



**CITY OF NORCO
CITY COUNCIL REGULAR MEETING AGENDA**

**Wednesday, October 21, 2015
City Council Chambers, 2820 Clark Avenue, Norco, CA 92860**

- CALL TO ORDER:** 7:00 p.m.
- ROLL CALL:** Herb Higgins, Mayor
Kevin Bash, Mayor Pro Tem
Kathy Azevedo, Council Member
Berwin Hanna, Council Member
Greg Newton, Council Member
- PLEDGE OF ALLEGIANCE:** Mayor Herb Higgins
- INVOCATION:** Pastor Vernie Fletcher, Grace Fellowship Church
- PROCLAMATION:** Red Ribbon Week - *“Respect Yourself. Be Drug Free.”* October 23-31, 2015
- PRESENTATION:** Assembly Member Eric Linder – Overview of Assembly Bill 794, Criminal Acts Against Law Enforcement Animals

CITY COUNCIL BUSINESS ITEMS AS FOLLOWS:

1. CITY COUNCIL COMMUNICATIONS / REPORTS ON REGIONAL BOARDS AND COMMISSIONS:
2. CITY COUNCIL CONSENT ITEMS: *All items listed under the Consent Calendar are considered to be routine and may be enacted by one motion. Prior to the motion to consider any action by the Council, any public comments on any of the Consent Items will be heard. There will be no separate action unless members of the Council or the audience request specific items be removed from the Consent Calendar. Items removed from the Consent Calendar will be separately considered under Item No.3 of the Agenda.*
 - A. City Council Regular Meeting Minutes of October 7, 2015. **Recommended Action: Approve the City Council regular meeting minutes.** (City Clerk)
 - B. Procedural Step to Approve Ordinance after Reading of Title Only. **Recommended Action: Approval** (City Clerk)

- C. Acceptance of Proposals and Award of Contract for Sanitary Sewer and Storm Drain Maintenance Services. **Recommended Action: Accept proposals and award the Sanitary Sewer and Storm Drain Maintenance Services Contract to Innerline Engineering located in Murrieta, California in an amount not to exceed \$100,000, and authorize the City Manager the option to extend the agreement for one year.** (Deputy City Manager)
 - D. Acceptance of Proposal and Award of Contract for Street Sweeping Services. **Recommended Action: Accept the proposal submitted for Street Sweeping Services, award contract to Clean Street located in Gardena, California, authorize the City Manager to execute the contract in the amount not to exceed \$25,000, and authorize the City Manager the option to extend the agreement for one year.** (Deputy City Manager)
 - E. Quarterly Investment Report for Quarter Ended September 30, 2015. **Recommended Action: Receive and file the Quarterly Investment Report for the Quarter Ended September 30, 2015.** (Finance Officer)
 - F. Acceptance of Proposals and Award of Contract for Building and Safety Division Plan Check Services. **Recommended Action: Accept proposals and award contract for Plan Check Services to Willdan located in San Bernardino, California, and Bureau Veritas located in Costa Mesa and San Diego, California.** (Planning Director)
3. ITEM(S) PULLED FROM CITY COUNCIL CONSENT CALENDAR
4. PUBLIC COMMENTS - *This is the time when persons in the audience wishing to address the City Council regarding matters not on the agenda may speak. Please complete the speaker card in the back of the room and present it to the City Clerk so that you may be recognized.*
5. LEGISLATIVE MATTERS: *No new evidence will be heard from the public as the public hearing has been closed regarding the items listed.*
- A. **Ordinance No. 995, Second Reading. Code Change 2015-05.** A Request to Amend Title 1 of the Norco Municipal Code Adding Chapter 1.07 "Public Notice Posting" Establishing Public Places for Posting of City Notices. (City Clerk)

Since its incorporation, the City has designated various public places for the posting of City notices in accordance with the California Government Code. The list of public places was previously established through the adoption of a resolution, which was amended from time-to-time to reflect a change of address or an addition/deletion of a designated location. Public Contract Code 20164 requires that said places for public posting be established by Ordinance.

Recommended Action: Adopt Ordinance No. 995, for second reading.

- B. **Ordinance No. 996, Second Reading. Zone Code Amendment 2015-06** (City): A request to Amend Norco Municipal Code Chapter 18.23 "C-4" (Commercial) Zone, Permitted and Conditionally-Permitted Uses. (Planning Director)

This is the first phase of a planned update and revision to the C-4 zone to improve economic opportunities on Sixth Street and encourage more retail development. This phase is a proposed revision to the list of permitted uses that are currently allowed in the C-4 zone to broaden and redefine the categories, and eliminate the specificity, thereby allowing more retail uses by inclusion.

Recommended Action: Adopt Ordinance No. 996, for second reading.

6. DISCUSSION / ACTION ITEMS:

- A. Approval of Service Agreement for Preliminary Engineering and Environmental Documentation by and Between the County of Riverside, City of Eastvale, and City of Norco for Hamner Avenue Bridge Improvements. (City Manager)

This agreement recognizes that the City of Norco is the lead sponsoring agency, the City of Eastvale as a cooperating local funding partner, and County of Riverside as the responsible party for implementing the project. Through this agreement, the Cities of Norco and Eastvale are committing \$249,000 each for preliminary engineering and environmental documentation of the Hamner Avenue Bridge Improvements (Project).

Recommended Action: Approve the Service Agreement for preliminary engineering and environmental documentation by and between the County of Riverside, City of Eastvale, and City of Norco for Hamner Avenue Bridge Improvements.

- B. Fiscal Year 2014-2015 Year-End Budget to Actual Report. (Finance Officer)

The Fiscal Year 2014-2015 actual revenues and expenditures performed better than final year-end budget projections for the City's main Operating Funds - General Fund, Water Fund and Sewer Fund. This means that actual revenues exceeded budget amounts while actual expenditures came in below budgets. The combination of improving revenues and better expenditure control resulted in better than expected increase in fund balance for the General Fund and improved working capital for the Water and Sewer Enterprise Funds.

Recommended Action: Receive and file the Fiscal Year 2014-2015 Year-End Budget to Actual Report and adopt Resolution No. 2015-64, approving the reappropriation of \$129,846 to fund improvements to the Norco Auto Mall Sign.

- C. Approval of Additional Appropriation of Funds for Crestview Drive Flooding Temporary Remediation Measures. (Deputy City Manager)

At the September 16, 2015 City Council meeting staff presented a report outlining temporary measures for the protection of homes on Crestview Drive and Mt. Rushmore Drive. Preliminary funding was provided to begin implementation of remedial work required by the City Engineer. In order to complete the City Engineer recommendations, staff is requesting an additional appropriation of \$52,001 to implement measures beyond those presented at the meeting.

Recommended Action: Adopt Resolution No. 2015-65, approving an additional appropriation in the amount not to exceed \$52,001 to implement Crestview Drive flooding temporary remediation measures.

7. CITY COUNCIL / CITY MANAGER / STAFF COMMUNICATIONS:

ADJOURNMENT

In compliance with the Americans with Disabilities Act, any person with a disability who requires a modification or accommodation in order to participate in this meeting, please contact the City Clerk's office, (951) 270-5623, at least 48 hours prior to the meeting to make reasonable arrangements to ensure accessibility.

Staff reports are on file in the City Clerk's Office. Any writings or documents provided to a majority of the City Council regarding any item on this agenda will be available for public inspection at the City Clerk's Counter in City Hall located at 2870 Clark Avenue during normal business hours.



**CITY OF NORCO
CITY COUNCIL REGULAR MEETING MINUTES**

**Wednesday, October 7, 2015
City Council Chambers, 2820 Clark Avenue, Norco, CA 92860**

CALL TO ORDER: 6:02 p.m.

ROLL CALL: Herb Higgins, Mayor, **Present**
Kevin Bash, Mayor Pro Tem, **Present**
Kathy Azevedo, Council Member, **Present**
Berwin Hanna, Council Member, **Present**
Greg Newton, Council Member, **Present**

The City Council recessed to Closed Session (Section 54954) to consider the following matters:

CLOSED SESSION:

**§54956.9(c) – Conference with Legal Counsel – Anticipated Litigation
Six Potential Cases**

RECONVENE PUBLIC SESSION: 7:18 p.m.

REPORT OF ACTION(S) TAKEN IN CLOSED SESSION - §54957.1: (City Attorney)

City Attorney John Harper indicated that there was no reportable action from Closed Session.

PLEDGE OF ALLEGIANCE: Council Member Greg Newton

INVOCATION: Deacon Joe Vela, St. Mel's Catholic Church

Deacon Joe Vela was unable to attend the meeting. Ms. Rose Eldridge graciously gave the invocation.

CITY COUNCIL BUSINESS ITEMS AS FOLLOWS:

1. A. WASTE MANAGEMENT SERVICES UPDATE (Glenda Chavez, Public Sector Representative)

Glenda Chavez provided the Council with a brief report of some of the services available for residents, including Free Dump Day on Saturday, October 17th from 9:00 a.m. – 2:00 p.m. Ms. Chavez also noted that residents are allowed three free bulky item pick-ups per year and asked that residents provide at least a 48-hour notice for pick up. She commented on the Sharps Program in which residents may call Waste management for a free disposal kit. Lastly, Ms. Chavez indicated that the City of Norco has a 63.5% diversion rate. Ms. Chavez offered her cell phone number, 909-306-8048, to report

concerns. In response to Council Member Hanna, Ms. Chavez indicated that she would follow up on calls he received that trucks were not picking up manure bins because they were too full.

B. CITY COUNCIL COMMUNICATIONS / REPORTS ON REGIONAL BOARDS AND COMMISSIONS:

Mayor Pro Tem Bash:

- Attended STAR Advisory meeting today and noted that they are working on scheduling a candidate's forum. Saturday, October 10 is the Senior Breakfast and the candidates have been invited.
- Attended a Regional Conservation Authority of Western Riverside County (RCA) meeting.
- Met with Virginia Bloomenthal and Laura Dinsmore regarding Measure L.
- Attended the League of California Cities Conference in San Jose, September 30 – October 2, 2015 and reported that Norco is increasingly becoming well-known in the State. Mayor Pro Tem Bash reported on several sessions attended.

Council Member Hanna:

- Attended the League of California Cities Annual Conference in San Jose, September 30 – October 2, 2015 and reported on the various sessions attended including topics on parks, infrastructure, and use of volunteers. Council Member Hanna also noted that many at the conference knew about Silverlakes.
- Commented on Vector Control's severe problem with West Nile Virus and now Yellow Fever.

Council Member Newton:

- Attended a Western Riverside County Regional Wastewater Authority (WRCRWA) on September 30th in which an update on the new plant operations and expansion of the sewer treatment plant was given. The project is 20% complete and the projected completion date is March 2017. Council Member Newton commented on the Petition of Change for the reclaimed water going into the Santa Ana River, which potentially will be resolved within six months.

Council Member Azevedo:

- Attended two Western Riverside Council of Governments (WRCOG) meetings. WRCOG voted County buildings exempt from paying TUMF fees. The CEO of Southern California Association of Governments (SCAG) spoke at WRCOG regarding regional transportation and the need to start thinking outside of the box and ways cities can collaborate with other cities to get better pricing.
- Commented on Breast Cancer Awareness month.
- Commented that Congressman Ken Calvert is hosting a fundraising event at YMCA on October 24, 2015.

- Commented that Mr. R.J. Brandes will be the keynote speaker at the RURAL meeting on October 22, 2015 at Sixth Street Deli.

Mayor Higgins:

- No report given.

2. CITY COUNCIL CONSENT ITEMS:

M/S BASH/HANNA to approve the Consent Calendar items as recommended. The motion was carried by the following roll call vote:

AYES: AZEVEDO, BASH, HANNA, HIGGINS, NEWTON

NOES: NONE

ABSENT: NONE

ABSTAIN: NONE

- A. City Council Regular Meeting Minutes of September 16, 2015. **Action: Approved the City Council regular meeting minutes.** (City Clerk)
- B. Procedural Step to Approve Ordinance after Reading of Title Only. **Action: Approved.** (City Clerk)
- C. Recap of Actions Taken by the Planning Commission at its Meeting Held on September 30, 2015. **Action: Received and filed.** (Planning Director)
- D. Southern California Edison (SCE) Easement for Silverlakes Property. **Action: Executed the Southern California Edison Easement to provide on-site electrical service to the Silverlakes project.** (Associate Engineer)

3. ITEM(S) PULLED FROM CITY COUNCIL CONSENT CALENDAR

None.

4. PUBLIC COMMENTS:

Richard Hallam commented on Silverlakes and the positive effects on businesses in Norco. Mr. Hallam thanked the Council and RJ Brandes for their vision and support.

Ted Hoffman stated that he wants to address to the City Council an issue he commented on at the Streets, Trails and Utilities Commission this week. Mr. Hoffman said that he feels strongly that the City should help the residents on California Avenue. California Avenue was never designed to be a thoroughfare and that the speed limit should be changed from 35 mph to 25 mph.

David Schiermeyer commented on the City's noise ordinance and thanked staff for their work on the ordinance. Mr. Schiermeyer indicated that the challenge is that law enforcement is not in alignment with the policy. He gave an example that a Sheriff's Deputy told his neighbor that he could ride his motorcycle in his backyard. This has created a considerable nuisance for him and his neighbors. Mr. Schiermeyer expressed

his concern that the police is not fully enforcing the ordinance or is not fully aware of the specifics of the ordinance.

Ed Dixon commented that it has been several years since the truck depot issue was discussed. He said that it appears that at that time, the City Council was going to look into the Gateway Specific Plan and redefine it. Mr. Dixon asked the Council if it was being worked on.

Gary Cervantes commented on a party that took place last Saturday at 306 Silver Springs Place. Mr. Cervantes said that the party got out of control and there were over 400 people at the residence, some with baseball bats and at one point there were gunshots. Mr. Cervantes expressed his concern that he called the Sheriff's Department but there was a delay in response.

Michele Steeber, Mr. Cervantes' neighbor, also commented on the party and asked how the City can get more deputies on the streets.

5. LEGISLATIVE MATTER:

- A. **Ordinance No. 994, Second Reading. Code Change 2015-04:** Amending Title 15 of the Norco Municipal Code Adding Chapter 15.110, "Small Residential Solar Energy Systems," Related to Regulations Governing Small Residential Solar Energy Systems and Inspections. (City Clerk)

M/S BASH/HANNA to adopt Ordinance No. 994 for second reading. The motion was carried by the following roll call vote:

AYES: AZEVEDO, BASH, HANNA, HIGGINS, NEWTON

NOES: NONE

ABSENT: NONE

ABSTAIN: NONE

6. PUBLIC HEARINGS:

- A. **Ordinance No. 995, First Reading. Code Change 2015-05.** A Request to Amend Title 1 of the Norco Municipal Code Adding Chapter 1.07 "Public Notice Procedure" Establishing Public Places for Posting of City Notices. (City Clerk)

City Clerk Cheryl Link reported that since its incorporation, the City has designated various public places for the posting of City notices in accordance with the California Government Code. The list of public places was previously established through the adoption of a resolution, which was amended from time-to-time to reflect a change of address or an addition/deletion of a designated location. Public Contract Code 20164 requires that said places for public posting be established by Ordinance.

Mayor Higgins opened the public hearing indicating that proper notification had been made and asked for the appearance of those wishing to speak. With no one wishing to speak, Mayor Higgins closed the public hearing bringing the discussion back to Council Members.

M/S AZEVEDO/BASH to adopt Ordinance No. 995 for first reading and schedule the second reading for October 21, 2015. The motion was carried by the following roll call vote:

AYES: AZEVEDO, BASH, HANNA, HIGGINS, NEWTON

NOES: NONE

ABSENT: NONE

ABSTAIN: NONE

- B. Resolution No. 2015-63. Conditional Use Permit 2008-09 (Silverlakes):**
Make a finding of consistency with the approved Development Agreement for a proposed irrigation reservoir in an area designated as parking in the Master Site Plan. (Planning Director)

Planning Director Steve King reported that this is a request for a Finding of Consistency by the City Council that a proposed on-site irrigation supply reservoir is consistent with the Development Agreement for Silverlakes Equestrian and Sports Park. Conditional Use Permit (CUP) 2008-09 authorized the development of SilverLakes Equestrian and Sports Park. A Development Agreement (DA) was approved in 2011 to which a revised site plan was also approved (ref. Exhibit "A"). The revised site plan included an on-site conservation area to mitigate the loss of riverine habitat when the project was developed. That on-site conservation area is now going to be replaced with an off-site conservation area in combination with a conservation area that City had to establish for the widening of Hamner Avenue and the ensuing loss of riverine habitat there. The City Council has already approved the off-site conservation area referred herein as the Hamner Widening/SilverLakes Transfer (HWST) conservation area and it is just awaiting final approval by the California Department of Fish and Wildlife so that it can be recorded. Once the HWST conservation area is recorded the intent was that the on-site conservation area would be converted to additional parking. It is now being proposed as an on-site irrigation supply reservoir.

Mayor Pro Tem Bash and Council Members Hanna and Azevedo indicated that they are in favor.

Council Member Newton referenced the staff report where it mentions the off-site conservation area in combination with a conservation area that was established with the widening of Hamner Avenue and asked if the off-site conservation area was at a different location. Director King stated that the off-site conservation area is east of the Silverlakes project site and is a combination area that accomplishes two things: 1) it compensates for the loss of the riparian area with the widening of Hamner Avenue; and 2) it was combined into one project to remove the on-site conservation area. Council Member Newton asked if by the City still waiting on the California Department of Fish and Wildlife approval, if it would affect the Finding of Consistency. In response, Director King stated that the Conservation District Board has it on their agenda this month for approval and does not affect the Finding of Consistency. Council Member Newton commented that this Finding of Consistency should go before the Planning Commission and asked why the creation of this reservoir does not impact the EIR. Director King stated that the creation of the reservoir does not affect the use of the park; it is just changing functions on the site. There

was some discussion between Council Member Newton and City Attorney Harper about the need for the reservoir to be titled to the City. City Attorney Harper indicated that every improvement made on the property is in the City's ownership. In response to Council Member Newton's concern about this item not going before the Planning Commission, City Attorney Harper said that the distinction is had there been an amendment to the Development Agreement, then this item would have gone before the Planning Commission first.

In response to Mayor Higgins' concern about water availability with increased development, Director King indicated that there are 4-5 wells on the property. City Attorney Harper added that the source of irrigation water is the wells.

Mayor Higgins opened the public hearing indicating that proper notification had been made and asked for the appearance of those wishing to speak.

Karen Leonard asked who pays for this work. City Attorney Harper stated that Balboa Management pays for the work. Ms. Leonard also asked if it is reclaimed water in which Mr. Harper responded that it is well water. Ms. Leonard wanted to be assured that this would have no impact on water conservation efforts for the City and that there would be no cost to the City.

With no one else wishing to speak, Mayor Higgins closed the public hearing bringing the discussion back to Council Members.

M/S HANNA/BASH to adopt Resolution No. 2015-63, making a Finding of Consistency with the Development Agreement for Conditional Use Permit 2008-09.

A substitution motion was made by Council Member Newton to send this item to the Planning Commission in order to make a Finding of Consistency. Motion failed due to a lack of a second.

The original motion was carried by the following roll call vote:

AYES: AZEVEDO, BASH, HANNA, HIGGINS

NOES: NEWTON

ABSENT: NONE

ABSTAIN: NONE

- C. **Ordinance No. 996, First Reading. Zone Code Amendment 2015-06**
(City): A request to Amend the Norco Municipal Code Chapter 18.23 "C-4"
(Commercial) Zone, Permitted and Conditionally-Permitted Uses. (Planning
Director)

Planning Director Steve King reported that this is the first phase of a planned update and revision to the C-4 zone to improve economic opportunities on Sixth Street and encourage more retail development. This phase is a proposed revision to the list of permitted uses that are currently allowed in the C-4 zone to broaden and redefine the categories, and eliminate the specificity, thereby allowing more retail uses by inclusion. A City Council/Planning Commission Working Group set out to make the C-4 zone more development friendly, spur more development opportunities and maintain the animal-

keeping retail and western theme. The goals and recommendations of the Working Group were discussed at the July 10 and August 14, 2013 Planning Commission meetings and on September 11, 2013 the project was tabled so as to address an overall amendment to the C-4 zone but split it into phases to be more effective. Addressing the list of permitted uses is the first phase of amending the C-4 zone. The second phase will address development standards and ways to encourage and incentivize lot consolidation along with other changes to make development easier. The Planning Commission will analyze re-adopting the Sixth Street Revitalization Specific Plan, in whole or in parts, as part of the overall goal of making Sixth Street more attractive to commercial development. The review of the Specific Plan will be part of the second phase that will resume at a later date.

Mayor Pro Tem Bash indicated that he likes the broad categories and said he hopes it can be expanded to the 100 acres. Mayor Pro Tem Bash thanked the Planning Commission for their work.

Council Member Azevedo expressed concerns and thought that the aim was for Sixth Street to be western-themed retail. She said that lacking specificity is concerning. Director King indicated that under each of the broad categories, there is a list of uses that are absolutely not permitted. Council Member Azevedo commented on the possibility of a bed and breakfast type hotel with the ability of patrons to bring their horses. Director King stated that a bed and breakfast use is allowed along all of Sixth Street. Hotels and motels are limited to west of Center Avenue.

Council Member Newton complimented staff and the Planning Commission for their work on this code amendment. Council Member Newton noted that under Animal Care, boarding of large and small animals is permitted but asked if a dog rescue is allowed. Director King stated that a dog rescue is permitted. There was some discussion between Council Members to exclude dog rescues on Sixth Street.

Council Member Azevedo asked about rental stables. Director King stated that rental stables are only permitted east of Pedley Avenue. Mayor Pro Tem Bash commented that properties east of Pedley Avenue are larger and properties west of Pedley Avenue are long and narrow. Council Member Azevedo said that she supports rental stables west of Pedley Avenue with a Conditional Use Permit. In response to Council Member Newton, Director King indicated that stables can be a primary or ancillary use to a bed and breakfast.

Mayor Higgins referenced Item "H – Personal Services/Sales," and asked if tattoo and massage parlors are permitted uses on Commerce Street and Industrial Avenue. Director King said that those are permitted as ancillary uses.

Mayor Higgins opened the public hearing indicating that proper notification had been made and asked for the appearance of those wishing to speak. With no one wishing to speak, Mayor Higgins closed the public hearing bringing the discussion back to Council Members.

M/S BASH/HANNA to adopt Ordinance No. 996 for first reading with the exclusion of dog rescues as a permitted use, and stables west of Pedley Avenue require a Conditional Use Permit. The motion was carried by the following roll call vote:

AYES: AZEVEDO, BASH, HANNA, HIGGINS, NEWTON

NOES: NONE

ABSENT: NONE

ABSTAIN: NONE

7. CITY COUNCIL / CITY MANAGER / STAFF COMMUNICATIONS:

Mayor Pro Tem Bash requested to agendize discussion of the pending proposal to build 725 in the Hidden Valley area.

M/S BASH/HIGGINS to agendize discussion of the pending proposal to build homes in the Hidden Valley area. The motion was carried by the following roll call vote:

AYES: AZEVEDO, BASH, HANNA, HIGGINS, NEWTON

NOES: NONE

ABSENT: NONE

ABSTAIN: NONE

Council Member Newton requested a status of the traffic calming study for California Avenue and North Drive. City Manager Okoro stated that the City Engineer is still working on the study and will present it to the City Council upon completion. Mr. Okoro indicated that a brief update would be provided in the Weekly Highlights this week.

Council Member Azevedo commented on the International Council of Shopping Centers convention that she attended last month with Mayor Pro Tem Bash, Planning Director Steve King, and Economic Development Consultant Roger Grody. Her comments tied into what Norco would like to see developed on the former Norco Egg Ranch property of 100 acres. Council Member Azevedo requested that the Planning Commission discuss and provide recommendations for the ideal zoning for that property so that the appropriate companies can be solicited.

M/S AZEVEDO/HIGGINS to have the Planning Commission discuss and provide recommendations for the ideal zoning of the former Norco Egg Ranch Property (100 acres). The motion was carried by the following roll call vote:

AYES: AZEVEDO, BASH, HANNA, HIGGINS, NEWTON

NOES: NONE

ABSENT: NONE

ABSTAIN: NONE

Mayor Higgins commented that the next Norco Community Town Hall meeting is scheduled for October 26, 2015 at 6:30 p.m. at Nellie Weaver Hall hosted by the Lake Norconian Club Foundation. He also commented on the Norco Horsetown Hall of Fame event on Saturday, October 10, 2015 at Stacey Turner's Ranch at 2:00 p.m.

City Manager Okoro briefly commented on his attendance at the League of California Cities Conference in San Jose last week. He reported on the various sessions attended

including topics covering PERS, medical marijuana, options for redevelopment, and reductions in gas tax revenue.

City Clerk Link noted that the final day to register to vote for the November 3, 2015 election is Monday, October 19, 2015. Eligible voters may register online. Voter registration cards are also available at the Department of Motor Vehicles, Norco Senior Center, and City Hall.

Sheriff Lieutenant Briddick commented on the upcoming Norco Business Owners's Information meeting on October 29, 2015 at 11:00 a.m. at Nellie Weaver Hall. This meeting will provide crime prevention techniques for businesses.

ADJOURNMENT

Mayor Higgins adjourned the meeting at 9:07 p.m.

Cheryl L. Link, CMC, City Clerk

CITY OF NORCO STAFF REPORT

TO: Honorable Mayor and Members of the City Council

FROM: Andy Okoro, City Manager

PREPARED BY: Brian K. Petree, Deputy City Manager

DATE: October 21, 2015

SUBJECT: Acceptance of Proposals and Award of Contract for Sanitary Sewer and Storm Drain Maintenance Services.

RECOMMENDATION: Accept proposals and award the Sanitary Sewer and Storm Drain Maintenance Services contract to Innerline Engineering located in Murrieta, California, in the amount not to exceed \$100,000, and authorize the City Manager the option to extend the agreement for one year.

SUMMARY: Proposals for the Sanitary Sewer and Storm Drain Maintenance Services Contract were opened on September 14, 2015 with Innerline Engineering submitting the lowest unit cost to perform sanitary sewer collection system and storm drain maintenance. It is recommended that the City Council award the sanitary sewer and storm drain maintenance services agreement to Innerline Engineering.

BACKGROUND/ANALYSIS: Staff completed detailed specification for bidding purposes and on September 14, 2015, unit price proposals were received for specific items related to sewer collection and storm drain maintenance. The Request for Proposal package required the proposer to provide costs to perform sewer and storm drain pipe cleaning, lift and pump station maintenance, pipeline video, and emergency after-hour response to sanitary sewer overflows.

A total of five (5) bids were received ranging in value from \$43,536.50 to \$264,834.00 based on unit cost i.e., liner footage, labor, unit frequency. Innerline Engineering provided the overall lowest unit price for services based on basic scope of work. The bid from Empire is deemed non-responsive because their bid did not conform to the City bid schedule.

The contractor's license and references were checked and found to be satisfactory. The proposal summary sheet has been attached for City Council's review. The proposed service agreement will be for two years from the execution of this agreement to June 2017 with a one-year option to extend by the City Manager.

FINANCIAL IMPACT: Funds in the amount of \$100,000 are proposed in 2015/16 Sewer and Storm Drain Operations Fund.

Attachments: Summary Sheet
Agreement

AGENDA ITEM: 2.C.

**SEWER AND STORM DRAIN CLEANING SERVICES
PROPOSAL SUMMARY SHEET
Exhibit "A"**

BID ITEM	QUANTITY	EMPIRE		INNERLINE		DOWNSTREAM		PROPIPE		HOUSTON HARRIS	
CLEANING 4"-12" SEWER PIPE COST PER FOOT	70,000 LF	\$0.60	\$42,000.00	\$0.40	\$28,000.00	\$2.75	\$192,500.00	\$0.87	\$60,900.00	\$0.43	\$30,100.00
CLEANING 12"-27" SEWER PIPE COST PER FOOT	5,000 LF	\$1.25	\$6,250.00	\$0.40	\$2,000.00	\$4.95	\$24,750.00	\$0.95	\$4,750.00	\$0.99	\$4,950.00
LIFT STATION CLEANING PER EACH	12 EA.	\$1,200.00	\$14,400.00	\$750.00	\$9,000.00	\$2,650.00	\$31,800.00	\$1,700.00	\$20,400.00	\$1,033.33	\$12,399.96
CLEANING 18"- 36" STORM DRAIN	650 LF	245 Hr.	NR	\$0.41	\$266.50	\$8.00	\$5,200.00	\$1.10	\$715.00	\$11.45	\$7,442.50
CLEANING 4' TO 14' WIDE CATCH BASIN	30 EA	245 Hr.	NR	\$54.00	\$1,620.00	\$165.00	\$4,950.00	\$675.00	\$20,250.00	\$82.66	\$2,479.80
VIDEO INSPECTION PER FOOT	1000 LF	\$2.00		\$0.54	\$540.00	\$3.50	\$3,500.00	\$5.00	\$5,000.00	\$2.32	\$2,320.00
EMERGENCY RESPONSE - NIGHT PER HOUR	2 Hr. Min	\$600.00	\$1,200.00	\$480.00	\$960.00	\$427.00	\$854.00	\$500.00	\$1,000.00	\$388.00	\$776.00
EMERGENCY RESPONSE HOLIDAYS AND WEEKENDS PER HOUR	2 Hr. Min	\$900.00	\$1,800.00	\$575.00	\$1,150.00	\$640.00	\$1,280.00	\$700.00	\$1,400.00	\$388.00	\$776.00
TOTAL			NR		\$43,536.50		\$264,834.00		\$114,415.00		\$61,244.26

LOW BID
HIGH BID
VARIATION FROM SPEC

Not Reponsive

**CITY OF NORCO
SANITARY SEWER AND STORM DRAIN MAINTENANCE SERVICES
AGREEMENT**

1. Parties and Date.

This Agreement is made and entered into this the 21 day of October, 2015 by and between the **City of Norco**, a municipal corporation of the State of California, located at 2870 Clark Avenue, Norco, California 92860, County of Riverside, State of California, (hereinafter referred to as "City") and Innerline Engineering, a company with its principal place of business located in Murrieta, California, (hereinafter referred to as "Contractor"). City and Contractor are sometimes individually referred to as "Party" and collectively as "Parties" in this Agreement.

2. Recitals.

2.1 Contractor.

Contractor desires to perform and assume responsibility for the provision of certain maintenance services required by The City on the terms and conditions set forth in this Agreement. Contractor represents that it is experienced in providing sanitary sewer and storm drain maintenance services to public clients, that it and its employees or subcontractors have all necessary licenses and permits to perform the Services in the State of California, and that is familiar with the plans of the City.

2.2 Project.

City desires to engage Contractor to render such services for Sanitary Sewer and Storm Drain Maintenance Services ("Services") as set forth in this Agreement.

3. Terms.

3.1 Scope of Services and Term.

3.1.1 General Scope of Services. Contractor promises and agrees to furnish to the City all labor, materials, tools, equipment, services, and incidental and customary work necessary to fully and adequately supply the sanitary sewer and storm drain maintenance services on an as-needed basis necessary for the Service ("Services"). The Services are more particularly described in Attachment 1 attached hereto and incorporated herein by reference. All Services shall be subject to, and performed in accordance with this Agreement, and incorporated herein by reference, and all applicable local, state and federal laws, rules and regulations.

3.1.2 Term. The term of this Agreement shall be from October 21, 2015 **through** June 30, 2017, with the understanding that the City may at its choice exercise its option to extend the contract by one year to June 30, 2018, unless terminated as provided herein. Contractor shall complete the Services within the term of this Agreement, and shall meet any other established schedules, deadlines and conditions as established by the Request for Proposal. The Parties may, by mutual written consent, extend the term of this Agreement if necessary to complete the Services by one additional year.

3.2 Responsibilities of Contractor.

3.2.1 Control and Payment of Subordinates; Independent Contractor. The Services shall be performed by Contractor or under its supervision. Contractor will determine the means, methods and details of performing the Services subject to the requirements of this Agreement. City retains Contractor on an independent contractor basis and not as an employee. Contractor retains the right to perform similar or different services for others during the term of this Agreement. Any additional personnel performing the Services under this Agreement on behalf of Contractor shall also not be employees of City and shall at all times be under Contractor's exclusive direction and control. Contractor shall pay all wages, salaries, and other amounts due such personnel in connection with their performance of Services under this Agreement and as required by law. Contractor shall be responsible for all reports and obligations respecting such additional personnel, including, but not limited to: social security taxes, income tax withholding, unemployment insurance, disability insurance, and workers' compensation insurance.

3.2.2 Schedule of Services. Contractor shall perform the Services expeditiously, within the term of this Agreement, and in accordance with the Schedule of Services set forth in Attachment 1 attached hereto and incorporated herein by reference. Contractor represents that it has the professional and technical personnel required to perform the Services in conformance with such conditions. In order to facilitate Contractor's conformance with the Schedule, City shall respond to Contractor's submittals in a timely manner. Upon request of City, Contractor shall provide a more detailed schedule of anticipated performance to meet the Schedule of Services.

3.2.3 Conformance to Applicable Requirements. All work prepared by Contractor shall be subject to the approval of City.

3.2.4 City's Representative. The City hereby designates the Director of Public Works, or his designee, to act as its representative for the performance of this Agreement ("City's Representative"). City's Representative shall have the power to act on behalf of the City for all purposes under this Agreement. Contractor shall not accept direction or orders from any person other than the City's Representative or his or her designee.

3.2.5 Contractor's Representative. Contractor will in writing provide his designee, to act as its representative for the performance of this Agreement ("Contractor's Representative"). Contractor's Representative shall have full authority to represent and act on behalf of the Contractor for all purposes under this Agreement. The Contractor's Representative shall supervise and direct the Services, using his best skill and attention, and shall be responsible for all means, methods, techniques, sequences and procedures and for the satisfactory coordination of all portions of the Services under this Agreement.

3.2.6 Coordination of Services. Contractor agrees to work closely with City staff in the performance of Services and shall be available to City's staff, consultants and other staff at all reasonable times.

3.2.7 Standard of Care; Performance of Employees. Contractor shall perform all Services under this Agreement in a skillful and competent manner, consistent with the standards generally recognized as being employed by professionals in the same discipline in the State of California. Contractor represents and maintains that it is skilled in the professional calling necessary to perform the Services. Contractor warrants that all employees and subcontractors shall have sufficient skill and experience to perform the Services assigned to them. Finally, Contractor represents that it, its employees and subcontractors have all licenses, permits, qualifications and approvals of whatever nature that are legally required to perform the Services, including a City Business License, and that such licenses and approvals shall be maintained

throughout the term of this Agreement. As provided for in the indemnification provisions of this Agreement, Contractor shall perform, at its own cost and expense and without reimbursement from the City, any services necessary to correct errors or omissions which are caused by the Contractor's failure to comply with the standard of care provided for herein. Any employee of the Contractor or its sub-contractors who is determined by the City to be uncooperative, incompetent, a threat to the adequate or timely completion of the Agreement, a threat to the safety of persons or property, or any employee who fails or refuses to perform the Services in a manner acceptable to the City, shall be promptly removed from the Project by the Contractor and shall not be re-employed to perform any of the Services or to work on the Project.

3.2.7.1 Period of Performance and Liquidated Damages. Contractor shall perform and complete all services under this Agreement within the term set forth in Section 3.1.2 above ("Performance Time"). Contractor shall perform the Services in strict accordance with any completion schedule attached hereto, or which may be provided separately in writing to the Contractor. Contractor agrees that if the Services are not completed within the aforementioned Performance Time and/or pursuant to any such completion schedule or Project milestones developed pursuant to provisions of this Agreement, it is understood, acknowledged and agreed that the City will suffer damage. Pursuant to Government Code Section 53069.85, Contractor shall pay to the City as fixed and liquidated damages, and not as a penalty, the sum of, **\$100.00 per day.**

3.2.8 Laws and Regulations. Contractor shall keep itself fully informed of and in compliance with all local, state and federal laws, rules and regulations in any manner affecting the performance of the Project or the Services, including all Cal/OSHA requirements, and shall give all notices required by law. Contractor shall be liable for all violations of such laws and regulations in connection with Services. If the Contractor performs any work knowing it to be contrary to such laws, rules and regulations and without giving written notice to the City, Contractor shall be solely responsible for all costs arising therefrom. Contractor shall defend, indemnify and hold City, its officials, directors, officers, employees and agents free and harmless, pursuant to the indemnification provisions of this Agreement, from any claim or liability arising out of any failure or alleged failure to comply with such laws, rules or regulations.

3.2.9 Insurance.

3.2.9.1 Time for Compliance. Contractor shall not commence work under this Agreement until it has provided evidence satisfactory to the City that it has secured all insurance required under this section. In addition, Contractor shall not allow any subcontractor to commence work on any subcontract until it has provided evidence satisfactory to the City that the subcontractor has secured all insurance required under this section.

3.2.9.2 Minimum Requirements. Contractor shall, at its expense, procure and maintain for the duration of the Agreement insurance against claims for injuries to persons or damages to property which may arise from or in connection with the performance of the Agreement by the Contractor, its agents, representatives, employees or subcontractors. Contractor shall also require all of its subcontractors to procure and maintain the same insurance for the duration of the Agreement. Such insurance shall meet at least the following minimum levels of coverage:

(A) Minimum Scope of Insurance. Coverage shall be at least as broad as the latest version of the following: (1) *General Liability*: Insurance Services Office Commercial General Liability coverage (occurrence form CG 0001); (2) *Automobile Liability*: Insurance Services Office Business Auto Coverage form number CA 0001, code 1 (any auto); and (3) *Workers' Compensation and Employer's Liability*: Workers' Compensation insurance as required by the State of California and Employer's Liability Insurance.

(B) Minimum Limits of Insurance. Contractor shall maintain limits no less than: (1) *General Liability*: \$1,500,000 per occurrence for bodily injury, personal injury and property damage. If Commercial General Liability Insurance or other form with general aggregate limit is used including, but not limited to, form CG 2503, either the general aggregate limit shall apply separately to this Agreement/location or the general aggregate limit shall be twice the required occurrence limit; (2) *Automobile Liability*: \$1,500,000 per accident for bodily injury and property damage; and (3) *Workers' Compensation and Employer's Liability*: Workers' Compensation limits as required by the Labor Code of the State of California. Employer's Liability limits of \$1,000,000 per accident for bodily injury or disease.

3.2.9.3 Insurance Endorsements. The insurance policies shall contain the following provisions, or Contractor shall provide endorsements on forms supplied or approved by the City to add the following provisions to the insurance policies:

(A) General Liability. The general liability policy shall be endorsed to state that: (1) the City, its directors, officials, officers, employees, agents, and volunteers shall be covered as additional insured with respect to the work or operations performed by or on behalf of the Contractor, including materials, parts or equipment furnished in connection with such work; and (2) the insurance coverage shall be primary insurance as respects the City, its directors, officials, officers, employees, agents, and volunteers, or if excess, shall stand in an unbroken chain of coverage excess of the Contractor's scheduled underlying coverage. Any insurance or self-insurance maintained by the City, its directors, officials, officers, employees, agents, and volunteers shall be excess of the Contractor's insurance and shall not be called upon to contribute with it in any way.

(B) Automobile Liability. The automobile liability policy shall be endorsed to state that: (1) the City, its directors, officials, officers, employees, agents, and volunteers shall be covered as additional insured with respect to the ownership, operation, maintenance, use, loading or unloading of any auto owned, leased, hired or borrowed by the Contractor or for which the Contractor is responsible; and (2) the insurance coverage shall be primary insurance as respects the City, its directors, officials, officers, employees, agents, and volunteers, or if excess, shall stand in an unbroken chain of coverage excess of the Contractor's scheduled underlying coverage. Any insurance or self-insurance maintained by the City, its directors, officials, officers, employees, agents, and volunteers shall be excess of the Contractor's insurance and shall not be called upon to contribute with it in any way.

(C) Workers' Compensation and Employer's Liability Coverage. The insurer shall agree to waive all rights of subrogation against the City, its directors, officials, officers, employees, agents, and volunteers for losses paid under the terms of the insurance policy which arise from work performed by the Contractor.

(D) All Coverages. Each insurance policy required by this Agreement shall be endorsed to state that: (A) coverage shall not be suspended, voided, reduced or canceled except after thirty (30) days prior written notice by certified mail, return receipt requested, has been given to the City; and (B) any failure to comply with reporting or other provisions of the policies, including breaches of warranties, shall not affect coverage provided to the City, its directors, officials, officers, employees, agents, and volunteers.

3.2.9.4 Separation of Insureds; No Special Limitations. All insurance required by this Section shall contain standard separation of insureds provisions. In addition, such insurance shall not contain any special limitations on the scope of protection afforded to the City, its directors, officials, officers, employees, agents, and volunteers.

3.2.9.5 Deductibles and Self-Insurance Retentions. Any deductibles or self-insured retentions must be declared to and approved by the City. Contractor shall guarantee that, at the option of the City, either: (1) the insurer shall reduce or eliminate such deductibles or self-insured retentions as respects the City, its directors, officials, officers, employees, agents, and volunteers; or (2) the Contractor shall procure a bond guaranteeing payment of losses and related investigation costs, claims and administrative and defense expenses.

3.2.9.6 Acceptability of Insurers. Insurance is to be placed with insurers with a current A.M. Best's rating no less than A: VIII, licensed to do business in California, and satisfactory to the City.

3.2.9.7 Verification of Coverage. Contractor shall furnish City with original certificates of insurance and endorsements effecting coverage required by this Agreement on forms satisfactory to the City. The certificates and endorsements for each insurance policy shall be signed by a person authorized by that insurer to bind coverage on its behalf, and shall be on forms provided by the City if requested. All certificates and endorsements must be received and approved by the City before work commences. The City reserves the right to require complete, certified copies of all required insurance policies, at any time.

3.2.9.8 Reporting of Claims. Consultant shall report to the City, in addition to Consultant's insurer, any and all insurance claims submitted by Consultant in connection with the Services under this Agreement.

3.2.10 Safety. Contractor shall execute and maintain its work so as to avoid injury or damage to any person or property. In carrying out its Services, the Contractor shall at all times be in compliance with all applicable local, state and federal laws, rules and regulations, and shall exercise all necessary precautions for the safety of employees appropriate to the nature of the work and the conditions under which the work is to be performed. Safety precautions as applicable shall include, but shall not be limited to: (A) adequate life protection and lifesaving equipment and procedures; (B) instructions in accident prevention for all employees and subcontractors, such as safe walkways, scaffolds, fall protection ladders, bridges, gang planks, confined space procedures, trenching and shoring, equipment and other safety devices, equipment and wearing apparel as are necessary or lawfully required to prevent accidents or injuries; and (C) adequate facilities for the proper inspection and maintenance of all safety measures.

3.2.12 Bonds.

3.2.12.1 Performance Bond. Contractor shall execute and provide to City concurrently with this Agreement a Performance Bond in the amount of the total, not-to-exceed compensation indicated in this Agreement, and in a form provided or approved by the City. If such bond is required, no payment will be made to Contractor until it has been received and approved by the City.

3.2.12.2 Payment Bond. Contractor shall execute and provide to City concurrently with this Agreement a Payment Bond in the amount of the total, not-to-exceed compensation indicated in this Agreement, and in a form provided or approved by the City. If such bond is required, no payment will be made to Contractor until it has been received and approved by City.

3.2.12.3 Bond Provisions. Should, in City's sole opinion, any bond become insufficient or any surety be found to be unsatisfactory, Contractor shall renew or replace the affected bond within 10 days of receiving notice from City. In the event the surety or Contractor intends to reduce or cancel any required bond, at least thirty (30) days prior written notice shall be

given to the City, and Contractor shall post acceptable replacement bonds at least ten (10) days prior to expiration of the original bonds. No further payments shall be deemed due or will be made under this Agreement until any replacement bonds required by this section are accepted by the City. To the extent, if any, that the total compensation is increased in accordance with the Agreement, the Contractor shall, upon request of the City, cause the amount of the bonds to be increased accordingly and shall promptly deliver satisfactory evidence of such increase to the City. To the extent available, the bonds shall further provide that no change or alteration of the Agreement (including, without limitation, an increase in the total compensation, as referred to above), extensions of time, or modifications of the time, terms, or conditions of payment to the Contractor, will release the surety. If the Contractor fails to furnish any required bond, the City may terminate this Agreement for cause.

3.2.12.4 Surety Qualifications. Only bonds executed by an admitted surety insurer, as defined in Code of Civil Procedure Section 995.120, shall be accepted. The surety must be a California admitted surety with a current A.M. Best's rating no less than A:VIII and satisfactory to the City. If a California admitted surety insurer issuing bonds does not meet these requirements, the insurer will be considered qualified if it is in conformance with Section 995.660 of the California Code of Civil Procedure, and proof of such is provided to the City.

3.3 Fees and Payments.

3.3.1 Compensation. Contractor shall receive compensation, including authorized reimbursements, for all Services rendered under this Agreement at the rates set forth in the Proposal Form, attached hereto and incorporated herein by reference. The Services shall be performed on an "as needed" basis, and the City shall issue a purchase order for said "as needed" services. Extra work may be authorized, as described below, and if authorized, will be compensated at the rates and manner set forth in this Agreement. The total contract shall be in the "not to exceed" amount of \$ 100,000 and is based on the unit cost as proposed by the contractor in his proposal.

3.3.2 Payment of Compensation. Contractor shall submit to City a monthly itemized statement which indicates work completed and hours of Services rendered by Contractor. The statement shall describe the amount of Services and supplies provided since the initial commencement date, or since the start of the subsequent billing periods, as appropriate, through the date of the statement. City shall, within 45 days of receiving such statement, review the statement and pay all approved charges thereon.

3.3.3 Reimbursement for Expenses. Contractor shall not be reimbursed for any expenses unless authorized in writing by City.

3.3.4 Extra Work. At any time during the term of this Agreement, City may request that Contractor perform Extra Work. As used herein, "Extra Work" means any work which is determined by City to be necessary for the proper completion of the Project, but which the parties did not reasonably anticipate would be necessary at the execution of this Agreement. Contractor shall not perform, nor be compensated for, Extra Work without written authorization from City's Representative.

3.3.5 Prevailing Wages. This contract will incorporate the provisions of the State Labor Code. Compliance with the prevailing rates of wages, apprenticeship employment standards, and Contractor registration program established by the State Director of Industrial Relations will be required. Affirmative action to ensure against discrimination in employment practices on the basis of race, color, national origin, ancestry, sex, or religion will be also required.

3.4 Accounting Records.

3.4.1 Maintenance and Inspection. Contractor shall maintain complete and accurate records with respect to all costs and expenses incurred under this Agreement. All such records shall be clearly identifiable. Contractor shall allow a representative of City during normal business hours to examine, audit, and make transcripts or copies of such records and any other documents created pursuant to this Agreement. Contractor shall allow inspection of all work, data, documents, proceedings, and activities related to the Agreement for a period of three (3) years from the date of final payment under this Agreement.

3.5 General Provisions.

3.5.1 Termination of Agreement.

3.5.1.1 Grounds for Termination. City may, by written notice to Contractor, terminate the whole or any part of this Agreement at any time and without cause by giving written notice to Contractor of such termination, and specifying the effective date thereof, at least seven (7) days before the effective date of such termination. Upon termination, Contractor shall be compensated only for those services which have been adequately rendered to City, and Contractor shall be entitled to no further compensation. Contractor may not terminate this Agreement except for cause.

3.5.1.2 Effect of Termination. If this Agreement is terminated as provided herein, City may require Contractor to provide all finished or unfinished Documents and Data and other information of any kind prepared by Contractor in connection with the performance of Services under this Agreement. Contractor shall be required to provide such document and other information within fifteen (15) days of the request.

3.5.1.3 Additional Services. In the event this Agreement is terminated in whole or in part as provided herein, City may procure, upon such terms and in such manner as it may determine appropriate, services similar to those terminated.

3.5.2 Delivery of Notices. All notices permitted or required under this Agreement shall be given to the respective parties at the follow address, or at such other address as the respective parties may provide in writing for this purpose:

Contractor: Innerline Engineering
37693 Oxford Drive
Murrieta, California
Attention: Jim Aanderud, President

City: City of Norco
2870 Clark Avenue
Norco, CA 92860
Attention: Brian K. Petree or Terrence Piorkowski

Such notice shall be deemed made when personally delivered or when mailed, forty-eight (48) hours after deposit in the US Mail, first class postage prepaid and addressed to the party at its applicable address. Actual notice shall be deemed adequate notice on the date actual notice occurred, regardless of the method of service.

3.5.3 Cooperation; Further Acts. The Parties shall fully cooperate with one another, and shall take any additional acts or sign any additional documents as may be necessary, appropriate or convenient to attain the purposes of this Agreement.

3.5.4 Attorney's Fees. If either party commences an action against the other party, either legal, administrative or otherwise, arising out of or in connection with this Agreement, the prevailing party in such litigation shall be entitled to have and recover from the losing party reasonable attorney's fees and all other costs of such action.

3.5.5 Indemnification. Contractor shall defend, 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, in law or equity, to property or persons, including wrongful death, in any manner arising out of or incident to any alleged acts, omissions or willful misconduct of Contractor, its officials, officers, employees, agents, consultants, and contractors arising out of or in connection with the performance of the Services, the Project or this Agreement, including without limitation the payment of all consequential damages and attorney's fees and other related costs and expenses. Contractor shall defend, at Contractor's own cost, expense and risk, any and all such aforesaid suits, actions or other legal proceedings of every kind that may be brought or instituted against City, its directors, officials, officers, employees, agents, or volunteers. Contractor shall pay and satisfy any judgment, award or decree that may be rendered against City or its directors, officials, officers, employees, agents, or volunteers, in any such suit, action or other legal proceeding. Contractor shall reimburse City and its directors, officials, officers, employees, agents, and/or volunteers, for any and all legal expenses and costs incurred by each of them in connection therewith or in enforcing the indemnity herein provided. Contractor's obligation to indemnify shall not be restricted to insurance proceeds, if any, received by the City, its directors, official's officers, employees, agents, or volunteers.

3.5.6 Entire Agreement. This Agreement contains the entire Agreement of the parties with respect to the subject matter hereof, and supersedes all prior negotiations, understandings or agreements. This Agreement may only be modified by a writing signed by both parties.

3.5.7 Governing Law. This Agreement shall be governed by the laws of the State of California. Venue shall be in Riverside County.

3.5.8 Time of Essence. Time is of the essence for each and every provision of this Agreement.

3.5.9 City's Right to Employ Other Contractors. City reserves right to employ other contractors in connection with this service.

3.5.10 Successors and Assigns. This Agreement shall be binding on the successors and assigns of the parties.

3.5.11 Assignment or Transfer. Contractor shall not assign, hypothecate or transfer, either directly or by operation of law, this Agreement or any interest herein without the prior written consent of the City. Any attempt to do so shall be null and void, and any assignees, hypothecates or transferees shall acquire no right or interest by reason of such attempted assignment, hypothecation or transfer.

3.5.12 Construction; References; Captions. Since the Parties or their agents have participated fully in the preparation of this Agreement, the language of this Agreement shall be construed simply, according to its fair meaning, and not strictly for or against any Party. Any term

referencing time, days or period for performance shall be deemed calendar days and not work days. All references to Contractor include all personnel, employees, agents, and subcontractors of Contractor, except as otherwise specified in this Agreement. All references to City include its elected officials, officers, employees, agents, and volunteers except as otherwise specified in this Agreement. The captions of the various articles and paragraphs are for convenience and ease of reference only, and do not define, limit, augment, or describe the scope, content or intent of this Agreement.

3.5.13 Amendment; Modification. No supplement, modification or amendment of this Agreement shall be binding unless executed in writing and signed by both Parties.

3.5.14 Waiver. No waiver of any default shall constitute a waiver of any other default or breach, whether of the same or other covenant or condition. No waiver, benefit, privilege, or service voluntarily given or performed by a Party shall give the other Party any contractual rights by custom, estoppel or otherwise.

3.5.15 No Third Party Beneficiaries. There are no intended third party beneficiaries of any right or obligation assumed by the Parties.

3.5.16 Invalidity; Severability. If any portion of this Agreement is declared invalid, illegal, or otherwise unenforceable by a court of competent jurisdiction, the remaining provisions shall continue in full force and effect.

3.5.17 Prohibited Interests. Contractor maintains and warrants that it has not employed nor retained any company or person, other than a bona fide employee working solely for Contractor, to solicit or secure this Agreement. Further, Contractor 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 Contractor, any fee, commission, percentage, brokerage fee, gift or other consideration contingent upon or resulting from the award or making of this Agreement. Contractor further agrees to file, or shall cause its employees or subcontractors to file, a Statement of Economic Interest with the City's Filing Officer as required under state law in the performance of the Services. 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 member, 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.

3.5.18 Equal Opportunity Employment. Contractor represents that it is an equal opportunity employer and it shall not discriminate against any subcontractor, employee or applicant for employment because of race, religion, color, national origin, handicap, ancestry, sex or age. 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. Contractor shall also comply with all relevant provisions of City's Minority Business Enterprise program, Affirmative Action Plan or other related programs or guidelines currently in effect or hereinafter enacted.

3.5.19 Labor Certification. By its signature hereunder, Contractor certifies that it is aware of the provisions of Section 3700 of the California Labor Code which require every employer to be insured against liability for Workers' Compensation or to undertake self-insurance in accordance with the provisions of that Code, and agrees to comply with such provisions before commencing the performance of the Services.

3.5.20 Authority to Enter Agreement. Contractor has all requisite power and authority to conduct its business and to execute, deliver, and perform the Agreement. Each Party

warrants that the individuals who have signed this Agreement have the legal power, right, and authority to make this Agreement and bind each respective Party.

3.5.21 Counterparts. This Agreement may be signed in counterparts, each of which shall constitute an original.

3.6 Subcontracting.

3.6.1 Prior Approval Required. Contractor shall not subcontract any portion of the work required by this Agreement, except as expressly stated herein, without prior written approval of City. Subcontracts, if any, shall contain a provision making them subject to all provisions stipulated in this Agreement.

CONTRACTOR:

Name of Contractor

*By

Signature

Name and Title

*By

Signature

Name and Title

OWNER: CITY OF NORCO, a municipal corporation

By:

Mayor/City Manager

ATTEST:

Cheryl L. Link, City Clerk

CITY OF NORCO STAFF REPORT

TO: Honorable Mayor and Members of the City Council

FROM: Andy Okoro, City Manager

PREPARED BY: Brian K. Petree, Deputy City Manager

DATE: October 21, 2015

SUBJECT: Acceptance of Proposal and Award of Contract for Street Sweeping Services

RECOMMENDATION: Accept the proposal submitted for Street Sweeping Services, award a contract to Clean Street located in Gardena, California, authorize the City Manager to execute the contract in the amount not to exceed \$25,000, and authorize the City Manager the option to extend the agreement for one year.

SUMMARY: A Request for Proposal was opened on September 9, 2015 with Clean Street of Gardena, California being the only bidder. Therefore, it is recommended that the street sweeping services contract be awarded to Clean Street in the amount of \$25,000.

BACKGROUND/ANALYSIS: Staff completed a Request for Proposal (RFP) for bidding purposes and on September 9, 2015, only one proposal was received. The contract calls for approximately 75.0 miles of street curbs and medians be swept and maintained on a unit cost by Curb Liner Miles (CLM) for monthly and quarterly services.

Clean Street is located at 1937 West 169th Street, Gardena, California 90247. Clean Street has been providing city street sweeping services since 1973 and currently sweeps approximately 50 municipalities within the state of California. Clean Street has done the street sweeping in the City of Norco for the past two years.

All sweeping equipment will remain in compliance with SCAQMD Rule 1186 and 1186.1 and all other applicable state and federal laws and rules. Staff has contacted references provided by Clean Street, reviewed the appearance and condition of the sweeping equipment and scheduled an actual sweeping of Sixth Street to evaluate their performance standards. The proposed service agreement would for two fiscal years beginning at execution of this agreement until June of 2017 with a one-year option to extend the agreement by the City Manager.

Staff is requesting that the City Council accept the proposal, award contract to Clean Street, and authorize the City Manager to execute the contract with the option to extend the agreement for one year.

FINANCIAL IMPACT: The total cost of \$25,000 is included in the approved 2015/16 Storm Drain Operations Fund 802 (NPDES) and is based on (CLM) for unit costing. The contract amount can only increase by the Consumer Price Index (CPI). The contact amount is consistent with previous budgets and unit cost in other jurisdictions.

Attachments: Unit Cost Sheet
Agreement

AGENDA ITEM: 2.D.

Street Sweeping Unit Cost Exhibit

Description	Approximate Quantity	Frequency	Unit Cost	Total
Sweep streets (residential)	60.70 CLM	6 x per/yr	38.00 per/CLM	\$13,839.60
Sweep Arterial Streets	10.8 CLM	12 months	38.00 per/CLM	\$4,924.80
Sweep Median and centerlines	5.3 CLM	12 months	38.00 per/CLM	\$2,416.80
Sub Total				\$21,181.20
<u>Other Services (based on calls for service)</u>				
Emergency Call Out			\$100. per/hr	
Extraordinary rain storm event			\$100. per/hr	
Special Event sweeping (parades)			\$100. per/hr	
Special sweeping			\$90. per/hr	
CLM = Curb linear mile				

**CITY OF NORCO
STREET SWEEPING SERVICES**

AGREEMENT

1. Parties and Date.

This Agreement is made and entered into this the 21st of October, 2015 by and between the City of Norco, a municipal corporation of the State of California, located at 2870 Clark Avenue, Norco, California 92860, County of Riverside, State of California, (hereinafter referred to as "City") and Clean Street, a corporation with its principal place of business located at 1937 W. 169th Street, Gardena, CA 90247, (hereinafter referred to as "Contractor"). City and Contractor are sometimes individually referred to as "Party" and collectively as "Parties" in this Agreement.

2. Recitals.

2.1 Contractor.

Contractor desires to perform and assume responsibility for the provision of certain maintenance services required by the City on the terms and conditions set forth in this Agreement. Contractor represents that it is experienced in providing street sweeping services to public clients, that it and its employees or subcontractors have all necessary licenses and permits to perform the Services in the State of California, and that is familiar with the plans of the City.

2.2 Project.

City desires to engage Contractor to render such services for Street Sweeping Services ("Services") as set forth in this Agreement.

3. Terms.

3.1 Scope of Services and Term.

3.1.1 General Scope of Services. Contractor promises and agrees to furnish to the City all labor, materials, tools, equipment, services, and incidental and customary work necessary to fully and adequately supply the street sweeping services on an as-needed basis necessary for the Service ("Services"). The Services are more particularly described in Attachment 1 attached hereto and incorporated herein by reference. All Services shall be subject to, and performed in accordance with this Agreement, the exhibits attached hereto and incorporated herein by reference, and all applicable local, state and federal laws, rules and regulations.

3.1.2 Term. The term of this Agreement shall be from October 21, 2015 through June 30, 2017, with the understanding that the City may exercise its option to extend the contract by one year to June 30, 2018, unless earlier terminated as provided herein. Contractor shall complete the Services within the term of this Agreement, and shall meet any other established schedules and deadlines. The Parties may, by mutual written consent, extend the term of this Agreement if necessary to complete the Services.

3.2 Responsibilities of Contractor.

3.2.1 Control and Payment of Subordinates; Independent Contractor. The Services shall be performed by Contractor or under its supervision. Contractor will determine the means, methods and details of performing the Services subject to the requirements of this

Agreement. City retains Contractor on an independent contractor basis and not as an employee. Contractor retains the right to perform similar or different services for others during the term of this Agreement. Any additional personnel performing the Services under this Agreement on behalf of Contractor shall also not be employees of City and shall at all times be under Contractor's exclusive direction and control. Contractor shall pay all wages, salaries, and other amounts due such personnel in connection with their performance of Services under this Agreement and as required by law. Contractor shall be responsible for all reports and obligations respecting such additional personnel, including, but not limited to: social security taxes, income tax withholding, unemployment insurance, disability insurance, and workers' compensation insurance.

3.2.2 Schedule of Services. Contractor shall perform the Services expeditiously, within the term of this Agreement, and in accordance with the Schedule of Services set forth in Attachment 1 attached hereto and incorporated herein by reference. Contractor represents that it has the professional and technical personnel required to perform the Services in conformance with such conditions. In order to facilitate Contractor's conformance with the Schedule, City shall respond to Contractor's submittals in a timely manner. Upon request of City, Contractor shall provide a more detailed schedule of anticipated performance to meet the Schedule of Services.

3.2.3 Conformance to Applicable Requirements. All work prepared by Contractor shall be subject to the approval of City.

3.2.4 City's Representative. The City hereby designates the Director of Public Works, or his designee, to act as its representative for the performance of this Agreement ("City's Representative"). City's Representative shall have the power to act on behalf of the City for all purposes under this Agreement. Contractor shall not accept direction or orders from any person other than the City's Representative or his or her designee.

3.2.5 Contractor's Representative. Contractor shall provide in writing his designee, to act as its representative for the performance of this Agreement ("Contractor's Representative"). Contractor's Representative shall have full authority to represent and act on behalf of the Contractor for all purposes under this Agreement. The Contractor's Representative shall supervise and direct the Services, using his best skill and attention, and shall be responsible for all means, methods, techniques, sequences and procedures and for the satisfactory coordination of all portions of the Services under this Agreement.

3.2.6 Coordination of Services. Contractor agrees to work closely with City staff in the performance of Services and shall be available to City's staff, consultants and other staff at all reasonable times.

3.2.7 Standard of Care; Performance of Employees. Contractor shall perform all Services under this Agreement in a skillful and competent manner, consistent with the standards generally recognized as being employed by professionals in the same discipline in the State of California. Contractor represents and maintains that it is skilled in the professional calling necessary to perform the Services. Contractor warrants that all employees and subcontractors shall have sufficient skill and experience to perform the Services assigned to them. Finally, Contractor represents that it, its employees and subcontractors have all licenses, permits, qualifications and approvals of whatever nature that are legally required to perform the Services, including a City Business License, and that such licenses and approvals shall be maintained throughout the term of this Agreement. As provided for in the indemnification provisions of this Agreement, Contractor shall perform, at its own cost and expense and without reimbursement from the City, any services necessary to correct errors or omissions which are caused by the Contractor's failure to comply with the standard of care provided for herein. Any employee of the Contractor or its sub-contractors who is determined by the City to be uncooperative, incompetent, a threat to the adequate or timely completion of the Agreement, a threat to the safety of persons or

property, or any employee who fails or refuses to perform the Services in a manner acceptable to the City, shall be promptly removed from the Project by the Contractor and shall not be re-employed to perform any of the Services or to work on the Project.

3.2.7.1 Period of Performance and Liquidated Damages. Contractor shall perform and complete all services under this Agreement within the term set forth in Section 3.1.2 above ("Performance Time"). Contractor shall perform the Services in strict accordance with any completion schedule or Project milestones described in Attachment 1 attached hereto, or which may be provided separately in writing to the Contractor. Contractor agrees that if the Services are not completed within the aforementioned Performance Time and/or pursuant to any such completion schedule or Project milestones developed pursuant to provisions of this Agreement, it is understood, acknowledged and agreed that the City will suffer damage. Pursuant to Government Code Section 53069.85, Contractor shall pay to the City as fixed and liquidated damages, and not as a penalty, the sum of, \$100.00 per day.

3.2.8 Laws and Regulations. Contractor shall keep itself fully informed of and in compliance with all local, state and federal laws, rules and regulations in any manner affecting the performance of the Project or the Services, including all Cal/OSHA requirements, and shall give all notices required by law. Contractor shall be liable for all violations of such laws and regulations in connection with Services. If the Contractor performs any work knowing it to be contrary to such laws, rules and regulations and without giving written notice to the City, Contractor shall be solely responsible for all costs arising therefrom. Contractor shall defend, indemnify and hold City, its officials, directors, officers, employees and agents free and harmless, pursuant to the indemnification provisions of this Agreement, from any claim or liability arising out of any failure or alleged failure to comply with such laws, rules or regulations.

3.2.9 Insurance.

3.2.9.1 Time for Compliance. Contractor shall not commence work under this Agreement until it has provided evidence satisfactory to the City that it has secured all insurance required under this section. In addition, Contractor shall not allow any subcontractor to commence work on any subcontract until it has provided evidence satisfactory to the City that the subcontractor has secured all insurance required under this section.

3.2.9.2 Minimum Requirements. Contractor shall, at its expense, procure and maintain for the duration of the Agreement insurance against claims for injuries to persons or damages to property which may arise from or in connection with the performance of the Agreement by the Contractor, its agents, representatives, employees or subcontractors. Contractor shall also require all of its subcontractors to procure and maintain the same insurance for the duration of the Agreement. Such insurance shall meet at least the following minimum levels of coverage:

(A) Minimum Scope of Insurance. Coverage shall be at least as broad as the latest version of the following: (1) *General Liability*: Insurance Services Office Commercial General Liability coverage (occurrence form CG 0001); (2) *Automobile Liability*: Insurance Services Office Business Auto Coverage form number CA 0001, code 1 (any auto); and (3) *Workers' Compensation and Employer's Liability*: Workers' Compensation insurance as required by the State of California and Employer's Liability Insurance.

(B) Minimum Limits of Insurance. Contractor shall maintain limits no less than: (1) *General Liability*: \$1,500,000 per occurrence for bodily injury, personal injury and property damage. If Commercial General Liability Insurance or other form with general aggregate limit is used including, but not limited to, form CG 2503, either the general aggregate limit shall apply separately to this Agreement/location or the general aggregate limit shall be twice the required occurrence limit; (2) *Automobile Liability*: \$1,500,000 per accident for bodily injury and

property damage; and (3) *Workers' Compensation and Employer's Liability*: Workers' Compensation limits as required by the Labor Code of the State of California. Employer's Liability limits of \$1,000,000 per accident for bodily injury or disease.

3.2.9.3 Insurance Endorsements. The insurance policies shall contain the following provisions, or Contractor shall provide endorsements on forms supplied or approved by the City to add the following provisions to the insurance policies:

(A) General Liability. The general liability policy shall be endorsed to state that: (1) the City, its directors, officials, officers, employees, agents, and volunteers shall be covered as additional insured with respect to the work or operations performed by or on behalf of the Contractor, including materials, parts or equipment furnished in connection with such work; and (2) the insurance coverage shall be primary insurance as respects the City, its directors, officials, officers, employees, agents, and volunteers, or if excess, shall stand in an unbroken chain of coverage excess of the Contractor's scheduled underlying coverage. Any insurance or self-insurance maintained by the City, its directors, officials, officers, employees, agents, and volunteers shall be excess of the Contractor's insurance and shall not be called upon to contribute with it in any way.

(B) Automobile Liability. The automobile liability policy shall be endorsed to state that: (1) the City, its directors, officials, officers, employees, agents, and volunteers shall be covered as additional insured with respect to the ownership, operation, maintenance, use, loading or unloading of any auto owned, leased, hired or borrowed by the Contractor or for which the Contractor is responsible; and (2) the insurance coverage shall be primary insurance as respects the City, its directors, officials, officers, employees, agents, and volunteers, or if excess, shall stand in an unbroken chain of coverage excess of the Contractor's scheduled underlying coverage. Any insurance or self-insurance maintained by the City, its directors, officials, officers, employees, agents, and volunteers shall be excess of the Contractor's insurance and shall not be called upon to contribute with it in any way.

(C) Workers' Compensation and Employer's Liability Coverage. The insurer shall agree to waive all rights of subrogation against the City, its directors, officials, officers, employees, agents, and volunteers for losses paid under the terms of the insurance policy which arise from work performed by the Contractor.

(D) All Coverages. Each insurance policy required by this Agreement shall be endorsed to state that: (A) coverage shall not be suspended, voided, reduced or canceled except after thirty (30) days prior written notice by certified mail, return receipt requested, has been given to the City; and (B) any failure to comply with reporting or other provisions of the policies, including breaches of warranties, shall not affect coverage provided to the City, its directors, officials, officers, employees, agents, and volunteers.

3.2.9.4 Separation of Insureds; No Special Limitations. All insurance required by this Section shall contain standard separation of insureds provisions. In addition, such insurance shall not contain any special limitations on the scope of protection afforded to the City, its directors, officials, officers, employees, agents, and volunteers.

3.2.9.5 Deductibles and Self-Insurance Retentions. Any deductibles or self-insured retentions must be declared to and approved by the City. Contractor shall guarantee that, at the option of the City, either: (1) the insurer shall reduce or eliminate such deductibles or self-insured retentions as respects the City, its directors, officials, officers, employees, agents, and volunteers; or (2) the Contractor shall procure a bond guaranteeing payment of losses and related investigation costs, claims and administrative and defense expenses.

3.2.9.6 Acceptability of Insurers. Insurance is to be placed with insurers with a current A.M. Best's rating no less than A: VIII, licensed to do business in California, and satisfactory to the City.

3.2.9.7 Verification of Coverage. Contractor shall furnish City with original certificates of insurance and endorsements effecting coverage required by this Agreement on forms satisfactory to the City. The certificates and endorsements for each insurance policy shall be signed by a person authorized by that insurer to bind coverage on its behalf, and shall be on forms provided by the City if requested. All certificates and endorsements must be received and approved by the City before work commences. The City reserves the right to require complete, certified copies of all required insurance policies, at any time.

3.2.9.8 Reporting of Claims. Consultant shall report to the City, in addition to Consultant's insurer, any and all insurance claims submitted by Consultant in connection with the Services under this Agreement.

3.2.10 Safety. Contractor shall execute and maintain its work so as to avoid injury or damage to any person or property. In carrying out its Services, the Contractor shall at all times be in compliance with all applicable local, state and federal laws, rules and regulations, and shall exercise all necessary precautions for the safety of employees appropriate to the nature of the work and the conditions under which the work is to be performed. Safety precautions as applicable shall include, but shall not be limited to: (A) adequate life protection and lifesaving equipment and procedures; (B) instructions in accident prevention for all employees and subcontractors, such as safe walkways, scaffolds, fall protection ladders, bridges, gang planks, confined space procedures, trenching and shoring, equipment and other safety devices, equipment and wearing apparel as are necessary or lawfully required to prevent accidents or injuries; and (C) adequate facilities for the proper inspection and maintenance of all safety measures.

3.2.12 Bonds.

3.2.12.1 Performance Bond. Contractor shall execute and provide to City concurrently with this Agreement a Performance Bond in the amount of the total, not-to-exceed compensation indicated in this Agreement, and in a form provided or approved by the City. If such bond is required, no payment will be made to Contractor until it has been received and approved by the City.

3.2.12.2 Payment Bond. Contractor shall execute and provide to City concurrently with this Agreement a Payment Bond in the amount of the total, not-to-exceed compensation indicated in this Agreement, and in a form provided or approved by the City. If such bond is required, no payment will be made to Contractor until it has been received and approved by City.

3.2.12.3 Bond Provisions. Should, in City's sole opinion, any bond become insufficient or any surety be found to be unsatisfactory, Contractor shall renew or replace the affected bond within 10 days of receiving notice from City. In the event the surety or Contractor intends to reduce or cancel any required bond, at least thirty (30) days prior written notice shall be given to the City, and Contractor shall post acceptable replacement bonds at least ten (10) days prior to expiration of the original bonds. No further payments shall be deemed due or will be made under this Agreement until any replacement bonds required by this section are accepted by the City. To the extent, if any, that the total compensation is increased in accordance with the Agreement, the Contractor shall, upon request of the City, cause the amount of the bonds to be increased accordingly and shall promptly deliver satisfactory evidence of such increase to the City. To the extent available, the bonds shall further provide that no change or alteration of the Agreement (including, without limitation, an increase in the total compensation, as referred to

above), extensions of time, or modifications of the time, terms, or conditions of payment to the Contractor, will release the surety. If the Contractor fails to furnish any required bond, the City may terminate this Agreement for cause.

3.2.12.4 Surety Qualifications. Only bonds executed by an admitted surety insurer, as defined in Code of Civil Procedure Section 995.120, shall be accepted. The surety must be a California admitted surety with a current A.M. Best's rating no less than A:VIII and satisfactory to the City. If a California admitted surety insurer issuing bonds does not meet these requirements, the insurer will be considered qualified if it is in conformance with Section 995.660 of the California Code of Civil Procedure, and proof of such is provided to the City.

3.3 Fees and Payments.

3.3.1 Compensation. Contractor shall receive compensation, including authorized reimbursements, for all Services rendered under this Agreement at the rates set forth in the Proposal Form, attached hereto and incorporated herein by reference. The Services shall be performed on an "as needed" basis, and the City shall issue a purchase order for said "as needed" services. Extra work may be authorized, as described below, and if authorized, will be compensated at the rates and manner set forth in this Agreement. The total contract shall be in the "not to exceed" amount of \$25,000.00.

3.3.2 Payment of Compensation. Contractor shall submit to City a monthly itemized statement which indicates work completed and hours of Services rendered by Contractor. The statement shall describe the amount of Services and supplies provided since the initial commencement date, or since the start of the subsequent billing periods, as appropriate, through the date of the statement. City shall, within 45 days of receiving such statement, review the statement and pay all approved charges thereon.

3.3.3 Reimbursement for Expenses. Contractor shall not be reimbursed for any expenses unless authorized in writing by City.

3.3.4 Extra Work. At any time during the term of this Agreement, City may request that Contractor perform Extra Work. As used herein, "Extra Work" means any work which is determined by City to be necessary for the proper completion of the Project, but which the parties did not reasonably anticipate would be necessary at the execution of this Agreement. Contractor shall not perform, nor be compensated for, Extra Work without written authorization from City's Representative.

3.3.5 Prevailing Wages. This contract will incorporate the provisions of the State Labor Code. Compliance with the prevailing rates of wages, apprenticeship employment standards, and Contractor registration program established by the State Director of Industrial Relations will be required. Affirmative action to ensure against discrimination in employment practices on the basis of race, color, national origin, ancestry, sex, or religion will be also required.

3.4 Accounting Records.

3.4.1 Maintenance and Inspection. Contractor shall maintain complete and accurate records with respect to all costs and expenses incurred under this Agreement. All such records shall be clearly identifiable. Contractor shall allow a representative of City during normal business hours to examine, audit, and make transcripts or copies of such records and any other documents created pursuant to this Agreement. Contractor shall allow inspection of all work, data, documents, proceedings, and activities related to the Agreement for a period of three (3) years from the date of final payment under this Agreement.

3.5 General Provisions.

3.5.1 Termination of Agreement.

3.5.1.1 Grounds for Termination. City may, by written notice to Contractor, terminate the whole or any part of this Agreement at any time and without cause by giving written notice to Contractor of such termination, and specifying the effective date thereof, at least seven (7) days before the effective date of such termination. Upon termination, Contractor shall be compensated only for those services which have been adequately rendered to City, and Contractor shall be entitled to no further compensation. Contractor may not terminate this Agreement except for cause.

3.5.1.2 Effect of Termination. If this Agreement is terminated as provided herein, City may require Contractor to provide all finished or unfinished Documents and Data and other information of any kind prepared by Contractor in connection with the performance of Services under this Agreement. Contractor shall be required to provide such document and other information within fifteen (15) days of the request.

3.5.1.3 Additional Services. In the event this Agreement is terminated in whole or in part as provided herein, City may procure, upon such terms and in such manner as it may determine appropriate, services similar to those terminated.

3.5.2 Delivery of Notices. All notices permitted or required under this Agreement shall be given to the respective parties at the follow address, or at such other address as the respective parties may provide in writing for this purpose:

Contractor: Clean Street
1937 W. 169th Street
Gardena, CA 90247
Attention: Rick Anderson, Director of Business Development

City: City of Norco
2870 Clark Avenue
Norco, CA 92860
Attention: Brian K. Petree or Terrence Piorkowski

Such notice shall be deemed made when personally delivered or when mailed, forty-eight (48) hours after deposit in the US Mail, first class postage prepaid and addressed to the party at its applicable address. Actual notice shall be deemed adequate notice on the date actual notice occurred, regardless of the method of service.

3.5.3 Cooperation; Further Acts. The Parties shall fully cooperate with one another, and shall take any additional acts or sign any additional documents as may be necessary, appropriate or convenient to attain the purposes of this Agreement.

3.5.4 Attorney's Fees. If either party commences an action against the other party, either legal, administrative or otherwise, arising out of or in connection with this Agreement, the prevailing party in such litigation shall be entitled to have and recover from the losing party reasonable attorney's fees and all other costs of such action.

3.5.5 Indemnification. Contractor shall defend, 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, in law or equity, to property or persons, including wrongful death, in any manner arising out of or incident to any alleged acts, omissions or willful misconduct of Contractor, its officials, officers, employees, agents, consultants, and contractors arising out of or in connection with the performance of the Services, the Project or this Agreement, including without limitation the payment of all consequential damages and attorney's fees and other related costs and expenses. Contractor shall defend, at Contractor's own cost, expense and risk, any and all such aforesaid suits, actions or other legal proceedings of every kind that may be brought or instituted against City, its directors, officials, officers, employees, agents, or volunteers. Contractor shall pay and satisfy any judgment, award or decree that may be rendered against City or its directors, officials, officers, employees, agents, or volunteers, in any such suit, action or other legal proceeding. Contractor shall reimburse City and its directors, officials, officers, employees, agents, and/or volunteers, for any and all legal expenses and costs incurred by each of them in connection therewith or in enforcing the indemnity herein provided. Contractor's obligation to indemnify shall not be restricted to insurance proceeds, if any, received by the City, its directors, official's officers, employees, agents, or volunteers.

3.5.6 Entire Agreement. This Agreement contains the entire Agreement of the parties with respect to the subject matter hereof, and supersedes all prior negotiations, understandings or agreements. This Agreement may only be modified by a writing signed by both parties.

3.5.7 Governing Law. This Agreement shall be governed by the laws of the State of California. Venue shall be in Riverside County.

3.5.8 Time of Essence. Time is of the essence for each and every provision of this Agreement.

3.5.9 City's Right to Employ Other Contractors. City reserves right to employ other contractors in connection with this service.

3.5.10 Successors and Assigns. This Agreement shall be binding on the successors and assigns of the parties.

3.5.11 Assignment or Transfer. Contractor shall not assign, hypothecate or transfer, either directly or by operation of law, this Agreement or any interest herein without the prior written consent of the City. Any attempt to do so shall be null and void, and any assignees, hypothecates or transferees shall acquire no right or interest by reason of such attempted assignment, hypothecation or transfer.

3.5.12 Construction; References; Captions. Since the Parties or their agents have participated fully in the preparation of this Agreement, the language of this Agreement shall be construed simply, according to its fair meaning, and not strictly for or against any Party. Any term referencing time, days or period for performance shall be deemed calendar days and not work days. All references to Contractor include all personnel, employees, agents, and subcontractors of Contractor, except as otherwise specified in this Agreement. All references to City include its elected officials, officers, employees, agents, and volunteers except as otherwise specified in this Agreement. The captions of the various articles and paragraphs are for convenience and ease of reference only, and do not define, limit, augment, or describe the scope, content or intent of this Agreement.

3.5.13 Amendment; Modification. No supplement, modification or amendment of this Agreement shall be binding unless executed in writing and signed by both Parties.

3.5.14 Waiver. No waiver of any default shall constitute a waiver of any other default or breach, whether of the same or other covenant or condition. No waiver, benefit, privilege, or service voluntarily given or performed by a Party shall give the other Party any contractual rights by custom, estoppel or otherwise.

3.5.15 No Third Party Beneficiaries. There are no intended third party beneficiaries of any right or obligation assumed by the Parties.

3.5.16 Invalidity; Severability. If any portion of this Agreement is declared invalid, illegal, or otherwise unenforceable by a court of competent jurisdiction, the remaining provisions shall continue in full force and effect.

3.5.17 Prohibited Interests. Contractor maintains and warrants that it has not employed nor retained any company or person, other than a bona fide employee working solely for Contractor, to solicit or secure this Agreement. Further, Contractor 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 Contractor, any fee, commission, percentage, brokerage fee, gift or other consideration contingent upon or resulting from the award or making of this Agreement. Contractor further agrees to file, or shall cause its employees or subcontractors to file, a Statement of Economic Interest with the City's Filing Officer as required under state law in the performance of the Services. 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 member, 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.

3.5.18 Equal Opportunity Employment. Contractor represents that it is an equal opportunity employer and it shall not discriminate against any subcontractor, employee or applicant for employment because of race, religion, color, national origin, handicap, ancestry, sex or age. 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. Contractor shall also comply with all relevant provisions of City's Minority Business Enterprise program, Affirmative Action Plan or other related programs or guidelines currently in effect or hereinafter enacted.

3.5.19 Labor Certification. By its signature hereunder, Contractor certifies that it is aware of the provisions of Section 3700 of the California Labor Code which require every employer to be insured against liability for Workers' Compensation or to undertake self-insurance in accordance with the provisions of that Code, and agrees to comply with such provisions before commencing the performance of the Services.

3.5.20 Authority to Enter Agreement. Contractor has all requisite power and authority to conduct its business and to execute, deliver, and perform the Agreement. Each Party warrants that the individuals who have signed this Agreement have the legal power, right, and authority to make this Agreement and bind each respective Party.

3.5.21 Counterparts. This Agreement may be signed in counterparts, each of which shall constitute an original.

3.6 Subcontracting.

3.6.1 Prior Approval Required. Contractor shall not subcontract any portion of the work required by this Agreement, except as expressly stated herein, without prior written approval of City. Subcontracts, if any, shall contain a provision making them subject to all provisions stipulated in this Agreement.

CONTRACTOR:

Name of Contractor

*By

Signature

Name and Title

*By

Signature

Name and Title

OWNER: CITY OF NORCO, a municipal corporation

By:

Mayor/City Manager

ATTEST:

Cheryl L. Link, City Clerk

CITY OF NORCO STAFF REPORT

TO: Honorable Mayor and Members of the City Council

FROM: Andy Okoro, City Manager

PREPARED: Gina Schuchard, Finance Officer

DATE: October 21, 2015

SUBJECT: Quarterly Investment Report for Quarter Ended September 30, 2015

RECOMMENDATION: Staff recommends that the City Council receive and file the Quarterly Investment Report for the Quarter Ended September 30, 2015.

SUMMARY: Staff is recommending that the City Council receive and file the City's quarterly investment report for the quarter ended September 30, 2015. This report has been prepared to meet the requirements of the City's Investment Policy and applicable sections of the State of California Government Code.

BACKGROUND/ ANALYSIS: The City's Investment Policy requires the Treasurer to render a quarterly report to the legislative body. The report is to be prepared in accordance with Government Code Section 53646 (b)(1) and should contain detailed information on all securities, investments, and monies of the local agency; a statement of compliance of the portfolio with the Statement of Investment Policy; and a statement of the City's ability to meet its cash flow requirements for the next six months. This report which is for the quarter ended September 30, 2015 meets the requirements of the Investment Policy and Government Code. It covers the City and Successor Agency to the former Norco Redevelopment Agency.

The attached schedules (attachments 1 through 4) have been prepared to meet the detailed requirements of the Government Code and the City's Investment Policy as approved by the Council on May 6, 2015. It is to be noted that the Investment Policy excludes certain investments (bond proceeds) from these requirements. This means that bond proceeds are invested in accordance with the provisions of the bond indentures rather than the provisions of the Investment Policy. Consequently, in determining whether the operating portfolio holdings are in compliance with the Government Code and the approved Investment Policy, investments of bond proceeds have been excluded.

Attachment 1 provides a summary schedule of the City's operating portfolio holdings by type as of September 30, 2015. This summary also provides information on whether or not each investment category complies with the limitations imposed by law and the City's Investment Policy. Investments that are subject to the Statement of Investment Policy are operating/idle funds invested by the Treasurer within the provisions of the approved Investment Policy. During the quarter ended September 30, 2015, the operating portfolio increased by a net amount of \$2.5 million from \$44.1 million to \$46.6 million due to cash receipts and transfers exceeding disbursements. Operating portfolio cash balance would have decreased by \$5.2

AGENDA ITEM: 2.E.

million if not for the transfer of \$7.7 million from bond proceeds held by trustee to the operating portfolio for future capital projects. The excess of disbursements over receipts is anticipated during this quarter as semi-annual debt service payments of the Successor Agency, Community Facilities Districts and Water and Sewer Bonds are made during this quarter. During the quarter, the City made total debt service payments of \$5.9 million on outstanding Bonds. Additionally, revenue receipts during the first quarter of the fiscal year are usually low due to no revenues being received from property tax, vehicle license fees, sales tax in lieu or electric/gas franchise fees.

Attachment 2 provides a graphical breakdown of the operating portfolio holdings by investment type as of September 30, 2014. This chart is for investments that are subject to the Investment Policy. The operating portfolio consisted of 91.27% investment in the State of California Local Agency Investment Fund (LAIF). The remaining 8.73% comprises of cash and certificates of deposit.

A summary of investments not subject to the provisions of the Investment Policy (bond proceeds and debt service reserve funds) is also shown on Attachment 1. These funds are invested in accordance with applicable bond indenture provisions. During the quarter ended September 30, 2015, bond proceeds and debt service reserve fund portfolio decreased by a net amount of \$7.7 million from \$20.0 million to \$12.3 million due to the transfer of \$7.7 of water and sewer bond proceeds from bond trustee to the operating portfolio to pay for future capital projects.

Attachment 3 provides a detailed listing of the City's portfolio holdings as required by the Government Code. In this listing, "N/A" is used to denote that the information is either not available or applicable. The market value of investments in LAIF has been reported to equal cost because the City's investments in the pool are readily liquid and the market value of these investments approximates cost. Agency Securities issued by United States Government Sponsored Entities (GSEs) are rated "AA+" by Moody's rating service and "AAA" by Fitch rating service.

CASH FLOWS

During the first half of the fiscal year, General Fund cash receipts are usually below disbursements for expenditures due to the lag in the receipt of tax revenues. However, due to the better fiscal condition of the General Fund, cash balances have improved to cover the lag in revenue receipts. Along with anticipated cash receipts, staff estimates that there will be sufficient cash to cover disbursements for the City and Successor Agency for the next six months ending March 31, 2016.

FINANCIAL IMPACT: Not Applicable.

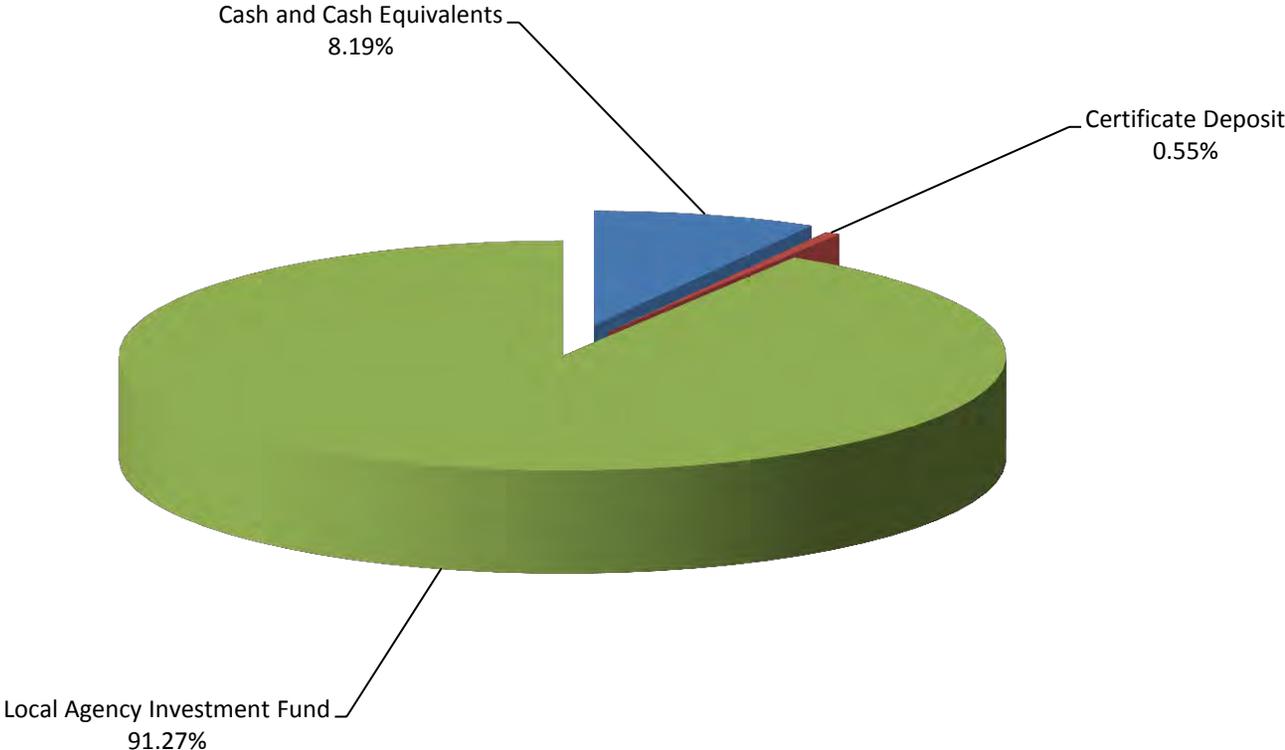
Attachments: 1) Portfolio Summary
2) Summary Graph
3) Portfolio Details – "Investments Not Subject..."
4) Certification Form

**City of Norco, California
Portfolio Summary
As of September 30, 2015**

City Investments Subject to Investment Policy	Market Value	Percentage	Policy Maximum	Compliance
Cash and Cash Equivalents	\$ 3,811,651	8.19%	15.00%	In Compliance
Certificate Deposit	255,153	0.55%	30.00%	In Compliance
Local Agency Investment Fund	42,498,316	91.27%	\$50.0 Million	In Compliance
Total	\$ 46,565,121	100.00%		

City Investments Not Subject to Investment Policy	Market Value	Percentage
Community Facilities Districts	\$ 2,431,831	19.77%
Sewer and Water System	1,670,833	13.58%
Refunding Tax Allocation Bonds	8,198,728	66.65%
Total	\$ 12,301,391	100.00%

**Summary of City Portfolio
(Investments Subject to Investment Policy)
As of September 30, 2015**



City of Norco, California
 Portfolio Details
 As of September 30, 2015
 Investments Subject to Policy

Cash & Cash Equivalents

Purchase Date	Maturity Date	CUSIP #	Description of Security	Account	Rating	Coupon Rate	Yield to Maturity	Face Value	Cost	Market Value
N/A	N/A	N/A	Checking Accounts	Wells Fargo	N/A	N/A	0.00%	N/A	3,811,651	3,811,651
Subtotal				Wells Fargo					3,811,651	3,811,651
4/20/2015	4/19/2016	2329958022	Certificate Deposit	Citizen Business Bk	N/A	0.35%	0.35%	N/A	102,367	102,367
2/25/2014	3/25/2016	2329958065	Certificate Deposit	Citizen Business Bk	N/A	0.25%	0.25%	N/A	152,786	152,786
Subtotal				Wells Fargo					255,153	255,153

Local Agency Investment Fund

Purchase Date	Maturity Date	CUSIP #	Description of Security	Account	Rating	Coupon Rate	Yield to Maturity	Face Value	Cost	Market Value
N/A	N/A	N/A	Local Agency Investment Fund	State of California	N/A	N/A	N/A	N/A	42,498,316	42,498,316
Subtotal									42,498,316	42,498,316
<u>Total Investments Subject to Policy</u>									46,565,121	46,565,121

City of Norco, California
 Portfolio Details
 As of September 30, 2015

Investments Not Subject to Policy (Bond Proceeds)
Community Facilities Districts

Cash and Cash Equivalents

Purchase Date	Maturity Date	CUSIP #	Description of Security	Account	Rating	Coupon Rate	Yield to Maturity	Face Value	Cost	Market Value
N/A	N/A	N/A	First American Government Obligation	791884004 US Bank	N/A	N/A	0.01%	N/A	2,897	2,897
N/A	N/A	N/A	First American Government Obligation	794148000 US Bank	N/A	N/A	0.00%	N/A	2	2
N/A	N/A	N/A	First American Government Obligation	794148002 US Bank	N/A	N/A	0.01%	N/A	1,742,884	1,742,884
Subtotal									1,745,784	1,745,784

Local Agency Investment Fund

Purchase Date	Maturity Date	CUSIP #	Description of Security	Account	Rating	Coupon Rate	Yield to Maturity	Face Value	Cost	Market Value
N/A	N/A	N/A	Local Agency Investment Fund	CFD 93-1 State of California	N/A	N/A	N/A	N/A	107,463	107,463
N/A	N/A	N/A	Local Agency Investment Fund	CFD 2002-1 State of California	N/A	N/A	N/A	N/A	54,261	54,261
Subtotal									161,724	161,724

U.S. and Agency Securities

Purchase Date	Maturity Date	CUSIP #	Description of Security	Account	Rating	Coupon Rate	Yield to Maturity	Face Value	Cost	Market Value	
7/28/2015	7/28/2020	3130A5YA1	Federal Home Loan Bank	794148002 US Bank	AAA*	1.90%	1.89%	4,000	4,000	4,027	
7/21/2015	2/13/2018	3136G1C23 (2)	F N M A MTN Step Up Coupon	791884004 US Bank	AAA*	0.80%	0.80%	520,000	520,000	520,296	
Subtotal									4,000	524,000	524,323

Total Community Facilities Districts

2,431,508 2,431,831

Investments Not Subject to Policy (Bond Proceeds)
Sewer and Water System

Cash and Cash Equivalents

Purchase Date	Maturity Date	CUSIP #	Description of Security	Account	Rating	Coupon Rate	Yield to Maturity	Face Value	Cost	Market Value
N/A	N/A	N/A	U.S. Bank N.A. Open, Commerical Paper	130584001 US Bank	N/A	N/A	0.00%	N/A	5,844	5,844
N/A	N/A	N/A	American Prime Obligations	130584004 US Bank	N/A	N/A	0.01%	N/A	151	151
Subtotal									5,995	5,995

Local Agency Investment Fund

Purchase Date	Maturity Date	CUSIP #	Description of Security	Account	Rating	Coupon Rate	Yield to Maturity	Face Value	Cost	Market Value
N/A	N/A	N/A	Local Agency Investment Fund (Sewer/Water)	2009 State of California	N/A	N/A	N/A	N/A	233,952	233,952
Subtotal									233,952	233,952

City of Norco, California
Portfolio Details
As of September 30, 2015

U.S. and Agency Securities

Purchase Date	Maturity Date	CUSIP #	Description of Security	Account	Rating	Coupon Rate	Yield to Maturity	Face Value	Cost	Market Value
8/19/2015	9/8/2016	3133EEXS4	Federal Farm Credit Banks	130584001 US Bank	AAA*	0.45%	0.45%	1,430,000	1,430,000	1,430,887
Subtotal									1,430,000	1,430,887
Total Sewer and Water System									1,669,946	1,670,833

**Investments Not Subject to Policy (Bond Proceeds)
Refunding Tax Allocation Bonds**

Cash & Cash Equivalents

Purchase Date	Maturity Date	CUSIP #	Description of Security	Account	Rating	Coupon Rate	Yield to Maturity	Face Value	Cost	Market Value
N/A	N/A	N/A	U.S. Bank N.A. Open, Commerical Paper	94662507 US Bank	N/A	N/A	0.00%	N/A	1,199,155	1,199,155
N/A	N/A	N/A	First American Government Obligation	792126001 US Bank	N/A	N/A	0.01%	N/A	9,892	9,892
N/A	N/A	N/A	First American Government Obligation	792126004 US Bank	N/A	N/A	0.01%	N/A	1,505	1,505
N/A	N/A	N/A	U.S. Bank N.A. Open, Commercial Paper	129543003 US Bank	N/A	N/A	0.00%	N/A	4,174	4,174
N/A	N/A	N/A	US Bank Money Market	140828001 US Bank	N/A	N/A	0.02%	N/A	4,991	4,991
N/A	N/A	N/A	US Bank Money Market	140828004 US Bank	N/A	N/A	0.02%	N/A	1,480,992	1,480,992
N/A	N/A	N/A	US Bank Money Market	140828005 US Bank	N/A	N/A	0.00%	N/A	14	14
N/A	N/A	N/A	US Bank Money Market	210857001 US Bank	N/A	N/A	0.00%	N/A	1	1
N/A	N/A	N/A	US Bank Money Market	210857002 US Bank	N/A	N/A	0.00%	N/A	1	1
N/A	N/A	N/A	US Bank Money Market	210857003 US Bank	N/A	N/A	0.02%	N/A	722	722
N/A	N/A	N/A	US Bank Money Market	210857004 US Bank	N/A	N/A	0.02%	N/A	1,182	1,182
N/A	N/A	N/A	US Bank Money Market	210858000 US Bank	N/A	N/A	0.02%	N/A	759	759
N/A	N/A	N/A	US Bank Money Market	210858001 US Bank	N/A	N/A	0.00%	N/A	2	2
N/A	N/A	N/A	US Bank Money Market	210858002 US Bank	N/A	N/A	0.00%	N/A	5	5
N/A	N/A	N/A	US Bank Money Market	210858004 US Bank	N/A	N/A	0.02%	N/A	189	189
Subtotal									2,703,586	2,703,586

Local Agency Investment Fund

Purchase Date	Maturity Date	CUSIP #	Description of Security	Account	Rating	Coupon Rate	Yield to Maturity	Face Value	Cost	Market Value
N/A	N/A	N/A	Local Agency Investment Fund	2010 TABs State of California	N/A	N/A	N/A	N/A	22,670	22,670
N/A	N/A	N/A	Local Agency Investment Fund	2003 TABs State of California	N/A	N/A	N/A	N/A	766,780	766,780
Subtotal									789,450	789,450

U.S. and Agency Securities

Purchase Date	Maturity Date	CUSIP #	Description of Security	Account	Rating	Coupon Rate	Yield to Maturity	Face Value	Cost	Market Value	
8/19/2015	9/8/2016	3133EEXS4	Federal Farm Credit Banks	94662507 US Bank	AAA*	0.450%	0.450%	570,000	570,000	570,353	
7/21/2015	2/13/2018	3136G1C23 (2)	F N M A M T N Step Up Coupon	792126003 US Bank	AAA*	0.800%	0.80%	1,555,000	1,555,000	1,555,886	
7/29/2015	7/29/2020	3134G7LL3 (1)	F H L M C M T N Step Up Coupon	129543003 US Bank	AAA*	1.500%	1.50%	970,000	970,000	970,805	
7/21/2015	2/13/2018	3136G1C23 (2)	F N M A M T N Step Up Coupon	140828004 US Bank	AAA*	0.800%	0.80%	7,000	7,000	7,004	
7/28/2015	7/28/2020	3130A5YA1	Federal Home Loan Bks	210858003 US Bank	AAA*	1.900%	1.89%	1,051,000	1,051,000	1,058,031	
7/28/2015	7/28/2020	3130A5YA1	Federal Home Loan Bks	210857003 US Bank	AAA*	1.900%	1.89%	540,000	540,000	543,613	
Subtotal									4,693,000	4,693,000	4,705,693

City of Norco, California
Portfolio Details
As of September 30, 2015

Total Refunding Tax Allocation Bonds

8,186,035	8,198,728
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Total Investments Not Subject to Policy

12,287,489	12,301,391
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* On August 5, 2011 S&P Lowered US Debt Rating to AA+, Fitch and Moody's Ratings are Still AAA

- 1) Step up rates: 1.5% to 1/29/16, 1.625% to 7/29/16, 1.75% to 1/29/17, 1.875% to 7/29/17, 2% to 1/29/18, 2.125% to 7/29/18, 2.25% to 1/29/19, 2.5% to 7/29/19, 3% to 1/29/20, and 4% to 7/29/20.
- 2) Step up rates: 0.8% to 8/13/15, 0.9% to 2/13/16, 1% to 8/13/16, 1.25% to 2/13/17, 1.5% to 8/13/17, and 2% to 2/13/18.

Attachment 4

Quarterly Investment Portfolio

For the Quarter Ended September 30, 2015

As required by the Government Code, the Treasurer certifies that the investments reported in the accompanying schedules (Attachments 1 through 3) comply with the City of Norco Investment Policy and that sufficient liquidity along with anticipated revenues are available to meet the City and Successor Agency budgeted expenditure requirements for the next six months ending March 31, 2016.

Gina Schuchard, Finance Officer

CITY OF NORCO STAFF REPORT

TO: Honorable Mayor and Members of the City Council

FROM: Andy Okoro, City Manager

PREPARED BY: Steve King, Planning Director

DATE: October 21, 2015

SUBJECT: Acceptance of Proposals and Award Contract for Building and Safety Division Plan Check Services.

RECOMMENDATION: Accept proposals and award contracts for Plan Check Services to two companies - Willdan located in San Bernardino, and Bureau Veritas located in Costa Mesa and San Diego – for three years with the option to approve two additional years by the City Manager.

SUMMARY: Proposals for the Plan Check Services Contract were opened on October 8, 2015 with Willdan and Bureau Veritas being the two bidders that could best meet the needs of the City taking into consideration cost, experience, and ability to meet the City's plan check requirements.

BACKGROUND: Staff advertised a Request for Proposals (RFP) to firms interested in providing plan check services for the City's Building and Safety Division. Six proposals were received by the September 15, 2015 deadline:

Bureau Veritas, Costa Mesa
CSG Consultants, Inc., Santa Ana
EsGil Corporation, San Diego
GK & Associates, Diamond Bar
HR Green, Orange
Willdan Engineering, San Bernardino

The RFP required the proposer to provide a description of the firm, experience of the firm and its employees, turnaround time for plan check services, the process for communicating updates to the City, and the proposed fees for services. The City analysis took into consideration meaningful experience, responsiveness and thoroughness of the proposal, relationship and background with other jurisdictions, and the projected ease and timing of operations. The cost for services was a determining factor but only represented 30% of the overall consideration with ease of process and service representing the highest priority.

AGENDA ITEM: 2.F.

The overall level of service that will be provided by each company will be based on the quantities of permit applications received by the City, but with no guarantee as to that quantity. Recipients of the RFP were advised that lowest price by itself was not the determining factor. Another service that will be provided will be an on-site building permit technician service at City offices based on the need for such a service. It is anticipated that initially the in-house service will be limited to four hours, one day a week, but that will be increased if it is found that more time is needed for staff support and counter assistance.

ANALYSIS/METHODOLOGY: Analysis of the proposals was first scored on the Proposers understanding of the needs of the City of Norco and their ability to meet those needs. The top issues for consideration were turnaround time, mechanisms for delivery of plans, communication and updates with City staff, and availability of plan checkers to communicate directly with applicants. Of the six firms that provided proposals the three that scored the highest in this capacity were Willdan, HR Green, and CSG Consultants Inc.

The cost for services can vary from project to project depending on the level of service that is needed. Generally, the selected consultants will provide plan check services at their offices. A percentage of the fees collected by the City through its building permit application will cover the cost of services. The percentage is based on an assumption of two plan check revisions and then final plan approval. On-site inspections will be done by City staff once the building permit has been issued. However, there will be instances when the plan checker will have to do a site visit and may have to meet directly with applicants. Those extra tasks will be assessed at standard hourly rates which are passed on to the applicant. For basic review services, and with no added inspections or meetings, the three top scores came from Esgil, Bureau Veritas, and Willdan.

Based on the above evaluation, the two firms that were determined to offer the most advantageous combination of proposed services and value in meeting the interests of the City were Willdan and Bureau Veritas. The advantage of Willdan is that it is the company that is currently providing plan check services. Willdan also has plan checkers available to do site inspections and meetings with applicants as needed. Willdan also has staff to provide building permit technical support at City Hall. Staff has been satisfied with the responsiveness and cooperation it has received from Willdan under the current contract.

Bureau Veritas, while they do not currently provide services to the City of Norco, they do have in-house staff at the City of Corona. Because of the Corona staffing they can offer quick delivery and quick turn-around times for plan checks from the City of Norco. For review of minor plan checks Bureau Veritas proposed the quickest turnaround time.

The recommendation from staff is that the City Council approve the contracts for both Willdan and Bureau Veritas. Willdan will continue to provide the primary plan checking services for the City and will provide the building permit technician in-house services. Bureau Veritas will also provide plan check services and will be used during heavy application times and for those plan checks that require an expedited review (additional 25% charge to the applicant). Willdan provides a courier service that is at no extra cost to the City. Bureau Veritas uses

GSO for overnight delivery that while easy to do once the account is set up, it does require City staff time to set up for delivery and to retrieve the cost of shipping from the applicant. This is similar to other companies that responded to the RFP. During those times when the City needs the assistance of a Building Official those services will be provided from Willdan at the standard hourly rate. The proposed contracts are for three years with an option to approve two additional years by the City Manager.

The City is highly interested in streamlining the plan check and permit processes and making them more customer-friendly. Consequently, staff is in the process of preparing a process flow chart to help citizens, applicants, staff, and the City Council understand how building permits will be processed and what to expect. When the process flow chart is ready, staff will present it to the City Council and will conduct education outreach to businesses through the Norco Chamber of Commerce and other appropriate means.

FINANCIAL IMPACT: Funds in the amount of \$88,955 were approved in 2015/16 Building and Safety Fund 121-751-34100 and will cover the cost of in-house building permit technician services, and Building Official services when needed, for the remainder of this fiscal year. Funds to cover the cost of plan check services are paid by the applicants on an as-you-go basis so there should be no impact to the General Fund.

Attachments: Cost Summary Sheet for both companies

FEE SCHEDULE

SERVICE PROVIDED	FEE
Plan review for projects with a valuation of \$0 - \$100,000	70% of fee collected by City
Plan review for projects with a valuation of \$100,000 - \$1,000,000	65% of fee collected by City
Plan review for projects with a valuation of \$1,000,000 - \$5,000,000	60% of fee collected by City
Plan review for projects with a valuation greater than \$5,000,000	50% of fee collected by City
Expedited Plan Review	\$110 per hour
ADDITIONAL SERVICES	
Inspection Services	\$ 95 per hour
Building Official Services	\$130 per hour
CAsp Services	\$110 per hour
Permit Technician Services	\$ 65 per hour



Section 5 Fee/Rate Structure

BVNA proposes a tiered rate structure for the City of Norco. Fees collected are a percentage of the City's collected plan review fee.

Non-Repetitive Plan Review

Project Valuation	Fees
\$0 - \$100,000	70%
\$100,001 - \$1,000,000	65%
\$1,000,001 - \$5,000,000	60%
\$5,000,001 and higher	50%

Repetitive Plan Review

Project Valuation	Fees
\$0 - \$100,000	50%
\$100,001 - \$1,000,000	45%
\$1,000,001 - \$5,000,000	40%
\$5,000,001 and higher	35%

Expedite Plan Review

Additional 25% to the percentages shown above.

Hourly rates for additional services, deferred submittals, revisions to plans, etc. are shown below:

<u>Staff Level Classifications</u>	<u>Hourly Billing Rate*</u>
Senior / Structural Plan Check Engineer	\$140
M/E/P Plan Check Engineer	\$125
Senior Plans Examiner	\$110
Plans Examiner	\$105
Supervising Inspector	\$95
Inspector II	\$85
Inspector I	\$75
Permit Technician	\$70
Resident Engineer	\$140
Public Works Plan Check Engineer	\$125
Public Works Inspector	\$105 (non-prevailing wage)
Engineering Technician	\$65
Fire Marshal	\$140
Fire Protection Engineer/Plans Examiner	\$120
Senior Fire Inspector	\$110
Fire Inspector	\$90

This fee schedule is valid for the first contract year and will be reviewed annually. BVNA requests the ability to modify rates, with the approval of the City, on an annual basis.

CITY OF NORCO STAFF REPORT

TO: Honorable Mayor and Members of the City Council

FROM: Andy Okoro, City Manager

PREPARED BY: Cheryl L. Link, City Clerk

DATE: October 21, 2015

SUBJECT: **Ordinance No. 995, Second Reading.**

RECOMMENDATION: Adopt **Ordinance No. 995** for second reading.

SUMMARY: The first reading of Ordinance No. 995 was held on October 7, 2015 and adopted by the City Council with a 5-0 vote. Ordinance No. 995 amends Title 1 of the Norco Municipal Code adding Chapter 1.07 "Public Notice Posting," which establishes public places for posting of City notices.

Attachment: Ordinance No. 995

ORDINANCE NO. 995

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF NORCO AMENDING TITLE 1 OF THE NORCO MUNICIPAL CODE ADDING CHAPTER 1.07 "PUBLIC NOTICE POSTING" ESTABLISHING PUBLIC PLACES FOR THE POSTING OF CITY NOTICES PURSUANT TO PUBLIC CONTRACT CODE SECTION 20164 AND OTHER RELATED STATUTORY PROVISIONS

WHEREAS, the City of Norco has utilized The Press-Enterprise for the advertising of public notices pursuant to Public Contract Code Section 20164 and other statutory provisions based upon said newspaper's status as an adjudicated newspaper of general circulation; and

WHEREAS, as a consequence of a recent decision of the California Court of Appeals, the status of The Press-Enterprise as an adjudicated newspaper of general circulation covering the City of Corona and other cities within the County of Riverside, including the City of Norco, has been called into question; and

WHEREAS, Public Code Section 20164 provides that in the event that no newspaper of general circulation exists within the City, at least three public places within the City must be designated by ordinance for the posting of public notices; and

WHEREAS, the City has currently designated five such places within the City, pursuant most recently by Resolution No. 2010-19 pursuant to statutory requirements other than Public Contract Code Section 20164; and

WHEREAS, Public Contract Code Section 20164 requires that said places for public posting be established by Ordinance;

NOW, THEREFORE THE CITY COUNCIL OF THE CITY OF NORCO DOES HEREBY ORDAIN AS FOLLOWS:

SECTION 1: The City Council finds that the above recitals are true and correct and incorporates them by reference herein.

SECTION 2: Chapter 1.07 PUBLIC NOTICE POSTING of the Municipal Code is hereby added to read in its entirety as follows:

Section 1.07.010 Public Places for the Posting of City Notices.

The following public places within the City of Norco are established for the posting of all City notices as required by law to be posted, specifically including Public Contract Code Section 20164:

1. Norco City Hall
2870 Clark Avenue
Norco, California
2. Norco City Council Chambers
2820 Clark Avenue
Norco, California
3. Norco Library
3954 Old Hammer Avenue
Norco, California
4. Fire Station No. 47
3902 Hillside Avenue
Norco, California
5. Norco Senior Center
2690 Clark Avenue
Norco, California

PASSED, APPROVED AND ADOPTED by the City Council of the City of Norco at a regular meeting held this 21st day of October, 2015.

Herb Higgins, Mayor
City of Norco, California

ATTEST:

Cheryl L. Link, City Clerk
City of Norco, California

APPROVED AS TO FORM:

John Harper, City Attorney
City of Norco, California

I, CHERYL LINK, City Clerk of the City of Norco, California, do hereby certify that the foregoing Ordinance was introduced at a regular meeting of the City Council of the City of Norco, California, duly held on October 7, 2015 and thereafter at a regular meeting of said City Council duly held on October 21, 2015, it was duly passed and adopted by the following vote of the City Council:

AYES:
NOES:
ABSENT:
ABSTAIN:

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the official seal of the City of Norco, California, on October 21, 2015.

Cheryl L. Link, City Clerk
City of Norco, California

CITY OF NORCO STAFF REPORT

TO: Honorable Mayor and Members of the City Council

FROM: Andy Okoro, City Manager

PREPARED BY: Cheryl L. Link, City Clerk

DATE: October 21, 2015

SUBJECT: **Ordinance No. 996, Second Reading.**

RECOMMENDATION: Adopt **Ordinance No. 996** for second reading.

SUMMARY: The first reading of Ordinance No. 996 was held on October 7, 2015 and adopted by the City Council with a 5-0 vote. Ordinance No. 996 amends Title 18 of the Norco Municipal Code, Chapter 18.23 "C-4 Commercial Zone," proposing a revision to the list of permitted uses that are currently allowed in the C-4 zone to broaden and redefine the categories, and eliminate the specificity, thereby allowing more retail uses by inclusion.

Attachment: Ordinance No. 996

ORDINANCE 996

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF NORCO APPROVING ZONE CODE AMENDMENT 2015-06 AMENDING CHAPTER 18.23 "C-4" (COMMERCIAL) ZONE, WITH ANY RELATED CROSS-REFERENCES IN OTHER CHAPTERS AS NEEDED TO AMEND THE PERMITTED AND CONDITIONALLY-PERMITTED USES. ZONE CODE AMENDMENT 2015-06.

WHEREAS, THE PLANNING COMMISSION, initiated an application for a zone code amendment to amend the permitted and conditionally-permitted uses in the C-4 zone; and

WHEREAS, said application for zone code amendment was duly submitted to said City's Planning Commission for decision at a public hearing for which proper notice was given; and

WHEREAS, at the time set at 7 p.m. on July 8, 2015, within the Council Chambers at 2820 Clark Avenue, Norco, California, 92960, said petition was heard by the Planning Commission for the City of Norco; and

WHEREAS, at said time and place, said Planning Commission heard and considered both oral and written evidence; and

WHEREAS, said Planning Commission adopted Resolution 2015-35 recommending that the City Council approve Zone Code Amendment 2015-06; and

WHEREAS, said application for zone code amendment was duly submitted to said City's City Council for decision at a public hearing for which proper notice was given; and

WHEREAS, at the time set at 7 p.m. on October 7, 2015, within the Council Chambers at 2820 Clark Avenue, Norco, California, 92960, said petition was heard by the City Council for the City of Norco; and

WHEREAS, at said time and place, said City Council heard and considered both oral and written evidence; and

WHEREAS, the City of Norco, acting as the Lead Agency, has determined that the project is exempt from the California Environmental Quality Act (CEQA) and the City of Norco Environmental Guidelines per Class 1.

NOW, THEREFORE, the City Council of the City of Norco does hereby find as follows:

- A. The proposed zone code amendment is consistent with the Zoning Ordinance and the intent of the C-4 zone and related zoning standards. The zone code amendment will re-classify and re-group permitted and conditionally-permitted uses so as to clarify the intent of the zone and eliminate specificity that by exclusion restricts uses that are consistent with the intent of the C-4 zone. The Zone Code Amendment will eliminate the need for Similar Use Permits or Zone Code Amendments for uses that are already considered consistent with the intent of the C-4 zone. The proposed revisions will not be detrimental to public health, convenience, or welfare of the community or to any surrounding businesses or residences.

- B. The City of Norco has been determined to be the lead agency for environmental reporting purposes pursuant to State and local environmental guidelines, and has determined that the project is exempt pursuant to the California Environmental Quality Act (CEQA) and the City of Norco Environmental Guidelines (Class 1).

NOW, THEREFORE, the City Council of the City of Norco does hereby approve as follows:

SECTION 1:

**Chapter 18.23
C-4 Commercial Zone**

Sections:

18.23.06 Review of Proposed Land Uses by the Planning Commission

18.23.04 Permitted Uses.

P – Permitted Use; CUP – Requires a Conditional Use Permit; ● – Not Permitted		
A.	Administrative, Medical, and Professional Offices.	P
	1. Includes dispatch and office support services for the operation of taxicab/vehicles for hire businesses.	P
	2. Includes out-patient health care services.	P
	● Does not include facilities for the storage, staging, standing, or parking of taxicab/vehicles for hire company vehicles on site.	
	● Does not include facilities for inpatient health care services.	
B.	Animal Care, Animal Services, Boarding Services, and Animal-Related Equipment Sales.	P

	1. Includes animal-keeping at a lawfully existing or legal non-conforming use pursuant to the animal-keeping standards of the A-1 zone. (Ord. 951 Sec. 1, 2012; Ord. 872, 2007; Ord. 802, 2003; Ord. 539 Sec. 1(part), 1985)	P
	2. Includes the stabling and boarding of horses for recreational rental riding purposes (east of Pedley Avenue) whether as a primary or ancillary use, subject to Site Plan approval per NMC Chapter 18.40. The allowed number of animals for said use will be subject to animal-safety requirements as approved by the Animal Control Division.	P
	3. Includes the stabling and boarding of horses for recreational rental riding purposes (west of Pedley Avenue) whether as a primary or ancillary use, subject to Conditional Use Permit approval per NMC Chapter 18.45. The allowed number of animals for said use will be subject to animal-safety requirements as approved by the Animal Control Division.	C
	<ul style="list-style-type: none"> Does not include dog kennels or dog rescue operations. Dog kennels for overnight stays as a part of a general animal hospital operation are allowed as part of that use. 	
C.	Building Supplies Sales and Rentals.	CUP
	1. Includes ancillary truck rentals for delivery of merchandise/equipment.	CUP
	2. Includes companies that provide building maintenance services.	CUP
	<ul style="list-style-type: none"> Does not include auto rental facilities or truck rentals as a primary use. 	
D.	General Retail Sales	P
	1. Includes convenience stores.	P
	2. Includes retail equestrian and agricultural supplies/services. Typical uses are feed and grain stores, and saddle/tack shops.	P
	3. Includes food and non-alcoholic beverage sales.	P
	4. Includes the sale of beer and wine for on-site consumption, or for off-site consumption, and either as an ancillary or primary use.	P
	5. Includes the sale of distilled spirits for on-site consumption, or for off-site consumption, and either as an ancillary or primary use.	P
	6. Includes art-craft studios, artist studios, metalsmithing and other craftwork designed for demonstration combined with sales, that can include live-work arrangements in existing single-family residences; or as a stand-alone business in a building with commercial occupancy.	P
	7. Includes the retail sale of goods and equipment, including paint, glass, hardware, fixtures, electrical supplies, yard	P

	and garden supplies.	
	8. Includes lumber stores, hardware stores, and building supply stores such as brick, block, sand, masonry and gravel.	P
	<ul style="list-style-type: none"> Does not include contractor's storage yards as a primary or ancillary use. 	
	<ul style="list-style-type: none"> Does not include auto sales facilities, service facilities, or repair facilities. 	
E.	Business Support Services.	P
	1. Includes rental or repair from the premises of office equipment, office supplies, and similar office goods.	CUP
F.	Non Drive-Thru Eating and Drinking Establishments.	P
	1. Includes the sale of beer and wine for on-site consumption, either as an ancillary or primary use.	P
	2. Includes the sale of distilled spirits for on-site consumption, either as an ancillary or primary use.	P
	3. Includes outdoor smoking areas or hookah smoking areas or hookah smoking areas only as an ancillary use (not more than 20% of indoor floor area) to an otherwise permitted use in this category.	P
	<ul style="list-style-type: none"> Does not include indoor smoking lounges or hookah bars as primary uses. 	
G.	Entertainment/Recreation Establishments.	P
	1. Includes amusement centers: public places of amusement or business in which four or more coin-operated amusement devices are installed.	P
	2. Includes indoor sports and recreation: typical uses are bowling alleys, billiard parlors, skating rinks, indoor sports courts.	P
	3. Includes outdoor sports and recreation: typical uses are tennis courts, batting cages, equestrian riding rings, miniature golf, athletic education, athletic practice facilities, water recreation, equestrian staging areas.	P
	4. Includes rental stables east of Pedley Avenue.	P
	5. Includes sale of prepared foods and beverages ancillary to the primary use.	P
H.	Personal Services/Sales.	P
	1. Includes businesses that provide only facial and scalp massages as an ancillary or primary use.	P
	2. Includes full-body massage, as an ancillary or primary use, upon approval of a conditional use permit and only after compliance with the requirements of NMC Section 5.48.	CUP
	3. Includes indoor tattoo parlors, body art parlors, and permanent make-up as an ancillary use (not more than 20% of interior floor area) to an otherwise permitted use.	P

I.	Civic and Community-Related Uses.	CUP
	1. Includes public, quasi-public, and private civic administrative and management activities.	CUP
	2. Includes public and privately operated cultural facilities.	CUP
	3. Includes public and private education facilities.	CUP
	4. Includes public and private assembly and event facilities, both indoor and outdoor.	CUP
	5. Includes public parking lots.	CUP
	6. Includes churches and facilities for religious assembly.	P
	7. Includes clubs and lodges for fraternal organizations.	CUP
J.	Drive-In/Drive-Thru Facilities (Ref. Section 18.23.08).	CUP
K.	Hospitality Uses.	CUP
	1. Includes hotels (interior room entrance), west of Center Street.	CUP
	2. Includes motels (exterior room entrance), west of Center Street.	CUP
	3. Includes bed and breakfast inns subject to the following definitions and requirements.	CUP
	a. Can only be applied to structures classified as single-family residences in the C-4 zone at the time of this adoption.	CUP
	b. Requires residency by the operator with no more than 10 rooms available and advertised for tourist-related overnight stays in addition to the operator's residence rooms.	CUP
	c. Length of stay shall not exceed 14 consecutive overnight stays. (Ord. 951 Sec. 1, 2012; Ord. 802, 2003; Ord. 539 Sec. 1(part), 1985)	CUP

18.23.06 Review of Proposed Land Uses by the Planning Commission.

In the event of uncertainty about the compatibility of a proposed land use, or when a proposed use does not clearly fall within an approved permitted use category, at the discretion of the City said use(s) shall be presented to the Planning Commission for review and approval, or denial.

SECTION 2: EFFECTIVE DATE: This Ordinance shall become effective 30 days after final passage thereof.

SECTION 3: SEVERABILITY: If any section, subsection, sentence, clause, or phrase of this Ordinance is for any reason held to be invalid or unconstitutional by the decision of any court of competent jurisdiction, such decision shall not affect the validity of the remaining portions of the Ordinance. The Council hereby declares that it would have passed this Ordinance, and each section, subsection, sentence, clause, and phrase, hereof, irrespective of the fact that any one or more of the sections, subsections, sentences, clauses, or phrases hereof be declared invalid or unconstitutional.

PASSED AND ADOPTED by the City Council of the City of Norco at a regular meeting held October 21, 2015.

Herb Higgins, Mayor
City of Norco, California

ATTEST:

Cheryl L. Link, City Clerk
City of Norco, California

I, CHERYL LINK, City Clerk of the City of Norco, California, do hereby certify that the foregoing Ordinance was introduced at a regular meeting of the City Council of the City of Norco, California, duly held on October 7, 2015 and thereafter at a regular meeting of said City Council duly held on October 21, 2015, it was duly passed and adopted by the following vote of the City Council:

AYES:

NOES:

ABSENT:

ABSTAIN:

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the official seal of the City of Norco, California, on October 21, 2015.

Cheryl Link, City Clerk
City of Norco, California

CITY OF NORCO STAFF REPORT

TO: Honorable Mayor and Members of the City Council

FROM: Andy Okoro, City Manager

DATE: October 21, 2015

SUBJECT: Approval of Service Agreement for Preliminary Engineering and Environmental Documentation by and Between the County of Riverside, City of Eastvale, and City of Norco for Hamner Avenue Bridge Improvements

RECOMMENDATION: Approve Service Agreement for preliminary engineering and environmental documentation by and between the County of Riverside, City of Eastvale, and City of Norco for Hamner Avenue Bridge improvements

SUMMARY: Staff is recommending that the City Council approve the attached Service Agreement for Preliminary Engineering and Environmental Documentation by and between the County of Riverside, City of Eastvale, and City of Norco for the Hamner Avenue Bridge Improvements. This agreement recognizes that the City of Norco is the lead sponsoring agency; the City of Eastvale as a cooperating local funding partner; and County of Riverside as the responsible party for implementing the project. Through this agreement, the Cities of Norco and Eastvale are committing \$249,000 each for preliminary engineering and environmental documentation of the Hamner Avenue Bridge Improvements (Project).

BACKGROUND/ANALYSIS: The proposed Hamner Avenue Bridge Improvements (Project) will replace the existing structurally deficient and functionally obsolete 73-year-old bridge with a new, longer, and wider bridge to provide enhanced public safety and traffic circulation. The bridge is listed in the federal Eligible Bridge List (EBL) with a status flag of "Structurally Deficient" (SD) with Sufficiency Rating of 69.3. With SR of lower than 80, the bridge is eligible for rehabilitation using federal Highway Bridge Program (HBP) funds. Although the SR is higher than the threshold of 50.0 for replacement under HBP guidelines, the County and cities believe that the replacement of the of the existing two-lane bridge with a minimum four-lane bridge and preferably a six-lane bridge is the most prudent and cost effective rehabilitation alternative. This is based on the age, structural deterioration, hydraulic deficiencies, geometric restrictions and the need to accommodate increased traffic capacity. The scope of work will include reconstructing approach roadways, providing necessary channel improvements, and a multi-purpose trail connecting to existing and proposed regional trails.

The Hamner Avenue Bridge is in Norco's jurisdictional boundaries and the City will serve as the sponsoring City for the purpose of funding and implementing the Project. Consequently, for the purposes of complying with the requirements of California Environmental Quality Act (CEQA), the City of Norco will serve as the Lead Agency to consider and approve CEQA document for the project. This City of Eastvale is a cooperating local funding partner while

AGENDA ITEM: 6.A.

the County of Riverside is responsible for the management and implementation of the Project.

The Project is currently in Phase 1 which includes planning, preliminary engineering and environmental documentation with the following tasks already completed:

- Prepared limited feasibility engineering, planning, environmental scoping studies and cost analysis needed to request funds through the federal HBP – costs funded by the Cities of Norco and Eastvale;
- Funding application submitted to the Federal Highway Administration (FHWA);
- FHWA approved funding application and obligated initial funds in the amount of \$518,000 in August 2013;
- Prepared project scope and RFQ to select consultant for preliminary engineering services; and selected T.Y. Lin international to provide engineering services for development of the project from environmental clearance through construction.

Phase 2 will consist of final preparation of plans, specifications, estimates, property acquisition and construction.

The total estimated cost for replacing the existing 676-foot length bridge with a 1200-foot length bridge with proposed width of 108 feet from the existing width of 36 feet is \$56,339,000. Of this amount, \$49,877,000 is expected to come from HBP funds while the remaining \$6,462,000 is expected to come from local matching funds. In the last several months, the cities of Norco and Eastvale have met with potential local funding partners including Western Riverside Council of Governments (WRCOG) and Riverside County Transportation Commission (RCTC) to discuss ways to find the necessary matching funds. In addition, the City of Norco recently met with City of Riverside and Western Municipal Water District staff to solicit support and discuss potential funding sources for meeting the necessary local matching funds. These meetings and discussions are continuing.

In a recent meeting between RCTC, Eastvale and Norco, RCTC pledged to assist the cities to secure local funding match but recommended that the cities first commit to completing preliminary engineering and environmental documentation. The purpose of this agreement is for the cities to commit to providing \$249,000 each in local matching funds to complete the necessary preliminary engineering and environmental documentation tasks. Staff is recommending that the City Council approve the attached agreement which includes the City's commitment to providing \$249,000 for preliminary engineering and environmental documentation. It is expected that the Eastvale City Council will take similar action in support of the Project.

FISCAL IMPACT: The current Five-Year Capital Improvement Program Budget for the City of Norco includes allocation of \$249,000 from Measure A Fund; and allocation of \$400,000 from Street Projects Fund towards the Hamner Avenue Bridge Improvements.

Attachment: Tri-Party Service Agreement

SERVICE AGREEMENT FOR PRELIMINARY ENGINEERING AND ENVIRONMENTAL DOCUMENTATION
BY AND BETWEEN
COUNTY OF RIVERSIDE, CITY OF EASTVALE, AND CITY OF NORCO
FOR
HAMNER AVENUE BRIDGE IMPROVEMENTS AT SANTA ANA RIVER

This Agreement is entered into this _____ day of _____, 2015, by and between the County of Riverside, (hereinafter "COUNTY"), the City of Eastvale, (hereinafter "EASTVALE") and the City of Norco (hereinafter "NORCO") to perform the preliminary engineering, conduct the environmental studies and prepare the environmental documentation for environmentally clearing a project (PROJECT) proposing to replace the existing Hamner Avenue Bridge (Br.No.56C0446) over Santa Ana River and to reconstruct the approach roadways connecting to the new bridge located within the jurisdictional boundaries of EASTVALE and NORCO. EASTVALE and NORCO collectively are sometimes hereinafter referred to as "CITIES". The COUNTY, EASTVALE, and NORCO are sometimes hereinafter referred to individually as the "PARTY" and collectively as the "PARTIES".

RECITALS

- A. Hamner Avenue is an approximately 8.5-mile stretch of road extending through the Cities of Norco and Eastvale. It runs parallel to Interstate 15 (I-15) and extends from Riverside Drive in the City of Eastvale at the north end to the southern boundary of the City of Norco at the south end. Hamner Avenue serves not only as a local arterial but also as an alternate route to the I-15. Hamner Avenue Bridge, which is one of the few all-weather crossings over the Santa Ana River in the region, is a critical link between the City of Norco and the City of Eastvale.
- B. The bridge site is near the border between the City of Norco and the City of Eastvale, approximately 1,300 feet to the west of the I-15 Bridges over the Santa Ana River in the City of Norco, California. The existing structure has two traffic lanes, one in each direction with no shoulders. It carries heavy traffic bypassing Interstate-15 when there is congestion, maintenance activities, or an emergency on the freeway. The existing reinforced concrete bridge is approximately 676 feet long and 36 feet wide. The bridge was constructed in 1939. It was widened and seismically upgraded in 1978. The bridge widening project provided a cantilevered sidewalk on the east side of the structure and installed cable restrainers through the expansion joints for seismic retrofitting.

- 1 C. The 1978 seismic upgrade work is now outdated and insufficient in consideration of the current Caltrans
2 seismic design criteria and retrofit technology. The bridge is listed in the federal Eligible Bridge List (EBL)
3 with a status flag of "Structurally Deficient" (SD) and a Sufficiency Rating (SR) of 69.3. Since the bridge is
4 rated "SD" with a SR lower than 80, the bridge is eligible for rehabilitation using the federal Highway Bridge
5 Program (HBP) funds. Although the SR of the bridge exceeds the threshold of 50.0 for replacement per the
6 HBP guidelines, COUNTY and the CITIES consider that the replacement of the existing 2-lane bridge with a
7 minimum 4-lane or possibly a 6-lane bridge is the most prudent and cost-effective rehabilitation alternative.
8 This determination is based on the age of the bridge, the structural deterioration, hydraulic deficiencies,
9 geometric restrictions, and the need for increased traffic capacity.
- 10 D. The PROJECT proposes to replace the existing structurally deficient and functionally obsolete 73 year old
11 bridge with a new, longer, and wider bridge to provide enhanced public safety and traffic circulation in the
12 area. The scope of work will include reconstructing approach roadways, providing necessary channel
13 improvements, and a multi-purpose trail connecting to the existing and proposed regional trails. The
14 proposed bridge improvements are consistent with the 2012-2035 Regional Transportation Plan (RTP)
15 published by the Southern California Association of Governments (SCAG). Widening of Hamner Avenue from
16 2 to 6 traffic lanes, including the bridge over the Santa Ana River, has been listed in the SCAG's 2012-2035
17 Regional Transportation Plan (RTP), Project ID 3A01WT159. Since the PROJECT is funded primarily with
18 HBP Funds, it must conform to the processes and procedures of the Caltrans Office of Local Programs.
- 19 E. The Hamner Avenue Bridge over Santa Ana River is essentially within the jurisdictional limits of the City of
20 Norco near the border with the City of Eastvale. As a result, NORCO is the implementing agency responsible
21 for sponsoring and funding the Hamner Avenue Bridge Replacement Project. In accordance with the
22 California Environmental Quality Act (CEQA), NORCO will also be the Lead Agency to consider and approve
23 the CEQA document and the PROJECT. The City of Eastvale desires to cooperate, coordinate, and
24 participate in funding the required local match for the project. EASTVALE, at its sole discretion, will decide its
25 level of participation in funding the required local match at the beginning of each project phase. Currently,
26 EASTVALE has committed to equal participation with NORCO in funding the local match for the Preliminary
27 Engineering and Environmental Documentation (PA/ED) phase of the PROJECT. The level of funding
28 participation by EASTVALE, if any, shall be decided by EASTVALE City Council at the beginning of each
29 subsequent PROJECT phase, when the Request for Authorization of the HBP funds is submitted to the State

1 for that particular phase

2 F. COUNTY has extensive experience in the development and implementation of complex bridge projects
3 involving Federal and State agencies. Although the PROJECT is located within the jurisdictional boundaries
4 of NORCO, the PARTIES desire to designate the COUNTY as the Responsible Agency for performing the
5 preliminary engineering, conducting the environmental studies, and preparing the environmental
6 documentation to secure the CEQA and the National Environmental Policy Act (NEPA) clearance for the
7 PROJECT. COUNTY will therefore provide the administrative, technical, managerial, and support services
8 necessary for the development of the PROJECT during the PA/ED Phase.

9 G. Under a previous three-party service agreement dated April 4, 2012 (Contract No. 12-06-010), COUNTY in
10 cooperation with EASTVALE and NORCO performed the necessary preliminary engineering studies,
11 prepared a funding application, and submitted the application to Federal Highway Administration (FHWA) in
12 order to program and to fund the PROJECT in the Federal Transportation Improvement Program (FTIP).
13 After successfully programming the PROJECT, COUNTY submitted to FHWA a Request for Authorization
14 (RFA) to obligate the HBP funds for the Preliminary Engineering Phase of the PROJECT. FHWA approved
15 the request and obligated an initial amount of \$518,000 on August 30, 2013, requesting additional studies in
16 support of total replacement scope before authorizing the remainder of the funds for the Preliminary
17 Engineering Phase.

18 H. COUNTY selected T.Y. Lin International to provide the necessary environmental and engineering services for
19 developing the PROJECT.

20 I. The purpose of this Agreement is to memorialize the mutual understandings by and between COUNTY,
21 EASTVALE, and NORCO with respect to each PARTY's roles and responsibilities for continuing the
22 development of the PROJECT.

23
24 **AGREEMENT**

25 NOW THEREFORE, in consideration of the mutual promises contained herein, the PARTIES hereto agree as
26 follows:

27 **SECTION 1 • COUNTY shall:**

28 1. Act as the Responsible Agency on behalf of the CITIES for performing the preliminary engineering,
29 conducting the environmental studies, and preparing the environmental documentation to secure the CEQA

1 and the NEPA clearance for the PROJECT. All services are dependent on the continued availability of the
2 federal HBP funds and the matching local funds from the CITIES as detailed in Exhibit A, the Project
3 Factsheet, further defined and discussed elsewhere in this Agreement. COUNTY is providing services on a
4 reimbursable basis and has absolutely no obligation with regard to COUNTY funding for any portion of the
5 PROJECT.

- 6 2. Retain a consultant to prepare the PA/ED documents, manage and oversee the work of the consultant, and
7 work with the regulatory agencies to review, circulate, and approve the environmental document.
- 8 3. Submit invoices to State and the CITIES periodically, but not more frequent than monthly, for reimbursement
9 of PROJECT costs.

10 **SECTION 2 • EASTVALE shall:**

- 11 1. Equally participate with NORCO in funding the required Local Match for the PA/ED Phase of the PROJECT
12 as detailed in Exhibit A, the Project Factsheet.
- 13 2. Issue, at no cost to COUNTY or its contractors, upon proper application by COUNTY or COUNTY's
14 contractor, an encroachment permit authorizing entry onto CITY's right-of-way to perform all surveys and
15 other field activities required for preparation of conceptual planning studies in support of environmental
16 document and construction permits.
- 17 3. Provide a representative to coordinate with the COUNTY's Project Manager during the development of the
18 PROJECT to verify facilities are being planned and designed as required by this Agreement.
- 19 4. Pay all invoices submitted by COUNTY for PROJECT costs within 45 calendar days of receipt.

20 **SECTION 3 • NORCO shall:**

- 21 1. In accordance with the California Environmental Quality Act (CEQA), be the Lead Agency to consider and
22 approve the CEQA document and the PROJECT
- 23 2. Equally participate with EASTVALE in funding the required Local Match for the PA/ED Phase of the
24 PROJECT as detailed in Exhibit A, the Project Factsheet.
- 25 3. Issue, at no cost to COUNTY or its contractors, upon proper application by COUNTY or COUNTY's
26 contractor, an encroachment permit authorizing entry onto CITY's right-of-way to perform all surveys and
27 other field activities required for preparation of conceptual planning studies in support of environmental
28 document and construction permits.
- 29 4. Provide a representative to coordinate with the COUNTY's Project Manager during the development of the

1 PROJECT to verify facilities are being planned and designed as required by this Agreement.

2 5. Pay all invoices submitted by COUNTY for PROJECT costs within 45 calendar days of receipt.

3 **SECTION 4 • IT IS MUTUALLY AGREED AS FOLLOWS:**

4 1. This Service Agreement supersedes and replaces the previous three-party agreement dated April 4, 2012
5 (Contract No. 12-06-010) between COUNTY, EASTVALE, and NORCO and becomes the sole agreement
6 between the PARTIES for the development and implementation of the PROJECT from the date of this
7 Agreement forward.

8 2. After the completion of PA/ED Phase, the continued implementation of the PROJECT depends primarily on
9 the availability and authorization of HBP funds, and the matching local funds coming from regional and/or
10 local funding sources.

11 3. Nothing in this Agreement is intended to commit the COUNTY to funding any portion of the PROJECT, or
12 shall be construed as obligating the COUNTY to provide replacement funding for any anticipated funding or to
13 continue with the PROJECT, if funds are no longer available. In the event that adequate funds are not
14 available to move forward or to complete the PROJECT, PARTIES agree to meet and confer and collectively
15 work to identify adequate funding for PROJECT.

16 4. COUNTY and CITIES mutually agree to budget for the fiscal year at the start of each fiscal year. This will be
17 documented in a Project Budget Form to be approved by the authorized representatives of the CITIES and
18 the COUNTY, which will identify total project budget for the upcoming fiscal year, available revenues and
19 funding sources, expected expenditures of COUNTY staff and contracts engaged in project delivery. The
20 Project Budget Form will be amended as necessary throughout the year as required by project financial
21 circumstances or as mutually agreed, but never less than once every fiscal year. COUNTY and CITIES will
22 meet at the end of PA/ED Phase upon completion of the environmental documentation and clearance of the
23 PROJECT to review and establish the PROJECT budget and funding status. Continued implementation of
24 the project with the subsequent phases, i.e., preparation of Plans, Specifications, and the Estimate (PS&E),
25 right of way acquisition, and construction, shall be handled under a new and separate service agreement at
26 that time.

27 5. Exhibit A of this Agreement, which consists of three (3) pages attached hereto and incorporated by this
28 reference, is a brief Project Factsheet. The Factsheet provides for a brief PROJECT scope of work,
29 preliminary cost estimates by project phase and the anticipated funding sources to cover these costs.

COUNTY and CITIES mutually understand and agree that the cost and schedule information provided in the Factsheet are approximate in nature and subject to change and refinement as the PROJECT is developed and detailed information became available. The information is based on limited preliminary studies performed with the sole purpose of programming the project in the Federal Transportation Improvement Program (FTIP) and to assist the CITIES with initial long term fiscal planning for the matching local funds. The Project Budget Form, which will be reviewed and updated at the start of each fiscal year, shall be the sole source of up to date project budget and schedule information for fiscal planning and necessary adjustments.

6. No alteration or variation of the terms of this Agreement shall be valid unless made in writing and signed by all PARTIES and no oral understanding or agreement not incorporated herein shall be binding on the PARTIES hereto.

7. Neither COUNTY nor any officer or employee thereof shall be responsible for any damage or liability occurring by reason of anything done or omitted to be done by CITIES under or in connection with any work, authority or jurisdiction delegated to CITIES under this Agreement. It is further agreed that pursuant to Government Code Section 895.4, CITIES shall fully indemnify and hold COUNTY harmless from any liability imposed for injury (as defined by Government Code Section 810.8) occurring by reason of anything done or omitted to be done by CITIES under or in connection with any work, authority or jurisdiction delegated to CITIES under this Agreement.

8. Neither CITIES nor any officer or employee thereof shall be responsible for any damage or liability occurring by reason of anything done or omitted to be done by COUNTY under or in connection with any work, authority or jurisdiction delegated to COUNTY under this Agreement. It is further agreed that pursuant to Government Code Section 895.4, COUNTY shall fully indemnify and hold CITIES harmless from any liability imposed for injury (as defined by Government Code Section 810.8) occurring by reason of anything done or omitted to be done by COUNTY under or in connection with any work, authority or jurisdiction delegated to COUNTY under this Agreement.

9. In the event that EASTVALE defaults in the performance of any of its obligations under this Agreement or materially breaches any of the provisions of this Agreement, the COUNTY and NORCO shall have the option to terminate this Agreement upon 90 days written notice to EASTVALE.

10. In the event that NORCO defaults in the performance of any of its obligations under this Agreement or materially breaches any of the provisions of this Agreement, the COUNTY and EASTVALE shall have the

1 option to terminate this Agreement upon 90 days written notice to NORCO.

2 11. In the event of any arbitration, action or suit brought by either CITIES or COUNTY against the other by reason
3 of any breach on the part of the other party or any of the covenants and agreements set forth in this
4 Agreement, or any other dispute between the COUNTY and CITIES concerning this Agreement, the
5 prevailing party in any such action or dispute, by a final judgment or arbitration award, shall be entitled to
6 have and recover from the other party all costs and expenses or claims, including but not limited to attorneys
7 fees and expert witness fees. This section shall survive any termination of this Agreement.

8 12. If any provision in this Agreement is held by a court of competent jurisdiction to be invalid, void, or
9 unenforceable, the same shall be deemed severable from the remainder of this Agreement, and the
10 remaining provisions shall nevertheless continue in full force without being impaired or invalidated in any way.

11 13. This Agreement is to be construed in accordance with the laws of the State of California.

12 14. Neither the CITIES nor COUNTY shall assign this Agreement without the written consent of the other party.

13 15. Any action at law or in equity brought by any of the parties hereto for the purpose of enforcing a right or rights
14 provided by this Agreement shall be tried in a court of competent jurisdiction in the County of Riverside, State
15 of California, and the parties hereto waive all provisions of law providing for a change of venue in such
16 proceedings to any other county.

17 16. This Agreement is the result of negotiations between the parties hereto, and the advice and assistance of
18 their respective counsel. The fact that this Agreement was prepared as a matter of convenience by CITIES or
19 COUNTY shall have no importance or significance. Any uncertainty or ambiguity in this Agreement shall not
20 be construed against the party that prepared it in its final form.

21 17. Any waiver by COUNTY or CITIES of any breach by any other party of any provision of this Agreement shall
22 not be construed to be a waiver of any subsequent or other breach of the same or any other provision hereof.
23 Failure on the part of COUNTY or CITIES to require from any other party exact, full and complete compliance
24 with any of the provisions of this Agreement shall not be construed as in any manner changing the terms
25 hereof, or stopping COUNTY or CITIES from enforcing this Agreement.

26 18. This Agreement and the exhibits herein contain the entire agreement between the PARTIES, and are
27 intended by the PARTIES to completely state the Agreement in full. Any agreement or representation
28 respecting the matters dealt with herein or the duties of any party in relation thereto, not expressly set forth in
29 this Agreement, is null and void.

- 19. Nothing in the provisions of this Agreement is intended to create duties or obligations to or rights in third parties not a party to this Agreement or affect the legal liability of any party to the Agreement by imposing any standard of care with respect to the maintenance of roads different from the standard of care imposed by law.
- 20. All PARTIES shall retain or cause to be retained for audit, all records and accounts relating to PROJECT for a period of minimum three (3) years from the date of Notice of Completion (NOC) of the PROJECT.
- 21. The term of this Service Agreement between the PARTIES expires three (3) years after the date of PROJECT NOC. All PROJECT activities shall be completed by the date of NOC except PROJECT audits. During the three year period after the date of NOC, NORCO shall issue a task order to the County authorizing audit support services should there be an audit of the PROJECT records by a Federal, State, or Local Authority. The agreed upon cost of audit support services as requested by NORCO and performed by the COUNTY after the date of NOC shall be NORCO's responsibility and shall be funded with NORCO's local funds only.
- 22. All notices, demands, invoices, and other communications required or permitted hereunder shall be in writing and delivered to the following addresses or such other address as the PARTIES may designate:

COUNTY:

County of Riverside Transportation Department
 Attn: Patty Romo, Assistant Director of Transportation
 4080 Lemon Street, 8th Floor
 Riverside, CA 92501
 Phone: (951) 955-6740
 Fax: (951) 955-3198

EASTVALE:

City of Eastvale
 Attn: Michele Nissen, City Manager
 12363 Limonite Ave, Suite 910
 Eastvale, CA 91752
 Phone: (951) 703-4411
 Fax: (951) 361-0888

NORCO:

City of Norco
 Attn: Andy Okoro, City Manager
 2870 Clark Avenue
 Norco, CA 92860
 Phone: (951) 270-5611
 Fax: (951) 270-5622

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23. This Agreement may be executed in one or more counterparts and when a counterpart shall have been signed by each party hereto, each shall be deemed an original, but all of which constitute one and the same instrument.

[Signatures of Parties on Following Page(s)]

APPROVALS

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CITY OF EASTVALE

APPROVED BY:

_____ Dated: _____

Name

Title

APPROVED AS TO FORM:

_____ Dated: _____

Name

Title

ATTEST:

_____ Dated: _____

Name

Title

CITY OF NORCO

APPROVED BY:

_____ Dated: _____

Name

Title

APPROVED AS TO FORM:

_____ Dated: _____

Name

Title

ATTEST:

_____ Dated: _____

Name

Title

1 **COUNTY OF RIVERSIDE**

2 RECOMMENDED FOR APPROVAL:

3
4 _____ Dated: _____

5 Juan C. Perez
6 Director of Transportation and Land Management

7
8 APPROVED AS TO FORM:

9 Gregory P. Priamos, County Counsel

10
11 _____ Dated: _____

12 By Deputy

13
14 APPROVAL BY THE BOARD OF SUPERVISORS:

15
16 _____ Dated: _____

17
18 _____

19 PRINTED NAME

20 Chairman, Riverside County Board of Supervisors

21
22 ATTEST:

23
24 _____ Dated: _____

25 Kecia Harper-Ihem

26 Clerk of the Board (Seal

CITY OF NORCO STAFF REPORT

TO: Honorable Mayor and Members of the City Council

FROM: Andy Okoro, City Manager

PREPARED: Gina Schuchard, Finance Officer

DATE: October 21, 2015

SUBJECT: Fiscal Year 2014-2015 Year-End Budget to Actual Report

RECOMMENDATION: 1) Staff recommends that the City Council receive and file the Fiscal Year 2014-2015 Year-End Budget to Actual Report.

2) Approve Resolution No. 2015-64, approving the reappropriation of \$129,846 to fund improvements to the Norco Auto Mall Sign.

SUMMARY: Fiscal Year 2014-2015 ended with strong General Fund revenue performance that exceeded budget estimates. General Fund expenditures also performed favorably with actual expenditures being lower than budget projections. The combination of better revenue performance and lower expenditures resulted in increased fund balance for the General Fund, above the amount previously projected. Even though actual Water Fund revenues were below budget projections due to reduced consumption, the decrease in revenues was offset by larger decrease in expenditures resulting in net positive addition to working capital. Similarly, better than anticipated revenue performance for the Sewer Fund also resulted in positive addition to working capital.

For the Fiscal Year, total actual General Fund revenues of \$16,725,968 exceeded final budget projection amount of \$16,130,935 by \$595,033. Total actual expenditures of \$15,038,069 were less than final budget projection amount of \$15,287,586 by \$249,517. This favorable revenue and expenditure performance resulted in a net increase of \$844,550 to fund balance as compared to the year-end projection. Overall, the increase to fund balance during the fiscal year is \$1,687,899. This brings FY 2014-2015 year-end fund balance to \$7,849,348 (Attachment 2) compared to final budget projection of \$7,004,798 and \$6,161,449 at the beginning of the fiscal year. It is to be noted that part of the favorable revenue performance is from one-time revenue receipts which is further explained in the detailed portion of this report.

AGENDA ITEM: 6.B.

Regarding the Water Fund, total actual revenues of \$8,959,320 exceeded total actual expenditures of \$8,713,585 by \$245,735. The Sewer Fund financial performance during the year was also positive as total revenues of \$5,870,802 exceeded total expenditures of \$5,397,542 by \$473,260. A summary report of all Funds is presented as Attachment 1. A schedule of revenues, expenditures and fund balance for the Landscape Maintenance Districts has also been presented as additional information (Attachment 5)

BACKGROUND/ANALYSIS: The City's new independent auditors, White, Nelson, Diehl, Evans, LLP, have completed their field-work on the City audit for the Fiscal Year ended June 30, 2015. The Comprehensive Annual Financial Report (CAFR) prepared in accordance with Generally Accepted Accounting Principles (GAAP) will be submitted to the Council at a later date. A Study Session will be scheduled with the independent auditors to further review and discuss the CAFR with the City Council. At this time, staff is presenting this important report as information to show how the various Operating Funds performed relative to the final budget projections for the Fiscal Year 2014-2015.

FY 2014-2015 General Fund Revenue Performance

Attachment 1 is a schedule showing General Fund budget to actual data for the Fiscal Year ended June 30, 2015. For the Fiscal Year, total actual revenues were higher than final budget estimates by \$844,550. This net favorable revenue performance was mainly from the following:

1. **Sales Tax:** Sales Tax receipts totaled \$5,717,357 or \$57,060 more than anticipated for year-end. Solid growth in general consumer goods and restaurant sales joined the automotive sector's increasing trends for an overall increase for the year.
2. **Community Development Fees:** Community development fees include planning, building and engineering fees. During the year, actual revenue receipts from these sources exceeded year-end projections by \$178,143. The increase was due to better than anticipated increase in building, engineering and planning activities.
3. **Intergovernmental:** Intergovernmental consists mainly of reimbursements from other government entities. During the year, total intergovernmental revenue receipts of \$166,762 exceeded the year-end projections by \$116,466. Most of this favorable performance was from the receipt of long awaited State of California Mandated Cost Reimbursement claims related to Animal Adoption and other mandated reporting services.
4. **Community Services/Recreation:** This revenue category of Community Services/Recreation includes programs, rentals and special events. During the year, receipts from these sources exceeded year-end estimates by \$60,098.

The increase in revenue was primarily attributed to increased attendance at popular summer programs and rental of facilities.

5. **Fines and Penalties:** Fines and Penalties include Vehicle Code Fines, Municipal Code Violations, Parking Citations and Vehicle Impound Fees. During the year, total revenue of \$178,091 exceeded year-end projections by \$54,914. The majority of the increase is attributable to Vehicle Code Fines which is due to additional traffic enforcement that was approved by the City Council during the Fiscal Year.

General Fund Expenditures

Total General Fund expenditures for the Fiscal Year were below final budget estimate by \$249,517. This net savings were achieved through successful expenditure control throughout the Fiscal Year. Noticeable savings above the final budget estimates were realized in the Sheriff and Non-Departmental budgets. Savings from these divisions/departments were offset by slight budget over expenditures in Building Safety and Public Buildings Maintenance Divisions.

Savings in the Sheriff's Department came from lower than anticipated expenditures for the law enforcement contract. Expenditure savings were also realized in Non-Departmental Contractual and Other Professional Services. Specifically, \$187,340 was added to the budget for the Auto Mall Sign Improvements during the Fiscal Year which remained unspent at year-end. In terms of over expenditures, additional contract services were needed in Building Safety due to increased demand for contractual Plan Check services resulting in \$40,090 in over expenditures at year-end. As noted in the revenue section, increase in Plan Check expenditure was offset by increased planning and building revenues. Public Buildings Maintenance Division was overspent by \$43,419 in order to handle unexpected improvements for HVAC repairs, electrical repairs, security improvements and roof repairs.

General Fund (Fund Balance)

The audited fund balance at the beginning of the fiscal year was \$6,161,449 (see Attachment 2). During the fiscal year, total revenues exceeded total expenditures by \$1,687,899 resulting in ending fund balance of \$7,849,348 as of June 30, 2015. It is to be noted that existing City Council Resolution requires a minimum emergency fund balance representing 25% of total General Fund expenditures. For Fiscal Year 2015-2016, total estimated General Fund expenditures are \$16,457,130 resulting in \$4,114,283 required to be maintained as emergency reserve. As of June 30, 2015, the City has total fund balance of \$7,849,348 which represents 47.7% of the FY 2015-2016 estimated General Fund expenditures.

Since year-end June 30, 2015, City Council has approved \$50,000 for remediation work related to Crestview flooding. More appropriation in the amount of \$52,001 is being requested under Item 6C in tonight's City Council Agenda. Additionally, this year-end report includes a request to appropriate \$129,846 for the Norco Auto Mall Sign Upgrade as this allocation was not spent in FY 2014-2015 as previously planned. These new appropriations will reduce General Fund's fund balance by \$231,847.

Special Asset Revenue Fund: The City established the Special Asset Revenue Fund to accumulate revenues generated from one-time asset sales and special revenue receipts. As of the end of FY 2014-2015, the fund balance was \$1,506,182.

Other Operating Funds

Attachment 1 also provides a summary of revenues and expenditures for other Operating Funds. Other Operating Funds included in this report are Water, Sewer, Gas Tax, NPDES and Miscellaneous Grants.

Water Fund

During the Fiscal Year, total actual Water Fund revenues and expenditures were less than anticipated due to decreased consumption resulting from increased conservation. Correspondingly, water purchases and other related expenditures decreased. Total Water Fund revenues of \$8,959,320 exceeded total expenditures of \$8,713,585 resulting in an increase in fund balance of \$245,735.

This good financial result of the Water Fund is directly attributable to less expense for purchased water, salary and benefits savings due to vacancies. Additionally, savings are attributed to estimated claims settlements that did not materialize for water pipe failures. Due to conservation, the City purchased less water and sold more of the water it was obligated to purchase to the City of Corona. The City was also able to increase its less expensive domestic water production. Total Water Fund expenditures continue to include \$300,000 transfer to Water Capital Fund for future capital projects. Additional information on the Water Fund is presented as Attachment 3.

Notwithstanding the positive results achieved, the financial future of the Water Fund still remains challenging. The average per acre foot cost of purchased water is continuing to rise and there are needs to increase set aside funding for future capital improvements and to improve debt service coverage ratios. Additionally, the impact of conservation on Water Fund cost structure in the face of existing "take or pay" purchased water contracts is yet to be determined.

Sewer Fund

For the Sewer Fund, total actual revenues were \$5,870,802 compared to budget amount of \$5,497,556 for a favorable revenue performance of \$373,246. Most of the

revenue increase is attributable to new sewer services being provided to the California Rehabilitation Center. Total actual expenses were \$5,397,542 compared to budget amount of \$5,284,155 for a favorable expenditure savings of \$113,387. Most of the Sewer Fund savings came from unspent salaries, benefits and claims settlements. Over expenditures of \$244,643 in contractual services were attributed to the increased cost of sewer treatment from Navy and CRC service. Total Sewer Fund expenditures include \$250,000 transfer to Sewer Capital Projects Fund for future capital improvements. Overall, the Sewer Operating Fund ended the Fiscal Year with total operating revenues exceeding total operating expenses by \$473,260. For more details regarding Sewer Fund budget to actual revenues and expenses, please refer to Attachment 4.

Other Funds

Gas Tax Fund actual revenues were \$774,721 while actual expenditures were \$819,093 due to additional costs of removing horse trail encroachments and installing street signs. NPDES total revenues were \$114,134 compared to actual expenditures of \$104,373. Please refer to Attachment 2 page 2.

Landscape Maintenance Districts (LMD)

As information for the benefits of residents whose property are assessed to pay for the cost of maintaining Landscape Maintenance Districts, this year-end budget to actual report provides revenues and expenditures information for each District. For all Districts, actual revenues and expenditures for the Fiscal Year were reasonably within the amount in the Engineer's Estimate at the beginning of the fiscal year except for LMD No. 4 where certain budgeted trail replacement project was still pending at the end of the Fiscal Year. Also included in the schedule is each District's beginning and ending fund balance. For additional details, please see Attachment 5.

Reappropriation for Norco Auto Mall Sign

On October 15, 2014, the City Council approved funding and agreement for the upgrade of the Norco Auto Mall Sign in the amount of \$187,340. Due to the limited number of participants from the Auto Dealers, the scope of the sign upgrade was reduced. This also resulted in delay in implementing the project. Due to the reduced scope, the base project amount was reduced to \$222,391 from \$374,680, to be evenly split between the City and Norco Automobile Merchants Association. The City's share of the base project amount is \$111,195.50. In addition to the base project amount, the City also requested that the upgrade include Horsetown USA Logo which is the City's trademark for promotional purposes. The City will pay for the entire cost of \$18,650 to incorporate the Logo trademark, bringing the City's total project cost to \$129,846. The revised project resulted in overall cost reduction \$57,494 to the City.

As a result of the delay in implementing the project, the City was not able to spend the allocated funds in FY 2014-2015. Consequently, staff is requesting reappropriation of \$129,846 to be spent in FY 2015-2016.

FINANCIAL IMPACT: The FY 2015-2016 General Fund budget will be increased by \$129,846 in Account 121-724-34100 Contractual Services. Fund balance will be reduced by the same amount.

Attachments: Budget and Actual Report FY 2014-2015 – Attachment 1

Summary of General Fund Balance – Attachment 2

Water Fund Statement of Revenues and Expenses – Attachment 3

Sewer Fund Statement of Revenues and Expenses – Attachment 4

Schedule of LMD Revenues and Expenses – Attachment 5

Resolution Approving the Additional Appropriation of \$129,846 to Fund Improvements to the Norco Auto Mall Sign

RESOLUTION NO. 2015-64

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF NORCO, CALIFORNIA, APPROVING THE REAPPROPRIATION OF \$129,846 TO FUND IMPROVEMENTS TO THE NORCO AUTO MALL SIGN

WHEREAS, on October 15, 2014, the City Council approved the funding and agreement for the upgrade of the Norco Auto Mall Sign in the amount of \$187,340; and

WHEREAS, due to the limited number of participants from the Norco Automobile Merchants Associations, the scope of the sign upgrade was reduced and this resulted in a delay in implementing the project; and

WHEREAS, due to the reduced scope, the base project amount was reduced to \$222,391 from \$374,680 to be evenly split between the City and Norco Automobile Merchants Association; and

WHEREAS, the City's share of the base project amount is now \$111,195.50 or a reduction of \$76,114.50; and

WHEREAS, in addition to the base project amount, the City requested that the upgrade include the Horsetown USA logo which is the City's trademark for promotional purposes and the City will pay for the entire cost of \$18,650; and

WHEREAS, the changes in sign improvements and addition of the new Horsetown USA sign results in a new total City project cost of \$129,846 which is an overall reduction of \$57,494.50; from the original city project cost and

WHEREAS, the sales tax revenue generated by members of the Norco Automobile Merchants Association are critical to the City of Norco's economic vitality; and

WHEREAS, prominent signage is an effective means of drawing customers into the Norco Auto Mall; and

WHEREAS, the City believes the terms and conditions of the agreement continue to serve the public interest of the City of Norco, its business community and its residents.

NOW THEREFORE, be it resolved by the City Council of the City of Norco continue the Norco Auto Mall Sign Improvements Project for a total of \$129,846.

BE IT FURTHER RESOLVED that the City Council of the City of Norco approve the General Fund appropriation and approve the allocation of fund balance to amend the FY 15-16 budget in the amount of \$129,846.

Resolution No. 2015-64

Page 2

October 21, 2015

PASSED AND ADOPTED by the City Council of the City of Norco at a meeting held on October 21, 2015.

Herb Higgins, Mayor
City of Norco, California

ATTEST:

Cheryl L. Link, City Clerk
City of Norco, California

I, CHERYL L. LINK, City Clerk of the City of Norco, California do hereby certify that the foregoing Resolution was introduced and adopted by the City Council of the City of Norco at a meeting held on October 21, 2015 by the following vote of the City Council:

AYES:

NOES:

ABSENT:

ABSTAIN:

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the official seal of the City of Norco, California on October 21, 2015.

Cheryl L. Link, City Clerk
City of Norco, California

City of Norco
General Fund Budget to Actual Report
For the Three Quarters Ended June 30, 2015

General Fund	Amended Budget	Year-End Projection	FY 2015 Actual	Variance Actual to Year-End Projection
REVENUES				
Property Taxes	\$ 1,557,895	\$ 1,729,523	\$ 1,739,484	\$ 9,961
Sales Taxes	5,590,806	5,660,297	5,717,357	57,060
Motor Vehicle License Fees	2,138,532	2,138,532	2,138,532	-
Other Taxes	1,016,323	1,061,000	1,083,640	22,640
Franchise Fees	1,128,020	1,199,058	1,221,453	22,395
Intergovernmental	67,878	50,296	166,762	116,466
Fines and Penalties	128,180	123,177	178,091	54,914
Interest/Lease Income	514,959	515,873	521,180	5,307
Community Development Fees	494,077	517,649	695,792	178,143
Community Services/Recreation	682,938	651,585	711,683	60,098
Other Revenues	1,096,789	1,094,951	1,132,436	37,485
Administrative Overhead/Operating Transfers	1,388,994	1,388,994	1,419,558	30,564
Total Revenues	\$ 15,805,391	\$ 16,130,935	\$ 16,725,968	\$ 595,033
EXPENDITURES				
City Council	\$ 100,556	\$ 98,826	\$ 97,439	\$ 1,387
City Attorney	220,000	220,000	218,093	1,907
City Clerk	242,132	226,172	227,487	(1,315)
City Manager	249,326	228,150	229,515	(1,365)
Economic Development	133,221	104,044	99,313	4,731
Code Enforcement	118,317	71,718	61,046	10,672
Recreation	726,586	714,005	733,877	(19,872)
Special Events	87,372	66,422	66,775	(353)
Youth & Teen	199,503	197,000	182,221	14,779
Park Maintenance	508,558	509,930	523,464	(13,534)
Senior Citizens	167,983	165,195	164,532	663
Public Buildings	702,014	737,584	781,003	(43,419)
Animal Control	591,977	585,327	572,798	12,529
Community Development	325,065	319,663	329,038	(9,375)
Building & Safety	243,361	229,424	269,514	(40,090)
Engineering	177,120	173,557	177,355	(3,798)
Inspection	34,796	31,685	31,579	106
Parkway Maintenance	58,693	58,820	59,855	(1,035)
CAL Fire	3,462,153	3,421,731	3,427,574	(5,843)
Norco Animal Rescue Team	-	-	552	(552)
Sheriff	4,709,281	4,702,753	4,612,902	89,851
Citizens on Patrol	13,651	29,651	28,405	1,246
Crossing Guards	67,607	67,607	43,688	23,919
Fiscal & Support Services	620,328	480,127	484,780	(4,653)
Non-Departmental	1,886,466	1,848,195	1,615,264	232,931
Total Expenditures	\$ 15,646,066	\$ 15,287,586	\$ 15,038,069	\$ 249,517
Revenues Over (Under) Expenditures	\$ 159,325	\$ 843,349	\$ 1,687,899	\$ 844,550

City of Norco
Other Funds Budget to Actual Report
For the Three Quarters Ended June 30, 2015

<u>Fund Description</u>	<u>Amended Budget</u>	<u>Year-End Projection</u>	<u>FY 2015 Actual</u>	<u>Variance Actual to Year-End Projection</u>
<u>CDBG</u>				
Revenues	149,566	12,069	13,255	1,186
Expenditures	149,566	12,069	13,255	(1,186)
Revenues Over (Under) Expenditures	-	-	-	-
<u>WATER FUND</u>				
Revenues	9,868,377	9,309,617	8,959,320	(350,297)
Expenditures	9,721,406	9,198,758	8,713,585	485,173
Revenues Over (Under) Expenditures	146,971	110,859	245,735	134,876
<u>SEWER FUND</u>				
Revenues	5,497,556	5,496,557	5,870,802	374,245
Expenditures	5,284,155	4,945,406	5,397,542	(452,136)
Revenues Over (Under) Expenditures	213,401	551,151	473,260	(77,891)
<u>GAS TAX</u>				
Revenues	863,055	791,175	774,721	(16,454)
Expenditures	698,271	698,092	819,093	(121,001)
Revenues Over (Under) Expenditures	164,784	93,083	(44,372)	(137,455)
<u>NPDES FUND</u>				
Revenues	113,500	114,134	114,134	-
Expenditures	119,745	110,131	104,373	5,758
Revenues Over (Under) Expenditures	(6,245)	4,003	9,761	5,758
<u>MISCELLANEOUS GRANTS</u>				
Revenues	176,652	175,946	203,952	28,006
Expenditures	176,652	175,946	203,952	(28,006)
Revenues Over (Under) Expenditures	-	-	-	-

City of Norco
General Fund - Fund Balance
As of Fiscal Year-Ended June 30, 2015

		Fund Balance Unaudited 6/30/2015
<hr/>		
GENERAL FUND		
<hr/>		
Audited Beginning Balance, June 30, 2014		\$ 6,161,449
Actual Revenues, FY 2014-2015	16,725,968	
Actual Expenditures, FY 2014-2015	<u>15,038,069</u>	
Revenues Over (Under) Expenditures FY2014-2015		<u>1,687,899</u>
Fund Balance, June 30, 2015 (Unaudited)		<u><u>\$ 7,849,348</u></u>

City of Norco
Water Fund Statement of Revenues & Expenses
For the Fiscal Year Ended June 30, 2015

<u>Water Fund</u>	<u>FY 2015 Amended Budget</u>	<u>FY 2015 Actuals</u>	<u>Variance</u>
Operating Revenues:			
Charges for Water Services	\$ 9,835,377	\$ 8,925,872	\$ (909,505)
Interest Income	13,000	15,904	2,904
Miscellaneous	20,000	17,544	(2,456)
Total Revenues	<u>9,868,377</u>	<u>8,959,320</u>	<u>(909,057)</u>
Expenses:			
Salaries and Benefits	1,081,266	918,054	(163,212)
Operating Supplies and Services	293,820	300,202	6,382
Water Purchases, Production and Utilities	5,866,900	5,211,172	(655,728)
Administrative Overhead & Reimbursements to Other Funds	789,439	789,439	-
Contractual Services	356,354	236,688	(119,666)
Debt Service Payments	1,067,272	1,067,272	-
Miscellaneous/Small Equipment	20,000	5,322	(14,678)
Computer, Vehicle Operations & Replacement Charges	136,355	136,355	-
Self Insurance Settlements	60,000	(919)	(60,919)
Post Retirement Health Contributions	50,000	50,000	-
Total Operating Expenses	<u>9,721,406</u>	<u>8,713,585</u>	<u>(1,007,821)</u>
Revenues Over (Under) Expenses	<u>\$ 146,971</u>	<u>\$ 245,735</u>	<u>\$ 98,764</u>

City of Norco
Sewer Fund Statement of Revenues & Expenses
For the Fiscal Year Ended June 30, 2015

<u>Sewer Fund</u>	<u>FY 2015 Amended Budget</u>	<u>FY 2015 Actuals</u>	<u>Variance</u>
Operating Revenues:			
Charges for Sewer Services	\$ 5,476,556	\$ 5,757,023	280,467
Interest Income	20,500	105,585	85,085
Miscellaneous	500	8,194	7,694
Total Revenues	<u>5,497,556</u>	<u>5,870,802</u>	<u>373,246</u>
Operating Expenses:			
Salaries and Benefits	688,893	574,850	(114,043)
Operating Supplies & Services	68,010	100,916	32,906
Utilities	41,500	31,382	(10,118)
Contractual Services	1,914,930	2,159,573	244,643
Debt Service Payments	1,795,544	1,795,543	(1)
Administrative Overhead & Reimbursement to Other Funds	577,223	577,223	0
Computing, Vehicle Operations and Replacement	108,055	108,055	0
Self Insurance Settlements	25,000	-	(25,000)
Post Retirement Health Contributions	50,000	50,000	0
Capital Outlay	15,000	-	(15,000)
Total Operating Expenses	<u>5,284,155</u>	<u>5,397,542</u>	<u>113,387</u>
Revenues Over (Under) Expenses	<u>\$ 213,401</u>	<u>\$ 473,260</u>	<u>\$ 259,859</u>

City of Norco
Landscape Maintenance District Revenues & Expenses
For the Fiscal Year-Ended June 30, 2015

<u>Landscape Maintenance District #1</u>	<u>FY 2015 Budget</u>	<u>FY 2015 Actuals</u>	<u>Variance</u>
Revenues:			
LMD # 1 Assessments	\$11,342	\$8,796	(\$2,546)
Interest Income	0	22	22
Total Revenues	<u>\$11,342</u>	<u>\$8,818</u>	<u>(\$2,524)</u>
Expenditures:			
Observation	\$1,484	\$1,622	\$138
Water Charges	3,651	1,811	(1,840)
Electricity Charges	172	0	(172)
Telephone Charges	157	203	46
Landscape Maintenance	2,867	2,883	16
Contractual	1,400	1,988	588
Administrative Overhead	577	577	0
Admin Fees-Property Taxes	150	162	12
Operating Contingency	685	0	(685)
Total Expenditures	<u>\$11,143</u>	<u>\$9,246</u>	<u>(\$1,897)</u>
Revenues Over (Under) Expenditures	<u><u>\$199</u></u>	<u><u>(\$428)</u></u>	<u><u>(\$627)</u></u>
Fund Balance:			
Beginning Fund Balance July 1, 2014		\$ 16,112	
Ending Fund Balance June 30, 2015		<u>15,684</u>	
Change in Fund Balance		\$ (428)	

City of Norco
Landscape Maintenance District Revenues & Expenses
For the Fiscal Year-Ended June 30, 2015

<u>Landscape Maintenance District #2</u>	<u>FY 2015 Budget</u>	<u>FY 2015 Actuals</u>	<u>Variance</u>
Revenues:			
LMD # 2 Assessments	\$131,453	\$131,953	\$500
Interest Income	0	(45)	(45)
Total Revenues	<u>\$131,453</u>	<u>\$131,908</u>	<u>\$455</u>
Expenditures:			
Observation	\$7,420	\$8,110	\$690
Trail Maintenance	5,000	11,701	6,701
Water Charges	53,104	39,933	(13,171)
Electricity Charges	5,760	5,648	(112)
Telephone Charges	232	206	(26)
Landscape Maintenance	39,037	47,295	8,258
Wet Lands Area	500	0	(500)
Park Maintenance	8,760	2,447	(6,313)
Contractual	2,500	13,819	11,319
Administrative Overhead	7,786	7,786	0
Admin Fees-Property Taxes	230	235	5
Operating Contingency	1,124	0	(1,124)
Total Expenditures	<u>\$131,453</u>	<u>\$137,180</u>	<u>\$5,727</u>
Revenues Over (Under) Expenditures	<u><u>\$0</u></u>	<u><u>(\$5,272)</u></u>	<u><u>(\$5,272)</u></u>
Fund Balance:			
Beginning Fund Balance July 1, 2014		\$ (15,003)	
Ending Fund Balance June 30, 2015		<u>(20,275)</u>	
Change in Fund Balance		\$ (5,272)	

City of Norco
Landscape Maintenance District Revenues & Expenses
For the Fiscal Year-Ended June 30, 2015

<u>Landscape Maintenance District #3</u>	<u>FY 2015 Budget</u>	<u>FY 2015 Actuals</u>	<u>Variance</u>
Revenues:			
LMD # 3 Assessments	\$83,537	\$79,278	(\$4,259)
Interest Income	0	77	77
Total Revenues	<u>\$83,537</u>	<u>\$79,355</u>	<u>(\$4,182)</u>
Expenditures:			
Observation	\$5,935	\$6,488	\$553
Trail Maintenance	5,692	5,530	(162)
Water Charges	32,793	29,455	(3,338)
Electricity Charges	2,245	1,747	(498)
Telephone Charges	63	55	(8)
Landscape Maintenance	28,230	30,537	2,307
Contractual	2,000	3,380	1,380
Administrative Overhead	4,969	4,969	0
Admin Fees-Property Taxes	230	169	(61)
Operating Contingency	1,380	0	(1,380)
Total Expenditures	<u>\$83,537</u>	<u>\$82,330</u>	<u>(\$1,207)</u>
Revenues Over (Under) Expenditures	<u><u>\$0</u></u>	<u><u>(\$2,975)</u></u>	<u><u>(\$2,975)</u></u>
Fund Balance:			
Beginning Fund Balance July 1, 2014		\$ 65,268	
Ending Fund Balance June 30, 2015		<u>62,293</u>	
Change in Fund Balance		\$ (2,975)	

City of Norco
Landscape Maintenance District Revenues & Expenses
For the Fiscal Year-Ended June 30, 2015

<u>Landscape Maintenance District #4</u>	<u>FY 2015 Budget</u>	<u>FY 2015 Actuals</u>	<u>Variance</u>
Revenues:			
LMD # 4 Assessments	\$529,952	\$529,180	(\$772)
Interest Income	0	552	552
Miscellaneous Revenue	0	392	392
Total Revenues	<u>\$529,952</u>	<u>\$530,124</u>	<u>\$172</u>
Expenditures:			
Observation	\$10,388	\$11,353	\$965
Trail Maintenance	73,236	81,537	8,301
Tree Replacement	5,000	0	(5,000)
Water Charges	90,892	78,345	(12,547)
Electricity Charges	53,417	52,621	(796)
Telephone Charges	664	665	1
Landscape Maintenance	114,562	117,212	2,650
Natural Open Space	11,000	2,254	(8,746)
Wet Lands Area	5,000	902	(4,098)
Contractual	3,600	8,454	4,854
Administrative Overhead	30,122	30,122	0
Admin Fees-Property Taxes	382	400	18
Operating Contingency	17,689	0	(17,689)
Storm Sewer Lines	95,000	2,109	(92,891)
Total Expenditures	<u>\$510,952</u>	<u>\$385,974</u>	<u>(\$124,978)</u>
Revenues Over (Under) Expenditures	<u>\$19,000</u>	<u>\$144,150</u>	<u>\$125,150</u>
Fund Balance:			
Beginning Fund Balance July 1, 2014		\$ 342,706	
Ending Fund Balance June 30, 2015		<u>486,856</u>	
Change in Fund Balance		\$ 144,150	

City of Norco
Landscape Maintenance District Revenues & Expenses
For the Fiscal Year-Ended June 30, 2015

<u>Landscape Maintenance District #5</u>	<u>FY 2015 Budget</u>	<u>FY 2015 Actuals</u>	<u>Variance</u>
Revenues:			
LMD # 5 Assessments	\$47,927	\$52,108	\$4,181
Interest Income	0	110	110
Total Revenues	<u>\$47,927</u>	<u>\$52,218</u>	<u>\$4,291</u>
Expenditures:			
Observation	\$4,452	\$4,865	\$413
Trail Maintenance	7,150	6,940	(210)
Water Charges	9,133	7,478	(1,655)
Electricity Charges	425	0	(425)
Telephone Charges	71	63	(8)
Landscape Maintenance	15,777	13,772	(2,005)
Contractual	2,500	3,115	615
Administrative Overhead	2,898	4,105	1,207
Admin Fees-Property Taxes	139	154	15
Operating Contingency	2,507	0	(2,507)
Total Expenditures	<u>\$45,052</u>	<u>\$40,492</u>	<u>(\$4,560)</u>
Revenues Over (Under) Expenditures	<u>\$2,875</u>	<u>\$11,726</u>	<u>\$8,851</u>
Fund Balance:			
Beginning Fund Balance July 1, 2014		\$ 74,144	
Ending Fund Balance June 30, 2015		<u>85,870</u>	
Change in Fund Balance		\$ 11,726	

CITY OF NORCO STAFF REPORT

TO: Honorable Mayor and Members of the City Council

FROM: Andy Okoro, City Manager

PREPARED BY: Brian Petree, Deputy City Manager
Dominic Milano, City Engineer

DATE: October 21, 2015

SUBJECT: Approval of Additional Appropriation of Funds for Crestview Drive Flooding Temporary Remediation Measures

RECOMMENDATION: Adopt **Resolution 2015-65**, approving an additional appropriation of funds in the amount not to exceed \$52,001 to implement Crestview Drive flooding temporary remediation measures.

SUMMARY: At the September 16, 2015 City Council meeting, staff presented a report outlining temporary measures for the protection of homes on Crestview Drive and Mt. Rushmore Drive. Preliminary funding was provided to begin implementation of remedial work required by the City Engineer. In order to complete the City Engineer's recommendations, staff is requesting an additional appropriation of \$52,001 to implement measures beyond those presented at the meeting.

BACKGROUND/ANAYLSIS: Crestview Drive, between Mt. Rushmore Drive, Mt. Shasta Drive and Seventh Street, has historically received runoff from the east from the hillsides prior to the development of Tract No. 2684. Over the past few years, the runoff now includes significant amounts of soil and debris. Staff attributes the "additional" soil and debris to the lack of vegetation on the mountain due to the lack of rains to promote growth of vegetation on the mountain. Vegetation and its roots system prevent erosion by holding the soil together.

The City Council directed the City Engineer at the City Council meeting of September 2, 2015, to immediately review the flooding issues and update the City Council on the status of Riverside County Flood Control's (RCFC) progress of designing temporary flood control improvements, Riverside County Flood Control's progress on designing permanent flood control facilities, and the City of Norco's implementation of temporary flooding remediation.

A meeting with Riverside County Flood Control was held on September 9, 2015. During the meeting, staff was informed that the interim solution proposed by the RCFC would not be in place prior to the beginning of the upcoming rainy season due to necessary environmental and property issues. Consequently, RCFC will no longer be pursuing the interim solution, but would instead concentrate on the permanent project. At the meeting, staff discussed various temporary mitigation measures that the City is pursuing and after an exchange of ideas, RCFC staff agreed that the City should implement the measures discussed in this staff report. While RCFC staff could not commit to funding contribution towards the City's temporary measures, they did agree to reconsider this position depending on how the temporary measures benefit the MDP project.

The City Engineer, Public Works Superintendent, and Water and Sewer Utilities Manager conducted a field review of the subject areas of concern on September 3, 2015, in order to become familiar with the extent of the flooding issues. This field review was the first of such a review. Staff also met with property owners to discuss the flooding issues and potential temporary mitigation measures.

AGENDA ITEM: 6.C.

Crestview Drive Flooding Temporary Remediation Measures

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October 21, 2015

At the September 16, 2015, City Council meeting, the City Engineer provided the City Council with preliminary remediation measures until he could complete his analysis. The City Council authorized \$50,000 to begin remedial action to provide temporary mitigation for flooding issues. Staff has completed initial key areas of remedial work; however, additional work is needed to protect the properties from potential flooding until RCFC can complete their design and construction of long term mitigation of the area. In order to complete the City Engineer recommendations, staff is requesting an additional appropriation of \$52,001 to implement measures beyond those presented at the September 16, 2015, meeting. Below is current status and recommended next steps to continue to provide temporary remediation measures:

Location A:

- Complete

Location B:

- The portion in the City's easement has been completed.
- The portion on private property requires authorization by the property owner.
- The majority of the problem at this location was caused by illegal grading by the property owner. A code compliance case is in the process against this property owner.

Location C:

- The drain has been cleared.
- The upper location is now being included in Location "H" which will be discussed later in this staff report.

Location D:

- Complete

Location E:

- Completed, the street has been cleared of debris.
- While the property owner has given verbal approval to install the K-rails, this has not been undertaken due to soft soil limiting access to build a debris catch basin.
- This area to be used as a containment location will be evaluated and would be completed if access becomes available and the other remedial measures are completed.

Location F:

- Complete

Location G:

- The work in the public right-of-way has been completed.
- Right to enter Crestlawn property has not been received yet. A verbal status update will be given at the City Council meeting.

The following are additional areas which are part of the phase II funding that were not discussed due to additional evaluation needed by the City Engineer from the September 16, 2015, meeting.

Location H:

- This area is behind the homes at the end of the cul-de-sac off Mt. Rushmore Drive on Crestlawn property and the home at 4281 Crestview Drive. The improvements proposed consist of sandbagging, installation of permanent concrete blocks (the same as those used

Crestview Drive Flooding Temporary Remediation Measures

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October 21, 2015

at Location "A") as cut-off walls to reduce the velocity of the run off and K-rail to direct flows to the existing drainage course. The cost for these improvements is \$29,700. A formal proposal has been received by the City. The property owner at 4281 Crestview Drive has given their verbal approval. The City has not yet received approval from Crestlawn to enter their property to implement these measures.

Location I:

- The location for this work is at 475 and 4035 Mt. Shasta Drive. The work includes the installation of K-rails and sandbags on private property to facilitate debris removal before it reaches the public right-of-way. The measure will also help protect the private property for damages they receive after most rain events. The cost for remediation of 475 Mt. Shasta Drive is \$8,700 and 4035 Mt. Shasta Drive is \$3,800.

Location J and K:

- Requires additional sand bagging and waddles at a cost of \$1,500.

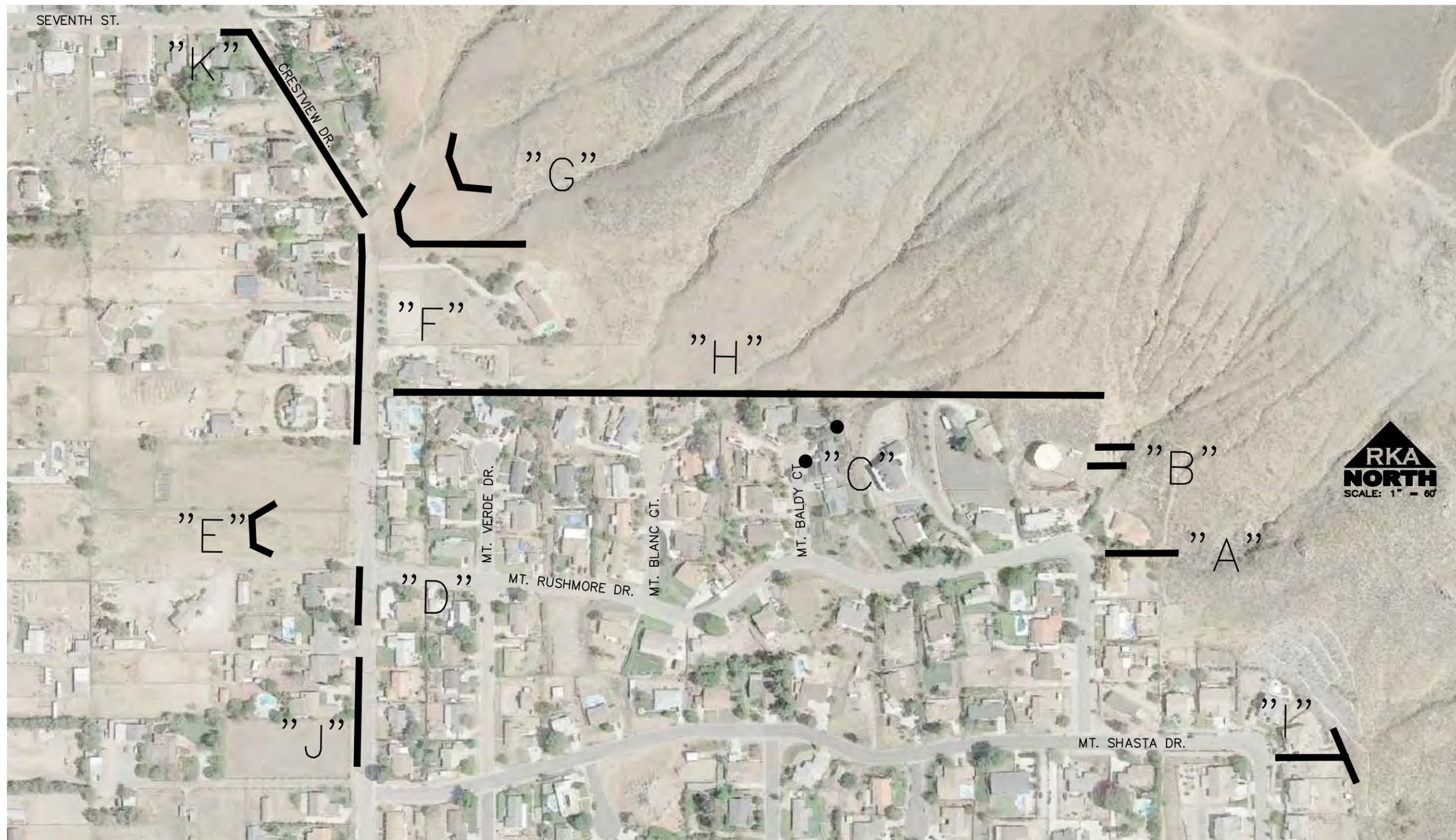
Staff has added additional 10% contingency for unforeseen remedial mitigation.

FINANCIAL IMPACT: The following provides an outline of cost to date and proposed additional funding of \$52,001 needed to complete the project.

Remediation work	Cost
Completed items to date:	
• K-Rail, Debris Removal, Excavation	\$24,931.00
• Storm Drain Debris Cleaning	\$10,000.00
Work in progress:	
• Private property mitigation/easement	\$19,000.00
Sub Total	\$53,931.00
Work Pending Approval	
• Area "H"	\$29,700.00
• Area "I" 475 Mt. Shasta	\$8,700.00
• Area "I" 4035 Mt. Shasta	\$3,800.00
• Area "K-J" Remedial work	\$1,500.00
Sub Total	\$43,700.00
10% Contingency	\$4,370.00
Total	\$48,070.00
Project Total	\$102,001.00

Attachment: Exhibit "A", Site Map for scope of work

TEMPORARY FLOODING REMEDIATION LOCATIONS



RKA
CONSULTING GROUP
398 LEMON CREEK DRIVE - SUITE E - WALNUT, CA - 91789
(909) 594-9702 - FAX (909) 594-2658
WWW.RKAGROUP.COM

CITY OF NORCO
FLOOD REMEDIATION EXHIBIT

DATE: 10/13/2015 SCALE: 1"=60' DRAWN BY: C.O. SHEET: EXH01

DRAWING: TEMPORARY FLOODING REMEDIATION LOCATIONS.DWG

RESOLUTION NO. 2015-65

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF NORCO, CALIFORNIA, APPROVING AN APPROPRIATION OF FUNDS IN THE AMOUNT NOT EXCEEDING \$52,001 FROM THE GENERAL FUND TO IMPLEMENT CRESTVIEW DRIVE FLOODING TEMPORARY REMEDIATION MEASURES

WHEREAS, the Fiscal Year 2015-2016 annual budget for the City of Norco, California was adopted by the City Council on June 17, 2014; and

WHEREAS, City Council desires to implement temporary remediation measures to protect residents from the impacts of flooding on Crestview Avenue, Mt. Rushmore Drive and Mt. Shasta Drive; and

WHEREAS, City Council on September 16, 2015, approved remediation measures to protect residents from the impacts of flooding on Crestview Avenue and Mt. Rushmore Drive; and

WHEREAS, City Council on September 16, 2015, approved \$50,000 to begin preliminary remediation measures to protect residents from the impacts of flooding on Crestview Avenue and Mt. Rushmore Drive; and

WHEREAS, Staff has determined that additional temporary measures are needed in order to remediate the potential flooding situation on Crestview Avenue, Mt. Rushmore Drive and Mount Shasta Drive; and

WHEREAS, the cost for implementing the necessary remediation measures were not included in the adopted FY 2015-2016 Budget; and

WHEREAS, Staff estimates that General Fund balance as of June 30, 2015, will exceed the amount estimated as part of the FY 2015-2016 Budget and that it is prudent to pay for the cost of this project from the General Fund;

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of Norco approve an additional appropriation in the amount not exceeding \$52,001 for the necessary temporary remediation measures for Crestview Avenue, Mt. Rushmore Drive and Mt. Shasta Drive areas.

PASSED AND ADOPTED by the City Council of the City of Norco at a regular meeting held on October 21, 2015.

Herb Higgins, Mayor
City of Norco, California

ATTEST:

Cheryl L. Link, CMC, City Clerk
City of Norco, California

I, CHERYL L. LINK, City Clerk of the City of Norco, California, do hereby certify that the foregoing Resolution was adopted by the City Council of the City of Norco, California, at a regular meeting thereof held on October 21, 2015, by the following vote of the City Council:

AYES:

NOES:

ABSENT:

ABSTAIN:

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the official seal of the City of Norco, California, on October 21, 2015.

Cheryl L. Link, CMC, City Clerk
City of Norco, California