) Regional Traffic Signal Synchronization Program (RTSSP or Project P) to enhance countywide traffic flow and reduce congestion; and

WHEREAS, the AUTHORITY has completed the competitive 2022 Call for Projects (hereinafter, "2022 CALL") in support of Project P and awarded Project P funds based on the application (hereinafter, "APPLICATION") prepared by the City of Laguna Niguel (hereinafter referred to as the "APPLICANT AGENCY") for the implementation of signal synchronization of traffic signals along Moulton Parkway between the intersections of Glenwood Drive located in the City of Laguna Hills and Pacific Coast Highway located in the City of Dana Point (hereinafter, "PROJECT"); and

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**COOPERATIVE AGREEMENT NO. C-2-2634
MOULTON PARKWAY RTSSP PROJECT**

1 **WHEREAS**, the PARTICIPATING AGENCIES in their approved APPLICATION have elected to
2 designate the AUTHORITY and the AUTHORITY agrees to act as the implementing agency to carry out
3 the PROJECT; and

4 **WHEREAS**, the PROJECT will include approximately thirty-four (34) traffic signalized
5 intersections along the main corridor and twenty-six (26) offset signalized intersections from the main
6 corridor as identified in the APPLICATION; and

7 **WHEREAS**, the PROJECT will include Intelligent Transportation System (ITS) elements as
8 identified in the APPLICATION and other associated systems (hereinafter collectively referred to as
9 "ITS ELEMENTS"), that will be constructed and/or installed and implemented as part of the PROJECT
10 as identified in the APPLICATION; and

11 **WHEREAS**, the AUTHORITY agrees to work with PARTICIPATING AGENCIES to coordinate
12 the inclusion of other ITS ELEMENTS (hereinafter OTHER ELEMENTS) that should be installed
13 before or at the same time as the construction of the PROJECT and are not part of this Agreement;
14 and

15 **WHEREAS**, all costs associated with the inclusion of these OTHER ELEMENTS, if any, are
16 the sole responsibility of the Party owning each and any of those OTHER ELEMENTS; and

17 **WHEREAS**, AUTHORITY and each respective Party acknowledges and understands that
18 in-house resources (staff hours) from Party will provide various services for the PROJECT per the
19 APPLICATION; and

20 **WHEREAS**, AUTHORITY and each respective Party acknowledge and understand that
21 PROJECT costs for various types of additional work required by each respective Party may not have
22 been included in the original application and therefore those costs are not included in the PROJECT
23 allocation; and

24 **WHEREAS**, AUTHORITY and each respective Party agree that these additional costs will be
25 paid by the PROJECT with written approval by AUTHORITY, which may result in additional dollar
26 match; and

**COOPERATIVE AGREEMENT NO. C-2-2634
MOULTON PARKWAY RTSSP PROJECT**

WHEREAS, Parties acknowledge and understand that the costs for the additional work may be reversed by AUTHORITY's Audit; and

WHEREAS, based on AUTHORITY's Board of Directors approved PROJECT ALLOCATION and APPLICATION, the AUTHORITY agrees to implement the PROJECT; and

WHEREAS, the AUTHORITY and the PARTICIPATING AGENCIES desire to enter into this Agreement to implement the PROJECT in support of Project P; and

WHEREAS, this Agreement defines the specific terms, conditions, and funding responsibilities between the AUTHORITY and the PARTICIPATING AGENCIES for the implementation of the PROJECT; and

WHEREAS, the AUTHORITY's Board of Directors authorized funding for the PROJECT on May 9, 2022; and

WHEREAS, the AUTHORITY's Board of Directors authorized this cooperative agreement on August 8, 2022; and

WHEREAS, the City of Dana Point's City Council approved this Agreement on the ____ day of _____, 20____; and

WHEREAS, the City of Laguna Hills's City Council approved this Agreement on the ____ day of _____, 20____; and

WHEREAS, the City of Laguna Niguel's City Council approved this Agreement on the ____ day of _____, 20____.

NOW, THEREFORE, it is mutually understood and agreed by AUTHORITY and the PARTICIPATING AGENCIES as follows:

ARTICLE 1. COMPLETE AGREEMENT

A. This Agreement, including any attachments incorporated herein and made applicable by reference, constitutes the complete and exclusive statement of the term(s) and conditions(s) of this Agreement between AUTHORITY and PARTICIPATING AGENCIES and it supersedes all prior representations, understandings, and communications. The invalidity in whole or in part of any term or

Attachment: Cooperative Agreement No. C-2-2634 (2971 : Cooperative Agreement with OCTA No. C-2-2634 Moulton RTSSP)

**COOPERATIVE AGREEMENT NO. C-2-2634
MOULTON PARKWAY RTSSP PROJECT**

condition of this Agreement shall not affect the validity of other term(s) or conditions(s) of this Agreement.

The above referenced Recitals are true and correct and are incorporated by reference herein.

B. AUTHORITY's failure to insist on any instance(s) of PARTICIPATING AGENCIES' performance of any term(s) or condition(s) of this Agreement shall not be construed as a waiver or relinquishment of AUTHORITY's right to such performance or to future performance of such term(s) or condition(s), and PARTICIPATING AGENCIES' obligation in respect thereto shall continue in full force and effect. Changes to any portion of this Agreement shall not be binding upon AUTHORITY except when specifically confirmed in writing by an authorized representative of AUTHORITY by way of a written amendment to this Agreement and issued in accordance with the provisions of this Agreement.

C. PARTICIPATING AGENCIES' failure to insist on any instance(s) of AUTHORITY's performance of any term(s) or condition(s) of this Agreement shall not be construed as a waiver or relinquishment of PARTICIPATING AGENCIES' right to such performance or to future performance of such term(s) or condition(s), and AUTHORITY's obligation in respect thereto shall continue in full force and effect. Changes to any portion of this Agreement shall not be binding upon PARTICIPATING AGENCIES except when specifically confirmed in writing by an authorized representative of PARTICIPATING AGENCIES by way of a written amendment to this Agreement and issued in accordance with the provisions of this Agreement.

ARTICLE 2. SCOPE OF AGREEMENT

This Agreement specifies the roles and responsibilities of the Parties as they pertain to the subjects and projects addressed herein. Both AUTHORITY and Parties agree that each will cooperate and coordinate with the other in all activities covered by this Agreement and any other supplemental agreements that may be required to facilitate purposes thereof.

ARTICLE 3. RESPONSIBILITIES OF AUTHORITY

AUTHORITY agrees to the following responsibilities for funding of the PROJECT:

/

/

Attachment: Cooperative Agreement No. C-2-2634 (2971 : Cooperative Agreement with OCTA No. C-2-2634 Moulton RTSSP)

**COOPERATIVE AGREEMENT NO. C-2-2634
MOULTON PARKWAY RTSSP PROJECT**

A. AUTHORITY shall implement the PROJECT based on the intent of the usage in the APPLICATION, prepared by the APPLICANT AGENCY in accordance with the policies and procedures contained in the Comprehensive Transportation Funding Program (CTFP) Guidelines.

B. AUTHORITY shall provide oversight to maintain inter-jurisdictional traffic signal operational integrity between PROJECT and other similar type projects not older than three (3) years.

C. AUTHORITY shall provide formats, templates, and guidance in reporting requirements as described in the CTFP Guidelines.

D. AUTHORITY, or agents of AUTHORITY, under this Agreement and upon closeout of PROJECT, may perform a technical and/or field review to ensure that the CTFP Guidelines, policies, and procedures were followed. Such a review may be performed one hundred and eighty (180) days after the PROJECT three-year grant period is complete. If the technical and or field review determines that any of the activities performed are ineligible for CTFP funding, PARTICIPATING AGENCIES must reimburse and return the amount of funding used to perform the ineligible activity to AUTHORITY.

E. AUTHORITY shall invoice the PARTICIPATING AGENCIES for twenty percent (20%) of actual costs at the end of the Primary Implementation phase or at a mutually agreed upon time to facilitate any respective Party funding timeframes. The estimated match per the APPLICATION is outlined in Attachment A.

F. AUTHORITY shall request updates for the PROJECT as part of the semi-annual review process, including documentation of cash match conforming to Attachment A and will include the PROJECT in the list of active projects in OCFundTracker until completion of the three-year grant period. Documents to be provided include, but are not limited to, payroll records, contracts, and purchase orders.

ARTICLE 4. RESPONSIBILITIES OF THE AUTHORITY AS PROJECT LEAD AGENCY

The AUTHORITY, as the LEAD AGENCY, agrees to the following responsibilities for the implementation of the PROJECT:

/

/

Attachment: Cooperative Agreement No. C-2-2634 (2971 : Cooperative Agreement with OCTA No. C-2-2634 Moulton RTSSP)

**COOPERATIVE AGREEMENT NO. C-2-2634
MOULTON PARKWAY RTSSP PROJECT**

1 AUTHORITY, or agents of the AUTHORITY, shall manage, procure, implement, and complete all aspects
2 of the PROJECT as identified in the APPLICATION, including filing all documentation necessary to
3 comply with the California Environmental Quality Act (CEQA) regulations for the PROJECT.

4 A. AUTHORITY, or agents of the AUTHORITY, shall coordinate outreach with
5 PARTICIPATING AGENCIES for the PROJECT.

6 B. AUTHORITY, or agents of the AUTHORITY, shall collect all data necessary to provide
7 new optimized timing plans including, but not limited to, manual or video all movement counts at each
8 PROJECT signalized intersection, and a mutually agreed upon number and location of twenty-four (24)
9 hour / seven (7) day automated machine traffic counts with vehicle classification.

10 D. AUTHORITY, or agents of the AUTHORITY, shall develop and implement new timing
11 plans optimized for signal synchronization.

12 E. AUTHORITY, or agents of the AUTHORITY, shall provide updated timing plans for all
13 control systems and all relevant data used to develop said plans to the PARTICIPATING AGENCIES.

14 F. AUTHORITY, or agents of the AUTHORITY, shall prepare a "Primary Implementation
15 Report" and "Operations and Maintenance Report" for the PROJECT as described in the Measure M2
16 Eligibility Guidelines and CTFP Guidelines adopted by the AUTHORITY. The AUTHORITY shall provide
17 the reports to the PARTICIPATING AGENCIES in draft and final formats for review and comment.
18 AGENCY comments shall be noted in the final study. If specified in the APPLICATION, AUTHORITY, or
19 agents of the AUTHORITY, shall provide a "Before and After Study" video of a representative portion of
20 PROJECT at up to two (2) public meetings.

21 **ARTICLE 5. RESPONSIBILITIES OF THE PARTICIPATING AGENCIES**

22 PARTICIPATING AGENCIES agree to the following responsibilities for implementation and
23 funding of the PROJECT:

24 A. PARTICIPATING AGENCIES shall provide a technical representative to meet and
25 participate as a member of the PROJECT's Traffic Forum.

26 /

Attachment: Cooperative Agreement No. C-2-2634 (2971 : Cooperative Agreement with OCTA No. C-2-2634 Moulton RTSSP)

**COOPERATIVE AGREEMENT NO. C-2-2634
MOULTON PARKWAY RTSSP PROJECT**

1 B. PARTICIPATING AGENCIES shall authorize the AUTHORITY to manage, procure,
2 and implement all aspects of the PROJECT.

3 C. PARTICIPATING AGENCIES shall participate and support the PROJECT
4 implementation within the timeframe outlined in the APPLICATION and consistent with the CTFP
5 Guidelines adopted by the AUTHORITY.

6 D. PARTICIPATING AGENCIES shall provide AUTHORITY, or agents of the
7 AUTHORITY, all current intersection as-built drawings, all current intersections controller assembly
8 plans as provided by the manufacturer and modified by Party since original installation, local field
9 master, local controller, and Advanced Traffic Management System timing plans and other ITS related
10 data upon request.

11 E. PARTICIPATING AGENCIES shall each provide the AUTHORITY a dollar match,
12 totaling at least twenty percent (20%) of actual PROJECT costs. The APPLICATION estimated this
13 amount to be Six Hundred Sixty-Two Thousand, Nine Hundred Thirteen Dollars (\$662,913) as shown
14 in Attachment A. PARTICIPATING AGENCIES shall work with AUTHORITY to address and mitigate
15 budget impacts. Failure to provide local dollar match may result in the ineligibility of future participation
16 in competitive funding opportunities.

17 F. PARTICIPATING AGENCIES shall provide payment for the dollar match to
18 AUTHORITY within thirty (30) calendar days of receipt of an invoice.

19 G. PARTICIPATING AGENCIES that have included an in-kind services match, as
20 identified in Attachment A, shall provide documentation of conformance as part of the semi-annual
21 review process or as requested by the AUTHORITY, or agents of the AUTHORITY.

22 H. PARTICIPATING AGENCIES shall waive all fees associated with any local agency
23 permits that may be required of the consultant, subconsultants, and/or service or equipment providers
24 in the performance of the PROJECT.

25 I. PARTICIPATING AGENCIES shall provide updates on PROJECT to AUTHORITY, or
26 agents of the AUTHORITY, as part of semi-annual review process until completion of the three-year

**COOPERATIVE AGREEMENT NO. C-2-2634
MOULTON PARKWAY RTSSP PROJECT**

1 PROJECT grant period. Documents to be provided include, but are not limited to, payroll records,
2 contracts, and purchase orders.

3 J. PARTICIPATING AGENCIES shall, if specified in APPLICATION, continue Operations
4 and Maintenance after the three-year grant period is complete and continue until the end of the
5 PROJECT per additional maintenance of effort in APPLICATION.

ARTICLE 6. DELEGATED AUTHORITY

7 The actions required to be taken by PARTICIPATING AGENCIES in the implementation of this
8 Agreement are delegated to their respective City Manager, or designee, and the actions required to be
9 taken by AUTHORITY in the implementation of this Agreement are delegated to AUTHORITY's Chief
10 Executive Officer or designee.

ARTICLE 7. AUDIT AND INSPECTION

12 AUTHORITY and PARTICIPATING AGENCIES shall maintain a complete set of records in
13 accordance with generally accepted accounting principles. Upon reasonable notice, PARTICIPATING
14 AGENCIES shall permit the authorized representatives of AUTHORITY to inspect and audit all work,
15 materials, payroll, books, accounts, and other data and records of PARTICIPATING AGENCIES for a
16 period of five (5) years after final payment, final closeout, or until any on-going audit is completed,
17 whichever is later. For purposes of audit, the date of completion of this Agreement shall be the date of
18 AUTHORITY's payment of consultant's final billing (so noted on the paid invoice) under this Agreement.
19 AUTHORITY shall have the right to reproduce any such books, records, and accounts. The above
20 provision with respect to audits shall extend to and/or be included in contracts with PARTICIPATING
21 AGENCIES' contractor.

ARTICLE 8. INDEMNIFICATION

23 A. To the fullest extent permitted by law, PARTICIPATING AGENCIES shall defend
24 (at PARTICIPATING AGENCIES' sole cost and expense with legal counsel reasonably acceptable to
25 AUTHORITY), indemnify, protect, and hold harmless AUTHORITY, and its officers, directors, employees,
26 and agents (collectively the "Indemnified Parties"), from and against any and all liabilities, actions, suits,

**COOPERATIVE AGREEMENT NO. C-2-2634
MOULTON PARKWAY RTSSP PROJECT**

1 claims, demands, losses, costs, judgments, arbitration awards, settlements, damages, demands, orders,
2 penalties, and expenses including legal costs and attorney fees (collectively "Claims"), including but not
3 limited to Claims arising from injuries to or death of persons (PARTICIPATING AGENCIES' employees
4 included), for damage to property, including property owned by AUTHORITY, or from any violation of any
5 federal, state, or local law or ordinance, alleged to be caused by the negligent acts, omissions or willful
6 misconduct of PARTICIPATING AGENCIES, its officers, directors, employees or agents in connection
7 with or arising out of the performance of this Agreement.

8 B. To the fullest extent permitted by law, AUTHORITY shall defend (at AUTHORITY's sole
9 cost and expense with legal counsel reasonably acceptable to PARTICIPATING AGENCIES), indemnify,
10 protect, and hold harmless PARTICIPATING AGENCIES, including their officers, directors, employees,
11 and agents (collectively the "Indemnified Parties"), from and against any and all liabilities, actions, suits,
12 claims, demands, losses, costs, judgments, arbitration awards, settlements, damages, demands, orders,
13 penalties, and expenses including legal costs and attorney fees (collectively "Claims"), including but not
14 limited to Claims arising from injuries to or death of persons (AUTHORITY's employees included), for
15 damage to property, including property owned by PARTICIPATING AGENCIES, or from any violation of
16 any federal, state, or local law or ordinance, alleged to be caused by the negligent acts, omissions or
17 willful misconduct of AUTHORITY, its officers, directors, employees or agents in connection with or arising
18 out of the performance of this Agreement.

19 C. The indemnification and defense obligations of this Agreement shall survive its expiration
20 or termination.

ARTICLE 9. ADDITIONAL PROVISIONS

22 A. Term of Agreement: This Agreement shall be in full force and effect through
23 December 31, 2027.

24 B. Amendment: This Agreement may be extended or amended in writing at any time by the
25 mutual consent of all Parties and AUTHORITY. No amendment shall have any force or effect unless
26 executed in writing by all Parties and AUTHORITY.

**COOPERATIVE AGREEMENT NO. C-2-2634
MOULTON PARKWAY RTSSP PROJECT**

1 C. Termination: In the event any Party defaults in the performance of their respective
2 obligations under this Agreement or breaches any of the provisions of this Agreement, a non-defaulting
3 Party(s) shall have the option to terminate this Agreement upon thirty (30) calendar days prior written
4 notice to the Party in default.

5 D. Termination for Convenience: Any Party may terminate this Agreement for its
6 convenience by providing thirty (30) calendar days prior written notice of its intent to terminate for
7 convenience to the other Party.

8 E. AUTHORITY and Parties shall comply with all applicable federal, state, and local laws,
9 statutes, ordinances, and regulations of any governmental authority having jurisdiction over the
10 PROJECT.

11 F. Legal Authority: AUTHORITY and Parties hereto consent that they are authorized to
12 execute this Agreement on behalf of said Parties and that, by so executing this Agreement, the Parties
13 hereto are formally bound to the provisions of this Agreement.

14 G. Severability: If any term, provision, covenant or condition of this Agreement is held to be
15 invalid, void or otherwise unenforceable, to any extent, by any court of competent jurisdiction, the
16 remainder of this Agreement shall not be affected thereby, and each term, provision, covenant or
17 condition of this Agreement shall be valid and enforceable to the fullest extent permitted by law.

18 H. Counterparts of Agreement: This Agreement may be executed and delivered in any
19 number of counterparts, each of which, when executed and delivered shall be deemed an original and all
20 of which together shall constitute the same agreement. Facsimile signatures shall be permitted.

21 I. Assignment: Neither this Agreement, nor any of the Parties' rights, obligations, duties, or
22 authority hereunder may be assigned in whole or in part by any Parties without the prior written consent
23 of the other Parties in its sole and absolute discretion. Any such attempt of assignment shall be deemed
24 void and of no force and effect. Consent to one assignment shall not be deemed consent to any
25 subsequent assignment, nor the waiver of any right to consent to such subsequent assignment.

26 /

Attachment: Cooperative Agreement No. C-2-2634 (2971 : Cooperative Agreement with OCTA No. C-2-2634 Moulton RTSSP)

**COOPERATIVE AGREEMENT NO. C-2-2634
MOULTON PARKWAY RTSSP PROJECT**

J. Governing Law: The laws of the State of California and applicable local and federal laws, regulations, and guidelines shall govern this Agreement.

K. Litigation fees: Should litigation arise out of this Agreement for the performance thereof, the court shall award costs and expenses, including attorney's fees, to the prevailing Party.

L. Notices: Any notices, requests, or demands made between the Parties pursuant to this Agreement are to be directed as follows:

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Attachment: Cooperative Agreement No. C-2-2634 (2971 : Cooperative Agreement with OCTA No. C-2-2634 Moulton RTSSP)

**COOPERATIVE AGREEMENT NO. C-2-2634
MOULTON PARKWAY RTSSP PROJECT**

To LAGUNA NIGUEL:	To AUTHORITY:
City of Laguna Niguel	Orange County Transportation Authority
30111 Moulton Parkway Laguna Niguel, CA 92677	550 South Main Street P. O. Box 14184 Orange, CA 92863-1584
Attention: Kathy Nguyen Engineering Services Manager Tel: (949) 362-4341 Email: kanguyen@cityoflagunaniguel.org	Attention: Michael Le Senior Contract Administrator Tel: (714) 560-5314 E-mail: mle1@octa.net
To DANA POINT:	To LAGUNA HILLS:
City of Dana Point	City of Laguna Hills
33282 Golden Lantern Dana Point, CA 92629	200 Civic Center Laguna Hills, CA 92691
Attention: Matt Sinacori Public Works Director / City Engineer Tel: (949) 248-3574 Email: msinacori@danapoint.org	Attention: Amber Shah Interim Public Services Director / City Engineer Tel: (949) 707-2657 Email: ashah@lagunahillsca.gov
CC: Alicia Yang OCTA Project Manager Tel: (714) 560-5362 ayang@octa.net	

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Attachment: Cooperative Agreement No. C-2-2634 (2971 : Cooperative Agreement with OCTA No. C-2-2634 Moulton RTSSP)

**COOPERATIVE AGREEMENT NO. C-2-2634
MOULTON PARKWAY RTSSP PROJECT**

1 M. Force Majeure: Any Party shall be excused from performing its obligations under this
2 Agreement during the time and to the extent that it is prevented from performing by an unforeseeable
3 cause beyond its control, including but not limited to: any incidence of fire, flood; acts of God;
4 commandeering of material, products, plants or facilities by the federal, state or local government;
5 national fuel shortage; or a material act or omission by the other Party, when satisfactory evidence
6 of such cause is presented to the other Party, and provided further that such nonperformance is
7 unforeseeable, beyond the control and is not due to the fault or negligence of the Party not
8 performing.

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**COOPERATIVE AGREEMENT NO. C-2-2634
MOULTON PARKWAY RTSSP PROJECT**

This Agreement shall be made effective upon execution by all Parties.

IN WITNESS WHEREOF, the Parties hereto have caused this Agreement No. C-2-2634 to be executed as of the date of the last signature below.

CITY OF LAGUNA NIGUEL

ORANGE COUNTY TRANSPORTATION AUTHORITY

By: _____
Elaine Gennawey
Mayor

By: _____
Darrell E. Johnson
Chief Executive Officer

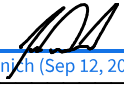
Dated: _____

Dated: _____

ATTEST:

APPROVED AS TO FORM:

By: _____
Marissa J. Asistin
City Clerk

By:  _____
James Donich (Sep 12, 2022 10:54 PDT)
James M. Donich
General Counsel

Dated: _____

Dated: _____

APPROVED AS TO FORM:

APPROVAL RECOMMENDED:

By: _____
Nicholas Ghirelli
Interim City Attorney

By: _____
Kia Mortazavi
Executive Director, Planning

Dated: _____

Dated: _____

**COOPERATIVE AGREEMENT NO. C-2-2634
MOULTON PARKWAY RTSSP PROJECT**

This Agreement shall be made effective upon execution by all Parties.

IN WITNESS WHEREOF, the Parties hereto have caused this Agreement No. C-2-2634 to be executed as of the date of the last signature below.

CITY OF DANA POINT

By: _____
Michael A. Killebrew
City Manager

Dated: _____

APPROVED AS TO FORM:

By: _____
Patrick Muñoz
City Attorney

Dated: _____

Attachment: Cooperative Agreement No. C-2-2634 (2971 : Cooperative Agreement with OCTA No. C-2-2634 Moulton RTSSP)

**COOPERATIVE AGREEMENT NO. C-2-2634
MOULTON PARKWAY RTSSP PROJECT**

This Agreement shall be made effective upon execution by all Parties.

IN WITNESS WHEREOF, the Parties hereto have caused this Agreement No. C-2-2634 to be executed as of the date of the last signature below.

CITY OF LAGUNA HILLS

By: _____
David Wheeler
Mayor

Dated: _____

ATTEST:

By: _____
Jennifer Lee
Interim City Clerk

Dated: _____

APPROVED AS TO FORM:

By: _____
Gregory E. Simonian
City Attorney

Dated: _____

Attachment: Cooperative Agreement No. C-2-2634 (2971 : Cooperative Agreement with OCTA No. C-2-2634 Moulton RTSSP)

**COOPERATIVE AGREEMENT NO. C-2-2634
MOULTON PARKWAY – RTSSP
ATTACHMENT A**

ESTIMATED LOCAL MATCH COMMITMENT

AGENCY	TOTAL CASH MATCH		FUNDING SOURCE
	PI	O & M	
City of Dana Point	\$ 159,938.00	\$ 10,200.00	General Fund
	\$ 170,138.00		
City of Laguna Hills	\$ 102,379.00	\$ 7,200.00	General Fund
	\$ 109,579.00		
City of Laguna Niguel	\$ 364,596.00	\$ 18,600.00	General Fund
	\$ 383,196.00		
TOTAL MATCH	\$ 626,913.00	\$ 36,000.00	
	\$ 662,913.00*		

**This is an estimate based on the approved application and final allocation. The final amount will be determined based on actual expenditures. There is no in-kind match on this project. Cash Match is NOT allowed to be converted to in-kind match.*

PI = PRIMARY IMPELNTATION

O&M = ONGOING MONITORING & MAINTENANCE



City of Laguna Hills

City Council/Planning Agency

Staff Report

DATE: September 27, 2022

TO: Mayor and Council Members

FROM: Joe Ames, P.E., T.E.
Public Services Director/City Engineer

ISSUE: Progress Payment No. 1, Final, for Turf Renovation, CIP No. 238-C, Phase II

RECOMMENDATION: That the City Council approve Progress Payment No. 1, Final, in the net amount of \$102,799.50, and Contract Change Order No. 1, to CSA Holdings, Inc., dba Sports Fields Services, for Turf Renovation, CIP No. 238-C, Phase II, and authorize the filing of the Notice of Completion for Phase II and subsequent Release of Retention in 35 days, if no liens have been filed.

SUMMARY:

Work on the Turf Renovation, CIP No. 238-C, Phase II, began on July 6, 2022, and has been completed by CSA Holdings, Inc., dba Sports Field Services. Work performed included turf replacement on two soccer fields and turf/infield repairs on one baseball field. The project has been completed. It is proposed to approve the first and final progress payment and record a Notice of Completion to allow for the release of the retention in 35 days, if no liens are filed.

BACKGROUND:

A routine monthly action for capital improvement projects is the submission, review, and approval of the contractor's invoice. Procedurally, field staff verifies the contractor's quantities and matches them with the submitted invoice. The unit prices and total costs of the project are confirmed by the office staff and a progress payment is then processed. A five-percent (5%) retention is withheld from each payment to assure final performance of the work. The contractor for this project, CSA Holdings, Inc., dba Sports

Progress Payment No. 1, Final, for Turf Removal, CIP No. 238-C, Phase II
 September 27, 2022
 Page 2

Field Services, has submitted the first and final progress payment for the subject project as follows:

ITEM #	DESCRIPTION	QUANTITY	UNIT	UNIT PRICE	\$ AMOUNT
1	Clearing and Grubbing	1	LS	\$34,400.00	\$34,400.00
2	Rough Grading	1	LS	\$13,250.00	\$13,250.00
3	Place Sand Mix and Finish Grade	1	LS	\$18,630.00	\$18,630.00
4	Fertilization	1	LS	\$1,900.00	\$1,900.00
5	Place and Roll Sod	1	LS	\$17,550.00	\$17,550.00
6	Little League Infield Renovation	1	LS	\$10,460.00	\$10,460.00
7	Soccer Field Turf Maintenance	1	LS	\$1,000.00	\$1,000.00
CO#1	Contract Change Order No. 1				\$11,020.00

TOTAL TO DATE	\$108,210.00	
LESS PRIOR BILLING	\$0.00	
TOTAL THIS PERIOD	\$108,210.00	\$108,210.00
LESS 5% RETENTION		\$(5,410.50)
DUE		\$102,799.50

CONTRACT CHANGE ORDER NO. 1:

Contract Change Order No. 1, attached, has been prepared to address the deferral of phase II of this project due to Covid-19, and reschedule the Additive Bid Schedule #1 for two soccer fields from July 5, 2020, to July 5, 2022. Adjustment in compensation per attached letter and revised bid, dated March 18, 2022.

FISCAL IMPACT:

The progress payment is within the Capital Improvement Program Budget for the Turf Renovation, CIP No. 238-C.

ATTACHMENTS:

- Contract Change Order No 1 Phase II
- Notice of Completion Sports Field Services CIP No. 238-C Phase II

CITY OF LAGUNA HILLS CONTRACT CHANGE ORDER

CONTRACT CHANGE ORDER NO. 1

SHEET 1 OF 2 SHEETS

PROJECT: Community Center & Sports Complex Turf Renovation, CIP No. 238C

CONTRACTOR: CSA Holdings, Inc., dba Sports Field Services

In accordance with contract provisions, the following changes in the contract and/or contract work are hereby authorized and as compensation therefore, the following addition to or deductions from the contract price are hereby approved.

Note: This change order is not effective until approved by the City Engineer.

Description of work to be done, estimate of quantities, and prices to be paid. Segregate between additional work at contract price, agreed price and force account. Unless otherwise stated, rates for rental of equipment is actually used and no allowance will be made for idle time.

Change requested by City Engineer

Due to Covid-19 and the deferral of phase II of this project, reschedule the Additive Bid Schedule #1 for Two Soccer Fields from July 5, 2020, to July 5, 2022.

Adjustment in compensation per attached letter and revised bid, dated March 18, 2022.

Increase \$ 11,020.00 Decrease \$

By reason of this order the time of completion will be adjusted as follows: Add
zero Working Days

Attachment: Contract Change Order No 1 Phase II (2963 : Progress Payment No. 1, Final, for Turf Renovation, CIP No. 238-C, Phase II)

CONTRACT CHANGE ORDER NO. 1

SHEET 2 OF 2 SHEETS

The compensation (time and cost) set forth in this Change Order comprises the total compensation due the Contractor, all Subcontractors and all suppliers, for the work or change defined in this Change Order, including all impact on any unchanged work. By signing this Change Order, the Contractor acknowledges and agrees, on behalf of himself, all Subcontractors, and all suppliers, that the stipulated compensation includes payment for all work contained in this Change Order, plus all payment for the interruption of schedules.

Extended overhead costs, delay, and all impact, ripple effect or cumulative impact on all other, work under this Contract. The signing of this Change Order shall indicate that the Change Order constitutes full mutual accord and satisfaction for the change, and that the time and/or cost under the Change Order constitutes the total equitable adjustment owed the Contractor, all Subcontractors, and all suppliers, as a result of the change. The Contractor, on behalf of himself, all Subcontractors, and all suppliers, agrees to waive all rights, without exception or reservation of any kind whatsoever, to file any further claim or request for equitable adjustment of any type, for any reasonably foreseeable cause that shall arise out of or as a result of this Change Order or the impact of this Change Order on the remainder of the work under this Contract.

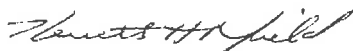
SUMMARY OF CONTRACT TIME

Original Contract Date: N/A
 Original Contract Time:
 Original Completion Date:
 Time Extension this C.O.:
 Total Contract Time Extension:
 Revised Contract Time:
 Revised Final Completion Due Date:
 Time Subject to Liquidated Damages: 0
 Actual Final Completion Date: 0

Additive Bid #1	Original Contract Price	\$97,190.00
	Prev. Authorized Changes	\$ 0
	This Change (Add)	\$ 11,020.00
	Amended Contract Price	\$108,210.00

If the Contractor does not sign acceptance of this order, his attention to the requirements of the specifications as to proceeding with the order work and filing a written protest within the time therein specified.

Approved by:



3/29/22

Public Services Director/City Engineer Date
 Kenneth H. Rosenfield, P.E.

Accepted by:



Contractor

Date

Attachment: Revised Bid (2 pages)

Attachment: Contract Change Order No 1 Phase II (2963 : Progress Payment No. 1, Final, for Turf Removal, CIP No. 238-C, Phase II)

CSA Holdings, Inc. dba



27762 Antonio Pkwy L1-609, Ladera Ranch CA 92694
 P: 951-232-4201 E: sportsfieldservices@outlook.com
 Lic # 714330 LA# 4581 EIN# 20-0135060

Ryan Hanley
 City of Laguna Hills

March 18, 2022

Dear Ryan,

This letter is in regards to the soccer field renovation at the Laguna Hills Community Center. As you know our original bid was submitted in 2018. Our bid at that time included pricing to perform work on one field in 2018 and then both fields in 2020. As we know it was determined not to perform the 2020 work due to the Covid pandemic and other unforeseen circumstances. In order for us to perform the work for 2022 we will have some substantial cost and overhead increases which are reflected in the attached spreadsheet dated 3/18/22. Among these additional costs is the price of fuel is at an all-time high, which not only gets us back and forth to the job each day in our trucks, but also fuels our equipment needed to complete the project. Also included are increases to prevailing wage rates, insurance premiums, and inflation on materials has climbed significantly. Our laser-grading subcontractor has increased his pricing by .04c/SF, and equipment rental fees have also increased. All of these items listed above factor into the increase of our price to perform the work at the Community Center this summer.

Respectfully submitted, Mannie Adams Mannie Adams, President

CSA HOLDINGS, INC. dba

BIDDER'S NAME SPORTS FIELD SERVICESCITY OF LAGUNA HILLS
PROPOSAL BID SHEETS
FOR
TURF RENOVATION, CIP NO. 238-CUPDATED PRICING
3/18/22

Base Bid – One Soccer Field and Related Work – Start July 5, 2018

JULY 2022

ITEM NO.	DESCRIPTION	UNIT	EST. QUANTITY	UNIT PRICE	AMOUNT
1	Clearing and Grubbing	1	LS	\$ 15,900	\$ 15,900
2	Rough Grading	1	LS	\$ 9,200	\$ 9,200
3	Place Sand Mix and Finish Grade	1	LS	\$ 12,100	\$ 12,100
4	Fertilization	1	LS	\$ 1,000	\$ 1,000
5	Place and Roll Sod	1	LS	\$ 8,800	\$ 8,800
6	Little League Infield Renovation	1	LS	\$ 10,460	\$ 10,460
7	Soccer Field Turf Maintenance	1	LS	\$ 1,000	\$ 1,000
TOTAL BASE BID IN FIGURES					\$ 58,460

17,910.
10,820.
13,350.
1,170.
9,860.
11,660.
1,170.

65,940.

TOTAL BASE BID IN WORDS:

FIFTY-EIGHT THOUSAND FOUR HUNDRED SIXTY DOLLARS

AND ZERO CENTS

Additive Bid Items #1 – Two Soccer Fields & Related Work – Start July 6, 2020

JULY 2022

ITEM NO.	DESCRIPTION	UNIT	EST. QUANTITY	UNIT PRICE	AMOUNT
1	Clearing and Grubbing	1	LS	\$ 34,400	\$ 34,400
2	Rough Grading	1	LS	\$ 13,250	\$ 13,250
3	Place Sand Mix and Finish Grade	1	LS	\$ 18,630	\$ 18,630
4	Fertilization	1	LS	\$ 1,900	\$ 1,900
5	Place and Roll Sod	1	LS	\$ 17,550	\$ 17,550
6	Little League Infield Renovation	1	LS	\$ 10,460	\$ 10,460
7	Soccer Field Turf Maintenance	1	LS	\$ 1,000	\$ 1,000
TOTAL ADDITIVE BID ITEMS #1 IN FIGURES					\$ 97,190

36,470.
14,870.
22,800.
2,090.
19,300.
11,510.
1,170.

108,210.

TOTAL ADDITIVE BID ITEMS #1 IN WORDS:

NINETY-SEVEN THOUSAND ONE HUNDRED NINETY DOLLARS

AND ZERO CENTS

Ma Ada

Recording Requested by and
When Recorded Mail to:

Jennifer Lee, Interim City Clerk
City of Laguna Hills
24035 El Toro Road
Laguna Hills, CA 92653

No Fee Exempt per GC§27383

By: _____

NOTICE OF COMPLETION

Notice is hereby given that the following public improvements have been completed and accepted by the City Council of the City of Laguna Hills on September 27, 2022.

Description of Improvements

Laguna Hills Community Center and Sports Complex Turf Renovation Project, CIP No. 238-C, including turf replacement for two soccer fields and turf/infield repairs on one baseball field.

General Location

25555 Alicia Parkway, Laguna Hills, CA 92653

Owner of Property Address

City of Laguna Hills
24035 El Toro Road
Laguna Hills, CA 92653

Contractor

Sports Field Services
27762 Antonio Parkway, Ste. L1-609
Ladera Ranch, CA 92694

This Notice of Completion is executed under authority of a directive from the City Council of the City of Laguna Hills.

I, Joe Ames, P.E., T.E., declare under penalty of perjury that I am the City Engineer of the City of Laguna Hills, that I am familiar with the facts stated in the foregoing Notice of Completion executed for and on its behalf, and that I have read the foregoing Notice of Completion and know the contents thereof to be true.

Dated: September 27, 2022

Joe Ames, P.E., T.E., Director of Public Works/City Engineer
City of Laguna Hills



City of Laguna Hills

City Council/Planning Agency

Staff Report

DATE: September 27, 2022

TO: Mayor and Council Members

FROM: Joe Ames, P.E., T.E.
Public Services Director/City Engineer

ISSUE: Progress Payment No. 1, Final, for Water Quality Improvement Phase X, CIP 412-J

RECOMMENDATION: That the City Council approve Progress Payment No. 1, Final, in the net amount of \$237,476.25, to G2 Construction, Inc., for Water Quality Improvement Catch Basin Debris Gate Project Phase X, CIP 412-J, and authorize the filing of the Notice of Completion and subsequent release of retention in 35 days, if no liens have been filed.

SUMMARY:

Work on the Water Quality Improvement Catch Basin Debris Gate Project, CIP No. 412-J, began on August 15, 2022, and has been satisfactorily completed by G2 Construction, Inc. Work performed included custom fabrication and installation of catch basin debris gates and trash screens. It is proposed to approve the first and final progress payment and record a Notice of Completion to allow for the release of the retention in 35 days, if no liens are filed.

BACKGROUND:

A routine monthly action for capital improvement projects is the submission, review, and approval of the contractor's invoice. Procedurally, field staff verifies the contractor's quantities and matches them with the submitted invoice. The unit prices and total costs of the project are confirmed by the office staff and a progress payment is then processed. A five-percent (5%) retention is withheld from each payment to assure final

Progress Payment No. 1, Final, for Water Quality Improvement Phase X, CIP 412-J

September 27, 2022

Page 2

performance of the work. The contractor for this project, G2 Construction, Inc., has submitted the first and final progress payment for the subject project as follows:

ITEM #	DESCRIPTION	QUANTITY	UNIT	UNIT PRICE	\$ AMOUNT
1	Mobilization and Clearing	1	LS	\$2,000.00	\$2,000.00
2	Cleaning Catch Basins	1	LS	\$2,143.00	\$2,143.00
3	Traffic Control	1	LS	\$9,708.00	\$9,708.00
4	Up to 6 sf screen	34	EA	\$960.00	\$32,640.00
5	Up to 11 sf screen	12	EA	\$1,636.00	\$19,632.00
6	5' Debris Gate (1 screen)	10	EA	\$1,291.00	\$12,910.00
7	7' Debris Gate (2 screens)	19	EA	\$2,264.00	\$43,016.00
8	10' Debris Gate (2 screens)	5	EA	\$2,485.00	\$12,425.00
9	10-14" Debris Gate (2-3 screens)	3	EA	\$3,228.00	\$9,684.00
10	14' Debris Gate (4 screens)	13	EA	\$3,983.00	\$51,779.00
11	21' Debris Gate (6 screens)	8	EA	\$5,826.00	\$46,608.00
12	28' Debris Gate (8 screens)	1	EA	\$7,430.00	\$7,430.00

TOTAL TO DATE	\$249,975.00	
LESS PRIOR BILLING	0.00	
TOTAL THIS PERIOD	\$249,975.00	\$249,975.00
LESS 5% RETENTION		\$(12,498.75)
DUE		\$237,476.25

FISCAL IMPACT:

The first and final progress payment is within the Capital Improvement Program Budget for the Water Quality Improvement Catch Basin Debris Gate Project Phase X, CIP No. 412-J. The project is primarily funded by a competitive grant awarded by the Orange County Transportation Authority's Environmental Cleanup Program.

ATTACHMENTS:

- Notice of Completion CIP 412-J

Recording Requested by and
When Recorded Mail to:

Jennifer Lee, Interim City Clerk
City of Laguna Hills
24035 El Toro Road
Laguna Hills, CA 92653

No Fee Exempt per GC§27383

By: _____

NOTICE OF COMPLETION

Notice is hereby given that the following public improvements have been completed and accepted by the City Council of the City of Laguna Hills on September 27, 2022.

Description of Improvements

Water Quality Improvement Catch Basin Debris Gate Project, CIP No. 412-J, including custom fabrication and installation of catch basin debris gates.

General Location

Various locations throughout the City of Laguna Hills, CA 92653

Owner of Property Address

City of Laguna Hills
24035 El Toro Road
Laguna Hills, CA 92653

Contractor

G2 Construction, Inc.
1352 E. Borchard Avenue
Santa Ana, CA 92705

This Notice of Completion is executed under authority of a directive from the City Council of the City of Laguna Hills.

I, Joe Ames, P.E., T.E., declare under penalty of perjury that I am the City Engineer of the City of Laguna Hills, that I am familiar with the facts stated in the foregoing Notice of Completion executed for and on its behalf, and that I have read the foregoing Notice of Completion and know the contents thereof to be true.

Dated: September 27, 2022

Joe Ames, P.E., T.E., Public Services Director/City Engineer
City of Laguna Hills



City of Laguna Hills

City Council/Planning Agency

Staff Report

DATE: September 27, 2022

TO: Mayor and Council Members

FROM: Joe Ames, P.E., T.E.
Public Services Director/City Engineer

ISSUE: Rejection of Bid Proposals for Cooling Tower System Replacement at the Laguna Hills Civic Center, CIP No. 505A

RECOMMENDATION: That the City Council reject all Bid Proposals for Cooling Tower System Replacement at the Laguna Hills Civic Center, CIP No. 505-A and direct staff to reissue the Notice Inviting Bids and Specifications.

SUMMARY:

On August 3, 2022, the City received Bid Proposals for the Cooling Tower System Replacement at the Laguna Hills Civic Center, CIP No. 505-A, project. Five Bid Proposals were received. However, due to an error made by the apparent low bidder as a result of misunderstanding the bid specifications, City staff has determined the bids are unresponsive. Staff, therefore, recommends all Bid Proposals for this solicitation be rejected and the Project be re-advertised for bids. The revised Notice Inviting Bids and Specifications are on file in the office of the City Clerk and present on the dais.

BACKGROUND:

In accordance with City Council authorization, on June 14, 2022, the City received Bid Proposals for the subject Project. While five Bid Proposals were received, Staff recommends rejection of all Bid Proposals due to an error in the Bid Proposal made by the apparent low bidder, Allison Mechanical, Inc. Based upon the low bidder's statements to City staff, it has been determined the bids are unresponsive and staff has added clarifying statements to the Bid Proposal sheets. The revised Notice Inviting Bids and Specifications are on file in the office of the City Clerk and present on the dais. It is

Rejection of Bid Proposals for CIP No. 505-A

September 27, 2022

Page 2

recommended the City Council approve the revised Notice Inviting Bids and Specifications and authorize the re-advertisement for bids of this Project.

FISCAL IMPACT:

The cost estimate for the cooling tower system equipment at the Civic Center building is \$200,000. The replacement of this facility was not projected to occur during the current City Council approved 2-year budget. Therefore, it will be necessary for the City Council to approve a budget amendment allocating funds this fiscal year 2022/2023 for this work. A resolution amending the CIP will be brought to the City Council when award of contract for this project is agendized.



City of Laguna Hills

City Council/Planning Agency

Staff Report

DATE: September 27, 2022

TO: Mayor and Council Members

FROM: Jennifer Lee
Interim City Clerk

ISSUE: Second Reading & Adoption of Proposed Ordinance Adding Chapter 6-44 to Tile 6 (Public Welfare) of the Laguna Hills Municipal Code Establishing Regulations Prohibiting the Unlawful Possession of Catalytic Converters in the City

RECOMMENDATION: That the City Council: 1) Adopt an Ordinance entitled: "An Ordinance of the City Council of the City of Laguna Hills, California, Adding Chapter 6-44 to Tile 6 (Public Welfare) of the Laguna Hills Municipal Code Establishing Regulations Prohibiting the Unlawful Possession of Catalytic Converters in the City"; and 2) Authorize the Mayor/Mayor Pro Tempore to execute the Ordinance.

SUMMARY:

The proposed Ordinance will provide the Orange County Sheriff's Department with clearly established legal authority to protect the public and deter criminal activity. It is expected that over time, this ordinance should reduce the total number of catalytic converter thefts within the City.

A copy of the proposed Ordinance and the Staff Report for the introduction of the Ordinance, including attachments, are included as attachments to this report. The City Council introduced the Ordinance by a vote of 4-0 (Council Member Pezold was absent) on September 13, 2022. It is now in order to adopt the Ordinance and to authorize the Mayor/Mayor Pro Tempore to sign the Ordinance.

Second Reading & Adoption of Ordinance - Prohibiting Catalytic Converters

September 27, 2022

Page 2

ATTACHMENTS:

- Proposed Ordinance Prohibiting Unlawful Possession of Catalytic Converters in the City
- September 13, 2022 - Introduction of Ordinance Staff Report and Attachments

ORDINANCE NO. 2022-X

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF LAGUNA HILLS, CALIFORNIA, ADDING CHAPTER 6-44 TO TITLE 6 (PUBLIC WELFARE) OF THE LAGUNA HILLS MUNICIPAL CODE ESTABLISHING REGULATIONS PROHIBITING THE UNLAWFUL POSSESSION OF CATALYTIC CONVERTERS IN THE CITY

WHEREAS, the City of Laguna Hills and its citizens have experienced a dramatic increase in the theft of catalytic converters over the past several years; and

WHEREAS, the number of catalytic converter thefts in the City of Laguna Hills rose from approximately 13 in the year 2019, to 73 in the year 2020, and to 79 in the year 2021 which marks an increase of approximately 457% over that period; and

WHEREAS, the nature of catalytic converter thefts makes it difficult for law enforcement to prosecute offenders due to the fact that it is extremely difficult to identify victims of the thefts; and

WHEREAS, there are currently no federal, state, or local laws or regulations which criminalize the unlawful possession within the City of catalytic converters which are not attached to vehicles; and

WHEREAS, there are currently no federal, state, or local laws or regulations which prohibit the unlawful recycling or sale of unlawfully obtained catalytic converters within the City, thus leading to the increase of such activity within the City; and

WHEREAS, there are currently no federal, state, or local laws or regulations which require individuals in possession of catalytic converters that are not attached to vehicles to provide proof to law enforcement of lawful possession, which limits law enforcement's ability to protect the public by deterring catalytic converter thefts, as well as limits law enforcement's ability to seize catalytic converters that are suspected to be stolen unless an identifiable victim has been located; and

WHEREAS, catalytic converter thefts are on the rise because individuals are incentivized to commit such thefts for many reasons including, but not limited to, 1) the ease such thefts can be committed in a very short period of time with common tools, 2) the ability to recycle catalytic converters as scrap metal for high dollar amounts ranging from \$200 to \$1,200 per catalytic converter, and 3) loopholes in the law which, as a practical matter, protect criminals from prosecution unless a specific victim can be identified; and

WHEREAS, finding victims of these crimes is nearly impossible because it is extremely difficult to catch criminals in the act of unlawfully removing a catalytic converter from a vehicle, coupled with the fact that catalytic converters do not have any identifying marks or serial numbers, which would allow law enforcement to trace stolen catalytic converters to a specific vehicle or victim; and

WHEREAS, due to the lack of legislation in this area, most catalytic converter thefts go unsolved, which is fundamentally unacceptable for the citizens of Laguna Hills; and

WHEREAS, the citizens of Laguna Hills and the Orange County Sheriff's Department are in need of legislation for multiple reasons including, but not limited to, (1) the need for deterrence by establishing zero-tolerance for catalytic converter thefts, (2) creating penalties for possessing stolen catalytic converters, (3) preventing criminals from profiting from the sale and recycling of stolen catalytic converters, (4) providing indirect justice to victims of catalytic converter theft, and (5) minimizing the fiscal and personnel impact on the City of Laguna Hills caused by catalytic converter thefts and related investigations; and

WHEREAS, individuals who are in possession of stolen catalytic converters recycle them for substantial sums of money while the victims of such thefts are required to pay thousands of dollars to repair their vehicles, are inconvenienced by the time such repairs take, and feel less safe in their community; and

WHEREAS, this ordinance is necessary to provide the Orange County Sheriff's Department with clearly established legal authority to protect the public and deter this criminal activity.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF LAGUNA HILLS, CALIFORNIA, HEREBY ORDAINS AS FOLLOWS:

SECTION 1. The above recitals are true and correct and are incorporated herein.

SECTION 2. Chapter 6-44 (Unlawful Possession of Catalytic Converters) is hereby added to Title 6 (Public Welfare) of the Laguna Hills Municipal Code to read in its entirety as follows:

CHAPTER 6-44 – UNLAWFUL POSSESSION OF CATALYTIC CONVERTERS

6-44.010 – Unlawful Possession of a Catalytic Converter

- A. It shall be unlawful to possess any catalytic converter that is not attached to a vehicle unless the possessor has valid documentation or other proof to establish that they are in lawful possession of the catalytic converter.
- B. For purposes of this section, "lawful possession" includes being the lawful owner of the catalytic converter, or in possession of the catalytic converter with the lawful owner's written consent. It is not required to prove that a catalytic converter was stolen to establish that the possession is not a "lawful possession."
- C. For purposes of this section, "documentation or other proof" means written document(s) that clearly identify the vehicle from which the catalytic converter originated and includes, but is not limited to the following document types: bill of sale from the original owner with photographs, documentation from an auto-body shop proving the owner relinquished the catalytic converter to the auto-body shop;

verifiable written or electronic communication from the previous owner to the possessor relinquishing ownership of the catalytic converter; photographs of the vehicle from which the catalytic converter originated and which show the vehicle's license plate or vehicle identification number (VIN); or, vehicle registration for the vehicle from which the catalytic converter originated, coupled with a corresponding license plate or VIN number etched onto the catalytic converter. The validity of "documentation or other proof" shall be based on the totality of the circumstances.

- D. Each and every violation of this section shall constitute a separate violation and shall be subject to remedies and enforcement as set forth in the Laguna Hills Municipal Code. Each and every catalytic converter which is unlawfully possessed constitutes a separate violation of this section.
- E. Violations of this section constitute misdemeanors and upon conviction are punishable by a fine not to exceed \$1,000, imprisonment in the county jail for a period of up to six (6) months, or by both such fine and imprisonment.
- F. The remedies provided herein are not to be construed as exclusive remedies. The City is authorized to pursue any proceedings that are authorized by this Code or any other law for violations of this section.

SECTION 3. This ordinance is exempt from the requirements of the California Environmental Quality Act ("CEQA") pursuant to state CEQA guidelines because there is no possibility that this ordinance or its implementation would have a significant negative effect on the environment. (14 Cal. Code Regs. § 15061(b)(3)) City staff shall cause a Notice of Exemption to be filed as authorized by CEQA and state CEQA guidelines.

SECTION 4. If any section, subsection, subdivision, sentence, clause, phrase, or portion of this ordinance is, for any reason, held to be invalid or unconstitutional by the decision of any court of competent jurisdiction, such decision shall not affect the validity of the remaining portions of this ordinance. The City Council hereby declares that it would have adopted this ordinance and each section, subsection, subdivision, sentence, clause, phrase, or portion thereof, irrespective of the fact that any one or more section, subsection, subdivision, sentence, clause, phrase, or portion thereof be declared invalid or unconstitutional.

SECTION 5. The City Clerk shall certify to the adoption of this ordinance and cause the same to be posted at the duly designated posting places within the City and published once within fifteen days after passage and adoption as may be required by law; or, in the alternative, the City Clerk may cause to be published a summary of this ordinance and a certified copy of the text of this ordinance shall be posted in the office of the City Clerk five days prior to the date of adoption of this ordinance; and, within fifteen days after adoption, the City Clerk shall cause to be published the aforementioned summary and shall post a certified copy of this ordinance, together with the vote for and against the same, in the office of the City Clerk.

PASSED, APPROVED, AND ADOPTED this X day of X 2022.

DAVE WHEELER, MAYOR

ATTEST:

JENNIFER LEE, INTERIM CITY CLERK

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

I, Jennifer Lee, Interim City Clerk of the City of Laguna Hills, California, DO HEREBY CERTIFY that the foregoing Ordinance No. 2022-X was duly introduced and placed upon its first reading at a Regular Meeting of the City Council on the 13th day of September 2022, and that thereafter, said ordinance was duly adopted and passed at a Regular Meeting of the City Council held on the X day of X 2022, by the following vote, to wit:

AYES:

NOES:

ABSENT:

ABSTAIN:

(SEAL)

JENNIFER LEE, INTERIM CITY CLERK

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

AFFIDAVIT OF POSTING
AND PUBLICATION

JENNIFER LEE, being first duly sworn, deposes and says:

That she is the duly appointed and qualified Interim City Clerk of the City of Laguna Hills;

That in compliance with State Laws of the State of California, ORDINANCE NO. 2022-X, being:

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF LAGUNA HILLS, CALIFORNIA, ADDING CHAPTER 6-44 TO TITLE 6 (PUBLIC WELFARE) OF THE LAGUNA HILLS MUNICIPAL CODE ESTABLISHING REGULATIONS PROHIBITING THE UNLAWFUL POSSESSION OF CATALYTIC CONVERTERS IN THE CITY

on the 22nd day of September 2022, and on the X day of X 2022, was published in summary in the Saddleback Valley News; and was, in compliance with City Resolution No. 2004-05-25-2, by the 23rd day of September 2022, and the X day of X 2022, caused to be posted in three places in the City of Laguna Hills, to wit:

Laguna Hills City Hall
Laguna Hills Community Center
La Paz Center

JENNIFER LEE, INTERIM CITY CLERK
Laguna Hills, California



City of Laguna Hills

City Council/Planning Agency

Staff Report

DATE: September 13, 2022

TO: Mayor and Council Members

FROM: Captain Rene De La Rosa
Acting Chief of Police Services

ISSUE: Introduction and First Reading of a Proposed Ordinance Prohibiting Unlawful Possession of Catalytic Converters in the City

RECOMMENDATION: That the City Council: 1) Receive and file the staff report and presentation; and 2) Introduce for first reading, read by title only, and waive further reading of an ordinance entitled: "An Ordinance of the City Council of the City of Laguna Hills, California, Adding Chapter 6-44 to Title 6 (Public Welfare) of the Laguna Hills Municipal Code Establishing Regulations Prohibiting the Unlawful Possession of Catalytic Converters in the City."

SUMMARY:

Over the past several years, thefts of catalytic converters within the City of Laguna Hills, as well as within jurisdictions across Orange County and California as a whole, have increased dramatically. In an effort to combat the theft, transportation, and recycling of illegally obtained catalytic converters in the City of Laguna Hills, the City Attorney's Office, in conjunction with the Orange County Sheriff's Department, is proposing a new ordinance which will make it unlawful to possess a catalytic converter that is not attached to a vehicle unless the possessor has valid documentation or other proof of lawful possession.

BACKGROUND:

According to crime statistics from the Orange County Sheriff's Department there were 13 reported catalytic converter thefts reported in the City in 2019. That number increased by approximately 375% in 2020 to a total of 73 such thefts. That number

Proposed Ordinance Regarding Catalytic Converters

September 13, 2022

Page 2

increased again in 2021 to 79 catalytic convertor thefts marking an increase of approximately 475% in just a three-year period. Reports of catalytic convertor thefts continue in 2022 with 32 being report as of August this year.

The rise in catalytic converter thefts can be attributed to several factors. First, a theft of a catalytic converter can be accomplished within a matter of seconds using common household tools such as a reciprocating saw or handheld circular saw. This, coupled with the ease with which criminals can access a vehicle's catalytic converter, makes it nearly impossible to catch criminals in the act of committing a catalytic converter theft. Next, catalytic converters contain precious metals such as platinum, palladium, and rhodium, which can be recycled for substantial sums. As a result, criminals sell the stolen catalytic converters to scrap metal yards who, in turn, remove the precious metals and sells them for a high profit.

Catalytic converter thefts are nearly impossible for law enforcement agencies to investigate because the stolen catalytic converters do not have any identifying markings (e.g. serial numbers, vehicle identification numbers, or license plate numbers) which can be used to identify victims of theft. Without a victim of a theft, law enforcement officers cannot arrest suspected criminals for mere possession of a catalytic converter that appears to be stolen. Thus, despite the fact that there are very few instances when an individual would lawfully be in possession of a catalytic converter that is not attached to a vehicle, criminals cannot be charged with any offense given the lack of a specifically identifiable victim.

There are currently no federal, state, or local laws or regulations which criminalize the possession of a catalytic converter which is not attached to a vehicle. Further, there is no federal, state, or local law which criminalizes the sale or recycling of unlawfully obtained catalytic converters. The lack of regulation in this area incentivizes criminals to steal catalytic converters and scrap yards and similar businesses to purchase the stolen items in order to recycle the precious metals for a profit.

Finally, there are currently no federal, state, or local laws or regulations which require individuals in possession of catalytic converters which are not attached to vehicles to provide proof to law enforcement of lawful possession. This limits law enforcement's ability to protect the public by deterring catalytic converter thefts, as well as limits law enforcement's ability to seize catalytic converters which are suspected to be stolen unless an identifiable victim can be located.

Proposed Ordinance Regarding Catalytic Converters
September 13, 2022
Page 3

Given the lack of regulation in this area, the majority of catalytic converter thefts within Orange County go unsolved.

The citizens of Laguna Hills and the Orange County Sheriff's Department are in need of legislation for multiple reasons including, but not limited to: 1) the need for deterrence by establishing zero-tolerance for catalytic converter thefts, 2) creating penalties for possessing stolen catalytic converters, 3) preventing criminals from profiting from the sale and recycling of stolen catalytic converters, 4) providing indirect justice to victims of catalytic converter theft, and 5) minimizing the fiscal and personnel impact on the City of Laguna Hills caused by catalytic converter thefts and related investigations.

The proposed ordinance will provide the Orange County Sheriff's Department with clearly established legal authority to protect the public and deter criminal activity. It is expected that over time, this ordinance should reduce the total number of catalytic converter thefts within the City.

CONCLUSION:

Given the foregoing, the Chief of Police Services and the City Attorney hereby recommend that the City Council introduce for first reading, read by title only, and waive further reading of an ordinance entitled, "An Ordinance of the City Council of the City of Laguna Hills, California, Adding Chapter 6-44 to Title 6 (Public Welfare) of the Laguna Hills Municipal Code Establishing Regulations Prohibiting the Unlawful Possession of Catalytic Converters in the City."

ATTACHMENTS:

- Proposed Ordinance Prohibiting Unlawful Possession of Catalytic Converters in the City

ORDINANCE NO. 2022-X

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF LAGUNA HILLS, CALIFORNIA, ADDING CHAPTER 6-44 TO TITLE 6 (PUBLIC WELFARE) OF THE LAGUNA HILLS MUNICIPAL CODE ESTABLISHING REGULATIONS PROHIBITING THE UNLAWFUL POSSESSION OF CATALYTIC CONVERTERS IN THE CITY

WHEREAS, the City of Laguna Hills and its citizens have experienced a dramatic increase in the theft of catalytic converters over the past several years; and

WHEREAS, the number of catalytic converter thefts in the City of Laguna Hills rose from approximately 13 in the year 2019, to 73 in the year 2020, and to 79 in the year 2021 which marks an increase of approximately 457% over that period; and

WHEREAS, the nature of catalytic converter thefts makes it difficult for law enforcement to prosecute offenders due to the fact that it is extremely difficult to identify victims of the thefts; and

WHEREAS, there are currently no federal, state, or local laws or regulations which criminalize the unlawful possession within the City of catalytic converters which are not attached to vehicles; and

WHEREAS, there are currently no federal, state, or local laws or regulations which prohibit the unlawful recycling or sale of unlawfully obtained catalytic converters within the City, thus leading to the increase of such activity within the City; and

WHEREAS, there are currently no federal, state, or local laws or regulations which require individuals in possession of catalytic converters that are not attached to vehicles to provide proof to law enforcement of lawful possession, which limits law enforcement's ability to protect the public by deterring catalytic converter thefts, as well as limits law enforcement's ability to seize catalytic converters that are suspected to be stolen unless an identifiable victim has been located; and

WHEREAS, catalytic converter thefts are on the rise because individuals are incentivized to commit such thefts for many reasons including, but not limited to, 1) the ease such thefts can be committed in a very short period of time with common tools, 2) the ability to recycle catalytic converters as scrap metal for high dollar amounts ranging from \$200 to \$1,200 per catalytic converter, and 3) loopholes in the law which, as a practical matter, protect criminals from prosecution unless a specific victim can be identified; and

WHEREAS, finding victims of these crimes is nearly impossible because it is extremely difficult to catch criminals in the act of unlawfully removing a catalytic converter from a vehicle, coupled with the fact that catalytic converters do not have any identifying marks or serial numbers, which would allow law enforcement to trace stolen catalytic converters to a specific vehicle or victim; and

WHEREAS, due to the lack of legislation in this area, most catalytic converter thefts go unsolved, which is fundamentally unacceptable for the citizens of Laguna Hills; and

WHEREAS, the citizens of Laguna Hills and the Orange County Sheriff's Department are in need of legislation for multiple reasons including, but not limited to, (1) the need for deterrence by establishing zero-tolerance for catalytic converter thefts, (2) creating penalties for possessing stolen catalytic converters, (3) preventing criminals from profiting from the sale and recycling of stolen catalytic converters, (4) providing indirect justice to victims of catalytic converter theft, and (5) minimizing the fiscal and personnel impact on the City of Laguna Hills caused by catalytic converter thefts and related investigations; and

WHEREAS, individuals who are in possession of stolen catalytic converters recycle them for substantial sums of money while the victims of such thefts are required to pay thousands of dollars to repair their vehicles, are inconvenienced by the time such repairs take, and feel less safe in their community; and

WHEREAS, this ordinance is necessary to provide the Orange County Sheriff's Department with clearly established legal authority to protect the public and deter this criminal activity.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF LAGUNA HILLS, CALIFORNIA, HEREBY ORDAINS AS FOLLOWS:

SECTION 1. The above recitals are true and correct and are incorporated herein.

SECTION 2. Chapter 6-44 (Unlawful Possession of Catalytic Converters) is hereby added to Title 6 (Public Welfare) of the Laguna Hills Municipal Code to read in its entirety as follows:

CHAPTER 6-44 – UNLAWFUL POSSESSION OF CATALYTIC CONVERTERS

6-44.010 – Unlawful Possession of a Catalytic Converter

- A. It shall be unlawful to possess any catalytic converter that is not attached to a vehicle unless the possessor has valid documentation or other proof to establish that they are in lawful possession of the catalytic converter.
- B. For purposes of this section, "lawful possession" includes being the lawful owner of the catalytic converter, or in possession of the catalytic converter with the lawful owner's written consent. It is not required to prove that a catalytic converter was stolen to establish that the possession is not a "lawful possession."
- C. For purposes of this section, "documentation or other proof" means written document(s) that clearly identify the vehicle from which the catalytic converter originated and includes, but is not limited to the following document types: bill of sale from the original owner with photographs, documentation from an auto-body shop proving the owner relinquished the catalytic converter to the auto-body shop;

verifiable written or electronic communication from the previous owner to the possessor relinquishing ownership of the catalytic converter; photographs of the vehicle from which the catalytic converter originated and which show the vehicle's license plate or vehicle identification number (VIN); or, vehicle registration for the vehicle from which the catalytic converter originated, coupled with a corresponding license plate or VIN number etched onto the catalytic converter. The validity of "documentation or other proof" shall be based on the totality of the circumstances.

- D. Each and every violation of this section shall constitute a separate violation and shall be subject to remedies and enforcement as set forth in the Laguna Hills Municipal Code. Each and every catalytic converter which is unlawfully possessed constitutes a separate violation of this section.
- E. Violations of this section constitute misdemeanors and upon conviction are punishable by a fine not to exceed \$1,000, imprisonment in the county jail for a period of up to six (6) months, or by both such fine and imprisonment.
- F. The remedies provided herein are not to be construed as exclusive remedies. The City is authorized to pursue any proceedings that are authorized by this Code or any other law for violations of this section.

SECTION 3. This ordinance is exempt from the requirements of the California Environmental Quality Act ("CEQA") pursuant to state CEQA guidelines because there is no possibility that this ordinance or its implementation would have a significant negative effect on the environment. (14 Cal. Code Regs. § 15061(b)(3)) City staff shall cause a Notice of Exemption to be filed as authorized by CEQA and state CEQA guidelines.

SECTION 4. If any section, subsection, subdivision, sentence, clause, phrase, or portion of this ordinance is, for any reason, held to be invalid or unconstitutional by the decision of any court of competent jurisdiction, such decision shall not affect the validity of the remaining portions of this ordinance. The City Council hereby declares that it would have adopted this ordinance and each section, subsection, subdivision, sentence, clause, phrase, or portion thereof, irrespective of the fact that any one or more section, subsection, subdivision, sentence, clause, phrase, or portion thereof be declared invalid or unconstitutional.

SECTION 5. The City Clerk shall certify to the adoption of this ordinance and cause the same to be posted at the duly designated posting places within the City and published once within fifteen days after passage and adoption as may be required by law; or, in the alternative, the City Clerk may cause to be published a summary of this ordinance and a certified copy of the text of this ordinance shall be posted in the office of the City Clerk five days prior to the date of adoption of this ordinance; and, within fifteen days after adoption, the City Clerk shall cause to be published the aforementioned summary and shall post a certified copy of this ordinance, together with the vote for and against the same, in the office of the City Clerk.

PASSED, APPROVED, AND ADOPTED this X day of X 2022.

DAVE WHEELER, 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 Ordinance No. 2022-X was duly introduced and
placed upon its first reading at a Regular Meeting of the City Council on the X day of
X 2022, and that thereafter, said ordinance was duly adopted and passed at a Regular
Meeting of the City Council held on the X day of X 2022, by the following vote, to wit:

AYES:

NOES:

ABSENT:

ABSTAIN:

(SEAL)

MELISSA AU-YEUNG, CITY CLERK

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

AFFIDAVIT OF POSTING
AND PUBLICATION

MELISSA AU-YEUNG, being first duly sworn, deposes and says:

That she is the duly appointed and qualified City Clerk of the City of Laguna Hills;

That in compliance with State Laws of the State of California,
ORDINANCE NO. 2022-X, being:

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF LAGUNA
HILLS, CALIFORNIA, ADDING CHAPTER 6-44 TO TITLE 6 (PUBLIC
WELFARE) OF THE LAGUNA HILLS MUNICIPAL CODE ESTABLISHING
REGULATIONS PROHIBITING THE UNLAWFUL POSSESSION OF
CATALYTIC CONVERTERS IN THE CITY

on the X day of X 2022, and on the X day of X 2022, was published in summary in the
Saddleback Valley News; and was, in compliance with City Resolution
No. 2004-05-25-2, by the X day of X 2022, and the X day of X 2022, caused to be posted
in three places in the City of Laguna Hills, to wit:

Laguna Hills City Hall
Laguna Hills Community Center
La Paz Center

MELISSA AU-YEUNG, CITY CLERK
Laguna Hills, California



City of Laguna Hills

City Council/Planning Agency

Staff Report

DATE: September 27, 2022

TO: Mayor and Council Members

FROM: Janice Reyes
Finance Director

ISSUE: Financial Update and Mid-Cycle 2021-2023 Biennial Budget Review

RECOMMENDATION: That the City Council receive and file the financial update for the fiscal year ended June 30, 2022 and provide direction to staff on proposed amendments to the fiscal year 2022/2023 adopted budget.

SUMMARY:

Staff has prepared an unaudited financial report for the fiscal year ended June 30, 2022. The purpose of this report is to provide a fiscal update for Year 1 of the 2021-2023 Biennial Budget (FY 2021/2022). Additionally, staff is seeking direction from City Council on the list of proposed budget amendments to the current FY 2022/2023 budget, included as Attachment E "Proposed FY 2022/2023 Budget Amendments" to this report.

BACKGROUND:

Staff has prepared the following list of unaudited financial reports, as attached, which summarizes the City's financial performance for fiscal year ended June 30, 2022, for the General Fund, Capital Improvement Program, Debt Service, and other city governmental funds.

Total Budget Summary (Attachment A) – This report provides a detailed comparison of the FY 2021/2022 budget versus year-end revenues and expenditures, for all governmental funds.

Capital Improvement Program (Attachment B) – This report provides a comparison of the FY 2021/2022 capital improvement program budget versus year-end expenditures and their funding sources.

Year-End Fund Balance by Fund (Attachment C) – This report provides the unaudited revenues, expenditures, and changes in fund balance, by fund for all governmental funds for the fiscal year ended June 30, 2022.

Financial Policy Reserves (Attachment D) – This report provides a comparison of the FY 2021/2022 budget versus year-end financial reserves. Fund Balances of governmental funds are reported separately within classifications based on a hierarchy of constraints placed on the use of those resources. Fund balances are considered “restricted” if there are externally imposed restrictions on its usage, are considered “assigned” by the City’s intent to be used for specific purposes, e.g. reserves as established in the City’s Financial Policy No. 105, and the residual fund balance remaining is considered “unassigned”.

Additionally, Staff has prepared a list of proposed budget amendments to the current FY 2022/2023 budget, which is included as **Attachment E “Proposed FY 2022/2023 Budget Amendments”** to this report. The fiscal impact of the proposed amendments to FY 2022/2023, along with appropriations carried over from the first year to the second year of the two-year biennial budget pursuant to the City’s Financial Policy No. 105, is presented in **Attachment F “Total Budget Summary FY 2022/2023”**.

ATTACHMENTS:

- Attachment A - Total Budget Summary FY 2021/2022
- Attachment B - Capital Improvement Program FY 2021/2022
- Attachment C - Year End Fund Balance by Fund, As of June 30, 2022
- Attachment D - Financial Policy Reserves, As of June 30, 2022
- Attachment E - Proposed Budget Amendments FY 2022/2023
- Attachment F - Total Budget Summary FY 2022/2023

FUNDING SOURCES

General Fund Revenues

Property Taxes

Secured, Unsecured, Public Utility, Supplementals, Homeowners' Exemption	\$ 8,365,054	\$ 8,503,784	\$ 138,730	2%
Prior Year	50,580	84,430	33,850	67%
Miscellaneous, Interest & Penalties	22,000	11,228	(10,772)	-49%
Property Transfer Taxes	250,000	336,620	86,620	35%
Property Tax In-Lieu of VLF	3,354,482	3,404,462	49,980	1%
Total Property Taxes	12,042,115	12,340,523	298,408	2%

Franchise & Transient Occupancy Taxes

Utility Franchise Fees

Cable TV	442,000	386,651	(55,349)	-13%
San Diego Gas & Electric	179,000	204,645	25,645	14%
Southern California Edison	177,000	223,055	46,055	26%
Southern California Gas Co.	67,000	85,064	18,064	27%
<i>Sub-total Utility Franchise Fees</i>	<i>865,000</i>	<i>899,415</i>	<i>34,415</i>	<i>4%</i>

Waste Disposal/Recycling Fees

Waste Haulers	320,825	331,891	11,066	3%
Admin Fee - Waste Recycling	20,500	20,564	64	0%
<i>Sub-total Waste/Recycling</i>	<i>341,325</i>	<i>352,455</i>	<i>11,130</i>	<i>3%</i>

Transient Occupancy Taxes

	800,000	1,021,089	221,089	28%
Total Franchise & Transient Occupancy Tax	2,006,325	2,272,959	266,634	13%

Intergovernmental Revenues

Sales & Use Tax	5,807,432	6,940,812	1,133,380	20%
Motor Vehicle in Lieu	25,625	35,897	10,272	40%
State Mandated Reimbursement	-	-	-	-
County Landfill Agreement	70,725	53,732	(16,993)	-24%
Total Intergovernmental Revenues	5,903,782	7,030,440	1,126,658	19%

Licenses and Permits

Building Related Licenses/Permits

Building Permits	600,000	537,607	(62,393)	-10%
Plan Check Fees	200,000	241,490	41,490	21%
Imaging Plans and Documents Fee	40,000	43,518	3,518	9%
<i>Sub-total Building Permits</i>	<i>840,000</i>	<i>822,614</i>	<i>(17,386)</i>	<i>-2%</i>

Engineering Fees

Transportation Permit	1,500	1,362	(138)	-9%
Encroachment Permit	175,000	232,929	57,929	33%
Traffic Permit & License Fees	2,000	6,690	4,690	235%
<i>Sub-total Engineering Permits</i>	<i>178,500</i>	<i>240,981</i>	<i>62,481</i>	<i>35%</i>

Total Licenses and Permits

	1,018,500	1,063,595	45,095	4%
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	FY 21/22 BUDGET	FY 21/22 YEAR END	FY 21-22 \$ Variance (Under)/Over Budget	FY 21-22 % Variance (Under)/Over Budget
Charges for Current Services				
Recreation Fees				
Recreation Programs	220,365	99,761	(120,604)	-55%
Facility Reservations	135,900	121,648	(14,252)	-10%
Outdoor Facility Reservations	63,450	40,950	(22,500)	-35%
Special Events - 4th of July	-	-	-	
Memorial Day Race - Registration Fees	174,800	165,799	(9,001)	-5%
Memorial Day Race - Sponsorships	29,000	3,500	(25,500)	-88%
<i>Sub-total Recreation Fees</i>	<i>623,515</i>	<i>431,658</i>	<i>(191,857)</i>	<i>-31%</i>
Development Services				
Planning and Zoning Fees	75,000	110,527	35,527	47%
Planning Fees - MGP Development Applic.		64,314	64,314	
Improvement Inspect	35,000	48,703	13,703	39%
<i>Sub-total Development Fees</i>	<i>110,000</i>	<i>223,544</i>	<i>113,544</i>	<i>103%</i>
Leases and Rental Fees				
Cell Tower Lease	115,500	120,962	5,462	5%
Library Lease	42,000	42,000	-	0%
<i>Sub-total Leases/Rentals</i>	<i>157,500</i>	<i>162,962</i>	<i>5,462</i>	<i>3%</i>
Other Service Charges				
Sale of Publications/Maps	-	834	834	
<i>Sub-total Other Service Charges</i>	<i>-</i>	<i>834</i>	<i>834</i>	
Miscellaneous Operating Revenues	200,000	142,014	(57,986)	-29%
Total Charges for Services	1,091,015	961,012	(130,003)	-12%
Fines and Forfeitures				
Code Fines	100,000	105,033	5,033	5%
Parking Fines	75,000	68,421	(6,579)	-9%
Total Fines and Fortfeitures	175,000	173,454	(1,546)	-1%
Total General Fund Revenues	\$ 22,236,737	\$ 23,841,984	\$ 1,605,247	7%

	FY 21/22 BUDGET	FY 21/22 YEAR END	FY 21-22 \$ Variance (Under)/Over Budget	FY 21-22 % Variance (Under)/Over Budget
Special Revenues & Other Funding Sources				
CIP Funding Sources				
Gas Tax	\$ 766,768	\$ 736,266	\$ (30,502)	-4%
SB1 RMRA	605,278	627,548	22,270	4%
Measure M2 Competitive	200,000	35,000	(165,000)	-83%
AB 2766	40,000	39,857	(143)	0%
Proposition 68	200,000		(200,000)	-100%
County of Orange - Clerk Recorder Office		218,713	218,713	
Total CIP Funding Sources	1,812,046	1,657,384	(154,662)	-9%
Measure M2 Local Fair Share	576,042	731,430	155,388	27%
Private Donations & Various Sponsorships		9,859	9,859	
Housing Element Update Grants	275,000		(275,000)	-100%
Hazard Mitigation Plan FEMA Grant	30,000	10,652	(19,348)	-64%
Law Enforcement	150,000	161,285	11,285	8%
SB 1383 Grant Funds		44,821	44,821	
Beverage Recycling		8,022	8,022	
CR&R Recycling Fee	110,000	2,000	(108,000)	-98%
C&D Forfeited Deposits	100,000	82,011	(17,989)	-18%
Senior Mobility Program	38,970	47,358	8,388	22%
CASp	5,000	5,706	706	14%
CARES Act - State EDD		3,609	3,609	
American Rescue Plan Act	3,732,689	3,732,689	-	0%
VALH - MGP Development Application		451,143	451,143	
Total Special Revenues & Other Funding	\$ 6,829,747	\$ 6,947,970	\$ 118,223	2%
Investment Income	100,000	46,143	(53,857)	-54%
TOTAL FUNDING SOURCES	\$ 29,166,484	\$ 30,836,097	\$ 1,669,613	6%

FUNDING USES

General Fund

General Government

Personnel	\$ 1,945,753	\$ 1,754,128	\$ (191,625)	-10%
Maintenance and Operation	223,065	149,786	(73,279)	-33%
Contract Services	601,470	597,109	(4,361)	-1%
Total General Government	2,770,288	2,501,022	(269,266)	-10%

Non-departmental

Personnel	529,890	518,124	(11,766)	-2%
Maintenance and Operation	761,543	749,151	(12,392)	-2%
Contract Services	249,117	206,050	(43,067)	-17%
Capital Outlay	52,200	63,991	11,791	23%
Total Non-departmental	1,592,750	1,537,316	(55,434)	-3%

Community Development

Personnel	866,342	683,457	(182,886)	-21%
Maintenance and Operation	12,350	7,570	(4,780)	-39%
Contract Services	645,000	619,607	(25,393)	-4%
Total Community Development	1,523,692	1,310,633	(213,059)	-14%

Public Works

Personnel	703,966	753,396	49,430	7%
Maintenance and Operation	1,048,250	1,215,598	167,348	16%
Contract Services	3,034,500	2,878,519	(155,981)	-5%
Capital Outlay	-	-	-	-
Total Public Works	4,786,716	4,847,514	60,798	1%

Community Services

Personnel	1,102,088	999,465	(102,623)	-9%
Maintenance and Operation	600,770	650,535	49,765	8%
Contract Services	332,730	270,401	(62,329)	-19%
Capital Outlay	1,500	674	(826)	-55%
Total Community Services	2,037,088	1,921,076	(116,012)	-6%

Public Safety

Maintenance and Operation	53,900	60,385	6,485	12%
Contract Services	9,366,514	8,932,283	(434,231)	-5%
COVID-19 Emergency Management				
Capital Outlay	50,000	38,331	(11,669)	-23%
Total Public Safety	9,470,414	9,031,000	(439,414)	-5%

Total General Fund Expenditures

\$ 22,180,948	\$ 21,148,560	\$ (1,032,388)	-5%
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Attachment: Attachment A - Total Budget Summary FY 2021/2022 (2968 : FY 21/22 Financial Update & Mid-Cycle Budget Review)

CITY OF LAGUNA HILLS

FISCAL YEAR ENDED JUNE 30, 2022

TOTAL BUDGET SUMMARY

Attachment **7.2.1.a**

	FY 21/22 BUDGET	FY 21/22 YEAR END	FY 21-22 \$ Variance (Under)/Over Budget	FY 21-22 % Variance (Under)/Over Budget
Capital Improvement Program (CIP)				
Streets, Signals & Lighting	\$ 3,000,000	\$ 2,693,851	\$ (306,149)	-10%
Flood Control and Water Quality	500,000	226,028	(273,972)	-55%
Parks	290,000	24,276	(265,724)	-92%
Public Facilities	169,100	386,731	217,631	129%
Trails and Open Spaces	200,000	69,338	(130,663)	-65%
Total CIP	\$ 4,159,100	\$ 3,400,224	\$ (758,876)	-18%
Special Revenue Expenditures				
AB 2766	\$ 50,000	\$ 57,520	\$ 7,520	15%
CASp	5,000		(5,000)	-100%
Beverage Recycling	19,900	18,935	(965)	-5%
CR&R Recycling Fee	117,000		(117,000)	-100%
C&D Forfeited Deposits	130,000	168,052	38,052	29%
Senior Mobility	54,230	8,242	(45,988)	-85%
CARES Act - State EDD		3,609	3,609	
VALH - MGP Development Application		451,143	451,143	
Total Special Revenue Expenditures	\$ 376,130	\$ 707,502	\$ 331,372	88%
Debt Service				
Interest	\$ 127,881	\$ 127,881	\$ 0	0%
Principle	1,670,000	1,670,000	-	0%
Trustee Administration Fee	2,040	2,041	1	0%
Total Debt Service Expenditures	\$ 1,799,921	\$ 1,799,922	\$ 1	0%
Use of Reserves	50,000	67,545	17,545	35%
TOTAL FUNDING USES	\$ 28,566,099	\$ 27,123,753	\$ (1,442,346)	-5%
NET CHANGE IN FUND BALANCE	600,385	3,712,345	3,111,959	518%
FUND BALANCE				
Beginning Balance, July 1	13,118,079	14,530,351	1,412,272	11%
Ending Balance, June 30	\$ 13,718,464	\$ 18,242,696	\$ 4,524,232	33%

Attachment: Attachment A - Total Budget Summary FY 2021/2022 (2968 : FY 21/22 Financial Update & Mid-Cycle Budget Review)

CITY OF LAGUNA HILLS
CAPITAL IMPROVEMENT PROGRAM - FISCAL YEAR 2021-22

	CURRENT BUDGET			YEAR-END As of 06/30/2022		
CAPITAL IMPROVEMENT PROJECT	Expenditure	Funding Source		Expenditure	Funding Source	
<u>STREETS, SIGNALS & LIGHTING</u>						
CIP 101 Annual Street Maintenance	2,900,000	-	GF	2,664,626		GF
		1,600,000	Gas Tax HUTA		1,452,956	Gas Tax HUTA
		1,300,000	Gas Tax RMRA		1,211,670	Gas Tax RMRA
CIP 168 Traffic Signal Coordination	100,000	100,000	Gas Tax HUTA	29,225	29,225	Gas Tax HUTA
TOTAL STREETS, SIGNALS & LIGHTING	3,000,000	3,000,000		2,693,851	2,693,851	
<u>PARK CAPITAL IMPROVEMENTS</u>						
CIP 237 Parks Refurbishment Project	240,000	40,000	GF	1,933	1,933	GF
		200,000	Prop 68			Prop 68
CIP 238 Community Ctr & Sports Complex Field Renovations	50,000	50,000	GF	22,344	22,344	GF
TOTAL PARK CAPITAL IMPROVEMENTS	290,000	290,000		24,276	24,276	
<u>FLOOD CONTROL</u>						
CIP 403 Storm Drain/Slope Repairs	50,000	50,000	Capital Reserve Fund	73,188	73,188	Capital Reserve Fund
CIP 410 NPDES / Water Quality	200,000	200,000	GF	152,840	152,840	GF
CIP 412 Water Quality (2) Improvements	250,000	50,000	GF			
		200,000	Measure M Comp			
TOTAL FLOOD CONTROL	500,000	500,000		226,028	226,028	
<u>PUBLIC FACILITIES</u>						
CIP 505 Civic Center Renovations	104,400	54,400	AB 2766	61,065	61,065	AB 2766
		50,000	Capital Reserve			Capital Reserve
CIP 555 Civic Center Tenant Improvements			GF	218,713		GF
					218,713	County Clerk Recorder
CIP 513 Community Center Renovations	9,700		Capital Reserve	4,800		Capital Reserve
		9,700	GF		4,800	GF
CIP 517 El Toro Rd Bus Shelter @ PDV				36,633	1,633	GF
					35,000	OCTA
CIP 518 Automated License Plate Readers	55,000	55,000	GF	55,000	55,000	GF
CIP 519 Holiday Pavilion Landscape				10,521	10,521	GF
TOTAL PUBLIC FACILITIES	169,100	169,100		386,731	386,731	
<u>TRAILS & OPEN SPACE</u>						
CIP 622 Luna Bonita Slope Renovations	200,000	200,000	GF	69,338	69,338	GF
TOTAL TRAILS & OPEN SPACE	200,000	200,000		69,338	69,338	
GRAND TOTAL	4,159,100	4,159,100		3,400,224	3,400,224	
		Summary of Funding Sources			Summary of Funding Sources	
		604,700	General Fund		318,408	General Fund
		1,700,000	Gas Tax		1,482,181	Gas Tax
		1,300,000	Gas Tax RMRA		1,211,670	Gas Tax RMRA
		100,000	Capital Reserve Fund		73,188	Capital Reserve Fund
		200,000	Meas M Comp		-	Meas M Comp
		54,400	AB 2766		61,065	AB 2766
		-	OCTA		35,000	OCTA
		200,000	Prop 68		-	Prop 68
		-	County Clerk Recorder		218,713	County Clerk Recorder
		4,159,100	Total		3,400,224	Total

CITY OF LAGUNA HILLS
REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE BY FUND
GOVERNMENTAL FUNDS
FISCAL YEAR ENDED JUNE 30, 2022

	Beginning Balance	Revenues	Expenditures	Excess (Deficiency) of Revenues over Expenditures	Transfers In	Transfers Out	Ending Balance
<u>BUDGET</u>							
General Fund ^(a)	\$ 7,704,006	\$ 22,336,737	\$ 22,230,948	\$ 105,789	\$ 8,471,797	\$ 5,850,767	\$ 10,430,825
Gas Tax Fund (HUTA & RMRA)	1,495,505	1,372,046		1,372,046		3,000,000	(132,449)
Measure M Fund	-	776,042		776,042		776,042	-
AB 2766 Fund	249,223	40,000	50,000	(10,000)			239,223
Senior Mobility Program Fund	110,435	38,970	54,230	(15,260)	10,846		106,021
CARITS Fund	1,272,384			-			1,272,384
Beverage Recycling Fund	19,961		19,900	(19,900)			61
CR&R Recycling Fund	7,041	110,000	117,000	(7,000)			41
C&D Forfeited Deposits Fund	68,795	100,000	130,000	(30,000)			38,795
SB 1383	-			-			-
CASp	15,187	5,000	5,000	-			15,187
Water Conservation Fund	342,437			-			342,437
CARES Act	-			-			-
ARPA SLFRF	(126,919)	3,732,689		3,732,689		2,632,255	973,515
Public Art Fund	71,948			-			71,948
Grants & Contributions Fund	88,155	505,000		505,000		505,000	88,155
Law Enforcement COPS/Brulte	-	150,000		150,000		150,000	-
Debt Service Fund	1,799,921		1,799,921	(1,799,921)	1,799,921	1,408,500	391,421
Capital Improvement Program Fund	-		4,159,100	(4,159,100)	4,040,000		(119,100)
Total - All Funds	\$ 13,118,079	\$ 29,166,484	\$ 28,566,099	\$ 600,385	\$ 14,322,564	\$ 14,322,564	\$ 13,718,464
<u>YEAR-END</u>							
General Fund ^(a)	\$ 8,826,578	\$ 24,332,313	\$ 21,667,248	\$ 2,665,065	\$ 7,789,026	\$ 5,332,120	\$ 13,948,549
Gas Tax Fund (HUTA & RMRA)	1,565,525	1,363,814		1,363,814		2,693,850	235,489
Measure M Fund	-	766,430		766,430		766,430	-
AB 2766 Fund	304,848	39,857	57,520	(17,663)		61,065	226,120
Senior Mobility Program Fund	128,302	47,358	8,242	39,116	1,648		169,066
CARITS Fund	1,272,825			-			1,272,825
Beverage Recycling Fund	19,430	8,022	18,935	(10,913)			8,517
CR&R Recycling Fund	7,043	2,000		2,000			9,043
C&D Forfeited Deposits Fund	71,151	82,011	168,052	(86,041)			(14,890)
SB 1383		44,821		44,821			44,821
CASp	21,023	5,706		5,706			26,729
Water Conservation Fund	342,555			-			342,555
CARES Act	-	3,609	3,609	-			-
ARPA SLFRF	-	3,732,689		3,732,689		3,732,689	-
Public Art Fund	71,973	-	-	-			71,973
Grants & Contributions Fund	88,185	239,224		239,224		236,279	91,130
Law Enforcement COPS/Brulte	-	161,285		161,285		161,285	-
Debt Service Fund	1,810,912	6,957	1,799,922	(1,792,965)	1,792,821		1,810,768
Capital Improvement Program Fund	-		3,400,224	(3,400,224)	3,400,224		-
Total - All Funds	\$ 14,530,350	\$ 30,836,096	\$ 27,123,752	\$ 3,712,344	\$ 12,983,719	\$ 12,983,718	\$ 18,242,695

^(a) Includes Reserves

Attachment: Attachment C - Year End Fund Balance by Fund, As of June 30, 2022 (2968 : FY 21/22 Financial Update & Mid-Cycle Budget

CITY OF LAGUNA HILLS
FINANCIAL POLICY RESERVES
For the Fiscal Year Ended June 30, 2022

	FY 21/22 BUDGET	FY 21/22 YEAR END	FY 21-22 \$ Variance (Under)/Over Budget	FY 21-22 % Variance (Under)/Over Budget
1 BEGINNING TOTAL FUND BALANCE	\$13,118,078	\$14,530,351	\$1,412,273	11%
2 General Fund Revenues	22,236,737	23,841,984	1,605,247	7%
3 Special Revenues	5,240,615	6,055,255	814,640	16%
4 Other Funding Sources	1,689,132	938,858	(750,274)	-44%
5 TOTAL REVENUES	\$29,166,484	\$30,836,097	\$1,669,613	6%
6 Operating Expenditures	22,180,948	21,148,560	(1,032,388)	-5%
7 Capital Expenditures	4,159,100	3,400,224	(758,876)	-18%
8 Other Funding Uses	376,130	707,502	331,372	88%
10 Use of Insurance Reserve Funds	50,000	67,545	17,545	35%
11 Debt Service	<u>1,799,921</u>	<u>1,799,922</u>	<u>1</u>	0%
12 TOTAL EXPENDITURES	\$28,566,099	\$27,123,753	(\$1,442,346)	-5%
13 Change in Total Fund Balance	600,385	3,712,345	3,111,959	518%
14 Ending Total Fund Balance	\$13,718,464	\$18,242,696	\$4,524,233	33%
15 Less the Following Fund Balances:				
16 Reservation for Debt Service	(391,421)	(1,810,768)	(1,419,347)	363%
17 Non-Major Governmental Funds	(3,015,318)	(2,483,378)	531,940	-18%
18 Unrestricted General Fund Balance	\$10,311,725	\$13,948,550	\$3,636,826	35%
Less the Following Designations:				
19 Capital Replacement Funds	(655,659)	(655,659)		
20 Insurance Reserve Funds	(200,000)	(200,000)		
21 Unassigned General Fund Balance	9,456,066	13,092,891	3,636,826	38%

Attachment: Attachment D - Financial Policy Reserves, As of June 30, 2022 (2968 : FY 21/22 Financial Update & Mid-Cycle Budget Review)

CITY OF LAGUNA HILLS

PROPOSED BUDGET AMENDMENTS

FISCAL YEAR 2022-2023 - OPERATING BUDGET

<u>Dept</u>	<u>Acct No.</u>	<u>Account Description</u>	FY 2022-2023 CURRENT BUDGET	Proposed Budget Adjustments (+/-)	FY 2022-2023 PROPOSED AMENDED BUDGET
Department: 155 - GENERAL GOVERNMENT					
	100-155-700010	Legal Services-General Counsel	310,000	90,000	400,000
	100-155-700020	Professional Services - Legislative	34,800	(22,800)	12,000
	100-155-700051	Professional Services - Annual Financial Audit	33,250	20,000	53,250
	100-155-720030	General Municipal Election Services	25,000	15,000	40,000
		Sub-total		102,200	
Department: 195 - NON-DEPARTMENTAL					
	100-195-611000	Training and Education	8,500		8,500
	100-195-641200	Rent/Lease - Copier	13,500	5,000	18,500
	100-195-690000	General Liability Loss Coverage	441,426	(16,660)	424,766
	100-195-690050	Employment Practices Liability Loss Coverage	15,325	(2,238)	13,087
	100-195-690100	Property Loss Coverage	95,257	14,892	110,149
	100-195-690150	Earthquake Loss Coverage	42,857	7,634	50,491
	100-195-690200	Commercial Crime Loss Coverage	4,408	(434)	3,974
	100-195-690300	Insurance Administration	48,271	5,698	53,969
	100-195-720050	Contract Services - Software Support	142,963	-	142,963
	100-195-940000	Computer Hardware & Software	21,700	85,658	107,358
		Sub-total		99,550	
Department: 225 - COMMUNITY DEVELOPMENT					
	100-225-613100	Vehicle Expense - Fuel	-	1,500	1,500
	100-225-700201	Plan Application	25,000	25,000	50,000
	100-225-700225	Housing Element	-	100,000	100,000
	100-225-700226	Rezone & Enviromental	-	250,000	250,000
	100-225-700227	Objective Design Standards	-	100,000	100,000
		Sub-total		476,500	
Department: 310 - COMMUNITY SERVICES					
	100-310-632500	Utilities - Gas Comm Ctr	1,500	1,000	2,500
	100-310-641000	Rent/Lease - Equipment	2,900	8,000	10,900
	100-310-662000	Merchant Credit Card Processing Service Fees	15,534	5,000	20,534
	100-310-695500	Special Events - Program Services	138,750	25,000	163,750
	100-310-695501	Day Camps & Build A Fort	17,900	-	17,900
	100-310-695504	Displays, Exhibits & Educational Programs	500	15,000	15,500
	100-310-695508	July Fourth Celebration	63,450	15,000	78,450
	100-310-695530	City Anniversary Program	-	1,000	1,000
	100-310-695531	Heritage Day	-	60,000	60,000
	100-310-720302	Contract Services - Homelessness	26,130	33,731	59,861
	100-310-721505	Contract Services- Janitorial & Sanitation	148,600	11,400	160,000
	100-310-910500	Equipment & Machinery - Community Center	1,500	166,000	167,500
		Sub-total		341,131	
Department: 355 - PUBLIC WORKS					
	100-355-610000	Memberships and Dues Expense	2,800	600	3,400
	100-355-611000	Training and Education	10,000	(5,000)	5,000
	100-355-613100	Vehicle Expense - Fuel	4,500	500	5,000
	100-355-622000	Operating Supplies	12,000	10,000	22,000
	100-355-623000	Printing	3,000	(1,500)	1,500
	100-355-630000	Telephone & Communication	500	(250)	250
	100-356-630000	Telephone & Communication - MOE	-	250	250
	100-355-631400	Electricity - Street Lights/Signals	450,000	(450,000)	-
	100-356-631400	Electricity - Streetlights & Signals - MOE	-	450,000	450,000
	100-355-631900	Utilities - Electric - On Bill Financing	90,000	(90,000)	-

Attachment: Attachment E - Proposed Budget Amendments FY 2022/2023 (2968 : FY 21/22 Financial Update & Mid-Cycle Budget Review)

CITY OF LAGUNA HILLS

PROPOSED BUDGET AMENDMENTS

FISCAL YEAR 2022-2023 - OPERATING BUDGET

<u>Dept</u>	<u>Acct No.</u>	<u>Account Description</u>	FY 2022-2023 CURRENT BUDGET	Proposed Budget Adjustments (+/-)	FY 2022-2023 PROPOSED AMENDED BUDGET
	100-356-63190	Utilities - Electric - On Bill Financing - MOE		90,000	90,000
	100-355-635000	Utilities - Water	375,000	125,000	500,000
	100-355-640000	Rent/Lease - Facility	7,000	2,012	9,012
	100-355-700100	City Engineer Services	35,000	(35,000)	-
	100-355-700101	Traffic Engineer Services	50,000	(50,000)	-
	100-356-700101	Traffic Engineer Services - MOE	-	65,000	65,000
	100-355-700250	On-Call Engineer Services	2,500	7,500	10,000
	100-355-700255	Improvement Inspection	155,000	45,000	200,000
	100-355-720400	Street Maintenance	600,000	(125,000)	475,000
	100-355-720401	Other Public Works Maintenance		125,000	125,000
	100-355-720410	Street Sweeping	215,000		215,000
	100-355-720420	Traffic Signal Maintenance	180,000	(180,000)	-
	100-356-720420	Traffic Signal Maintenance - MOE	-	120,000	120,000
	100-355-720500	Graffiti Removal	85,000	35,000	120,000
	100-355-720700	Landscape Maintenance Contract	1,225,000	75,000	1,300,000
		Sub-total		214,112	
Department: 420 - PUBLIC SAFETY					
	100-420-720800	General Law Enforcement	9,651,658	-	9,651,658
	100-420-720850	Private Security Patrol	-	50,000	50,000
		Sub-total		50,000	
		TOTAL		1,283,493	

CITY OF LAGUNA HILLS

TOTAL BUDGET SUMMARY - CURRENT VS PROPOSED
FISCAL YEAR 2022-2023

	FY 22/23 CURRENT BUDGET	CARRY OVER FROM PRIOR FY 2021/22	PROPOSED AMENDMENTS	FY 22/23 PROPOSED AMENDED BUDGET
FUNDING SOURCES				
General Fund Revenues				
Property Taxes				
Secured, Unsecured, Public Utility, Supplementals, Homeowners' Exemption	\$ 8,587,564			\$ 8,587,564
Prior Year	50,580			50,580
Miscellaneous, Interest & Penalties	22,000			22,000
Property Transfer Taxes	250,000			250,000
Property Tax In-Lieu of VLF	3,443,711			3,443,711
Total Property Taxes	12,353,855	-	-	12,353,855
Franchise & Transient Occupancy Taxes				
Utility Franchise Fees				
Cable TV	453,050			453,050
San Diego Gas & Electric	183,475			183,475
Southern California Edison	181,425			181,425
Southern California Gas Co.	68,675			68,675
<i>Sub-total Utility Franchise Fees</i>	<i>886,625</i>	-	-	<i>886,625</i>
Waste Disposal/Recycling Fees				
Waste Haulers	328,846			328,846
Admin Fee - Waste Recycling	21,013			21,013
<i>Sub-total Waste/Recycling</i>	<i>349,858</i>	-	-	<i>349,858</i>
Transient Occupancy Taxes	1,000,000			1,000,000
Total Franchise & Transient Occupancy Tax	2,236,483	-	-	2,236,483
Intergovernmental Revenues				
Sales & Use Tax	5,952,618			5,952,618
Motor Vehicle in Lieu	26,266			26,266
County Landfill Agreement	72,493			72,493
Total Intergovernmental Revenues	6,051,377	-	-	6,051,377
Licenses and Permits				
Building Related Licenses/Permits				
Building Permits	600,000			600,000
Plan Check Fees	200,000			200,000
Imaging Plans and Documents Fee	40,000			40,000
<i>Sub-total Building Permits</i>	<i>840,000</i>	-	-	<i>840,000</i>
Engineering Fees				
Transportation Permit	1,500			1,500
Encroachment Permit	175,000			175,000
Traffic Permit & License Fees	2,000			2,000
<i>Sub-total Engineering Permits</i>	<i>178,500</i>	-	-	<i>178,500</i>
Total Licenses and Permits	1,018,500	-	-	1,018,500

Attachment: Attachment F - Total Budget Summary FY 2022/2023 (2968 : FY 21/22 Financial Update & Mid-Cycle Budget Review)

CITY OF LAGUNA HILLS

TOTAL BUDGET SUMMARY - CURRENT VS PROPOSED
FISCAL YEAR 2022-2023

	FY 22/23 CURRENT BUDGET	CARRY OVER FROM PRIOR FY 2021/22	PROPOSED AMENDMENTS	FY 22/23 PROPOSED AMENDED BUDGET
Charges for Current Services				
Recreation Fees				
Recreation Programs	293,820			293,820
Facility Reservations	192,525			192,525
Outdoor Facility Reservations	74,650			74,650
Special Events - 4th of July	5,000			5,000
Memorial Day Race - Registration Fees	178,300			178,300
Memorial Day Race - Sponsorships	29,000			29,000
<i>Sub-total Recreation Fees</i>	<i>773,295</i>	<i>-</i>	<i>-</i>	<i>773,295</i>
Development Services				
Planning and Zoning Fees	50,000			50,000
Improvement Inspect	35,000			35,000
<i>Sub-total Development Fees</i>	<i>85,000</i>	<i>-</i>	<i>-</i>	<i>85,000</i>
Leases and Rental Fees				
Cell Tower Lease	115,500			115,500
Library Lease	42,000			42,000
<i>Sub-total Leases/Rentals</i>	<i>157,500</i>	<i>-</i>	<i>-</i>	<i>157,500</i>
Miscellaneous Operating Revenues	150,000			150,000
Total Charges for Services	1,165,795	-	-	1,165,795
Fines and Forfeitures				
Code Fines	102,500			102,500
Parking Fines	76,875			76,875
Total Fines and Forfeitures	179,375	-	-	179,375
Total General Fund Revenues	\$ 23,005,385	-	-	\$ 23,005,385
Special Revenues & Other Funding Sources				
CIP Funding Sources				
Gas Tax	\$ 779,803			\$ 779,803
SB1 RMRA	622,831			622,831
Measure M2 Competitive		200,000		200,000
AB 2766	40,000			40,000
Proposition 68		200,000		200,000
Total CIP Funding Sources	1,442,634	400,000	-	1,842,634
Measure M2 Local Fair Share	593,590			593,590
Law Enforcement	150,000			150,000
Beverage Recycling	9,000			9,000
CR&R Recycling Fee	110,000			110,000
C&D Forfeited Deposits	100,000			100,000
Senior Mobility Program	40,909			40,909
CASp	5,000			5,000
American Rescue Plan Act	3,732,689			3,732,689
Total Special Revenues & Other Funding	\$ 6,183,822	400,000	-	\$ 6,583,822
Investment Income	100,000	-	-	100,000
TOTAL FUNDING SOURCES	\$ 29,289,207	400,000	-	\$ 29,689,207

Attachment: Attachment F - Total Budget Summary FY 2022/2023 (2968 : FY 21/22 Financial Update & Mid-Cycle Budget Review)

CITY OF LAGUNA HILLS

TOTAL BUDGET SUMMARY - CURRENT VS PROPOSED

FISCAL YEAR 2022-2023

	FY 22/23 CURRENT BUDGET	CARRY OVER FROM PRIOR FY 2021/22	PROPOSED AMENDMENTS	FY 22/23 PROPOSED AMENDED BUDGET
FUNDING USES				
General Fund				
General Government				
Personnel	\$ 2,020,063			\$ 2,020,063
Maintenance and Operation	212,140			212,140
Contract Services	649,470		102,200	751,670
Total General Government	2,881,673	-	102,200	2,983,873
Non-departmental				
Personnel	580,695			580,695
Maintenance and Operation	779,576	5,000	13,892	798,468
Contract Services	199,963	20,000		219,963
Capital Outlay	31,700		85,658	117,358
Total Non-departmental	1,591,934	25,000	99,550	1,716,484
Community Development				
Personnel	919,263			919,263
Maintenance and Operation	11,850		1,500	13,350
Contract Services	520,000		475,000	995,000
Total Community Development	1,451,113	-	476,500	1,927,613
Public Works				
Personnel	871,084			871,084
Maintenance and Operation	1,078,550		221,612	1,300,162
Contract Services	3,082,500	19,374	82,500	3,184,374
Capital Outlay	20,000			20,000
Total Public Works	5,052,134	19,374	304,112	5,375,620
Community Services				
Personnel	1,259,757			1,259,757
Maintenance and Operation	692,924	3,000	130,000	825,924
Contract Services	357,730		45,131	402,861
Capital Outlay	4,500		166,000	170,500
Total Community Services	2,314,911	3,000	341,131	2,659,042
Public Safety				
Maintenance and Operation	61,900			61,900
Contract Services	10,044,251	451,557	50,000	10,545,808
COVID-19 Emergency Management				-
Capital Outlay	7,000			7,000
Total Public Safety	10,113,151	451,557	50,000	10,614,708
Total General Fund Expenditures	\$ 23,404,916	498,931	1,373,493	\$ 25,277,340

Attachment: Attachment F - Total Budget Summary FY 2022/2023 (2968 : FY 21/22 Financial Update & Mid-Cycle Budget Review)

CITY OF LAGUNA HILLS
TOTAL BUDGET SUMMARY - CURRENT VS PROPOSED
FISCAL YEAR 2022-2023

	FY 22/23 CURRENT BUDGET	CARRY OVER FROM PRIOR FY 2021 /22	PROPOSED AMENDMENTS	FY 22/23 PROPOSED AMENDED BUDGET
Capital Improvement Program (CIP)				
Streets, Signals & Lighting	\$ 100,000	306,148		\$ 406,148
Flood Control and Water Quality	200,000	250,000		450,000
Parks	525,000	265,724		790,724
Public Facilities	250,000	4,900		254,900
Trails and Open Spaces	-			-
Total CIP	\$ 1,075,000	826,772	-	\$ 1,901,772
Special Revenue Expenditures				
AB 2766	\$ 50,000			\$ 50,000
CASp	5,000			5,000
Beverage Recycling	9,061			9,061
CR&R Recycling Fee	109,000			109,000
C&D Forfeited Deposits	130,000			130,000
Senior Mobility	54,230			54,230
CARES Act - State EDD				-
VALH - MGP Development Application				-
Total Special Revenue Expenditures	\$ 357,291	-	-	\$ 357,291
Debt Service				
Interest	\$ 44,381			\$ 44,381
Principle	345,000			345,000
Trustee Administration Fee	2,040			2,040
Total Debt Service Expenditures	\$ 391,421	-	-	\$ 391,421
Use of Reserves	50,000			50,000
TOTAL FUNDING USES	\$ 25,278,628	1,325,703	1,373,493	\$ 27,977,824
NET CHANGE IN FUND BALANCE	4,010,579	(925,703)	(1,373,493)	1,711,383
FUND BALANCE				
Beginning Balance, July 1	18,242,696			18,242,696
Ending Balance, June 30	\$ 22,253,275			\$ 19,954,079

Attachment: Attachment F - Total Budget Summary FY 2022/2023 (2968 : FY 21/22 Financial Update & Mid-Cycle Budget Review)



City of Laguna Hills

City Council/Planning Agency

Staff Report

DATE: September 27, 2022
TO: Mayor and Council Members
FROM: Larry Longenecker
Community Development Director
ISSUE: Short-Term Rentals

RECOMMENDATION: That the City Council direct staff regarding regulatory options for short-term rentals.

SUMMARY:

Short-term rentals (STRs) were discussed by the City Council at its June 28, 2022, meeting, with ten Nellie Gail Ranch residents complaining about a house party causing a nuisance on June 18, 2022, at 25166 Rockridge Road. The City Council directed staff to research the issue and explore options to regulate STRs. Staff surveyed neighboring cities and learned a majority of them do not allow STRs. Staff also hired STR compliance consultant Rentalscape, which determined there are currently 29 active STRs operating in the City, including nine STRs where only a room or portion of the property is rented, with the remainder occupied by the homeowner, and 20 STRs where the entire dwelling is rented. There are four regulatory options to address STRs, the City Council may elect to allow, prohibit, regulate, or regulate and tax STRs.

BACKGROUND:

Short-term rentals (STRs) are residential properties, or portions thereof, that are rented for transient occupancy of 30 or fewer days. At the regular City Council meeting on June 28, 2022, Mayor Wheeler introduced Agenda Item 8.1.1, Short-Term Rentals, and invited the public to address the City Council on the item. Ten members of the public spoke in opposition to STRs, primarily homeowners within the Nellie Gail Ranch estate residential community living in proximity to 25166 Rockridge Road, an STR that was

used as a party house on June 18, 2022. Following public testimony and City Council discussion, the Council directed staff to research and explore options to regulate STRs. Staff provided an update to the City Council on August 23, 2022 (see Staff report and meeting minutes in Attachments 1 and 2, respectively).

DISCUSSION:

Regulatory Options

A confidential City Attorney memo was provided to the City Council detailing issues and concerns related to STRs. In summary, there are four regulatory options available to the City Council:

1. Allow STRs. This option maintains the status quo position wherein the City does not regulate STRs, no permits are granted and no transient occupancy tax (TOT) is collected.
2. Ban/Prohibit STRs. A ban would prohibit STRs, either City-wide or in specific sections of the City. A ban could also be applied to different types of STRs, such as STRs where the entire property is rented, compared to STRs occupied by the property owner, where typically only a room or minority portion of the home or property is rented.
3. Regulate STRs. This option would permit STRs under certain conditions, and in accordance with specific criteria, included and considered as part of an STR permit process.
4. Regulate and Tax STRs. In addition to an STR permit process, the City would collect transient occupancy tax (TOT), a 10% City tax applicable to all transient occupancy stays within the City.

City Survey

Staff researched how other cities currently address STRs. Four neighboring cities have banned STRs, including: Aliso Viejo in 2015; Lake Forest in 2017; Laguna Niguel in 2017; and Irvine in 2018. Dana Point and Anaheim prohibit new STRs, but existing STRs are allowed to continue operating until the owner elects to cease operations, or until the property is sold. Dana Point and Anaheim collect TOT for the existing STRs.

Short-Term Rentals
September 27, 2022
Page 3

Similar to Laguna Hills, Mission Viejo allows STRs with no permit process. Newport Beach also allows STRs, but caps the total number of allowed STRs at 1,550, with a wait-list established if and when the maximum number is realized. Newport Beach requires a permit process and collects TOT for all STRs.

Laguna Hills Short-Term Rentals

To better understand the scope and scale of STRs in Laguna Hills, staff engaged Rentalscape, an STR compliance consultant. According to the Rentalscape data, there is currently a total of 29 STRs located in Laguna Hills. Eight of the STRs are single rooms available for rent within a home occupied by the homeowner or tenant. One of the STRs is a detached accessory structure located on a property with the primary dwelling occupied by the homeowner. One of the STRs is an apartment home, two of the STRs are townhomes, and 17 of the STRs are single-family homes.

A total of 14 of the STRs are located in communities with no homeowner's association or property management. Eight of the STRs are located within the Nellie Gail Ranch community, three of the STRs are located within the Laguna Village townhome community in North Laguna Hills, one of the STRs is located in the Crestline townhome community at Moulton and Alicia Parkways, and one STR is located in the Quail Creek condominium community at Moulton Parkway and La Paz Road. One of the STRs is located in the Alicia Plaza apartment community at Paseo de Valencia and Laguna Hills Drive, and one STR is located in the Reata apartment building in Oakbrook Village. A location map is provided as Attachment 3.

The Orange County Sheriff's Department reports that, since January 2018, calls for service, typically for a Loud Party, were made for ten of the City's 29 STRs, with repeat calls for four of the ten.

ATTACHMENTS:

- Attachment 1- August 23, 2022 City Council Staff Report
- Attachment 2- August 23, 2022, City Council Meeting Minutes
- Attachment 3- Map of Short Term Rentals in Laguna Hills



City of Laguna Hills

City Council/Planning Agency

Staff Report

DATE: August 23, 2022

TO: Mayor and Council Members

FROM: Larry Longenecker
Community Development Director

ISSUE: Short-Term Rentals

RECOMMENDATION: That the City Council receive the staff report and direct staff to continue researching Short-Term Rentals, returning to the City Council for discussion at a later date.

SUMMARY:

Short Term Rentals (STRs) were discussed by the City Council at its June 28, 2022, meeting, with ten residents complaining about a house party causing a nuisance on June 18, 2022, at 25166 Rockridge Road. The City Council directed staff to research the issue and explore options to regulate STRs. This report provides a brief update summarizing Staff's ongoing effort. Staff will return to the Council at a later date for a full discussion regarding STRs.

BACKGROUND:

At the regular City Council meeting on June 28, 2022, Mayor Wheeler introduced Agenda Item 8.1.1, Short-Term Rentals, and invited the public to address the City Council on the item. Ten members of the public spoke in opposition to short term rentals (STRs), primarily homeowners within the Nellie Gail Ranch estate residential community living in proximity to 25166 Rockridge Road, where an STR was used as a party house on June 18, 2022.

Following public testimony and City Council discussion, the Council moved "A motion to direct staff to research and explore options to regulate short term rentals and

implementation of a business license program within the City.” This report is an update on the progress made to date with regard to STRs.

DISCUSSION:

Issues related to STRs have been discussed from time to time by the City Council. A confidential City Attorney memo was provided to the City Council detailing past issues and concerns related to STRs. In summary, the memo discusses issues related to whether the City can: 1) Permit STRs; 2) Ban/prohibit STRs; 3) Regulate STRs through a permit process; and 4) Regulate and tax STRs. The issues discussed in the City Attorney memo are being researched by staff and will be brought back to Council for discussion at a later date.

Staff’s initial research includes discussions with neighboring cities, researching related state law, and better understanding STRs in Laguna Hills, including the number and type of STRs, how often they are utilized, and at what rates. For assistance in this regard, staff has engaged a third-party vendor that works with cities to identify, track, measure, and manage STRs, including site and property owner information, booking history and availability, and revenue generated by the STRs. Staff will report back to the Council with these metrics when available.

With regard to the specific Nellie Gail STR discussed at the June 28, 2022, City Council meeting, located at 25166 Rockridge Road, City staff has discussed with the property owner the multiple nuisance complaints received from the residents regarding the June 18, 2022, house party, and the City’s expectations that similar violations will not occur at the property in the future. The property owner has indicated that these types of events will be prohibited. The property owner also indicated that they met with the Nellie Gail Ranch Owners Association (NGROA) and explained the same.

Coincidentally, on June 28, 2022, STR site Airbnb officially codified a permanent ban on party houses, with consequences for violators including suspension to full removal from the platform. VRBO has a similar policy in place to prohibit properties from advertising when house parties have been allowed to become a nuisance.

ATTACHMENTS:

- Attachment 1, June 28, 2022, City Council Meeting Minutes

Mayor Pro Tempore Heft removed Item No. 4.9 to request additional information.

Acting Public Services Director Shah responded to Council Member requests for additional information.

Recommendation: That the City Council: 1) Find and determine it is appropriate to waive formal bidding requirements of the Laguna Hills Municipal Code (LHMC) for the award of the Trash and Debris Capture Devices Maintenance Services Agreement to G2 Construction, Inc., because: a) The goods and supplies, equipment, materials, and contract services to be provided by G2 Construction, Inc., are of a unique, sole source nature because of their quality, durability, availability, or fitness for a particular use and are available only from one source (LHMC Section 3-08.110(A)); b) The goods and supplies, equipment, materials, or non-professional services are proprietary (LHMC Section 3-08.110(B)); c) A specific make, model, or brand is necessary to match existing City equipment or to facilitate the continuity of effective maintenance and support (LHMC Section 3-08.110(F)); and d) Compliance with procurement policies, procedures, and/or requirements is not in the best interest of the City (LHMC Section 3-08.110(J)); 2) Award the Trash and Debris Capture Devices Maintenance Services Agreement to G2 Construction, Inc.,; and 3) Authorize the Mayor or Mayor Pro Tempore to sign the Agreement.

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

Mayor Wheeler took Item No. 8.1.1 out of order on the Agenda.

8. MATTERS AGENDIZED AND PRESENTED BY CITY COUNCIL MEMBERS

8.1. Mayor Wheeler



8.1.1 Short-Term Rentals

Mayor Wheeler provided introductory comments and invited the public to address the City Council on the item.

The following individuals addresses the City Council in opposition to short-term rental properties in residential neighborhoods:

Bruce Freeman, DeeAnn Sigaty, Justin Cypress, Sheyda Akharan, Mark Fisk, President, NGROA, Semira Bayat, and Christopher Criblez, Brian Mitchell, General Manager, NGROA, George Lostracco, Mo Maghazeh, and Peter DeCarlo.

George Lostracco a resident of Laguna Hills, addressed the City Council on a non-agendized item regarding an increase of no-see-ums in his area.

Sergeant Carlos Sanchez responded to Council Member requests for additional information.

City Attorney Simonian responded to Council Member requests for additional information.

Recommendation: Mayor Wheeler recommends that the City Council discuss short-term rentals and provide input to Staff.

A motion to direct Staff to research and explore options to regulate short-term rentals and implementation of a business license program within the City was made by Council Member Sedgwick, seconded by Mayor Pro Tempore Heft.

RESULT:	ADOPTED [UNANIMOUS]
MOVER:	Don Sedgwick, Council Member
SECONDER:	Janine Heft, Mayor Pro Tempore
AYES:	Dave Wheeler, Mayor; Janine Heft, Mayor Pro Tempore; Erica Pezold, Council Member; Don Sedgwick, Council Member
ABSENT:	Don Caskey, Council Member

Mayor Wheeler recessed the meeting at 9:19 p.m.

Mayor Wheeler reconvened the meeting at 9:31 p.m.

5. PLANNING AGENCY

Mayor Wheeler 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 9:31 p.m.

Mayor Pro Tempore Heft rescinded the main motion.

Mayor Wheeler called for a roll vote on the substitute motion to move staff Recommendation No. 1 without the specified new security lighting installations.

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

7.4. Community Development Director

7.4.1 Temporary Outdoor Dining Permit Program

Community Development Director Longenecker reviewed the information provided in the staff report, provided a PowerPoint presentation, and responded to Council Member requests for additional information.

Recommendation: That the City Council direct staff to continue to monitor the City's Temporary Outdoor Dining Permit Program and report back to City Council as warranted, including recommendations to consider establishment of permanent outdoor dining facilities.

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



7.4.2 Short-Term Rentals

Community Development Director Longenecker reviewed the information provided in the staff report and responded to Council Member requests for additional information.

The following individual submitted an electronic public comment on Item No. 7.4.2 that was received, forwarded to the Council prior to the meeting, and announced into the record by Assistant City Clerk Lee:

Glen Johnson, a resident of the Nellie Gail community, submitted an electronic comment in opposition to short term rentals.

The following individual address the City Council on this item:

Bruce Freeman, a resident of the Nellie Gail community, spoke in favor of short term rentals control.

City Manager Hildenbrand responded to Council Member requests for additional information.

Administrative Sergeant Maria Bowman responded to Council Member requests for additional information.

City Attorney Simonian responded to Council Member requests for additional information.

Recommendation: That the City Council receive the staff report and direct staff to continue researching Short-Term Rentals, returning to the City Council for discussion at a later date.

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

8. ~~MATTERS AGENDIZED AND PRESENTED BY CITY COUNCIL MEMBERS~~

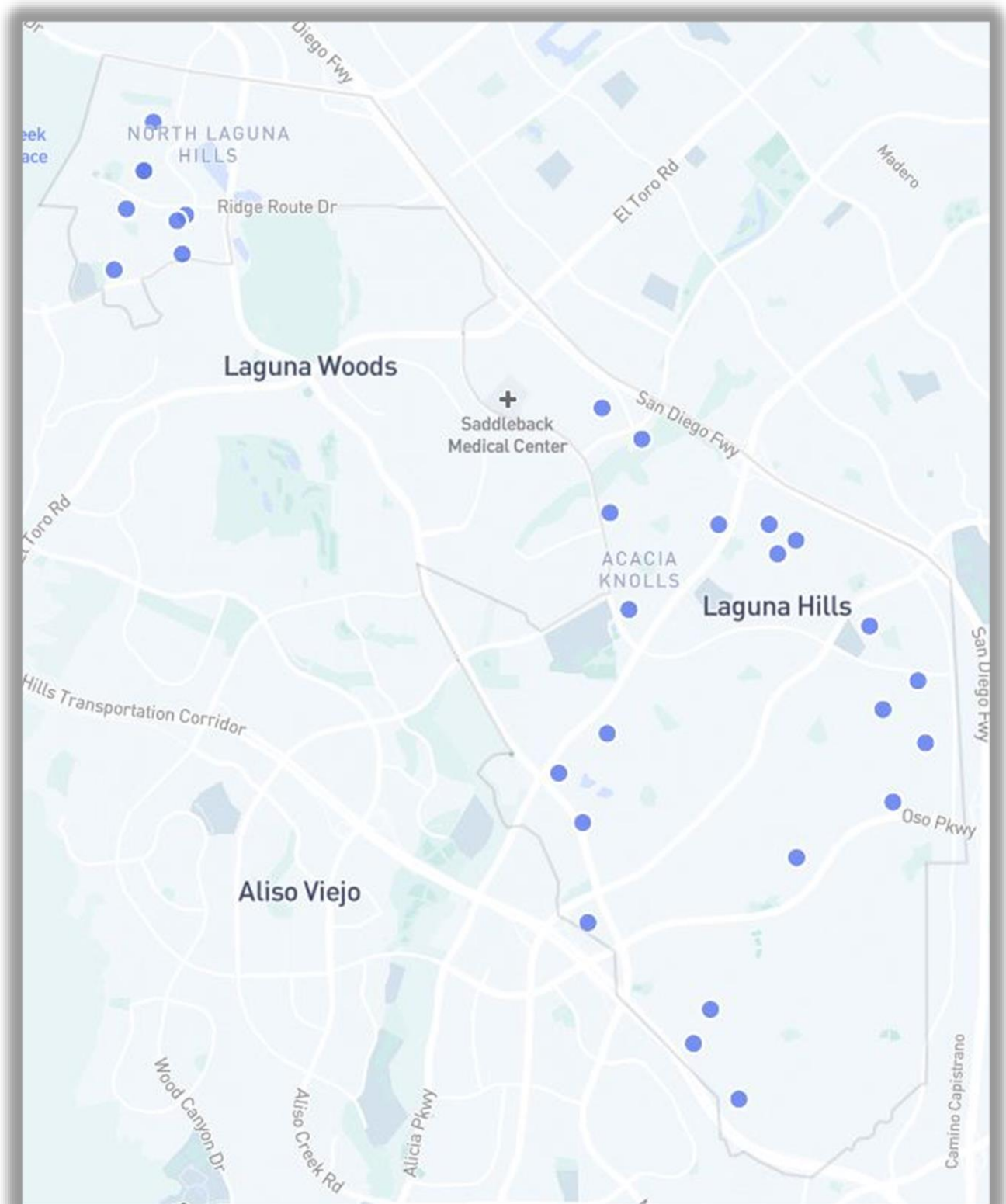
~~There were no matters agendized and presented by City Council Members.~~

9. ~~CITY COUNCIL MEMBER COMMITTEE REPORTS~~

9.1. ~~Committee Assignment Reports~~

~~**Recommendation:** That the City Council receive oral reports on the following City Council Committee Assignments:~~

Attachment 3 – Short-Term Rentals in Laguna Hills



Attachment: Attachment 3- Map of Short Term Rentals in Laguna Hills (2969 : Short-Term Rentals)