

**AMENDED**

# CITY OF ARCADIA

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## City Council Regular Meeting Agenda



**Tuesday, October 15, 2024, 7:00 p.m.**

**Location: City Council Chambers, 240 W. Huntington Drive, Arcadia**

Pursuant to the Americans with Disabilities Act, persons with a disability who require a disability related modification or accommodation in order to participate in a meeting, including auxiliary aids or services, may request such modification or accommodation from the City Clerk at (626) 574-5455. Notification 48 hours prior to the meeting will enable the City to make reasonable arrangements to assure accessibility to the meeting.

根据《美国残障人法案》，需要调整或提供便利设施才能参加会议的残障人士（包括辅助器材或服务）可与市书记官办公室联系（电话：(626) 574-5455）。请在会前 48 小时通知市书记官办公室，以便作出合理安排，确保顺利参加会议。

Pursuant to the City of Arcadia's Language Access Services Policy, limited-English proficient speakers who require translation services in order to participate in a meeting may request the use of a volunteer or professional translator by contacting the City Clerk's Office at (626) 574-5455 at least 72 hours prior to the meeting.

根据阿凯迪亚市的语言便利服务政策，英语能力有限并需要翻译服务才能参加会议的人可与市书记官办公室联系（电话：(626) 574-5455），请求提供志愿或专业翻译服务，请至少在会前 72 小时提出请求。

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### **How to Submit Public Comment:**

Members of the Public who wish to submit public comment may do so using one of the following methods. Public comment is limited to the time and words allotted.

1. **In-Person:** Complete a Speaker Card, indicating the agenda item number and submit it to the City Clerk prior to the meeting, or simply come to the podium when the Mayor asks for those who wish to speak. Speakers shall be limited to five (5) minutes per person. At the Mayor's discretion, the time limit may be shortened to allow all speakers to address the City Council.

Electronic submission of Public Comment is also available via the City's website or by email as noted below. Public Comment submitted electronically will not be read into the record at the posted meeting time but are forwarded to the City Council prior to the meeting for consideration.

1. **Website:** Please submit your comments using our online public comment form at [ArcadiaCA.gov/comment](https://ArcadiaCA.gov/comment). Your comments must be received at least 30 minutes prior to the posted meeting time.
2. **Email:** Please submit your comments via email to [CityClerk@ArcadiaCA.gov](mailto:CityClerk@ArcadiaCA.gov). Your comments must be received at least 30 minutes prior to the posted meeting time.

### 如何提交公众评论意见：

公众成员可以使用以下任何一种方法提交公众评论意见。请在时间和字数的限制范围内提交公众评论意见。

1. **亲自出席：**填写一张发言人卡片，注明议程项目编号，然后在会议开始前提交给市书记官，或者在市长询问公众发言时，直接到讲台上发言。每位发言人的发言时间不得超过五（5）分钟。市长可自行决定缩短发言限制时间，以便允许所有发言人向市议会表达自己的意见。

亦可按照以下方法在本市网站上或通过电子邮件以电子方式提交公众评论意见。以电子方式提交的公众评论意见不会在公布的会议期间读入记录，但会在会议开始前转交给市议会，供市议会考虑。

1. **网站：**请使用以下网站中刊载的在线公众评论意见表提交您的评论意见：[ArcadiaCA.gov/comment](http://ArcadiaCA.gov/comment)。必须在公布的会议时间前至少提前 30 分钟提交评论意见。
2. **电子邮件：**请将您的评论意见通过电子邮件发送至：[CityClerk@ArcadiaCA.gov](mailto:CityClerk@ArcadiaCA.gov)。必须在公布的会议时间前至少提前 30 分钟提交评论意见。

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## 1. CALL TO ORDER

## 2. INVOCATION

Pastor Andre Bribiesca, Vessel Calvary Chapel Arcadia

## 3. PLEDGE OF ALLEGIANCE

Todd Kissel, Army Veteran and Arcadia Resident

## 4. ROLL CALL OF CITY COUNCIL MEMBERS

Dr. Michael Cao, Mayor  
Sharon Kwan, Mayor Pro Tem  
Paul P. Cheng, Council Member  
April A. Verlato, Council Member  
Eileen Wang, Council Member

## 5. SUPPLEMENTAL INFORMATION FROM CITY MANAGER REGARDING AGENDA ITEMS

## 6. PRESENTATIONS

- a. [Video presentation of the City of Arcadia's Moon Festival with event partners, Arcadia Chinese Association and the Arcadia Chamber of Commerce.](#)

## 7. PUBLIC HEARING

Any person wishing to speak before the City Council on a public hearing item is asked to complete a Speaker Card noting the agenda item number and provide it to the City Clerk prior to the start of the public hearing. Separate and apart from the applicant (who may speak longer in the discretion of the City Council) each speaker is limited to five (5) minutes per person unless waived by the City Council. Under the Brown Act, the City Council is prohibited from discussing or acting on any item not listed on the posted agenda. The applicant may additionally submit rebuttal comments, in the discretion of the City Council.

You are hereby advised that should you desire to legally challenge in court or in an administrative proceeding any action taken by the City Council regarding any public hearing item, you may be

limited to raising only those issues and objections you or someone else raised at the public hearing or in written correspondence delivered to the City Council at, or prior to, the public hearing.

- a. Review of the Business Permit and License Review Board's denial of the Business License Revocation Appeal for Sphinx Mart located at 142 E. Huntington Drive.  
CEQA: Not a Project  
Recommended Action: Adopt Resolution No. 7602 denying the appeal and upholding the Business Permit and License Review Board's decision to revoke the business license for Sphinx Mart located at 142 E. Huntington Drive

**8. PUBLIC COMMENTS (5-minute time limit each speaker)**

Any person wishing to speak before the City Council is asked to complete a Speaker Card and provide it to the City Clerk prior to the start of the meeting. Each speaker is limited to five (5) minutes per person, unless waived by the City Council. Under the Brown Act, the City Council is prohibited from discussing or taking action on any item not listed on the posted agenda.

**9. REPORTS FROM MAYOR AND CITY COUNCIL (including reports from the City Council related to meetings attended at City expense [AB 1234]).**

**10. CONSENT CALENDAR**

All matters listed under the Consent Calendar are considered to be routine and can be acted on by one roll call vote. There will be no separate discussion of these items unless a member of the

City Council, staff, or the public requests that a specific item be removed from the Consent Calendar for separate discussion and action.

- a. Special Meeting Minutes of September 24, 2024, and Special and Regular Meeting Minutes of October 1, 2024.  
CEQA: Not a Project  
Recommended Action: Approve
- b. Resolution No. 7600 amending Resolution No. 7325, approving certain transfer agreements between the City of Arcadia and the Los Angeles County Flood Control District for the Safe, Clean Water Program – Municipal Program.  
CEQA: Not a Project  
Recommended Action: Adopt
- c. Resolution No. 7601 approving and adopting an amended Conflict of Interest Code pursuant to the Political Reform Act of 1974.  
CEQA: Not a Project  
Recommended Action: Adopt
- d. Professional Services Agreement with Infrastructure Management Services for the Pavement Management Program in the amount of \$75,749, with a 10% contingency.  
CEQA: Not a Project  
Recommended Action: Approve
- e. Extension to the Professional Services Agreement with ABM Industry Groups, LLC. for Janitorial and Porter Services at various City facilities in an amount not to exceed \$496,682.80.  
CEQA: Not a Project  
Recommended Action: Approve

- f. Accept all work performed by American Asphalt South, Inc. for the Fiscal Year 2023-24 Annual Slurry Seal Project as complete.  
CEQA: Exempt  
Recommended Action: Approve
- g. Accept all work performed by R&R Roofing & Waterproofing, Inc. for the Reroof at Various City Facilities Project as complete.  
CEQA: Exempt  
Recommended Action: Approve
- h. Accept all work performed by Carrier Corporation for the Library Chiller Replacement Project as complete.  
CEQA: Exempt  
Recommended Action: Approve
- i. Accept all work performed by California Coast Carpet & Flooring for the Fire Station 105 and Fire Station 106 Carpet Replacement Project as complete.  
CEQA: Exempt  
Recommended Action: Approve

## **11. ADJOURNMENT**

The City Council will adjourn this meeting to Tuesday, November 5, 2024, 6:00 p.m. in the City Council Conference Room.

## Welcome to the Arcadia City Council Meeting!

The City Council encourages public participation, and invites you to share your views on City business.

**MEETINGS:** Regular Meetings of the City Council are held on the first and third Tuesday of each month at 7:00 p.m. in City Council Chambers. A full City Council agenda packet with all backup information is available at City Hall, the Arcadia Library, and on the City's website at [www.ArcadiaCA.gov](http://www.ArcadiaCA.gov). Copies of individual Agenda Reports are available via email upon request ([CityClerk@ArcadiaCA.gov](mailto:CityClerk@ArcadiaCA.gov)). Documents distributed to a majority of the City Council after the posting of this agenda will be available for review at the Office of the City Clerk, 240 W. Huntington Drive, Arcadia, California. Live broadcasts and replays of the City Council Meetings are on cable television. Your attendance at this public meeting may result in the recording and broadcast of your image and/or voice as previously described.

**PUBLIC PARTICIPATION:** Your participation is welcomed and invited at all City Council meetings. Time is reserved at each regular meeting for those in the audience who wish to address the City Council. The City requests that persons addressing the City Council refrain from making personal, slanderous, profane, or disruptive remarks. Where possible, please submit a **Speaker Card** to the City Clerk prior to your comments, or simply come to the podium when the Mayor asks for those who wish to speak, and state your name and address (optional) for the record. Please provide the City Clerk with a copy of any written materials used in your address to the City Council as well as 10 copies of any printed materials you would like distributed to the City Council. The use of City equipment for presentations is not permitted.

**MATTERS NOT ON THE AGENDA** should be presented during the time designated as "PUBLIC COMMENTS." In general, each speaker will be given five (5) minutes to address the City Council; however, the Mayor, at his/her discretion, may shorten the speaking time limit to allow all speakers time to address the City Council. **By State law, the City Council may not discuss or vote on items not on the agenda. The matter will automatically be referred to staff for appropriate action or response or will be placed on the agenda of a future meeting.**

**MATTERS ON THE AGENDA** should be addressed when the City Council considers that item. Please indicate the Agenda Item Numbers(s) on the **Speaker Card**. Your name will be called at the appropriate time and you may proceed with your presentation within the five (5) minute time frame. The Mayor, at his/her discretion, may shorten the speaking time limit to allow all speakers to address the City Council.

**PUBLIC HEARINGS AND APPEALS** are items scheduled for which public input is either required or desired. Separate and apart from the applicant (who may speak longer in the discretion of the City Council), speakers shall be limited to five (5) minutes per person. The Mayor, at his/her discretion, may shorten the speaking time limit to allow all speakers to address the City Council. The applicant may additionally submit rebuttal comments.

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

**CONSENT CALENDAR:** Items listed on the Consent Calendar are considered to be routine by the City Council and will be acted upon by one motion. There will be no separate discussion on these items unless a member of the City Council, Staff, or the public so requests. In this event, the item will be removed from the Consent Calendar and considered and acted on separately.

**DECORUM:** While members of the public are free to level criticism of City policies and the action(s) or proposed action(s) of the City Council or its members, members of the public may not engage in behavior that is disruptive to the orderly conduct of the proceedings, including but not limited to, conduct that prevents other members of the audience from being heard when it is their opportunity to speak or which prevents members of the audience from hearing or seeing the proceedings. Members of the public may not threaten any person with physical harm or act in a manner that may reasonably be interpreted as an imminent threat of physical harm. All persons attending the meeting are expected to adhere to the City's policy barring harassment based upon a person's race, religious creed, color, national origin, ancestry, physical handicap, medical condition, marital status, gender, sexual orientation, or age. The Chief of Police, or such member or members of the Police Department, shall serve as the Sergeant-at-Arms of the City Council meeting. The Sergeant-at-Arms shall carry out all orders and instructions given by the presiding official for the purpose of maintaining order and decorum at the meeting. Any person who violates the order and decorum of the meeting may be placed under arrest and such person may be prosecuted under the provisions of Penal Code Section 403 or applicable Arcadia Municipal Code section.

# 欢迎参加阿凯迪亚市议会会议!

市议会鼓励公众参与，并邀请您分享对城市管理的看法。

**会议：**市议会定期会议于每个月第一个和第三个星期二下午七时在市议会会议厅举行。在市政厅、阿凯迪亚图书馆和市政府网站 ([www.ArcadiaCA.gov](http://www.ArcadiaCA.gov)) 可以找到包含所有相关信息的完整市议会议程。单独的议程报告可应请求通过电子邮件索取 ([CityClerk@ArcadiaCA.gov](mailto:CityClerk@ArcadiaCA.gov))。至于在发布该议程后向市议会多数成员分发的文件，公众可在阿凯迪亚市书记官办公室查阅，地址：**240 W. Huntington Drive, Arcadia, California**。市议会会议实况将通过有线电视进行现场直播和回放。如在以往的通知中所提示，如果您参加这次公开会议，您的图像和/或声音可能被录下并播出。

**公众参与：**市议会欢迎并邀请您参加市议会的所有会议。在每次定期会议上都为那些希望在会上发言的市民留出时间。市政府要求在市议会发言的人杜绝个人攻击、诽谤、亵渎或破坏性言论。如有可能，请在发表意见之前向市书记官提交一张**发言卡**，亦可在市长宣布自由发言时直接上台发言，并说出您的姓名和地址（如果您愿意），以便制作会议记录。请向市书记官提供一份您在发言中使用的任何书面材料，以及 **10** 份您希望分发给市议会的任何印刷材料。不允许把市政府设备用于准备发言内容。

**议程之外的事项**应当在指定的“公众评议”时间提出。在一般情况下，每位发言者将有五（5）分钟时间向市议会陈述意见，但市长可酌情缩短发言时限，以便让所有希望发言的人都有机会发言。**根据州法，市议会不得讨论或表决未列入议程的事项。此类事项将自动转给工作人员采取适当行动或作出回应，或将其列入未来会议的议程。**

**列入议程的事项**应当在市议会审议该事项时讨论。请在**发言卡**上标明事项的议程编号。在适当的时间会叫到您的名字，您可以在五（5）分钟时限内发言。市长可酌情缩短发言时限，以便让所有希望发言的人都有机会发言。

**公开听证和上诉**是为需要或希望征求公众意见的事项安排的日程。除申请人外（市议会可酌情决定延长申请人的发言时间），每位发言人的发言不得超过五（5）分钟。市长可酌情缩短发言时限，以便让所有希望发言的人都有机会发言。申请人还可以另外提交反驳意见。

**议程事项：**议程包含市议会的例行议题。一般而言，由市政府工作人员在会议前对议程中的事项进行审查和调查，以便市议会在作出决定之前能够充分了解情况。

**同意日历：**在同意日历上列出的事项被市议会视为例行公事，并将通过一项动议采取行动。除非市议员、工作人员或公众提出请求，否则不会对这些事项进行单独讨论。如果有人提出请求，该事项将从同意日历中删除，单独进行审议和采取行动。

**行为规范：**尽管市民可对市政府的政策和市议会或其成员的行动或拟议行动自由地提出批评，但不得出现干扰会议正常秩序的行为，包括但不限于在别人的发言时间内阻止别人发言，或妨碍公众听到发言内容或看到议程进展状况。市民亦不得威胁进行身体伤害或以可能被合理理解为作出身体伤害紧迫威胁的方式行事。所有出席会议的人都必须遵守市政府的反骚扰政策，禁止基于个人种族、宗教信仰、肤色、原国籍、祖籍、身体残障、疾病、婚姻状况、性别、性取向或年龄骚扰他人。警察局长或警察局其他成员将担任维持市议会会议秩序的保安官。保安官将执行会议主持人的一切命令和指示，以维持会议秩序和行为规范。对任何违反会议秩序和行为规范的人可执行拘捕，并可能根据《刑法典》第 403 条或《阿凯迪亚市政法典》相关条款提出起诉。



# STAFF REPORT

Development Services Department

**DATE:** October 15, 2024

**TO:** Honorable Mayor and City Council

**FROM:** Jason Kruckeberg, Assistant City Manager/Development Services Director  
Lisa Flores, Deputy Development Services Director  
By: Alejandra Smith, Business License Officer

**SUBJECT:** REVIEW OF THE BUSINESS PERMIT AND LICENSE REVIEW BOARD'S DENIAL OF THE BUSINESS LICENSE REVOCATION APPEAL FOR SPHINX MART LOCATED AT 142 E. HUNTINGTON DRIVE  
**CEQA: Not a Project**  
**Recommendation: Adopt Resolution No. 7602 denying the appeal and upholding the Business Permit and License Review Board's decision to revoke the business license for Sphinx Mart located at 142 E. Huntington Drive**

## **SUMMARY**

The Appellant and business owner of Sphinx Mart, Mr. Saad Saadhom, is appealing the Business Permit and License Review Board ("Board") decision to revoke his business license, after it was determined that the business was in violation of Arcadia Municipal Code for selling cannabis products and California Health and Safety Code for selling illegal mushrooms. Sphinx Mart is a tobacco shop located at 142 East Huntington Drive.

It is recommended that the City Council adopt Resolution No. 7602 (refer to Attachment No. 1), denying the appeal and upholding the Business Permit and License Review Board's decision to revoke Sphinx Mart's business license with the condition that this business owner may not be allowed to apply for another business license within the City for 12 months.

## **BACKGROUND**

On June 17, 2013, the City issued a business license to Sphinx Mart to allow for the sale of tobacco at 411 East Huntington Drive, Unit 112. On September 19, 2019, Sphinx Mart relocated to 142 East Huntington Drive, and a new business license was issued to allow for the sale of tobacco, tobacco accessories, and snacks (refer to Attachment No. 2). The business has been operating in the City for 11 years. A condition of approval was placed on the business license that "no cannabis sales or alcohol" shall be allowed. The business owner had a previous violation for illegal gambling machines in 2019 but brought the business into compliance soon after he was cited.

The subject commercial building has two units, one of which is currently occupied by Sphinx Mart, and the other unit will be occupied in the future by an approved speakeasy-style bar. The building is located on the south side of Huntington Drive in Downtown Arcadia. The property is zoned CBD, Central Business District. The CBD Zone is intended to promote a strong pedestrian-oriented environment and to serve community and regional needs for retail and service uses, professional office, restaurants, public uses, and other similar and compatible uses. According to the Los Angeles County Assessor's database, the commercial building is owned by PI Properties No. 79 LLC. The property owner has been informed of all correspondence from the City related to this revocation.

In May of this year, Business License Services conducted an inspection of all the tobacco stores in the City. It was discovered that Sphinx Mart had illegal cannabis products for sale. Businesses that engage in the sale of cannabis products are considered a marijuana dispensary, which are prohibited uses under the Arcadia Development Code Section 9109.01.140. It was also discovered that Sphinx Mart had illegal psychotropic mushroom products for sale, which are considered a Schedule I Controlled Substance under California Health and Safety Code Section 11054. Sphinx Mart was in violation of State and local law. As a result, on June 25, 2024, the City sent a Notice of Revocation letter (refer to Attachment No. 4 of the Business License and Review Board Staff Report packet) to the Appellant, and a citation was issued for the violations. The letter informed the Appellant that in 10 days from the date of issuance, the business license would be deemed revoked and all business activity in the City must cease. However, it informed the Appellant of his ability to appeal the decision. The Appellant filed a written appeal on July 5, 2024, within the required 10 days (Refer to Attachment No. 4 of the Business License and Review Board Staff Report packet).

Prior to the Business Permit and License Review Board Meeting, the City's Police Department submitted the mushroom products that were seized from Sphinx Mart to the District Attorney. The products were also sent to the Los Angeles County Sheriff's Department Scientific Services Bureau to determine if they contained psilocybin.

On August 13, 2024, the Business Permit and License Review Board ("Board") considered the appeal. After much discussion, the Board agreed to revoke the license but modified the recommended term of revocation, so the business owner would not be allowed to apply for a new business license within the City beginning 12 months from revocation, reduced down to six (6) months from revocation. The amended Resolution was adopted by the Board on September 10, 2024 – refer to Attachment No. 3 for an excerpt of the August 13, 2024, Board's Minutes, and Attachment No. 4 for the Board's Staff Reports, dated August 13, 2024, and September 10, 2024.

An appeal of the Board's decision was filed by the Appellant on September 19, 2024, during the 10-day appeal period – Refer to Attachment No. 2. As part of the revocation process, the business was required to close permanently on September 23, 2024, which they did.

## **DISCUSSION**

Pursuant to Arcadia Municipal Code (“AMC”) Section 6216.7(3) and 6216.8, the License Officer and the Board upon an appeal, “may suspend or revoke any business license upon receipt of any of the following information from any source that the holder of the license has violated any conditions of said license, or has violated or permitted to be violated any law or laws of the United States or the State, or any ordinance applicable to the premises where the business covered by said license is conducted, or in connection with said business.”

The Board revoked Sphinx Mart’s business license because they clearly violated the conditions of approval on the business license that prohibit the sale of cannabis, by selling various cannabis products and for operating an illegal marijuana dispensary, which was in violation of local law. Sphinx Mart also illegally sold psychedelic mushroom products, which contained psilocybin, in violation of State law.

### **Cannabis Violations**

Arcadia Development Code (“ADC”) Section 9104.02.030(C), prohibits marijuana dispensaries in all zoning districts in the City: “Marijuana cultivation, dispensaries, manufacturers, and delivery of marijuana, as defined by Division 9 (Definitions), shall be considered prohibited uses in all zoning districts of the City.”

Sphinx Mart was considered a marijuana dispensary under ADC Section 9109.01.140, which defines marijuana dispensary as “a facility where marijuana, marijuana products, or devices for the use of cannabis or cannabis products are offered, either individually or in any combination, for retail sale, including an establishment that delivers cannabis and cannabis products as part of a retail sale.” As a facility where marijuana products or devices for the use of cannabis or cannabis products are offered for retail sale, Sphinx Mart was illegally operating as a marijuana dispensary.

Marijuana (cannabis) is defined under ADC Section 9010.01.140 as “all parts of the plant *Cannabis sativa* L., whether growing or not; the seeds thereof; the resin extracted from any part of the plant; and every compound, manufacture, salt, derivative, mixture, or preparation of the plant, its seeds, or resin. It does not include (1) Industrial hemp, as defined in Section 11018.5 of the California Health & Safety Code; or (2) The weight of any other ingredient combined with marijuana to prepare topical or oral administrations, food, drink, or other product.”

Marijuana products are defined under ADC Section 9010.01.140 as “marijuana that has undergone a process whereby the plant material has been transformed into a concentrate, including, but not limited to, concentrated cannabis, or an edible or topical product containing marijuana or concentrated cannabis and other ingredients.”

Sphinx Mart offered the following cannabis/marijuana products for sale:

- STIIZY 40's Infused Pre-Rolls (premium cannabis flowers infused with live resin);
- TREHouse Delta 9+ Syrup and D9+ THC Syrup (chemicals found in cannabis sativa plants);
- STIIZY Weed Vape Pods (products which contain varying levels of THC and CBD); and
- FRYD Extracts Vape Cartridge (products which contain THC, cannabis oil, and live resin).

Refer to Attachment No. 4 for photos of the illegal cannabis products.

### **Mushroom Violations**

Sphinx Mart's business license was also revoked due to their sale of illegal mushrooms. Mushrooms and mushroom products that contain psilocybin or psilocin are a Schedule I Controlled Substance under Health and Safety Code Section 11054(d)(18) and (d)(19). Under Health & Safety Code Section 11378(2), possession for sale of this controlled substance is illegal. Attachment No. 4 includes photos of these illegal mushroom products containing psilocybin. The mushroom products were sent to the Los Angeles County Sheriff's Department Scientific Services Bureau and tested positive for psilocybin.

### **Business and License Review Board Hearing**

The Board held a public hearing on August 13, 2024. During the meeting, the Appellant requested that the City not revoke his business license on the basis that he was not aware that these products were illegal since he was informed by his wholesaler that the mushrooms comply with State law and are legal to sell. He also stated that this business was his only source of income and requested that the Board reconsider the revocation and reinstate the business license, with a contingency that he will comply with all the rules and regulations that are applicable to local law.

Following the public hearing, the determination of the Board was to deny the appeal and uphold the License Officer's decision to revoke the business license, with a provision that the business license holder, the holder's employee, agent, partner, director, officer, controlling stockholder or manager, shall not be allowed to apply for a new business license within the City for at least six (6) months. This was a modification of the original recommendation of the Staff, which had been for a 12 month waiting period to reapply. The amended Resolution was adopted by the Board on September 10, 2024.

### **Subsequent Violations**

Pending adoption of the amended Resolution, but after the appeal hearing with the Board, on September 2, 2024, the City's Police Department witnessed juveniles in possession of tobacco products loitering in front of Sphinx Mart. Police investigated and confirmed

the tobacco products were purchased at Sphinx Mart, and a citation was issued to the business for selling tobacco to minors.

Since the business owner of Sphinx Mart continues to violate the law, it is recommended that City Council expand the term of revocation, prohibiting the business license holder from applying for a new business license for 12 months, as was the City's initial recommendation, instead of six (6) months. The business license would be revoked with a provision that no new business license for any business in the City may be requested by the holder of the revoked license, for 12 months. This condition would apply to any employee, agent, partner, director, officer, controlling stockholder, or manager of the license holder, for any business or location within the City, or by any other person for the same business on the same premises where the business covered by the revoked license was conducted, or for the same business on a different premises within the City. If, after the period specified, application for a new business license is made, the applicant must comply with all requirements of the City Codes for issuance of a new business license. There shall be no automatic reinstatement of a revoked business license and the City is under no obligation to grant the new application.

### **ENVIRONMENTAL ANALYSIS**

The business license revocation is exempt from the California Environmental Quality Act ("CEQA") pursuant to Section 15358 (the activity will not result in a direct or reasonably foreseeable indirect physical change in the environment) of the CEQA Guidelines, California Code of Regulations, Title 14, Chapter 3, because it has no potential for resulting physical change to the environment, directly or indirectly. Moreover, the revocation does not constitute a project under the California Environmental Quality Act ("CEQA") under Section 15061(b)(3) of the CEQA Guidelines, as it can be seen with certainty that it will have no impact on the environment.

### **FISCAL IMPACT**

Although the current business does generate sales tax, the recommended revocation will not have a significant impact on City revenues.

### **RECOMMENDATION**

It is recommended that the City Council determine that this action does not constitute a project under the California Environmental Quality Act ("CEQA"); and adopt Resolution No. 7602 denying the appeal and upholding the Business Permit and License Review Board's decision to revoke the Business License for Sphinx Mart located at 142 E. Huntington Drive, with the condition that this business owner may not be allowed to apply for another business license within the City for 12 months.

Approved:



Dominic Lazzaretto  
City Manager

Attachment No. 1: Resolution No. 7602

Attachment No. 2: Appeal Letter, dated September 19, 2024

Attachment No. 3: August 13, 2024, Minutes of the Business Permit and Review Board

Attachment No. 4: August 13, 2024, and September 10, 2024, Business Permit and Review Board Resolution No. 2150 and Staff Reports with all the original attachments

# Attachment No. 1

Resolution No. 7602

RESOLUTION NO. 7602

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ARCADIA, CALIFORNIA, DENYING THE APPEAL AND UPHOLDING THE BUSINESS PERMIT AND LICENSE REVIEW BOARD'S DECISION TO REVOKE THE BUSINESS LICENSE FOR SPHINX MART LOCATED AT 142 E. HUNTINGTON DRIVE

WHEREAS, on September 19, 2019, the City issued a business license to Mr. Saad Saadhom, the business owner and Appellant of Sphinx Mart that is located at 142 East Huntington Drive, for the sale of tobacco, tobacco products, and food snacks. A condition of approval was placed on Sphinx Mart's business license that prohibits the sale of cannabis or alcohol; and

WHEREAS, in May of 2024, Business License Services conducted an inspection of all the tobacco stores in the City. It was discovered that Sphinx Mart had illegal cannabis products for sale. The business was in violation of its business license condition of approval prohibiting cannabis sales.

WHEREAS, businesses which engage in the sale of cannabis products are considered a marijuana dispensary and are prohibited under the Arcadia Development Code Section 9101.01.140. The business was operating in violation of local law.

WHEREAS, in May of 2024, it was discovered that Sphinx Mart also had illegal psychotropic mushroom products containing psilocybin for sale, which are considered a Schedule I Controlled Substance under the California Health and Safety Code Section 11054(d) and their sale prohibited under the California Health and Safety Code Section 11378(2). The business was in violation of State law; and

WHEREAS, pursuant to the Arcadia Municipal Code Section 6216.7(3) the License Officer may suspend or revoke any business license upon receipt of any of the following

information from any source that the holder of the license has violated any conditions of said license, or has violated or permitted to be violated any law or laws of the United States or the State, or any ordinance applicable to the premises where the business covered by said license is conducted, or in connection with said business; and

WHEREAS, on June 25, 2024, a Notice of Revocation was issued to the Appellant, and a citation was issued for the violations. The business was required to close their business permanently on July 6, 2024, unless an appeal was filed; and

WHEREAS, on July 5, 2024, within the prescribed 10-day appeal period, an appeal was timely filed by the Appellant, Mr. Saad Saadhom; and

WHEREAS, on August 13, 2024, a public hearing was held before the Business License Permit and Review Board (“Board”), at which time all interested persons were given full opportunity to be heard and to present evidence; and

WHEREAS, the City recommended the Board uphold revocation of Appellant’s business license subject to the condition that Appellant and his employees, agents, partners, directors, officers, controlling stockholders or managers may not request any business license for any business or location within the city or by any other person for the same business on the same premises where the business covered by the revoked license was conducted, or for the same business on a different premises within the City, for a period of 12 months; and

WHEREAS, following consideration of all testimony and evidence, including staff report and attachments, the Board voted unanimously (Board Member Hui was absent) to deny the appeal and uphold the revocation and amended the terms that the Appellant may not be allowed to apply for another business license within this City for six (6) months

rather than the recommended terms of 12 months, and directed Staff to return with a revised Resolution. The Board also closed public hearing at this meeting.

WHEREAS, on September 10, 2024, the Board voted with a 4-0 vote (Board Member Hui abstained) to approve Resolution No. 2150 and issued a final decision as to the business license revocation; and

WHEREAS, within the prescribed 10-day appeal period, the Appellant filed an appeal on September 19, 2024.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF ARCADIA, CALIFORNIA, HEREBY RESOLVES AS FOLLOWS:

SECTION 1. The facts set forth above are true and correct and are incorporated herein by reference.

SECTION 2. The City Council finds that based upon the entire record, pursuant to Section 6216.7(3) of the Arcadia Municipal Code (“AMC”), the business holder of the license has violated both the conditions of approval of said license, which prohibits the sale of cannabis or cannabis products, and the Arcadia Development Code (“ADC”) Section 9104.02.030(C) which prohibits marijuana dispensaries in all zoning districts in the City. As a facility where marijuana products and/or cannabis products are offered for retail sale, Sphinx Mart was considered a marijuana dispensary under ADC Section 9109.01.140, which is prohibited in the City of Arcadia. Sphinx Mart’s business license was also revoked due to the sale of illegal mushrooms. Mushrooms and mushroom products which contain psilocybin or psilocin are a Schedule I Controlled Substance. Sale of this controlled substance is illegal under Health & Safety Code Section 11378(2).

Given that the sale of cannabis is a violation of local law, and sale of Schedule I drugs containing psilocybin is a violation of State law, the Appellant should have been aware of these City and State regulations, the Board recommended that the business license be revoked with a provision that no new business license for any business in the City may be requested by the holder of the revoked license for six (6) months by the business holder's employee, agent, partner, director, officer, controlling stockholder or manager, for any business or location within the city or by any other person for the same business on the same premises where the business covered by the revoked license was conducted or for the same business on a different premises within the City. If, after the period specified, application for a new business license is made, the applicant must comply with all requirements of this Code for issuance of a new business license. There shall be no automatic reinstatement of a revoked business license, and the City is under no obligation to grant the new application.

SECTION 3. The business license revocation is exempt from the California Environmental Quality Act ("CEQA") pursuant to Section 15358 (the activity will not result in a direct or reasonably foreseeable indirect physical change in the environment) of the CEQA Guidelines, California Code of Regulations, Title 14, Chapter 3, because it has no potential for resulting in physical change to the environment, directly or indirectly. Moreover, the revocation does not constitute a project under the California Environmental Quality Act ("CEQA") under Section 15061(b)(3) of the CEQA Guidelines, as it can be seen with certainty that it will have no impact on the environment. Thus, this matter is exempt under CEQA.

SECTION 4. For the foregoing reasons the City Council, given the discretion authorized by AMC Section 6216.9, determined that appeal shall be denied, and the business license for Sphinx Mart shall be revoked subject to the terms that no new business license for any business in the City may be requested by the holder of the revoked license for 12 months by the business holder's employee, agent, partner, director, officer, controlling stockholder or manager, for any business or location within the city or by any other person for the same business on the same premises where the business covered by the revoked license was conducted or for the same business on a different premises within the City. If, after the period specified, application for a new business license is made, the applicant must comply with all requirements of this Code for issuance of a new business license. There shall be no automatic reinstatement of a revoked business license, and the City is under no obligation to grant the new application.

SECTION 4. The City Clerk shall certify to the adoption of this Resolution.

[SIGNATURES ON THE NEXT PAGE]


Passed, approved and adopted this 15th day of October, 2024.

\_\_\_\_\_  
Mayor of the City of Arcadia

ATTEST:

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

APPROVED AS TO FORM:

  
\_\_\_\_\_  
Michael J. Maurer  
City Attorney

# Attachment No. 2

Appeal Letter, dated September 19, 2024

MAIN OFFICE

5757 WILSHIRE BLVD., STE 340  
LOS ANGELES, CA 90036

LOS ANGELES COUNTY  
ORANGE COUNTY  
SAN BERNARDINO COUNTY  
RIVERSIDE COUNTY  
SAN DIEGO COUNTY  
VENTURA COUNTY

NEGIN YAMINI

Attorney at Law

TELEPHONE (310)-740-1202 ♦ FACSIMILE (310) 861-0551

September 18, 2024

Via Personal Service

City of Arcadia  
Attn: Alejandra Smith  
Business License Division  
240 West Huntington Dr.  
Post Office Box 60021  
Arcadia, CA 91066-6021  
Tel: 626-574-5437  
Fax: 626-447-3309  
Email: [asmith@ArcadiaCA.gov](mailto:asmith@ArcadiaCA.gov)



**RE: Sphinx Mart**  
**142 E. Huntington Dr.**  
**Arcadia, CA 91006**

**License No.: 066014**

**RE: Appeal of Revocation of Business License and Adoption of Resolution No.: 2150**

To the City of Arcadia and Business License Division

Please be advised that this office has been retained by Sphinx Mart ("Our Client") in connection with the above-mentioned matter. This letter serves as Our Client's **Appeal of Revocation of Business License No.: 066014 and Adoption of Resolution No.: 2150**. We request that you contact this office to coordinate the next steps moving forward, including but not limited to setting hearing date(s) for the appeal and the exchange of discovery/evidence.

Thank you for your attention to this matter and feel free to contact this office if you have any questions.

Sincerely,

*Negin Yamini*

---

Negin Yamini, Esq.  
Attorney for Sphinx Mart

# Attachment No. 3

August 13, 2024 Minutes of the Business  
Permit and Review Board



**ARCADIA BUSINESS PERMIT & LICENSE REVIEW BOARD  
REGULAR MEETING MINUTES  
TUESDAY, AUGUST 13, 2024**

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**CALL TO ORDER** Chair Tsoi called the meeting to order at 6:00 p.m.

**ROLL CALL**

PRESENT: Chair Tsoi, Vice Chair Wilander, Arvizu, and Tallerico (via Zoom)

ABSENT: Hui

It was moved by Vice Chair Wilander and seconded by Board Member Arvizu to excuse Commissioner Hui from the meeting.

Without objection, the motion was approved.

**SUPPLEMENTAL INFORMATION FROM STAFF REGARDING AGENDA ITEMS**

There were none.

**PUBLIC COMMENTS (5 minute time limit per person)**

There were none.

**PUBLIC HEARING**

- 1. RESOLUTION NO. 2150** - A Resolution of the Business License Permit and Review Board denying the appeal and upholding the revocation of the business license for Sphinx Mart located at 142 E. Huntington Drive.

**CEQA:** Exempt

**Recommendation:** Adopt

**Appellant:** Saad Saadhom

**MOTION - PUBLIC HEARING**

Business License Officer Alejandra Smith presented the appeal.

Board Member Arvizu asked about the previous violation regarding the illegal gambling machines and how many did they have.

Deputy Development Services Director Lisa Flores stated that it was a minimal number of machines, and that the owner removed them soon after a Notice of Violation was issued.

Board Member Wilander asked how the owner obtained psychedelic mushrooms if they are illegal.

Yara Wahba, Attorney from BBK, replied that even though they are illegal, they can still be found in California.

Chair Tsoi asked why the revocation period is twelve (12) months.

Ms. Wahba stated that this is how it is written in the code, but the Board has discretion.

The public hearing was opened.

The Appellant, Saad Saadhom and business owner of Sphinx Mart, informed the Board that he is currently a resident of Arcadia, he has lived in Arcadia for almost 20 years, and his children currently attend Arcadia schools. He was not aware that the products that he purchased from a warehouse in Los Angeles were illegal. In fact, he was informed that they were all legal to sale. Had he known they were illegal, he would have not displayed them for sale. He respects Arcadia and it was never his intentions to sell drugs. He asked the Board to forgive him and to consider the appeal in not revoking his business license.

The next speaker, Ray Diaz a friend of Mr. Saadhom was there to help translate. Mr. Diaz stated that California and Federal law are confusing as to the legality of marijuana. He stated that Mr. Saadhom would never have displayed these products openly if he knew they were illegal. This shop is his only income and that twelve (12) months would be too punitive of a punishment. He asked for a reduced punishment and was open to frequent inspections.

Board Member Wilander stated mushrooms are illegal and that Mr. Saadhom should have known. Ms. Wilander asked if his business license had any conditions.

Ms. Smith clarified that his license includes a condition that marijuana and alcohol sales are prohibited at that location.

Board Member Arvizu asked the Appellant if knew if THC, cannabis, marijuana are all the same thing.

Mr Saadham replied that he did not know they were the same thing.

Board Member Arvizu stated that it is the responsibility of any business owner to be aware of what they are selling.

Mr. Saadham said he would be mindful in the future about the products he sells.

No other member of the public spoke in favor of the appeal.

No other member of the public spoke in opposition to the appeal.

Board Member Arvizu moved to close the public hearing, seconded by Board Member Tallerico.

Without objection, the motion was approved.

## **DISCUSSION**

Board Member Tallerico, who was present via Zoom, commented that the code and law is clear that these products are illegal. He stated that with Mr. Saadhom's prior violations with gambling machines, he should have sought guidance from the City as to the legality of the products he intended to sell in his shop. Board Member Tallerico said he supported the twelve (12) month revocation.

Vice Chair Wilander agreed with Board Member Tallerico and stated that the responsibility ultimately falls on the business owner.

Board Member Arvizu said twelve (12) months seems like a severe penalty for a business owner, but Arcadia does not tolerate drugs being sold from its businesses.

Chair Tsoi said twelve (12) months was a severe penalty for them to reopen a business in the City. He asked Staff if the condition could be modified.

Ms. Flores replied that the terms within the condition can be modified at the discretion of the Board. Staff recommended 12 months because the business not only sold illegal marijuana but Schedule 1 narcotics, which is in violation of the State law.

Kellen Martz, Assistant City Attorney, read the requirements within the Municipal Code regarding the provisions of when the business owner can apply for a new business license in the City after it has been revoked.

Ms. Flores and Mr. Martz further clarified the difference between revocation and suspension, and the different options that the Board has as far as amending the condition.

Vice Chair Wilander said she felt a six (6) month revocation was an appropriate penalty.

Board Member Arvizu said people can make mistakes and he was open to six (6) months and that regular inspections shall be conducted to ensure compliance.

## **MOTION**

Board Member Arvizu moved to amend Resolution No. 2150 of the Business License Permit and Review Board of the city of Arcadia, California, denying the appeal and upholding the revocation of the business license for Sphinx Mart located at 142 E. Huntington drive, reducing the original twelve-month revocation period to six months.

Board Member Tallerico made a countermotion to accept Resolution No. 2150 as originally submitted, and revoke Sphinx Mart's business license for 12 months.

No one seconded the motion.

Vice Chair Wilander seconded Board Member Arvizu's motion.

## **ROLL CALL**

AYES: Chair Tsoi, Vice Chair Wilander, Arvizu, and Tallerico

NOES: None  
ABSENT: Hui

The motion was approved.

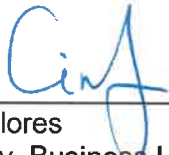
**ADJOURNMENT**

The Business License Permit and Review Board adjourned the meeting at 6:48 p.m. The Business License Permit and Review Board will reconvene September 10, 2024 to adopt the amended Resolution No. 2150.



Chair Tsoi, Business License Review Board Chair

ATTEST:



\_\_\_\_\_  
Lisa L. Flores  
Secretary, Business License Review Board

# Attachment No. 4

August 13, 2024 and September 10, 2024  
Business Permit and Review Board  
Resolution No. 2150 and Staff Report with  
all the Attachments



# STAFF REPORT

Development Services Department

**DATE:** September 10, 2024

**TO:** Business Permit and License Review Board

**FROM:** Lisa Flores, Deputy Development Services Director  
Prepared By: John Wade, Business License Assistant

**SUBJECT:** RESOLUTION NO. 2150 - DENYING THE APPEAL AND UPHOLDING THE REVOCATION OF THE BUSINESS LICENSE FOR SPHINX MART LOCATED AT 142 E. HUNTINGTON DRIVE  
Recommendation: Adopt

On August 13, 2024, the Business Permit and License Review Board voted unanimously to deny the appeal and uphold staff's recommendation to revoke the business license for Sphinx Mart located at 142 E. Huntington Drive. City staff recommended a provision of revocation that the business license holder, the holder's employee, agent, partner, director, officer, controlling stockholder or manager, shall not be allowed to apply for a new business license within the City for at least twelve (12) months. After much discussion, the Board agreed to modify Staff's recommended term from twelve (12) months to six (6) months and directed Staff to return with an amended Resolution. Attached is the amended Resolution (Resolution No. 2150) for adoption.

Pursuant to Arcadia Municipal Code Section 6216.9, the Appellant will have ten (10) days to appeal the decision. The appeal period ends on September 23, 2024, which is the last business day (City Hall is closed on September 20, 2024). If no appeal is filed, Sphinx Mart shall be required to cease their operation, and it must be entirely closed for business as of September 24, 2024.

If any Board Members, or other interested party has any questions or comments regarding this matter prior to the September 10, 2024, Business License and Review Board Meeting, please contact Business License Officer, Alejandra Smith at (626) 574-5437 or by email at [asmith@ArcadiaCA.gov](mailto:asmith@ArcadiaCA.gov).

Approved:

A handwritten signature in blue ink, appearing to be 'Lisa L. Flores', with a long horizontal stroke extending to the right.

Lisa L. Flores  
Deputy Development Services Director

Attachment No. 1: Resolution No. 2150

RESOLUTION NO. 2150

A RESOLUTION OF THE BUSINESS LICENSE PERMIT AND REVIEW BOARD OF THE CITY OF ARCADIA, CALIFORNIA, DENYING THE APPEAL AND UPHOLDING THE REVOCATION OF THE BUSINESS LICENSE FOR SPHINX MART LOCATED AT 142 E. HUNTINGTON DRIVE

WHEREAS, on September 19, 2019, the City issued a business license to Mr. Saad Saadhom, the business owner and Appellant of Sphinx Mart that is located at 142 East Huntington Drive, for the sale of tobacco, tobacco products, and food snacks. The subject business address is zoned CBD, Central Business District. A condition of approval for Sphinx Mart's business license provided that no cannabis sales or alcohol shall be permitted; and

WHEREAS, in May of 2024, Business License Services conducted an inspection of all the tobacco stores in the City. It was discovered that Sphinx Mart had illegal cannabis products for sale. The business was operating in violation of its business license condition of approval prohibiting cannabis sales. Businesses which engage in the sale of cannabis products are considered a marijuana dispensary and are prohibited under the Arcadia Development Code Section 9101.01.140. The business was operating in violation of local law. It was discovered that Sphinx Mart had illegal psychotropic mushroom products containing psilocybin for sale, which are considered a Schedule I Controlled Substance under the California Health and Safety Code Section 11054(d) and their sale prohibited under the California Health and Safety Code Section 11378(2). The business was in violation of State law; and

WHEREAS, Section 6216.7(3) provides the License Officer may suspend or revoke any business license upon receipt of any of the following information from any

source that the holder of the license has violated any conditions of said license, or has violated or permitted to be violated any law or laws of the United States or the State, or any ordinance applicable to the premises where the business covered by said license is conducted, or in connection with said business; and

WHEREAS, on June 25, 2024, a Notice of Revocation was issued to the Appellant, and a citation was issued for the violations. The business was required to close their business permanently on July 6, 2024, unless an appeal was filed; and

WHEREAS, on July 5, 2024, within the prescribed 10-day appeal period, an appeal was timely filed by the Appellant, Mr. Saad Saadhom; and

WHEREAS, on August 13, 2024, a public hearing was held before the Business License Permit and Review Board, at which time all interested persons were given full opportunity to be heard and to present evidence; and

WHEREAS, the City recommended the Board uphold revocation of Appellant's business license subject to the condition that Appellant and his employees, agents, partners, directors, officers, controlling stockholders or managers may not request any business license for any business or location within the city or by any other person for the same business on the same premises where the business covered by the revoked license was conducted, or for the same business on a different premises within the City, for a period of twelve (12) months.

NOW, THEREFORE, THE BUSINESS LICENSE PERMIT AND REVIEW BOARD OF THE CITY OF ARCADIA, CALIFORNIA, HEREBY RESOLVES AS FOLLOWS:

SECTION 1. The facts set forth above are true and correct and are incorporated herein by reference.

SECTION 2. The Board finds that based upon the entire record, pursuant to Section 6216.7(3) of the Arcadia Municipal Code ("AMC"), the business holder of the license has violated both the conditions of approval of said license, which prohibits the sale of cannabis or cannabis products, and the Arcadia Development Code ("ADC") Section 9104.02.030(C) which prohibits marijuana dispensaries in all zoning districts in the City. As a facility where marijuana products and/or cannabis products are offered for retail sale, Sphinx Mart is considered a marijuana dispensary under ADC Section 9109.01.140, which is prohibited in the City of Arcadia. Sphinx Mart's business license was also revoked due to the sale of illegal mushrooms. Mushrooms and mushroom products which contain psilocybin or psilocin are a Schedule I Controlled Substance. Sale of this controlled substance is illegal under Health & Safety Code Section 11378(2). Attachment No. 4 are photos of this illegal substance these illegal mushroom and products containing psilocybin.

Given that the sale of cannabis is a violation of local law, and sale of Schedule I drugs containing psilocybin is a violation of State law, the Appellant should have been aware of these City and State regulations, the License Office is recommending that the business license be revoked with a provision that no new business license for any business in the City may be requested by the holder of the revoked license for twelve (12) months by the business holder's employee, agent, partner, director, officer, controlling stockholder or manager, for any business or location within the city or by any other person for the same business on the same premises where the business covered by the revoked license was conducted or for the same business on a different premises within the City. If, after the period specified, application for a new business license is

made, the applicant must comply with all requirements of this Code for issuance of a new business license. There shall be no automatic reinstatement of a revoked business license and the City is under no obligation to grant the new application.

SECTION 3. The business license revocation is exempt from the California Environmental Quality Act (“CEQA”) pursuant to Section 15358 (the activity will not result in a direct or reasonably foreseeable indirect physical change in the environment) of the CEQA Guidelines, California Code of Regulations, Title 14, Chapter 3, because it has no potential for resulting in physical change to the environment, directly or indirectly. Moreover, the revocation does not constitute a project under the California Environmental Quality Act (“CEQA”) under Section 15061(b)(3) of the CEQA Guidelines, as it can be seen with certainty that it will have no impact on the environment. Thus, this matter is exempt under CEQA.

SECTION 4. For the foregoing reasons the Business License Permit and Review Board, given the discretion authorized by AMC Section 6216.8, determined that the business license for Sphinx Mart shall be revoked subject to the conditions of approval that no new business license for any business in the City may be requested by the holder of the revoked license for six (6) months by the business holder’s employee, agent, partner, director, officer, controlling stockholder or manager, for any business or location within the city or by any other person for the same business on the same premises where the business covered by the revoked license was conducted or for the same business on a different premises within the City. If, after the period specified, application for a new business license is made, the applicant must comply with all requirements of this Code for issuance of a new business license. There shall be no automatic reinstatement of a

revoked business license, and the City is under no obligation to grant the new application.

[Signature on the next page]

Passed, approved and adopted by the Business License Permit and Review Board this 10th day of September 2024.



Vincent Tsoi,  
Chair, Business License Permit and Review Board

ATTEST:



Lisa L. Flores  
Secretary

APPROVED AS TO FORM:



Michael J. Maurer  
City Attorney

STATE OF CALIFORNIA       )  
COUNTY OF LOS ANGELES ) §:  
CITY OF ARCADIA            )

I, Lisa Flores, Secretary of the Business Permit and License Review Board of the City of Arcadia, hereby certify that the foregoing Resolution No. 2150 was passed and adopted by the Business Permit and License Review Board of the City of Arcadia, signed by the Chair, and attested to by the Secretary at a regular meeting of said Business Permit and License Review Board held on the 10<sup>th</sup> day of September 2024, and that said Resolution was adopted by the following vote, to wit:

AYES:     Chair Tsoi, Vice Chair Wilander, Commissioner Tallerico

NOES:     None

ABSENT:   Arvizu

Commissioner Hui Abstained

  
\_\_\_\_\_  
Lisa L. Flores  
Secretary of the Business Permit and License  
Review Board



# STAFF REPORT

Development Services Department

**DATE:** August 13, 2024

**TO:** Business Permit and License Review Board

**FROM:** Lisa Flores, Deputy Development Services Director  
By: Alejandra Smith, Business License Officer

**SUBJECT:** RESOLUTION NO. 2150 - DENYING THE APPEAL AND UPHOLDING THE REVOCATION OF THE BUSINESS LICENSE FOR SPHINX MART LOCATED AT 142 E. HUNTINGTON DRIVE  
**CEQA: Not A Project**  
**Recommendation: Adopt**

## **SUMMARY**

Sphinx Mart is a tobacco shop located at 142 East Huntington Drive. The Appellant and business owner of Sphinx Mart, Mr. Saad Saadhom, is appealing the City's decision to revoke his business license. On June 25, 2024, the City revoked Sphinx Mart's business license after it was determined that the business was in violation of Arcadia Municipal Code for selling cannabis products and California Health and Safety Code for selling illegal mushrooms. On July 5, 2024, the Appellant filed a written appeal.

It is recommended that the Business Permit and License Review Board adopt Resolution No. 2150 (refer to Exhibit No. 1), denying the appeal and upholding the business license revocation for Sphinx Mart with the condition that this business owner may not be allowed to apply for another business license within this City for twelve (12) months from this revocation appeal.

## **BACKGROUND**

On June 17, 2013, the City issued a business license to Sphinx Mart to allow for the sales of tobacco at 411 East Huntington Drive, Unit 112. On September 19, 2019, Sphinx Mart relocated to 142 East Huntington Drive and a business license was issued to allow for the sale of tobacco, tobacco accessories, and snacks (refer to Exhibit No. 3). The business has been operating in the City for eleven (11) years. A condition of approval was placed on the business license that "no cannabis sales or alcohol" shall be allowed. The business owner had a previous violation for having illegal gambling machines in 2019, but brought his business into compliance soon after he was cited.

The subject commercial building has two units, one of which is currently occupied by Sphinx Mart, and the other unit will be occupied in the future by a speakeasy bar. The building is located on the south side of Huntington Drive in Downtown Arcadia. The property is zoned CBD, Central Business District. The CBD zone is intended to promote a strong pedestrian-oriented environment and to serve community and regional needs for retail and service uses, professional offices, restaurants, public uses, and other similar and compatible uses. According to the Los Angeles County Assessor's database, the commercial building is owned by PI Properties No. 79 LLC. The property owner has been informed of all correspondence from the City related to this revocation.

In May of this year, Business License Services conducted an inspection of all the tobacco stores in the City. It was discovered that Sphinx Mart had illegal cannabis products for sale. Businesses which engage in the sale of cannabis products are considered a marijuana dispensary and are prohibited under the Arcadia Development Code Section 9109.01.140. It was also discovered that Sphinx Mart had illegal psychotropic mushroom products for sale, which are considered a Schedule I Controlled Substance under California Health and Safety Code Section 11054. The business was operating in violation of the State and local law. As a result, on June 25, 2024, the City sent a Notice of Revocation letter (refer to Exhibit No. 2) to the Appellant, and a citation was issued for the violations. The letter informed Appellant that unless an appeal was filed, the revocation required the business to close and cease operation on July 6, 2024. The Appellant filed a written appeal on July 5, 2024 (refer to Exhibit No. 4).

## **DISCUSSION**

Pursuant to Arcadia Municipal Code ("AMC") Section 6216.7(3), the License Officer "may suspend or revoke any business license upon receipt of any of the following information from any source that" "the holder of the license has violated any conditions of said license, or has violated or permitted to be violated any law or laws of the United States or the State, or any ordinance applicable to the premises where the business covered by said license is conducted, or in connection with said business."

In this case, Sphinx Mart's business license was revoked for violating both their business license conditions of approval and State and local law.

First, Sphinx Mart violated their business license conditions of approval which prohibit the sale of cannabis, by selling various cannabis products (refer to Exhibit Nos. 3 and 5).

Second, Sphinx Mart violated local law by operating as an illegal marijuana dispensary in violation of local law.

Specifically, Arcadia Development Code ("ADC") Section 9104.02.030(C) prohibits marijuana dispensaries in all zoning districts in the City: "Marijuana cultivation, dispensaries, manufacturers, and delivery of marijuana, as defined

by Division 9 (Definitions), shall be considered prohibited uses in all zoning districts of the City.”

Sphinx Mart is considered a marijuana dispensary under ADC Section 9109.01.140, which defines marijuana dispensary as “a facility where marijuana, marijuana products, or devices for the use of cannabis or cannabis products are offered, either individually or in any combination, for retail sale, including an establishment that delivers cannabis and cannabis products as part of a retail sale.” As a facility where marijuana products or devices for the use of cannabis or cannabis products are offered for retail sale, as will be explained below, Sphinx Mart was illegally operating as a marijuana dispensary.

Marijuana (cannabis) is defined under ADC Section 9010.01.140 as “[a]ll parts of the plant *Cannabis sativa* L., whether growing or not; the seeds thereof; the resin extracted from any part of the plant; and every compound, manufacture, salt, derivative, mixture, or preparation of the plant, its seeds or resin. It does not include (1) Industrial hemp, as defined in Section 11018.5 of the California Health & Safety Code; or (2) The weight of any other ingredient combined with marijuana to prepare topical or oral administrations, food, drink or other product.”

Marijuana products are defined under ADC Section 9010.01.140 as “[m]arijuana that has undergone a process whereby the plant material has been transformed into a concentrate, including, but not limited to, concentrated cannabis, or an edible or topical product containing marijuana or concentrated cannabis and other ingredients.”

Sphinx Mart was offering for sale the following cannabis/marijuana products:

- STIIIZY 40’s Infused Pre-Rolls (premium cannabis flowers infused with live resin);
- TREHouse Delta 9+ Syrup and D9+ THC Syrup (chemicals found in cannabis sativa plants);
- STIIIZY Weed Vape Pods (products which contain varying levels of THC and CBD); and
- FRYD Extracts Vape Cartridge (products which contain THC, cannabis oil, and live resin).

Refer to Exhibit No. 5 for photos of the illegal cannabis products.

Sphinx Mart’s business license was also revoked due to their sale of illegal mushrooms. Mushrooms and mushroom products which contain psilocybin or psilocin are a Schedule I Controlled Substance under Health and Safety Code section 11054(d)(18) and (d)(19). Under Health & Safety Code Section 11378(2), possession for sale of this

controlled substance is illegal. Exhibit No. 6 are photos of these illegal mushroom products containing psilocybin.

Appellant is requesting that the City not revoke his business license on the basis that he was not aware that these products are illegal since he was informed by his wholesaler that the mushrooms comply with State law and are legal to sell. He has also stated that this business is his only source of income and is requesting that the Board reconsider this revocation and reinstate the business license with a contingency that he will comply with all the rules and regulations that are applicable to the local law (refer to Exhibit No. 4).

Given that sale of cannabis products are a violation of local law, and sale of Schedule I drugs containing psilocybin are a violation of State law, Appellant should have been aware of these City and State regulations. The License Officer recommends that the business license be revoked with a provision that no new business license for any business in the City may be requested by the holder of the revoked license for twelve (12) months. Also, this condition that a new license may not be requested for twelve (12) months applies to the business license holder's employee, agent, partner, director, officer, controlling stockholder or manager, for any business or location within the city or by any other person for the same business on the same premises where the business covered by the revoked license was conducted or for the same business on a different premises within the City. If, after the period specified, application for a new business license is made, the applicant must comply with all requirements of this Code for issuance of a new business license. There shall be no automatic reinstatement of a revoked business license and the City is under no obligation to grant the new application.

### **ENVIRONMENTAL ANALYSIS**

The business license revocation is exempt from the California Environmental Quality Act ("CEQA") pursuant to Section 15358 (the activity will not result in a direct or reasonably foreseeable indirect physical change in the environment) of the CEQA Guidelines, California Code of Regulations, Title 14, Chapter 3, because it has no potential for resulting in physical change to the environment, directly or indirectly. Moreover, the revocation does not constitute a project under the California Environmental Quality Act ("CEQA") under Section 15061(b)(3) of the CEQA Guidelines, as it can be seen with certainty that it will have no impact on the environment. Thus, this matter is exempt under CEQA.

### **RECOMMENDATION**

It is recommended that the Business Permit and License Review Board adopt Resolution No. 2150, denying the appeal and uphold the decision to revoke the City's business license for Sphinx Mart and that Sphinx Mart employees, agents, partners, directors, officers, controlling stockholders or managers not be allowed to apply for a

new business license in the City of Arcadia for a period of twelve (12) months from the date of this revocation appeal.

If the Board intends to deny this revocation, the Board should make a motion to deny the revocation stating that the finding(s) does not satisfy with reasons based on the record, and direct staff to prepare a resolution for adoption at the next meeting that incorporates the Board's decision and specific findings.

If any of the Business License and Review Board Members or other interested party has any questions or comments regarding this matter prior to the August 13, 2024, hearing, please contact Business License Officer, Alejandra Smith, at (626) 574-5437, or by email at [asmith@ArcadiaCA.gov](mailto:asmith@ArcadiaCA.gov).

Approved:



Lisa L. Flores  
Deputy Development Services Director

- Exhibit No. 1 – Resolution No. 2150
- Exhibit No. 2 – Notice of Revocation Letter
- Exhibit No. 3 – Sphinx Mart Business License
- Exhibit No. 4 – Appeal Letter
- Exhibit No. 5 – Photos of Cannabis Products
- Exhibit No. 6 – Photos of Mushroom Products

# Exhibit No. 1

Resolution No. 2150

**Exhibit No. 1**

RESOLUTION NO. 2150

A RESOLUTION OF THE BUSINESS LICENSE PERMIT AND REVIEW BOARD OF THE CITY OF ARCADIA, CALIFORNIA, DENYING THE APPEAL AND UPHOLDING THE REVOCATION OF THE BUSINESS LICENSE FOR SPHINX MART LOCATED AT 142 E. HUNTINGTON DRIVE

WHEREAS, on September 19, 2019, the City issued a business license to Mr. Saad Saadhom, the business owner and Appellant of Sphinx Mart that is located at 142 East Huntington Drive, for the sale of tobacco, tobacco products, and food snacks. The subject business address is zoned CBD, Central Business District. A condition of approval for Sphinx Mart's business license provided that no cannabis sales or alcohol shall be permitted and

WHEREAS, in May of 2024, Business License Services conducted an inspection of all the tobacco stores in the City. It was discovered that Sphinx Mart had illegal cannabis products for sale. The business was operating in violation of its business license condition of approval prohibiting cannabis sales. Businesses which engage in the sale of cannabis products are considered a marijuana dispensary and are prohibited under the Arcadia Development Code Section 9101.01.140. The business was operating in violation of local law. It was discovered that Sphinx Mart had illegal psychotropic mushroom products containing psilocybin for sale, which are considered a Schedule I Controlled Substance under the California Health and Safety Code Section 11054(d) and their sale prohibited under the California Health and Safety Code Section 11378(2). The business was in violation of the State law; and

WHEREAS, Section 6216.7(3), the License Officer may suspend or revoke any business license upon receipt of any of the following information from any source that the

holder of the license has violated any conditions of said license, or has violated or permitted to be violated any law or laws of the United States or the State, or any ordinance applicable to the premises where the business covered by said license is conducted, or in connection with said business; and

WHEREAS, on June 25, 2024, a Notice of Revocation was issued to the Appellant, and a citation was issued for the violations. The business was required to close their business permanently on July 6, 2024, unless an appeal was filed; and

WHEREAS, on July 5, 2024, within the prescribed 10-day appeal period, an appeal was timely filed by the Appellant, Mr. Saad Saadhom; and

WHEREAS, on August 13, 2024, a public hearing was held before the Business License Permit and Review Board, at which time all interested persons were given full opportunity to be heard and to present evidence.

NOW, THEREFORE, THE BUSINESS LICENSE PERMIT AND REVIEW BOARD OF THE CITY OF ARCADIA, CALIFORNIA, HEREBY RESOLVES AS FOLLOWS:

SECTION 1. The facts set forth above are true and correct and are incorporated herein by reference.

SECTION 2. The Board finds that based upon the entire record, pursuant to Section 6216.7(3) of the Arcadia Municipal Code, the business holder of the license has violated both the conditions of approval of said license, which prohibits the sale of cannabis or cannabis products, and the Arcadia Development Code (“ADC”) Section 9104.02.030(C) which prohibits marijuana dispensaries in all zoning districts in the City. As a facility where marijuana products and/or cannabis products are offered for retail sale, Sphinx Mart is considered a marijuana dispensary under ADC Section

9109.01.140, which is prohibited in the City of Arcadia. Sphinx Mart's business license was also revoked due to the sale of illegal mushrooms. Mushrooms and mushroom products which contain psilocybin or psilocin are a Schedule I Controlled Substance. Sale of this controlled substance is illegal under Health & Safety Code Section 11378(2). Attachment No. 4 are photos of this illegal substance these illegal mushroom and products containing psilocybin.

Given that the sale of cannabis is a violation of local law, and sale of Schedule I drugs containing psilocybin is a violation of State law, the Appellant should have been aware of these City and State regulations, and the License Office is recommending that the business license be revoked with a provision that no new business license for any business in the City may be requested by the holder of the revoked license for twelve (12) months by the business holder's employee, agent, partner, director, officer, controlling stockholder or manager, for any business or location within the city or by any other person for the same business on the same premises where the business covered by the revoked license was conducted or for the same business on a different premises within the City. If, after the period specified, application for a new business license is made, the applicant must comply with all requirements of this Code for issuance of a new business license. There shall be no automatic reinstatement of a revoked business license and the City is under no obligation to grant the new application.

SECTION 3. The business license revocation is exempt from the California Environmental Quality Act ("CEQA") pursuant to Section 15358 (the activity will not result in a direct or reasonably foreseeable indirect physical change in the environment) of the CEQA Guidelines, California Code of Regulations, Title 14, Chapter 3, because it has

no potential for resulting in physical change to the environment, directly or indirectly. Moreover, the revocation does not constitute a project under the California Environmental Quality Act (“CEQA”) under Section 15061(b)(3) of the CEQA Guidelines, as it can be seen with certainty that it will have no impact on the environment. Thus, this matter is exempt under CEQA.

SECTION 4. For the foregoing reasons the Business License Permit and Review Board determined that the business license for Sphinx Mart shall be revoked subject to the conditions of approval that no new business license for any business in the City may be requested by the holder of the revoked license for twelve (12) months by the business holder’s employee, agent, partner, director, officer, controlling stockholder or manager, for any business or location within the city or by any other person for the same business on the same premises where the business covered by the revoked license was conducted or for the same business on a different premises within the City. If, after the period specified, application for a new business license is made, the applicant must comply with all requirements of this Code for issuance of a new business license. There shall be no automatic reinstatement of a revoked business license and the City is under no obligation to grant the new application.

[Signature on the next page]

Passed, approved and adopted by the Business License Permit and Review Board this 13th day of August 2024.

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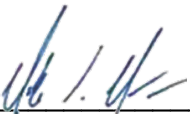
Vincent Tsoi,  
Chair, Business License Permit and  
Review Board

ATTEST:

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Lisa L. Flores  
Secretary

APPROVED AS TO FORM:



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Michael J. Maurer  
City Attorney

# Exhibit No. 2

Notice of Revocation Letter

**Exhibit No. 2**



June 25, 2024

Sphinx Mart  
Attn: Saad Saadhom  
142 East Huntington Drive  
Arcadia, CA 91006

# City of Arcadia

RE: **REVOCATION OF BUSINESS LICENSE FOR VIOLATION OF  
ARCADIA MUNICIPAL CODE AND HEALTH AND SAFETY CODE**

Development  
Services  
Department

Dear Saad Saadhom:

Jason Kruckeberg  
*Assistant City Manager/  
Development Services  
Director*

Pursuant to Arcadia Municipal Code ("AMC") Section 6216.7(3), the License Officer may suspend or revoke any business license upon receipt of information from any source that the holder of the license has violated any conditions of said license, or has violated or permitted to be violated any law or laws of the United States or the State, or any ordinance applicable to the premises where the business covered by said license is conducted.

Your business is located in the City of Arcadia and is subject to the laws and ordinances of the City as set forth in the Arcadia Municipal Code.

On May 15, 2024, and June 25, 2024, City staff and the Arcadia Police Department conducted an inspection of Sphinx Mart pursuant to AMC Section 6216.5. The inspection revealed **various cannabis and mushroom products available for sale** at Sphinx Mart in violation of State and local law.

Sale of cannabis or cannabis products is a violation of the conditions of your Business License.

Arcadia Development Code ("ADC") Section 9104.02.030(C) prohibits marijuana dispensaries in all zoning districts in the City. As a facility where marijuana products and/or cannabis products are offered for retail sale, Sphinx Mart is a marijuana dispensary under ADC Section 9109.01.140.

Mushrooms and mushroom products which contain psilocybin or psilocin are a Schedule I Controlled Substance. Sale of this controlled substance is illegal under Health & Safety Code Section 11378.

240 West Huntington  
Drive  
Post Office Box 60021  
Arcadia, CA 91066-6021  
(626) 574-5415  
(626) 447-3309 Fax  
[www.ArcadiaCA.gov](http://www.ArcadiaCA.gov)

Effective ten (10) days from the date of this letter July 5, 2024, Sphinx Mart Business License is deemed **revoked**. Upon revocation, all business activity in the City of Arcadia must immediately cease.

Pursuant to AMC Section 6216.8, if you wish to appeal revocation of your Business License, you must file an appeal to the Business Permit and License Review Board within ten (10) days of the date of notice of revocation. The appeal must be made in writing and submitted to the Business License Division at City Hall.

If you have any questions or concerns regarding this letter or the revocation of your Business License, you may contact me at (626) 574-5437 or by email at [asmith@ArcadiaCA.gov](mailto:asmith@ArcadiaCA.gov).

Sincerely,

A handwritten signature in blue ink that reads "Alejandra Smith". The signature is cursive and fluid.

Alejandra Smith  
Business License Officer

c: PI Properties No 79 LLC, Property Owner

# Exhibit No. 3

Sphinx Mart Business License

**Exhibit No. 3**

# BUSINESS LICENSE CERTIFICATE

# CITY OF ARCADIA

The person, firm or corporation named below is granted this certificate pursuant to the provisions of the City Business Tax Ordinance to engage in, carry on or conduct the business, trade, calling, profession, exhibition or occupation described below. Issuance of certificate is not an endorsement, nor certification of compliance with other ordinances or laws, nor an assurance that the proposed use is in conformance with the city zoning regulations. This certificate is issued without verification that the taxpayer is subject to or exempt from licensing by the State of California.

**Business Name:** Sphinx Mart  
**Business Location:** 142 E HUNTINGTON DR  
ARCADIA, CA 91006-3211

**Business Owner(s):** Saad Saadhom

**Description:** Retail Tobacco Store

For tobacco sales, accessories  
retail sale of snacks  
no cannabis sales or alcohol



SPHINX MART  
142 E HUNTINGTON DR  
ARCADIA, CA 91006-3211

<b>Account Number:</b>	066014
<b>License Fee:</b>	\$ 279.10
<b>Effective Date:</b>	05/01/2024
<b>Expiration Date:</b>	04/30/2025

Starting January 1, 2021, Assembly Bill 1607 requires the prevention of gender based discrimination on business establishment. A full notice is available in English or other languages by going to <https://www.cd.ca.gov/outreach/>

**TO BE POSTED IN A CONSPICUOUS PLACE**

**NOT TRANSFERABLE**

# Exhibit No. 4

Appeal Letter

**Exhibit No. 4**

JULY,2<sup>ND</sup>,2024.

ATT: CITY OF ARCADIA LICENSING AUTHORITY.  
I MR. SAADHOM OF YNSO TOBACCO DBA SPHINX  
MART.

I HAVE LIVED IN THE CITY OF ARCADIA FOR THE LAST  
25 YEARS .

I HAVE RAISED MY FAMILY AND WAS BLESSED TO BE  
ABLE AND OPEN A BUSINESS TO PROVIDE FOR MY  
FAMILY.I NORMALLY BUY ACCESSORIES AND  
MERCHENDISE FOR MY STORE FROM WHOLESALERS  
FORM DOWNTOWN LOS ANGELES. I WAS OFFERED  
SOME MASHROOM PACKAGED PRODUCTS AND WAS  
INFORMED THAT IT COMPLIES WITH THE STATE OF  
CALIFORNIA LAWS ANS IT WAS LEGAL TO SELL.  
MY STORE WAS VISITED BY THE CITY REPRESNTATIVE  
AND WAS CITED FOR SELLING ILLEGAL MASHROOM.  
THIS STORE IS MY ONLY SOURCE OF INCOME WHICH  
ALLOWS ME TO PROVIDE FOR MY FAMILY. MYSELF  
AND MY FAMILY LOVE THE CITY OF ARACADIS  
WHICH WE CALL HOME. I UNDERSTAND MY MISTAKE  
AND IM WILLING TO WORK WITH THE CITY OFFICALS  
TO HOPEFULLY HAVE YOU RECONSIDER THE  
DECISION TO REVOKE MY BUSINESS LICENSE WHICH  
CAN CAUSE GREAT HARM AND DAMAGE TO MY  
FAMILY.I HAVE INVESTED ALL MY LIFE SAVINGS TO  
CREATE THIS BUSINESS.

IM ALSO WILL AND ASKING FOR YOUR MERCY TO  
ALLOW ME TO KEEP MY BUSINESS OPEN.  
YOU CAN EVEN REISSUE MY LICENSE WITH A  
PROBATION TIME AND MONITORING AND  
INSPECTIONS AT ANY TIME TO MAKE THAT WE ARE IN  
COMPLIANCE WITH THE RULES AND REGULATIONS  
OF THE CITY OF ARCADIA.

I ALSO CAN ASSURE YOU I WILL CARRY OR SELL ANY  
PROHIBITED ITEMS.

IM PUTTING MYSELF AND MY FAMILY AT YOUR KIND  
MERY AND CONSEDRATIONS.

RESPECTFULLY

SAAD SAADHOM



# Exhibit No. 5

Photos of Cannabis Products

**Exhibit No. 5**

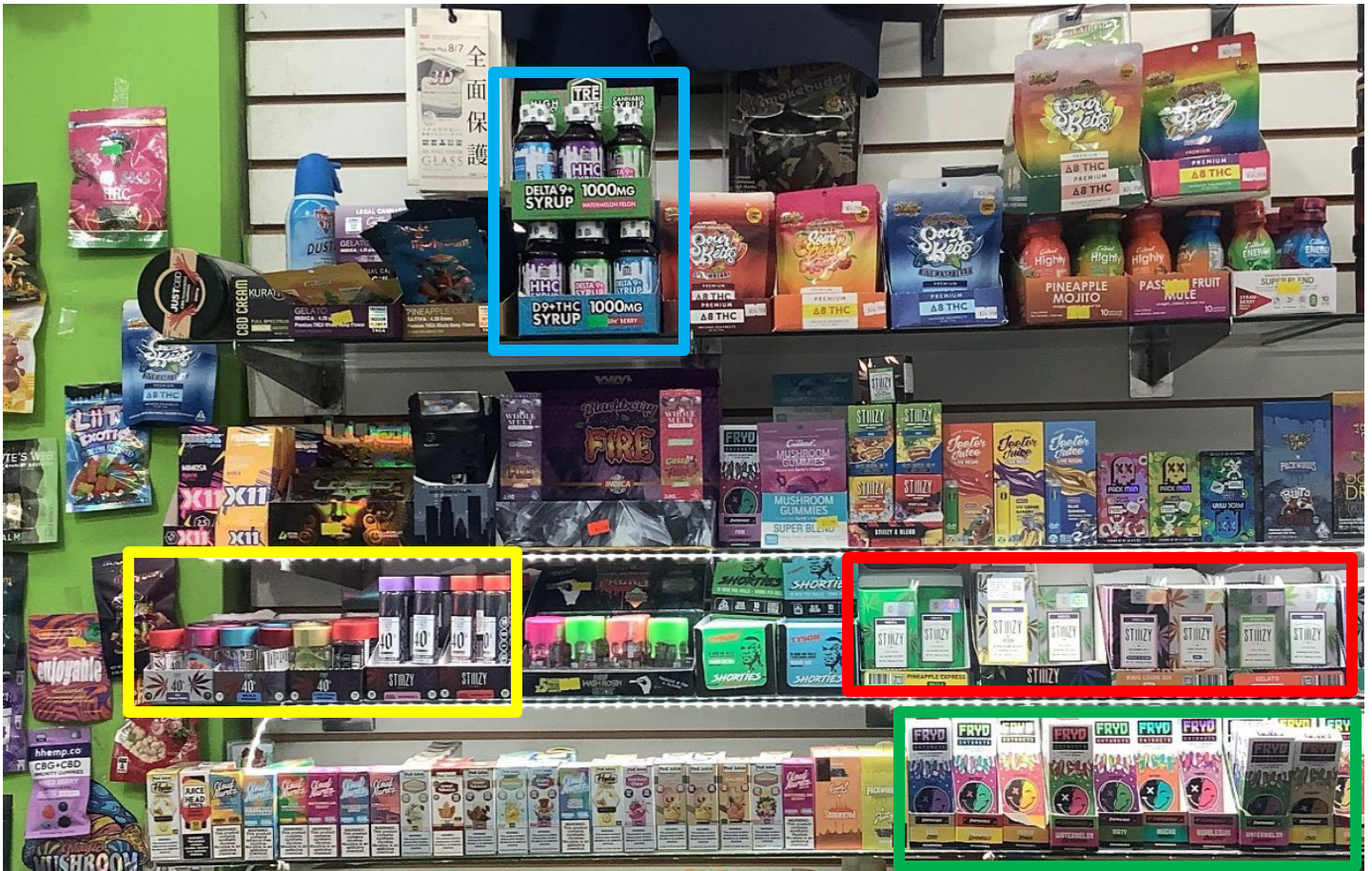


Figure 1 – Cannabis Products

Products in yellow box – STIIIZY 40's Infused Pre-Rolls

Products in blue box – TREHouse Delta 9+ Syrup and D9+ THC Syrup

Products in red box – STIIIZY Weed Vape Pods

Products in green box – FRYD Extracts Vape Cartridge



Figure 2 – Photo taken at Sphinx Mart  
STIIIZY 40's Infused Pre-Rolls



Figure 3 – Photo from STIIIZY  
website



Figure 4 – Photo from STIIIZY  
website



Figure 5 – Photo taken at Sphinx Mart  
TREHouse Delta 9+ Syrup and D9+ THC Syrup



Figure 6 – Photos from  
TREHouse website

#### INGREDIENTS

#### Supplemental Facts

Serving Size: 5ml (1 Teaspoon)

23 Servings Per Container

Calories: 12

Sugar: 3g

Total Fat: <1g

Cannabinoids: 43mg (1000mg total Cannabinoids per container)

Highly Potent 1000mg blend of Delta 9 & Delta 8

\*Daily Value Not Established

**Other Ingredients:** USP Water, Pure Cane Sugar, Natural Flavors, Glycerin, MCT Coconut Oil, Hemp Extract, Xanthan Gum, Citric Acid, Sodium Benzoate, Potassium Sorbate



Figure 8 – Photos from  
TREHouse website



Figure 9 – Photo taken at Sphinx Mart  
STIIIZY Weed Vape Pods



Figure 10 – Photo from STIIIZY website

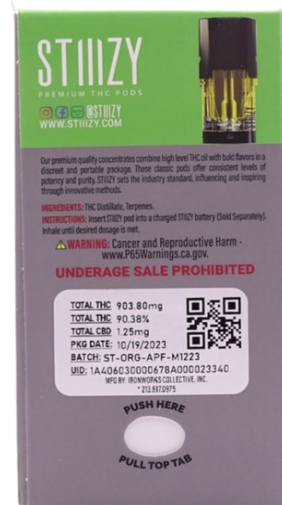


Figure 11 – Photo from STIIIZY website



Figure 12 – Photo taken at Sphinx Mart  
FRYD Extracts Vape Cartridge



Figure 13 – Photos from Flower  
Avenue Cannabis Online Store



Figure 14 – Photos from Flower  
Avenue Cannabis Online Store



Figure 15 – Photo taken at Sphinx Mart  
Front view of STIIZY Premium THC Pods



Figure 16 – Photo taken at Sphinx Mart  
Back view of STIIIZY Premium THC Pods

# Exhibit No. 6

Photos of Mushroom Product

**Exhibit No. 6**



Figure 1 – Mushroom Product

Product in yellow boxes – Magic Mushrooms



Figure 2 – Mushroom Product

**ARCADIA CITY COUNCIL  
SPECIAL MEETING MINUTES  
TUESDAY, SEPTEMBER 24, 2024**

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**CALL TO ORDER** – Mayor Cao called the Special Meeting to order at 4:30 p.m.

**ROLL CALL OF CITY COUNCIL MEMBERS**

PRESENT: Cheng, Verlato, Wang, Kwan, and Cao

ABSENT: None

Pursuant to Government Code Section 54953(b), Council Member Kwan attended the City Council Meeting via teleconferencing from The Peninsula Chicago, 108 East Superior Street, Chicago, Illinois 60611, at 6:30 p.m.

**CLOSED SESSION**

- a. Pursuant to Government Code Section 54957.6 to confer with labor negotiators.

City Negotiators: City Manager Dominic Lazzaretto, Assistant City Manager/Development Services Director Jason Kruckeberg, Interim Administrative Services Director Henry Chen, and Interim Human Resources Director Anely Williams.

Employee Organizations: Arcadia Public Works Employees Association, Arcadia City Employees Association, Arcadia Police Civilian Employees Association, Arcadia Police Officers' Association, Arcadia Firefighters' Association, and unrepresented employees: Department Heads, Division Managers, Supervisors, and part-time employees.

The Closed Session ended at 4:35 p.m.

No reportable action was taken.

The City Council reconvened in the City Council Chambers at 4:40 p.m.

City Manager Lazzaretto noted for the record that all City Council Members were present for this portion of the Special Meeting and that Mayor Pro Tem Kwan is participating via teleconference.

**PUBLIC COMMENTS**

David Fu, Arcadia resident, appeared and spoke about the potential consequences if the Memorandum of Understanding ("MOU") for the Arcadia Firefighters' Association is not approved; and he encouraged the City Council to adopt the MOU.

John Ansell, President of the Arcadia Fighters' Association ("AFFA"), appeared and provided his reasons why the AFFA's MOU should be adopted.

Anonymous, self-identifying as "Batman," appeared and provided his explanation for why the City Council should approve the MOUs for the Arcadia City Employees' Association and Arcadia Firefighters' Association using curse words and potentially offensive language.

City Attorney Maurer noted for the record that the City Council does not support or endorse the language used or the comments that were made by the previous speaker.

Anabel Carrillo, President of the Arcadia City Employees' Association ("ACEA"), appeared and shared her reasons why the ACEA's MOU should be approved; she thanked the City Council Members who support the ACEA's MOU, and thanked City Manager Lazzaretto for his support.

## **OPEN SESSION TO THE PUBLIC**

- a. Resolutions approving Memorandums of Understanding establishing compensation and related benefits for represented employee groups, and amending the Fiscal Year 2024-25 General Fund Operating Budget authorizing a budget appropriation for costs associated with the adoption of the Memorandums of Understanding.

Resolution No. 7594 approving a Memorandum of Understanding establishing compensation and related benefits for employees represented by the Arcadia City Employees' Association ("ACEA") for July 1, 2024, through June 30, 2027.

CEQA: Not a Project

Recommended Action: Adopt

Resolution No. 7597 approving a Memorandum of Understanding establishing compensation and related benefits for employees represented by the Arcadia Fire Fighters' Association ("AFFA") for July 1, 2024, through June 30, 2027.

CEQA: Not a Project

Recommended Action: Adopt

Resolution No. 7595 amending the Fiscal Year 2024-25 General Fund Operating Budget authorizing a budget appropriation in the amount of \$1,715,800 for costs associated with adoption of the Arcadia City Employees' Association and the Arcadia Fire Fighters' Association Memorandums of Understanding.

CEQA: Not a Project

Recommended Action: Adopt

City Manager Lazzaretto stated that this item was presented to the City Council for adoption at the September 17, Regular Meeting, and that on a 3-2 vote (Cheng and Cao voted in the affirmative), the City Council voted to deny the proposed resolutions. He explained that for the City Council to reconsider this item, a member of the majority group must make a motion to reconsider that item at the next meeting.

A motion was made by Council Member Wang, seconded by Council Member Cheng, and placed on a roll call vote to reconsider adopting Resolution Nos. 7594; 7597; and 7595.

AYES: Wang, Cheng, and Cao

NOES: Verlatto, Kwan

ABSENT: None

After City Council discussion a motion was made by Council Member Cheng, seconded by Council Member Wang, and placed on a roll call vote to adopt:

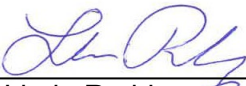
Resolution No. 7594 approving a Memorandum of Understanding establishing compensation and related benefits for employees represented by the Arcadia City Employees' Association ("ACEA") for July 1, 2024, through June 30, 2027; and

Resolution No. 7597 approving a Memorandum of Understanding establishing compensation and related benefits for employees represented by the Arcadia Fire Fighters' Association ("AFFA") for July 1, 2024, through June 30, 2027; and

Resolution No. 7595 amending the Fiscal Year 2024-25 General Fund Operating Budget authorizing a budget appropriation in the amount of \$1,715,800 for costs associated with adoption of the Arcadia City Employees' Association and the Arcadia Fire Fighters' Association Memorandums of Understanding.

AYES: Cheng, Wang, and Cao  
NOES: Verlato, Kwan  
ABSENT: None

The Special Meeting ended at 6:04 p.m.

  
\_\_\_\_\_  
Linda Rodriguez  
City Clerk

**ARCADIA CITY COUNCIL  
SPECIAL MEETING MINUTES  
TUESDAY, OCTOBER 1, 2024**

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**CALL TO ORDER** – Mayor Cao called the Special Meeting to order at 5:02 p.m.

**ROLL CALL OF CITY COUNCIL MEMBERS**

PRESENT: Cheng, Verlato, Wang, Kwan, and Cao  
ABSENT: Verlato

Council Member Verlato arrived at 5:05 p.m.

**CLOSED SESSION**

- a. Pursuant to Government Code Section 54957.6 to confer with labor negotiators.

City Negotiators: City Manager Dominic Lazzaretto, Assistant City Manager/Development Services Director Jason Kruckeberg, Interim Administrative Services Director Henry Chen, and Interim Human Resources Director Anely Williams.

Employee Organizations: Arcadia Public Works Employees Association, Arcadia City Employees Association, Arcadia Police Civilian Employees Association, Arcadia Police Officers' Association, Arcadia Firefighters' Association, and unrepresented employees: Department Heads, Division Managers, Supervisors, and part-time employees.

- b. Pursuant to Government Code Section 54956.9 (d)(1) to confer with legal counsel regarding the matter of Albert Yeznaian v. KJR Eastern Enterprises, Inc., a corporation; Linyan Holdings, LLC, a limited liability company; City of Arcadia, a government entity; County of Los Angeles a government entity; Kin Wa Chiu, and individual; and Does 1 through 50, inclusive, Los Angeles County Superior Court (Case No. 22STCV11585).
- c. Confer with legal counsel regarding anticipated litigation.

Potential initiation of litigation pursuant to Government Code Section 54956.9(d)(4): one (1) Case.

The Closed Session ended at 5:18 p.m.

No reportable action was taken.

**PUBLIC COMMENTS**

Mike Veerman, Arcadia resident and a member of Creative Housing Options Arcadia (“CHOA”), appeared and expressed his support for the proposed inclusionary housing ordinance; he indicated that the proposed ordinance is within the bounds of other cities; and encouraged the City Council to move forward with the proposed ordinance.

Cung Nguyen, Arcadia resident, appeared in support of the proposed inclusionary ordinance; and encouraged the City Council to move forward with the proposed ordinance.


**STUDY SESSION**

- a. Report, discussion, and direction concerning the establishment of an inclusionary housing ordinance to require housing in certain residential projects (Continued from June 4, 2024).

Assistant City Manager/Development Services Director Kruckeberg provided the PowerPoint Presentation.

After discussion, the City Council provided staff general direction regarding the proposed inclusionary housing ordinance, and the item will be brought back to a future meeting for City Council action.

The Special Meeting ended at 6:36 p.m.

  
\_\_\_\_\_  
Linda Rodriguez  
City Clerk

**ARCADIA CITY COUNCIL  
REGULAR MEETING MINUTES  
TUESDAY, OCTOBER 1, 2024**

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1. **CALL TO ORDER** – Mayor Cao called the Regular Meeting to order at 7:00 p.m.
2. **INVOCATION** – Reverend Darwin Ng, Arcadia Police Department Chaplain
3. **PLEDGE OF ALLEGIANCE** – Joe “Peppy” Sciarra, World War II Veteran and Arcadia Resident
4. **ROLL CALL OF CITY COUNCIL MEMBERS**

PRESENT: Cheng, Verlato, Wang, Kwan, and Cao  
ABSENT: None

5. **REPORT FROM CITY ATTORNEY REGARDING CLOSED/STUDY SESSION ITEMS**

City Attorney Maurer reported that, prior to the Regular Meeting, the City Council met in a Special Meeting to consider the items listed on the posted agenda under Closed Session and indicated that no reportable action was taken. He further reported that the City Council conducted a Study Session to discuss a potential inclusionary housing ordinance; he indicated that the City Council provided direction to staff and that this item will be brought back at a future meeting.

6. **SUPPLEMENTAL INFORMATION FROM CITY MANAGER REGARDING AGENDA ITEMS**

City Manager Lazzaretto had nothing to report.

7. **PRESENTATIONS**

- a. Presentation of an adoptable dog by Kevin McManus of the Pasadena Humane Society.
- b. Presentation of Mayor’s Certificate to Santa Anita Little League teams - State Championship.
- c. Presentation of Fire Prevention Week Proclamation.
- d. Presentation of the American Councils for International Education’s Young Southeast Asian Leaders Initiative (“YSEALI”) Sustainable Development and the Environment Fellows in the City of Arcadia.

8. **PUBLIC HEARING**

- a. Temporary Use Permit No. TUP 24-16 for Apex Global Group Inc. to host the 2024 Los Angeles Lantern Art Expo at the south parking lot of Santa Anita Park (285 W. Huntington Drive).  
CEQA: Exempt  
Recommended Action: Approve

Associate Planner Yesayan presented the Staff Report.

Mayor Cao opened Public Comment for this item.

Jimmy Huang, "Applicant" representing Apex Global Group Inc., appeared and provided an overview of the 2024 Los Angeles Lantern Art Expo.

Mayor Cao closed the Public Hearing.

A motion was made by Mayor Pro Tem Kwan, seconded by Council Member Verlato, and placed on a roll call vote to approve Temporary Use Permit No. TUP 24-16 for Apex Global Group Inc. to host the 2024 Los Angeles Lantern Art Expo at the south parking lot of Santa Anita Park (285 W. Huntington Drive).

AYES: Kwan, Verlato, Cheng, Wang, and Cao  
NOES: None  
ABSENT: None

## **9. PUBLIC COMMENTS**

Sonia, Arcadia resident, appeared and expressed her concerns with statements made by Council Member Cheng during his reelection campaign regarding Arcadia's public safety employees; and shared her experience with off-duty Arcadia first responders at Council Member Cheng's campaign rally.

Angela, Arcadia resident, appeared and expressed her concerns with statements made by Council Member Cheng during his reelection campaign regarding Arcadia's public safety employees. She also shared her experience with off-duty Arcadia first responders at Council Member Cheng's campaign rally.

Steve Rhee, Arcadia resident, appeared and expressed his concerns about the fiscal impact the Memorandums of Understanding ("MOUs") of represented employees will have on the City's budget; he commented on statements made by the City Council pertaining to these MOUs; and spoke about the importance of transparency.

Wen Huang appeared and expressed her concerns about the Elara Project, an affordable housing development that will provide units to formerly unhoused individuals; and indicated that she was surprised to learn that the project location has an Arcadia address.

Jinghui Chen appeared and expressed his concerns about the Elara Project; he indicated that he does not understand why there is an unincorporated part of the City; he expressed confusion over how the project was approved; and stated that the project is unfair to surrounding residents.

Mary Rovarino, Arcadia resident, appeared and expressed her concerns about the impact the Memorandums of Understanding ("MOUs") for represented employees will have on the City's budget; she emphasized the importance of transparency; and she encouraged the City Council to reconsider the adoption of the MOUs.

Lucy Zhang, Arcadia resident, shared her experience with a small oppositional protest at Council Member Cheng's campaign rally; and she expressed her disappointment with statements made by Council Member Verlato and Sonia Martin to ABC7 News regarding off-duty Arcadia first responders. She also shared her concerns about the Elara Project and urged the City Council to encourage Los Angeles County Supervisor Kathryn Barger not to proceed with the project.

Susan Guo, Arcadia resident, appeared and commented on the City Council's discussion over labor contract negotiations; she explained why she felt some of the arguments were inconsistent and misleading; and commended the City Council Members who have supported the labor contracts.

David Fu, Arcadia resident, appeared and explained why he is in support of the proposed labor agreements for employee compensation; he encouraged the City Council to approve the agreement; and he shared how the City can avoid a deficit by focusing on growing its revenue.

**10. REPORTS FROM MAYOR, CITY COUNCIL AND CITY CLERK (including reports from the City Council related to meetings attended at City expense [AB 1234]).**

Mayor Pro Tem Kwan thanked the public speakers for expressing their concerns about the City's budget; she noted the value of hearing different perspectives; and spoke about the importance of transparency.

In response to public comments made regarding the Elara Project, Assistant City Manager/Development Services Director Kruckeberg clarified that the Project is in an unincorporated part of Los Angeles County even if it has an Arcadia mailing address; he explained that the City Council has no authority over the Elara Project and that the Los Angeles County Development Authority is the responsible agency. He indicated that the project was already approved but did not go through a typical approval process because it meets certain requirements per State Law by providing affordable housing; and he stated that more information about the Project will be available on the City's website.

Council Member Verlato provided a report on the various events that she attended or will be attending as a representative of the City; she thanked the Chamber of Commerce for reigniting the Taste of Arcadia event and for their work to support the Arcadia business community; she commended the Arcadia Performing Arts Foundation for their work in the arts for Arcadia's youth; and noted that she attended the memorial service for Bill Barton, Arcadia's Veteran of the Year in 2022.

Council Member Cheng recognized the concerns of some of the public speakers over the City's budget; he noted that the City Council wants what is best for the City; he addressed comments made about the off-duty first responders that were present at his campaign rally; and encouraged anyone with concerns over the City's budget to contact the City Manager's Office.

Council Member Wang announced that October is National Hispanic Heritage Month; and provided a report on the various events that she attended or will be attending as a representative of the City.

Mayor Cao provided a report on the various events that he attended or will be attending as a representative of the City; he announced that October 23 is the next Citywide Health Seminar – Breast Cancer in the 21<sup>st</sup> Century; he stated that as a representative of District 5 and as the Mayor, public safety is his top priority; and he thanked Assistant City Manager/Development Services Director Kruckeberg for providing an update on the Elara Project.

**11. CONSENT CALENDAR**

- a. Special and Regular Meeting Minutes of September 17, 2024.  
CEQA: Not a Project  
Recommended Action: Approve

- b. Resolution No. 7593 acknowledging receipt of a report made by the Fire Chief of the Arcadia Fire Department regarding inspections of certain occupancies required by Sections 13146.2 and 13146.3 of the California Health and Safety Code.  
CEQA: Not a Project  
Recommended Action: Adopt
- c. Resolution No. 7598 establishing compensation and related benefits for City Council, Executive Management, Management, and Unrepresented Confidential Employees for July 1, 2024, through June 30, 2027, and Resolution No. 7599 amending the Fiscal Year 2024-25 General Fund Operating Budget, authorizing a budget appropriation in the amount of \$1,854,000 for costs associated with adoption of Resolution No. 7598.  
CEQA: Not a Project  
Recommended Action: Adopt
- d. Authorize payment for the Rio Hondo/San Gabriel River Watershed Management Joint Powers Authority Fiscal Year 2024-25 membership cost in the amount of \$141,662 and approve annual membership payments for an additional three years, including annual increases of up to 15% each year.  
CEQA: Not a Project  
Recommended Action: Authorize and Approve
- e. Professional Services Agreement with Trovao and Associates, Inc. DBA The Christmas Light Guy Company to provide holiday decorations for the 2024 holiday season in the amount of \$45,000.  
CEQA: Not a Project  
Recommended Action: Approve
- f. Reject all bids received for the Baldwin Avenue Rehabilitation Improvements, Baldwin Avenue at Longden Avenue Traffic Signal Improvements, and Traffic Signal Fiber Optics Network Extensions Project, and direct staff to rebid the project.  
CEQA: Not a Project  
Recommended Action: Approve
- g. Purchase Order with Liebert Cassidy Whitmore for Auditing Services related to the Fair Labor Standards Act ("FLSA") in an amount not to exceed \$125,000.  
CEQA: Not a Project  
Recommended Action: Approve
- h. Purchase Order with Calgon Carbon Corporation for Carbon Exchange Services for the Live Oak Granular Activated Carbon Treatment System in the amount of \$214,326.  
CEQA: Exempt  
Recommended Action: Waive Formal Bid Process and Approve
- i. Accept all work performed by GRBCON Incorporated for the Valve Replacement Project as complete.  
CEQA: Exempt  
Recommended Action: Approve

Council Member Verlato pulled item 11.c for discussion.

It was moved by Council Member Cheng, seconded by Council Member Verlato, and carried on a roll call vote to approve Consent Calendar Items 11.a, 11.b, and 11.d through 11.i.

AYES: Cheng, Verlato, Wang, Kwan, and Cao  
NOES: None  
ABSENT: None

Regarding Consent Calendar item 11.c – Resolution No. 7598 establishing compensation and related benefits for City Council, Executive Management, Management, and Unrepresented Confidential Employees, and Resolution No. 7599 amending the Fiscal Year 2024-25 General Fund Operating Budget, authorizing a budget appropriation in the amount of \$1,854,000 for costs associated with adoption of Resolution No. 7598, Council Member Verlato and Mayor Pro Tem Kwan expressed their concerns about the negative impact the adoption of those resolutions will have on the City. Council Member Cheng, Council Member Wang, and Mayor Cao all expressed sentiments of support for the resolutions.

A motion was made by Council Member Cheng, seconded by Council Member Wang, and carried on a roll call vote to adopt:

Resolution No. 7598 establishing compensation and related benefits for City Council, Executive Management, Management, and Unrepresented Confidential Employees for July 1, 2024, through June 30, 2027; and

Resolution No. 7599 amending the Fiscal Year 2024-25 General Fund Operating Budget, authorizing a budget appropriation in the amount of \$1,854,000 for costs associated with adoption of Resolution No. 7598.

AYES: Cheng, Wang, and Cao  
NOES: Verlato, Kwan  
ABSENT: None

City Manager Lazzaretto announced that the labor agreements, costs, and information associated with those agreements will be available on the City's website; he assured the residents and the City Council, whether they support the agreements, that they will receive excellent service by City employees; and indicated that he has faith in the management team to be able to manage the deficit.

## 12. ADJOURNMENT

The City Council adjourned at 10:29 p.m. to Tuesday, October 15, 2024, at 6:00 p.m. in the City Council Conference Room.



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Linda Rodriguez  
City Clerk



# STAFF REPORT

Public Works Services Department

**DATE:** October 15, 2024

**TO:** Honorable Mayor and City Council

**FROM:** Paul Cranmer, Public Works Services Director  
By: Briget Arndell, Environmental Services Manager

**SUBJECT:** RESOLUTION NO. 7600 AMENDING RESOLUTION NO. 7325, APPROVING CERTAIN TRANSFER AGREEMENTS BETWEEN THE CITY OF ARCADIA AND THE LOS ANGELES COUNTY FLOOD CONTROL DISTRICT FOR THE SAFE, CLEAN WATER PROGRAM – MUNICIPAL PROGRAM

**CEQA: Not a Project**

**Recommendation: Adopt**

## **SUMMARY**

On November 6, 2018, the Safe, Clean Water (“SCW”) Program, also known as Measure W, was passed by Los Angeles County voters. The SCW Program has provided dedicated local funding to improve water quality, increase water supply, and provide community enhancements throughout Los Angeles County. The SCW Program was estimated to generate up to \$285 million annually in Parcel Tax revenues, with the City of Arcadia receiving approximately \$1,030,000 annually to fund the implementation, operations and maintenance, and administration of eligible projects and programs to comply with stormwater regulations.

On August 4, 2020, the City Council adopted Resolution No. 7325 authorizing the City Manager to enter into Transfer Agreements with the Los Angeles County Flood Control District (“District”) for the SCW Program – Municipal Program and Regional Program. The Transfer Agreements for the Municipal Program are valid for four-year terms and are now expiring. The Regional Program Transfer Agreements require a different set of terms due to the joint nature of stormwater projects; they are project specific and are handled through an annual reporting process. While no action is currently required for the Regional Program Transfer Agreements, the City must update the Municipal Program Transfer Agreements to continue receiving SCW/Measure W funds.

It is recommended that the City Council adopt Resolution No. 7600 amending Resolution No. 7325, approving certain Transfer Agreements between the City of Arcadia and the District for the SCW Program – Municipal Program.

## **BACKGROUND**

Municipalities traditionally have relied on their General Funds to pay for stormwater compliance. The costs for complying with expanding stormwater regulations continues to steadily increase, putting pressure on local budgets. As a result, in October 2017, Assembly Bill 1180 (Holden) was signed into law. This law amended the Los Angeles County Flood Control Act and authorized the District to levy a tax to pay the expenses of carrying out projects and programs to improve water quality, increase stormwater capture, and reduce stormwater and urban runoff pollution, subject to voter approval.

In July 2018, the Los Angeles County Board of Supervisors (“Board”) adopted a resolution calling for and noticing an election on a measure to impose a special tax, of 2.5 cents per square foot, on each parcel’s impermeable area (e.g. building footprints, concrete, hardscape) located within the District. The Parcel Tax revenue would be allocated based on the following formula:

- 10% to the County to fund Countywide education programs, Countywide projects, and administration of the program.
- 40% to municipalities to fund the implementation, operations and maintenance, and administration of eligible projects and programs (Municipal Programs).
- 50% to the nine watershed areas to fund regional, watershed-based multi-benefit projects to be implemented by project developers, and to provide technical resources and conduct scientific studies (Regional Programs).

On November 6, 2018, the SCW Program was passed by voters. Since 2018, the SCW Program has generated over \$670 million to provide dedicated local funding to improve water quality, increase water supply, and provide community enhancements throughout LA County. The City of Arcadia has received approximately \$1,030,000 annually to fund projects and programs to comply with stormwater regulations, to increase stormwater capture, and reduce stormwater and urban runoff pollution.

## **DISCUSSION**

On August 4, 2020, the City Council adopted Resolution No. 7325 authorizing the City Manager to enter into Transfer Agreements between the City of Arcadia and the District for the SCW Program – Municipal Program and Regional Program.

The Transfer Agreements under the Municipal Program expire every four years, and funds received are to be used for implementation, operations and maintenance, and administration of eligible stormwater projects and programs at the municipal level, during each four-year period. Per the 2020 Municipal Program's Transfer Agreement, Section VI: "This Agreement shall expire at the end of the 2023-24 Fiscal Year. The parties shall thereafter enter into a new agreement based on the most recent standard template agreement approved by the Board." Thus, determining the need to amend Resolution No. 7325 approving certain Transfer Agreements between the City of Arcadia and the District for the SCW Program – Municipal Program with revised dates and items.

On August 26, 2024, the new Transfer Agreement was finalized and disseminated to municipalities. Per the 2024 Municipal Program’s Transfer Agreement, Section VI: “This Agreement shall expire at the end of the 2027-28 Fiscal Year. The parties shall thereafter enter into a new agreement based on the most recent standard template agreement approved by the Board.” Thus, determining an amendment will need to take place in 2028.

To continue receiving the funds from the SCW Municipal Program, the City of Arcadia must enter into new Transfer Agreements with the District. The new dates and items in the Transfer Agreements include the following changes:

- New term dates: FY 2024-25, FY 2025-26, FY 2026-27, and FY 2027-28.
- New language about recording a covenant with the County Clerk to not sell or convey the property without consent of the District. For example:
  - Acquisition of Real Property - Covenant
    - Any real property acquired, in whole or in part, with SCW Program funds, shall be used for Projects and Programs that are consistent with the SCW Program Goals and with the provisions of Chapter 16 and 18 of the Code.
    - Any Municipality that acquires the fee title to real property using, in whole or in part, SCW Program funds, shall record a document in the office of the Registrar-Recorder/County Clerk containing a covenant not to sell or otherwise convey the real property without the prior express written consent of the District, which consent shall not be unreasonably withheld.
- The increase to the maximum time extension allowed for lapsed funds, from 6 months to 1 year.
- New Annual Expenditure Report requirements to report on expenditures providing benefits to Disadvantaged Communities.
- New Annual Expenditure Report requirements to document community outreach and engagement utilized for and/or achieved with the SCW Program Payment.

Transfer Agreements under Regional Programs do not expire like the Transfer Agreements under the Municipal Programs; rather, they require all parties involved in Board-approved “funded activities” to enter into an addendum to the Transfer Agreement. The ongoing Agreements are subject to each of the funded activities continued inclusion in the Board-approved Stormwater Investment Plans for subsequent fiscal years, and routine reports to reflect progress and satisfaction of all Agreement provisions.

For these reasons, it is recommended that City Council adopt Resolution No. 7600 amending Resolution No. 7325, approving certain transfer agreements between the City of Arcadia and the District for the SCW Program – Municipal Program.

## **ENVIRONMENTAL ANALYSIS**

The proposed action of amending the Transfer Agreements listed in the resolution does not constitute a project under the California Environmental Quality Act (“CEQA”) under

Section 15061(b)(3) of the CEQA Guidelines, as it can be determined with certainty that it will have no impact on the environment. Environmental analysis will occur, as appropriate, for any projects made possible by the Los Angeles County Flood Control District under the Safe, Clean Water Program – Municipal Program.

**FISCAL IMPACT**

The City of Arcadia is expected to receive up to \$1,030,000 annually to fund projects and programs to comply with stormwater regulations, to increase stormwater capture, and reduce stormwater and urban runoff pollution. The proposed agreements make the transfer of these funds possible. In addition, the City is able to apply for competitive grants within the watershed area.

**RECOMMENDATION**

It is recommended that the City Council determine that this action does not constitute a project under the California Environmental Quality Act (“CEQA”); and adopt Resolution No. 7600 amending Resolution No. 7325, approving certain Transfer Agreements between the City of Arcadia and the Los Angeles County Flood Control District for the Safe, Clean Water Program – Municipal Program.

Approved:

  
\_\_\_\_\_  
Dominic Lazzaretto  
City Manager

Attachments:       Resolution No. 7600  
                          Transfer Agreement Template - Municipal Program  
                          Transfer Agreement Template - Regional Program

RESOLUTION NO. 7600

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ARCADIA, CALIFORNIA, AMENDING RESOLUTION NO. 7325, APPROVING CERTAIN TRANSFER AGREEMENTS BETWEEN THE CITY OF ARCADIA AND THE LOS ANGELES COUNTY FLOOD CONTROL DISTRICT FOR THE SAFE, CLEAN WATER PROGRAM – MUNICIPAL PROGRAM

WHEREAS, the Safe, Clean Water (“SCW”) Program also known as Measure W, was approved by the voters on November 6, 2018; and

WHEREAS, the City Council of the City of Arcadia, California, adopted Resolution No. 7325 on August 4, 2020, authorizing the City Manager to enter into Transfer Agreements between the City of Arcadia and the Los Angeles County Flood Control District (“District”) for the SCW Program – Municipal Program and Regional Program; and

WHEREAS, the Los Angeles County Flood Control District (“District”), pursuant to the Los Angeles Region SCW Program ordinance (Chapter 16 of the Los Angeles County Flood Control District Code) and the SCW Program Implementation Ordinance (Chapter 18 of the Los Angeles County Flood Control District Code), administers the SCW Program for the purpose of funding Projects and Programs to increase stormwater and urban runoff capture and reduce stormwater and urban runoff pollution in the District; and

WHEREAS, pursuant to Section 16.04.A.2. of the Los Angeles County Flood Control District Code, forty percent (40%) of annual SCW Program tax revenues shall be allocated to Municipalities within the District, in the same proportion as the amount of revenues collected within each Municipality, to be expended by those cities within the cities' respective jurisdictions and by the County within the unincorporated areas that are within the boundaries of the District, for the implementation, operation and maintenance, and administration of Projects and Programs, in accordance with the criteria and

procedures established in this Chapters 16 and 18 of the Los Angeles County Flood Control District Code; and

WHEREAS, pursuant to Section 16.05.A.1. of the Los Angeles County Flood Control District Code, prior to their receipt of SCW Program funds, Municipalities must enter into an agreement with the District to transfer SCW Program funds; and

WHEREAS, the County of Los Angeles Board of Supervisors has approved a standard template Agreement for the Municipal Program and Regional Program, as required by and in accordance with Section 18.09 of the Los Angeles County Flood Control District Code, for the transfer of SCW Program funds to Municipalities;

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF ARCADIA, CALIFORNIA, DOES HEREBY FIND, DETERMIND AND RESOLVE AS FOLLOWS:

SECTION 1. The City hereby approves the amended Transfer Agreement and addenda template between the City of Arcadia and Los Angeles County Flood Control District approved by the Los Angeles Board of Supervisors on August 26, 2024, as attached hereto.

SECTION 2. The City Council hereby authorizes the City Manager to execute the Transfer Agreement on behalf of the City, substantially in the form attached hereto.

SECTION 3. The City Clerk shall certify to the adoption of this Resolution.

[SIGNATURES ON THE NEXT PAGE]


Passed approved and adopted this 15th day of October, 2024.

\_\_\_\_\_  
Mayor of the City of Arcadia

ATTEST:

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

APPROVED AS TO FORM:

  
\_\_\_\_\_  
Michael J. Maurer  
City Attorney

**TRANSFER AGREEMENT BETWEEN  
THE LOS ANGELES COUNTY FLOOD CONTROL DISTRICT  
AND THE CITY OF ARCADIA  
AGREEMENT NO. \_\_\_  
SAFE, CLEAN WATER PROGRAM – MUNICIPAL PROGRAM**

This Transfer Agreement, hereinafter referred to as "Agreement," is entered into as of August 26, 2024 by and between the Los Angeles County Flood Control District, hereinafter referred to as "District," and the City of Arcadia, hereinafter referred to as "Municipality."

**WHEREAS**, District, pursuant to the Los Angeles Region Safe, Clean Water (SCW) Program ordinance (Chapter 16 of the Los Angeles County Flood Control District Code) and the SCW Program Implementation Ordinance (Chapter 18 of the Los Angeles County Flood Control District Code), administers the SCW Program for the purpose of funding Projects and Programs to increase stormwater and urban runoff capture and reduce stormwater and urban runoff pollution in the District;

**WHEREAS**, pursuant to Section 16.04.A.2. of the Los Angeles County Flood Control District Code, forty percent (40%) of annual SCW Program tax revenues shall be allocated to Municipalities within the District, in the same proportion as the amount of revenues collected within each Municipality, to be expended by those cities within the cities' respective jurisdictions and by the County within the unincorporated areas that are within the boundaries of the District, for the implementation, operation and maintenance, and administration of Projects and Programs, in accordance with the criteria and procedures established in this Chapters 16 and 18 of the Los Angeles County Flood Control District Code;

**WHEREAS**, pursuant to Section 16.05.A.1. of the Los Angeles County Flood Control District Code, prior to their receipt of SCW Program funds, Municipalities must enter into an agreement with the District to transfer SCW Program funds;

**WHEREAS**, the County of Los Angeles Board of Supervisors has approved a standard template Agreement, as required by and in accordance with Section 18.09 of the Los Angeles County Flood Control District Code, for the transfer of SCW Program funds to Municipalities.

**NOW, THEREFORE**, in consideration of the promises, mutual representations, covenants and agreements in this Agreement, the District and the Municipality, each binding itself, its successors and assigns, do mutually promise, covenant, and agree as follows:

**I. DEFINITIONS**

The definitions set forth in Sections 16.03 and 18.02 of the Los Angeles County Flood Control District Code shall apply to this Agreement. In addition, the following definitions shall also apply:

“Agreement” means this Transfer Agreement, including all exhibits and attachments hereto.

“Annual Plan” means the plan referred to in Section 18.09.B.5 of the Code that includes the contents specified in Exhibit A.

“Code” means the Los Angeles County Flood Control District Code.

“Days” means calendar days unless otherwise expressly indicated.

“Fiscal Year” means the period of twelve (12) months terminating on June 30 of any year.

“Safe Clean Water (SCW) Program Payment” means the Municipality's annual allocation of SCW Program funds as described in Section 16.04.A.2. of the Code disbursed by the District to the Municipality.

“Year” means calendar year unless otherwise expressly indicated.

## **II. PARTY CONTACTS**

The District and the Municipality designate the following individuals as the primary points of contact and communication regarding the Municipal Program and the administration and implementation of this Agreement.

Los Angeles County Flood Control District		Municipality:	
Name:	(Program Manager)	Name:	Paul Cranmer
Address:		Address:	240 W. Huntington Dr Arcadia, CA
Phone:		Phone:	626-254-2720
Email:		Email:	pcranmer@arcadiaca.gov

Either party to this Agreement may change the individual identified as the primary point of contact above by providing written notice of the change to the other party.

## **III. EXHIBITS INCORPORATED BY REFERENCE**

The following exhibits to this Agreement, including any amendments and supplements hereto, are hereby incorporated herein and made a part of this Agreement:

EXHIBIT A – ANNUAL PLAN CONTENTS

EXHIBIT B – GENERAL TERMS AND CONDITIONS

EXHIBIT C – NATURE-BASED SOLUTIONS (Best Management Practices)

EXHIBIT D – OPERATIONS AND MAINTENANCE GUIDANCE DOCUMENT

#### **IV. MUNICIPAL PROGRAM IMPLEMENTATION**

- A. The Municipality shall annually prepare and submit to the District, an Annual Plan. The Annual Plan shall be submitted not later than 90-days prior to the start of the Fiscal Year for which the Plan is prepared.
- B. The Municipality shall utilize the SCW Program Payments in compliance with Chapters 16 and 18 of the Code.
- C. The Municipality shall comply with the terms and conditions in Exhibits B, C, and D, of this Agreement, and all applicable provisions of Chapters 16 and 18 of the Code, specifically including, without limitation, Section 18.06.

#### **V. SCW PROGRAM PAYMENTS TO MUNICIPALITIES**

- A. SCW Program Payments will generally be available for disbursement by December 31, provided a duly executed transfer agreement is in effect and subject to the Municipality's compliance with the conditions described in paragraph B, below; however the District may, in its discretion, change the date and number of the actual disbursements for any Fiscal Year based on the amount and timing of revenues actually collected by the District.
- B. The District shall disburse the Municipality's SCW Program Payment upon satisfaction of the following conditions: (1) the District has received the Annual Progress/Expenditure Report required pursuant to Section 18.06.D of the Code; (2) the District has received Municipality's Annual Plan for that Fiscal Year, and (3) the Municipality has complied with the audit requirements of Section B-6 of Exhibit B.
- C. Notwithstanding any other provision of this Agreement, no disbursement shall be made at any time or in any manner that is in violation of or in conflict with federal, state, County laws, policies, or regulations.
- D. All disbursements shall be subject to and be made in accordance with the terms and conditions in this Agreement and Chapters 16 and 18 of the Code.

#### **VI. Term of Agreement**

This Agreement shall expire at the end of the 2027-28 Fiscal Year. The parties shall thereafter enter into a new agreement based on the most recent standard template agreement approved by the Board.

#### **VII. Execution of Agreement**

This Agreement may be executed simultaneously or in any number of counterparts, including both counterparts that are executed manually on paper and counterparts that are in the form of electronic records and are executed electronically, whether digital or

encrypted, each of which shall be deemed an original and together shall constitute one and the same instrument.

The District and the Municipality hereby agree to regard facsimile/electronic representations of original signatures of authorized officers of each party, when appearing in appropriate places on this Agreement and on any addenda or amendments thereto, delivered or sent via facsimile or electronic mail or other electronic means, as legally sufficient evidence that such original signatures have been affixed to this Agreement and any addenda or amendments thereto such that the parties need not follow up facsimile/electronic transmissions of such documents with subsequent (nonfacsimile/electronic) transmission of "original" versions of such documents.

Further, the District and the Municipality: (i) agree that an electronic signature of any party may be used to authenticate this Agreement or any addenda or amendment thereto, and if used, will have the same force and effect as a manual signature; (ii) acknowledge that if an electronic signature is used, the other party will rely on such signature as binding the party using such signature, and (iii) hereby waive any defenses to the enforcement of the terms of this agreement based on the foregoing forms of signature.

IN WITNESS WHEREOF, this Agreement has been executed by the parties hereto.

CITY OF ARCADIA

ATTEST:

Michael  
City Attorney

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

Name: Dominic Lazaretto

Title: City Manager

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

LOS ANGELES COUNTY FLOOD CONTROL  
DISTRICT:

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

Name:

Title:

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

## **EXHIBIT A – ANNUAL PLAN CONTENTS**

- A-1. Description of all projects anticipated to be funded using the SCW Program Payment. Include a discussion of how the projects will result in the achievement of one or more SCW Program Goals, including quantitative targets and corresponding metrics for subsequent reporting of all applicable parameters.
- A-2. Description of all programs anticipated to be funded using the SCW Program Payment. Include a discussion of how the programs will result in the achievement of one or more SCW Program Goals; including quantitative targets and corresponding metrics for subsequent reporting of all applicable parameters.
- A-3. Description of all operation and maintenance activities anticipated to be funded using the SCW Program Payment. Include a discussion of how those activities will result in the achievement of one or more SCW Program Goals. Additional operation and maintenance activities, even if funded by other sources, should be referenced to provide an overview of anticipated overall project approach.
- A-4. Description of the stakeholder and community outreach/engagement activities anticipated to be funded with the SCW Program Payment, including discussion of how local NGOs or CBOs will be involved, if applicable, and if not, why. Additional outreach/engagement activities, even if funded by other sources, should be referenced to provide an overview of anticipated overall project approach.
- A-5. Description of post-construction monitoring for projects completed using the SCW Program Payment. Additional post-construction monitoring activities, even if funded by other sources, should be referenced to provide an overview of anticipated overall project approach.
- A-6. Provide the status of any projects that have been awarded (or are seeking award of) Institute for Sustainable Infrastructure (ISI) verification, if applicable.
- A-7. Provide the budget for the activities described in provisions A1 through A-5 SCW Program Payment.

## **EXHIBIT B – GENERAL TERMS AND CONDITIONS**

### **B-1. Accounting and Deposit of Funding Disbursement**

1. SCW Program Payments distributed to the Municipality shall be held in a separate interest-bearing account and shall not be combined with other funds. Interest earned from each account shall be used by the Municipality only for eligible expenditures consistent with the requirements of the SCW Program.
2. The Municipality shall not be entitled to interest earned on undisbursed SCW Program Payments; interest earned prior to disbursement is property of the District.
3. The Municipality shall operate in accordance with Generally Accepted Accounting Principles (GAAP).
4. The Municipality shall be strictly accountable for all funds, receipts, and disbursements for their SCW Program Payment.

### **B-2. Acknowledgement of Credit and Signage**

The Municipality shall include appropriate acknowledgement of credit to the District's Safe, Clean Water Program for its support when promoting activities funded with SCW Program funds or using any data and/or information developed SCW Program funds. When the SCW Program Payment is used, in whole or in part, for construction of an infrastructure Project, signage shall be posted in a prominent location at Project site(s) or at the Municipality's headquarters and shall include the Safe, Clean Water Program color logo and the following disclosure statement: "Funding for this project has been provided in full or in part from the Los Angeles County Flood Control District's Safe, Clean Water Program." At a minimum the sign shall be 2' x 3' in size. The Municipality shall also include in each of its contracts for work under this Agreement a provision that incorporates the requirements stated within this paragraph.

When the SCW Program Payment is used, in whole or in part, for a scientific study, the Municipality shall include the following statement in the study report: "Funding for this study has been provided in full or in part from the Los Angeles County Flood Control District's Safe, Clean Water Program." The Municipality shall also include in each of its contracts for work under this Agreement a provision that incorporates the requirements stated within this paragraph.

### **B-3. Acquisition of Real Property - Covenant**

Any real property acquired in whole or in part with SCW Program funds shall be used for Projects and Programs that are consistent with the SCW Program Goals and with the provisions of Chapter 16 and 18 of the Code.

Any Municipality that acquires the fee title to real property using, in whole or in part, SCW Program funds shall record a document in the office of the Registrar-Recorder/County Clerk containing a covenant not to sell or otherwise convey the real property without the prior express written consent of the District, which consent shall not be unreasonably withheld.

**B-4. Amendment**

Except as provided in Section II of the Agreement, no amendment or variation of the terms of this Agreement shall be valid unless made in writing and signed by the parties. No oral or written understanding or agreement not incorporated in this Agreement is binding on any of the parties.

**B-5. Assignment**

The Municipality shall not assign this Agreement.

**B-6. Audit and Recordkeeping**

1. The Municipality shall retain for a period of seven (7) years, all records necessary in accordance with Generally Accepted Accounting Principles to determine the amounts expended, and eligibility of Projects implemented using SCW Program Payments. The Municipality, upon demand by authorized representatives of the District, shall make such records available for examination and review or audit by the District or its authorized representatives. Records shall include accounting records, written policies and procedures, contract files, original estimates, correspondence, change order files, including documentation covering negotiated settlements, invoices, and any other supporting evidence deemed necessary to substantiate charges related to SCW Program Payments and expenditures.
2. The Municipality is responsible for obtaining an independent audit to determine compliance with the terms and conditions of this Agreement and all requirements applicable to the Municipality contained in chapters 16 and 18 of the Code. Municipality shall obtain an independent audit of their SCW Program Payments every three (3) years. Audits shall be funded with Municipal Program funds.
3. Municipality shall file a copy of all audit reports by the ninth (9<sup>th</sup>) month from the end of each three (3) year period to detail the preceding three (3) years of expenditures. Audit reports shall be posted on the District’s publicly accessible website. Due date example below:

<b>Every Third Fiscal Year</b>		
<b>Fiscal Year</b>	<b>Audit Begins</b>	<b>Audit Report Due to District</b>
2023-24	7/1/2027	No later than 3/31/2028

4. Upon reasonable advanced request, the Municipality shall permit the Chief Engineer to examine the infrastructure Projects using SCW Program Payments. The Municipality shall permit the authorized District representative, including the Auditor-Controller, to examine, review, audit, and transcribe any and all audit reports, other reports, books, accounts, papers, maps, and other records that relate to the SCW Program Payments. Examination activities are considered District administration of the SCW Program.
5. Expenditures determined by an audit to be in violation of any provision of Chapters 16 or 18 of the Code, or of this Agreement, shall be subject to the enforcement and remedy provisions of Section 18.14 of the Code.

#### B-7. Availability of Funds

District's obligation to disburse the SCW Program Payment is contingent upon the availability of sufficient funds to permit the disbursements provided for herein. If sufficient funds are not available for any reason including, but not limited to, failure to fund allocations necessary for disbursement of the SCW Program Payment, the District shall not be obligated to make any disbursements to the Municipality under this Agreement. This provision shall be construed as a condition precedent to the obligation of the District to make any disbursements under this Agreement. Nothing in this Agreement shall be construed to provide the Municipality with a right of priority for disbursement over any other Municipality. If any disbursements due to the Municipality under this Agreement are deferred because sufficient funds are unavailable, it is the intention of the District that such disbursement will be made to the Municipality when sufficient funds do become available, but this intention is not binding. If this Agreement's funding for any Fiscal Year is reduced or deleted by order of the Board, the District shall have the option to either cancel this Agreement with no liability occurring to the District or offer an amendment to the Municipality to reflect the reduced amount.

#### B-8. Choice of Law

The laws of the State of California govern this Agreement.

#### B-9. Claims

Any claim of the Municipality is limited to the rights, remedies, and claims procedures provided to the Municipality under this Agreement. Municipal expenditures of a SCW Program Payment that involves the District shall utilize a separate and specific agreement to that Project that includes appropriate indemnification superseding that in this Agreement.

#### B-10. Compliance with SCW Program

The Municipality shall comply with and require its contractors and subcontractors to comply with all provisions of Chapters 16 and 18 of the Code.

#### B-11. Compliance with Law, Regulations, etc.

The Municipality shall, at all times, comply with and require its contractors and subcontractors to comply with all applicable local, state and federal laws, rules, guidelines, regulations, and requirements.

#### B-12. Continuous Use of Municipal Projects; Lease or Disposal of Municipal Projects

The Municipality shall not abandon, substantially discontinue use of, lease, or dispose of all or a significant part or portion of any Project funded in whole or in part with SCW Program Payments during the useful life (defined as 30 years unless specified otherwise in annual plans and subsequent reports) of the Project without prior written approval of the District. Such approval may be conditioned as determined to be appropriate by the District, including a condition requiring repayment of a pro rata amount of the SCW Program Payments used to fund the Project together with interest on said amount accruing from the date of lease or disposal of the Project.

#### B-13. Disputes

Should a dispute arise between the parties, the party asserting the dispute will notify the other parties in writing of the dispute. The parties will then meet and confer within 21 calendar days of the notice in a good faith attempt to resolve the dispute.

If the matter has not been resolved through the process set forth in the preceding paragraph, any party may initiate mediation of the dispute. Mediation will be before a retired judge or mediation service mutually agreeable to the parties. All costs of the mediation, including mediator fees, will be paid one-half by the District and one-half by the Municipality. SCW Program Payments shall not be used to pay for any costs of the mediation.

The parties will attempt to resolve any dispute through the process set forth above before filing any action relating to the dispute in any court of law.

#### B-14. Final Inspection and Certification of Registered Professional

Upon completion of the design phase and before construction of a project, the Municipality shall provide certification by a California Registered Professional (i.e., Professional Civil Engineer, Engineering Geologist) that the design has been completed.

Upon completion of the project, the Municipality shall provide for a final inspection and certification by a California Registered Professional (i.e., Professional Civil Engineer, Engineering Geologist), that the Project has been completed in accordance with submitted final plans and specifications and any modifications thereto and in accordance with this Agreement.

#### B-15. Force Majeure.

In the event that Municipality is delayed or hindered from the performance of any act required hereunder by reason of strikes, lockouts, labor troubles, inability to procure materials not related to the price thereof, riots, insurrection, war, or other reasons of a like nature beyond the control of the Municipality, then performance of such acts shall be excused for the period of the delay, and the period for the performance of any such act shall be extended for a period equivalent to the period of such delay.

#### B-16. Funding Considerations and Exclusions

1. All expenditures of SCW Program Payments by Municipality must comply with the provisions of Chapters 16 and 18 of the Los Angeles County Flood Control District Code, including but not limited to the provisions regarding eligible expenditures contained in Section 16.05.A.2 and the provision regarding ineligible expenditures contained in Section 16.05.A.3.
2. SCW Program Payments shall not be used in connection with any Project implemented as an Enhanced Compliance Action ("ECA") and/or Supplemental Environmental Project ("SEP") as defined by State Water Resources Control Board Office of Enforcement written policies, or any other Project implemented pursuant to the settlement of an enforcement action or to offset monetary penalties imposed by the State Water Resources Control Board, a Regional Water Quality Control Board, or any other regulatory authority; provided, however, that SCW funds may be used for a Project implemented pursuant to a time schedule order ("TSO") issued by the Los Angeles Regional Water Quality Control Board if, at the time the TSO was issued, the Project was included in an approved watershed management program (including enhanced watershed management programs) developed pursuant to the MS4 Permit.

#### B-17. Indemnification

The Municipality shall indemnify, defend and hold harmless the District, the County of Los Angeles and their elected and appointed officials, agents, and employees from and against any and all liability and expense, including defense costs, legal fees, claims, actions, and causes of action for damages of any nature whatsoever, including but not limited to bodily injury, death, personal injury, or property damage, arising from or in conjunction with: (1) any Project or Program implemented by the Municipality, in whole or in part, with SCW Program Payments or (2) any breach of this Agreement by the Municipality.

#### B-18. Independent Actor

The Municipality, and its agents and employees, if any, in the performance of this Agreement, shall act in an independent capacity and not as officers, employees, or agents of the District.

The Municipality shall not contract work with a contractor who is in a period of debarment from any agency within the District. (LACC Chapter 2.202)

**B-19. Integration**

This is an integrated Agreement. This Agreement is intended to be a full and complete statement of the terms of the agreement between the District and Municipality, and expressly supersedes any and all prior oral or written agreements, covenants, representations and warranties, express or implied, concerning the subject matter of this Agreement.

**B-20. Lapsed Funds**

1. The Municipality shall be able to carry over uncommitted SCW Program Payments for up to five (5) years from the end of the fiscal year in which those funds are transferred from the District to the Municipality.
2. If the Municipality is unable to expend the SCW Program Payment within five (5) years from the end of the fiscal year in which those funds are transferred from the District to the Municipality, then lapsed funding procedures will apply. Lapsed funds are funds that were transferred to the Municipality but were not committed to eligible expenditures by the end of the fifth (5<sup>th</sup>) fiscal year after the fiscal year in which those funds were transferred from the District.
3. Lapsed funds shall be allocated by the Watershed Area Steering Committee of the respective Watershed Area to a new Project with benefit to that Municipality, if feasible in a reasonable time frame, or otherwise to the Watershed Area.
4. In the event that funds are to lapse, due to circumstances beyond the Municipality's control, then the Municipality may request an extension of up to twelve (12) months in which to commit the funds to eligible expenditures. Extension Requests must contain sufficient justification and be submitted to the District in writing no later than three (3) months before the funds are to lapse.
5. The decision to grant an extension is at the sole discretion of the District.
6. Funds still uncommitted to eligible expenditures after an extension is granted will be subject to lapsed funding procedures without exception. Example below:

<b><u>Fiscal Year Transferred</u></b>	<b><u>Funds Lapse After</u></b>	<b><u>Extension Request Due</u></b>	<b><u>Commit By</u></b>
2019-20	6/30/2025	No later than 3/31/2025	No later than 6/30/2026

**B-21. Municipal Project Access**

Upon reasonable advance request, the Municipality shall ensure that the District or any authorized representative, will have safe and suitable access to the site of any Project implemented by the Municipality in whole or in part with SCW Program Payments at all reasonable times.

#### B-22. Non-Discrimination

The Municipality agrees to abide by all federal, state, and County laws, regulations, and policies regarding non-discrimination in employment and equal employment opportunity.

#### B-23. No Third-Party Rights

The parties to this Agreement do not create rights in, or grant remedies to, any third party as a beneficiary of this Agreement, or of any duty, covenant, obligation, or undertaking established herein

#### B-24. Notice

1. The Municipality shall notify the District in writing within five (5) working days of the occurrence of the following:
  - a. Bankruptcy, insolvency, receivership or similar event of the Municipality; or
  - b. Actions taken pursuant to State law in anticipation of filing for bankruptcy.
2. The Municipality shall notify the District within ten (10) working days of any litigation pending or threatened against the Municipality regarding its continued existence, consideration of dissolution, or disincorporation.
3. The Municipality shall notify the District promptly of the following:
  - a. Any significant deviation from the submitted Annual Plan for the current Fiscal Year, including discussion of any major changes to the scope of funded projects or programs, noteworthy delays in implementation, reduction in benefits or community engagement, and/or modifications that change the SCW Program Goals intended to be accomplished.
  - b. Discovery of any potential archaeological or historical resource. Should a potential archaeological or historical resource be discovered during construction, the Municipality agrees that all work in the area of the find will cease until a qualified archaeologist has evaluated the situation and made recommendations regarding preservation of the resource, and the District has determined what actions should be taken to protect and preserve the resource. The Municipality agrees to implement appropriate actions as directed by the District.

- c. Any public or media event publicizing the accomplishments and/or results of this Agreement and provide the opportunity for attendance and participation by District representatives with at least fourteen (14) days' notice to the District.

#### B-25. Municipality's Responsibility for Work

The Municipality shall be responsible for all work and for persons or entities engaged in work performed pursuant to this Agreement including, but not limited to, contractors, subcontractors, suppliers, and providers of services. The Municipality shall be responsible for responding to any and all disputes arising out of its contracts for work on the Project. The District will not mediate disputes between the Municipality and any other entity concerning responsibility for performance of work.

#### B-26. Reporting

The Municipality shall be subject to and comply with all applicable requirements of the District regarding reporting requirements. Municipalities shall report available data through the SCW Reporting Module, once available.

1. Annual Progress/Expenditure Reports. The Municipality shall submit Annual Progress/Expenditure Reports, using a format provided by the District, within six (6) months following the end of the Fiscal Year to the District to detail the activities of the prior year. The Annual Progress/Expenditure Reports shall be posted on the District's publicly accessible website and on the Municipality's website. The Annual Progress/Expenditure Report shall include:
  - a. Amount of funds received;
  - b. Breakdown of how the SCW Program Payment has been expended;
  - c. Documentation that the SCW Program Payment was used for eligible expenditures in accordance with Chapters 16 and 18 of the Code;
  - d. Description of activities that have occurred, milestones achieved, and progress made to date, during the applicable reporting period including comparison to the Annual Plan and corresponding metrics;
  - e. Discussion of any existing gaps between what was planned and what was achieved for the prior year, include any lessons learned;
  - f. Description of the Water Quality Benefits, Water Supply Benefits, and Community Investment Benefits and a summary of how SCW Program Payments have been used to achieve SCW Program Goals for the prior year, including graphical representation of available data and specific metrics to demonstrate the benefits being achieved through the years' investments.

- g. Discussion of alignment with other local, regional, and state efforts, resources, and plans, as applicable. This includes discussion of opportunities for addressing additional SCW Program Goals, leveraging SCW Program Goals, and increasing regional capacity to supplement the SCW Program.
  - h. Additional financial or Project-related information in connection with activity funded in whole or in part using SCW Program Payments as required by the District.
  - i. Certification from a California Registered Professional (Civil Engineer or Geologist, as appropriate), that projects implemented with SCW Program Payments were conducted in accordance with Chapters 16 and 18 of the Code.
  - j. Report on annual and total (since inception of program) benefits provided by programs and projects funded by SCW Program Payment. This includes comparisons to annual plans and alignment with corresponding specific quantitative targets and metrics (note that SCW Reporting Module will facilitate calculation of benefits and graphical representation of pertinent data):
    - i. Annual volume of stormwater captured and treated
    - ii. Annual volume of stormwater captured and reused
    - iii. Annual volume of stormwater captured and recharged to a managed aquifer
    - iv. Annual creation, enhancement, or restoration of Community Investment Benefits. If none, discuss considerations explored and reasons to not include.
    - v. Annual acreage increases in Nature-Based Solutions and claimed level of NBS (with matrix demonstrating determination of good, better, best, as outlined in Exhibit C). If none, discuss considerations explored and reasons to not include.
    - vi. Annual expenditures providing DAC Benefits. If none, discuss considerations explored and reasons to not include.
2. Documentation of the Community Outreach and Engagement utilized for and/or achieved with the SCW Program Payment described in the Annual Plan Exhibit A. This information must be readily accessible to members of the public.
  3. As Needed Information or Reports. The Municipality agrees to promptly provide such reports, data, and information as may be reasonably requested by the District including, but not limited to material necessary or appropriate for evaluation of the

SCW Program or to fulfill any reporting requirements of the County, state or federal government.

#### B-27. Representations, Warranties, and Commitments

The Municipality represents, warrants, and commits as follows:

1. **Authorization and Validity.** The execution and delivery of this Agreement, including all incorporated documents, by the individual signing on behalf of Municipality, has been duly authorized by the governing body of Municipality, as applicable. This Agreement constitutes a valid and binding obligation of the Municipality, enforceable in accordance with its terms, except as such enforcement may be limited by law.
2. **No Violations.** The execution, delivery, and performance by the Municipality of this Agreement, including all incorporated documents, do not violate any provision of any law or regulation in effect as of the date set forth on the first page hereof, or result in any breach or default under any contract, obligation, indenture, or other instrument to which the Municipality is a party or by which the Municipality is bound as of the date set forth on the first page hereof.
3. **No Litigation.** There are no pending or, to the Municipality's knowledge, threatened actions, claims, investigations, suits, or proceedings before any governmental authority, court, or administrative agency which affect the Municipality's ability to complete the Annual Plan.
4. **Solvency.** None of the transactions contemplated by this Agreement will be or have been made with an actual intent to hinder, delay, or defraud any present or future creditors of the Municipality. As of the date set forth on the first page hereof, the Municipality is solvent and will not be rendered insolvent by the transactions contemplated by this Agreement. The Municipality is able to pay its debts as they become due.
5. **Legal Status and Eligibility.** The Municipality is duly organized and existing and in good standing under the laws of the State of California. The Municipality shall at all times maintain its current legal existence and preserve and keep in full force and effect its legal rights and authority.
6. **Good Standing.** The Municipality must demonstrate it has not failed to comply with previous County and/or District audit disallowances within the preceding five years.

#### B-28. Travel

Any reimbursement for necessary ground transportation and lodging shall be at rates not to exceed those set by the California Department of Human Resources; per diem costs will not be eligible expenses. These rates may be found at

<http://www.calhr.ca.gov/employees/Pages/travel-reimbursements.aspx>. Reimbursement will be at the State travel amounts that are current as of the date costs are incurred by the Municipality. No travel outside the Los Angeles County Flood Control District region shall be reimbursed unless prior written authorization is obtained from the Program Manager.

#### B-29. Unenforceable Provision

In the event that any provision of this Agreement is determined by a court of competent jurisdiction to be unenforceable, the parties agree that all other provisions of this Agreement have force and effect and shall not be affected thereby.

#### B-30. Withholding of Disbursements and Material Violations

Notwithstanding any other provision of this Agreement, the District may withhold all or any portion of the SCW Program Payment for any Fiscal Year in the event that:

1. The Municipality has violated any provision of this Agreement; or
2. The Municipality fails to maintain reasonable progress in achieving SCW Program Goals, following an opportunity to cure.
3. Failure to remain in Good Standing, described in Section B-26 of Exhibit B.
4. Failure to submit annual reports on meeting SCW Program Goals.

## EXHIBIT C – NATURE BASED SOLUTIONS (NBS) BEST MANAGEMENT PRACTICES

Municipalities shall consider incorporation of Nature-based solutions (NBS) into their projects. NBS refers to the sustainable management and use of nature for undertaking socio-environmental challenges, including climate change, water security, water pollution, food security, human health, and disaster risk management. As this environmental management practice is increasingly incorporated into projects for the SCW Program, this guidance document may be expanded upon to further quantify NBS practices based on benefits derived from their incorporation on projects.

The SCW Program defines NBS as a Project that utilizes natural processes that slow, detain, infiltrate or filter Stormwater or Urban Runoff. These methods may include relying predominantly on soils and vegetation; increasing the permeability of Impermeable Areas; protecting undeveloped mountains and floodplains; creating and restoring riparian habitat and wetlands; creating rain gardens, bioswales, and parkway basins; enhancing soil through composting, mulching; and, planting trees and vegetation, with preference for native species. NBS may also be designed to provide additional benefits such as sequestering carbon, supporting biodiversity, providing shade, creating and enhancing parks and open space, and improving quality of life for surrounding communities. NBS include Projects that mimic natural processes, such as green streets, spreading grounds and planted areas with water storage capacity. NBS may capture stormwater to improve water quality, collect water for reuse or aquifer recharge, or to support vegetation growth utilizing natural processes.

Municipalities are to include in each Annual Progress/Expenditure Report whether and how their project achieves a good, better, or best for each of the 6 NBS methods in accordance with the guidance below. Additionally, Annual Progress/ Expenditure Reports should include discussion on any considerations taken to maximize the class within each method. If at least 3 methods score within a single class, the overall project can be characterized as that class. Municipalities must attach a copy of the matrix for each project



with the good, better, or best column indicated for each method, to facilitate District tracking of methods being utilized.

METHODS	GOOD	BETTER	BEST
Vegetation/Green Space	Use of climateappropriate, eco-friendly vegetation (groundcover, shrubs, and trees) / green space 5%-15% covered by new climate-appropriate vegetation	Use of native, climateappropriate, eco-friendly vegetation (groundcover, shrubs, and trees) / green space 16%-35% covered by new native vegetation	Establishment of plant communities with a diversity of native vegetation (groundcover, shrubs, and trees) / green space that is both native and climate-appropriate More than 35% covered by new native vegetation
Increase of Permeability	Installation of vegetated landscape – 25%-49% paved area removed Redesign of existing impermeable surfaces and/or installation of permeable surfaces (e.g. permeable pavement and infiltration trenches)	Installation of vegetated landscape – 50%-74% paved area removed Improvements of soil health (e.g., compaction reduction)	Installation of vegetated landscape – 75%-100% paved area removed Creation of wellconnected and selfsustained natural landscapes with healthy soils, permeable surfaces, and appropriate vegetation
Protection of Undeveloped Mountains & Floodplains	<ul style="list-style-type: none"> <li>● Preservation of native vegetation</li> <li>● Minimal negative impact to existing drainage system</li> </ul>	<ul style="list-style-type: none"> <li>● Preservation of native vegetation</li> <li>● Installation of new feature(s) to improve existing drainage system</li> </ul>	<ul style="list-style-type: none"> <li>● Creation of open green space</li> <li>● Installation of features to improve natural hydrology</li> </ul>

<p>Creation &amp; Restoration of Riparian Habitat &amp; Wetlands</p>	<ul style="list-style-type: none"> <li>• Partial restoration of existing riparian habitat and wetlands</li> <li>• Planting of climate appropriate vegetation - between 11 and 20 different climate appropriate or native plant species newly planted</li> <li>• No potable water used to sustain the wetland</li> </ul>	<ul style="list-style-type: none"> <li>• Full restoration of existing riparian habitat and wetlands</li> <li>• Planting of native vegetation - between 21 and 40 different native plant species newly planted</li> <li>• No potable water used to sustain the wetland</li> </ul>	<ul style="list-style-type: none"> <li>• Full restoration and expansion of existing riparian habitat and wetlands</li> </ul> <p>Planting of plant communities with a diversity of native vegetation – between 41 and 50 different native plant species newly planted</p> <ul style="list-style-type: none"> <li>• No potable water used to sustain the wetland</li> </ul>
<p>New Landscape Elements</p>	<p>Elements designed to capture runoff for other simple usage (e.g. rain gardens and cisterns), capturing the 85th percentile 24-hour storm event for at least 50% of the entire parcel</p>	<p>Elements that design to capture/redirect runoff and filter pollution (e.g. bioswales and parkway basins), capturing the 85th percentile 24-hour storm event from the entire parcel</p>	<p>Large sized elements that capture and treat runoff to supplement or replace existing water systems (e.g. wetlands, daylighting streams, groundwater infiltration, floodplain reclamation), capturing the 90<sup>th</sup> percentile 24-hour storm event from the entire parcel and/or capturing off-site runoff</p>
<p>Enhancement of Soil</p>	<p>Use of soil amendments such as mulch and compost to retain moisture in the soil and prevent erosion</p> <p>Planting of new climate appropriate vegetation to enhance soil organic matter</p>	<p>Use of soil amendments such as mulch and compost that are locally generated to retain moisture in the soil, prevent erosion, and support locally based composting and other soil enhancement activities</p> <p>Planting of new native, climate-appropriate vegetation to enhance soil organic matter</p>	<p>Use of soil amendments such as mulch and compost that are locally generated, especially use of next-generation design with regenerative adsorbents (e.g. woodchips, biochar) to retain moisture in the soil, prevent erosion, and support on-site composting and other soil enhancement activities</p> <p>Planting of new native, climate appropriate vegetation to enhance soil organic matter</p>

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## EXHIBIT D – OPERATIONS AND MAINTENANCE GUIDANCE DOCUMENT

Municipalities shall operate and maintain infrastructure projects for the useful life of the project and are to consider using the following guidance for operations and maintenance for infrastructure projects. Operational maintenance is the care and upkeep of Projects that may require detailed technical knowledge of the Project's function and design. Project specific operational and maintenance plans shall consider the activities listed below and set forth specific activities and frequencies (not limited to those below) as determined to be appropriate by the Municipalities and best practices, including stakeholder engagement as applicable. Operational maintenance is to be performed by the operator of the Project with a purpose to make the operator aware of the state of readiness of the Project to deliver stormwater and urban runoff benefits.

### 1. Litter Control

- Regular removal of litter, nonhazardous waste materials, and accumulated debris near planted areas, rock areas, decomposed granite areas, rest areas, fence perimeters, adjoining access roads and driveways, drains, pedestrian trails, viewing stations, shelter houses, and bicycle pathways.
- Regular inspection and maintenance of pet waste stations
- Maintaining trash receptacles
- Removal of trash, debris, and blockages from bioswales
- Inspection and cleaning of trash booms
- Inspection of weir gates and stop logs to clean debris, as required.

### 2. Vegetation Maintenance

- Weed control
  - Recognition and removal of weeds, such as perennial weeds, morning glory, vinetype weeds, ragweed, and other underground spreading weeds.
  - Avoiding activities that result in weed seed germination (e.g. frequent soil cultivation near trees or shrubs)
  - Regular removal of weeds from landscape areas, including from berms, painted areas, rock areas, gravel areas, pavement cracks along access roads and driveways, drains, pedestrian trails, viewing stations, park shelters, and bicycle paths.
- Tree and shrubbery trimming and care
  - Removal of dead trees and elimination of diseased/damaged growth
  - Prevent encroachment of adjacent property and provide vertical clearance
  - Inspect for dead or diseased plants regularly
- Wetland vegetation and landscape maintenance
  - Installation and maintenance of hydrophytic and emergent plants in perennially wet and seasonal, intermittent habitats.
  - Draining and drawdown of wetland and excessive bulrush removal
  - Weed and nuisance plant control
    - Removal of aquatic vegetation (e.g. algae and primrose) using appropriate watercraft and harvesting equipment
    - Wildflower and meadow maintenance
      - Grass, sedge, and yarrow management
      - Removal of unwanted hydroseed

### 3. Wildlife Management

- Exotic species control
  - Provide habitat management; promote growth of plants at appropriate densities and promote habitat structure for animal species
  - Protect sensitive animal species (e.g. protection during critical life stages including breeding and migration)
  - Avoid disturbances to nesting birds
  - Avoid spread of invasive aquatic species
4. Facility Inspection

- Inspect project sites for rodent and insect infestations on a regular basis
- Inspect for and report graffiti in shelter houses, viewing stations, benches, paving surfaces, walls, fences, and educational and directional signs
- Inspect facilities for hazardous conditions on roads and trails (e.g. access roads and trails, decomposed granite pathways, and maintenance roads)
- Inspect shade structures for structural damage or defacement
- Inspect hardscapes
- Inspect and maintain interpretive and informational signs
- Inspect site furnishings (e.g. benches, hitching posts, bicycle racks)
- Maintain deck areas (e.g. benches, signs, decking surfaces)
- Visually inspect weirs and flap gates for damage; grease to prevent locking.
- Inspect all structures after major storm events, periodically inspect every 3 months, and operate gates through full cycles to prevent them from locking up.

5. Irrigation System Management

- Ensuring automatic irrigation controllers are functioning properly and providing various plant species with proper amount of water.
  - Cycle controller(s) through each station manually and automatically to determine if all facets are functioning properly.
  - Inspection should be performed at least monthly. ○ Recover, replace, or refasten displaced or damaged valve box covers. ○ Inspect and repair bubbler heads. ○ Repair and replace broken drip lines or emitters causing a loss of water (to prevent ponding and erosion).
  - Maintain drip system filters to prevent emitters from clogging. Inspection and cleaning should occur at least monthly.
  - Inspect and clean mainline filters, wye strainers, basket filters, and filters at backflow devices twice a year.
  - Maintain and check function of the drip system.
- Keeping irrigation control boxes clear of vegetation
- Operating irrigation system to ensure it does not cause excessively wet, waterlogged areas, and slope failure
- Utilizing infrequent deep watering techniques to encourage deep rooting, drought tolerant plant characteristics to promote a self-sustaining, irrigation free landscape
- Determine watering schedules based on season, weather, variation in plant size, and plant varieties. At least four times a year (e.g. change of season), reschedule controller systems.
- Turn off irrigation systems at the controller at the beginning of the rainy season, or when the soil has a high enough moisture content.
- Use moisture sensing devices to determine water penetration in soil.

6. Erosion Management and Control
  - Inspect slopes for erosion during each maintenance activity
  - Inspect basins for erosion
  - Take corrective measures as needed, including filling eroded surfaces, reinstalling or extending bank protection, and replanting exposed soil.
  
7. Ongoing Monitoring Activities
  - Monitor controllable intake water flow and water elevation
  - Examine inflow and outflow structures to ensure devices are functioning properly and are free of obstructions.
  - Water quality sampling (quarterly, unless justified otherwise)
  - Checking telemetry equipment
  - Tracking and reporting inspection and maintenance records
  
8. Vector and Nuisance Insect Control
  - Monitoring for the presence of vector and nuisance insect species
  - Adequate pretreatment of influent wastewater to lessen production of larval mosquitos
  - Managing emergent vegetation
  - Using hydraulic control structures to rapidly dewater emergent marsh areas
  - Managing flow velocities to reduce propagation of vectors

**-DRAFT TEMPLATE-**  
**TRANSFER AGREEMENT BETWEEN**  
**THE LOS ANGELES COUNTY FLOOD CONTROL DISTRICT**  
**AND (INSERT PROJECT DEVELOPER)**  
**AGREEMENT NO. \_\_\_\_\_**  
**SAFE, CLEAN WATER PROGRAM – REGIONAL PROGRAM**

This Transfer Agreement, hereinafter referred to as "Agreement," is entered into as of \_\_\_\_\_ by and between the Los Angeles County Flood Control District, hereinafter referred to as "District," and \_\_\_\_\_ (*Project Developer/Scientific Studies Applicant Entity*), hereinafter referred to as "Recipient."

**WHEREAS**, District, pursuant to the Los Angeles Region Safe, Clean Water (SCW) Program ordinance (Chapter 16 of the Los Angeles County Flood Control District Code) and the SCW Program Implementation Ordinance (Chapter 18 of the Los Angeles County Flood Control District Code), administers the SCW Program for the purpose of funding Projects and Programs to increase stormwater and urban runoff capture and reduce stormwater and urban runoff pollution in the District;

**WHEREAS**, Recipient proposes to implement a Funded Activity (as hereafter defined) that is eligible for funding under the SCW Program;

**WHEREAS**, the Funded Activity is included in a Stormwater Investment Plan (SIP) that has been approved by the County of Los Angeles Board of Supervisors;

**WHEREAS**, the Board approved a standard template Agreement as required by and in accordance with Section 18.09 of the Los Angeles County Flood Control District Code;

**NOW, THEREFORE**, in consideration of the promises, mutual representations, covenants and agreements in this Agreement, the District and the Recipient, each binding itself, its successors and assigns, do mutually promise, covenant, and agree as follows:

**I. DEFINITIONS**

The definitions set forth in Sections 16.03 and 18.02 of the Los Angeles County Flood Control District Code shall apply to this Agreement. In addition, the following definitions shall also apply:

"Activity Completion" means that the Funded Activity is complete to the reasonable satisfaction of the District based on review of reports and other documentation as deemed appropriate by the District. If the Funded Activity is an Infrastructure Program Project on District Right-of-Way a separate use and maintenance agreement is required.

"Activity Costs" means the total costs necessary to achieve Activity Completion. The Activity Costs for the Funded Activity are described in Exhibit A.

"Agreement" means this Transfer Agreement, including all exhibits and attachments hereto.

“Budget Plan” means a Recipient’s plan for funding Activity Completion, including a description of all sources of funds for Activity Costs and a description of how the SCW Program Contribution will be allocated among the tasks identified in the Scope of Work within each fiscal year. Recipient's Budget Plan is described in Exhibit A.

“Days” means calendar days unless otherwise expressly indicated.

“Fiscal Year” means the period of twelve (12) months terminating on June 30 of any year.

“Funded Activity” means the Infrastructure Program Project, or Scientific Study described in Exhibit A – Scope of Work, including the Stakeholder and Community Outreach Plan and all other tasks and activities described in Exhibit A.

“Safe Clean Water (SCW) Program Contribution” means the portion of the Activity Costs to be paid for with Regional Program funds provided by the District from the SCW Program as described in the Budget Plan.

“Year” means calendar year unless otherwise expressly indicated.

**II. PARTY CONTACTS**

The District and the Recipient designate the following individuals as the primary points of contact and communication regarding the Funded Activity and the administration and implementation of this Agreement.

Los Angeles County Flood Control District		Recipient:	
Name:	(Program Manager)	Name:	(Project Manager)
Address:		Address:	
Phone:		Phone:	
Email:		Email:	

Either party to this Agreement may change the individual identified above by providing written notice of the change to the other party.

**III. EXHIBITS INCORPORATED BY REFERENCE**

The following exhibits to this Agreement, including any amendments and supplements hereto, are hereby incorporated herein and made a part of this Agreement:

EXHIBIT A – SCOPE OF WORK

EXHIBIT B – GENERAL TERMS AND CONDITIONS

EXHIBIT C – SPECIAL CONDITIONS

EXHIBIT D – ADDENDUM TO AGREEMENT

EXHIBIT E – NATURE-BASED SOLUTIONS (Best Management Practices)

EXHIBIT F – OPERATIONS AND MAINTENANCE GUIDANCE DOCUMENT

#### **IV. ACTIVITY COMPLETION**

- A. The Recipient shall implement and complete the Funded Activity in accordance with the work schedule described in Exhibit A,
- B. The Recipient shall comply with the terms and conditions in Exhibits A, B, C, D, E, and F of this Agreement, and all applicable provisions of Chapters 16 and 18 of the Code.
- C. The Recipient shall fulfill all assurances, declarations, representations, and commitments made by the Recipient in its application for SCW Program Contributions, accompanying documents, and communications filed in support of its application for SCW Program Contributions.

#### **V. SCW PROGRAM FUNDING FOR FUNDED ACTIVITY**

- A. The District shall disburse the SCW Program Contribution for the 2020-2021 Fiscal Year as described in the corresponding approved Stormwater Investment Plan (SIP) within 45-days of receipt of the signed executed Agreement.
- B. If the Funded Activity is included in a duly approved SIP for a subsequent Fiscal Year, the parties shall enter into an addendum to this Agreement, in the form attached as Exhibit D, regarding the disbursement of the SCW Program Contribution for that subsequent Fiscal Year. The Recipient expressly acknowledges and agrees that the District is not obligated to disburse any SCW Program Contributions to Recipient for any Fiscal Year beyond the 2020-21 Fiscal Year unless the Funded Activity is included in a duly approved SIP for a subsequent Fiscal Year, the Recipient has complied with the provisions related to the California Environmental Quality Act in Exhibit C, and the parties have duly executed an addendum to this Agreement for that Fiscal Year.
- C. Notwithstanding any other provision of this Agreement, no disbursement shall be made at any time or in any manner that is in violation of or in conflict with federal, state, County laws, policies, or regulations.
- D. All disbursements shall be subject to and be made in accordance with the terms and conditions in this Agreement and Chapters 16 and 18 of the Code.
- E. The Recipient shall submit the scope of work described in Exhibit A 45-days after execution of this Agreement. If the Funded Activity is included in a duly approved SIP for a subsequent Fiscal Year, subsequent Exhibit A – Scope of Work will be required 45-days after execution of the addendum to this Agreement.

IN WITNESS WHEREOF, this Agreement has been executed by the parties hereto.

\_\_\_\_\_ (*Recipient*) \_\_\_\_\_:

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

Name:

Title:

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

LOS ANGELES COUNTY  
FLOOD CONTROL DISTRICT:

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

Name:

Title:

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

## **EXHIBIT A – SCOPE OF WORK**

### **A-1. Budget Plan**

The Recipient shall submit a detailed Budget Plan for all eligible expenditures (those incurred after November 7, 2018) for all phases and tasks included in the work schedule for the Funded Activity. The Recipient shall include a summary of leveraged funds and in-kind services for the Funded Activity. For a Funded Activity that will be performed over more than one Fiscal Year, the Budget Plan must clearly identify the amount of SCW Program Contribution for each Fiscal Year.

### **A-2. Consistent with SCW Program Goals**

By signing this Agreement, the Recipient shall provide certification that the Budget Plan is consistent with SCW Program Goals as described in Chapter 18.04 of the Code.

The Recipient shall include a summary of how the identified SCW Program Goals are expected to be achieved through the Funded Activity, including quantitative targets and corresponding metrics for subsequent reporting of all applicable parameters.

### **A-3. Estimated Reasonable Total Activity Cost**

The Recipient shall submit a detailed estimate total Activity Cost for all phases and tasks included in the work schedule for the Funded Activity.

### **A-4. Funded Activity Description and Scope of Work**

The Recipient shall provide a general description of the Funded Activity and a detailed scope of work. The scope of work may include:

1. Project Management, including required reporting
2. General Compliance Requirements/Project Effectiveness and Performance
3. Permitting and Environmental Compliance
4. Planning, Design, and Engineering
5. Stakeholder and Community Outreach/Engagement Activities
6. Right of Way Acquisition
7. Construction and Implementation
8. Operation and Maintenance

#### A-5. Operations and Maintenance (O&M) Plan

Where the Funded Activity is an Infrastructure Program Project, the Recipient shall submit a plan describing the activities that are expected to be necessary to perform O&M for the Infrastructure Program Project to ensure it remains in good working order throughout the useful life of the Infrastructure Program Project using SCW Program Contributions. The O&M plan shall address the activities described in Exhibit F to the greatest extent feasible and in as much detail as possible based on the completeness of the Project design and construction. The Recipient shall update the O&M plan in connection with each Addenda until completion of the Infrastructure Program Project and the submittal of a final O&M plan.

The Recipient shall specifically identify the entity that will be performing the O&M for the lifetime of the Project. If this is not the Recipient, the Recipient shall submit a letter of commitment from the entity that will be performing the O&M (See Exhibit F, for example activities). The letter of commitment shall include details demonstrating how the provider is qualified and capable of providing the necessary ongoing O&M services.

The Recipient may elect to request the local Municipality or District to provide O&M for the useful life of the Infrastructure Program Project using SCW Program Contributions. If the Recipient does not elect to seek the District's services or if the District is unable to provide the services as requested, the Recipient shall include in the letter of commitment reference to the above details demonstrating how the provider is qualified and capable of providing the necessary ongoing O&M services.

#### A-6. Post-Construction Monitoring

Where the Funded Activity is an Infrastructure Program Project, stormwater quality monitoring data shall be collected and reported in a manner consistent with the SWRCB database, the CEDEN for a period of three years. The Recipient shall submit a post-construction monitoring plan when the design phase is complete. The post-construction monitoring plan will evaluate the effectiveness of stormwater treatment facilities and include the project description; quality objectives; sampling design; sampling procedures; quality control; data management verification, and reporting; data quality assessment; and data analysis procedures.

#### A-7. Sustainability Rating

Where the Funded Activity is an Infrastructure Program Project that has applied for Institute for Sustainable Infrastructure (ISI) verification, the Recipient shall submit the final score and Envision award level.

#### A-8. Stakeholder and Community Outreach/Engagement Plan

The Recipient shall submit a Stakeholder and Community Outreach/Engagement Plan for Infrastructure Program Projects and include a discussion of how local NGOs or CBOs will be involved, if applicable, and if not, why. Additional outreach/engagement

activities, even if funded by other sources, should be referenced to provide an overview of anticipated overall project approach. The plan shall, at a minimum include:

1. Community outreach activities to provide information to residents and information about upcoming meetings or other engagement activity event is scheduled. Outreach methods used should be appropriate in scale and type to the community being served. Outreach methods include but are not limited to: Online Media Outreach (email blasts, social media, publication on a website) Local Media Outreach (newsletters, local and regional newspapers, and local radio and television) and/or Grassroots Outreach (door-to-door canvassing, phone banking, surveys and focus groups, and distribution of flyers or other printed materials). The District will support outreach efforts through web-based platforms if requested at least four weeks prior to the requested publish date. The District should be included in all social media outreach and notified of all meetings and other engagement events.
2. Community engagement activities solicit, address and seek input from community members for Funded Activities. These events may occur as part of any public meeting with multiple agenda items such as council, commission or committee meetings where public input is invited; or at festivals, fairs, or open houses where a table or booth may be set up.
3. Stakeholder and Community Outreach/Engagement Plan requirements:

Stakeholder and Community Outreach/Engagement Plan activities should occur at the onset of the project, during the design phase, and during construction.

Infrastructure Program Project Funds	Required Activity 1	Required Activity 2
Up to \$2 M	Outreach or Engagement	
Up to \$10 M	Outreach	≥1 Engagement
Over \$10 M	Outreach	≥ 2 Engagements

4. If the Funded Activity is for the O&M of an Infrastructure Program Project Stakeholder and Community Outreach/Engagement Plan activities should occur biennially to remind communities of the SCW Program Contribution.
5. Activities and measures to mitigate against displacement and gentrification. This includes, as applicable, an acknowledgment that the Funded Activity will be fully subject to and comply with any County-wide displacement policies as well as with any specific anti-displacement requirements associated with other funding sources.

#### A-9. Tracking Infrastructure Program Project Benefits

The Recipient shall submit an overview of the benefits achieved upon the Activity Completion. SOW shall include quantitative targets and corresponding metrics for subsequent reporting of all applicable parameters.

#### A-10. Work Schedule and Completion Date

The Recipient shall submit a detailed schedule, including start and completion dates for all phases and tasks of the scope of work for the Funded Activity. For Funded Activities that will be performed over more than one Fiscal Year, the work schedule must clearly identify the phases and tasks that will be performed in each Fiscal Year.

## **EXHIBIT B – GENERAL TERMS AND CONDITIONS**

### **B-1. Accounting and Deposit of Funding Disbursement**

1. SCW Program Contributions distributed to the Recipient shall be held in a separate interest-bearing account and shall not be combined with other funds. Interest earned from each account shall be used by the Recipient only for eligible expenditures consistent with the requirements of the SCW Program.
2. The Recipient shall not be entitled to interest earned on undisbursed SCW Program Contributions; interest earned prior to disbursement is property of the District.
3. The Recipient shall operate in accordance with Generally Accepted Accounting Principles (GAAP).
4. The Recipient shall be strictly accountable for all funds, receipts, and disbursements related to all SCW Program Contributions made to the Recipient.

### **B-2. Acknowledgement of Credit and Signage**

The Recipient shall include appropriate acknowledgement of credit to the District for its support when promoting the Funded Activity or using any data and/or information developed under this Agreement. When the Funded Activity involves the construction phase of an Infrastructure Program Project, signage shall be posted in a prominent location at Project site(s) or at the Recipients headquarters and shall include the Safe, Clean Water Program color logo and the following disclosure statement: "Funding for this project has been provided in full or in part from the Los Angeles County Flood Control District's Safe, Clean Water Program." At a minimum the sign shall be 2' x 3' in size. The Recipient shall also include in each of its contracts for work under this Agreement a provision that incorporates the requirements stated within this paragraph.

When the Funded Activity involves a scientific study, the Recipient shall include the following statement in the study report: "Funding for this study has been provided in full or in part from the Los Angeles County Flood Control District's Safe, Clean Water Program." The Recipient shall also include in each of its contracts for work under this Agreement a provision that incorporates the requirements stated within this paragraph.

### **B-3. Acquisition of Real Property – Covenant**

Any real property acquired in whole or in part with SCW Program funds shall be used for Projects and Programs that are consistent with the SCW Program Goals and with the provisions of Chapter 16 and 18 of the Code.

Any Recipient that acquires the fee title to real property using, in whole or in part, SCW Program funds shall record a document in the office of the Registrar-Recorder/County Clerk containing a covenant not to sell or otherwise convey the real property without the

prior express written consent of the District, which consent shall not be unreasonably withheld.

#### B-4. Amendment

Except as provided in Section II of the Agreement, no amendment or variation of the terms of this Agreement shall be valid unless made in writing and signed by the parties. No oral or written understanding or agreement not incorporated in this Agreement is binding on any of the parties.

#### B-5. Assignment

The Recipient will not assign this Agreement without the prior consent of the District.

#### B-6. Audit and Recordkeeping

1. The Recipient shall retain for a period of seven (7) years after Activity Completion, all records necessary in accordance with Generally Accepted Accounting Principles to determine the amounts expended, and eligibility of Projects implemented using SCW Program Contributions. The Recipient, upon demand by authorized representatives of the District, shall make such records available for examination and review or audit by the District or its authorized representatives. Records shall include accounting records, written policies and procedures, contract files, original estimates, correspondence, change order files, including documentation covering negotiated settlements, invoices, and any other supporting evidence deemed necessary to substantiate charges related to SCW Program Contributions and expenditures.
2. The Recipient is responsible for obtaining an independent audit to determine Funded Activity compliance with the terms and conditions of this Agreement and all requirements applicable to the Recipient contained in chapters 16 and 18 of the Code promptly upon Activity Completion. For a Funded Activity that will be performed over the course of a period exceeding three years, the District may also perform an interim independent audit every three (3) years until Activity Completion. Audits shall be funded with Regional Program funds.
3. Recipient shall file a copy of the Activity Completion audit report with the District by the end of the ninth (9<sup>th</sup>) month from Activity Completion. Recipient shall file a copy of all interim audit reports by the ninth (9<sup>th</sup>) month from the end of each three (3) year period. Audit reports shall be posted on the District's publicly accessible website.

<b>End-of-Activity</b>		<b>Every Third Fiscal Year</b>		
<b><u>Projected End Date</u></b>	<b><u>Audit Report Due to District</u></b>	<b><u>SIP Fiscal Year</u></b>	<b><u>Audit Period</u></b>	<b><u>Audit Report Due to District</u></b>
1/15/2022	No later than 10/31/2022	2020-21	7/1/2020 to 6/30/2023	No later than 3/31/2024

4. Upon reasonable advanced request, the Recipient shall permit the Chief Engineer, at the District's cost and expense, to examine the Funded Activity. The Recipient shall permit the authorized District representative, including the Auditor-Controller, at the District's cost and expense, to examine, review, audit, and transcribe any and all audit reports, other reports, books, accounts, papers, maps, and other records that relate to the Funded Activity.
5. Expenditures determined by an audit to be in violation of any provision of Chapters 16 or 18 of the Code, or of this Agreement, shall be subject to the enforcement and remedy provisions of Section 18.14 of the Code.

If at any time the Funded Activity cannot fulfill the provisions outlined in Exhibit A, the accounts and books of the Recipient may be reviewed or audited by the District.

**B-7. Availability of Funds**

District's obligation to disburse the SCW Program Contribution is contingent upon the availability of sufficient funds to permit the disbursements provided for herein. If sufficient funds are not available for any reason including, but not limited to, failure to fund allocations necessary for disbursement of the SCW Program Contribution, the District shall not be obligated to make any disbursements to the Recipient under this Agreement. This provision shall be construed as a condition precedent to the obligation of the District to make any disbursements under this Agreement. Nothing in this Agreement shall be construed to provide the Recipient with a right of priority for disbursement over any other recipient. If any disbursements due the Recipient under this Agreement are deferred because sufficient funds are unavailable, it is the intention of the District that such disbursement will be made to the Recipient when sufficient funds do become available, but this intention is not binding. If this Agreement's funding for any fiscal year is reduced or deleted by order of the Board, the District shall have the option to either cancel this Agreement with no liability occurring to the District or offer an amendment to the Recipient to reflect the reduced amount.

1. The Recipient will not seek disbursement of any Activity Costs that will be disbursed or reimbursed from other funding sources.
2. The Recipient agrees that it will not request a disbursement unless that cost is allowable, reasonable, and allocable.

#### B-8. Choice of Law

The laws of the State of California govern this Agreement.

#### B-9. Claims

Any claim of the Recipient is limited to the rights, remedies, and claims procedures provided to the Recipient under this Agreement. Recipient expenditures of a SCW Program Contribution that involves the District shall utilize a separate and specific agreement to that Project that includes appropriate indemnification superseding that in this Agreement.

#### B-10. Completion of Funded Activity by the Recipient

The Recipient agrees to pay any and all Activity Costs in excess of the SCW Program Contribution necessary for Activity Completion. The Recipient expressly acknowledges and agrees that if the SCW Program Contribution is not sufficient to pay the Activity Costs in full, the Recipient shall nonetheless complete the Funded Activity and pay that portion of the Activity Costs in excess of the SCW Program Contribution, subject to the provisions of Exhibit C, as applicable.

#### B-11. Compliance with Law, Regulations, etc.

The Recipient shall, at all times, comply with and require its contractors and subcontractors to comply with all applicable County, state and federal laws, rules, guidelines, regulations, and requirements. Without limitation of the foregoing, the Recipient agrees that, to the extent applicable, the Recipient shall comply with the Code.

#### B-12. Competitive Bidding and Procurements

The Recipient's contracts with other entities for the acquisition of goods and services and construction of public works with SCW Program Contributions must be in writing and shall comply with all applicable laws and regulations regarding the securing of competitive bids and undertaking competitive negotiations. If the Recipient does not have a written policy to award contracts through a competitive bidding or sole source process, the State Contracting Manual rules must be followed and are available at: <https://www.dgs.ca.gov/OLS/Resources/Page-Content/Office-of-Legal-Services-Resources-List-Folder/State-Contracting#@ViewBag.JumpTo>

#### B-13. Continuous Use of Funded Activity; Lease or Disposal of Funded Activity

Where the Funded Activity involves an Infrastructure Program Project, the Recipient shall not abandon, substantially discontinue use of, lease, or dispose of all or a significant part or portion of the Funded Activity during the useful life of 30 years of the Funded Activity without prior written approval of the District. Such approval may be conditioned as determined to be appropriate by the District, including a condition requiring repayment of pro rata amount of all disbursed SCW Program Contributions together with interest on

said amount accruing from the date of abandonment, substantial discontinuance, lease or disposal of the Project.

#### B-14. Default Provisions

The Recipient will be in default under this Agreement under any of the following circumstances:

1. The Recipient has made or makes any false warranty, representation, or statement with respect to this Agreement, any addendum or the application filed to obtain this Agreement;
2. The Recipient materially breaches this Agreement or any addendum, including but not limited to:
  - a. Fails to operate or maintain Project in accordance with this Agreement;
  - b. Fails to submit timely Quarterly Progress/Expenditure Reports.
  - c. Fails to remain in Good Standing (see Section B-34, below).
  - d. The Recipient fails to maintain reasonable progress toward SCW Program Goals as described in Section 18.04 of the Code, following an opportunity to cure.
  - e. The Recipient fails to maintain reasonable progress toward Project Completion.
  - f. Use of SCW Program Contributions for ineligible expenses and/or activities not consistent with the Agreement.
  - g. Inappropriate use of SCW Program Contributions, as deemed by the District

Should an event of default occur, the District shall provide a notice of default to the Recipient and shall give the Recipient at least ten calendar days or such longer period as the District, in its reasonable discretion, may authorize, to cure the default from the date the notice is sent via first-class mail to the Recipient. If the Recipient fails to cure the default within the time prescribed by the District, the District may do any of the following:

1. Declare the SCW Program Contribution be immediately repaid, with interest, which shall be equal to the State of California general obligation bond interest rate in effect at the time of the default.
2. Terminate any obligation to make future payments to the Recipient.
3. Terminate the Agreement.

4. Take any other action that it deems necessary to protect its interests.

The Recipient shall not be in default under this Agreement as a result of any breach of this Agreement by the Recipient that is the direct result of the District's failure to make a SCW Program Contribution for any Fiscal Year. Under these circumstances the District may, in its reasonable discretion, terminate this Agreement by providing the Recipient with a written notice of termination. If this Agreement is terminated pursuant to this paragraph, the parties shall thereafter have no further obligations to each other in connection with the Funded Activity except that the Recipient's indemnification obligations shall survive the termination of this Agreement and continue in full force and effect.

**B-15. Disputes**

Should a dispute arise between the parties, the party asserting the dispute will notify the other parties in writing of the dispute. The parties will then meet and confer within 21 calendar days of the notice in a good faith attempt to resolve the dispute.

If the matter has not been resolved through the process set forth in the preceding paragraph, any party may initiate mediation of the dispute. Mediation will be before a retired judge or mediation service mutually agreeable to the parties. All costs of the mediation, including mediator fees, will be paid one-half by the District and one-half by the Recipient. SCW Program Contributions shall not be used to pay for any costs of the mediation.

The parties will attempt to resolve any dispute through the process set forth above before filing any action relating to the dispute in any court of law.

**B-16. Final Inspection and Certification of Registered Professional**

Where the Funded Activity is an Infrastructure Program Project, upon completion of the design phase and before construction, the Recipient shall provide certification by a California Registered Professional (i.e., Professional Civil Engineer, Engineering Geologist) that the design has been completed.

Where the Funded Activity is an Infrastructure Program Project, upon completion of the Project, the Recipient shall provide for a final inspection and certification by a California Registered Professional (i.e., Professional Civil Engineer, Engineering Geologist), that the Project has been completed in accordance with submitted final plans and specifications and any modifications thereto and in accordance with this Agreement.

**B-17. Force Majeure.**

In the event that Recipient is delayed or hindered from the performance of any act required hereunder by reason of strikes, lockouts, labor troubles, inability to procure materials not related to the price thereof, riots, insurrection, war, or other reasons of a like nature beyond the control of the Recipient, then performance of such acts shall be

excused for the period of the delay, and the period for the performance of any such act shall be extended for a period equivalent to the period of such delay.

#### B-18. Funded Activity Access

When the Funded Activity involves an Infrastructure Program Project the Recipient shall, upon receipt of reasonable advance notice from the District, ensure that the District or any authorized representative of the foregoing, will have safe and suitable access to the site of the Funded Activity at all reasonable times through Activity Completion.

#### B-19. Funding Considerations and Exclusions

1. All expenditures of the SCW Program Contribution by Recipient must comply with the provisions of Chapters 16 and 18 of the Code, including but not limited to the provisions regarding eligible expenditures contained in Section 16.05.A.2 and the provision regarding ineligible expenditures contained in Section 16.05.A.3.
2. SCW Program Contributions shall not be used in connection with any Funded Activity implemented as an Enhanced Compliance Action ("ECA") and/or Supplemental Environmental Project ("SEP") as defined by State Water Resources Control Board Office of Enforcement written policies, or any other Funded Activity implemented pursuant to the settlement of an enforcement action or to offset monetary penalties imposed by the State Water Resources Control Board, a Regional Water Quality Control Board, or any other regulatory authority; provided, however, that SCW funds may be used for a Funded Activity implemented pursuant to a time schedule order ("TSO") issued by the Los Angeles Regional Water Quality Control Board if, at the time the TSO was issued, the Funded Activity was included in an approved watershed management program (including enhanced watershed management programs) developed pursuant to the MS4 Permit.

Recipient certifies that: (a) the Funded Activity is not being implemented as an ECA or SEP; (b) the Funded Activity is not being implemented pursuant to the settlement of an enforcement action or to offset monetary penalties imposed by the State Water Resources Control Board, a Regional Water Quality Control Board, or any other regulatory authority; and (c) the Funded Activity is not being implemented pursuant to a TSO issued by the Los Angeles Regional Water Quality Control Board unless, at the time the TSO was issued, the Funded Activity was included in an approved watershed management program (including enhanced watershed management programs) developed pursuant to the MS4 Permit.

#### B-20. Indemnification

The Recipient shall indemnify, defend and hold harmless the District and their elected and appointed officers, agents, and employees from and against any and all liability and expense arising from any act or omission of the Recipient, its officers, employees, agents, or subconsultants or contractors in conjunction with Recipient's performance under or pursuant to this Agreement, including defense costs, legal fees, claims, actions, and

causes of action for damages of any nature whatsoever, including but not limited to bodily injury, death, personal injury, or property damage.

#### B-21. Independent Actor

The Recipient, and its agents and employees, if any, in the performance of this Agreement, shall act in an independent capacity and not as officers, employees, or agents of the District.

The Recipient shall not contract work with a contractor who is in a period of debarment from any agency within the District. (LACC Chapter 2.202)

#### B-22. Integration

This is an integrated Agreement. This Agreement is intended to be a full and complete statement of the terms of the agreement between the District and Recipient, and expressly supersedes any and all prior oral or written agreements, covenants, representations and warranties, express or implied, concerning the subject matter of this Agreement.

#### B-23. Lapsed Funds

1. The Recipient shall be able to carry over uncommitted Special Parcel Tax funds for up to five (5) years from the end of the fiscal year in which those funds are transferred from the District to the Recipient.
2. If the Recipient is unable to expend the SCW Program Contribution within five (5) years from the end of the Fiscal Year in which those funds are transferred from the District to the Recipient, then lapsed funding procedures will apply. Lapsed funds are funds that were transferred to the Recipient but were not committed to eligible expenditures by the end of the fifth (5<sup>th</sup>) fiscal year after the fiscal year in which those funds were transferred from the District.
3. Lapsed funds shall be allocated by the Watershed Area Steering Committee of the respective Watershed Area to a new Project with benefit to that Municipality or Watershed Area.
4. In the event that funds are to lapse, due to circumstances beyond the Recipient's control, then the Recipient may request an extension of up to twelve (12) months in which to commit the funds to eligible expenditures. Extension Requests must contain sufficient justification and be submitted to the District in writing no later than three (3) months before the funds are to lapse.
5. The decision to grant an extension is at the sole discretion of the District.
6. Funds still uncommitted to eligible expenditures after an extension is granted will be subject to lapsed funding procedures without exception.

7. Example:

<b><u>Fiscal Year Transferred</u></b>	<b><u>Funds Lapse After</u></b>	<b><u>Extension Request Due</u></b>	<b><u>Commit By</u></b>
2020–21	6/30/2026	No later than 3/31/2026	No later than 6/30/2027

B-24. Modification

This Agreement may be amended or modified only by mutual written consent of the Board and Recipient.

B-25. Non-Discrimination

The Recipient agrees to abide by all federal, state, and County laws, regulations, and policies regarding non-discrimination in employment and equal employment opportunity.

B-26. No Obligation of the District

The District will transfer the SCW Program Contribution to the Recipient for the funding of the Funded Activity. The District will have no further obligation, other than to transfer the funds, with respect to the Funded Activity itself.

B-27. No Third-Party Rights

The parties to this Agreement do not create rights in, or grant remedies to, any third party as a beneficiary of this Agreement, or of any duty, covenant, obligation, or undertaking established herein

B-28. Notice

1. The Recipient shall notify the District in writing within five (5) working days of the occurrence of the following:
  - a. Bankruptcy, insolvency, receivership or similar event of the Recipient; or
  - b. Actions taken pursuant to State law in anticipation of filing for bankruptcy.
2. The Recipient shall notify the District within ten (10) working days of any litigation pending or threatened against the Recipient regarding its continued existence, consideration of dissolution, or disincorporation.
3. The Recipient shall notify the District promptly of the following:
  - a. Any significant deviation from in the submitted scope of the Funded Activity for the current Fiscal Year, including discussion of any major changes to the scope of the Funded Activity, noteworthy delays in implementation, anticipated

- reduction in benefits, and/or modifications that change the SCW Program Goals intended to be accomplished by the Funded Activity. Under no circumstances may the Recipient make changes to the scope of the Funded Activity without receiving prior approval.
- b. Cessation of work on the Funded Activity where such cessation of work is expected to or does extend for a period of thirty (30) days or more;
  - c. Any circumstance, combination of circumstances, or condition, which is expected to or does delay Activity Completion;
  - d. Discovery of any potential archaeological or historical resource. Should a potential archaeological or historical resource be discovered during construction, the Recipient agrees that all work in the area of the find will cease until a qualified archaeologist has evaluated the situation and made recommendations regarding preservation of the resource. When the District is acting as the Lead Agency under CEQA for the Funded Activity, all work in the area of the find will remain suspended until the District has determined what actions should be taken to protect and preserve the resource and the Recipient agrees to implement appropriate actions as directed by the District;
  - e. Any public or media event publicizing the accomplishments and/or results of this Agreement and provide the opportunity for attendance and participation by District representatives with at least fourteen (14) days' notice to the District;
  - f. Activity completion.

#### B-29. Public Records

The Recipient acknowledges that, except for a subset of information regarding archaeological records, the Funded Activity records and locations are public records including, but not limited to, all of the submissions accompanying the application, all of the documents incorporated by reference into this Agreement, and all reports, disbursement requests, and supporting documentation submitted hereunder.

#### B-30. Recipient's Responsibility for Work

The Recipient shall be responsible for all work and for persons or entities engaged in work performed pursuant to this Agreement including, but not limited to, contractors, subcontractors, suppliers, and providers of services. The Recipient shall be responsible for responding to any and all disputes arising out of its contracts for work on the Project. The District will not mediate disputes between the Recipient and any other entity concerning responsibility for performance of work.

#### B-31. Related Litigation

The Recipient is prohibited from using the SCW Program Contribution to pay costs associated with any litigation described in Section 16.05.A.3. of the Code. Regardless of

whether the Project or any eventual related project is the subject of litigation, the Recipient agrees to complete the Project funded by the Agreement or to repay all the SCW Program Contribution plus interest to the District.

#### B-32. Remaining Balance

In the event that the Recipient does not spend all the SCW Program Contribution disbursed for the Funded Activity, Recipient shall promptly return the unspent SCW Program Contribution to the District.

#### B-33. Reporting

The Recipient shall be subject to and comply with all applicable requirements of the District regarding reporting requirements. Recipients shall report available data through the SCW Reporting Module, once available.

- Quarterly Progress/Expenditure Reports. The Recipient shall submit Quarterly Progress/Expenditure Reports, using a format provided by the District, within forty-five (45) days following the end of the calendar quarter (March, June, September, and December) to the District. The Quarterly Progress/Expenditure Reports shall be posted on the District's publicly accessible website. The Quarterly Progress/Expenditure Report shall include:
  - a. Amount of funds received;
  - b. Percent overall Funded Activity completion estimate;
  - c. Breakdown of how the SCW Program Contribution has been expended;
  - d. Documentation that the SCW Program Contribution was used for eligible expenditures in accordance with Chapters 16 and 18 of the Code;
  - e. Description of activities that have occurred, milestones achieved, and progress made to date, during the applicable reporting period including comparison to Exhibit A submission and corresponding metrics;
  - f. Identification of any phases or tasks of the scope of work that were scheduled to be started or completed during the reporting period (according to the work schedule), but which were delayed, and a discussion of the reasons for the delay, and of lessons learned;
  - g. Scheduling concerns and issues encountered that may delay completion of the task;
  - h. Work anticipated for the next reporting period;
  - i. Any anticipated schedule or budget modifications;

- j. Photo documentation (e.g. photos of community outreach events, stakeholder meetings, groundbreaking ceremonies, and project site that may be used on the publicly accessible District website) of the phases or tasks of the Project completed during the reporting period, as appropriate;
  - k. Additional financial or project-related information as required by the District;
  - l. Certification from a California Registered Professional (Civil Engineer or Geologist, as appropriate), that the Project was conducted in accordance with Exhibit A;
  - m. Status of Recipient's insurance; and
  - n. Description of post-performance for each completed infrastructure project is required after the first operational year and for a total of three years after the project begins operation. Post-performance reports shall focus on how each project is actually performing compared to its expected performance; whether the project is operated and maintained and providing intended benefits as proposed. A post-performance template will be provided by the District.
- Quarterly Progress/Expenditure Reports shall be submitted to the District Program Manager no later than forty-five days following the end of the calendar quarter as follows:

<b>Quarter</b>	<b>End of Quarter</b>	<b>Report Due</b>
First Quarter	September	15 November
Second Quarter	December	15 February
Third Quarter	March	15 May
Fourth Quarter	June	15 August

- Annually, a summary of the Quarterly Progress/Expenditure Reports shall be submitted to the Watershed Area Steering Committees to explain the previous year's Quarterly Progress/Expenditure Reports by the Recipient. The summary report shall be submitted six (6) months after the close of the Fourth Quarter. The summary report shall include:
  - Description of the Water Quality Benefits, Water Supply Benefits, and Community Investment Benefits and a summary of how funds have been allocated to achieve SCW Program Goals as articulated in Chapter 18.04 of the Code for the prior year. This includes comparisons to Exhibit A and alignment with corresponding specific quantitative targets and metrics (note that SCW Reporting Module will facilitate graphical representation of pertinent data).

- When the Funded Activity is an Infrastructure Program Project, include a description of how the County's Local and Targeted Worker Hire Policy has been applied and enforced; or if the Recipient is a Municipality and has adopted its own policy, include a description of how its policy was applied and enforced.
- Where the Funded Activity is an Infrastructure Program Project that has applied for Institute for Sustainable Infrastructure (ISI) verification, include a description of the final score and Envision award level. Annually, the Recipient shall prepare and provide members of the public with up-to-date information on the actual and budgeted use of the SCW Program Contribution.
- As Needed Information or Reports. The Recipient agrees to promptly provide such reports, data, and information as may be reasonably requested by the District including, but not limited to material necessary or appropriate for evaluation of the SCW Program or to fulfill any reporting requirements of the County, state or federal government.

#### B-34. Representations, Warranties, and Commitments

The Recipient represents, warrants, and commits as follows:

1. Authorization and Validity. The execution and delivery of this Agreement, including all incorporated documents, by the individual signing on behalf of Recipient, has been duly authorized by the governing individual(s), board or body of Recipient, as applicable. This Agreement constitutes a valid and binding obligation of the Recipient, enforceable in accordance with its terms, except as such enforcement may be limited by law.
2. No Violations. The execution, delivery, and performance by the Recipient of this Agreement, including all incorporated documents, do not violate any provision of any law or regulation in effect as of the date set forth on the first page hereof, or result in any breach or default under any contract, obligation, indenture, or other instrument to which the Recipient is a party or by which the Recipient is bound as of the date set forth on the first page hereof.
3. No Litigation. There are no pending or, to the Recipient's knowledge, threatened actions, claims, investigations, suits, or proceedings before any governmental authority, court, or administrative agency which affect the Recipient's ability to complete the Funded Activity.
4. Solvency. None of the transactions contemplated by this Agreement will be or have been made with an actual intent to hinder, delay, or defraud any present or future creditors of the Recipient. As of the date set forth on the first page hereof, the Recipient is solvent and will not be rendered insolvent by the transactions

contemplated by this Agreement. The Recipient is able to pay its debts as they become due.

5. Legal Status and Eligibility. The Recipient is duly organized and existing and in good standing under the laws of the State of California and will remain so through Activity Completion. The Recipient shall at all times maintain its current legal existence and preserve and keep in full force and effect its legal rights and authority through Activity Completion.
6. Insurance. The Recipient shall follow the Insurance Manual prepared by the Risk Management Office of the Los Angeles County Chief Executive Office. For Infrastructure Program Projects the Recipient shall provide General Liability, Automobile Liability, Worker's Compensation and Employer's Liability, Builder's Risk Course of Construction Insurance, and Professional Liability as specified in the Insurance Manual: <https://riskmanagement.lacounty.gov/wp-content/uploads/2019/06/Insurance-Manual-revised-May-2019.pdf>

#### B-35. Requirements for Good Standing

The Recipient must currently be in compliance with the District requirements set forth in this Agreement. The Recipient must demonstrate it has not failed to comply with previous County and/or District audit disallowances within the preceding five years.

#### B-36. Requirements Related to Recipient's Contractors

1. The Recipient shall apply and enforce provisions mirroring those set forth in the then-current version of the County's Local and Targeted Worker Hire Policy (LTWHP) as to contractors performing work on such a Project. Alternatively, if the Recipient is a Municipality and has adopted its own policy that is substantially similar to the LTWHP, the Recipient may, at its election, choose to apply and enforce the provisions of its own such policy as to contractors performing work on such a Project in lieu of the provisions of the LTWHP.
2. The Recipient shall apply and enforce provisions mirroring those set forth in Los Angeles County Code (LACC) Chapter 2.211 (Disabled Veteran Business Enterprise Preference Program), LACC, Chapter 2.204 (Local Small Business Enterprise Preference Program), LACC, Chapter 2.205 (Social Enterprise Preference Program), LACC, Chapter 2.203 (Contractor Employee Jury Service Ordinance), LACC Chapter 2.206 (Defaulted Tax Program), LACC, Chapter 2.200 (Child Support Compliance Program, LACC, Chapter 2.160 (County Lobbyist Ordinance), Safely Surrendered Baby Law, and Zero Tolerance Policy on Human Trafficking, as to contractors performing work on such an Infrastructure Program Project, subject to statutory authorization for such preference program(s), and subject to applicable statutory limitations for such preference(s); and, furthermore, the Recipient shall take actions to promote increased contracting opportunities for Women-Owned Businesses on the Project, subject to applicable State or federal constitutional limitations.

3. The Recipient shall obtain all necessary approvals, entitlements, and permits required to implement the Project. Failure to obtain any necessary approval, entitlement, or permit shall constitute a breach of a material provision of this Agreement.
4. With respect to a Project funded with SCW Program Contributions through the Regional Program, if the Project has an estimated capital cost of over twenty-five million dollars (\$25,000,000), as adjusted periodically by the Chief Engineer in accordance with changes in the Consumer Price Index for all urban consumers in the Los Angeles area, or other appropriate index, a provision that the Infrastructure Program Project Developer for such a Project must require that all contractors performing work on such a Project be bound by the provisions of: (1) a County-wide Project Labor Agreement (Community Workforce Agreement), if such an agreement has been successfully negotiated between the County and the Trades and is approved by the Board, or (2) a Project Labor Agreement ("PLA") mirroring the provisions of such Community Workforce Agreement.
5. With respect to a Project funded with SCW Program Contributions through the Regional Program, if one or more of the Municipalities that is a financial contributor to a Project has its own PLA, a provision that the Infrastructure Program Project Developer for the Project must require that contractors performing work on the Project are bound to such PLA. If more than one of the contributing Municipalities to a capital project has a PLA, the Project Developer shall determine which of the PLAs will be applied to the Project.
6. Payment Bond. Payment bonds for exceeding twenty-five thousand dollars are required. A payment bond is defined as a surety bond posted by a contractor to guarantee that its subcontractors and material suppliers on the Project will be paid.
7. Performance Bond. Where contractors are used, the Recipient shall not authorize construction to begin until each contractor has furnished a performance bond in favor of the Recipient in the following amounts: faithful performance (100%) of contract value, and labor and materials (100%) of contract value. This requirement shall not apply to any contract for less than \$25,000.00. Any bond issues pursuant to this paragraph must be issued by a California-admitted surety. (Pub. Contract Code, 7103; Code Civ. Proc. 995.311.)
8. Prevailing Wage. The Recipient agrees to be bound by all the provisions of Sections 1771 and 1774 of the California Labor Code regarding prevailing wages and requires each of subcontractors to also comply. The Recipient shall monitor all contracts resulting from this Agreement to assure that the prevailing wage provisions of the Labor Code are being met. The Recipient affirms that it is aware of the provisions of section 3700 of the Labor Code, which requires every employer to be insured against liability for workers' compensation or to undertake self-insurance, and the Recipient affirms that it will comply with such provisions before commencing the performance of the work under this Agreement and will make it contractors and subcontractors aware of this provision .

9. Public Funding. This Funded Activity is publicly funded. Any service provider or contractor with which the Recipient contracts must not have any role or relationship with the Recipient, that, in effect, substantially limits the Recipient's ability to exercise its rights, including cancellation rights, under the contract, based on all the facts and circumstances.

#### B-37. Travel

Any reimbursement for necessary ground transportation and lodging shall be at rates not to exceed those set by the California Department of Human Resources; per diem costs will not be eligible expenses. These rates may be found at <http://www.calhr.ca.gov/employees/Pages/travel-reimbursements.aspx>. Reimbursement will be at the State travel amounts that are current as of the date costs are incurred by the Recipient. No travel outside the Los Angeles County Flood Control District region shall be reimbursed unless prior written authorization is obtained from the Program Manager.

#### B-38. Unenforceable Provision

In the event that any provision of this Agreement is determined by a court of competent jurisdiction to be unenforceable, the parties agree that all other provisions of this Agreement have force and effect and shall not be affected thereby.

## EXHIBIT C – SPECIAL CONDITIONS

[If the Recipient is a public agency]

- C-1. The Recipient acknowledges and agrees that the Recipient is the "lead agency" regarding compliance with the California Environmental Quality Act (CEQA) in connection with the Funded Activity and shall be responsible for the preparation of all documentation, analysis and other work and any mitigation necessary to comply with CEQA in connection with the Funded Activity. By entering into this Agreement, the District is not approving any activity that would be considered a project under CEQA.
- C-2. Upon the completion of the documentation, analysis and other work necessary to comply with CEQA as described in section C-1, the Recipient shall promptly provide such documentation, analysis and work to the District. The Recipient acknowledges that the District is a Responsible Agency under CEQA in connection with the Funded Activity and that the District will not disburse the SCW Program Contribution for any activities that meet the definition of a project under CEQA until the Recipient has provided such documentation, analysis and other work to the District and the District has complied with its obligations as a Responsible Agency under CEQA.
- C-3. In addition to its other indemnification obligations pursuant to this Agreement, the Recipient hereby agrees to indemnify, defend, and hold harmless District, the County of Los Angeles and their officers, employees, and agents from and against any and all claims and/or actions related to the Funded Activity that may be asserted by any third party or public agency alleging violations of CEQA or the State CEQA Guidelines or the NEPA.
- C-4. Notwithstanding any other provision of this Agreement, if any documentation or other analysis pursuant to CEQA discloses that the Funded Activity, or portion thereof, will have one or more significant environmental impacts that cannot be feasibly mitigated, the Recipient shall promptly notify and consult with the District. With the District's approval, the Recipient may determine to terminate or modify the implementation of all or any portion of the Funded Activity in order to avoid such environmental impacts.
- C-5. In the event the parties, pursuant to the preceding paragraph, determine to terminate the implementation of the entirety of the Funded Activity, the Recipient shall promptly return all previously disbursed but unspent SCW Program Contributions and the Recipient shall thereafter have no further obligation under this Agreement to implement the Funded Activity. In the event the parties determine to terminate the implementation of a portion of the Funded Activity, the Recipient shall promptly return all previously disbursed but unspent SCW Program Contributions for the terminated portion of the Funded Activity and the Recipient shall thereafter have no further obligation under this Agreement to implement the

terminated portion of the Funded Activity, but this Agreement shall remain in full force and effect as to the portion of the Funded Activity not terminated.

[If the Recipient is not a public agency]

- C-1. The Recipient shall be responsible for the preparation of all documentation, analysis and other work including any mitigation, necessary to comply with the California Environmental Quality Act (CEQA) in connection with the Funded Activity. Environmental documentation prepared in connection with the Funded Activity will be subject to the review and analysis of the District. Any decisions based on the documentation prepared by the Recipient will reflect the independent judgment of District. By entering into this Agreement, the District is not approving any activity that would be considered a project under CEQA and the Recipient acknowledges that the District will not disburse the SCW Program Contribution for any activities that meet the definition of a project under CEQA until the Recipient has prepared the documentation, analysis and other work necessary to comply with CEQA to the District's satisfaction.
- C-2. In addition to its other indemnification obligations pursuant to this Agreement, the Recipient hereby agrees to indemnify, defend, and hold harmless District, the County of Los Angeles and their officers, employees, and agents from and against any and all claims and/or actions related to the Funded Activity that may be asserted by any third party or public agency alleging violations of CEQA or the CEQA Guidelines or the NEPA.
- C-3. Notwithstanding any other provision of this Agreement, if any documentation or other analysis pursuant to CEQA discloses that the Funded Activity or any portion thereof will have one or more significant environmental impacts that cannot be feasibly mitigated, the District, after consultation with the Recipient, may terminate the SCW Program Contribution for all or any portion of the Funded Activity or may request that the Funded Activity be modified in order to avoid such environmental impact(s).
- C-4. In the event that the District terminates the SCW Program Contribution for the entirety of the Funded Activity, the Recipient shall promptly return all previously disbursed but unspent SCW Program Contributions and the Recipient shall thereafter have no further obligation under this Agreement to implement the Funded Activity. In the event the District terminates the SCW Program Contribution for a portion on of the Funded Activity, the Recipient shall promptly return all previously disbursed but unspent SCW Program Contributions for the terminated portion of the Funded Activity and the Recipient shall thereafter have no further obligation under this Agreement to implement the terminated portion of the Funded Activity, but this Agreement shall remain in full force and effect as to the portion of the Funded Activity for which the SCW Program Contribution was not terminated.

**EXHIBIT D – ADDENDUM TO AGREEMENT**

**-DRAFT TEMPLATE-**

**ADDENDUM NO. \_\_\_\_ TO  
TRANSFER AGREEMENT NO. \_\_\_\_\_ BETWEEN  
THE LOS ANGELES COUNTY FLOOD CONTROL DISTRICT  
AND (INSERT PROJECT DEVELOPER)  
SAFE, CLEAN WATER PROGRAM – REGIONAL PROGRAM**

This Addendum No. \_\_\_\_ to Transfer Agreement No. \_\_\_\_\_, hereinafter referred to as "Addendum No. \_\_\_\_", is entered into as of \_\_\_\_\_ by and between the Los Angeles County Flood Control District, hereinafter referred to as "District," and \_\_\_\_\_ (*Project Developer/Scientific Studies Applicant*), hereinafter referred to as "Recipient."

**WHEREAS**, District and Recipient entered into Transfer Agreement No. \_\_\_\_\_, hereinafter referred to as "Agreement", pertaining generally to the transfer of a SCW Program Contribution (as therein defined) from District to Recipient for the implementation by Recipient of a Funded Activity (as therein defined) to increase stormwater and/or urban runoff capture and/or reduce stormwater and/or urban runoff pollution, on \_\_\_\_\_;

**WHEREAS**, the Agreement provides for the disbursement of the SCW Program Contribution for the 2020-21 Fiscal Year (as therein defined), and further provides that if the Funded Activity is included in a duly approved Stormwater Investment Plan (as therein defined) for a subsequent Fiscal Year, the parties shall enter into an addendum to the Agreement regarding the disbursement of the SCW Program Contribution for that subsequent Fiscal Year;

**WHEREAS**, the Funded Activity has been included in a duly approved Stormwater Investment Plan for Fiscal Year \_\_\_\_\_;

**NOW, THEREFORE**, in consideration of the promises, mutual representations, covenants and agreements in this Agreement, the District and the Recipient, each binding itself, its successors and assigns, do mutually promise, covenant, and agree as follows:

1. The definitions set forth in Sections 16.03 and 18.02 of the Los Angeles County Flood Control District Code together with the definitions set forth in the Agreement shall apply to this Addendum No. \_\_\_\_.
2. The District shall disburse the SCW Program Contribution for the \_\_\_\_\_ Fiscal Year as described in the Budget Plan within \_\_\_\_ days of the execution of this Addendum by the last party to sign.
3. All terms and conditions of the Agreement shall remain in full force and effect.

IN WITNESS WHEREOF, this Addendum No. \_\_\_\_ has been executed by the parties hereto.

\_\_\_\_\_  
*(Recipient)*\_\_\_\_\_:

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

Name:

Title:

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

LOS ANGELES COUNTY  
FLOOD CONTROL DISTRICT:

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

Name:

Title:

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

## EXHIBIT E – NATURE BASED SOLUTIONS (NBS) BEST MANAGEMENT PRACTICES

Nature-based solutions (NBS) refers to the sustainable management and use of nature for undertaking socio-environmental challenges, including climate change, water security, water pollution, food security, human health, and disaster risk management. As this environmental management practice is increasingly incorporated into projects for the SCW Program, this guidance document may be expanded upon to further quantify NBS practices based on benefits derived from their incorporation on projects.

The SCW Program defines NBS as a Project that utilizes natural processes that slow, detain, infiltrate or filter Stormwater or Urban Runoff. These methods may include relying predominantly on soils and vegetation; increasing the permeability of Impermeable Areas; protecting undeveloped mountains and floodplains; creating and restoring riparian habitat and wetlands; creating rain gardens, bioswales, and parkway basins; enhancing soil through composting, mulching; and, planting trees and vegetation, with preference for native species. NBS may also be designed to provide additional benefits such as sequestering carbon, supporting biodiversity, providing shade, creating and enhancing parks and open space, and improving quality of life for surrounding communities. NBS include Projects that mimic natural processes, such as green streets, spreading grounds and planted areas with water storage capacity. NBS may improve water quality, collect water for reuse or aquifer recharge, or to support vegetation growth utilizing natural processes.

Recipients are to consider using Nature-Based Solutions for infrastructure projects and include in each Quarterly Progress/Expenditure Report and annual summary whether and how their project achieves a good, better, or best for each of the 6 NBS methods in accordance with the guidance below. Additionally, Quarterly Progress/Expenditure Reports should include discussion on any considerations taken to maximize the class within each method. If at least 3 methods score within a single class, the overall project can be characterized as that class. Recipients must attach a copy of the matrix for each Project with the good, better, or best column indicated for each method, to facilitate District tracking of methods being utilized.



METHODS	GOOD	BETTER	BEST
Vegetation/Green Space	Use of climate-appropriate, eco-friendly vegetation (groundcover, shrubs, and trees) / green space 5%-15% covered by new climate-appropriate vegetation	Use of native, climate-appropriate, eco-friendly vegetation (groundcover, shrubs, and trees) / green space 16%-35% covered by new native vegetation	Establishment of plant communities with a diversity of native vegetation (groundcover, shrubs, and trees) / green space that is both native and climate-appropriate More than 35% covered by new native vegetation
Increase of Permeability	Installation of vegetated landscape – 25%-49% paved area removed Redesign of existing impermeable surfaces and/or installation of permeable surfaces (e.g. permeable pavement and infiltration trenches)	Installation of vegetated landscape – 50%-74% paved area removed Improvements of soil health (e.g., compaction reduction)	Installation of vegetated landscape – 75%-100% paved area removed Creation of well-connected and self-sustained natural landscapes with healthy soils, permeable surfaces, and appropriate vegetation
Protection of Undeveloped Mountains & Floodplains	<ul style="list-style-type: none"> <li>● Preservation of native vegetation</li> <li>● Minimal negative impact to existing drainage system</li> </ul>	<ul style="list-style-type: none"> <li>● Preservation of native vegetation</li> <li>● Installation of new feature(s) to improve existing drainage system</li> </ul>	<ul style="list-style-type: none"> <li>● Creation of open green space</li> <li>● Installation of features to improve natural hydrology</li> </ul>
Creation & Restoration of Riparian Habitat & Wetlands	<ul style="list-style-type: none"> <li>● Partial restoration of existing riparian habitat and wetlands</li> <li>● Planting of climate appropriate vegetation - between 5 and 15 different climate-appropriate or native plant species newly planted</li> <li>● No potable water used to sustain the wetland</li> </ul>	<ul style="list-style-type: none"> <li>● Full restoration of existing riparian habitat and wetlands</li> <li>● Planting of native vegetation - between 16 and 30 different native plant species newly planted</li> <li>● No potable water used to sustain the wetland</li> </ul>	<ul style="list-style-type: none"> <li>● Full restoration and expansion of existing riparian habitat and wetlands</li> <li>● Planting of plant communities with a diversity of native vegetation – greater than 31 native plant species newly planted</li> <li>● No potable water used to sustain the wetland</li> </ul>

<p>New Landscape Elements</p>	<p>Elements designed to capture runoff for other simple usage (e.g. rain gardens and cisterns), capturing the 85th percentile 24-hour storm event for at least 50% of the entire parcel</p>	<p>Elements that design to capture/redirect runoff and filter pollution (e.g. bioswales and parkway basins), capturing the 85th percentile 24-hour storm event from the entire parcel</p>	<p>Large sized elements that capture and treat runoff to supplement or replace existing water systems (e.g. wetlands, daylighting streams, groundwater infiltration, floodplain reclamation), capturing the 90<sup>th</sup> percentile 24-hour storm event from the entire parcel and/or capturing off-site runoff</p>
<p>Enhancement of Soil</p>	<p>Use of soil amendments such as mulch and compost to retain moisture in the soil and prevent erosion Planting of new climate-appropriate vegetation to enhance soil organic matter</p>	<p>Use of soil amendments such as mulch and compost that are locally generated to retain moisture in the soil, prevent erosion, and support locally based composting and other soil enhancement activities Planting of new native, climate-appropriate vegetation to enhance soil organic matter</p>	<p>Use of soil amendments such as mulch and compost that are locally generated, especially use of next-generation design with regenerative adsorbents (e.g. woodchips, biochar) to retain moisture in the soil, prevent erosion, and support on-site composting and other soil enhancement activities Planting of new native, climate appropriate vegetation to enhance soil organic matter</p>

## EXHIBIT F – OPERATIONS AND MAINTENANCE GUIDANCE DOCUMENT

Recipient or approved Project operator shall operate and maintain infrastructure projects for the useful life of the project and are to consider using the following guidance for operations and maintenance. Operational maintenance is the care and upkeep of Projects that may require detailed technical knowledge of the Project's function and design. Project specific operational and maintenance plans shall consider the activities listed below and set forth specific activities and frequencies (not limited to those below) as determined to be appropriate by the Municipalities and best practices, including stakeholder engagement as applicable. Operational maintenance is to be performed by the operator of the Project with a purpose to make the operator aware of the state of readiness of the Project to deliver stormwater and urban runoff benefits.

### 1. Litter Control

- Regularly removal of litter, nonhazardous waste materials, and accumulated debris near planted areas, rock areas, decomposed granite areas, rest areas, fence perimeters, adjoining access roads and driveways, drains, pedestrian trails, viewing stations, shelter houses, and bicycle pathways.
- Regularly inspection and maintenance of pet waste stations
- Maintaining trash receptacles
- Removal of trash, debris, and blockages from bioswales
- Inspection and cleaning of trash booms
- Inspection of weir gates and stop logs to clean debris, as required.

### 2. Vegetation Maintenance

- Weed control
  - Recognition and removal of weeds, such as perennial weeds, morning glory, vine-type weeds, ragweed, and other underground spreading weeds.
  - Avoiding activities that result in weed seed germination (e.g. frequent soil cultivation near trees or shrubs)
  - Regularly removal of weeds from landscape areas, including from berms, painted areas, rock areas, gravel areas, pavement cracks along access roads and driveways, drains, pedestrian trails, viewing stations, park shelters, and bicycle paths.
- Tree and shrubbery trimming and care
  - Removal of dead trees and elimination of diseased/damaged growth
  - Prevent encroachment of adjacent property and provide vertical clearance
  - Inspect for dead or diseased plants regularly
- Wetland vegetation and landscape maintenance
  - Installation and maintenance of hydrophytic and emergent plants in perennially wet and seasonal, intermittent habitats.

- Draining and drawdown of wetland and excessive bulrush removal
- Weed and nuisance plant control
- Removal of aquatic vegetation (e.g. algae and primrose) using appropriate watercraft and harvesting equipment
- Wildflower and meadow maintenance
- Grass, sedge, and yarrow management
- Removal of unwanted hydroseed

### 3. Wildlife Management

- Exotic species control
- Provide habitat management; promote growth of plants at appropriate densities and promote habitat structure for animal species
- Protect sensitive animal species (e.g. protection during critical life stages including breeding and migration)
- Avoid disturbances to nesting birds
- Avoid spread of invasive aquatic species

### 4. Facility Inspection

- Inspect project sites for rodent and insect infestations on a regular basis
- Inspect for and report graffiti in shelter houses, viewing stations, benches, paving surfaces, walls, fences, and educational and directional signs
- Inspect facilities for hazardous conditions on roads and trails (e.g. access roads and trails, decomposed granite pathways, and maintenance roads)
- Inspect shade structures for structural damage or defacement
- Inspect hardscapes
- Inspect and maintain interpretive and informational signs
- Inspect site furnishings (e.g. benches, hitching posts, bicycle racks)
- Maintain deck areas (e.g. benches, signs, decking surfaces)
- Visually inspect weirs and flap gates for damage; grease to prevent locking.
- Inspect all structures after major storm events, periodically inspect every 3 months, and operate gates through full cycles to prevent them from locking up.

### 5. Irrigation System Management

- Ensuring automatic irrigation controllers are functioning properly and providing various plant species with proper amount of water.
  - Cycle controller(s) through each station manually and automatically to determine if all facets are functioning properly.
  - Inspection should be performed at least monthly.
  - Recover, replace, or refasten displaced or damaged valve box covers.
  - Inspect and repair bubbler heads.

- Repair and replace broken drip lines or emitters causing a loss of water (to prevent ponding and erosion).
  - Maintain drip system filters to prevent emitters from clogging. Inspection and cleaning should occur at least monthly.
  - Inspect and clean mainline filters, wye strainers, basket filters, and filters at backflow devices twice a year.
  - Maintain and check function of the drip system.
- Keeping irrigation control boxes clear of vegetation
  - Operating irrigation system to ensure it does not cause excessively wet, waterlogged areas, and slope failure
  - Utilizing infrequent deep watering techniques to encourage deep rooting, drought tolerant plant characteristics to promote a self-sustaining, irrigation free landscape
  - Determine watering schedules based on season, weather, variation in plant size, and plant varieties. At least four times a year (e.g. change of season), reschedule controller systems.
  - Turn off irrigation systems at the controller at the beginning of the rainy season, or when the soil has a high enough moisture content.
  - Use moisture sensing devices to determine water penetration in soil.
6. Erosion Management and Control
- Inspect slopes for erosion during each maintenance activity
  - Inspect basins for erosion
  - Take corrective measures as needed, including filling eroded surfaces, reinstalling or extending bank protection, and replanting exposed soil.
7. Ongoing Monitoring Activities
- Monitor controllable intake water flow and water elevation
  - Examine inflow and outflow structures to ensure devices are functioning properly and are free of obstructions.
  - Water quality sampling (quarterly, unless justified otherwise)
  - Checking telemetry equipment
  - Tracking and reporting inspection and maintenance records
8. Vector and Nuisance Insect Control
- Monitoring for the presence of vector and nuisance insect species
  - Adequate pretreatment of influent wastewater to lessen production of larval mosquitos
  - Managing emergent vegetation
  - Using hydraulic control structures to rapidly dewater emergent marsh areas
  - Managing flow velocities to reduce propagation of vectors

**DATE:** October 15, 2024

**TO:** Honorable Mayor and City Council

**FROM:** Michael J. Maurer, City Attorney  
Prepared by: Linda Rodriguez, City Clerk

**SUBJECT:** RESOLUTION NO. 7601 APPROVING AND ADOPTING AN AMENDED CONFLICT OF INTEREST CODE PURSUANT TO THE POLITICAL REFORM ACT OF 1974

**CEQA: Not a Project**

**Recommendation: Adopt**

### **SUMMARY**

The Political Reform Act of 1974, Government Code Section 81000, et seq., requires every local agency to review its Conflict of Interest Code (the “Code”) biennially to determine if it is accurate or, alternatively, if it needs to be amended. The purpose of a Conflict of Interest Code is to prevent public officials from using their official position to influence decision-making they could have a financial interest in.

Due to this law, Arcadia’s decision-making positions must disclose their financial interests annually on a Statement of Economic Interests (Form 700), to ensure any conflict of interest situations will be appropriately avoided or disclosed. As a result of the biennial review, it is recommended that the City Council adopt Resolution No. 7601 approving and adopting an amended Conflict of Interest Code pursuant to the Political Reform Act of 1974 (the “Act”).

### **BACKGROUND**

The Political Reform Act (the “Act”) requires all public agencies to adopt and maintain a Conflict of Interest Code containing the rules for disclosure of personal assets and the prohibition from making or participating in making governmental decisions that may affect any personal assets. The Conflict of Interest Code must specifically designate all agency positions that make or participate in the making of decisions and assign specific types of personal assets to be disclosed that may be affected by the exercise of powers and duties of that position.

The Act further requires that an agency regularly review and update its Code as necessary when directed by the code-reviewing body or when change is necessitated by changed circumstances (Sections 87306 and 87306.5). Such reviews must be

completed at a minimum of every two years. Pursuant to the Act, the City adopted a Conflict of Interest Code that was last amended and approved by the City Council on October 4, 2022. The City Council, serving as the code-reviewing body, directed staff to review the Code and recommend amendments if necessary.

## **DISCUSSION**

While the majority of the positions listed remain accurate, the Code must be amended to: (1) include new positions that must be designated; (2) revise titles of existing positions; (3) delete titles that have been abolished; and/or (4) remove titles that no longer make or participate in making governmental decisions. Attached to Resolution No. 7601 is a redline version of the proposed amended Conflict of Interest Code, showing the revisions to be made.

Government Code Section 87303 provides that no Code or amendment to a Code shall be effective until it has been approved by the code-reviewing body. Adoption of Resolution No. 7601 would satisfy this requirement.

## **ENVIRONMENTAL ANALYSIS**

The proposed action does not constitute a project under the California Environmental Quality Act (“CEQA”), and it can be seen with certainty that it will have no impact on the environment.

## **FISCAL IMPACT**

There is no fiscal impact as a result of adopting this Resolution.

## **RECOMMENDATION**

It is recommended that the City Council determine that this action does not constitute a project under the California Environmental Quality Act (“CEQA”); and adopt Resolution No. 7601 approving and adopting an amended Conflict of Interest Code pursuant to the Political Reform Act of 1974.

Approved:

  
Dominic Lazzaretto  
City Manager

Attachment: Resolution No. 7601

RESOLUTION NO. 7601

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ARCADIA,  
CALIFORNIA, APPROVING AND ADOPTING AN AMENDED CONFLICT  
OF INTEREST CODE PURSUANT TO THE POLITICAL REFORM ACT OF  
1974

WHEREAS, the State of California enacted the Political Reform Act of 1974, Government Code Section 81000, et seq. (the "Act"), which contains provisions relating to conflicts of interest governing officers, employees and consultants of the City of Arcadia (the "City"), and which requires all public agencies to adopt and promulgate a conflict of interest code; and

WHEREAS, the City Council has adopted a Conflict of Interest Code (the "Code") which was most recently amended on October 4, 2022, in compliance with the Act; and

WHEREAS, subsequent changed circumstances within the City have made it advisable and necessary pursuant to Sections 87306 and 87307 of the Act to amend and update the City's Code; and

WHEREAS, the potential penalties for violation of the provisions of the Act are significant and may include criminal and civil liability, as well as equitable relief which could result in the City being restrained or prevented from acting in cases where the provisions of the Act may have been violated; and

WHEREAS, a public meeting was held regarding the proposed amended Code at a regular meeting of the City Council on October 15, 2024, at which all persons present were given an opportunity to be heard on the proposed amended Code.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF ARCADIA,  
CALIFORNIA, DOES HEREBY FIND, DETERMINE AND RESOLVE AS FOLLOWS:

SECTION 1. The City Council does hereby approve and adopt the proposed amended Conflict of Interest Code, a copy of which is attached hereto and which shall remain on file with the City Clerk and which shall remain available to the public for inspection and copying during regular business hours.

SECTION 2. The said amended Conflict of Interest Code shall become effective immediately upon its adoption and approval.

SECTION 3. The City Clerk shall certify to the adoption of this Resolution.


Passed, approved and adopted this 15th day of October, 2024.

\_\_\_\_\_  
Mayor of the City of Arcadia

ATTEST:

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

APPROVED AS TO FORM:

  
\_\_\_\_\_  
Michael J. Maurer  
City Attorney

**CONFLICT OF INTEREST CODE FOR THE**  
**CITY OF ARCADIA**

**(Amended ~~October 4, 2022~~ ~~October 15, 2024~~)**

The Political Reform Act (Gov. Code § 81000, et seq.) requires state and local government agencies to adopt and promulgate conflict of interest codes. The Fair Political Practices Commission has adopted a regulation (2 Cal. Code Regs. § 18730) that contains the terms of a standard conflict of interest code, which can be incorporated by reference in an agency's code. After public notice and hearing Regulation 18730 may be amended by the Fair Political Practices Commission to conform to amendments in the Political Reform Act. Therefore, the terms of 2 California Code of Regulations section 18730 and any amendments to it duly adopted by the Fair Political Practices Commission are hereby incorporated by reference. This incorporation page, Regulation 18730 and the attached Appendix designating positions and establishing disclosure categories, shall constitute the conflict of interest code of the **City of Arcadia** (the "**City**").

The Mayor, Members of the City Council and Planning Commission, the City Manager, the City Attorney and the City Treasurer, shall electronically file their annual statements of economic interests directly with the Fair Political Practices Commission. All other officials and designated positions required to submit a statement of economic interests shall file their statements with the **City Clerk** as the City's Filing Officer. The **City Clerk** shall retain the originals of the statements filed by all other designated positions and will make all retained statements available for public inspection and reproduction during regular business hours. (Gov. Code § 81008.)

All officials and designated positions required to submit a statement of economic interests shall receive ethics training as required pursuant to Government Code section 53235 (AB 1234). The City's Filing Officer shall annually provide all filers with information on training available to meet the requirements of Section 53235, and maintain required records indicating the dates that filers satisfied the training requirements and the entity that provided the training. These records shall be retained for five years after the date of training and are public records subject to disclosure under the California Public Records Act. (Gov. Code § 53235.2.)

# APPENDIX

## CONFLICT OF INTEREST CODE OF THE CITY OF ARCADIA

(Amended ~~October 4, 2022~~ October 15, 2024)

### PART “A”

The Mayor, Members of the City Council and Planning Commission, the City Manager, the City Attorney, the City Treasurer, and all Other City Officials who manage public investments as defined by 2 Cal. Code of Regs. § 18700.3(b), are NOT subject to the City’s Code but must file disclosure statements under Government Code Section 87200 et seq. [Regs. § 18730(b)(3)]

### OFFICIALS WHO MANAGE PUBLIC INVESTMENTS

It has been determined that the positions listed below are Other City Officials who manage public investments<sup>1</sup>. These positions are listed here for informational purposes only.

~~Financial Services Manager~~

Financial Consultant

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<sup>1</sup> Individuals holding one of the above-listed positions may contact the Fair Political Practices Commission for assistance or written advice regarding their filing obligations if they believe that their position has been categorized incorrectly. The Fair Political Practices Commission makes the final determination whether a position is covered by § 87200.

DESIGNATED POSITIONS

GOVERNED BY THE CONFLICT OF INTEREST CODE

DESIGNATED POSITIONS'  
TITLE OR FUNCTION

DISCLOSURE CATEGORIES  
ASSIGNED

<u>Accounting Supervisor</u>	<u>5</u>
Administrative Assistant, Sr. (ALL)	5
Administrative Services Director	4
Assistant City Manager/Development Services Director	1, 2
<del>Assistant- Deputy</del> Director of Recreation and Community Services	2, 5
Assistant Engineer (ALL)	2, 3, 6
Assistant Planner	2, 3, 5, 6
Assistant/Deputy City Clerk	5
Associate Civil Engineer (ALL)	2, 3, 5
Associate Planner	2, 3, 5, 6
Building Inspector (ALL)	2, 3, 5, 6
Building Maintenance Crew Supervisor	5
Building Official	2, 3, 5, 6
Building Technician (ALL)	5
Business License Officer	6
<del>Chief Deputy City Clerk/ Records Manager</del>	<del>5</del>
Chief of Police	5, 6
City Attorney (not filing under Gov. Code §87200)	1, 2

<u>DESIGNATED POSITIONS'</u> <u>TITLE OR FUNCTION</u>	<u>DISCLOSURE CATEGORIES</u> <u>ASSIGNED</u>
City Clerk	5
<u>City Engineer</u>	<u>2, 3, 5</u>
<u>Code Services Supervisor</u>	<u>5, 6</u>
Code Services Officer (ALL)	5, 6
<u>Communications and Engagement Officer</u>	<u>5</u>
Communications and Marketing Specialist (ALL)	5
Deputy City Manager	5
Deputy Director of Development Services/City Engineer	1, 2
Deputy Fire Chief	2, 3, 5, 6
Deputy Public Works Services Director	1, 2
<u>Director of Human Resources</u>	<u>5</u>
Director of Library and Museum Services	5
Director of Recreation and Community Services	2, 3, 5
Economic Development Manager	1, 2
Engineering Assistant (ALL)	3, 6
Environmental Services Officer	2, 5, 6
Fire Administrative Specialist	5
Fire Battalion Chief (ALL)	5
Fire Captain	5, 6
Fire Chief	2, 3, 5, 6
Fire Inspector	5, 6

LAW OFFICES OF  
BEST BEST & KRIEGER

<u>DESIGNATED POSITIONS'</u> <u>TITLE OR FUNCTION</u>	<u>DISCLOSURE CATEGORIES</u> <u>ASSIGNED</u>
Fire Marshal	5, 6
General Services Superintendent	5
Historical Museum Curator	5
Human Resources Administrator	5
Human Resources Analyst (ALL)	5
<u>Human Resources Manager</u>	<u>5</u>
Human Resources Technician	5
Information Systems Manager	5
Library Services Manager (ALL)	5
Maintenance Contract Officer	5
Management Aide	5
Management Analyst (ALL)	5
<del>Planning &amp; Community Development Administrator</del> [Duties handled by Deputy Development Services Director]	<del>1, 2</del>
Planning Services Manager	2, 3, 5, 6
Police Captain (ALL)	5, 6
Police Lieutenant (ALL)	5, 6
Police Records Manager	5
Principal Civil Engineer	1, 2
Principal Librarian (ALL)	5
Public Works Coordinator	5, 6
Public Works Inspector	2, 3, 6

LAW OFFICES OF  
**BEST BEST & KRIEGER**

<b><u>DESIGNATED POSITIONS'</u></b> <b><u>TITLE OR FUNCTION</u></b>	<b><u>DISCLOSURE CATEGORIES</u></b> <b><u>ASSIGNED</u></b>
Public Works Services Director	1, 2
Purchasing Officer	4
Recreation Coordinator	5
Recreation Supervisor	5
Revenue Collection Specialist	1, 2
Senior Accountant	5
Senior Citizens Program Specialist	5
Senior Civil Engineer	2, 3, 5, 6
Senior Planner	2, 3, 5, 6
Storekeeper/Buyer	5
Streets Superintendent	5
Transportation Services Manager	5
Utilities Superintendent	2, 3, 6
Water Quality/Backflow Inspector	5
<b><u>MEMBERS OF BOARDS,</u></b>	
<b><u>COMMISSIONS AND COMMITTEES</u></b>	
Homeowners Assn. Architectural Review Board	1, 2
Library Board of Trustees	2, 3, 5

**DESIGNATED POSITIONS'**  
**TITLE OR FUNCTION**

**DISCLOSURE CATEGORIES**  
**ASSIGNED**

Consultants and New Positions<sup>2</sup>

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<sup>2</sup> Individuals serving as a consultant as defined in FPPC Reg 18700.3(a) or in a new position created since this Code was last approved that makes or participates in making decisions must file statements pursuant to the broadest disclosure category in this Code subject to the following limitation:

The City Manager may determine that, due to the range of duties or contractual obligations, it is more appropriate to assign a limited disclosure requirement. A clear explanation of the duties and a statement of the extent of the disclosure requirements must be in a written document. (Gov. Code Sec. 82019; FPPC Regulations 18219 and 18734.) The City Manager's determination is a public record and shall be retained for public inspection in the same manner and location as this Conflict of Interest Code. (Gov. Code Sec. 81008.)

## **PART “B”**

### **DISCLOSURE CATEGORIES**

The disclosure categories listed below identify the types of economic interests that the designated position must disclose for each disclosure category to which the designated is assigned.<sup>3</sup> “Investment” means financial interest in any business entity (including a consulting business or other independent contracting business) and are reportable if they are either located in or doing business in the jurisdiction, are planning to do business in the jurisdiction, or have done business during the previous two years in the jurisdiction of the City.

Category 1: All investments and business positions in business entities, and sources of income, including gifts, loans and travel payments, that are located in, do business in or own real property within the jurisdiction of the City.

Category 2: All interests in real property which is located in whole or in part within, or not more than two (2) miles outside, the jurisdiction of the City, including any leasehold, beneficial or ownership interest or option to acquire property.

Category 3: All investments and business positions in business entities, and sources of income, including gifts, loans and travel payments, that are engaged in land development, construction, or the acquisition or sale of real property within the jurisdiction of the City.

Category 4: All investments and business positions in business entities, and sources of income, including gifts, loans and travel payments, that provide services, products, materials, machinery, vehicles or equipment of a type purchased or leased by the City.

Category 5: All investments and business positions in business entities, and sources of income, including gifts, loans and travel payments, that provide services, products, materials, machinery, vehicles or equipment of a type purchased or leased by the designated position’s department, unit or division.

Category 6: All investments and business positions in business entities, and sources of income, including gifts, loans and travel payments, subject to the regulatory, permit, or licensing authority of the designated position’s department, unit or division.

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<sup>3</sup> This Conflict of Interest Code does not require the reporting of gifts from outside this agency’s jurisdiction if the source does not have some connection with or bearing upon the functions of the position. (Reg. 18730.1)

**DATE:** October 15, 2024

**TO:** Honorable Mayor and City Council

**FROM:** Jason Kruckeberg, Assistant City Manager/Development Services Director  
Kevin Merrill, City Engineer  
Prepared by: Johnathan Doojphibulpol, Associate Civil Engineer

**SUBJECT:** PROFESSIONAL SERVICES AGREEMENT WITH INFRASTRUCTURE MANAGEMENT SERVICES FOR THE PAVEMENT MANAGEMENT PROGRAM IN THE AMOUNT OF \$75,749, WITH A 10% CONTINGENCY  
**CEQA: Not a Project**  
**Recommendation: Approve**

### **SUMMARY**

Pavement Management Programs are required of local jurisdictions in order to receive federal, state, and county funding for street repair and maintenance projects. The City updates its program approximately every three years to monitor pavement deterioration and identify any changes in various pavement conditions. Updates include a full survey and rating of all arterial, collector, and local roadways. This year, the City included optional tasks to include inventory photos of asphalt damage, street signs, and painted curbs.

A Request-for-Proposals (“RFP”) was advertised beginning on July 5, 2024, and three proposals were received. Infrastructure Management Services provided the best proposal for the requested services. It is recommended that the City Council approve, authorize and direct the City Manager to execute a Professional Services Agreement with Infrastructure Management Services for the City’s Pavement Management Program, in the amount of \$75,749, along with a 10% contingency.

### **BACKGROUND**

Most state and federal funding sources for roadway infrastructure improvements have requirements for cities to maintain an updated Pavement Management Program (“PMP”). The Los Angeles County Metropolitan Transportation Authority (“Metro”) requires cities maintain a current Pavement Management Program to remain eligible for County transportation funding like Propositions A and C, and Measures R and M. At a minimum, a PMP must cover the City’s arterial/collector network and be updated every three years to remain in compliance.

A PMP is a useful planning tool to set thresholds for acceptable and failed pavement conditions, and to assist in the prioritization, budgeting, and decision-making related to pavement maintenance and rehabilitation. A PMP includes a survey of all roadways within the jurisdiction to monitor pavement deterioration and inventory conditions, such as distress type, cause, and rate. The roadways are typically divided into manageable segments, and the survey data for each section is documented and systematically refined into a Pavement Condition Index (“PCI”) rating, ranging from 1 to 100. A typical grouping of PCI’s is as follows:

<b>PCI Range</b>	<b>Pavement Condition</b>
86-100	Excellent
71-85	Very good
56-70	Good
41-55	Fair
26-40	Poor
11-25	Very Poor
0-10	Failed

As a result of the most recent update, the City’s overall weighted average PCI for all streets was 62, which is in the “Good” range. The weighted average PCI takes into account the pavement area for each segment, when averaging all segments. When the PCI averages were separated for arterial/collector and local streets, the weighted average PCI for arterials/collectors was 66.3 and still within the “Good” range, and the average for the locals was 60, also in the “Good” range.

In 2017 and 2021, the City awarded Professional Services Agreements to IMS Infrastructure Management Services (“IMS”) to prepare the City’s PMP update. IMS utilized innovative survey technology such as lasers, digital cameras, and GIS measurements to perform a semi-automated survey of all City streets (arterial, collector, and local). This use of technology replaced earlier surveys, which relied more on visual inspections and subjective estimations. While the IMS update was more expensive than past updates, the survey established a more objective, consistent, and comprehensive PCI database, based upon actual surface conditions and physical characteristics of each segment.

The City’s discretionary funds for road maintenance have generally been limited to arterial roadways like Huntington Drive and Santa Anita Avenue, and collectors like Second Avenue and Longden Avenue. In the past, local streets have had no dedicated maintenance funding and, therefore, have competed for Gas Tax funding along with other important maintenance functions. Over the last few years, new funding sources for local street maintenance have emerged, like the SB1-Road Maintenance and Rehabilitation Act (“RMRA”) and County Measure M. These recent funding sources have allowed the

City to take on more substantial local street repaving projects. Because of all the recent repaving activity, as well as the ongoing slurry seal projects around the City, this Pavement Management Program update will once again, include a full survey of all roadways to maintain a complete and accurate status.

In this year’s PMP, the City requested optional services to include photos and/or videos of the asphalt damage, including locations and calculations. This request was intended to provide more qualitative data to determine which streets were more visibly distressed than others, as a supplement to the standard PCI. A street sign and painted curb inventory was also requested to assist in managing and maintaining other City assets. Due to various projects and citizen requests, street signs and painted curbs are a constantly changing element of City infrastructure, and this added portion of the project will help create a complete inventory of these elements.

**DISCUSSION**

A Request-for-Proposals (“RFP”) was prepared to seek professional services for an update to the City’s PMP. The RFP was advertised on July 5, 2024, with proposals due on July 25, 2024. Three (3) proposals were received and are summarized below:

<b>COMPANY</b>	<b>Base Scope Fee</b>	<b>Optional Services</b>	<b>Total Proposal</b>
Infrastructure Management Services (IMS)	\$44,355	\$31,394	\$75,749
Roadway Asset Services (RAS)	\$64,880	\$49,255	\$114,135
Roadway Management Technologies	\$49,650 annually		\$148,950

All firms are qualified to perform the requested work and the proposed services are consistent with the City’s RFP. The IMS proposal is significantly less costly than the other two proposals and, as mentioned, IMS has provided services to the City for the previous two PMPs. IMS’s work for the previous PMP updates was excellent and they presented the best proposal to continue to provide the services requested. IMS has over 30 years of experience in infrastructure management and has provided similar services to many Southern California cities.

The RFP requested several additional services to be considered at the City’s discretion. It was determined that a formal written report and photos of various asphalt damage is beneficial to improve the understanding of the process and results, and for ease of extracting information. In addition, asset management information that includes signs and curb painting, is desired Citywide at a cost of \$27,144. The additional cost for the written final report is \$3,000 and the asphalt damage photos are \$1,250, both added to the base cost of \$44,355, bringing the total cost of services to \$75,749. It is recommended that a Professional Services Agreement be authorized with IMS for this amount.

## **ENVIRONMENTAL ANALYSIS**

The proposed action does not constitute a project under the California Environmental Quality Act ("CEQA"), as it can be seen with certainty that it will have no impact on the environment.

## **FISCAL IMPACT**

The Pavement Management Plan update was budgeted at \$85,000, with \$50,000 from Measure M funds and \$35,000 from Capital Improvement funds, in the Fiscal Year 2023-24 Capital Improvement Program. The total cost for the IMS proposal is \$75,749; adding a 10% contingency of \$7,575 brings the total potential expenditure to \$83,324. The budget is sufficient to cover the potential costs.

## **RECOMMENDATION**

It is recommended that the City Council determine that this action does not constitute a project under the California Environmental Quality Act ("CEQA"); and approve, authorize, and direct the City Manager to execute a Professional Services Agreement with Infrastructure Management Services for the Pavement Management Program in the amount of \$75,749, with a 10% contingency.

Approved:

  
\_\_\_\_\_  
Dominic Lazzaretto  
City Manager

Attachment: Proposed Professional Services Agreement

**CITY OF ARCADIA  
PROFESSIONAL SERVICES AGREEMENT REGARDING  
2024 PAVEMENT MANAGEMENT PROGRAM**

This Agreement is made and entered into as of October \_\_\_\_\_, 2024 by and between the City of Arcadia, a municipal corporation organized and operating under the laws of the State of California with its principal place of business at 240 West Huntington Drive, Arcadia, California 91066 (“City”), and IMS INFRASTRUCTURE MANAGEMENT SERVICES (“IMS”), a Florida corporation with its principal place of business at 10630 75<sup>th</sup> Street, Largo, FL 33777 IM(hereinafter referred to as “Consultant”). City and Consultant are sometimes individually referred to as “Party” and collectively as “Parties” in this Agreement.

**RECITALS**

A. City is a public agency of the State of California and is in need of professional services for the following project:

**2024 PAVEMENT MANAGEMENT PROGRAM** (hereinafter referred to as “the Project”).

B. Consultant is duly licensed and has the necessary qualifications to provide such services.

C. The Parties desire by this Agreement to establish the terms for City to retain Consultant to provide the services described herein.

**AGREEMENT**

**NOW, THEREFORE, IT IS AGREED AS FOLLOWS:**

1. Services.

Consultant shall provide the City with the services described in the Scope of Services attached hereto as Exhibit “A.”

2. Compensation.

a. Subject to paragraph 2(b) below, the City shall pay for such services in accordance with the Schedule of Charges set forth in Exhibit “B.”

b. In no event shall the total amount paid for services rendered by Consultant under this Agreement exceed the sum of **Seventy-Five Thousand Seven Hundred Forty-Nine Dollars (\$75,749.00)**. This amount is to cover all printing and related costs, and the City will not pay any additional fees for printing expenses. Periodic payments shall be made within 30 days of receipt of an invoice which includes a detailed description of the work performed. Payments to Consultant for work performed will be made on a monthly billing basis.

3. Additional Work.

If changes in the work seem merited by Consultant or the City, and informal consultations with the other party indicate that a change is warranted, it shall be processed in the following manner: a letter outlining the changes shall be forwarded to the City by Consultant with a

statement of estimated changes in fee or time schedule. An amendment to this Agreement shall be prepared by the City and executed by both Parties before performance of such services, or the City will not be required to pay for the changes in the scope of work. Such amendment shall not render ineffective or invalidate unaffected portions of this Agreement.

4. Maintenance of Records.

Books, documents, papers, accounting records, and other evidence pertaining to costs incurred shall be maintained by Consultant and made available at all reasonable times during the contract period and for four (4) years from the date of final payment under the contract for inspection by City.

5. Term.

The term of this Agreement shall be commenced on the date stated in the City's Notice to Proceed. The Consultant shall complete all Work within **Ninety (90)** calendar days from the commencement date stated in the Notice to Proceed. The Parties may, by mutual, written consent, extend the term of this Agreement if necessary to complete the Project. Consultant shall perform its services in a prompt and timely manner within the term of this Agreement.

6. Delays in Performance.

a. Neither City nor Consultant shall be considered in default of this Agreement for delays in performance caused by circumstances beyond the reasonable control of the non-performing party. For purposes of this Agreement, such circumstances include but are not limited to, abnormal weather conditions; floods; earthquakes; fire; epidemics; war; riots and other civil disturbances; strikes, lockouts, work slowdowns, and other labor disturbances; sabotage or judicial restraint.

b. Should such circumstances occur, the non-performing party shall, within a reasonable time of being prevented from performing, give written notice to the other party describing the circumstances preventing continued performance and the efforts being made to resume performance of this Agreement.

7. Compliance with Law.

a. Consultant shall comply with all applicable laws, ordinances, codes and regulations of the federal, state and local government, including Cal/OSHA requirements.

b. If required, Consultant shall assist the City, as requested, in obtaining and maintaining all permits required of Consultant by federal, state and local regulatory agencies.

c. If applicable, Consultant is responsible for all costs of clean up and/ or removal of hazardous and toxic substances spilled as a result of his or her services or operations performed under this Agreement.

8. Standard of Care

Consultant's services will be performed in accordance with generally accepted professional practices and principles and in a manner consistent with the level of care and skill ordinarily exercised by members of the profession currently practicing under similar conditions.

9. Assignment and Subconsultant

Consultant shall not assign, sublet, or transfer this Agreement or any rights under or interest in this Agreement without the written consent of the City, which may be withheld for any reason. Any attempt to so assign or so transfer without such consent shall be void and without legal effect and shall constitute grounds for termination. Subcontracts, if any, shall contain a provision making them subject to all provisions stipulated in this Agreement. Nothing contained herein shall prevent Consultant from employing independent associates, and subconsultants as Consultant may deem appropriate to assist in the performance of services hereunder.

10. Independent Contractor

Consultant is retained as an independent contractor and is not an employee of City. No employee or agent of Consultant shall become an employee of City. The work to be performed shall be in accordance with the work described in this Agreement, subject to such directions and amendments from City as herein provided.

11. Insurance. Consultant shall not commence work for the City until it has provided evidence satisfactory to the City it has secured all insurance required under this section. In addition, Consultant shall not allow any subcontractor to commence work on any subcontract until it has secured all insurance required under this section.

a. Commercial General Liability

(i) The Consultant shall take out and maintain, during the performance of all work under this Agreement, in amounts not less than specified herein, Commercial General Liability Insurance, in a form and with insurance companies acceptable to the City.

(ii) Coverage for Commercial General Liability insurance shall be at least as broad as the following:

(1) Insurance Services Office Commercial General Liability coverage (Occurrence Form CG 00 01) or exact equivalent.

(iii) Commercial General Liability Insurance must include coverage for the following:

- (1) Bodily Injury and Property Damage
- (2) Personal Injury/Advertising Injury
- (3) Premises/Operations Liability
- (4) Products/Completed Operations Liability
- (5) Aggregate Limits that Apply per Project
- (6) Explosion, Collapse and Underground (UCX) exclusion deleted
- (7) Contractual Liability with respect to this Agreement
- (8) Property Damage
- (9) Independent Consultants Coverage

(iv) 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; (3) products/completed operations liability; or (4) contain any other exclusion contrary to the Agreement.

(v) The policy shall give City, its officials, officers, employees, agents and City designated volunteers additional insured status using ISO endorsement forms CG 20 10 10 01 and 20 37 10 01, or endorsements providing the exact same coverage.

(vi) The general liability program may utilize either deductibles or provide coverage excess of a self-insured retention, subject to written approval by the City, and provided that such deductibles shall not apply to the City as an additional insured.

b. Automobile Liability

(i) At all times during the performance of the work under this Agreement, the Consultant shall maintain Automobile Liability Insurance for bodily injury and property damage including coverage for owned, non-owned and hired vehicles, in a form and with insurance companies acceptable to the City.

(ii) Coverage for automobile liability insurance shall be at least as broad as Insurance Services Office Form Number CA 00 01 covering automobile liability (Coverage Symbol 1, any auto).

(iii) The policy shall give City, its officials, officers, employees, agents and City designated volunteers additional insured status.

(iv) Subject to written approval by the City, the automobile liability program may utilize deductibles, provided that such deductibles shall not apply to the City as an additional insured, but not a self-insured retention.

c. Workers' Compensation/Employer's Liability

(i) Consultant certifies that he/she is aware of the provisions of Section 3700 of the California Labor Code which requires every employer to be insured against liability for workers' compensation or to undertake self-insurance in accordance with the provisions of that code, and he/she will comply with such provisions before commencing work under this Agreement.

(ii) To the extent Consultant has employees at any time during the term of this Agreement, at all times during the performance of the work under this Agreement, the Consultant shall maintain full compensation insurance for all persons employed directly by him/her to carry out the work contemplated under this Agreement, all in accordance with the "Workers' Compensation and Insurance Act," Division IV of the Labor Code of the State of California and any acts amendatory thereof, and Employer's Liability Coverage in amounts indicated herein. Consultant shall require all subconsultants to obtain and maintain, for the period required by this Agreement, workers' compensation coverage of the same type and limits as specified in this section.

d. Professional Liability (Errors and Omissions)

At all times during the performance of the work under this Agreement the Consultant shall

maintain professional liability or Errors and Omissions insurance appropriate to its profession, in a form and with insurance companies acceptable to the City and in an amount indicated herein. This insurance shall be endorsed to include contractual liability applicable to this Agreement and shall be written on a policy form coverage specifically designed to protect against acts, errors or omissions of the Consultant. "Covered Professional Services" as designated in the policy must specifically include work performed under this Agreement. The policy must "pay on behalf of" the insured and must include a provision establishing the insurer's duty to defend.

e. Minimum Policy Limits Required

(i) The following insurance limits are required for the Agreement:

	<u>Combined Single Limit</u>
Commercial General Liability	\$1,000,000 per occurrence/ \$2,000,000 aggregate for bodily injury, personal injury, and property damage
Automobile Liability	\$1,000,000 per occurrence for bodily injury and property damage
Employer's Liability	\$1,000,000 per occurrence
Professional Liability	\$1,000,000 per claim and aggregate (errors and omissions)

(ii) Defense costs shall be payable in addition to the limits.

(iii) Requirements of specific coverage or limits contained in this section are not intended as a limitation on coverage, limits, or other requirement, or a waiver of any coverage normally provided by any insurance. Any available coverage shall be provided to the parties required to be named as Additional Insured pursuant to this Agreement.

f. Evidence Required

Prior to execution of the Agreement, the Consultant shall file with the City evidence of insurance from an insurer or insurers certifying to the coverage of all insurance required herein. Such evidence shall include original copies of the ISO CG 00 01 (or insurer's equivalent) signed by the insurer's representative and Certificate of Insurance (Acord Form 25-S or equivalent), together with required endorsements. All evidence of insurance shall be signed by a properly authorized officer, agent, or qualified representative of the insurer and shall certify the names of the insured, any additional insureds, where appropriate, the type and amount of the insurance, the location and operations to which the insurance applies, and the expiration date of such insurance.

g. Policy Provisions Required

(i) Consultant shall provide the City at least thirty (30) days prior written notice of cancellation of any policy required by this Agreement, except that the Consultant shall provide at least ten (10) days prior written notice of cancellation of any such policy due to non-payment of premium. If any of the required coverage is cancelled or expires during the term of this Agreement, the Consultant shall deliver renewal certificate(s) including the General

Liability Additional Insured Endorsement to the City at least ten (10) days prior to the effective date of cancellation or expiration.

(ii) The Commercial General Liability Policy and Automobile Policy shall each contain a provision stating that Consultant's policy is primary insurance and that any insurance, self-insurance or other coverage maintained by the City or any named insureds shall not be called upon to contribute to any loss.

(iii) The retroactive date (if any) of each policy is to be no later than the effective date of this Agreement. Consultant shall maintain such coverage continuously for a period of at least three years after the completion of the work under this Agreement. Consultant shall purchase a one (1) year extended reporting period A) if the retroactive date is advanced past the effective date of this Agreement; B) if the policy is cancelled or not renewed; or C) if the policy is replaced by another claims-made policy with a retroactive date subsequent to the effective date of this Agreement.

(iv) All required insurance coverages, except for the professional liability coverage, shall contain or be endorsed to waiver of subrogation in favor of the City, its officials, officers, employees, agents, and volunteers or shall specifically allow Consultant or others providing insurance evidence in compliance with these specifications to waive their right of recovery prior to a loss. Consultant hereby waives its own right of recovery against City, and shall require similar written express waivers and insurance clauses from each of its subconsultants.

(v) The limits set forth herein shall apply separately to each insured against whom claims are made or suits are brought, except with respect to the limits of liability. Further the limits set forth herein shall not be construed to relieve the Consultant from liability in excess of such coverage, nor shall it limit the Consultant's indemnification obligations to the City and shall not preclude the City from taking such other actions available to the City under other provisions of the Agreement or law.

h. Qualifying Insurers

(i) All policies required shall be issued by acceptable insurance companies, as determined by the City, which satisfy the following minimum requirements:

(1) Each such policy shall be from a company or companies with a current A.M. Best's rating of no less than A:VII and admitted to transact in the business of insurance in the State of California, or otherwise allowed to place insurance through surplus line brokers under applicable provisions of the California Insurance Code or any federal law.

i. Additional Insurance Provisions

(i) The foregoing requirements as to the types and limits of insurance coverage to be maintained by Consultant, and any approval of said insurance by the City, is not intended to and shall not in any manner limit or qualify the liabilities and obligations otherwise assumed by the Consultant pursuant to this Agreement, including but not limited to, the provisions concerning indemnification.

(ii) If at any time during the life of the Agreement, any policy of insurance required under this Agreement does not comply with these specifications or is

canceled and not replaced, City has the right but not the duty to obtain the insurance it deems necessary and any premium paid by City will be promptly reimbursed by Consultant or City will withhold amounts sufficient to pay premium from Consultant payments. In the alternative, City may cancel this Agreement.

(iii) The City may require the Consultant to provide complete copies of all insurance policies in effect for the duration of the Project.

(iv) Neither the City nor any of its officials, officers, employees, agents or volunteers shall be personally responsible for any liability arising under or by virtue of this Agreement.

j. Subconsultant Insurance Requirements. Consultant shall not allow any subcontractors or subconsultants to commence work on any subcontract until they have provided evidence satisfactory to the City that they have secured all insurance required under this section. Policies of commercial general liability insurance provided by such subcontractors or subconsultants shall be endorsed to name the City as an additional insured using ISO form CG 20 38 04 13 or an endorsement providing the exact same coverage. If requested by Consultant, City may approve different scopes or minimum limits of insurance for particular subcontractors or subconsultants.

## 12. Indemnification.

a. To the fullest extent permitted by law, Consultant shall defend (with counsel of City's choosing), indemnify and hold the City, its officials, officers, employees, volunteers, and agents free and harmless from any and all claims, demands, causes of action, costs, expenses, liability, loss, damage or injury of any kind, in law or equity, to property or persons, including wrongful death, in any manner arising out of, pertaining to, or incident to any acts, errors or omissions, or willful misconduct of Consultant, its officials, officers, employees, subcontractors, consultants or agents in connection with the performance of the Consultant's services, the Project or this Agreement, including without limitation the payment of all damages, expert witness fees and attorney's fees and other related costs and expenses. Consultant's obligation to indemnify shall not be restricted to insurance proceeds, if any, received by Consultant, the City, its officials, officers, employees, agents, or volunteers.

b. To the extent required by Civil Code section 2782.8, which is fully incorporated herein, Consultant's obligations under the above indemnity shall be limited to claims that arise out of, pertain to, or relate to the negligence, recklessness, or willful misconduct of the Consultant, but shall not otherwise be reduced. If Consultant's obligations to defend, indemnify, and/or hold harmless arise out of Consultant's performance of "design professional services" (as that term is defined under Civil Code section 2782.8), then upon Consultant obtaining a final adjudication that liability under a claim is caused by the comparative active negligence or willful misconduct of the City, Consultant's obligations shall be reduced in proportion to the established comparative liability of the City and shall not exceed the Consultant's proportionate percentage of fault.

## 13. California Labor Code Requirements.

a. Consultant is aware of the requirements of California Labor Code Sections 1720 et seq. and 1770 et seq., which require the payment of prevailing wage rates and the performance of other requirements on certain "public works" and "maintenance" projects

("Prevailing Wage Laws"). If the services are being performed as part of an applicable "public works" or "maintenance" project, as defined by the Prevailing Wage Laws, and if the total compensation is \$15,000 or more for maintenance or \$25,000 or more for construction, alteration, demolition, installation, or repair, Consultant agrees to fully comply with such Prevailing Wage Laws. Consultant shall defend, indemnify and hold the City, its officials, officers, employees and agents free and harmless from any claims, liabilities, costs, penalties or interest arising out of any failure or alleged failure to comply with the Prevailing Wage Laws. It shall be mandatory upon the Consultant and all subconsultants to comply with all California Labor Code provisions, which include but are not limited to prevailing wages (Labor Code Sections 1771, 1774 and 1775), employment of apprentices (Labor Code Section 1777.5), certified payroll records (Labor Code Sections 1771.4 and 1776), hours of labor (Labor Code Sections 1813 and 1815) and debarment of contractors and subcontractors (Labor Code Section 1777.1).

b. If the services are being performed as part of an applicable "public works" or "maintenance" project and if the total compensation is \$15,000 or more for maintenance or \$25,000 or more for construction, alteration, demolition, installation, or repair, then pursuant to Labor Code Sections 1725.5 and 1771.1, the Consultant and all subconsultants performing such services must be registered with the Department of Industrial Relations. Consultant shall maintain registration for the duration of the Project and require the same of any subconsultants, as applicable. This Project may also be subject to compliance monitoring and enforcement by the Department of Industrial Relations. It shall be Consultant's sole responsibility to comply with all applicable registration and labor compliance requirements.

c. This Agreement may also be subject to compliance monitoring and enforcement by the Department of Industrial Relations. It shall be Consultant's sole responsibility to comply with all applicable registration and labor compliance requirements. Any stop orders issued by the Department of Industrial Relations against Consultant or any subcontractor that affect Consultant's performance of services, including any delay, shall be Consultant's sole responsibility. Any delay arising out of or resulting from such stop orders shall be considered Consultant caused delay and shall not be compensable by the City. Consultant shall defend, indemnify and hold the City, its officials, officers, employees and agents free and harmless from any claim or liability arising out of stop orders issued by the Department of Industrial Relations against Consultant or any subcontractor.

14. Verification of Employment Eligibility.

By executing this Agreement, Consultant verifies that it fully complies with all requirements and restrictions of state and federal law respecting the employment of undocumented aliens, including, but not limited to, the Immigration Reform and Control Act of 1986, as may be amended from time to time, and shall require all subconsultants and sub-subconsultants to comply with the same.

15. Laws and Venue.

This Agreement shall be interpreted in accordance with the laws of the State of California. If any action is brought to interpret or enforce any term of this Agreement, the action shall be brought in a state or federal court situated in the County of Los Angeles, State of California.

16. Termination or Abandonment

a. City has the right to terminate or abandon any portion or all of the work under this Agreement by giving ten (10) calendar days written notice to Consultant. In such event, City shall be immediately given title and possession to all original field notes, drawings and specifications, written reports and other documents produced or developed for that portion of the work completed and/or being abandoned. City shall pay Consultant the reasonable value of services rendered for any portion of the work completed prior to termination. If said termination occurs prior to completion of any task for the Project for which a payment request has not been received, the charge for services performed during such task shall be the reasonable value of such services, based on an amount mutually agreed to by City and Consultant of the portion of such task completed but not paid prior to said termination. City shall not be liable for any costs other than the charges or portions thereof which are specified herein. Consultant shall not be entitled to payment for unperformed services and shall not be entitled to damages or compensation for termination of work.

b. Consultant may terminate its obligation to provide further services under this Agreement upon thirty (30) calendar days' written notice to City only in the event of substantial failure by City to perform in accordance with the terms of this Agreement through no fault of Consultant.

17. Documents. Except as otherwise provided in "Termination or Abandonment," above, all original field notes, written reports, Drawings and Specifications and other documents, produced or developed for the Project shall, upon payment in full for the services described in this Agreement, be furnished to and become the property of the City.

18. Organization

Consultant shall assign Michael Nieminen as Project Manager. The Project Manager shall not be removed from the Project or reassigned without the prior written consent of the City.

19. Limitation of Agreement.

This Agreement is limited to and includes only the work included in the Project described above.

20. Notice

Any notice or instrument required to be given or delivered by this Agreement may be given or delivered by depositing the same in any United States Post Office, certified mail, return receipt requested, postage prepaid, addressed to:

CITY:

City of Arcadia  
240 West Huntington Drive  
Arcadia, CA 91066  
Attn: Kevin Merrill, City Engineer

CONSULTANT:

IMS Infrastructure Management Services  
10630 75<sup>th</sup> Street  
Largo, FL 33777  
With a copy to: Michael Nieminen, PE, P.  
Eng., Chief Executive Officer

and shall be effective upon receipt thereof.

21. Third Party Rights

Nothing in this Agreement shall be construed to give any rights or benefits to anyone other than the City and the Consultant.

22. Equal Opportunity Employment.

Consultant represents that it is an equal opportunity employer and that it shall not discriminate against any employee or applicant for employment because of race, religion, color, national origin, ancestry, sex, age or other interests protected by the State or Federal Constitutions. Such non-discrimination shall include, but not be limited to, all activities related to initial employment, upgrading, demotion, transfer, recruitment or recruitment advertising, layoff or termination.

23. Entire Agreement

This Agreement, with its exhibits, represents the entire understanding of City and Consultant as to those matters contained herein, and supersedes and cancels any prior or contemporaneous oral or written understanding, promises or representations with respect to those matters covered hereunder. Each party acknowledges that no representations, inducements, promises or agreements have been made by any person which are not incorporated herein, and that any other agreements shall be void. This Agreement may not be modified or altered except in writing signed by both Parties hereto. This is an integrated Agreement.

24. Severability

The unenforceability, invalidity or illegality of any provision(s) of this Agreement shall not render the provisions unenforceable, invalid or illegal.

25. Successors and Assigns

This Agreement shall be binding upon and shall inure to the benefit of the successors in interest, executors, administrators and assigns of each party to this Agreement. However, Consultant shall not assign or transfer by operation of law or otherwise any or all of its rights, burdens, duties or obligations without the prior written consent of City. Any attempted assignment without such consent shall be invalid and void.

26. Non-Waiver

None of the provisions of this Agreement shall be considered waived by either party, unless such waiver is specifically specified in writing.

27. Time of Essence

Time is of the essence for each and every provision of this Agreement.

28. City's Right to Employ Other Consultants

City reserves its right to employ other consultants, including engineers, in connection with this Project or other projects.

29. Prohibited Interests

Consultant maintains and warrants that it has not employed nor retained any company or person, other than a bona fide employee working solely for Consultant, to solicit or secure this Agreement. Further, Consultant warrants that it has not paid nor has it agreed to pay any company or person, other than a bona fide employee working solely for Consultant, any fee, commission, percentage, brokerage fee, gift or other consideration contingent upon or resulting from the award or making of this Agreement. For breach or violation of this warranty, City shall have the right to rescind this Agreement without liability. For the term of this Agreement, no director, official, officer or employee of City, during the term of his or her service with City, shall have any direct interest in this Agreement, or obtain any present or anticipated material benefit arising therefrom.

**[SIGNATURES ON FOLLOWING PAGE]**

DRAFT

**SIGNATURE PAGE FOR PROFESSIONAL SERVICES AGREEMENT  
BETWEEN THE CITY OF ARCADIA  
AND IMS INFRASTRUCTURE MANAGEMENT SERVICES.**

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

CITY OF ARCADIA

IMS INFRASTRUCTURE MANAGEMENT SERVICES

By: \_\_\_\_\_  
Dominic Lazzaretto  
City Manager

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

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

Its: \_\_\_\_\_

ATTEST:

\_\_\_\_\_  
Printed Name

By: \_\_\_\_\_  
City Clerk

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

APPROVED AS TO FORM

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

By: \_\_\_\_\_  
Michael J. Maurer  
City Attorney

Its: \_\_\_\_\_

\_\_\_\_\_  
Printed Name

EXHIBIT A  
Scope of Services

(Insert)

DRAFT

EXHIBIT B

Schedule of Charges/Payments

City of Arcadia, CA | Pavement Management Program  
July 25, 2024



Name	Qty.	Units	Price	Disc.	Total Price
Pavement Striping - Linear	234	Test Miles	\$ 32.00		\$ 7,488.00
Pavement Markings - Point	234	Test Miles	\$ 22.00		\$ 5,148.00
Retaining Walls	234	Test Miles	\$ 23.00		\$ 5,382.00
Sidewalk/Curb Ramps	234	Test Miles	\$ 26.00		\$ 6,084.00
Sidewalks	234	Test Miles	\$ 23.00		\$ 5,382.00
Sign Supports	234	Test Miles	\$ 33.00		\$ 7,722.00
Signs	234	Test Miles	\$ 63.00		\$ 14,742.00
Sound/Noise Barriers	234	Test Miles	\$ 23.00		\$ 5,382.00
Street Furniture	234	Test Miles	\$ 33.00		\$ 7,722.00
Street Lights	234	Test Miles	\$ 46.00		\$ 10,764.00
Traffic Signals and Flashers	234	Test Miles	\$ 29.00		\$ 6,786.00
Trees	234	Test Miles	\$ 56.00		\$ 13,104.00
Utility Poles	234	Test Miles	\$ 46.00		\$ 10,764.00
Valves	234	Test Miles	\$ 39.00		\$ 9,126.00
<b>IMS Web-Story Map of City's Pavement Condition (for External Portal)</b>	1	Lump Sum	\$ 7,500.00		\$ 7,500.00
a. Years 2 - 4 Annual Updates of Rehabs; Update	3	Lump Sum	\$ 2,000.00		\$ 6,000.00
<b>IMS Web-Dashboard of City's Pavement Condition (for Internal Staff)</b>	1	Lump Sum	\$ 5,500.00		\$ 5,500.00
a. Years 2 - 4 Annual Updates of Rehabs; Update	3	Lump Sum	\$ 2,000.00		\$ 6,000.00
<b>City Council Presentation - Virtual</b>	1	Lump Sum	\$ 3,500.00		\$ 3,500.00
a. Add for an Onsite City Council Presentation	1	Lump Sum	\$ 2,500.00		\$ 2,500.00
Non-Standard Written Report (Min. 8-Hours; beyond at Hourly Rate)	8	Hours	\$ 150.00		\$ 1,200.00
Additional or Specialty Maps for Reporting (Beyond Typical 2 Sets)	1	Lump Sum	\$ 175.00		\$ 175.00
Additional Hard Copies of the Final Report	1	Lump Sum	\$ 200.00		\$ 200.00
Functional Class Review	16	Hours	\$ 189.00		\$ 3,024.00
Sidewalk Condition Survey via Sidewalk-Surface Tester (SST) Data Collection				(Available Upon Request)	
Pedestrian Curb Ramp Non-Compliance Survey & Analysis via Mobile Lidar Data Collection				(Available Upon Request)	
Software Evaluation Needs Assessment	1	Lump Sum	\$ 1,750.00		\$ 1,750.00
Convert Street Layer Polylines to Polygons	234	Test Miles	\$ 6.00		\$ 1,404.00



Optional Value-Added Service Activities - Cost Estimates

Name	Qty.	Units	Price	Disc.	Total Price
<b>Requested Optional Services</b>					
A. IMS Written Report of Pavement Condition Index (PCI)	1	Lump Sum	\$ 3,000.00		\$ 3,000.00
B. Photos & Excel Sheet of Various Pavement Distresses (i.e. Alligator Cracking, Ripple, Rutting)	1	Lump Sum	\$ 1,250.00		\$ 1,250.00
C. Signs & Sign Supports Inventory	234	Test Miles	\$ 96.00		\$ 22,464.00
D. Painted Curb Inventory	234	Test Miles	\$ 20.00		\$ 4,680.00
<b>FastFWD Structural Testing - Recommended 2-Pass Test for Major Roads</b>					
a. Mobilization/Calibration (FFWD)	1	Lump Sum	\$ 3,000.00		\$ 3,000.00
b. Field Data Collection - Fast Falling Weight Deflectometer (FFWD): <b>2-pass Arterials Only</b>	138	Test Miles	\$ 150.00		\$ 20,700.00
c. Traffic Control for Deflection Testing (if applicable/necessary)	0	Hours	\$ 150.00		\$ -
d. Data Processing: Standard FFWD (Including QC/QA)	1	Lump Sum	\$ 1,750.00		\$ 1,750.00
e. Calculate Structural Number (SNeff) - Used for Network Level Analysis	1	Lump Sum	\$ 1,000.00		\$ 1,000.00
				<b>FWD Total</b>	<b>\$ 26,450.00</b>
<b>Right of Way (ROW) Asset Extraction</b>					
Crosswalks	234	Test Miles	\$ 19.00		\$ 4,446.00
Curb & Gutter	234	Test Miles	\$ 23.00		\$ 5,382.00
Curb Markings	234	Test Miles	\$ 22.00		\$ 5,148.00
Drainage Ditches	234	Test Miles	\$ 23.00		\$ 5,382.00
Drainage Structures (Inlets)	234	Test Miles	\$ 33.00		\$ 7,722.00
Driveway Aprons	234	Test Miles	\$ 39.00		\$ 9,126.00
Fence	234	Test Miles	\$ 23.00		\$ 5,382.00
Fire Hydrants	234	Test Miles	\$ 22.00		\$ 5,148.00
Guardrail/Guiderail	234	Test Miles	\$ 23.00		\$ 5,382.00
Landscaping	234	Test Miles	\$ 49.00		\$ 11,466.00
Manhole Covers	234	Test Miles	\$ 29.00		\$ 6,786.00



## 4. Fees

### Fee Proposal

Name	Qty.	Units	Price	Discount	Total Price
Project Setup and Kickoff	1	Lump Sum	\$2,500.00		\$2,500.00
Project Management	1	Lump Sum	\$1,500.00		\$1,500.00
GIS Review and Survey Extents Verification	234	Test Miles	\$15.00		\$3,510.00
Mobilization/Calibration	1	Lump Sum	\$2,925.00		\$2,925.00
Field Data Collection - IrisPRO Pave	234	Test Miles	\$100.00		\$23,400.00
Data Processing: Enhanced ASTM D6433 (Including QC/QA) - According to Standard Data Dictionary	234	Test Miles	\$30.00		\$7,020.00
Condition Data Delivery	1	Lump Sum	\$1,500.00		\$1,500.00
Easy Street Analysis (ESA) Light: Unit Costs, Segment & Network Costs	1	Lump Sum	\$2,000.00		\$2,000.00
Inform - <400 miles (Optional, first 90 days free)	1	Per Year	\$2,000.00	100%	\$0.00
Inform Web Hosting (Optional, first 90 days free)	234	Per year/ mile	\$1.20	100%	\$0.00
			<b>Total Price:</b>		<b>\$44,355.00</b>

EXHIBIT C  
Activity Schedule

City of Arcadia, CA | Pavement Management Program  
July 25, 2024



## 5. Project Schedule

### IMS Services Project Schedule

Expected NTP Date

Collection Lane Miles 234

### City of Arcadia, CA

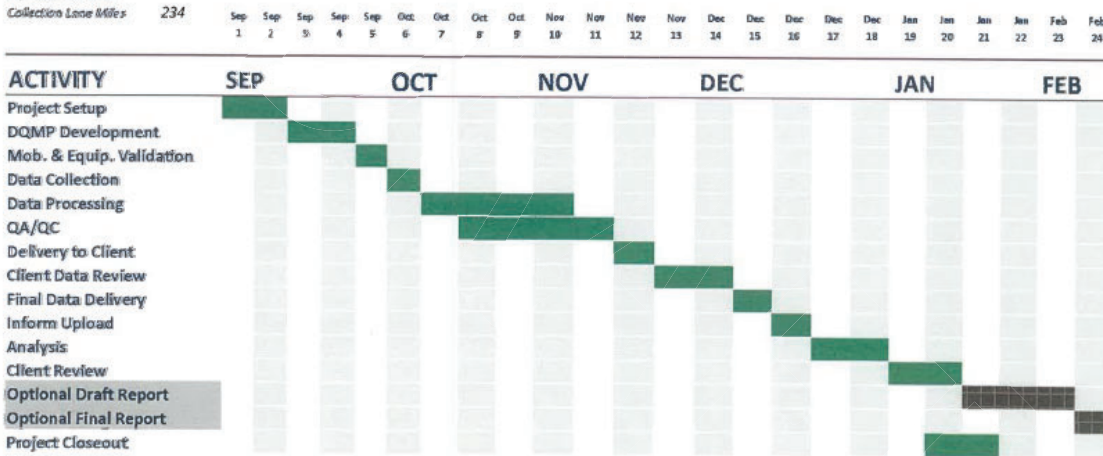


EXHIBIT D

Not Applicable

DRAFT



# STAFF REPORT

Public Works Services Department

**DATE:** October 15, 2024

**TO:** Honorable Mayor and City Council

**FROM:** Paul Cranmer, Public Works Services Director  
By: Carlos Aguilar, General Services Superintendent

**SUBJECT:** EXTENSION TO THE PROFESSIONAL SERVICES AGREEMENT WITH ABM INDUSTRY GROUPS, LLC. FOR JANITORIAL AND PORTER SERVICES AT VARIOUS CITY FACILITIES IN AN AMOUNT NOT TO EXCEED \$496,682.80

**CEQA: Not a Project**

**Recommendation: Approve**

## **SUMMARY**

On October 17, 2023, the City Council approved a one-year extension to the Professional Services Agreement with ABM Industry Groups, LLC. ("ABM") in the amount of \$418,278.42, to perform janitorial and porter services at various City facilities. ABM has reached the end of their current contract extension term and has submitted a written offer to extend for an additional year. The contractor's offer reflects a 5.5%, or \$23,065.18, cost-of-living adjustment to offset an increase in the state minimum wage, effective January 1, 2025. Furthermore, the City has added two additional daily cleanings at the Eisenhower and Bonita Park restrooms, which will result in an additional \$55,339.20 being added to the contract total. If approved, this will be ABM's final contract extension.

It is recommended that the City Council approve, authorize, and direct the City Manager to execute a one-year extension to the Professional Services Agreement with ABM Industry Groups, LLC. for Janitorial and Porter Services at various City facilities, in an amount not to exceed \$496,682.80.

## **BACKGROUND**

The Public Works Services Department is responsible for the maintenance of all City facilities and utilizes contract services to provide janitorial and porter services. Janitorial services include nightly cleaning of all common areas, restrooms, and offices at various City facilities. Daily porter services include cleaning and replacement of the light fixtures, helping with routine services such as special event setup, and cleaning and stocking public restrooms. Janitorial and porter services are performed at City Hall, the Community Center, the Gilb Museum, Museum Education Center, the Library, Public Works Services,

Police Department, Fire Station 105, Civic Center Soccer Field, Dana Gym, and now, restrooms at Bonita and Eisenhower Parks.

## **DISCUSSION**

On September 21, 2021, the City Council approved a Professional Services Agreement with ABM for janitorial and porter services, with the option of three one-year extensions. On October 17, 2023, the City Council approved a one-year extension to the Professional Services Agreement with ABM in the amount of \$418,278.42, to perform janitorial and porter services at various City facilities. ABM has reached the end of their second contract extension and has submitted a written offer to extend for an additional year. ABM's offer reflects a 5.5% cost-of-living adjustment.

The proposed 5.5% contract increase in the amount of \$23,065.18 will offset costs from an anticipated increase in the State's minimum wage. Effective January 1, 2025, California minimum wage will increase to \$16.50 per hour. An analysis of the proposed contract increase indicates that the impact to departmental budgets will be minimal.

Furthermore, due to complaints received from the public regarding the cleanliness of the restrooms at Eisenhower and Bonita Parks, ABM has been asked to include two additional daily cleanings at Eisenhower and Bonita Parks. Currently, the contract only includes night cleaning at both parks. The additional daily cleaning will include the sweeping and mopping of the floors, cleaning of the sinks, restroom fixtures, and restocking of supplies twice per day, mid-morning and mid-afternoon. The third cleaning will continue at night at the cost already included in the contract. The two additional cleanings will add \$55,339.20 to the contract total.

ABM has provided quality janitorial and porter services to Arcadia. ABM is a stable corporation with a long-standing history in the cleaning industry, including extensive experience in serving government agencies. Some of their current municipal contracts include the Cities of Long Beach and Cerritos.

## **ENVIRONMENTAL ANALYSIS**

The proposed action does not constitute a project under the California Environmental Quality Act ("CEQA"), and it can be seen with certainty that it will have no impact on the environment.

## **FISCAL IMPACT**

The total cost for the extension period is not expected to exceed \$496,682.80, including the 5.5% cost increase and the additional cleanings at the parks. For the Fiscal Year 2024-25 Operating Budget, funds are budgeted in each Department's Contract Services account for these purposes. The Public Works Services Department will conduct a mid-

year budget review of the janitorial and porter services agreement and recommend budget adjustments, if needed, at that time. Otherwise, each Department's Fiscal Year 2024-25 budget for janitorial and porter services will be adjusted to reflect the actual cost of providing these services.

**RECOMMENDATION**

It is recommended that the City Council determine that this action does not constitute a project under the California Environmental Quality Act ("CEQA"); and approve, authorize, and direct the City Manager to execute an extension to the Professional Services Agreement with ABM Industry Groups, LLC. for Janitorial and Porter Services at various City facilities in an amount not to exceed \$496,682.80.

Approved:



Dominic Lazzaretto  
City Manager

Attachment: Proposed Amendment No. 3 to the Professional Services Agreement



CITY OF  
**ARCADIA**

**AMENDMENT NO. 3 TO THE PROFESSIONAL SERVICES AGREEMENT  
REGARDING JANITORIAL & PORTER SERVICES AT VARIOUS CITY FACILITIES BY  
AND BETWEEN THE CITY OF ARCADIA  
AND ABM INDUSTRY GROUPS, LLC**

This Amendment No. 3 (“Amendment No. 3”) is hereby entered into this \_\_\_\_ day of \_\_\_\_\_, 2024 by and between the City of Arcadia, a municipal corporation of the State of California, and **ABM Industry Groups, LLC**, a Limited Liability Company, with respect to that certain Professional Services Agreement between the parties dated December 15, 2021, further amended by Amendment No. 1 dated December 21, 2022, and further amended by Amendment No. 2 dated December 5, 2023 (“Agreement”).

The Parties agree as follows:

1. Pursuant to Section 5 of the Agreement “Term”, the Term is hereby amended by extending the term from December 21, 2024 through and including December 21, 2025, as set forth in the attached Exhibit “C”.
2. Pursuant to Section 2(b) of the Agreement “Compensation”, the Compensation is hereby amended to provide that the total compensation due and payable to the Contractor for the Extended Term shall not exceed Four Hundred Ninety-Six Thousand, Six Hundred Eighty-Two Dollars and Eighty Cents (\$496,682.80).
3. Pursuant to Section 1 of the Agreement “Scope of Services”, the Scope of Services is hereby amended to include daily cleaning at Eisenhower and Bonita Park restrooms as set forth in the attached Exhibit “A”.
4. All terms and provisions of the Agreement not amended by this Amendment No. 2 are hereby reaffirmed.

In witness whereof the Parties have executed this Amendment No. 2 on the date set forth below.

CITY OF ARCADIA

ABM INDUSTRY GROUPS, LLC

By: \_\_\_\_\_  
Dominic Lazzaretto  
City Manager

By: \_\_\_\_\_  
Title: \_\_\_\_\_

Dated: \_\_\_\_\_

Dated: \_\_\_\_\_

ATTEST:  
  
\_\_\_\_\_  
City Clerk

By: \_\_\_\_\_  
Title: \_\_\_\_\_  
Dated: \_\_\_\_\_

APPROVED AS TO FORM:

CONCUR:

\_\_\_\_\_  
Michael J. Maurer  
City Attorney

\_\_\_\_\_  
Paul Cranmer  
Public Works Services Director

## Exhibit "A"

### Scope of Services

The Scope of Services is hereby amended to include as follows:

- Provide daily cleaning at Eisenhower Park and Bonita Park restrooms. Cleaning services shall include, but not limited to, sweep and mop floors, clean stainless sinks, restroom fixtures and restock twice per day mid-morning and mid-afternoon. The third cleaning will continue to be at night at the cost already in the Agreement.

Exhibit "B"  
Schedule of Charges/Payments

For the term of this Agreement, the Compensation shall not to exceed the total amount listed below:

The schedule of prices is attached as attachment "A" to this Exhibit "B"

Janitorial & Porter Services at Various City Facilities	-	\$496,682.80
Total Compensation	-	\$496,682.80

The total compensation shall not exceed the total listed without written authorization in accordance with Section 2 (b) of the Agreement. \*Attached hereto and incorporated herein by reference is the monthly cost for Eisenhower and Park restroom cleaning.

Exhibit "C"  
Activity Schedule

All work shall be completed in accordance with the following schedule:

The Term of this Agreement shall be for one year from December 15, 2024 through and including December 15, 2025.



# STAFF REPORT

Public Works Services Department

**DATE:** October 15, 2024

**TO:** Honorable Mayor and City Council

**FROM:** Paul Cranmer, Public Works Services Director  
By: Jan Balanay, Assistant Engineer

**SUBJECT:** ACCEPT ALL WORK PERFORMED BY AMERICAN ASPHALT SOUTH, INC. FOR THE FISCAL YEAR 2023-24 ANNUAL SLURRY SEAL PROJECT AS COMPLETE  
**CEQA: Exempt**  
**Recommendation: Approve**

## **SUMMARY**

On March 19, 2023, the City Council approved a contract with American Asphalt South, Inc. in the amount of \$1,201,535 for the Fiscal Year 2023-24 Annual Slurry Seal Project. The terms and conditions of this project have been complied with and the work has been performed to the satisfaction of the Project Manager, for a total project cost of \$1,183,595.09. This amount reflects the original contract amount of \$1,201,535, minus quantity changes totaling \$17,939.91, or 1.5% less than the original contract amount.

It is recommended that the City Council accept all work performed by American Asphalt South, Inc. for the Fiscal Year 2023-24 Annual Slurry Seal Project as complete and authorize the final payment to be made in accordance with the contract documents, subject to the retention of \$59,179.75.

## **BACKGROUND**

The Public Works Services Department (“PWSD”) is responsible for the maintenance and repair of approximately 147 miles of roadway within the City. The Annual Slurry Seal Maintenance Program assists in extending the life expectancy of City streets and improves the overall appearance and safety. This program provides surface maintenance for all City streets and divides the City into eight zones, with one zone being addressed each year. In addition, the City conducts street-by-street condition assessments to rank existing street surfaces and to prioritize major repairs, when needed. Updates to the plan are conducted regularly to ensure that the program is effective and to identify street segments with unusual wear and tear.

## **DISCUSSION**

On March 19, 2023, the City Council approved a contract with American Asphalt South, Inc. for the Fiscal Year 2023-24 Annual Slurry Seal Project. The work performed encompassed approximately 17.9 miles of residential and arterial streets and included crack sealing; application of an emulsified asphalt and sand coating commonly referred to as slurry; and re-stripping of street centerlines, stop bars, and pavement markers. This process protects the asphalt pavement surface from weather, restores skid resistance, and provides an aesthetic uplift to the street and surrounding neighborhood.

During the course of work, it was determined that some street sections required full pavement rehabilitation and therefore, were removed from the project scope. It was also determined that the City parking lots north of Huntington Drive, from Santa Anita Avenue to First Avenue, needed Type II slurry seal application as well as restriping of the parking stalls. Additionally, due to various residents driving on fresh slurry, there was a change order to re-apply the Type II slurry seal that had just been applied. Furthermore, traffic control plans were needed for the slurry seal application on Huntington Drive and Holly Avenue intersection. Although additional work was included in the scope of work, since some street sections were omitted from the project for inclusion in the next Pavement Rehabilitation Project, less Type II slurry seal application was needed. Below is a description of the contract change orders; "ELT" stands for Extra Long Ton and is a standard unit of volumetric measurement in roadway slurry applications.

<b>CCO#</b>	<b>Description</b>	<b>Amount</b>
1.	Deletion (168 ELT) of Type II Slurry	(\$41,865.60)
2.	Additional (67.9 ELT) of Type II Slurry for City Parking Lots	\$16,925.69
3.	Additional striping for City Parking Lots	\$4,500.00
4.	Signed Traffic Control Plans for the intersection of Huntington Drive/Holly Avenue	\$2,500.00
<b>Total:</b>		<b>(\$17,939.91)</b>

The terms and conditions of this contract have been complied with and the work has been performed to the satisfaction of the Project Manager. American Asphalt South, Inc. completed the work as defined in the project plans and specifications, in an efficient and timely manner.

## **ENVIRONMENTAL ANALYSIS**

This project is considered a Class 1 exemption as defined in Section 15301(c) of the California Environmental Quality Act, since the project consists of the maintenance of existing public streets and does not involve expansion of the existing use of the streets.

**FISCAL IMPACT**

Funds in the amount of \$1,320,000 have been budgeted in the Fiscal Year 2023-24 Capital Improvement Program for the Annual Slurry Seal Program. The total cost for this Project is \$1,183,595.09. This amount reflects the original contract amount of \$1,201,535, minus quantity changes totaling \$17,939.91, or 1.5% less than the original contract amount.

**RECOMMENDATION**

It is recommended that the City Council determine that this project is exempt under the California Environmental Quality Act (“CEQA”); and accept all work performed by American Asphalt South, Inc. for the Fiscal Year 2023-24 Annual Slurry Seal Project as complete; and authorize the final payment to be made in accordance with the contract documents, subject to the retention of \$59,179.75.

Approved:

  
\_\_\_\_\_  
Dominic Lazzaretto  
City Manager



# STAFF REPORT

Public Works Services Department

**DATE:** October 15, 2024

**TO:** Honorable Mayor and City Council

**FROM:** Paul Cranmer, Public Works Services Director  
By: Carlos Aguilar, General Services Superintendent

**SUBJECT:** ACCEPT ALL WORK PERFORMED BY R&R ROOFING & WATERPROOFING, INC. FOR THE REROOF AT VARIOUS CITY FACILITIES PROJECT AS COMPLETE  
**CEQA: Exempt**  
**Recommendation: Approve**

## **SUMMARY**

On December 19, 2023, the City Council approved a contract with R&R Roofing & Waterproofing, Inc. in the amount of \$846,440, with a 10% contingency for the Reroof at Various City Facilities Project. The terms and conditions of this project have been complied with and the work has been performed to the satisfaction of the Project Manager for a total project cost of \$897,085.54. This amount reflects the original contract amount of \$846,440 plus quantity changes totaling \$50,645.54, or 6% more than the original contract amount. The project change orders were required to address additional wear and tear on the roofing surfaces than originally estimated.

It is recommended that the City Council accept all work performed by R&R Roofing & Waterproofing, Inc. for the Reroof at Various City Facilities Project as complete, and authorize the final payment to be made in accordance with the contract documents.

## **BACKGROUND**

The Fiscal Year 2023-24 CIP provided for the reroofing of the Chamber of Commerce, City Council Chambers, and the Community Center buildings, as well as a roof restoration at the Police Department. It was determined that the roof replacement and restoration project would be performed by a licensed roofing contractor, using materials that were purchased and supplied by the City. On November 7, 2023, the City Council approved a purchase order with The Garland Company, Inc. for the purchase of roofing materials in the amount \$142,709.94. The actual cost of all materials totaled \$133,330.08. This approach to construction reduced the total project cost by eliminating a material price markup from the contractor.

## **DISCUSSION**

On December 19, 2023, the City Council approved a contract with R&R Roofing & Waterproofing, Inc. for the Reroof at Various City Facilities Project. The project included replacing the existing wood shingles at the Chamber of Commerce with a polymer wood shingle style covering; a roof replacement at the City Council Chambers that included an asphalt primer coating, and a topcoat designed to provide enhanced protection and lower interior temperatures; replacement of the flat roof at the Community Center, redoing the valleys and repairing damaged tile areas to create a leak-free roof system; and a roof restoration at the Police Department that addressed damage to the original roof, including cracks and loss of protective granules.

During the scope of work, it was determined that there were many damaged pieces of plywood and various cracked tiles on the sloped sides of the roofs that needed to be replaced. Additionally, several sections of the valleys were replaced and resealed. Even with the additional scope of work, the project remained within the contingency budget. All terms and conditions of this contract have been complied with and the work has been performed to the satisfaction of the Project Manager. R&R Roofing & Waterproofing, Inc. completed the work as defined in the project plans and specifications, in an efficient and timely manner.

## **ENVIRONMENTAL ANALYSIS**

This project was considered a Class 1 exemption as defined in Section 15301(d) "Existing Facilities" projects of the California Environmental Quality Act ("CEQA"), which exempts projects consisting of the repair and maintenance of existing public structures.


## **FISCAL IMPACT**

Funds in the amount of \$1,500,000, for both labor and materials, were budgeted in the Fiscal Year 2023-24 Capital Improvement Program for the Reroof at Various City Facilities Project. The roofing materials were purchased under a separate contract in the amount of \$133,330.08. The total construction cost was \$897,085.54. This amount reflects the original contract amount of \$846,440 plus quantity changes totaling \$50,645.54, or 6% more than the original contract amount. The total cost for this project was \$1,030,415.62.

## **RECOMMENDATION**

It is recommended that the City Council determine that this project is exempt under the California Environmental Quality Act ("CEQA"); and accept all work performed by R&R Roofing & Waterproofing, Inc. for the Reroof at Various City Facilities Project as complete.

Approved:



Dominic Lazzaretto  
City Manager



# STAFF REPORT

Public Works Services Department

**DATE:** October 15, 2024

**TO:** Honorable Mayor and City Council

**FROM:** Paul Cranmer, Public Works Services Director  
By: Carlos Aguilar, General Services Superintendent

**SUBJECT:** ACCEPT ALL WORK PERFORMED BY CARRIER CORPORATION FOR THE LIBRARY CHILLER REPLACEMENT PROJECT AS COMPLETE  
**CEQA: Exempt**  
**Recommendation: Approve**

## **SUMMARY**

On October 4, 2022, the City Council approved a contract with Carrier Corporation in the amount of \$318,645, for the Library Chiller Replacement Project. The terms and conditions of this project have been complied with, and the work has been performed to the satisfaction of the Project Manager for a total project cost of \$318,645. It is recommended that the City Council accept all work performed by Carrier Corporation for the Library Chiller Replacement Project as complete.

## **BACKGROUND**

The Fiscal Year 2019-20 Capital Improvement Program (“CIP”) included the replacement of the 110-ton water-cooled chiller and controller at the Arcadia Public Library. The water-cooled chiller is responsible for providing cooling to most of the Library building. Over time, the chiller began presenting numerous maintenance issues, with costly repairs needed for the compressors that operate the water-cooled chiller. To extend its lifecycle as long as possible, to keep costs down during a period of economic uncertainty, and to keep staff and the public safe during the pandemic, this project was placed on hold.

The water-cooled chiller had outlived its useful life and the compressors on the chiller were beginning to fail. The Arcadia Library Chiller was operating on only three of its four compressors and replacing it became imperative to ensure the facility was properly cooled, especially considering the Library is a designated cooling center for the City. Furthermore, in addition to the limited supply of conditioned air, the chiller was charged with R-22 refrigerant, which has become restricted by South Coast Air Quality Management District (“AQMD”). A new Modular Chiller operating on R-410A freon refrigerant was needed as a replacement to comply with AQMD requirements.

## **DISCUSSION**

On October 4, 2022, the City Council approved a contract with Carrier Corporation for the Library Chiller Replacement Project. The work included the replacement of the chiller and all related piping, which was completed within six weeks. As part of this contract, a temporary trailered chiller unit was utilized to provide cooling for the facility while the replacement of the chiller was completed. The new chiller system is Title 24 compliant, is energy efficient, and operates on an R-410A freon refrigerant that meets AQMD requirements.

All terms and conditions of this contract have been complied with and the work has been performed to the satisfaction of the Project Manager. Carrier Corporation completed the work as defined in the project plans and specifications, in an efficient and timely manner.

## **ENVIRONMENTAL ANALYSIS**

This project was considered a Class 1 exemption as defined in Section 15301(d) "Existing Facilities" projects of the California Environmental Quality Act ("CEQA"), which exempts projects consisting of the repair and maintenance of existing public structures.

## **FISCAL IMPACT**

Funds in the amount of \$150,000 were budgeted in the Fiscal Year 2019-20 CIP for the Library Chiller Replacement Project. Due to major construction and material cost increases incurred since the project was originally budgeted, a supplemental budget appropriation was authorized by the City Council on October 4, 2022, in the amount of \$168,645. The supplemental budget plus the original budget results in total funds in the amount of \$318,645, which is the total cost for this project.

## **RECOMMENDATION**

It is recommended that the City Council determine that this project is exempt under the California Environmental Quality Act ("CEQA"); and accept all work performed by Carrier Corporation for the Library Chiller Replacement Project as complete.

Approved:

  
Dominic Lazzaretto  
City Manager



# STAFF REPORT

Public Works Services Department

**DATE:** October 15, 2024

**TO:** Honorable Mayor and City Council

**FROM:** Paul Cranmer, Public Works Services Director  
By: Carlos Aguilar, General Services Superintendent

**SUBJECT:** ACCEPT ALL WORK PERFORMED BY CALIFORNIA COAST CARPET & FLOORING FOR THE FIRE STATION 105 AND FIRE STATION 106 CARPET REPLACEMENT PROJECT AS COMPLETE  
**CEQA: Exempt**  
**Recommendation: Approve**

## **SUMMARY**

On November 21, 2023, the City Council approved a contract with California Coast Carpet & Flooring in the amount of \$95,049.62, for the Fire Station 105 and Fire Station 106 Carpet Replacement Project. The terms and conditions of this project have been complied with and the work has been performed to the satisfaction of the Project Manager, for a total project cost of \$95,049.62.

It is recommended that the City Council accept all work performed by California Coast Carpet & Flooring for the Fire Station 105 and Fire Station 106 Carpet Replacement Project.

## **BACKGROUND**

The Public Works Services Department (“PWSD”) is responsible for the maintenance and repair of all City facilities. The Fiscal Year 2019-20 Capital Improvement Program (“CIP”) budget provided for the replacement of the carpet tiles on the first floor of Fire Station 105. The first-floor carpet tiles at Fire Station 105 were the original tiles that were installed over 15 years ago during the building’s construction. Due to the station’s high-traffic activity, the carpet tiles were worn, stained beyond repair and in need of replacement. Like other projects in the Fiscal Year 2019-20 CIP, this project was placed on hold due to the pandemic. The carpet replacement on the first floor of Fire Station 105 was the second and final phase of an overall flooring installation project at Fire Station 105. The second-floor carpet tile was replaced in Fiscal Year 2018-19.

The Fiscal Year 2021-22 CIP budget provided for the replacement of carpet tiles in the office and dorm areas of Fire Station 106. The Fire Station 106 carpet tiles were the original tiles that were installed over 20 years ago. Due to the station's high-traffic activity, the carpet tiles were worn, stained, and in need of replacement.

The PWSD determined that combining the projects into a single effort would streamline installation and reduce overall costs. On October 18, 2022, the City awarded a contract to Mohawk Commercial, Inc. for the Fire Station 105 and Fire Station 106 Carpet Replacement Project. Unfortunately, Mohawk Commercial, Inc. was not able to meet the City's insurance requirements. As such, the City could not fully execute a contract and the project was unable to move forward, requiring the project to be re-bid.

## **DISCUSSION**

On November 21, 2023, the City Council approved a contract with California Coast Carpet & Flooring for the Fire Station 105 and Fire Station 106 Carpet Replacement Project. As part of this project, a select combination of wear and stain resistant carpet tile and vinyl linoleum products were installed to prevent premature wear and increase the lifespan of the new flooring. The areas of initial entry in both facilities received a highly durable "walk off" carpet tile that has a thicker pile than traditional carpeting, and increased stain resistance. The high-traffic hallways have been covered in a plank vinyl linoleum product that will allow for simplified routine cleaning and maintenance. The carpet tiles in the dorm and office areas were replaced with a color and pattern that will better conceal stains and discoloration to better preserve the appearance of the carpeting.

All terms and conditions of this contract have been complied with and the work has been performed to the satisfaction of the Project Manager. California Coast Carpet & Flooring completed the work as defined in the project plans and specifications, in an efficient and timely manner.

## **ENVIRONMENTAL ANALYSIS**

This carpet replacement project is considered a Class 1 exemption as defined in Section 15301(a) "Existing Facilities" projects of the California Environmental Quality Act ("CEQA"), which exempts projects consisting of the minor alteration of existing public structures.

## **FISCAL IMPACT**

Funds in the amount of \$100,000 were budgeted collectively in the Fiscal Year 2019-20 and 2021-22 Capital Improvement Programs, for the Fire Station 105 and Fire Station 106 Carpet Replacement Project. The total cost for this project is \$95,049.62.

**RECOMMENDATION**

It is recommended that the City Council determine that this project is exempt under the California Environmental Quality Act ("CEQA"); and accept all work performed by California Coast Carpet & Flooring for the Fire Station 105 and Fire Station 106 Carpet Replacement Project as complete.

Approved:

  
\_\_\_\_\_  
Dominic Lazzaretto  
City Manager