



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

**Wednesday, October 19, 2016
City Council Chambers, 2820 Clark Avenue, Norco, CA 92860**

CALL TO ORDER: 6:15 p.m.

ROLL CALL: Kevin Bash, Mayor
Greg Newton, Mayor Pro Tem
Robin Grundmeyer, Council Member
Berwin Hanna, Council Member
Ted Hoffman, Council Member

The City Council will recess to Closed Session (Section 54954) to consider the following matter:

CLOSED SESSION:

§54956.8 - Conference with Real Property Negotiator:

Property: 1303 Valley View Avenue, Norco, CA 92860; APN 122-080-051

City Negotiator: City Manager Andy Okoro

Under Negotiation: Disposition

RECONVENE PUBLIC SESSION: 7:00 p.m.

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

PLEDGE OF ALLEGIANCE: Council Member Berwin Hanna

INVOCATION: Pastor Sam Tuihalamaka, Beacon Hill
Assembly of God, Tongan Faith
Community

RECOGNITIONS: Norco Sheriff's Deputy Randy Postoian,
California Highway Patrol Officer Eric
Sullivan, and Norco Resident Ed Dixon

PROCLAMATION: Red Ribbon Week, October 23 - 31, 2016

BUSINESS APPRECIATION HONORREE: Bob's Big Boy

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 September 21, 2016. **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. Recap of Actions Taken by the Planning Commission at its Meeting Held on October 12, 2016. **Recommended Action: Receive and file.** (Planning Director)
 - D. Quarterly Investment Report for Quarter Ended September 30, 2016. **Recommended Action: Receive and file the Quarterly Investment Report for the Quarter Ended September 30, 2016.** (Finance Officer)
 - E. Resolution Increasing Revenue, Appropriation and Expenditure from the FY 2016 Emergency Management Performance Grant (EMPG) Program in the Amount of \$17,934 for Emergency Operations Center (EOC) Computer Purchases. **Recommended Action: Adopt Resolution No. 2016-59, accepting EMPG funds in the amount of \$8,967 and agreeing to match with a contribution of \$8,967 for computer purchases and enhancements to the EOC.** (Fire Battalion Chief)
 - F. Execution of a Cooperative Agreement between the City of Norco and the Riverside County Flood Control and Water Conservation District. **Recommended Action: Approve the Cooperative Agreement between the City of Norco and Riverside County Flood Control and Water Conservation District for the construction of the South Norco Channel Improvements, Norco Master Drainage Plan (MDP) Line S-1 Improvements and Norco MDP Line S-5 Improvements and authorize the City Manager to execute the agreement.** (Director of Public Works)
 - G. Execution of a Grant of Easement between the City of Norco and Southern California Gas Company. **Recommended Action: Approve the Grant of Easement between the City of Norco and Southern California Gas Company to provide gas service to SilverLakes Equestrian and Sports Park.** (Director of Public Works)
 - H. Acceptance of Bids and Authorization to Purchase a 2017 Ford F-250 Crew Cab for the Sheriff's Department. **Recommended Action: Accept bids submitted and authorize the purchase of a 2017 Ford F-250 Crew Cab Truck for the Sheriff's Department from Hemborg Ford.** (Sheriff's Office)

- I. Resolution Setting the Regular Meeting Schedule for the Norco Youth Advisory Council for Fiscal Year 2016-2017. **Recommended Action: Adopt Resolution No. 2016-60, setting the regular meeting schedule for the Norco Youth Advisory Council for FY 2016-2017.** (City Clerk)
- J. Clarification of the Mayor's Signing Authority for the Approval of the Supplemental Agreement for Reimbursement for the 2016-2017 Community Development Block Grant Program Year. **Recommended Action: Authorize the Mayor to act on behalf of the City of Norco by executing all documents and entering into all contracts required to finalize the approval of the Supplemental Agreement for reimbursement for the 2016-2017 Community Development Block Grant Program Year.** (Deputy City Manager/Director of Parks, Recreation and Community Services)

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. DISCUSSION / ACTION ITEMS:

- A. Fiscal Year 2015-2016 Year-End Budget to Actual Report. (Finance Officer)

Fiscal Year 2015-2016 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.

Recommended Action: Receive and file the Fiscal Year 2015-2016 Year-End Budget to Actual Report.

- B. Reconsideration of Approval of Conditional Use Permit 2016-22 (Podaca). (City Manager)

Conditional Use Permit (CUP) 2016-22 to allow a detached accessory building consisting of a 2,000 square-foot shop/storage building at 3596 Pedley Avenue located within the A-120 (Agricultural Low Density) Zone was approved by the Planning Commission on August 10, 2016. The Planning Commission's approval was appealed to the City Council by an adjacent property owner. The appeal was heard by the City Council on September 7, 2016 and the Planning Commission's approval was upheld by 3-1-1 vote of the City Council (Ayes: Grundmeyer, Hoffman, Newton; Noes: Hanna; Recused: Bash). On September 21, 2016 the City Council voted 4-0-1 (Recused: Bash) to agendize a vote by the City Council on whether to set a public hearing to reconsider approval of CUP 2016-22.

Recommended Action: That the City Council vote on whether to set a public hearing to reconsider approval of Conditional Use Permit 2016-22 (Podaca).

C. Water and Sewer Rates Study Discussion. (Director of Public Works)

On September 28th, an interactive public study session was conducted that comprised of the City Council, Streets, Trails, and Utility Commission, and City staff to review financial planning scenarios regarding potential multi-year rate increases for the Water and Sewer Funds. Staff is requesting City Council's authorization to schedule a public hearing for December 7, 2016 and the mailing of the Proposition 218 notification to all ratepayers and property owners in order for the City Council to consider adoption of multi-year increases in water and sewer rates.

Recommended Action: Authorize staff to mail the Proposition 218 Notice and schedule a Public Hearing for December 7, 2016 for consideration of adopting multi-year increases to water and sewer rates.

6. APPEAL HEARING:

- A. Conditional Use Permit 2016-24 (Foley): An appeal of the Planning Commission's denial of a request for approval to allow a detached accessory building consisting of a 1,560 square-foot storage building at 2272 Lonestar Drive located within the A-1-20 (Agricultural Low Density) Zone. (Planning Director)

The request for Conditional Use Permit (CUP) 2016-24 was denied by the Planning Commission on September 14, 2016, but that decision has been appealed by the applicant. The subject property consists of about 0.47 acres/20,364 square feet and is developed with a residential use.

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. The meeting is recorded.



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

**Wednesday, September 21, 2016
City Council Chambers, 2820 Clark Avenue, Norco, CA 92860**

- CALL TO ORDER:** 7:00 p.m.
- ROLL CALL:** **Present:**
Kevin Bash, Mayor
Greg Newton, Mayor Pro Tem
Robin Grundmeyer, Council Member
Berwin Hanna, Council Member
Ted Hoffman, Council Member
- PLEDGE OF ALLEGIANCE:** Council Member Robin Grundmeyer
- INVOCATION** Pastor Rene Parish, Beacon Hill Assembly of God
- BUSINESS APPRECIATION HONOREE:** Target Corporation

Mayor Bash and Economic Development Advisory Council Vice Chair Scott da Rosa presented a certificate of appreciation to Monique Williams of Target for the company's longstanding commitment to the families of Norco and for its generous sponsorship of the National Night Out event.

CITY COUNCIL BUSINESS ITEMS AS FOLLOWS:

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

Council Member Hanna:

- Attended a Northwest Mosquito and Vector Control District meeting two weeks ago. Vector Control staff from five different countries were in attendance. Council Member Hanna that there are two active West Nile Virus cases in Riverside County.

Council Member Grundmeyer:

- No report given

Council Member Hoffman:

- Attended a Veterans Memorial Executive meeting. Commented on the November 11 Veterans Day event at the George Ingalls Veterans Memorial Plaza. Council Member Hoffman also noted that veterans from various specialized fields will be meeting at the Veterans Memorial on October 8 and 9, 2016 and encouraged residents to welcome the veterans and thank them for their service.
- On September 14th, attended a meeting with the Navy, regional representatives and City staff to discuss the historical resources projects on the base.

- On September 15th, attended a presentation with Sheriff and Fire representatives as well as City staff regarding fireworks prevention and enforcement options.
- Thanked Norco Horsemen's Association and RURAL for hosting the candidates forum last week at Nellie Weaver Hall.
- Thanked the Norco Area Chamber of Commerce for hosting the First Responders Appreciation Luncheon on September 14th at Nellie Weaver Hall.

Mayor Pro Tem Newton:

- On September 15th, attended a presentation with Sheriff and Fire representatives as well as City staff regarding fireworks prevention and enforcement options.

Mayor Bash:

- Attended a Riverside Conservation Authority meeting.
- On September 14th, attended a meeting with the Navy, regional representatives, and City staff to discuss the historical resources projects on the base.
- Commented on the SilverLakes track meet event this past weekend, which was well attended.

2. CITY COUNCIL CONSENT ITEMS:

Mayor Pro Tem Newton pulled Item 2.C. and Council Member Hoffman pulled Item 2.E.

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

AYES: BASH, GRUNDMEYER, HANNA, HOFFMAN, NEWTON

NOES: NONE

ABSENT: NONE

ABSTAIN: NONE

- A. City Council Regular Meeting Minutes of September 7, 2016. **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 the Actions Taken by the Planning Commission at its Meeting Held on September 14, 2016. **Pulled for discussion.** (Planning Director)
- D. Part-Time Employee Salary Schedules, 2017-2022. **Action: Adopted Resolution No. 2016-58, updating part-time employee salary schedules to correspond with State of California minimum wage requirements.** (Human Resources Analyst)
- E. Certified Farmers Market Recommendation from the Economic Development Advisory Council. **Pulled for discussion.** (Economic Development Consultant)

- F. Amendment No. 8 to the Joint Exercise of Power Agreement Creating the Western Riverside County Regional Wastewater Authority (WRCRWA). **Action: Approved Amendment No. 8 to the Joint Exercise of Power Agreement creating the Western Riverside County Regional Wastewater Authority, subject to non-substantive changes and approval by all WRCRWA member agencies.** (Director of Public Works)

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

- 2.C. Recap of the Actions Taken by the Planning Commission at its Meeting Held on September 14, 2016. **Action: Received and filed.** (Planning Director)

Mayor Pro Tem Newton requested to agendaize Planning Commission Item 3.A. Conditional Use Permit 2015-06 (Duarte). Mayor Pro Tem Newton shared his concerns and reasons for his request. The accessory building was built over a year ago without permits and was a code enforcement case. Staff recommended approval of the Conditional Use Permit, which sends a wrong message to the community. Mayor Pro Tem Newton indicated that he agreed with the Planning Commission's denial of the Conditional Use Permit. However, it was denied without prejudice and the applicant was afforded a time frame of six months to obtain a geotechnical report on the foundation investigation, which could be done within 30 days and should be the norm.

Mike Thompson commented that the August 3, 2016 City Council meeting agenda had two appeal hearings. He said that both projects met City codes and were recommended for approval by staff. The City Council overturned the Planning Commission's denials for both projects. Mr. Thompson asked the Council what the citizens are to expect when their projects meet the Municipal Code and staff recommends approval only to be denied by the Planning Commission because of the discretionary opinion that the projects will hurt animal-keeping. Mr. Thompson said he fears expensive litigation if clear direction is not given regarding City codes.

M/S NEWTON/BASH to appeal Conditional Use Permit 2015-06 (Duarte). The motion was carried by the following roll call vote:

AYES: BASH, GRUNDMEYER, HANNA, HOFFMAN, NEWTON
NOES: NONE
ABSENT: NONE
ABSTAIN: NONE

M/S NEWTON/BASH to receive and file remaining items on the Recap of the Actions taken by the Planning Commission at its meeting held on September 14, 2016. The motion was carried by the following roll call vote:

AYES: BASH, GRUNDMEYER, HANNA, HOFFMAN, NEWTON
NOES: NONE
ABSENT: NONE
ABSTAIN: NONE

2.E. Certified Farmers Market Recommendation from the Economic Development Advisory Council. (Economic Development Consultant)

Council Member Hoffman thanked the Economic Development Advisory Council for their efforts involved with the research and recommendation of a certified farmers market.

Council Member Grundmeyer commented that residents can participate in the certified farmers market as long as they obtain proper licensing and asked if EDAC and/or staff would work with residents to facilitate that process. Economic Development Consultant Roger Grody indicated details of this program are being deferred until a professional manager is consulted to oversee the program. However, initial research by EDAC and staff, the suggestion of facilitation has been brought up and can indeed be a benefit by engaging the local community. Also in response to Council Member Grundmeyer, Mr. Grody stated that the intent of the farmers market is to operate all year, not just seasonal, on a weekly basis. This idea has been attempted before but not professionally managed. Mr. Grody added that the culture has changed to healthier, nutritional diets. This is also an opportunity to expand peoples horizons and get to know their neighbors. Mr. Grody stated that EDAC and staff anticipate this program beginning May 2017.

Scott da Rosa, Vice Chair of the Economic Development Advisory Council, spoke from two perspectives – as a member of EDAC and a resident. Vice Chair da Rosa stated that EDAC spent months vetting this program and gathered substantial information. As a resident, Mr. da Rosa spoke with many neighbors and clients and they all had the same agenda of wanting local, healthy produce here in Norco.

Michael da Rosa commented that there is not a wide selection of markets to shop from in the City. A certified farmers market in Norco would offer unique items and would build a sense of community. Mr. da Rosa said this program would engage the community in positive ways.

M/S BASH/GRUNDMEYER to approve the recommendation of the Economic Development Advisory Council (EDAC) to establish a Certified Farmers Market, and direct staff to release a Request for Proposals (RFP) to qualified professional managers. The motion was carried by the following roll call vote:

AYES: BASH, GRUNDMEYER, HANNA, HOFFMAN, NEWTON

NOES: NONE

ABSENT: NONE

ABSTAIN: NONE

4. PUBLIC COMMENTS:

Glenn Hedges commented on a dangerous condition in the horse trail from a project on the corner of Sixth Street and Temescal Avenue. On Temescal Avenue, the parkway is 36 inches, which leaves 3 to 4 feet of the concrete apron in the horse trail. Mr. Hedges indicated that he met with the City Engineer and the contractor at the site to voice his concerns. Mr. Hedges referenced the drawings by the contractor and noted some inconsistencies. He commented that this situation is a danger and liability to the City and asked when correction will occur. Mayor Bashreferred Mr. Hedges to the Director of Public Works.

Bonnie Slager thanked all who came to Candidate's Forum hosted by Norco Horsemen's Association last week. She also thanked staff for assisting Norco Horsemen's Association with a trail project.

Betty Bash commented on her objection of the approval of Conditional Use Permit 2016-22. She expressed that residents are entitled to a fair process which is outlined in the Norco Municipal Code. Ms. Bash said that her letters to the City Council outline problems with the Conditional Use Permit process and that her rights have been denied. She stated her objections because the accessory building will hugely affect her property. Ms. Bash asked the City Council to reconsider the approval of CUP 2016-22.

Robert Leonard commented on an issue that occurred last Saturday night at 4444 Hillside Avenue. The location hosted a party with over 200 people. Mr. Leonard said that there were cars parked in the horse trails and people urinating on his property. Mr. Leonard commented on the noise from the party and that it continued until 7:00 a.m. the next day. Mr. Leonard expressed his concern about the Sheriff's response. He said that the neighbors have been a nuisance for over a year and requested assistance from the City Council. Sheriff Lieutenant Eric Briddick stated that the location has been cited for parties as well as motorcycles on the road and that the Sheriff's Department will continue to take action.

Geoff Kahan commended City staff for presenting the 9/11 ceremony on Sunday, September 11 at 5:30 a.m. to honor and remember first responders.

5. LEGISLATIVE MATTER:

- A. **Ordinance No. 1007, Second Reading.** An Ordinance of the City Council of the City of Norco Amending Chapter 14.04.720 of the Norco Municipal Code, "Water Conservation Program." Code Change 2016-04. (City Clerk)

M/S BASH/HOFFMAN to adopt Ordinance No. 1007 for second reading. The motion was carried by the following roll call vote:

AYES: BASH, GRUNDMEYER, HANNA, HOFFMAN, NEWTON

NOES: NONE

ABSENT: NONE

ABSTAIN: NONE

6. DISCUSSION / ACTION ITEMS:

- A. Discussion Regarding Removal of Dead/Dying Trees by Southern California Edison. (Director of Public Works)

Public Works Director Chad Blais reported that the City utilizes contract tree trimming and tree maintenance services to perform emergency trimming and removal, and to provide on-call services. West Coast Arborist (WCA) has been the contract maintenance service provider for the City for the last 10 years. However, the effects of the budget cuts of the last ten years have altered the City's ability to maintain a healthy urban forest and provide adequate maintenance and safety levels to the City tree system. This, along with the under

wire utility pruning methods of SCE, has resulted in many trees that are in stress and in need of removal and maintenance.

Director Blais gave brief overview of the current city tree inventory and impacts. He indicated that the City has over 10,000 trees and over 600 have been classified for removal for reasons that they are dead, dying, diseased or damaged. The estimated cost for complete removal is \$500,000 - \$600,000. Of the over 600 trees identified for removal, 314 are in the SCE right-of-way.

Director Blais also commented on SCE's trimming practices, which are done for safety purposes only, not for aesthetics or tree health. Trees have been routinely topped which leaves large exposed wounds that can become infested, ruins the tree structure, destroys the appearance of value of the trees, and increases maintenance costs. Staff met with SCE to discuss trimming impacts. SCE reviewed the list of 314 trees and identified 231 trees they are willing to remove and proposed a five-year removal plan. The total benefit to the City is \$200,000. However, no trees will be replanted by SCE.

Council Member Grundmeyer expressed concern regarding liability for the City should damage occur to private property upon removal of trees. Director Blais stated that the assumption is that SCE's contractor is taking due diligence and care when removing trees. Director Blais said he would have the conversation with SCE. Council Member Grundmeyer commented that the tree removal has the greatest impact in one section of the City. She said that a single resident is potentially losing four to five trees. Council Member Grundmeyer suggested notifying residents of trail closures prior to tree removals.

Council Member Hanna also commented on the impact to one section of the City. He recalled prior tree removals which involved numerous trees. Council Member Hanna said it downgraded the neighborhood. Council Member Hoffman concurred and stated that one home in a two-year period will have 12 trees removed. He expressed that it will be a shock to the home and the neighborhood in the first and second phases of the tree removal program.

Mayor Pro Tem Newton expressed that he does not support the tree removal program as SCE killed the trees or limited their life expectancy due to their trimming practices. In response to Mayor Pro Tem Newton, Superintendent Terry Piorkowski said that a typical budgetary cost for a 15 gallon replacement tree planted and maintained for the first six months is about \$125. Mayor Pro Tem Newton said that SCE should come to the table with a tree replacement program. Director Blais indicated that he has spoken to SCE about a replacement program but that SCE no longer has such program due to lack of funding. Funding priority was given to battling the bark beetle throughout the State.

There was some discussion and suggestions of seeking grants for tree replacement programs. Deputy City Manager Petree indicated that there are grants for such programs but are predicated on residents taking an interest in the maintenance of the trees.

Staff indicated that the urgency in removing the trees is based on the potential liability and for public safety.

Don, a member of the audience, suggested having a replacement when a tree is removed.

M/S BASH/HOFFMAN to authorize staff to finalize a multi-year schedule for the removal of dead and dying trees by Southern California Edison and to direct staff to develop a tree replacement program within the next 12 months. The motion was carried by the following roll call vote:

AYES: BASH, GRUNDMEYER, HANNA, HOFFMAN,

NOES: NEWTON

ABSENT: NONE

ABSTAIN: NONE

B. Appointments to the Norco Youth Advisory Council. (City Clerk)

City Clerk Cheryl Link reported that the City of Norco recently established the Norco Youth Advisory Council, with the purpose of advising the City Council on youth-related programs. The Council is requested to review applications submitted for nine vacancies on the Norco Youth Advisory Council. Staff recommended that the City Council make nine appointments to serve 1-year terms (October 2016 – May 2017).

The following applicants made brief comments to the City Council on their qualifications, merits, and why they should be appointed to the Norco Youth Advisory Council:

Ashley Tejada commented on her commitment to the community and her well-rounded perspective.

Brent Kavarianian thanked the Council for the opportunity to speak before the Council. Brent said he was born and raised in Norco; therefore, has a deep connection to the community. He expressed that the equestrian community has been well-served but would like to focus on bringing programming that serves other segments of the youth in the community.

Danielle Smith, a Senior at Norco High School, expressed the great opportunity the Youth Advisory Council is bringing to the youth in learning about government and policy-making.

Axel Alvarez, a Senior at Norco High School, said he possesses qualities of leadership and is very involved in the community.

Jorgina Strojek, Senior at Norco High School, said she is a good leader and very responsible. She commented on her contributions to community involvement and activities.

Michael Young expressed his passion in government since he was a young child. He is active in basketball and is an honor student. Mr. Young said he communicates well with his peers and adults.

Celine Kabbara commented on her travels to Lebanon and how she learned the value of volunteering and to stand up for what she believes in. She wants to ensure that the voice of her peers is heard.

Jessica Ocampo, a Junior at JFK, said she is hardworking and strives for high quality and quantity of work. She said she can interpret different ideas.

Isabella Xiao, student at JFK, expressed the importance of communication and that she is open to the thoughts and ideas of others. She studied at Stanford University over the summer where she met many students from all over the world and got a better understanding of cultures.

The City Council thanked the students for speaking. The City Clerk gave each Council Member a voting ballot and requested that the Council vote for nine members.

Mayor Bash recessed the meeting at 8:32 p.m. and reconvened the meeting at 8:41 p.m.

Upon collecting the ballots and counting the votes with the Deputy City Clerk, the City Clerk announced that eight applicants received a majority vote of the City Council for appointment. The City Clerk distributed a second round of ballots and instructed the City Council to vote for one applicant. Upon collection of the ballots and counting the votes, the City Clerk indicated that a majority vote of the City Council was not reached for the appointment of the ninth member.

Mayor Bash asked if there were any applicants in the audience that did not speak. Laramie Huffman was asked to speak.

Laramie Huffman, a Freshman at Norco High School, said she is involved in the FFA program, ROTC, and Jr. Bull Riders. As a Freshman, she said she could offer a different perspective than her upperclassmen.

The City Clerk distributed a third round of ballots.

The City Council, by majority vote, appointed the following applicants to serve on the Norco Youth Advisory Council effective October 1, 2016:

**Brent Kavarianian
Danielle Smith
Michael Young
Jessica Ocampo
Celine Kabbara
Ashley Tejada
Jorgina Strojek
Axel Alvarez
Laramie Huffman**

Voting ballots are available in the City Clerk's Office for public viewing.

7. CITY COUNCIL / CITY MANAGER / STAFF COMMUNICATIONS:

Public Works Director Chad Blais provided a status update on the fire hydrant. He indicated that at the September 7, 2016 Council meeting, he reported that there were seven inoperable hydrants. As of today, only three hydrants are left that are in need of repairs.

City Manager Andy Okoro reminded the City Council and the public of the City Council Study Session scheduled next week, September 28, 2016 at 4:00 p.m. to review the water and sewer rates study.

Mayor Pro Tem Newton commented that Southern California Edison has been through various parts of Old Town Norco removing the electrical apparatus from their poles resulting in dead trees. Mayor Pro Tem Newton requested a date certain of when the telephone company is going to make the transition to the new SCE poles and remove the old poles. Director Blais indicated that he has called the telephone company but has not received a response. Mr. Blais said he would continue to follow up.

Mayor Pro Tem Newton commented on issues with accessory buildings and a sense of loss of direction. Mayor Pro Tem requested to agendize reconsideration of Conditional Use Permit 2016-22.

Mayor Bash left the dais at 9:42 p.m.

Deputy City Attorney Colin Burns stated for the record that Mayor Bash recused himself from discussion on reconsideration of CUP 2016-22 due to a conflict of interest. Mayor Pro Tem Newton presided over the meeting.

M/S NEWTON/HOFFMAN to agendize reconsideration of the vote on the motion to approve Conditional Use Permit 2016-22 (Podaca) with additional conditions as noted by the City Council. The motion was carried by the following roll call vote:

AYES: GRUNDMEYER, HANNA, HOFFMAN, NEWTON

NOES: NONE

ABSENT: BASH

ABSTAIN: NONE

Mayor Bash returned to the dais at 9:44 p.m.

ADJOURNMENT

Mayor Bash adjourned the meeting at 9:44pm.



**CITY OF NORCO
RECAP OF ACTIONS TAKEN
PLANNING COMMISSION REGULAR MEETING**

**Wednesday, October 12, 2016
City Council Chambers, 2820 Clark Avenue, Norco CA 92860**

CALL TO ORDER: 7:05 p.m.

ROLL CALL: Present:
Robert Leonard, Chair
John Rigler, Vice Chair
Danny Azevedo, Commission Member
Patricia Hedges, Commission Member
Phil Jaffarian, Commission Member

PLEDGE OF ALLEGIANCE: Commission Member Azevedo

APPEAL NOTICE: Read by Director King

1. PUBLIC COMMENTS: Received and Filed

2. APPROVAL OF MINUTES:

A. Minutes of Special Meeting of July 27, 2016 and Regular Meeting September 14, 2016. Recommended Action: Approval (Minutes Clerk): Action: Approved 5-0

3. PUBLIC HEARING:

A. Conditional Use Permit 2016-28 (Hirt): A request for approval to allow a detached accessory building consisting of a 1,100 square-foot workshop/garage building at 3501 Broken Twig Drive located within the A-1-20 (Agricultural Low Density) Zone. Recommended Action: Approval (Senior Planner) **Applicant Present.**

Action: Approved 5-0. This action is final unless appealed to City Council.

B. Variance 2016-02 (Valenzuela): A request for a variance from the 100-foot rear yard setback requirement of Chapter 18.13 (A-1 Zone) of the Norco Municipal Code, to allow the construction of a residential home on a vacant parcel identified with the Assessor's Parcel Number of 168-021-009, located on the south side of Mt. Rushmore Drive, east of Crestview Drive, and within the A-1-20 (Agricultural Low Density) Zone. Recommended Action: Approval (Senior Planner) **Applicant Present.**

Action: Approved 5-0. This action is final unless appealed to City Council.

- C. **Specific Plan 85-01, Amendment 8 (City):** A request to amend the Auto Mall Specific Plan amending the architectural and design standards. Recommended Action: Approval (Planning Director)
Architect representative for Hemborg Ford Present.
Action: Recommendation for approval 4-1 (Leonard). This item will be scheduled for a public hearing before the City Council at the next available meeting.

4. PLANNING COMMISSION / STAFF COMMUNICATIONS:

- A. Oral Reports from Various Committees:
 - **Commission Member Jaffarian reported on the first meeting and the progress of the Accessory Building / Lot Coverage Ad Hoc Committee.**
- B. Request for Items on Future Agenda (within the purview of the Commission):
None

ADJOURNMENT: Chair Leonard adjourned the meeting at **7:50 p.m.**

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 19, 2016

SUBJECT: Quarterly Investment Report for Quarter Ended September 30, 2016

RECOMMENDATION: Receive and file the Quarterly Investment Report for the Quarter Ended September 30, 2016.

SUMMARY: Staff is recommending that the City Council receive and file the City's quarterly investment report for the quarter ended September 30, 2016. 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. Beginning this quarter, staff is providing a schedule showing cash balances by Fund as additional information to complement the schedule of investment holdings.

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, 2016 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 5) 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 18, 2016. 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, 2016. This summary also provides information on whether or

AGENDA ITEM: 2.D.

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, 2016, the operating portfolio decreased by a net amount of \$6 million from \$48 million to \$42 million. 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. The excess of disbursements over receipts is anticipated during this quarter are semi-annual debt service payments. During the quarter, the City made a debt service payment of \$2.4 million on Successor Agency outstanding bonds. In addition, the City wired a total payment of \$2 million at quarter ended September 30, 2016 to trustee for upcoming debt service due on October 1, 2016.

Attachment 2 provides a graphical breakdown of the operating portfolio holdings by investment type as of September 30, 2016. This chart is for investments that are subject to the Investment Policy. The operating portfolio consisted of 96% investment in the State of California Local Agency Investment Fund (LAIF). The remaining 4% 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, 2016, bond proceeds and debt service reserve fund portfolio increased by a net amount of \$1.7 million from \$11.9 million to \$13.6 million due to \$2.1 million wired from the City for upcoming debt service payment due October 1, 2016. During the quarter, a total transfer of \$0.4 million of RDA bond proceeds from bond trustee to the operating portfolio to pay for capital projects and Housing Fund expenditures.

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.

Beginning this quarter, staff is providing schedule (Attachment 4) showing cash balances by Fund as additional information to complement the schedule of investment holdings. For the Operating Funds, the cash balance provides an indication of the financial health of the Fund.

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, 2017.

FINANCIAL IMPACT: Not Applicable

RELATIONSHIP TO STRATEGIC PLAN: The Quarterly Investment Report is consistent with Strategic Direction #3 "Assure financial stability by identifying new revenue sources and continuing prudent financial management."

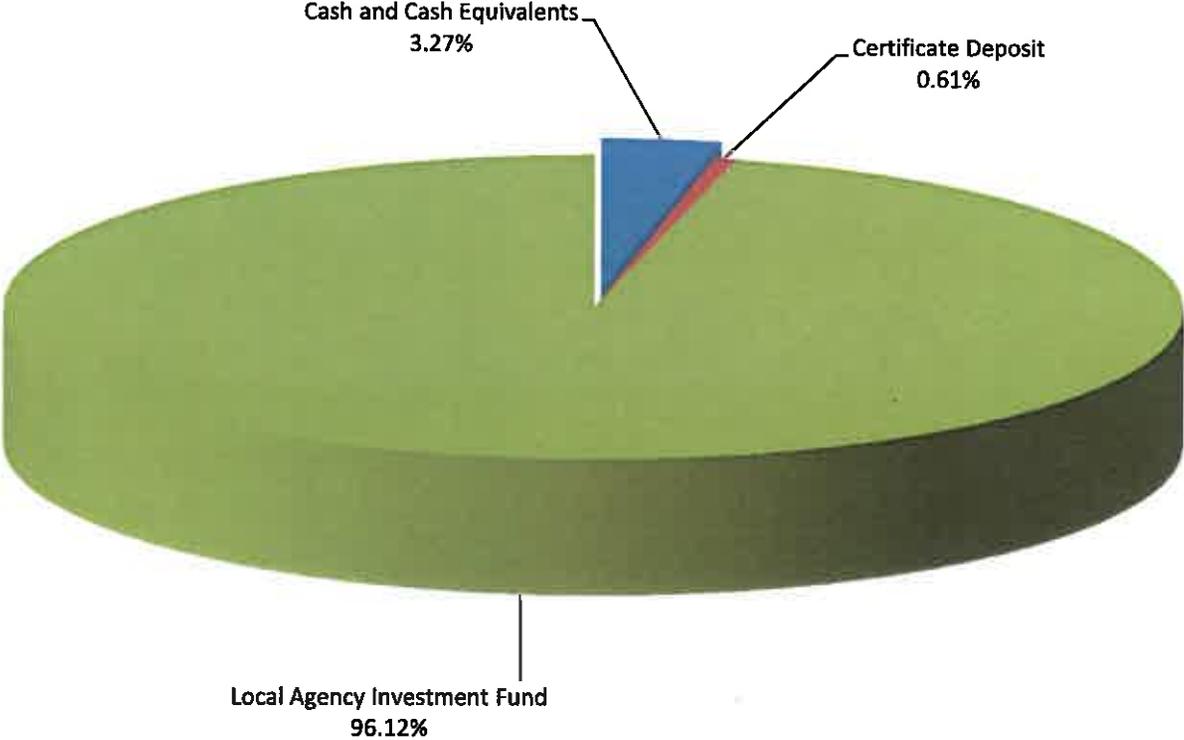
Attachments: 1) Portfolio Summary
2) Summary Graph
3) Portfolio Details – "Investments Not Subject..."
4) Portfolio Details by Fund
5) Certification Form

City of Norco, California
Portfolio Summary
As of September 30, 2016

City Investments Subject to Investment Policy	Market Value	Percentage	Policy Maximum	Compliance
Cash and Cash Equivalents	\$ 1,378,040	3.27%	15.00%	In Compliance
Certificate Deposit	255,843	0.61%	30.00%	In Compliance
Local Agency Investment Fund	40,509,620	96.12%	\$50.0 Million	In Compliance
Total	\$ 42,143,502	100.00%		

City Investments Not Subject to Investment Policy	Market Value	Percentage
Community Facilities Districts	\$ 2,829,450	20.74%
Sewer and Water System	3,134,471	22.98%
Refunding Tax Allocation Bonds	7,675,684	56.27%
Total	\$ 13,639,605	100.00%

**Summary of City Portfolio
(Investments Subject to Investment Policy)
As of September 30, 2016**



City of Norco, California
Portfolio Details
As of September 30, 2016

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	1,378,040	1,378,040
			Subtotal	Wells Fargo					1,378,040	1,378,040
4/20/2016	4/19/2017	2329958022	Certificate Deposit	Citizen Business Bk	N/A	0.35%	0.35%	N/A	102,701	102,701
3/25/2016	12/3/2016	2329958065	Certificate Deposit	Citizen Business Bk	N/A	0.25%	0.25%	N/A	153,142	153,142
			Subtotal	Wells Fargo					255,843	255,843

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	40,509,620	40,509,620
			Subtotal						40,509,620	40,509,620

Total Investments Subject to Policy

									42,143,502	42,143,502
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City of Norco, California
Portfolio Details
As of September 30, 2016

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	791884000 US Bank	N/A	N/A	0.01%	N/A	389,599	389,599
N/A	N/A	N/A	First American Treasury Obligation	791884002 US Bank	N/A	N/A	0.00%	N/A	-	-
N/A	N/A	N/A	First American Government Obligation	791884004 US Bank	N/A	N/A	0.01%	N/A	524,867	524,867
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	11,114	11,114
Subtotal									925,582	925,582

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	107,881	107,881
N/A	N/A	N/A	Local Agency Investment Fund	CFD 2002-1 State of California	N/A	N/A	N/A	N/A	54,473	54,473
Subtotal									162,354	162,354

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
6/14/2016	12/14/2020	3133EGEU5	Federal Farm Credit Banks	794148002 US Bank	AAA*	1.540%	1.540%	1,740,000	1,740,000	1,741,514
									1,740,000	1,741,514

Total Community Facilities Districts

2,827,936 2,829,450

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	First American Govt Oblig Fund	130584000 US Bank	AAA	N/A	0.25%	N/A	1,692,186	1,692,186
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	1,442,285	1,442,285
Subtotal									3,134,471	3,134,471
Total Sewer and Water System									3,134,471	3,134,471

City of Norco, California
Portfolio Details
As of September 30, 2016

**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	1,573,398	1,573,398
N/A	N/A	N/A	First American Government Obligation	792126001 US Bank	N/A	N/A	0.01%	N/A	6,837	6,837
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	First American Government Obligation	129543003 US Bank	N/A	N/A	0.01%	N/A	2,137	2,137
N/A	N/A	N/A	US Bank Money Market	140828001 US Bank	N/A	N/A	0.10%	N/A	5,209	5,209
N/A	N/A	N/A	US Bank Money Market	140828002 US Bank	N/A	N/A	0.00%	N/A	2	2
N/A	N/A	N/A	US Bank Money Market	140828004 US Bank	N/A	N/A	0.10%	N/A	1,495,440	1,495,440
N/A	N/A	N/A	US Bank Money Market	140828005 US Bank	N/A	N/A	0.12%	N/A	16	16
N/A	N/A	N/A	US Bank Money Market	210857000 US Bank	N/A	N/A	0.00%	N/A	2	2
N/A	N/A	N/A	US Bank Money Market	210857001 US Bank	N/A	N/A	0.00%	N/A	4	4
N/A	N/A	N/A	US Bank Money Market	210857002 US Bank	N/A	N/A	0.00%	N/A	5	5
N/A	N/A	N/A	US Bank Money Market	210857003 US Bank	N/A	N/A	0.10%	N/A	546,089	546,089
N/A	N/A	N/A	US Bank Money Market	210858000 US Bank	N/A	N/A	0.10%	N/A	9,531	9,531
N/A	N/A	N/A	US Bank Money Market	210858001 US Bank	N/A	N/A	0.17%	N/A	6	6
N/A	N/A	N/A	US Bank Money Market	210858002 US Bank	N/A	N/A	0.11%	N/A	18	18
N/A	N/A	N/A	US Bank Money Market	210858003 US Bank	N/A	N/A	0.10%	N/A	1,053,323	1,053,323
Subtotal									4,693,521	4,693,521

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	22,757	22,757
N/A	N/A	N/A	Local Agency Investment Fund	2003 TABs State of California	N/A	N/A	N/A	N/A	422,201	422,201
Subtotal									444,957	444,957

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
6/14/2016	12/14/2020	3133EGEU5	Federal Farm Credit Banks	792126003 US Bank	AAA*	1.540%	1.540%	1,558,000	1,558,000	1,559,355
6/14/2016	12/14/2020	3133EGEU5	Federal Farm Credit Banks	129543003 US Bank	AAA*	1.540%	1.540%	977,000	977,000	977,850
Subtotal									2,535,000	2,537,205

Total Refunding Tax Allocation Bonds

7,673,479 7,675,684

Total Investments Not Subject to Policy

13,635,886 13,639,605

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

** Will pay debt service of \$389,599 on October 1, 2016.

City of Norco, California
Portfolio Details by Fund
As of September 30, 2016

Investments Subject to Policy

Fund	Description	Balance
012	Successor Agency Project Fund	48,936
016	Cal Home Grant Fund	36,944
017	Successor Agency Fund	1,318,421
018	Housing Fund	1,655,856
121	General Fund	10,207,573
122	Miscellaneous Grants Fund	(2,362)
123	CDBG Fund	11,502
124	Water Fund	103,296
126	Sewer Fund	3,526,236
128	Equipment Replacement Fund	2,886,369
129	Storm Drain Fund	337,848
133	Gas Tax Fund	789,156
134	Benefits and Insurance Fund	1,150,243
135	Information Technology Fund	789,059
137	Measure A Fund	2,266,307
139	NPDES Fund	41,499
140	General Govt Improvement Fund	539,041
141	Park Improvement Fund	185,393
142	Fire Improvement Fund	610,320
143	Trail Improvement Fund	254,912
144	Water Capital Fund	4,207,760
146	Public Meeting Facilities Fund	66,798
147	Sewer Facilities Fund	3,300,539
148	Sewer Connection Fund	389,616
149	Street Improvement Fund	2,364,219
150	Aquatics Center Fund	9,529
151	Animal Control Fund	20,830
152	Facility Improvement Fund	150,098
153	Special Asset Fund	912,754
154	Trust Deposit Fund	408,069
156	AQMD Fund	125,665
158	Waste Management Fund	95,468
162	Supplemental Law Grant Fund	16,667
178	CFD 93-1	71,621
181	CFD 97-1	354,619
182	CFD 2001-1	1,653,338
183	CFD 2002-1	86,996
179	LMD #1	11,930
176	LMD #2	(36,635)
177	LMD #3	45,704
186	LMD #4	890,827
187	LMD #5	91,207
Various	Outstanding Checks/Deposits in Transit	149,333
	Total	42,143,502

City of Norco, California
Portfolio Details by Fund
As of September 30, 2016

Investments Not Subject to Policy (Bond Proceeds and Debt Service Reserve Funds)

Fund	Description	Balance
012	Successor Agency Project Fund	264,928
017	Successor Agency Fund	5,589,730
018	Housing Fund	1,446,109
124	Water Fund	1,141,643
126	Sewer Fund	1,992,828
141	Park Improvement Fund	182,006
149	Street Improvement Fund	190,706
178	CFD 93-1	107,881
181	CFD 97-1	914,465
182	CFD 2001-1	1,751,116
183	CFD 2002-1	54,473
Various	Market Value Adjustment	3,720
Total		13,639,605

Attachment 5

Quarterly Investment Portfolio

For the Quarter Ended September 30, 2016

As required by the Government Code, the Treasurer certifies that the investments reported in the accompanying schedules (Attachments 1 through 4) 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, 2017.

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: Scott Lane, Battalion Chief

DATE: October 19, 2016

SUBJECT: Resolution Increasing Revenue, Appropriation and Expenditure from the Fiscal Year 2016 Emergency Management Performance Grant (EMPG) Program in the Amount of \$17,934 for Emergency Operations Center (EOC) Upgrades.

RECOMMENDATION: Adoption of **Resolution No. 2016-59**, accepting EMPG funds in amount of \$8,967 and agreeing to match with a contribution of \$8,967 for upgrades and enhancements the EOC.

SUMMARY: The major focus of the Emergency Management Performance Grant (EMPG) Program is to improve and enhance the ability of local cities and governing bodies to respond to disasters. The Emergency Operations Center (EOC) allows the city to properly respond to emergency incidents within the city. This grant will allow the city to continue with technological purchases, such as computer systems which will allow the collaboration between County Operational Area and the City of Norco.

BACKGROUND/ANALYSIS: The purpose of the Emergency Management Performance Grant (EMPG) Program is to provide federal funds to states to assist state, local, and tribal governments in preparing for all hazards. Funds provided under the EMPG must be used to support activities that contribute to the Operational Area's capability to prevent, prepare for, mitigate against, respond to, and recover from emergencies and disasters, whether natural or man-made.

Previous grants have been received by the City of Norco that provided the ability to update and maintain the Emergency Operations Center (EOC). The EOC allows the city to organize emergency events or incidents and properly assign resources and/or ask for assistance from the County's Operational Area. This grant will allow the city to purchase additional computer systems in the EOC to allow this collaboration.

FINANCIAL IMPACT: Acceptance of the grant will require matching funds of 50%. The total amount granted to the City was \$8,967. The matching amount will be funded from the City's Information Technology Fund.

RELATIONSHIP TO STRATEGIC PLAN: Appropriation of matching funds for the Emergency Management Performance Grant is consistent with Strategic Direction #5 "Improve the quality of life by enhancing public safety services; Action Plan #5 "Complete all actions necessary to update City Emergency Operations Plan including training, development of checklist, communication protocols with residents and staff."

Attachments: Resolution No. 2016-59
FY16 Emergency Management Performance Grant Agreement Articles

Agenda Item: 2.E.

RESOLUTION NO. 2016-59

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF NORCO, CALIFORNIA INCREASING REVENUE, APPROPRIATION AND EXPENDITURE IN THE AMOUNT OF \$17,934 FROM THE EMERGENCY MANAGEMENT PERFORMANCE GRANT FOR THE PURCHASE OF COMPUTERS TO IMPROVE THE EMERGENCY OPERATIONS CENTER (EOC)

WHEREAS, the City of Norco desires to participate with state and local governmental agencies in improving responses to natural or man-made disasters through the EOC; and

WHEREAS, the City of Norco will receive, and accepts, an Emergency Management Performance Grant (EMPG) from the Governor's Office of Homeland Security for Fiscal Year 2016 in the amount of \$8,967 and agrees to match with a contribution of \$8,967, funded from the City's Information Technology Fund, for computer purchases and to enhance the operation of the City of Norco Emergency Operation Center (EOC).

NOW, THEREFORE, be it resolved that the City Council of the City of Norco, California, does hereby increase revenue in the amount of \$17,934 and increase appropriation and expenditure in the amount of \$17,934.

PASSED AND ADOPTED by the City Council of the City of Norco at a regular meeting held on October 19, 2016

Kevin Bash, 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 adopted by the City Council of the City of Norco, California, at a regular meeting held on October 19, 2016 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 19, 2016.

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



Standard Assurances
For FY16 Emergency Management Program
Grant# 2016-0010 - CFDA# 97.042

Applicant: _____

As the duly authorized representative of the Applicant, I hereby certify that the Applicant has the legal authority to apply for federal assistance and the institutional, managerial and financial capability (including funds sufficient to pay any non-federal share of project cost) to ensure proper planning, management and completion of the project described in this application, within prescribed timelines.

I further acknowledge that the Applicant is responsible for reviewing and adhering to all requirements within the:

- (a) Applicable Federal Regulations (see below);
- (b) Federal Program Notice of Funding Opportunity (NOFO);
- (c) California Supplement to the NOFO; and
- (d) Federal and State Grant Program Guidelines.

Federal Regulations

Government cost principles, uniform administrative requirements and audit requirements for federal grant programs are set forth in Title 2, Part 200 of the Code of Federal Regulations (CFR) and updates are issued by the Office of Management and Budget (OMB) and can be found at <http://www.whitehouse.gov/omb/>.

Significant state and federal grant award requirements (some of which appear in the documents listed above) are set forth below. The Applicant hereby agrees to comply with the following:

1. Proof of Authority

The Applicant will obtain written authorization from the city council, governing board, or authorized body in support of this project. This written authorization must specify that the Applicant and the city council, governing board, or authorized body agree:

- (a) To provide all matching funds required for the grant project and that any cash match will be appropriated as required.
- (b) Any liability arising out of the performance of this agreement shall be the responsibility of the Applicant and the city council, governing board, or authorized body.
- (c) Grant funds shall not be used to supplant expenditures controlled by the city council, governing board, or authorized body.
- (d) The official executing this agreement is, in fact, authorized to do so.

This Proof of Authority must be maintained on file and readily available upon request.

2. Period of Performance

The Applicant will initiate work after approval of the award and complete all work within the period of performance specified in the grant.

3. Lobbying and Political Activities

As required by Section 1352, Title 31 of the U.S. Code (U.S.C.), for persons entering into a contract, grant, loan, or cooperative agreement from an agency or requests or receives from an agency a commitment providing for the United States to insure or guarantee a loan, the Applicant certifies that:

- (a) No federal appropriated funds have been paid or will be paid, by or on behalf of the undersigned, to any person for influencing or attempting to influence an officer or employee of an agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal contract, the making of any federal grant, the making of any federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any federal contract, grant, loan, or cooperative agreement.
- (b) If any funds other than federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this federal contract, grant, loan, or cooperative agreement, the undersigned shall complete and submit Standard Form-LLL, "Disclosure Form to Report Lobbying", in accordance with its instructions.
- (c) The undersigned shall require that the language of this certification be included in the award documents for all subawards at all tiers (including subcontracts, subgrants, and contracts under grants, loans, and cooperative agreements) and that all subrecipients shall certify and disclose accordingly.

The Applicant will also comply with provisions of the Hatch Act (5 U.S.C. §§ 1501-1508 and §§ 7324-7328) which limit the political activities of employees whose principal employment activities are funded in whole or in part with federal funds.

Finally, the Applicant agrees that federal funds will not be used, directly or indirectly, to support the enactment, repeal, modification or adoption of any law, regulation or policy without the express written approval from the Riverside County Operational Area (RCOA) through the California Governor's Office of Emergency Services (Cal OES) or the federal awarding agency.

4. Debarment and Suspension

As required by Executive Orders 12549 and 12689, and 2 CFR § 200.212 and codified in 2 CFR Part 180, Debarment and Suspension, the Applicant will provide protection against waste, fraud,

and abuse by debaring or suspending those persons deemed irresponsible in their dealings with the federal government. The Applicant certifies that it and its principals:

- (a) Are not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from covered transactions by any federal department or agency;
- (b) Have not within a three-year period preceding this application been convicted of or had a civil judgment rendered against them for commission of fraud or a criminal offense in connection with obtaining, attempting to obtain, or performing a public (federal, state, or local) transaction or contract under a public transaction; violation of federal or state antitrust statutes or commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements, or receiving stolen property;
- (c) Are not presently indicted for or otherwise criminally or civilly charged by a governmental entity (federal, state, or local) with commission of any of the offenses enumerated in paragraph (2)(b) of this certification; and
- (d) Have not within a three-year period preceding this application had one or more public transaction (federal, state, or local) terminated for cause or default.

Where the Applicant is unable to certify to any of the statements in this certification, he or she shall attach an explanation to this application.

5. Non-Discrimination and Equal Employment Opportunity

The Applicant will comply with all federal statutes relating to non-discrimination. These include, but are not limited to, the following:

- (a) Title VI of the Civil Rights Act of 1964 (Public Law (P.L.) 88-352 and 42 U.S.C. § 2000d et. seq.) which prohibits discrimination on the basis of race, color, or national origin and requires that recipients of federal financial assistance take reasonable steps to provide meaningful access to persons with limited English proficiency (LEP) to their programs and services;
- (b) Title IX of the Education Amendments of 1972, (20 U.S.C. §§ 1681-1683, and 1685-1686), which prohibits discrimination on the basis of sex in any federally funded educational program or activity;
- (c) Section 504 of the Rehabilitation Act of 1973, (29 U.S.C. § 794), which prohibits discrimination against those with disabilities or access and functional needs;
- (d) Americans with Disabilities Act (ADA) of 1990, which prohibits discrimination on the basis of disability and requires buildings and structures be accessible to those with disabilities and access and functional needs; (42 U.S.C. §§ 12101-12213.)
- (e) Age Discrimination Act of 1975, (42 U.S.C. §§ 6101-6107), which prohibits discrimination on the basis of age;
- (f) Public Health Service Act of 1912 (42 U.S.C. §§ 290 dd—2), relating to confidentiality of patient records regarding substance abuse treatment;
- (g) Title VIII of the Civil Rights Act of 1968 (42 U.S.C. § 3601 et seq.), relating to nondiscrimination in the sale, rental or financing of housing;

- (h) Executive Order 11246, which prohibits federal contractors and federally assisted construction contractors and subcontractors, who do over \$10,000 in Government business in one year from discriminating in employment decisions on the basis of race, color, religion, sex, sexual orientation, gender identification or national origin;
- (i) Executive Order 11375, which bans discrimination on the basis of on the basis of race, color, religion, sex, sexual orientation, gender identification, or national origin in hiring and employment in both the United States federal workforce and on the part of government contractors;
- (j) California Public Contract Code § 10295.3, which prohibits discrimination based on domestic partnerships and those in same sex marriages;
- (k) Any other nondiscrimination provisions in the specific statute(s) under which application for federal assistance is being made; and
- (l) The requirements of any other nondiscrimination statute(s) which may apply to the application.

In addition to the items listed in (a) through (n), the Applicant will comply with California's Fair Employment and Housing Act (FEHA). FEHA prohibits harassment and discrimination in employment because of ancestry, race, color, religious creed (including religious dress and grooming practices), sex (which includes pregnancy, childbirth, breastfeeding and medical conditions related to pregnancy, childbirth or breastfeeding), gender, gender identity, gender expression, sexual orientation, marital status, national origin, ancestry, mental and physical disability, genetic information, medical condition, age, pregnancy, denial of medical and family care leave, or pregnancy disability leave (California Government Code §§12940, 12945, 12945.2), military and veteran status, and/or retaliation for protesting illegal discrimination related to one of these categories, or for reporting patient abuse in tax supported institutions.

6. Drug-Free Workplace

As required by the Drug-Free Workplace Act of 1988 (41 U.S.C. § 701 et seq.), the Applicant certifies that it will maintain a drug-free workplace and a drug-free awareness program as outlined in the Act.

7. Environmental Standards

The Applicant will comply with state and federal environmental standards, which may be prescribed pursuant to the following, as applicable:

- (a) California Environmental Quality Act (CEQA) (California Public Resources Code §§ 21000-21177), to include coordination with the city or county planning agency;
- (b) CEQA Guidelines (California Code of Regulations, Title 14, Division 6, Chapter 3, §§ 15000-15387);
- (c) Federal Clean Water Act (CWA) (33 U.S.C. § 1251 et seq.), which establishes the basic structure for regulating discharges of pollutants into the waters of the United States and regulating quality standards for surface waters;
- (d) Federal Clean Air Act of 1955 (42 U.S.C. § 7401) which regulates air emissions from stationary and mobile sources;

- (e) Institution of environmental quality control measures under the National Environmental Policy Act of 1969 (P.L. 91-190); Executive Order 12898 which focuses on the environmental and human health effects of federal actions on minority and low-income populations with the goal of achieving environmental protection for all communities;
- (f) Executive Order 11514 which sets forth national environmental standards.
- (g) Executive Order 11738 instituted to assure that each federal agency empowered to enter into contracts for the procurement of goods, materials, or services and each federal agency empowered to extend federal assistance by way of grant, loan, or contract shall undertake such procurement and assistance activities in a manner that will result in effective enforcement of the Clean Air Act and the Federal Water Pollution Control Act Executive Order EO 11990 which requires preservation of wetlands;
- (h) The Safe Drinking Water Act of 1974, (P.L. 93-523);
- (i) The Endangered Species Act of 1973, (P.L. 93-205);
- (j) Wild and Scenic Rivers Act of 1968 (16 U.S.C. § 1271 et seq.) related to protecting components or potential components of the national wild and scenic rivers system.

The Applicant shall not be: 1) in violation of any order or resolution promulgated by the State Air Resources Board or an air pollution district; 2) subject to a cease and desist order pursuant to § 13301 of the California Water Code for violation of waste discharge requirements or discharge prohibitions; or 3) determined to be in violation of federal law relating to air or water pollution.

8. Audits

For subrecipients expending \$750,000 or more in federal grant funds annually, the Applicant will cause to be performed the required financial and compliance audits in accordance with the Single Audit Act Amendments of 1996 and Title 2 of the Code of Federal Regulations, Part 200, Subpart F Audit Requirements.

9. Access to Records

In accordance with 2 CFR § 200.336, the Applicant will give the awarding agency, the Comptroller General of the United States and, if appropriate, the state, through any authorized representative, access to and the right to examine all records, books, papers, or documents related to the award. The Applicant will require any subrecipients, contractors, successors, transferees and assignees to acknowledge and agree to comply with this provision.

10. Conflict of Interest

The Applicant will establish safeguards to prohibit employees from using their positions for a purpose that constitutes or presents the appearance of personal or organizational conflict of interest, or personal gain.

11. Financial Management

False Claims for Payment

The Applicant will comply with 31 U.S.C § 3729 which sets forth that no subgrantee, recipient, or subrecipient shall submit a false claim for payment, reimbursement or advance.

12. Reporting - Accountability

The Applicant agrees to comply with applicable provisions of the Federal Funding Accountability and Transparency Act (FFATA) (P.L. 109-282), specifically (a) the reporting of subawards obligating \$25,000 or more in federal funds and (b) executive compensation data for first-tier subawards. This includes the provisions of FFATA, which includes requirements for executive compensation, and also requirements implementing the Act for the non-federal entity at 2 CFR part 25 Financial Assistance Use of Universal Identifier and Central Contractor Registration and 2 CFR part 170 Reporting Subaward and Executive Compensation Information.

13. Whistleblower Protections

The Applicant also must comply with statutory requirements for whistleblower protections at 10 U.S.C. § 2409, 41 U.S.C. § 4712, and 10 U.S.C. § 2324, 41 U.S.C. § 4304 and § 4310.

14. Human Trafficking

The Applicant will comply with the requirements of Section 106(g) of the Trafficking Victims Protection Act of 2000, as amended (22 U.S.C. § 7104) which prohibits grant award recipients or a subrecipient from: (1) engaging in trafficking in persons during the period of time that the award is in effect; (2) procuring a commercial sex act during the period of time that the award is in effect; or (3) using forced labor in the performance of the award or subawards under the award.

15. Labor Standards

The Applicant will comply with the following federal labor standards:

- (a) Comply with the provisions of the Davis-Bacon Act (40 U.S.C. §§ 276a to 276a-7), as applicable, and the Copeland Act (40 U.S.C. § 3145 and 18 U.S.C. § 874) and the Contract Work Hours and Safety Standards Act (40 U.S.C. §§ 327-333), regarding labor standards for federally-assisted construction contracts or subcontracts.
- (b) Comply with the Federal Fair Labor Standards Act (29 U.S.C. § 201 et al.) as they apply to employees of institutes of higher learning (IHE), hospitals and other non-profit organizations.

16. Worker's Compensation

The Applicant must comply with provisions which require every employer to be insured to protect workers who may be injured on the job before commencing performance of the work of this Agreement, as per the workers compensation laws set forth in California Labor Code §§ 3700 et seq.

17. Property-Related

If applicable to the type of project funded by this federal award, the Applicant will:

- (a) Comply with the requirements of Titles II and III of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (P.L. 91-646) which provide for fair and equitable treatment of persons displaced or whose property is acquired as a result of Federal or federally-assisted programs. These requirements apply to all interests in real property acquired for project purposes regardless of Federal participation in purchase.

- (b) Comply with flood insurance purchase requirements of Section 102(a) of the Flood Disaster Protection Act of 1973 (P.L. 93-234) which requires subrecipients in a special flood hazard area to participate in the program and to purchase flood insurance if the total cost of insurable construction and acquisition is \$10,000 or more.
- (c) Assist the awarding agency in assuring compliance with Section 106 of the National Historic Preservation Act of 1966, as amended (16 U.S.C. § 470), EO 11593 (identification and protection of historic properties), and the Archaeological and Historic Preservation Act of 1974 (16 U.S.C. §469a-1 et seq.).
- (d) Comply with the Lead-Based Paint Poisoning Prevention Act (42 U.S.C. § 4831 and 24 CFR Part 35) which prohibits the use of lead-based paint in construction or rehabilitation of residence structures.

18. Certifications Applicable Only to Federally-Funded Construction Projects

For all construction projects, the Applicant will:

- (a) Not dispose of, modify the use of, or change the terms of the real property title or other interest in the site and facilities without permission and instructions from the awarding agency. Will record the federal awarding agency directives and will include a covenant in the title of real property acquired in whole or in part with federal assistance funds to assure nondiscrimination during the useful life of the project.
- (b) Comply with the requirements of the awarding agency with regard to the drafting, review and approval of construction plans and specifications.
- (c) Provide and maintain competent and adequate engineering supervision at the construction site to ensure that the complete work conforms with the approved plans and specifications and will furnish progressive reports and such other information as may be required by the assistance awarding agency or State.

19. Use of Cellular Device While Driving is Prohibited

Applicants are required to comply with California Vehicle Code sections 23123 and 23123.5. These laws prohibit driving motor vehicle while using an electronic wireless communications device to write, send, or read a text-based communication. Drivers are also prohibited from the use of a wireless telephone without hands-free listening and talking, unless to make an emergency call to 911, law enforcement, or similar services.

20. Freedom of Information Act

The Applicant acknowledges that all information submitted in the course of applying for funding under this program, or provided in the course of an entity's grant management activities that are under Federal control, is subject to the Freedom of Information Act (FOIA), 5 U.S.C. § 552, and the California Public Rights Act, California Government Code section 6250 et seq. The Applicant should consider these laws and consult its own State and local laws and regulations regarding the release of information when reporting sensitive matters in the grant application, needs assessment, and strategic planning process.

EMERGENCY MANAGEMENT PERFORMANCE GRANT PROGRAM - PROGRAM SPECIFIC ASSURANCES / CERTIFICATIONS

21. Reporting Accusations and Findings of Discrimination

If during the past three years the recipient has been accused of discrimination on any basis the recipient must provide a list of all such proceedings, pending or completed, including outcome and copies of settlement agreements to the DHS financial assistance office and the DHS Office of Civil Rights and Civil Liberties (CRCL) by e-mail at crcl@hq.dhs.gov or by mail at U.S. Department of Homeland Security Office for Civil Rights and Civil Liberties Building 410, Mail Stop #0190 Washington, D.C. 20528.

In the event any court or administrative agency makes a finding of discrimination against the recipient, or the recipient settles a case or matter alleging such discrimination, recipients must forward a copy of the complaint and findings to the DHS financial assistance office and the CRCL office by e-mail or mail at the addresses listed above.

The United States has the right to seek judicial enforcement of these obligations.

21. Acknowledgment of Federal Funding from DHS and Use of DHS Seal, Logo, and Flags

All recipients must acknowledge their use of federal funding when issuing statements, press releases, requests for proposals, bid invitations, and other documents describing projects or programs funded in whole or in part with federal funds.

All recipients must obtain permission from their financial assistance office, prior to using the DHS seal(s), logos, crests or reproductions of flags or likenesses of DHS agency officials, including use of the United States Coast Guard seal, logo, crests or reproductions of flags or likenesses of Coast Guard officials.

22. Activities Conducted Abroad

All recipients must ensure that project activities carried on outside the United States are coordinated as necessary with appropriate government authorities and that appropriate licenses, permits, or approvals are obtained.

23. Best Practices for Collection and Use of Personally Identifiable Information (PII)

DHS defines personally identifiable information (PII) as any information that permits the identity of an individual to be directly or indirectly inferred, including any information that is linked or linkable to that individual. All recipients who collect PII are required to have a publically-available privacy policy that describes standards on the usage and maintenance of PII they collect. Award recipients may also find as a useful resource the DHS Privacy Impact Assessments: Privacy Guidance and Privacy template respectively.

24. Copyright

All recipients must affix the applicable copyright notices of 17 U.S.C. §§ 401 or 402 and an acknowledgement of Government sponsorship (including award number) to any work first produced under federal financial assistance awards.

25. Energy Policy and Conservation Act

All recipients must comply with the requirements of 42 U.S.C. § 6201 which contain policies relating to energy efficiency that are defined in the state energy conservation plan issued in compliance with this Act.

26. Federal Debt Status

All recipients are required to be non-delinquent in their repayment of any federal debt. Examples of relevant debt include delinquent payroll and other taxes, audit disallowances, and benefit overpayments. See OMB Circular A-129.

27. Fly America Act of 1974

All Applicants must comply with Preference for U.S. Flag Air Carriers: (air carriers holding certificates under 49 U.S.C. § 41102) for international air transportation of people and property to the extent that such service is available, in accordance with the International Air Transportation Fair Competitive Practices Act of 1974 (49 U.S.C. § 40118) and the interpretative guidelines issued by the Comptroller General of the United States in the March 31, 1981, amendment to Comptroller General Decision B-138942.

28. Hotel and Motel Fire Safety Act of 1990

In accordance with Section 6 of the Hotel and Motel Fire Safety Act of 1990, all Applicants must ensure that all conference, meeting, convention, or training space funded in whole or in part with federal funds complies with the fire prevention and control guidelines of the Federal Fire Prevention and Control Act of 1974, as amended, 15 U.S.C. § 2225a.

29. Non-supplanting Requirement

All Applicants who receive awards made under programs that prohibit supplanting by law must ensure that federal funds do not replace (supplant) funds that have been budgeted for the same purpose through non-federal sources.

30. Patents and Intellectual Property Rights

Unless otherwise provided by law, recipients are subject to the Bayh-Dole Act, Pub. L. No. 96-517, as amended, and codified in 35 U.S.C. § 200 et seq. All recipients are subject to the specific requirements governing the development, reporting, and disposition of rights to inventions and patents resulting from financial assistance awards located at 37 C.F.R. Part 401 and the standard patent rights clause located at 37 C.F.R. § 401.14.

31. SAFECOM

All Applicants who receive awards made under programs that provide emergency communication equipment and its related activities must comply with the SAFECOM Guidance for Emergency

Communication Grants, including provisions on technical standards that ensure and enhance interoperable communications.

32. Terrorist Financing

All Applicants must comply with Executive Order 13224 and U.S. law that prohibit transactions with, and the provisions of resources and support to, individuals and organizations associated with terrorism. It is the legal responsibility of recipients to ensure compliance with the Order and laws.

33. Reporting of Matters Related to Recipient Integrity and Performance

If the total value of the Applicant's currently active grants, cooperative agreements, and procurement contracts from all federal assistance office exceeds \$10,000,000 for any period of time during the period of performance of this federal award, the Applicant must comply with the requirements set forth in the government-wide Award Term and Condition for Recipient Integrity and Performance Matters located at 2 C.F.R. Part 200, Appendix XII, the full text of which is incorporated here by reference in the terms and conditions of your award.

34. USA Patriot Act of 2001

All recipients must comply with requirements of the Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act (USA PATRIOT Act), which amends 18 U.S.C. §§ 175–175c.

IMPORTANT

The purpose of the assurance is to obtain federal and state financial assistance, including any and all federal and state grants, loans, reimbursement, contracts, etc. The Applicant recognizes and agrees that state financial assistance will be extended based on the representations made in this assurance. This assurance is binding on the Applicant, its successors, transferees, assignees, etc. Failure to comply with any of the above assurances may result in suspension, termination, or reduction of grant funds.

All appropriate documentation, as outlined above, must be maintained on file by the Applicant and available for RCOA, Cal OES or public scrutiny upon request. Failure to comply with these requirements may result in suspension of payments under the grant or termination of the grant or both and the subrecipient may be ineligible for award of any future grants if RCOA or Cal OES determines that any of the following has occurred: (1) the recipient has made false certification, or (2) violates the certification by failing to carry out the requirements as noted above.

All of the language contained within this document must be included in the award documents for all subawards at all tiers, including contracts under grants and cooperative agreements and subcontracts. All recipients are bound the Department of Homeland Security Standard Terms and Conditions 2016, Version 6.0, hereby incorporated by reference, which can be found at: <https://www.dhs.gov/sites/default/files/publications/Fiscal%20Year%202016%20DHS%20General%20Terms%20and%20Conditions.pdf>

The undersigned represents that he/she is authorized by the above named Applicant to enter into this agreement for and on behalf of the said Applicant.

Signature of Authorized Agent: _____

Printed Name of Authorized Agent: _____

Title: _____ Date: _____

CITY OF NORCO STAFF REPORT

TO: Honorable Mayor and Members of the City Council

FROM: Andy Okoro, City Manager 

PREPARED BY: Chad Blais, Director of Public Works 

DATE: October 19, 2016

SUBJECT: Execution of a Cooperative Agreement between the City of Norco and the Riverside County Flood Control and Water Conservation District.

RECOMMENDATION: That City Council Approve Cooperative Agreement between the City of Norco and Riverside County Flood Control and Water Conservation District for the construction of the South Norco Channel Improvements, Norco Master Drainage Plan (MDP) Line S-1 Improvements and Norco MDP Line S-5 Improvements and authorize the City Manager to execute the Agreement.

SUMMARY: The Riverside County Flood Control and Water Conservation District (RCFC&WCD) has prepared plans and specifications for the South Norco Channel (Stage 6) Improvements, Norco Master Drainage Plan (MDP) Line S-1 Improvements and Norco MDP Line S-5 Improvements. All three (3) projects will be administered and constructed by RCFC&WCD at an anticipated cost of \$6,700,000.

BACKGROUND/ANALYSIS: RCFC&WCD has prepared a Cooperative Agreement between with the City of Norco that memorializes the mutual understandings between both parties with respect to construction, ownership, operation and maintenance and City utility relocation obligations generated by the construction of the storm drain improvements.

Per the agreement the City is responsible to relocate existing waterline facilities that are in conflict with the proposed storm drain improvements.

FISCAL IMPACT: Funds for the waterline relocations have been budgeted in the Water Capital Improvement Fund 144.

RELATIONSHIP TO STRATEGIC PLAN: The South Norco Channel Improvements are consistent with Strategic Direction #1 "Establish funding for maintenance, replacement and development of infrastructure".

Attachment: Cooperative Agreement

Agenda Item: 2.F.

COOPERATIVE FUNDING AGREEMENT

South Norco Channel, Stage 6
Norco Master Drainage Plan Line S-1, Stage 1
Norco Master Drainage Plan S-5, Stage 1
Project Nos. 2-0-00150, 2-0-00163 and 2-0-00165

The Riverside County Flood Control and Water Conservation District (the "DISTRICT"), and the City of Norco (the "CITY"), hereby agree as follows:

RECITALS

A. DISTRICT has budgeted for and plans to construct certain flood control facilities to provide necessary flood control and drainage improvements for certain areas within the city of Norco; and

B. These certain flood control facilities are identified in DISTRICT'S Norco Master Drainage Plan ("MDP"), and shown on District Drawing No. 2-0458, and generally consist of the following segments:

(i) South Norco Channel, Stage 6 – replace existing interim channel with approximately 4,100 lineal feet trapezoidal channel and reinforced concrete box (the "STAGE 6") as shown in concept in red on Exhibit "A", attached hereto and made a part hereof, and

(ii) Norco Master Drainage Plan Line S-1, Stage 1 – construction of approximately 2,550 lineal feet of underground reinforced concrete pipe system extending from STAGE 6 within Third Street, then northerly and southerly within Hillside Avenue (the "LINE S-1") as shown in concept in purple on Exhibit A, and

(iii) Norco Master Drainage Plan S-5, Stage 1 – construction of approximately 3,250 lineal feet of underground reinforced concrete pipe system from the upstream end of STAGE 6, then northeasterly

1 along Hillside Lane, and then northerly within Hillside Avenue (the
2 "LINE S-5") as shown in concept in green on Exhibit A. Together,
3 STAGE 6, LINE S-1, and LINE S-5 are hereinafter called
4 "DISTRICT DRAINAGE FACILITIES"; and
5

6 C. DISTRICT has also budgeted for and plans to construct additional street
7 improvements along Temescal Avenue, Third Street and Hillside Lane (the "STREET
8 IMPROVEMENTS"); and

9 D. Associated with the construction of DISTRICT DRAINAGE FACILITIES
10 is the construction of various curb and gutter, catch basins, laterals, connector pipes and storm
11 drains that are thirty-six inches (36") or less in diameter as depicted on Drawing No. 2-0458 (the
12 "APPURTENANCES"). Together, STREET IMPROVEMENTS and APPURTENANCES are
13 hereinafter called "CITY FACILITIES"; and
14

15 E. Together DISTRICT DRAINAGE FACILITIES and CITY FACILITIES
16 are hereinafter together called "PROJECT"; and

17 F. DISTRICT and CITY acknowledge it is in the best interest of the public to
18 proceed with the construction of PROJECT at the earliest possible date; and
19

20 G. The purpose of this Agreement is to memorialize the mutual understandings
21 by and between DISTRICT and CITY with respect to design, construction, inspection,
22 ownership, operation and maintenance of PROJECT.

23 NOW, THEREFORE, in consideration of the preceding recitals and the mutual
24 covenants hereinafter contained, the parties hereto mutually agree as follows:
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SECTION I

DISTRICT shall:

1. Pursuant to the California Environmental Quality Act (CEQA), act as the Lead Agency and assume responsibility for the preparation, circulation, and adoption of all necessary and appropriate CEQA documents pertaining to the construction, operation and maintenance of PROJECT.

2. Prepare or cause to be prepared, plans and specifications for PROJECT (the "IMPROVEMENT PLANS"), in accordance with applicable DISTRICT and CITY standards.

3. Obtain, at its sole cost and expense, all necessary rights of way, rights of entry and temporary construction easements necessary to construct, inspect, operate and maintain PROJECT.

4. Secure, at its sole cost and expense, all necessary permits, approvals, licenses or agreements required by any Federal, State or local resource or regulatory agencies pertaining to the construction, operation and maintenance of PROJECT.

5. Prior to advertising PROJECT for public works construction contract bids, submit IMPROVEMENT PLANS to CITY for its review and approval, as appropriate.

6. Advertise, award and administer a public works construction contract for PROJECT at its sole cost and expense.

7. Provide CITY with written notice that DISTRICT has awarded a construction contract for PROJECT.

8. Prior to commencing PROJECT construction, schedule and conduct a pre-construction meeting between DISTRICT, CITY and other affected entities. DISTRICT shall notify CITY at least twenty (20) days prior to conducting the pre-construction meeting.

1 9. Furnish CITY, at the time of providing written notice for the pre-
2 construction meeting as set forth in Section I.8., with a construction schedule which shall show
3 the order and dates in which DISTRICT or DISTRICT'S contractor proposes to carry on the
4 various parts of work, including estimated start and completion dates.
5

6 10. Construct, or cause to be constructed, PROJECT pursuant to a DISTRICT
7 administered public works construction contract, in accordance with IMPROVEMENT PLANS
8 approved by DISTRICT and CITY, and pay all costs associated therewith.

9 11. Inspect, or cause to be inspected, construction of PROJECT.

10 12. Require its construction contractor(s) to comply with all Cal/OSHA safety
11 regulations including regulations concerning confined space and maintain a safe working
12 environment for all DISTRICT and CITY employees on the site.
13

14 13. Require its construction contractor(s) to include CITY as an additional
15 insured under the liability insurance coverage for PROJECT, and also require its construction
16 contractor(s) to include CITY as a third party beneficiary of any and all warranties of the
17 contractor's work with regard to CITY FACILITIES.
18

19 14. Accept ownership and sole responsibility for the operation and maintenance
20 of PROJECT until such time as CITY accepts ownership and responsibility for operation and
21 maintenance of CITY FACILITIES.

22 15. Within two (2) weeks of completing PROJECT construction, provide CITY
23 with written notice that PROJECT construction is substantially complete and requesting that
24 CITY conduct a final inspection of PROJECT.

25 16. Upon DISTRICT'S acceptance of PROJECT construction as complete,
26 provide CITY with a copy of DISTRICT'S Notice of Completion.
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28

1 1. Except as otherwise provided herein, all construction work involved with
2 PROJECT shall be inspected by DISTRICT but shall not be deemed complete until DISTRICT
3 and CITY mutually agree that construction is completed in accordance with DISTRICT and
4 CITY approved IMPROVEMENT PLANS.
5

6 2. Except as otherwise provided herein, DISTRICT shall not be responsible
7 for any additional street repairs or improvements not shown in IMPROVEMENT PLANS and
8 not as a result of PROJECT construction.

9 3. DISTRICT and CITY each pledge to cooperate in regard to the operation
10 and maintenance of their respective facilities as set forth herein and to discharge their respective
11 maintenance responsibilities in an expeditious fashion so as to avoid the creation of any
12 nuisance condition or undue maintenance impact upon the others' facilities.
13

14 4. DISTRICT shall indemnify, defend, save and hold harmless CITY
15 (including their respective officers, districts, special districts and departments, their respective
16 directors, officers, Board of Supervisors, elected and appointed officials, employees, agents,
17 representatives, independent contractors, and subcontractors) from any liabilities, claim,
18 damage, proceeding or action, present or future, based upon, arising out of or in any way
19 relating to DISTRICT'S (including its officers, employees, agents, representatives, independent
20 contractors, and subcontractors) actual or alleged acts or omissions related to this Agreement,
21 performance under this Agreement, or failure to comply with the requirements of this
22 Agreement, including but not limited to: (a) property damage; (b) bodily injury or death (c)
23 payment of attorney's fees; or (d) any other element of any kind or nature whatsoever.
24

25 5. CITY shall indemnify, defend, save and hold harmless DISTRICT
26 (including its officers, employees, agents, representatives, independent contractors, and
27 subcontractors) from any liabilities, claim, damage, proceeding or action, present or future,
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1 based upon, arising out of or in any way relating to CITY'S (including its officers, Board of
 2 Supervisors, elected and appointed officials, employees, agents, representatives, independent
 3 contractors, and subcontractors) actual or alleged acts or omissions related to this Agreement,
 4 performance under this Agreement, or failure to comply with the requirements of this
 5 Agreement, including but not limited to: (a) property damage; (b) bodily injury or death; (c)
 6 payment of attorney's fees; or (d) any other element of any kind or nature whatsoever.
 7

8 6. Any waiver by DISTRICT or by CITY of any breach of any one or more of
 9 the terms of this Agreement shall not be construed to be a waiver of any subsequent or other
 10 breach of the same or of any other term hereof. Failure on the part of DISTRICT or CITY to
 11 require exact, full and complete compliance with any terms of this Agreement shall not be
 12 construed as in any manner changing the terms hereof, or estopping DISTRICT or CITY from
 13 enforcement hereof.
 14

15 7. This Agreement is to be construed in accordance with the laws of the State
 16 of California.

17 8. Any and all notices sent or required to be sent to the parties of this
 18 Agreement will be mailed by first class mail, postage prepaid, to the following addresses:
 19

20 RIVERSIDE COUNTY FLOOD CONTROL
 21 CONSERVATION DISTRICT
 22 1995 Market Street
 Riverside, CA 92501
 Attn: Engineering Services Section

CITY OF NORCO
 2870 Clark Avenue
 Norco, CA 92860
 Attn: Sam Nelson

23 9. If any provision in this Agreement is held by a court of competent
 24 jurisdiction to be invalid, void, or unenforceable, the remaining provisions will nevertheless
 25 continue in full force without being impaired or invalidated in any way.

26 10. Any action at law or in equity brought by any of the parties hereto for the
 27 purpose of enforcing a right or rights provided for by the Agreement, shall be tried in a court of
 28

1 competent jurisdiction in the County of Riverside, State of California, and the parties hereto
2 waive all provisions of law providing for a change of venue in such proceedings to any other
3 county.

4
5 11. This Agreement is the result of negotiations between the parties hereto, and
6 the advice and assistance of their respective counsel. The fact that this Agreement was prepared
7 as a matter of convenience by DISTRICT shall have no import or significance. Any uncertainty
8 or ambiguity in this Agreement shall not be construed against DISTRICT because DISTRICT
9 prepared this Agreement in its final form.

10 12. This Agreement is made and entered into for the sole protection and benefit
11 of the parties hereto. No other person or entity shall have any right or action based upon the
12 provisions of this Agreement.

13
14 13. This Agreement is intended by the parties hereto as a final expression of
15 their understanding with respect to the subject matter hereof and as a complete and exclusive
16 statement of the terms and conditions thereof and supersedes any and all prior and
17 contemporaneous agreements and understandings, oral and written, in connection therewith.
18 This Agreement may be changed or modified only upon the written consent of the parties
19 hereto.

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IN WITNESS WHEREOF, the parties hereto have executed this Agreement on

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(to be filled in by Clerk of the Board)

RECOMMENDED FOR APPROVAL:

**RIVERSIDE COUNTY FLOOD CONTROL
AND WATER CONSERVATION DISTRICT**

By _____
JASON E. UHLEY
General Manager-Chief Engineer

By _____
MARION ASHLEY, Chairman
Riverside County Flood Control and Water
Conservation District Board of Supervisors

APPROVED AS TO FORM:

ATTEST:

GREGORY P. PRIAMOS
County Counsel

KECIA HARPER-IHEM
Clerk of the Board

By _____
NEAL R. KIPNIS
Deputy County Counsel

By _____
Deputy

(SEAL)

Cooperative Agreement w/City of Norco
South Norco Channel, Stage 6
Norco Master Drainage Plan Line S-1, Stage 1
Norco Master Drainage Plan S-5, Stage 1
Project Nos. 2-0-00150, 2-0-000163 and 2-0-00165
08/08/16
AMR:blm

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CITY OF NORCO

By _____
ANDY OKORO
City Manager

APPROVED AS TO FORM:

ATTEST:

By _____
JOHN HARPER
City Attorney

By _____
CHERYL LINK CMC
City Clerk

(SEAL)

Cooperative Agreement w/City of Norco
South Norco Channel, Stage 6
Norco Master Drainage Plan Line S-1, Stage 1
Norco Master Drainage Plan S-5, Stage 1
Project Nos. 2-0-00150, 2-0-000163 and 2-0-00165
08/08/16
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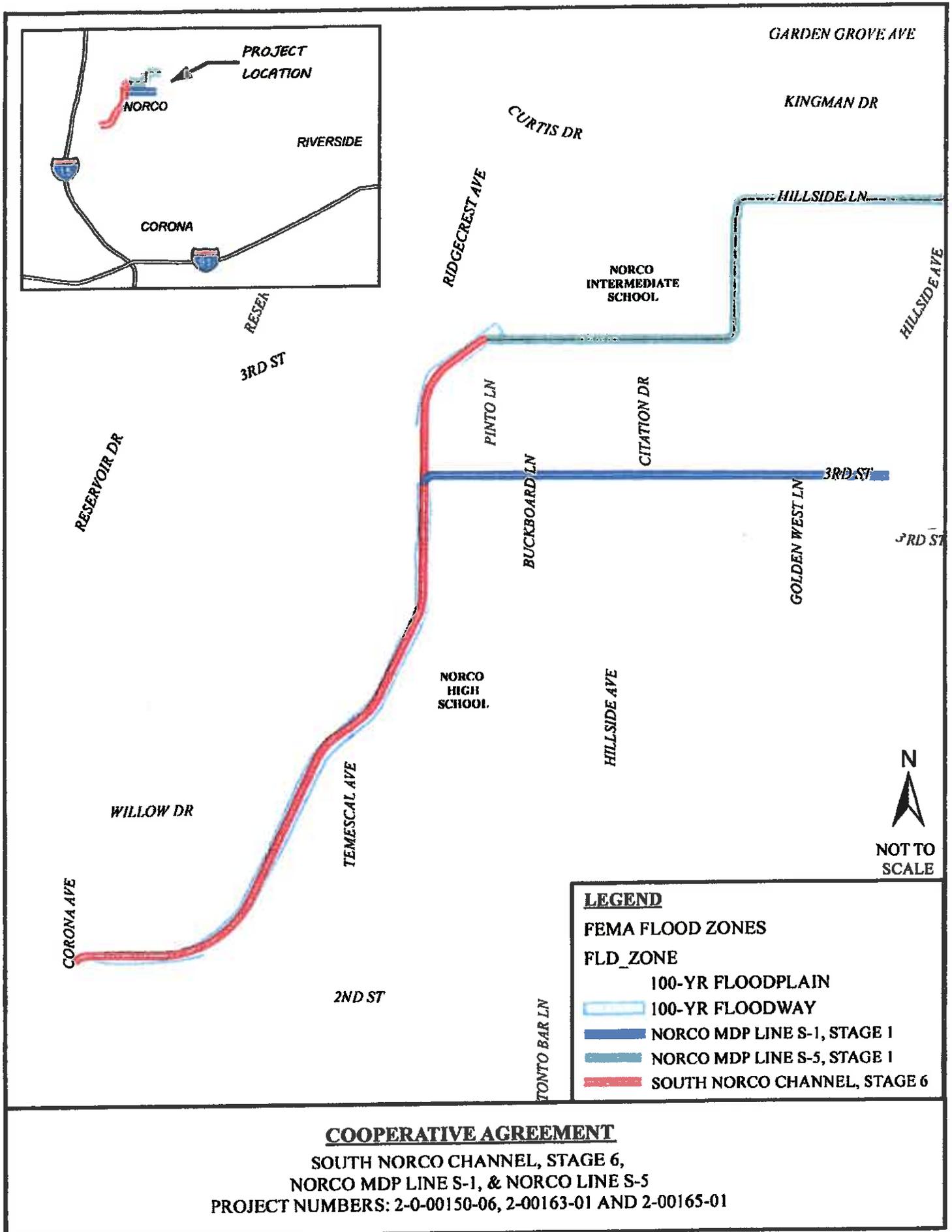


EXHIBIT A

CITY OF NORCO STAFF REPORT

TO: Honorable Mayor and Members of the City Council

FROM: Andy Okoro, City Manager 

PREPARED BY: Chad Blais, Director of Public Works 

DATE: October 19, 2016

SUBJECT: Execution of a Grant of Easement between the City of Norco and Southern California Gas Company

RECOMMENDATION: Approve the Grant of Easement between the City of Norco and Southern California Gas Company to provide gas service to the SilverLakes Equestrian and Sports Park.

SUMMARY: The Southern California Gas Company has prepared a Grant of Easement for the Silverlakes Development to provide gas service onto the property.

BACKGROUND/ANALYSIS: The Southern California Gas Company has prepared a Grant of Easement to provide a 10-foot wide corridor to install gas facilities to service the Silverlakes Development.

FISCAL IMPACT: None

RELATIONSHIP TO STRATEGIC PLAN: The South Norco Channel Improvements are consistent with Strategic Direction #1 "Establish funding for maintenance, replacement and development of infrastructure".

Attachment: Grant of Easement

Recording Requested by and
when recorded mail to:

Southern California Gas Company
555 W 5th St., ML GT 11A1
Los Angeles, CA 90013-1011
Attn.: Land & Right of Way

DOCUMENTARY TRANSFER TAX \$ CONVEYANCE OF EASEMENT (OIL AND GAS
LEASE) AND CONSIDERATION & VALUE IS LESS THAN \$100. R&T 11911

Leak

Survey

Area: RCO 1507

APN: 152-060-011

CPD#: 30026990

_____ Computed on full value of property conveyed

_____ Computed on full value less liens and encumbrances
remaining at time of sale

DISTRIBUTION R.W. 261992

Southern California Gas Company

GRANT OF EASEMENT

FOR VALUABLE CONSIDERATION, THE CITY OF NORCO, a municipal corporation, ("Grantor"), hereby grants to Southern California Gas Company, a California corporation, its successors and assigns ("Grantee"): a 10.00 foot in width permanent non-exclusive easement ("Easement") to excavate for, lay, construct, reconstruct, relocate, reconfigure, use, inspect, maintain, operate, repair, replace, patrol, change the size of, add to, or remove from time to time, as Grantee deems necessary, one or more pipelines and conduits, together with devices for metering, measuring, regulating, cathodic protection, communications and other appurtenances (all hereinafter referred to as the "Facilities") for the transportation and distribution of natural gas and communications as Grantee deems necessary, convenient or beneficial over, under, through, along, and for all other purposes connected therewith, and together with the reasonable right of ingress and egress to and from the Easement to access the Facilities and the right to use Grantor's abutting property during construction and maintenance of the Facilities, the strip of land located in the City of NORCO in the County of RIVERSIDE, California, described in Exhibit "A" and depicted in Exhibit "B" attached hereto, and made a part of this agreement.

Grantor, for its heirs, successors and assigns, agrees that, except as provided below, no change of grade of the Easement shall be made, that it shall not be inundated, that it shall be kept free of trees, deep-rooted shrubs, buildings and structures of all kinds (except for Grantee's Facilities), that nothing shall be done to impair Grantee's vehicular access to or along the Easement, and that nothing shall be done that unreasonably interferes with Grantee's use of the Easement.

Grantee shall have the right, but not the duty, to trim or remove trees, brush, roots or material from the Easement whenever Grantee deems it necessary. Said right shall not relieve Grantor of the duty as owner to trim or remove trees, brush or material to prevent danger or hazard to property or persons.

Grantor reserves the right to (1) use any surface or subsurface areas, provided such use does not unreasonably or substantially interfere with Grantee's use of the Easement; (2) improve the Easement area surface with landscaping (except trees and deep-rooted shrubs), paved driveways, parking surfaces, sidewalks, curbs and gutters; provided, however, that before making any such improvements involving a change of grade, Grantor and its heirs, successors and assigns, shall notify the Grantee in advance and comply with underground service alert notification requirements pursuant to Government Code Sections 4216 and following.

This Easement shall be binding upon and inure to the benefit of successors, heirs, and assigns of Grantor and Grantee

EXHIBIT 'A'
GAS LINE EASEMENT
LEGAL DESCRIPTION

APN: 152-070-001 & 002

Being that portion of the land described in the Quitclaim Deed recorded May 04, 2011 as Document No. 2011-0197671, of Official Records of Riverside County, lying in the southwest one-quarter (SW 1/4) of Section 31, Township 2 South, Range 6 West, San Bernardino Meridian, located in the City of Norco, County of Riverside, State of California, being more particularly described as follows:

Being a strip of land 10.00 feet wide, the centerline of said strip being more particularly described as follows:

Beginning at the centerline intersection of Hamner Avenue (130.00 feet wide) with Citrus Avenue (50.00 foot half-width) as shown on the Map filed in Book 142, page 72 of Record of Surveys, Records of said County, said intersection is also shown on the Map filed in Book 132, pages 63 and 64 of Records of Survey, Records of said County;

Thence along the easterly prolongation of the said centerline of Citrus Avenue North 89°55'17" East 168.00 feet;

Thence North 00°05'54" West 56.00 feet;

Thence North 89°55'17" East 548.05 feet;

Thence North 00°04'50" West 963.04 feet to the **Point of Termination**;

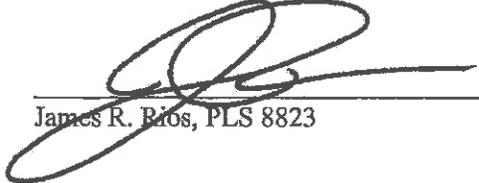
Excepting therefrom that portion lying westerly of the easterly line of said Hamner Avenue (60.00 foot half-width) as shown on said Record of Survey;

The above described parcel contains 16,751 square feet (0.39 acre) more or less.

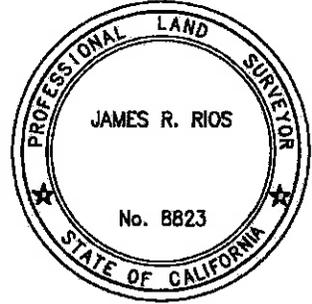
See Exhibit 'B' attached hereto and made a part hereof.

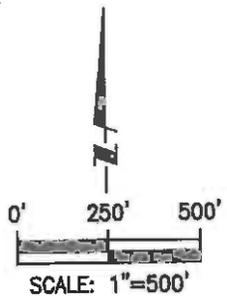
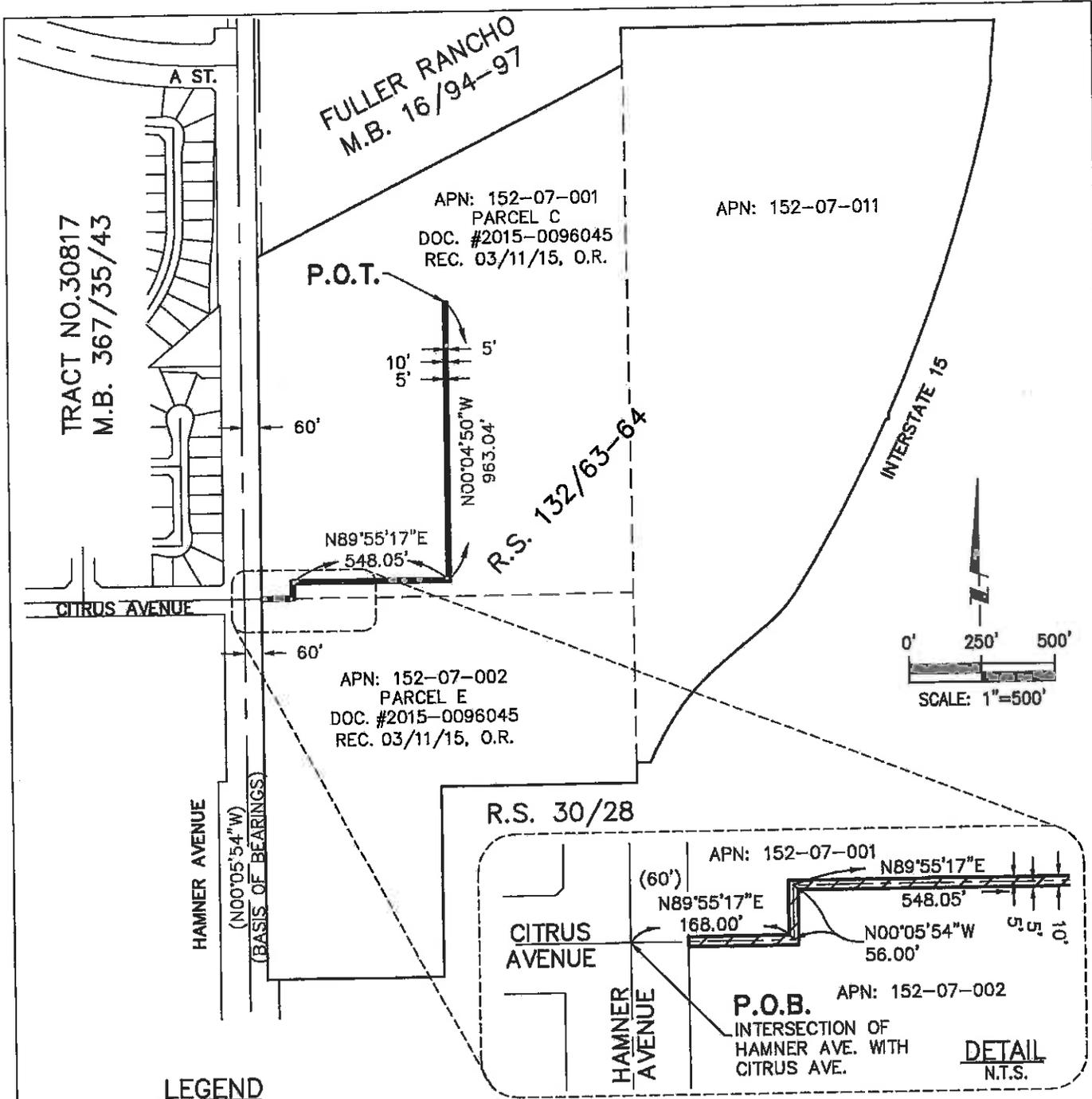
This legal description is not intended for use in the division and/or conveyance of land in violation of the subdivision map act of the State of California.

Prepared under the direction of:


James R. Rios, PLS 8823

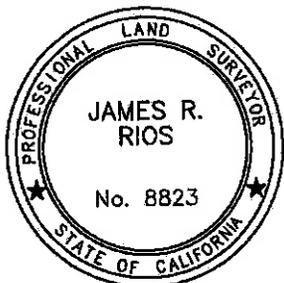
08/16/16
Date:





LEGEND

- INDICATES GAS LINE EASEMENT
16,751 SQ. FT. (0.39 ACRES)
MORE OR LESS
- () INDICATES RECORD DATA PER
R.S. 132/63-64
- P.O.B. INDICATES POINT OF BEGINING
- P.O.T. INDICATES POINT OF TERMINATION
- INDICATES CENTER LINE



THIS EXHIBIT WAS PREPARED
UNDER MY DIRECTION:

JAMES R. RIOS _____ DATE _____

APN: 152-070-001 & 002	SHEET 1 OF 1	SCALE 1" = 500'
EXHIBIT "B"	PSOMAS 1500 Iowa Avenue, Suite 210 Riverside, Ca 92507 (951) 787-8421 www.psomas.com	DRAFTED JRR
GAS LINE EASEMENT		CHECKED SMS
		DATE AUG. 16, 2016
		JOB NUMBER 4BELO10102

CITY OF NORCO STAFF REPORT

TO: Honorable Mayor and Members of the City Council

FROM: Andy Okoro, City Manager 

PREPARED BY: Eric Briddick, Lieutenant

DATE: October 19, 2016

SUBJECT: Acceptance of Bids and Authorization to Purchase a 2017 Ford F-250 Crew Cab for the Sheriff's Department from Hemborg Ford

RECOMMENDATION: Accept bids submitted and authorize the purchase of a 2017 Ford F-250 Crew Cab Truck for the Sheriff's Department from Hemborg Ford.

SUMMARY: Staff is recommending that Council approve the acceptance of bid and authorize the purchase of a 2017 Ford F-250 truck from Hemborg Ford to be used in the Sheriff's Department as a logistics and support tow vehicle. In accordance with Norco Municipal Code Section 3.24.065, the vehicle will be purchased from Hemborg Ford of Norco, California.

BACKGROUND/ANALYSIS: The existing Ford 500 used for logistics and support has served its useful life and a replacement vehicle is needed by the Sheriff's Department. Sheriff's staff is recommending the purchase of a 2017 Ford F-250 as the replacement vehicle. The Sheriff's Department will utilize this type of vehicle to perform tasks such as towing of the command post, logistics and support.

On September 12, 2016 a Request for Quote was emailed to multiple area car dealerships. On September 15, 2016 bids were received for the purchase of a 2017 Ford F-250 truck. Following is a bid summary.

<u>Bidder</u>	<u>Total Bid Amount (Includes Tax)</u>
Hemborg Ford, Norco	\$29,601.95
Fairview Ford, San Bernardino	\$29,030.59
Fritts Ford	\$29,276.69

All vendors that supplied bids would supply the vehicle in accordance with the minimum specification without significant variation. This truck is intended to replace the City's existing Ford 500 which was initially scheduled to be replaced during fiscal year 2008-2009. However, the department deferred the replacement of the vehicle. The existing Ford 500 is shown as trade in the quote for the purchase of the F-250 truck. However, staff is still evaluating whether this vehicle will be traded in or sold through auction for potentially higher value.

FINANCIAL IMPACT: An amount not to exceed \$30,500 including sales tax, shipping and State of California license fee is available in the Vehicle Replacement Fund for the purchase of the 2017 Ford F-250.

RELATIONSHIP TO STRATEGIC PLAN: The authorization and purchase of a vehicle for the Sheriff's Department as a logistics and support vehicle is consistent with Strategic Direction #5 "Improve the quality of life by enhancing public safety services."

Attachments: Bidder List
Hemborg Ford Quote

Agenda Item: 2.H.

City of Norco
FY 2016-2017 Vehicle Purchase
New Ford F-250 Truck with Tow Package
Deadline: September 15, 2016

Company Name / Address	
Hemborg Ford 1900 Hamner Avenue Norco, CA 92860	\$ 29,601.95
Fairview Ford 806 W. 2 nd Street San Bernardino, CA 92412	\$ 29,030.59
Fritts Ford 7990 Auto Center Drive Riverside, CA 92504	\$ 29,276.69



CITY of NORCO

CITY HALL • 2870 CLARK AVENUE • NORCO CA 92860 • (951) 735-3900 • www.norco.ca.us

September 12, 2016

Hemborg Ford
1900 Hamner Avenue
Norco, CA 92860

Attn: Karl Kordik

RE: City of Norco – Request for Written Quotation for Purchase of Vehicle

One new 2017 Ford F250 XL 4x2 Crew, W2A, Z1, AS, 600A, 572, 996, 445, TBK, X3E, 90L, 425, 43C, 512, 52B, 525, 67D, 76R, 871

Total cash price of vehicle and accessories (Less rebates or other discounts) \$ 27790.00

Total sales Tax \$ 2223.20

Less Trade-In Value for

2005 Ford 500 SE, P23/100A, 2WD Sedan 4D, CA Emissions, 991 V6, 24V, 44A automatic, CVT, 553 Traction Control, CT Shale Cloth seats, CS Grey Exterior VIN No. 1FAFP231X5G110905 Currently 94,115 miles

This vehicle is available for inspection at City Hall

→ <500.00>

Total all other fees/costs \$ 88.75

Total cost to the City of Norco \$ 29601.95

When quoting please indicate best possible. The City is exempt from federal excise tax; subject to sales tax. Any deviations from the above specifications must be noted on this form.

Quote prepared by: Karl Kordik

Date: 9-12-16

Vendor Name: Hemborg Ford

Phone #: 951 898 3413

Fax #: 951-737-1342

Quote requested via fax to (951) 270-5666 – Attention: Lieutenant Briddick by Noon, September 15, 2016. Any questions, please call (951) 270-5672.

CITY COUNCIL

KEVIN BASH
Mayor

GREG NEWTON
Mayor Pro Tem

BERWIN HANNA
Council Member

ROBIN GRUNDMEYER
Council Member

TED HOFFMAN
Council Member

CNGP530 VEHICLE ORDER CONFIRMATION 09/12/16 14:37:15
 ==> 2017 F-SERIES SD Dealer: F71151
 Page: 1 of 2
 Order No: K060 Priority: K4 Ord FIN: QB355 Order Type: 5B Price Level: 730
 Ord PEP: 600A Cust/Flt Name: NORCO PO Number:
 RETAIL DLR INV RETAIL DLR INV

W2A	F250 4X2 CREW/C	\$36330	\$34332.00	JOB #1 BUILD		
	176" WHEELBASE			10000# GVWR PKG		
Z1	OXFORD WHITE			50 STATE EMISS	NC	NC
A	VNYL 40/20/40			43C 110V/400W OUTLT	75	69.00
S	MEDIUM EARTH GR			512 SPARE TIRE/WHL2	NC	NC
600A	PREF EQUIP PKG			52B BRAKE CONTROLLR	270	249.00
	.XL TRIM			525 CRUISE CONTROL	235	216.00
	.TRAILER TOW PKG			TELE TT MIR-PWR		
572	.AIR CONDITIONER	NC	NC			
	.AM/FM STER/CLK			TOTAL BASE AND OPTIONS	40235	35412.88
996	.6.2L EFI V8 ENG	NC	NC	TOTAL	40235	35412.88
445	6-SPD AUTOMATIC	NC	NC	*THIS IS NOT AN INVOICE*		
TBK	.LT245 BSW AS 17					
X3E	3.73 ELOCKING	390	359.00	* MORE ORDER INFO NEXT PAGE *		
90L	PWR EQUIP GROUP	1125	1035.00	F8=Next		
	F1=Help	F2=Return to Order		F3/F12=Veh·Ord Menu		
	F4=Submit	F5=Add to Library				

S006 - MORE DATA IS AVAILABLE. QC05395
 fmcdealr@Fleet-11
 Sep 12, 2016 11:37:17 AM

CNGP530 VEHICLE ORDER CONFIRMATION 09/12/16 14:36:33
--> Dealer: F71151

2017 F-SERIES SD

Page: 2 of 2

Order No: K060 Priority: K4 Ord FIN: QB355 Order Type: 5B Price Level: 730
Ord PEP: 600A Cust/Flt Name: NORCO PO Number:

	RETAIL	DLR INV	RETAIL	DLR INV
JACK				
67D XTR HVY DTY ALT	NC	NC		
76R REV VEH AID SEN	245	225.00		
871 REAR VIEW CAM	370	341.00		
SP DLR ACCT ADJ		(1561.00)		
SP FLT ACCT CR		(1073.00)		
FUEL CHARGE		10.88		
B4A NET INV FLT OPT	NC	7.00		
DEST AND DELIV	1195	1195.00		

TOTAL BASE AND OPTIONS 40235 35412.88

TOTAL 40235 35412.88

THIS IS NOT AN INVOICE

F1=Help

F2=Return to Order

F7=Prev

F3/F12=Veh Ord Menu

F4=Submit

F5=Add to Library

S099 - PRESS F4 TO SUBMIT

QC05395

fmcdealr@fleet-11

Sep 12, 2016 11:36:42 AM

Welcome to-kord!2!



Fleet Concession Management

- HOME
- CONCESSION TUTORIAL
- CONCESSION LOOKUP TUTORIAL
- CONTACT INFO
- CONCESSION LOOKUP
- CONCESSION REQUEST ENTRY
- CONCESSION REQUEST REVIEW/EDIT
- CONTACT US

FLEET CONCESSION MANAGEMENT : SEARCH

State/Fed:
 Model Year:
 Vehicle:
 Body Type:
 GPC TYPE:

SEARCH

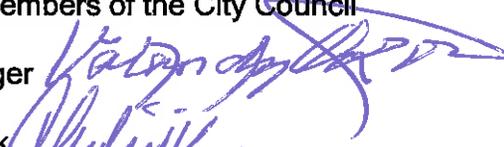
YOUR SEARCH CRITERIA: STATE: CA-CALIFORNIA, MODEL YEAR: 2017, VEHICLE: 22-F-SERIES SD, BODY STYLE: W2A-F250 4X2 CREW CAB PICKUP SRW, GPC: ALL

BID AND ORDER MUST BE SUBMITTED BY EXPIRATION DATE

STATE	VEHICLE	BODY	GPC \$	PRICE_LEVEL	REF DATE	REW_FIN	GPC TYPE	EXPIRATION DATE
CA	22-F-SERIES SD	W2A-F250 4X2 CREW CAB PICKUP SRW	8400	725	5/8/2016	04951H	Piggyback	N/A
CA	22-F-SERIES SD	W2A-F250 4X2 CREW CAB PICKUP SRW	6000	700	3/31/2016	02880H	Local	N/A

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 19, 2016

SUBJECT: Resolution Setting the Regular Meeting Schedule for the Norco Youth Advisory Council for Fiscal Year 2016-2017.

RECOMMENDATION: Adopt **Resolution No. 2016-60**, setting the regular meeting schedule for the Norco Youth Advisory Council for FY 2016-2017.

SUMMARY: The Norco Municipal Code establishes regular meeting schedules for the various City Commissions. The regular meeting schedules of the City's two Advisory Councils – the Economic Development Advisory Council (EDAC) and the Norco Youth Advisory Council (NYAC) - are established by City Council Resolution. Staff is recommending approval of the regular meeting schedule for the newly-established Norco Youth Advisory Council for Fiscal Year 2016-2017.

BACKGROUND/ANALYSIS: On July 20, 2016, the Norco City Council approved the formation of the Norco Youth Advisory Council with the purpose of advising the City Council on youth related topics and issues. The recruitment period for NYAC concluded in August 2016 and nine members were appointed, with one-year terms beginning October 1st.

At its first meeting on October 11, 2016, the Norco Youth Advisory Council voted to hold not less than two (2) regular meetings each calendar month throughout Fiscal Year 2016-2017, beginning October 2016 to May 2017. The meetings will occur on the second and fourth Tuesday of every month at 6:00 p.m. in City Hall Conference Rooms A and B located at 2870 Clark Avenue, Norco.

It is recommended that this regular meeting schedule for the Norco Youth Advisory Council be approved for Fiscal Year 2016-2017. This recommendation does not limit the calling of special meetings or study session meetings.

FINANCIAL IMPACT: None

RELATIONSHIP TO STRATEGIC PLAN: The formation of the Norco Youth Advisory Council and approval of a regular meeting schedule is consistent with Strategic Direction #2 – “Engage with the community through excellent customer service, communication and programs.”

Attachment: Resolution No. 2016-60

RESOLUTION NO. 2016-60

A RESOLUTION OF THE CITY OF NORCO, CALIFORNIA, TO SET THE REGULAR MEETING SCHEDULE FOR THE NORCO YOUTH ADVISORY COUNCIL FOR FISCAL YEAR 2016-2017

WHEREAS, the regular meeting schedules for the City of Norco's advisory councils are established by Resolution; and

WHEREAS, on July 20, 2016, the Norco City Council approved the formation of the Norco Youth Advisory Council with the purpose of advising the City Council on youth related topics and issues; and

WHEREAS, at its first meeting on October 11, 2016, the Norco Youth Advisory Council voted to hold two regular meetings per month.

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

SECTION 1. The Norco Youth Advisory Council shall hold not less than two regular scheduled meetings each calendar month for Fiscal Year 2016/2017 beginning October 1, 2016 through May 31, 2017.

PASSED AND ADOPTED by the City Council of the City of Norco at a regular meeting held on October 19, 2016.

Kevin Bash, 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 introduced and adopted by the City Council of the City of Norco at a meeting held on October 19, 2016 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 19, 2016.

Cheryl L. Link, CMC, 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: Brian H. Petree, Deputy City Manager
Director of Parks, Recreation and Community Services

DATE: October 19, 2016

SUBJECT: Clarification of the Mayor's Signing Authority for the Approval of the Supplemental Agreement for Reimbursement for the 2016/2017 Community Development Block Grant Program Year

RECOMMENDATION: Authorize the Mayor to act on behalf of the City of Norco by executing all documents and entering into all contracts required to finalize the approval of the Supplemental Agreement for reimbursement for the 2016/2017 Community Development Block Grant Program year.

SUMMARY: On August 3, 2016, the City Council approved the Supplement Agreement for reimbursement for the 2016/2017 Community Development Block grant. After City Council approval, the County of Riverside Economic Development Agency requested specific language in the City Council minutes authorizing the Mayor to act on behalf of the City Council.

BACKGROUND/ANALYSIS: In order to receive Community Development Block Grant (CDBG) funds as a cooperating city in the County of Riverside, the City of Norco is required to approve a Supplemental Agreement to administer the approved programs and projects for Fiscal Year 2016/2017 for reimbursement.

The Supplemental Agreements confirmed approved funding for the following projects:

	<u>APPROVED</u>
Sr. Recreation and Community Services	\$12,669
Ingalls Park ADA Restroom	<u>\$66,510</u>
Total requested/approved for funding:	\$79,179

On August 3, 2016, the City Council approved said Supplemental Agreement and staff submitted the required documentation to the County of Riverside Economic Development Agency. However, City staff was notified by the County that specific

Agenda Item: 2.J.

Clarifying Mayor's Signing Authority on Behalf of City Council for
CDBG Supplemental Agreement FY 2016/2017
Page 2
October 19, 2016

language authorizing the Mayor to act on behalf the City is required in order to complete the execution of the Supplemental Agreement.

Once the City Council minutes excerpt with the revised language is provided to the County of Riverside Economic Development Agency, the County will forward the fully executed Supplemental Agreement to the City along with the authorization to incur costs. Once completed, funds for program that are already in progress will be released, and pending invoices for service can be submitted for payment and brought current.

FINANCIAL IMPACT: None.

Attachments: City Council Minutes Excerpt – August 3, 2016
Supplemental Agreement approved August 3, 2016

*Norco City Council
Minutes Excerpt
Regular Meeting August 3, 2016*

2. CITY COUNCIL CONSENT ITEMS:

Mayor Bash pulled item 2.I. Mayor Pro Tem Newton pulled items 2.C., 2.D., 2.E., and 2.G. Council Member Hoffman pulled item 2.F.

M/S GRUNDMEYER/NEWTON to approve the remaining Consent Calendar items as presented. The motion was carried by the following roll call vote:

AYES: BASH, GRUNDMEYER, HOFFMAN, NEWTON

NOES: NONE

ABSENT: HANNA

ABSTAIN: NONE

- H. Approval of Supplemental Agreement for the 2016-2017 Community Development Block Grant Program Year. **Action: Approved the Supplemental Agreement for the 2016-2017 Community Development Block Grant program year.** (Deputy City Manager/Director of Parks, Recreation and Community Services)

**SUPPLEMENTAL AGREEMENT FOR THE USE OF
2016-2017 COMMUNITY DEVELOPMENT BLOCK GRANT FUNDS**

This Supplemental Agreement ("Agreement") is entered into this 3rd day of August, 2016, by and between the COUNTY OF RIVERSIDE, a political subdivision of the State of California, herein called, "COUNTY," and the CITY OF NORCO, herein called "CITY." COUNTY and CITY are collectively referred to as "Parties" and individually as "Party."

The COUNTY and CITY mutually agree as follows:

1. GENERAL. COUNTY and CITY have executed a Cooperation Agreement, dated July 15, 2015 ("Cooperation Agreement"), whereby CITY elected to participate with COUNTY, which has qualified as an "Urban County" for purposes of receiving Community Development Block Grant (CDBG) funds ("CDBG"), and to assist and undertake essential community development and housing assistance activities pursuant to the Housing and Community Development Act of 1974, Title 1, as amended, Public Law 93-383 hereinafter referred to as "Act." Said Cooperation Agreement, dated July 15, 2015, is incorporated herein by reference and made a part of this Agreement as if each and every provision was set forth herein.

2. PURPOSE. CITY promises and agrees to undertake and assist with the community development activities, within its jurisdiction, by utilizing the sum of \$79,179, CDBG Entitlement Funds, as specifically identified in Exhibit(s) A and B, attached hereto, and are incorporated herein by this reference, for the following project(s) (collectively, the "Projects"):

- | | | |
|----|--|------------------|
| A. | 2.NR.40-16 Ingalls Park ADA Restroom Project Phase II | \$66,510 |
| B. | 2.NR.41-16 Senior Recreation and Community Services | \$12,669. |

3. TERM OF AGREEMENT. The term of this Agreement for the implementation of the Project(s) shall be for a period of one (1) year from July 1, 2016 to

1 termination on June 30, 2017. City shall proceed consistent with the completion schedule set
2 forth in Exhibit(s) A and B, attached hereto and incorporated herein. In the event the Project(s)
3 are not substantially completed by the time set forth in the applicable completion schedules due
4 to a force majeure event (See Section 24 below), the COUNTY may consider extending the
5 schedule for the completion of the project(s). Times of performance for other activities may also
6 be extended in writing by COUNTY. If substantial progress toward completion in conformance
7 with the completion schedule, as determined by COUNTY in its discretion, of the project(s) are
8 not made during the term of this Supplemental Agreement, COUNTY may suspend or terminate
9 this Supplemental Agreement pursuant to the termination procedures set forth in the section
10 titled "Termination," and the entitlement funds associated with the Project(s) may be
11 reprogrammed by the COUNTY after appropriate notice is provided to the City.

12 4. DISPOSITION OF FUNDS.

13 A. COUNTY's Board of Supervisors shall determine the final disposition and
14 distribution of all funds received by COUNTY under the Act consistent with Sections 2 and 3 of
15 this Supplemental Agreement. COUNTY, through its Economic Development Agency, shall
16 make payment of the CDBG funds to CITY as set forth in the attached Exhibit(s) A and B. It is
17 the CITY's responsibility to monitor all project activities set forth in the attached Exhibit(s) A
18 and B, and to ensure compliance with applicable federal regulations and the terms of this
19 Supplemental Agreement.

20 B. CITY shall comply with timely drawdown of CDBG Entitlement funding
21 by expeditiously implementing and completing the COUNTY-approved, CDBG-funded Projects.
22 CITY acknowledges that CITY's drawdown performance directly impacts the COUNTY's
23 overall program drawdown rate. If the CITY's unobligated CDBG fund balance, as of January
24 31, 2017, exceeds one hundred and seventy-five percent (175%) of the CITY's 2016-2017
25 CDBG allocation, the COUNTY may, in its sole discretion, take the necessary administrative
26 actions to reduce the CITY's CDBG fund balance. Necessary actions include, but are not limited
27 to, reprogramming the excess CDBG fund balance to other eligible activities as selected by
28

1 COUNTY. COUNTY may, in its sole and absolute discretion, authorize CITY in writing, prior
2 to January 31, 2017, to exceed the CDBG fund balance requirement.

3 C. CITY shall comply with timely drawdown of CDBG funds by submitting
4 monthly requests for reimbursement or other COUNTY approved reimbursement schedules. All
5 disbursements of CDBG funds will be on a reimbursement basis and made within thirty (30)
6 days after the COUNTY has received the CITY's reimbursement request including
7 documentation supporting expenditures.

8 D. All authorized obligations incurred in the performance of the
9 Supplemental Agreement for projects eligible under the following CDBG regulations must be
10 reported in writing to COUNTY no later than June 1, 2017:

- 11 1. Acquisition [24 Code of Federal Regulations (CFR) 570.201 (a)]
- 12 2. Clearance Activities [24 CFR 570.201 (d)]
- 13 3. Interim Assistance [24 CFR 570.201 (f)]
- 14 4. Code Enforcement [24 CFR 570.202 (c)]

15 All public service activities [24 CFR 570.201 (e)] and other eligible activities under this
16 Supplemental Agreement must be implemented, completed, and obligations reported in writing
17 to the COUNTY by the CITY no later than the completion schedules set forth in the attached
18 Exhibits to this Supplemental Agreement. "CFR" as used herein refers to the Code of Federal
19 Regulations.

20 5. COOPERATION WITH HOUSING ACTIVITIES. CITY shall cooperate with
21 COUNTY in undertaking essential community development and housing assistance activities,
22 specifically urban renewal and public assistance housing, and shall assist COUNTY in
23 implementing and undertaking the goals and strategies identified in the 2014-2019 Five Year
24 Consolidated Plan, pursuant to 24 CFR Part 91 and other requirements of the Community
25 Development Block Grant Program.

26 6. LEAD AGENCY FOR COMPLIANCE WITH THE CALIFORNIA
27 ENVIRONMENTAL QUALITY ACT (CEQA). Pursuant to Section 15051(d) of Title 14 of the
28

1 California Administrative Code, the CITY is designated as the lead agency for the projects that
2 are the subject matter of this Supplemental Agreement.

3 7. HOLD HARMLESS AND INDEMNIFICATION. In contemplation of the
4 provisions of Section 895.2 of the California Government Code imposing certain tort liability
5 jointly upon public entities solely by reason of such entities being parties to an agreement as
6 defined by Section 895 of the Code, the Parties hereto, pursuant to the authorization contained in
7 Section 895.4 and 895.6 of the Code, agree that each Party shall be liable for any damages
8 including, but not limited to, claims, demands, losses, liabilities, costs and expenses including
9 reasonable attorneys' fees, resulting from the negligent or wrongful acts or omissions of their
10 employees or agents in the performance of this Agreement, and each Party shall indemnify,
11 defend and hold harmless the other Parties from such claims, demands, damages, losses or
12 liabilities for their negligence

13 8. INSURANCE. Without limiting or diminishing the CITY obligation to
14 indemnify or hold the COUNTY harmless, CITY shall procure and maintain or cause to be
15 maintained, at its sole cost and expense, the following insurance coverage's during the term of
16 this Agreement.

17 a. Workers' Compensation:

18 If the CITY has employees as defined by the State of California, the CITY shall
19 maintain statutory Workers' Compensation Insurance (Coverage A) as prescribed by the laws of
20 the State of California. Policy shall include Employers' Liability (Coverage B) including
21 Occupational Disease with limits not less than \$1,000,000 per person per accident. The policy
22 shall be endorsed to waive subrogation in favor of the County of Riverside.

23 b. Commercial General Liability:

24 Commercial General Liability insurance coverage, including but not limited to,
25 premises liability, contractual liability, products and completed operations liability, personal and
26 advertising injury, and cross liability coverage, covering claims which may arise from or out of
27
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1 CITY'S performance of its obligations hereunder. Policy shall name the County of Riverside as
2 Additional Insured. Policy's limit of liability shall not be less than \$1,000,000 per occurrence
3 combined single limit. If such insurance contains a general aggregate limit, it shall apply
4 separately to this agreement or be no less than two (2) times the occurrence limit.

5 c. Vehicle Liability:

6 If vehicles or mobile equipment are used in the performance of the obligations
7 under this Agreement, then CITY shall maintain liability insurance for all owned, non-owned or
8 hired vehicles so used in an amount not less than \$1,000,000 per occurrence combined single
9 limit. If such insurance contains a general aggregate limit, it shall apply separately to this
10 agreement or be no less than two (2) times the occurrence limit. Policy shall name the County of
11 Riverside as Additional Insured.

12 d. General Insurance Provisions - All lines:

13 (i). Any insurance carrier providing insurance coverage hereunder
14 shall be admitted to the State of California and have an A M BEST rating of not less than A: VIII
15 (A:8) unless such requirements are waived, in writing, by the County Risk Manager. If the
16 County's Risk Manager waives a requirement for a particular insurer such waiver is only valid
17 for that specific insurer and only for one policy term.

18 (ii). The CITY'S insurance carrier(s) must declare its insurance self-
19 insured retentions. If such self-insured retentions exceed \$500,000 per occurrence such
20 retentions shall have the prior written consent of the County Risk Manager before the
21 commencement of operations under this Agreement. Upon notification of self-insured retention
22 unacceptable to the COUNTY, and at the election of the Country's Risk Manager, CITY'S
23 carriers shall either; 1) reduce or eliminate such self-insured retention as respects this Agreement
24 with the COUNTY, or 2) procure a bond which guarantees payment of losses and related
25 investigations, claims administration, and defense costs and expenses.
26

1 (iii). CITY shall cause CITY'S insurance carrier(s) to furnish the
2 County of Riverside with either 1) a properly executed original Certificate(s) of Insurance and
3 certified original copies of Endorsements effecting coverage as required herein, and 2) if
4 requested to do so orally or in writing by the County Risk Manager, provide original Certified
5 copies of policies including all Endorsements and all attachments thereto, showing such
6 insurance is in full force and effect. Further, said Certificate(s) and policies of insurance shall
7 contain the covenant of the insurance carrier(s) that thirty (30) days written notice shall be given
8 to the County of Riverside prior to any material modification, cancellation, expiration or
9 reduction in coverage of such insurance. In the event of a material modification, cancellation,
10 expiration, or reduction in coverage, this Agreement shall terminate forthwith, unless the County
11 of Riverside receives, prior to such effective date, another properly executed original Certificate
12 of Insurance and original copies of endorsements or certified original policies, including all
13 endorsements and attachments thereto evidencing coverage's set forth herein and the insurance
14 required herein is in full force and effect. *CITY shall not commence operations until the*
15 *COUNTY has been furnished original Certificate (s) of Insurance and certified original copies of*
16 *endorsements and if requested, certified original policies of insurance including all*
17 *endorsements and any and all other attachments as required in this Section. An individual*
18 *authorized by the insurance carrier to do so on its behalf shall sign the original endorsements*
19 *for each policy and the Certificate of Insurance.*
20

21 (iv). It is understood and agreed to by the parties hereto that the CITY'S
22 insurance shall be construed as primary insurance, and the COUNTY'S insurance and/or
23 deductibles and/or self-insured retention's or self-insured programs shall not be construed as
24 contributory.

25 (v). If, during the term of this Agreement or any extension thereof,
26 there is a material change in the scope of services; or, there is a material change in the equipment
27 to be used in the performance of the scope of or, the term of this Agreement, including any
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1 extensions thereof, exceeds five (5) years, the COUNTY reserves the right to adjust the types of
2 insurance required under this Agreement and the monetary limits of liability for the insurance
3 coverage's currently required herein, if, in the County Risk Manager's reasonable judgment, the
4 amount or type of insurance carried by the CITY has become inadequate.

5 (vi). CITY shall pass down the insurance obligations contained herein
6 to all tiers of subcontractors working under this Agreement.

7 (vii). The insurance requirements contained in this Agreement may be
8 met with a program(s) of self-insurance acceptable to the COUNTY.

9 (viii). CITY agrees to notify COUNTY of any claim by a third party or
10 any incident or event that may give rise to a claim arising from the performance of this
11 Agreement.

12 9. RECORDS AND INSPECTIONS.

13 A. CITY shall establish and maintain financial, programmatic, statistical, and
14 other supporting records of its operations and financial activities in accordance with the Uniform
15 Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (2
16 CFR 200.333), and 24 CFR Part 84 and 85, as amended, and 24 CFR Section 570.502 (a), as
17 they relate to the acceptance and use of federal funds under this Agreement. Said records shall be
18 retained for a period of four (4) years from the date that the activity or program funded with the
19 CDBG Grant is closed out by the COUNTY and reported as complete in the Comprehensive
20 Annual Performance and Evaluation Report (CAPER). Exceptions to the four (4) year retention
21 period requirement, pursuant to 2 CFR 200.333 include the following:

22 i. if any litigation, claim, or audit is started prior to the expiration of
23 the four (4) year period;

24 ii. when the CITY is notified in writing by the COUNTY, HUD, or
25 other Federal agency to extend the retention period;

26 iii. records for real property and equipment acquired with CDBG
27 funds must be retained for four (4) years after final disposition;
28

1 iv. when the records are transferred by the CITY to the COUNTY,
2 HUD, or other Federal agency, the four (4) year period is not applicable.

3 B. CITY shall obtain an external audit in accordance with the Uniform
4 Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (2
5 CFR 200.500). Audits shall usually be performed annually but not less frequently than every two
6 years. Nonprofit institutions and government agencies that expend less than \$750,000 a year in
7 Federal awards are exempt from Federal audit requirements, but records must be available for
8 review by appropriate officials of the Federal grantor agency or subgranting entity. The audit
9 report shall be submitted to the COUNTY within 180 days after the end of the COUNTY'S fiscal
10 year.

11 C. CITY shall maintain a separate account for the CITY'S CDBG Entitlement
12 funds received as set forth in Exhibit(s) A and B, attached hereto.

13 D. Pursuant to 2 CFR 200.336, CITY shall, during the normal business hours,
14 make available to COUNTY, the U.S. Department of Housing and Urban Development (HUD),
15 or other authorized representative, for the examination and copying, all of its records and other
16 materials with respect to matters covered by this Agreement and provide reasonable access to
17 CITY staff for the purpose of interview and discussion related to the records and documents.

18 E. CITY shall not retain any program income as defined in 24 CFR 570.500
19 570.500. Said program income shall be used only for the activities that are the subject of this
20 Agreement. Further, all provisions of this Agreement shall apply to such activities.

21 F. The CITY shall ensure that at least fifty-one percent (51%) of the persons
22 benefiting from all CDBG-funded activities or projects designated as serving limited clientele
23 [24 CFR 570.208(a)(2)(i)] are of low and moderate-income and meet the applicable household
24 income guidelines. The CITY shall provide the required income certification and direct benefit
25 documentation, in writing, to the COUNTY pursuant to the reporting requirement of each
26 activity as set forth in Exhibit(s) A and B, attached hereto. In the event that CITY engages the
27 services of a sub-contractor to implement CDBG-funded activities, the CITY must collect, in
28

1 writing, all required income certification and direct benefit documentation from subcontractors
2 prior to submittal to the COUNTY pursuant to the reporting requirement of each activity as set
3 forth in Exhibit(s) A and B, attached hereto.

4 10. COMPLIANCE WITH LAWS. CITY shall comply with all applicable federal,
5 state, and local laws, regulations, and ordinances and any amendments thereto and the federal
6 regulations and guidelines now or hereafter enacted pursuant to the Act. More particularly, CITY
7 is to comply with those regulations found in the Uniform Administrative Requirements, Cost
8 Principles, and Audit Requirements for Federal Awards (2 CFR Part 200), and 24 CFR Part 84
9 and 85, as amended, or any subsequent replacement. CITY is to abide by the provisions of the
10 Community Development Block Grant Manual, prepared by COUNTY and cited in the above-
11 mentioned Cooperation Agreement. CITY shall comply, if applicable, with Section 3 of the
12 Housing & Urban Development Act of 1968, as amended, attached hereto as Exhibit "S" and
13 incorporated herein by this reference. CITY shall also comply with the provisions of 24 CFR
14 570.200 (j), attached hereto as Exhibit "R," and incorporated herein by this reference, pertaining
15 to inherently religious activities.

16 11. INDEPENDENT CONTRACTOR. The CITY is, for purposes relating to this
17 Supplemental Agreement, an independent contractor and shall not be deemed an employee of the
18 COUNTY. It is expressly understood and agreed that the CITY (including its employees, agents
19 and subcontractor's) shall in no event be entitled to any benefits to which the COUNTY
20 employees are entitled, including but not limited to overtime, any retirement benefits, worker's
21 compensation benefits, and injury leave or other leave benefits. There shall be no employer-
22 employee relationship between the parties; and the CITY shall hold the COUNTY harmless from
23 any and all claims that may be made against the COUNTY based upon any contention by a third
24 party that an employer-employee relationship exists by reason of this Supplemental Agreement.
25 It is further understood and agreed by the parties that the CITY in the performance of this
26 Supplemental Agreement is subject to the control or direction of the COUNTY merely as to the
27 results to be accomplished and not as to the means and methods for accomplishing the results.

1 12. TERMINATION.

2 A. CITY. CITY may not terminate this Agreement except upon express
3 written consent of COUNTY, pursuant to 2 CFR 200.339 (a)(3).

4 B. COUNTY. Notwithstanding the provisions of Paragraph 12a above,
5 COUNTY may suspend or terminate this Supplemental Agreement upon a ten (10) day written
6 notice to CITY of action being taken and the reason for such action including, but not limited to,
7 the following reasons:

8 (1) In the event CITY fails to perform the covenants herein contained
9 at such times and in such manner as provided in this Supplemental Agreement; and

10 (2) In the event there is a conflict with any federal, state or local law,
11 ordinance, regulation or rule rendering any of the provisions of this Supplemental Agreement
12 invalid or untenable; or

13 (3) In the event the funding from the Department of Housing and
14 Urban Development referred to in Sections 1 and 2 above is terminated or otherwise becomes
15 unavailable.

16 C. This Agreement may be terminated and/or funding suspended, in whole or
17 in part, for cause in accordance with the Uniform Administrative Requirements, Cost Principles,
18 and Audit Requirements for Federal Awards (2 CFR 200.339). Cause shall be based on the
19 failure of the CITY to materially comply with either the terms or conditions of this Agreement.
20 Upon suspension of funding, the CITY agrees not to incur any costs related thereto, or connected
21 with, any area of conflict from which the COUNTY has determined that suspension of funds is
22 necessary. CITY acknowledges that failure to comply with Federal statutes, regulations, or the
23 terms and conditions of this Agreement may be considered by the COUNTY in evaluating future
24 CDBG and non-CDBG funding applications submitted by CITY.

25 D. Upon suspension or termination of this Supplemental Agreement, CITY
26 shall return any unencumbered funds which it has been provided by COUNTY. In accepting said
27 funds, COUNTY does not waive any claim or cause of action it may have against CITY for
28

1 breach of this Supplemental Agreement.

2 E. Reversion of Assets

3 1. Upon expiration or termination of this Supplemental Agreement,
4 the CITY shall transfer to the COUNTY any CDBG funds on hand at the time of expiration of
5 the Supplemental Agreement as well as any accounts receivable held by CITY which are
6 attributable to the use of CDBG funds awarded pursuant to this Supplemental Agreement.

7 2. Any real property under the CITY'S control that was acquired or
8 improved in whole or in part with CDBG funds (including CDBG funds provided to the CITY in
9 the form of a loan) in excess of \$25,000 is either:

10 (i) Used to meet one of the National Objectives pursuant to 24
11 CFR 570.208 until five years after expiration of this agreement, or for such longer period of time
12 as determined to be appropriate by the COUNTY; or

13 (ii) Not used in accordance with Clause (i) above, in which
14 event the CITY shall pay the COUNTY an amount equal to the current market value of the
15 property less any portion of the value attributable to expenditures of non-CDBG funds for the
16 acquisition of, or improvement to, the property.

17 13. NONDISCRIMINATION. CITY shall abide by 24 CFR 570.601 and 570.602 of
18 Title 24 of the Code of Federal Regulations which requires that no person in the United States
19 shall on the grounds of race, color, national origin, or sex, be excluded from participation in, be
20 denied the benefits of, or be subjected to discrimination under any program or activity funded in
21 whole or in part with Community Development funds. CITY shall abide by and include in any
22 subcontracts to perform work under this Supplemental Agreement, the following clause:

23 "During the performance of this Supplemental Agreement, CITY and its subcontractors
24 shall not unlawfully discriminate against any employee or applicant for employment
25 because of race, religion, color, national origin, ancestry, physical handicap, medical
26 condition, marital status, age (over 40) or sex. CITY and subcontractors shall insure that
27 the evaluation and treatment of their employees and applicants for employment are free
28

1 of such discrimination. CITY and subcontractors shall comply with the provisions of the
2 Fair Employment and Housing Act (California Government Code Section 12900 et seq.).
3 The applicable regulations of the Fair Employment and Housing Commission are
4 implementing California Government Code Section 12990 et seq., set forth in Chapter 1
5 of Division 4.1 of Title 2 of the California Administrative Code are incorporated into this
6 Agreement by reference and made a part hereof as if set forth in full. CITY and its
7 subcontractors shall give written notice of their obligations under this clause to labor
8 organizations with which they have a collective bargaining or other agreement."

9 14. PROHIBITION AGAINST CONFLICTS OF INTEREST

10 A. CITY and its assigns, employees, agents, consultants, officers and elected
11 and appointed officials shall become familiar with and shall comply with the Uniform
12 Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (2
13 CFR Part 200) and the CDBG regulations prohibiting conflicts of interest contained in 24 CFR
14 570.611.

15 B. The Subrecipient shall maintain a written code or standards of conduct
16 that shall govern the performance of its officers, employees or agents engaged in the award and
17 administration of contracts supported by Federal funds.

18 C. No employee, officer or agent of the Subrecipient shall participate in the
19 selection, or in the award, or administration of, a contract supported by Federal funds if a conflict
20 of interest, real or apparent, would be involved.

21 D. No covered persons who exercise or have exercised any functions or
22 responsibilities with respect to CDBG-assisted activities, or who are in a position to participate
23 in a decision-making process or gain inside information with regard to such activities, may
24 obtain a financial interest in any contract, or have a financial interest in any contract, subcontract,
25 or agreement with respect to the CDBG-assisted activity, or with respect to the proceeds from the
26 CDBG-assisted activity, either for themselves or those with whom they have business or
27 immediate family ties, during their tenure or for a period of one (1) year thereafter. For purposes
28

1 of this paragraph, a "covered person" includes any person who is an employee, agent, consultant,
2 officer, or elected or appointed official of the Grantee, the Subrecipient, or any designated public
3 agency.

4 E. CITY understands and agrees that no waiver of exception can be granted
5 to the prohibition against conflict of interest except upon written approval of HUD pursuant to
6 24 CFR 570.611 (d). Any request by CITY for an exception shall first be reviewed by COUNTY
7 to determine whether such request is appropriate for submission to HUD in the COUNTY'S sole
8 and absolute discretion. In determining whether such request is appropriate for submission to
9 HUD, COUNTY will consider the factors listed in 24 CFR 570.611 (d)(2).

10 F. Prior to the distribution of any CDBG funding under this Supplemental
11 Agreement, CITY shall provide COUNTY, in writing, a list of all employees, agents,
12 consultants, officers and elected and appointed officials who are in a position to participate in a
13 decision making process, exercise any functions or responsibilities, or gain inside information
14 with respect to the CDBG activities funded under this Agreement. CITY shall also promptly
15 disclose to COUNTY any potential conflict, including even the appearance of conflict that may
16 arise with respect to the CDBG activities funded under this Supplemental Agreement.

17 G. Any violation of this Section 14 shall be deemed a material breach of this
18 Supplemental Agreement, and the Supplemental Agreement shall be immediately terminated by
19 the COUNTY.

20 15. PROJECT ELIGIBILITY. As to CITY or its claimants, COUNTY shall bear no
21 liability for any later determination by the United States Government, the U.S. Department of
22 Housing and Urban Development, or any other person or entity that CITY is or is not eligible
23 under 24 CFR Part 570 to receive CDBG entitlement funds from the COUNTY.

24 16. USE OF PROPERTY. Whenever federal CDBG funds or program income are
25 used, in whole or in part, for the purchase of equipment or personal property, the property shall
26 not be transferred from its originally funded use, by CITY or the CITY'S subcontractor
27 implementing the CDBG-funded activity, for a period of five (5) years from the close-out date of
28

1 the grant from which CDBG assistance was provided. The CITY shall maintain a current
2 inventory for COUNTY monitoring and review.

3 17. EMPLOYMENT OPPORTUNITIES TO BE CAUSED BY PROJECT. CITY
4 agrees to notify in writing, and to cause any subcontractor implementing CDBG-funded Projects
5 to notify, in writing, the Riverside County Workforce Development Center of any and all job
6 openings that are caused by the CDBG-funded Projects under this Supplemental Agreement.

7 18. PUBLICITY. Any publicity generated by CITY for the Projects funded pursuant
8 to this Supplemental Agreement will make reference to the contribution of the COUNTY, the
9 Economic Development Agency, and the Community Development Block Grant Program in
10 making the project possible.

11 19. PROGRAM MONITORING AND EVALUATION. CITY and its subcontractors
12 shall be monitored and evaluated in terms of its effectiveness and timely compliance with the
13 provisions of this Supplemental Agreement and the effective and efficient achievement of the
14 CDBG National Objectives as set forth in Exhibit(s) A and B, attached hereto. Quarterly reports
15 shall be due on the last day of the month immediately following the end of the quarter being
16 reported. The quarterly written reports shall include, but shall not be limited to, the following
17 data elements:

18 A. Title of program, listing of components, description of
19 activities/operations.

20 B. The projected goals, indicated numerically, and also the goals achieved
21 (for each report period). In addition, identify by percentage and description, the progress
22 achieved towards meeting the specified goals and identify any problems encountered in meeting
23 goals.

24 C. If the CDBG-funded activity meets a National Objective under 24 CFR
25 570.208 (a)(2)(i), CITY will report the following:

26 1) Total number of direct beneficiaries (clientele served) with
27 household incomes at:
28

- Above 80% MHI
- Between 50% and 80% MHI (Low-Income)
- Between 30% and 50% MHI (Very Low-Income)
- Less than 30% MHI (Extremely Low-Income)

2) Total number and percent (%) of the clientele served that have household incomes at or below 80% MHI

3) Racial ethnicity of clientele

4) Number of Female-Headed Households

D. CITY shall report, in writing, and cause its subcontractors to report, in writing, beneficiary statistics monthly to the Economic Development Agency (EDA) on the pre-approved *Direct Benefit Form* and *Self-Certification Form* (certifying income, family size, and racial ethnicity) as required by HUD. Updated forms are to be provided to CITY by EDA should HUD implement changes during the term of this Supplemental Agreement. CITY and subcontractors will collect and provide all necessary data required by HUD pertaining to the Specific Outcome Indicators as identified in HUD's Community Planning and Development (CPD) Outcome Performance Measurement System.

20. SOURCE OF FUNDING. CITY acknowledges that the source of funding pursuant to this Supplemental Agreement is Community Development Block Grant funds (CFDA 14.218), and the Grant Award Number is B-16-UC-06-0506.

21. ENTIRE AGREEMENT. This Supplemental Agreement, including any attachments or exhibits hereto constitutes the entire Supplemental Agreement of the parties with respect to its subject matter and supersedes all prior and contemporaneous representations, proposals, discussions and communications, whether oral or in writing. No oral understanding or agreement not incorporated herein shall be binding on any of the parties hereto. Each of the attachments and exhibits attached hereto is incorporated herein by this reference.

22. MINISTERIAL ACTS. The Assistant County Executive Officer/EDA or designee(s) are authorized to take such ministerial actions as may be necessary or appropriate to

1 implement the terms, provisions, and conditions of this Supplemental Agreement as it may be
2 amended from time-to-time by COUNTY.

3 23. PRIOR AUTHORIZATION. CITY shall obtain COUNTY's written approval
4 from the COUNTY'S Economic Development Agency prior to implementing the following
5 "high risk" activities funded with CDBG assistance:

- 6 A. Construction of public facilities (project plans and specifications);
- 7 B. Acquisition of real property;
- 8 C. Historic Preservation;
- 9 D. Relocation; and
- 10 F. Economic Development

11 24. FORCE MAJEURE.

12 A. Performance by either party hereunder shall not be deemed to be in default
13 where delays or defaults are due to war, insurrection, strikes, lock-outs, riots, floods,
14 earthquakes, fires, casualties, acts of God, acts of the public enemy, epidemics, quarantine
15 restrictions, freight embargoes, lack of transportation, governmental restrictions or priority,
16 litigation, unusually severe weather, inability to secure necessary labor, material or tools, delays
17 of any contractor, sub-contractor or supplier, acts of the other party, acts or failure to act of a
18 public or governmental agency or entity, or any causes beyond the control or without the fault of
19 the party claiming an extension of time to perform.

20 B. An extension of time for any such cause (a "Force Majeure Delay") shall
21 be for the period of the enforced delay and shall commence to run from the time of the
22 commencement of the cause, if notice by the party claiming such extension is sent to the other
23 party within thirty (30) calendar days of knowledge of the commencement of the cause.
24 Notwithstanding the foregoing, none of the foregoing events shall constitute a Force Majeure
25 Delay unless and until the party claiming such delay and interference delivers to the other party
26 written notice describing the event, its cause, when and how such party obtained knowledge, the
27 date the event commenced, and the estimated delay resulting therefrom. Any party claiming a
28

1 Force Majeure Delay shall deliver such written notice within thirty (30) calendar days after it
2 obtains knowledge of the event.

3 25. JURISDICTION AND VENUE: Any action at law or in equity arising under this
4 Supplemental Agreement or brought by a party hereto for the purpose of enforcing, construing or
5 determining the validity of any provision of this Supplemental Agreement shall be filed in the
6 consolidated Courts of Riverside County, State of California, and the parties hereto waive all
7 provisions of law providing for the filing, removal or change of venue to any other court or
8 jurisdiction

9 26. SEVERABILITY. Each paragraph and provision of this Supplemental
10 Agreement is severable from each other provision, and if any provision or part thereof is
11 declared invalid, the remaining provisions shall remain in full force and effect.

12 27. WAIVER. Failure by a party to insist upon the strict performance of any of
13 the provisions of this Supplemental Agreement by the other party, or the failure by a party to
14 exercise its rights upon the default of the other party, shall not constitute a waiver of such party's
15 rights to insist and demand strict compliance by the other party with the terms of this
16 Supplemental Agreement thereafter.

17 28. NOTICES. Each notice, request, demand, consent, approval or other
18 communication (hereinafter in this Section referred to collectively as "notices" and referred to
19 singly as a "notice") which the CITY or COUNTY is required or permitted to give to the other
20 party pursuant to this Agreement shall be in writing and shall be deemed to have been duly and
21 sufficiently given if: (a) personally delivered with proof of delivery thereof (any notice so
22 delivered shall be deemed to have been received at the time so delivered); or (b) sent by Federal
23 Express (or other similar national overnight courier) designating early morning delivery (any
24 notice so delivered shall be deemed to have been received on the next Business Day following
25 receipt by the courier); or (c) sent by United States registered or certified mail, return receipt
26 requested, postage prepaid, at a post office regularly maintained by the United States Postal
27 Service (any notice so sent shall be deemed to have been received two days after mailing in the
28

1 United States), addressed to the respective parties as follows:

<u>COUNTY</u>	<u>CITY</u>
Assistant County Executive Officer/EDA	Brian Petree
Economic Development Agency	City of Norco
P.O. Box 1180	2870 Clark Ave.
Riverside, CA 92502	Norco, CA 92860

7 29. LOBBYING. CITY certifies to the best of its knowledge and belief, that:

8 a. No federally-appropriated funds have been paid or will be paid, by or on
9 behalf of the CITY, to any person for influencing or attempting to influence an officer or
10 employee of any agency, a member of Congress, an officer or employee of Congress, or an
11 employee of a member of Congress in connection with the awarding of any federal contract, the
12 making of any federal grant, the making of any federal loan, the entering into of any cooperative
13 agreement, and the extension, continuation, renewal, amendment, or modification of any federal
14 contract, grant, loan, or cooperative agreement.

15 b. If any funds other than federally-appropriated funds have been paid or will
16 be paid to any person for influencing or attempting to influence an officer or employee of any
17 agency, a member of Congress, an officer or employee of Congress, or an employee of a member
18 of Congress in connection with this federal contract, grant, loan, or cooperative agreement, the
19 CITY shall complete and submit Standard Form-LLL, "Disclosure Form to Report Lobbying," in
20 accordance with its instructions.

21 c. CITY shall require that the language of this certification be included in the
22 award documents for all subawards at all tiers (including subcontracts, subgrants, and contracts
23 under grants, loans, and cooperative agreements) and that all sub-recipients shall certify and
24 disclose accordingly. This certification is a material representation of fact upon which reliance
25 was placed when this transaction was made or entered into.

26 30. INTERPRETATION AND GOVERNING LAW. This Supplemental Agreement
27 and any dispute arising hereunder shall be governed by and interpreted in accordance with the
28

1 laws of the State of California. This Supplemental Agreement shall be construed as a whole
2 according to its fair language and common meaning to achieve the objectives and purposes of the
3 parties hereto, and the rule of construction to the effect that ambiguities are to be resolved
4 against the drafting party shall not be employed in interpreting this Supplemental Agreement, all
5 parties having been represented by counsel in the negotiation and preparation hereof.

6 31. AUTHORITY TO EXECUTE. The persons executing this Supplemental
7 Agreement or exhibits attached hereto on behalf of the parties to this Supplemental Agreement
8 hereby warrant and represent that they have the authority to execute this Supplemental
9 Agreement and warrant and represent that they have the authority to bind the respective parties
10 to this Supplemental Agreement to the performance of its obligations hereunder.

11 32. EFFECTIVE DATE. The effective date of this Supplemental Agreement is the
12 date the parties sign the Supplemental Agreement. If the parties sign the Supplemental
13 Agreement on more than one date, then the last date the Supplemental Agreement is signed by a
14 party shall be the effective date.

15 33. COUNTERPARTS. This Supplemental Agreement may be signed by the
16 different parties hereto in counterparts, each of which shall be an original but all of which
17 together shall constitute one and the same agreement.

18 34. LETTER TO PROCEED. CITY shall not initiate nor incur expenses for the
19 CDBG-funded Projects or activities covered under the terms of this Supplemental Agreement as
20 set forth in Exhibit(s) A and B, attached hereto, prior to receiving written authorization from
21 COUNTY to proceed.

22 35. ASSIGNMENT. The CITY shall not make any assignment or transfer in any form
23 with respect to this Supplemental Agreement, without prior written approval of the COUNTY.

24 36. MODIFICATION OF AGREEMENT. This Supplemental Agreement may be
25 modified or amended only by a writing signed by the duly authorized and empowered
26 representative of COUNTY and CITY respectively.

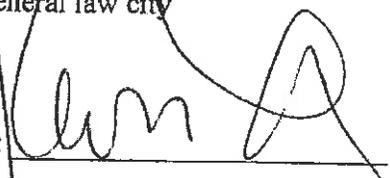
27 [Signatures on Following Page]
28

1 IN WITNESS WHEREOF, the COUNTY and the CITY have executed this Agreement as
2 of the dates set forth below.

3
4 COUNTY OF RIVERSIDE,
5 a political subdivision of the
6 State of California

CITY OF NORCO,
a general law city

7 BY: _____
8 Suzanne Holland,
9 Assistant Director of EDA

BY: 
Kevin Bash
Mayor

10 Date: _____

Date: August 3, 2016

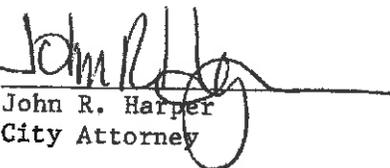
11
12 APPROVED AS TO FORM:
13 Gregory P. Priamos, County Counsel

ATTEST:

14 By: _____
15 Jhaila R. Brown,
16 Deputy County Counsel

BY: 
Cheryl L. Link, CMC
City Clerk

17 APPROVED AS TO FORM:

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19 BY: 
20 John R. Harper
21 City Attorney
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**SUPPLEMENTAL AGREEMENT
SCOPE OF WORK
(NON-PUBLIC SERVICE)**

I. GENERAL INFORMATION

CITY NAME: City of Norco DUNS #: 83159194

ADDRESS: 2870 Clark Ave.
Norco, CA 92860

PROGRAM CONTACTS: Brian Petree, Deputy City Manager

PHONE: (951) 270-5632 FAX: (951) 270-5681

E-MAIL: _____

PROJECT NAME: Ingalls Park ADA Restroom Project Phase II

PROJECT LOCATION: 3737 Crestview, Norco, CA 92860

LEVEL OF ENVIRONMENTAL CLEARANCE: Categorical Exclusion

CDBG ELIGIBILITY CODE: 570.201 (c)

PROJECT FUNDING SUMMARY: **\$66,510**

Project to be administered by County (EDA) on behalf of City: YES NO

II. SCOPE OF SERVICE

A. Activities

City will be responsible for administering a 2016-2017 Community Development Block Grant for the **Ingalls Park ADA Restroom Project Phase II** in a manner satisfactory to the County of Riverside and consistent with any standards required as a condition of providing these funds. Such program will include the following activities eligible under the Community Development Block Grant program:

Activity #1 *CDBG funds will be used to purchase and install an additional pre-fabricated, fully-equipped, ADA-accessible restroom at Ingalls Park in the City of Norco to improve access for persons with disabilities. Ingalls Park ADA Restroom Project Phase II. Eligible costs include design, capital equipment, project management, and project administration.*

B. National Objective

All activities funded with CDBG funds must comply with one of more of the CDBG program's National Objective Criteria as required under 24 CFR 570.200(a)(2). City certifies that the activity(ies) carried out under this Agreement will meet the following National Objective:

National Objective Criteria: 570.208 (a)(2)(i)(A)

CFR Reference: Low Mod Limited Clientele Presumed

C. Levels of Accomplishment – Goals and Performance Measures

The City agrees to implement and complete the following activity(ies):

Activity #1 Prepare design and specifications

Activity #2 Implement construction

CPD OUTCOME PERFORMANCE MEASUREMENT

Objectives (select one): Creating Suitable Living Environments
 Providing Decent Affordable Housing
 Creating Economic Opportunities

Outcome (select one): Availability/Accessibility
 Affordability
 Sustainability (promoting livable or viable communities)

D. City Capacity

By executing this Supplemental Agreement, the City certifies that it has the appropriate number of trained and knowledgeable staff, adequate facilities, proper equipment, required licensing and permitting, and sufficient amount of financial resources necessary to implement and carry out the activities funded with CDBG funds.

City will immediately notify County of any significant changes in organizational management, assigned staff, change in facilities, loss or change in matching funds, or any other event that could potentially impact the City or subrecipient's performance under this Agreement.

Any changes in the above items are subject to the prior approval of the County.

E. Performance Monitoring

The County of Riverside will monitor the performance of the City and its subrecipients against goals and performance standards as stated above. Substandard performance as determined by the County will constitute noncompliance with this Agreement. If action to correct such substandard performance is not

taken by the City within a reasonable period of time after being notified by the County, contract suspension or termination procedures will be initiated.

F. Program Budget

It is expressly agreed and understood that the total amount to be paid by the County under this Agreement shall not exceed **\$66,510**. Drawdowns for the payment of eligible expenses shall be made against the line item budgets specified in this Section and in accordance with performance. Payments may be contingent upon certification of the Subrecipient's financial management system in accordance with the **Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards** (2 CFR Part 200), and 24 CFR Part 84 and 85, as amended.

The County may require a more detailed budget breakdown than the one contained herein, and the City shall provide such supplementary budget information in a timely fashion in the form and content prescribed by the County. Any amendments to the budget must be approved in writing by both the County and City.

Line Item	CDBG Granted Funds	Total of Non-CDBG Funds	Total Activity/Project Budget	Notes
Design/Engineering Costs	\$66,510			
Project Administration Costs				
Construction Costs				
Acquisition Costs				
Relocations Costs				
Capital Equipment Costs				
Code Enforcement				
Clearance				
Interim Assistance				
Indirect Costs:				
TOTAL CDBG BUDGET	\$66,510			

G. Total Amount of Non- CDBG Leveraging

TYPE	SOURCE	AMOUNT	SOURCE	AMOUNT	SOURCE	AMOUNT	TOTAL
FEDERAL							
STATE/LOCAL							
OTHER							
TOTAL: 0							

III. ADMINISTRATIVE REQUIREMENTS

A. Accounting Standards

The City agrees to comply with the **Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards** (2 CFR Part 200), and 24 CFR Part 84 and 85, as amended, and agrees to adhere to the accounting principles and procedures required therein, utilize adequate internal controls, and maintain necessary source documentation for all costs incurred.

B. Cost Principles

The City shall administer its program in conformance with the **Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards** (2 CFR Part 200), and 24 CFR Part 84 and 85, as amended. These principles shall be applied for all costs incurred whether charged on a direct or indirect basis.

C. Documentation and Record Keeping

1. Records to be Maintained

The Subrecipient shall maintain all records required by the Federal regulations specified in 24 CFR 570.506, that are pertinent to the activities to be funded under this Agreement. Such records shall include but not be limited to:

- i. Records providing a full description of each activity undertaken;
- ii. Records demonstrating that each activity undertaken meets one of the National Objectives of the CDBG program;
- iii. Records required to determine the eligibility of activities;
- iv. Records required to document the acquisition, improvement, use or disposition of real property acquired or improved with CDBG assistance;
- v. Records documenting compliance with the fair housing and equal opportunity components of the CDBG program;
- vi. Financial records as required by 24 CFR 570.502, and 2 CFR 200; and
- vii. Other records necessary to document compliance with Subpart K of 24 CFR Part 570.

2. Records Retention

The City shall retain all CDBG-related financial records, supporting documents, contracts, and agreements for a period of four (4) years. The retention period begins on the date of the submission of the County's annual performance and evaluation report to HUD in which the activities assisted under the Agreement are reported for the final time. The City will retain all National Objective documentation, including low-moderate income certification, ethnicity, and other pertinent data for a period of four (4) years after submission of the County's annual performance and evaluation report to HUD. Notwithstanding the above, if there is litigation, claims, audits, negotiations or other actions that involve any of the records cited and that have started before the expiration of the four-year period, then such records must be retained until completion of the actions and resolution of all issues.

3. Client Data

The City shall maintain client data demonstrating client eligibility for services provided. Such data shall include, but not be limited to, client name, address, income level or other basis for determining eligibility, and description of service provided. Such information shall be made available to County monitors or their designees for review upon request.

4. Disclosure

The City understands that client information collected under this contract is private and the use or disclosure of such information, when not directly connected with the administration of the County's or City's responsibilities with respect to services provided under this contract, is prohibited by applicable federal and State law unless written consent is obtained from such person receiving service and, in the case of a minor, that of a responsible parent/guardian.

5. Close-outs

The City's obligation to the County shall not end until all close-out requirements are completed. Activities during this close-out period shall include, but are not limited to: making final payments, disposing of program assets (including the return of all unused materials, equipment, unspent cash advances, program income balances, and accounts receivable to the County), and determining the custodianship of records. Notwithstanding the foregoing, the terms of this Agreement shall remain in effect during any period that the City has control over CDBG funds, including program income.

6. Audits & Inspections

All City records with respect to any matters covered by this Agreement shall be made available to the County, HUD, and the Controller General of the United States or any of their authorized representatives, at any time during normal business hours, as often as deemed necessary, to audit, examine, and make excerpts or transcripts of all relevant data. Any deficiencies noted in audit reports must be fully cleared by the City within 30 days after receipt by the City. Failure of the City to comply with the above audit requirements will constitute a violation of this contract and may result in the withholding of future payments. The City hereby agrees to have an annual agency audit conducted in accordance with current County policy concerning subrecipient audits and **Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards** (2 CFR Part 200.500) and HUD's single audit regulations (24 CFR Part 44.6).

IV. PROJECT IMPLEMENTATION AND SCHEDULE

Unless pre-approved by County, City will perform and complete the activities described in Section II in conformance with the schedule of tasks and milestones listed below:

<u>Tasks / Milestone</u>	<u>Start Date</u>	<u>Completion Date</u>
Complete Online Training	June 2016	July 2016
Implement Project Activities	Upon Notification from EDA	
Execute Supplemental Agreement & Notice to Incur Cost	August 2016	September 2016

<u>Tasks / Milestone</u>	<u>Start Date</u>	<u>Completion Date</u>
Submit Quarterly Performance Reports to County		October 15, 2016 January 15, 2017 April 15, 2017 July 31, 2017

County Monitoring of City Program/Performance To be determined by Program Manager

Specific Project Activities

1. City executes Supplemental Agreement; receives authorization to incur cost letter
2. City prepares final construction/equipment documents (incorporating Special Federal Provisions) for EDA review and approval
3. EDA authorizes City to advertise for bids
4. EDA reviews and approves bidding process
5. City awards construction/equipment contract
6. City and EDA conduct "pre-construction meeting"
7. EDA authorizes City to issue "Notice to Proceed"

City Submits Reimbursement Requests

Monthly Submittal

Other Schedule

CDBG-funded Project Complete

TBD

City Submits Monthly Direct Benefit Reports

Upon Notification by EDA

V. SPECIAL CONDITIONS /PERFORMANCE REQUIREMENTS

**SUPPLEMENTAL AGREEMENT
SCOPE OF WORK
(PUBLIC SERVICE)**

I. GENERAL INFORMATION

CITY NAME: City of Norco/ Parks, Recreation, and Community Services DUNS#: 83159194

ADDRESS: 2870 Clark Ave.
Norco, CA 92860

CITY PROGRAM CONTACTS: Peggy Calvart, Recreation Supervisor

SUBRECIPIENT NAME: _____

ADDRESS: 2870 Clark Ave., Norco, CA 92860

PHONE: (951) 270-5632 FAX : (951) 270-5681

E-MAIL: _____

PROJECT NAME: Senior Recreation and Community Services

PROJECT LOCATION: 2690 Clark Ave., Norco, CA 92860

LEVEL OF ENVIRONMENTAL CLEARANCE: **EXEMPT [24 CFR 58.34 (a)(4)]**

CDBG ELIGIBILITY CODE: **24 CFR 570.201 (e) Public Services**

PROJECT FUNDING SUMMARY: **\$12,669**

Project to be administered by County (EDA) on behalf of CITY: YES NO

II. SCOPE OF SERVICE

A. Activities

City will be responsible for administering a 2016-2017 Community Development Block Grant for the **Senior Recreation and Community Services** in a manner satisfactory to the County of Riverside and consistent with any standards required as a condition of providing these funds. Such program will include the following activities eligible under the Community Development Block Grant program:

Activity #1 *The City will provide various health, recreational, educational, and social programs to seniors in the city of Norco. CDBG funds will be used to pay for staff salaries (direct cost).*

B. National Objective

All activities funded with CDBG funds must comply with one of more of the CDBG program's National Objective Criteria as required under 24 CFR 570.200(a)(2). CITY certifies that the activity (ies) carried out under this Agreement will meet the following National Objective:

National Objective Criteria: 570.208 (a)(2)(i)(A)

CFR Reference: Low Mod Limited Clientele Presumed

C. Levels of Accomplishment – Goals and Performance Measures

The City agrees to provide the following levels of program services:

Activity	Units <u>per Month</u>	Total <u>Units/Year</u>	Total <u>Unduplicated Persons</u>
Activity #1		400	400

Unit of Service is defined as: Seniors served

CPD OUTCOME PERFORMANCE MEASUREMENT

- Objectives (select one):**
- Creating Suitable Living Environments
 - Providing Decent Affordable Housing
 - Creating Economic Opportunities

- Outcome (select one):**
- Availability/Accessibility
 - Affordability
 - Sustainability (promoting livable or viable communities)

D. City Capacity

By executing this Supplemental Agreement, the City certifies that it and its subrecipients have the appropriate number of trained and knowledgeable staff, adequate facilities, proper equipment, required licensing and permitting, and sufficient amount of financial resources necessary to implement and carry out the activities funded with CDBG funds.

City will immediately notify County of any significant changes in organizational management, assigned staff, change in facilities, loss or change in matching funds, or any other event that could potentially impact City's performance under this Agreement. Any changes in the above items are subject to the prior approval of the County.

E. Performance Monitoring

The County of Riverside will monitor the performance of the City and its subrecipients against goals and performance standards as stated above. Substandard performance as determined by the County will constitute noncompliance with this Agreement. If action to correct such substandard performance is not taken by the City within a reasonable period of time after being notified by the County, contract suspension or termination procedures will be initiated.

F. Program Budget

It is expressly agreed and understood that the total amount to be paid by the County under this Agreement shall not exceed **\$12,669**. Drawdowns for the payment of eligible expenses shall be made against the line item budgets specified in this Section and in accordance with performance. Payments may be contingent upon certification of the Subrecipient's financial management system in accordance with the standards specified in **Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards** (2 CFR Part 200), and 24 CFR Part 84 and 85, as amended.

The County may require a more detailed budget breakdown than the one contained herein, and the City shall provide such supplementary budget information in a timely fashion in the form and content prescribed by the County. Any amendments to the budget must be approved in writing by both the County and City.

Line Item	CDBG Granted Funds	Total Non-CDBG Funds	Total Activity/Project Budget	Notes
Total Direct Program Expenses Salaries Fringe Office Space (Program Only) Utilities Communications Reproduction/Printing Supplies and Materials Mileage Equipment (Program Only) Audit Transportation Other:	\$ 12,669			
Total Indirect Program Expenses Indirect Costs (Specify)*	\$			
TOTAL CDBG BUDGET	\$12,669			

* All indirect costs must be pre-approved by the County. City must submit an Indirect Cost Allocation Plan to County, in a form specified by County, demonstrating the appropriate share of general and administrative costs.

G. Total Amount of Non- CDBG Leveraging

TYPE	SOURCE	AMOUNT	SOURCE	AMOUNT	SOURCE	AMOUNT	TOTAL
FEDERAL							
STATE/LOCAL							
PRIVATE							
OTHER							
TOTAL: 0							

III. ADMINISTRATIVE REQUIREMENTS

A. Accounting Standards

The City agrees to comply with the 24 **Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards** (2 CFR Part 200), and 24 CFR Part 84 and 85, as amended, and agrees to adhere to the accounting principles and procedures required therein, utilize adequate internal controls, and maintain necessary source documentation for all costs incurred.

B. Cost Principles

The City shall administer its program in conformance with the **Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards** (2 CFR Part 200), and 24 CFR Part 84 and 85, as amended. These principles shall be applied for all costs incurred whether charged on a direct or indirect basis.

C. Documentation and Record Keeping

1. Records to be Maintained. The City and its subrecipients will maintain all records required by the Federal regulations specified in 24 CFR 570.506, that are pertinent to the activities to be funded under this Agreement. Such records shall include but not be limited to:

- i. Records providing a full description of each activity undertaken;
- ii. Records demonstrating that each activity undertaken meets one of the National Objectives of the CDBG program;
- iii. Records required to determine the eligibility of activities;
- iv. Records required to document the acquisition, improvement, use or disposition of real property acquired or improved with CDBG assistance;
- v. Records documenting compliance with the fair housing and equal opportunity components of the CDBG program;
- vi. Financial records as required by 24 CFR 570.502, and 2 CFR 200; and
- vii. Other records necessary to document compliance with Subpart K of 24 CFR Part 570.

2. Records Retention:

The City shall retain all CDBG-related financial records, supporting documents, contracts, and agreements for a period of four (4) years. The retention period begins on the date of the submission of the County's annual performance and evaluation report to HUD in which the activities assisted under the Agreement are reported for the final time. The City will retain all National Objective documentation, including low-moderate income certification, ethnicity, and other pertinent data for a period of four (4) years after submission of the County's annual performance and evaluation report to HUD. Notwithstanding the above, if there is litigation, claims, audits, negotiations or other actions that involve any of the records cited and that have started before the expiration of the four-year period, then such records must be retained until completion of the actions and resolution of all issues.

3. Client Data:

The City shall maintain client data demonstrating client eligibility for services provided. Such data shall include, but not be limited to, client name, address, income level or other basis for determining eligibility, and description of service provided. Such information shall be made available to County monitors or their designees for review upon request.

4. Disclosure:

The City understands that client information collected under this contract is private and the use or disclosure of such information, when not directly connected with the administration of the County's or City's responsibilities with respect to services provided under this contract, is prohibited by applicable federal and State law unless written consent is obtained from such person receiving service and, in the case of a minor, that of a responsible parent/guardian.

5. Close-outs:

The City's obligation to the County shall not end until all close-out requirements are completed. Activities during this close-out period shall include, but are not limited to: making final payments, disposing of program assets (including the return of all unused materials, equipment, unspent cash advances, program income balances, and accounts receivable to the County), and determining the custodianship of records. Notwithstanding the foregoing, the terms of this Agreement shall remain in effect during any period that the City has control over CDBG funds, including program income.

6. Audits & Inspections:

All City records with respect to any matters covered by this Agreement shall be made available to the County, HUD, and the Controller General of the United States or any of their authorized representatives, at any time during normal business hours, as often as deemed necessary, to audit, examine, and make excerpts or transcripts of all relevant data. Any deficiencies noted in audit reports must be fully cleared by the City within 30 days after receipt by the City. Failure of the City to comply with the above audit requirements will constitute a violation of this contract and may result in the withholding of future payments. The City hereby agrees to have an annual agency audit conducted in accordance with current County policy concerning subrecipient audits and the **Uniform Administrative Requirements , Cost Principles, and Audit Requirements for Federal Awards (2 CFR Part 200.500)** and HUD's single audit regulations (24 CFR Part 44.6).

IV. PROJECT IMPLEMENTATION AND SCHEDULE

Unless pre-approved by County, CITY will perform and complete the activities described in Section II in conformance with the schedule of tasks and milestones listed below:

<u>Tasks / Milestone</u>	<u>Start Date</u>	<u>Completion Date</u>
Complete Online Training	June 2016	July 2016
Execute Subrecipient Agreements (EDA must approve)	August 2016	September 2016
Implement Program Activities	July 1, 2016	TBD
Execute Supplemental Agreement & Notice to Incur Cost	August 2016	September 2016
City Submit Quarterly Performance Reports to County		October 15, 2016 January 15, 2017 April 15, 2017 July 31, 2017
County Monitoring of City Performance	TBD	TBD
City submit Monthly Direct Benefit Reports	September 2016	July 2017
City Submits Reimbursement Requests		
Monthly Submittal <input type="checkbox"/>	September 2016	<u>June 13, 2017</u>
Other Schedule <input type="checkbox"/>	_____	_____
CDBG Program Services Complete		TBD

V. SPECIAL CONDITIONS /PERFORMANCE REQUIREMENTS

City must collect **eligibility self-certifications** from every participant in the CDBG-funded program. At a minimum, participants must certify that they are 62 years of age or older, and they must report their ethnicity. This documentation must be submitted to EDA on a monthly basis for new participants.

EXHIBIT "R"

CONSTITUTIONAL PROHIBITION

Page 1 of 2

In accordance with First Amendment Church/State Principles, as a general rule, CDBG/ESG assistance may not be used for religious activities or provided to primarily religious entities for any activities, including secular activities. The following restrictions and limitations therefore apply to the use of CDBG/ESG funds.

(1) CDBG/ESG funds may not be used for the acquisition of property or the construction or rehabilitation (including historic preservation and removal of architectural barriers) of structures to be used for religious purposes or which will otherwise promote religious interests. This limitation includes the acquisition of property for ownership by primarily religious entities and the construction or rehabilitation (including historic preservation and removal of architectural barriers) of structures owned by such entities (except as permitted under paragraph (j) (2) of this section with respect to rehabilitation and under paragraph (j) (4) of this section with respect to repairs undertaken in connection with public services) regardless of the use to be made of the property or structure. Property owned by primarily religious entities may be acquired with CDBG/ESG funds at no more than fair market value for a non-religious use.

(2) CDBG/ESG funds may be used to rehabilitate buildings owned by primarily religious entities to be used for a wholly secular purpose under the following conditions:

(i) The building (or portion thereof) that is to be improved with the CDBG/ESG assistance has been leased to an existing or newly-established wholly secular entity (which may be an entity established by the religious entity);

(ii) The CDBG/ESG assistance is provided to the lessee (and not the lessor) to make the improvements;

(iii) The leased premises will be used exclusively for secular purposes available to persons regardless of religion;

(iv) The lease payments do not exceed the fair market rent of the premises as they were before the improvements are made;

(v) The portion of the cost of any improvements that also serve a non-leased part of the building will be allocated to and paid for by the lessor;

(vi) The lessor enters into a binding agreement that unless the lessee, or a qualified successor lessee, retains the use of the leased premises for a wholly secular purpose for at least the useful life of the improvements, the lessor will pay to the lessee an amount equal to the residual value of the improvements;

EXHIBIT "R"

CONSTITUTIONAL PROHIBITION

Page 2 of 2

(vii) The lessee must remit the amount received from the lessor under subparagraph (2)(vi) of this section to the recipient or subrecipient from which the CDBG/ESG funds were derived.

The lessee can also enter into a management contract authorizing the lessor religious entity to use the building for its intended secular purpose, e.g., homeless shelter, provision of public services. In such case,

the religious entity must agree in the management contract to carry out the secular purpose in a manner free from religious influences in accordance with the principles set forth in paragraph (j)(3) of this section.

(3) As a general rule, CDBG/ESG funds may be used for eligible public services to be provided through a primarily religious entity, where the religious entity enters into an agreement with the recipient or subrecipient from which the CDBG/ESG funds are derived that, in connection with the provision of such services:

(i) It will not discriminate against any employee or applicant for employment on the basis of religion and will not limit employment or give preference in employment to persons on the basis of religion.

(ii) It will not discriminate against any person applying for such public services on the basis of religion and will not limit such services or give preference to persons on the basis of religion;

(iii) It will provide no religious instruction or counseling, conduct no religious worship or services, engage in no religious proselytizing, and exert no other religious influence in the provision of such public services;

(iv) The portion of a facility used to provide the public services shall contain no religious symbols or decorations, other than those permanently affixed to or part of the structure.

(4) Where the public services provided under paragraph (j)(3) of this section are carried out on property owned by the primarily religious entity, CDBG/ESG funds may also be used for minor repairs to such property which are directly related to carrying out the public services where the cost constitutes in dollar terms only an incidental portion of the CDBG/ESG expenditure for the public services.

EXHIBIT "S"

Page 1 of 2

Economic Opportunities for Section 3 Residents and Section 3 Business Concerns

Sec. 135.38 Section 3 clause.

All section 3 covered contracts shall include the following clause (referred to as the section 3 clause):

A. The work to be performed under this contract is subject to the requirements of section 3 of the Housing and Urban Development Act of 1968, as amended, 12 U.S.C. 1701u (section 3). The purpose of section 3 is to ensure that employment and other economic opportunities generated by HUD assistance or HUD-assisted projects covered by section 3, shall, to the greatest extent feasible, be directed to low- and very low-income persons, particularly persons who are recipients of HUD assistance for housing.

B. The parties to this contract agree to comply with HUD's regulations in 24 CFR part 135, which implement section 3. As evidenced by their execution of this contract, the parties to this contract certify that they are under no contractual or other impediment that would prevent them from complying with the part 135 regulations.

C. The contractor agrees to send to each labor organization or representative of workers with which the contractor has a collective bargaining agreement or other understanding, if any, a notice advising the labor organization or workers' representative of the contractor's commitments under this section 3 clause, and will post copies of the notice in conspicuous places at the work site where both employees and applicants for training and employment positions can see the notice. The notice shall describe the section 3 preference, shall set forth minimum number and job titles subject to hire, availability of apprenticeship and training positions, the qualifications for each; and the name and location of the person(s) taking applications for each of the positions; and the anticipated date the work shall begin.

EXHIBIT "S"

Page 2 of 2

D. The contractor agrees to include this section 3 clause in every subcontract subject to compliance with regulations in 24 CFR part 135, and agrees to take appropriate action, as provided in an applicable provision of the subcontract or in this section 3 clause, upon a finding that the subcontractor is in violation of the regulations in 24 CFR part 135. The contractor will not subcontract with any subcontractor where the contractor has notice or knowledge that the subcontractor has been found in violation of the regulations in 24 CFR part 135.

E. The contractor will certify that any vacant employment positions, including training positions, that are filled (1) after the contractor is selected but before the contract is executed, and (2) with persons other than those to whom the regulations of 24 CFR part 135 require employment opportunities to be directed, were not filled to circumvent the contractor's obligations under 24 CFR part 135.

F. Noncompliance with HUD's regulations in 24 CFR part 135 may result in sanctions, termination of this contract for default, and debarment or suspension from future HUD assisted contracts.

G. With respect to work performed in connection with section 3 covered Indian housing assistance, section 7(b) of the Indian Self-Determination and Education Assistance Act (25 U.S.C. 450e) also applies to the work to be performed under this contract. Section 7(b) requires that to the greatest extent feasible (i) preference and opportunities for training and employment shall be given to Indians, and (ii) preference in the award of contracts and subcontracts shall be given to Indian organizations and Indian-owned Economic Enterprises. Parties to this contract that are subject to the provisions of section 3 and section 7(b) agree to comply with section 3 to the maximum extent feasible, but not in derogation of compliance with section 7(b).

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 19, 2016

SUBJECT: Fiscal Year 2015-2016 Year-End Budget to Actual Report

RECOMMENDATION: Receive and file the Fiscal Year 2015-2016 Year-End Budget to Actual Report.

SUMMARY: Fiscal Year 2015-2016 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. The Water Fund revenues were less than expenditures resulting in a decrease in working capital of \$997,592 due to continued reduced consumption trends. The Sewer Fund performed favorably which resulted in a positive addition to working capital.

For the Fiscal Year, total actual General Fund revenues of \$18,221,220 exceeded final budget projection amount of \$17,819,989 by \$401,231. Total actual expenditures of \$16,421,628 were less than final budget projection amount of \$16,749,972 by \$328,344. This favorable revenue and expenditure performance resulted in an increase of \$729,575 above the estimated year-end projection of \$1,070,017. As a result, the General Fund balance increased by \$1,799,589. This brings FY 2015-2016 year-end fund balance to \$9,648,942 (Attachment 2). Additionally, staff has reclassified deposits and miscellaneous adjustments to the General Fund totaling over \$525,000.

Regarding the Water Fund, total actual expenditures of \$9,299,600 exceeded total actual revenues of \$8,302,008 by \$997,592. The Sewer Fund financial performance during the year was 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 included (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

AGENDA ITEM: 5.A.

June 30, 2016. 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 2015-2016.

FY 2015-2016 General Fund Revenue Performance

Attachment 1 is a schedule showing General Fund budget to actual data for the Fiscal Year ended June 30, 2016. For the Fiscal Year, total actual revenues were higher than final budget revenue estimates by \$401,231. This net favorable revenue performance was mainly from the following:

1. **Sales Tax:** Sales Tax receipts totaled \$6,526,822 or \$47,132 more than anticipated for year-end. FY 2015-2016 Sales Tax revenues were marked by the end of the Triple Flip which resulted in a one-time increase of revenues. Additionally, growth continues in key areas of general consumer goods, restaurant sales and automotive. Sales tax related to service stations continues to decrease due to lower gasoline prices.
2. **Property Tax:** Property Tax receipts totaled \$1,656,163 or \$89,412 more than anticipated for year-end. The net increase is attributable to \$91,993 of one-time receipt in residual monies associated with the Successor Agency due to the sale of a Successor Agency owned parcel on Four Wheel Drive.
3. **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 \$57,171. The increase was due to better than anticipated increase in building, engineering and planning activities.
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 \$106,431. The increase in revenue was primarily attributed to increased rental of facilities and a Party Partners donation of \$40,000 which was not included in the final budget.
5. **Other Revenues:** Other Revenues increased by \$61,871 due to increased ambulance fines, business license renewal, and animal control fines.

General Fund Expenditures

Total General Fund expenditures for the Fiscal Year were below final budget estimate by \$328,344. This net savings were achieved through successful expenditure control in departments but mainly due to the budget savings of \$371,796 in the CAL FIRE contract. Savings were offset by expenditures that were over year-end projections in Building Safety, Public Buildings Maintenance Divisions, Sheriff and City Attorney.

Savings in the Fire Department came from lower than anticipated expenditures related to salary increases for the CalFire contract. Expenditure savings were also realized in Economic Development and Non-Departmental professional services and various recreation programs. In terms of over expenditures, additional contract services were needed in Building Safety due to increased demand for contractual Plan Check services resulting in \$16,472 in over expenditures at year-end. The Sheriff's Department was impacted by a prior year back bill on overhead charges by the County. As noted in the revenue section, an increase in Plan Check expenditures was offset by increased planning and building revenues. The City Attorney provided \$21,000 in additional services related code enforcement. Public Buildings Maintenance Division was overspent in order to handle unexpected improvements for HVAC repairs, plumbing, electrical repairs, fire and security improvements and roof repairs.

General Fund (Fund Balance)

The audited fund balance at the beginning of the fiscal year was \$7,849,353 (Attachment 2). During the fiscal year, total revenues exceeded total expenditures by \$1,799,589 resulting in a preliminary ending fund balance of \$9,648,942 as of June 30, 2016. Additionally, the City has implemented the auditor's recommendation to move revenues held as deposits (and miscellaneous adjustments) to the General Fund resulting in an increase of over \$525,000 in fund balance.

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 2016-2017, total estimated General Fund expenditures are \$17,804,839 resulting in \$4,451,210 required to be maintained as emergency reserve. As of June 30, 2016, the City has total fund balance of \$10,174,298 which represents 57% of the FY 2016-2017 estimated General Fund expenditures. A total of \$359,522 of the General Fund balance has been designated or held for specific programs.

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 2015-2016, the fund balance was \$920,254. The fund balance declined due to the expenditure of \$805,000 to purchase the Successor Agency parcel on Four Wheel Drive.

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. However, total Water Fund expenditures of \$9,299,600 exceeded total revenues of \$8,302,008 resulting in a decrease in working capital of \$997,592. Additionally, the Water Fund reimbursed \$442,196 to various Funds, with Landscape Maintenance District #4 receiving \$440,377, due to the misallocation of an electric meter. Total Water Fund expenditures for the year include \$300,000 transferred to Water Capital Fund for future capital projects. Additional information on the Water Fund is presented as Attachment 3.

The financial future of the Water Fund is very challenging as continuing deficits are not sustainable. The City has completed a Water and Sewer Rate Study to address the continued decline in revenue due to conservation and insufficient rates. The City is anticipating a Public Hearing on December 7, 2016, with the proposed rates effective January 1, 2017, to mitigate the on-going reduction in the Water Fund working capital. The Water and Sewer Fund must recover all costs from user charges as it is a business-type operation not supported by any taxes. The City is required to set rates that are sufficient to cover operating cost, capital improvements and debt service obligations.

Sewer Fund

For the Sewer Fund, total actual revenues were \$6,581,007 compared to budget amount of \$6,515,761 for a favorable revenue performance of \$65,246. Total actual expenses were \$5,893,961 compared to budget amount of \$6,369,434 for a favorable expenditure savings of \$475,473. Most of the Sewer Fund savings came from savings in salaries, benefits and claims settlements. Additionally, a payment for the treatment plant expansion for the State Revolving Fund was included in FY 2015-2016 budget but was not required to be paid until FY 2016-2017. Utilities over expenditures were mostly attributed to a back bill of an unassigned electricity meter for \$49,000. 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 \$687,046. 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 \$586,528 while actual expenditures were \$609,565 due to additional costs of removing horse trail encroachments and installing street signs. NPDES total revenues were \$139,413 compared to actual expenditures of \$112,555. 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. LMD #4 has also received repayment of \$440,377 from the Water Fund for excess electricity charges. Additionally current year electricity charges were reduced. LMD #4 has been using fund balance for the budgeted trail fence replacement project. Also included in the schedule is each District's beginning and ending fund balance. For additional details, please see Attachment 5.

FINANCIAL IMPACT: Not Applicable

RELATIONSHIP TO STRATEGIC PLAN: The FY 2015-2016 Year-End Budget to Actual Report is consistent with Strategic Direction #3 - "Assure financial stability by identifying new revenue sources and continuing prudent financial management."

Attachments: Budget to Actual Report FY 2015-2016 – 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

City of Norco
General Fund Budget to Actual Report
For Fiscal Year-Ended June 30, 2016

General Fund	Amended Budget	Year-End Projection	FY 2016 Actual	Variance Budget to Actual	Variance Actual to Year-End Projection
REVENUES					
Property Taxes	\$ 1,536,673	\$ 1,566,751	\$ 1,656,163	\$ 119,490	\$ 89,412
Sales Taxes	6,317,995	6,479,690	6,526,822	208,827	47,132
Motor Vehicle License Fees	2,258,416	2,258,120	2,258,120	(296)	-
Other Taxes	1,117,817	1,152,518	1,180,381	62,564	27,863
Franchise Fees	1,315,445	1,329,932	1,334,588	19,143	4,656
Intergovernmental	79,856	77,959	62,482	(17,374)	(15,477)
Fines and Penalties	159,250	168,900	174,944	15,694	6,044
Interest/Lease Income	534,491	559,470	569,790	35,299	10,320
Community Development Fees	728,045	844,849	902,020	173,975	57,171
Community Services/Recreation	676,036	642,335	748,766	72,730	106,431
Other Revenues	1,159,566	1,236,733	1,298,604	139,038	61,871
Administrative Overhead/Operating Transfers	1,383,149	1,502,732	1,508,540	125,391	5,808
Total Revenues	\$ 17,266,739	\$ 17,819,989	\$ 18,221,220	954,481	\$ 401,231
EXPENDITURES					
City Council	\$ 104,930	\$ 95,576	\$ 95,172	\$ 9,758	\$ 404
City Attorney	230,000	230,000	251,102	(21,102)	(21,102)
City Clerk	309,259	304,124	303,342	5,917	782
City Manager	257,489	255,778	263,724	(6,235)	(7,946)
Economic Development	352,482	315,501	297,022	55,460	18,479
Code Enforcement	89,204	80,733	92,551	(3,347)	(11,818)
Recreation	667,893	660,376	660,307	7,586	69
Special Events	64,203	48,429	46,250	17,953	2,179
Youth & Teen	282,968	279,001	233,665	49,303	45,336
Park Maintenance	528,336	525,637	511,269	17,067	14,368
Senior Citizens	168,229	202,422	185,000	(16,771)	17,422
Public Buildings	754,682	796,745	826,215	(71,533)	(29,470)
Animal Control	595,963	603,706	601,433	(5,470)	2,273
Community Development	342,629	350,567	349,077	(6,448)	1,490
Building & Safety	270,089	267,785	284,257	(14,168)	(16,472)
Engineering	307,095	281,954	271,175	35,920	10,779
Inspection	36,536	36,091	36,151	385	(60)
Parkway Maintenance	70,161	65,918	62,774	7,387	3,144
CAL Fire	3,795,658	3,838,264	3,466,468	329,190	371,796
Norco Animal Rescue Team	1,500	1,300	2,270	(770)	(970)
Sheriff	5,007,415	5,008,657	5,069,255	(61,840)	(60,598)
Citizens on Patrol	14,651	20,955	25,743	(11,092)	(4,788)
Crossing Guards	39,344	39,344	39,373	(29)	(29)
Fiscal & Support Services	657,161	604,827	624,959	32,202	(20,132)
Non-Departmental	1,888,815	1,836,282	1,823,074	65,741	13,208
Total Expenditures	\$ 16,836,692	\$ 16,749,972	\$ 16,421,628	415,064	\$ 328,344
Revenues Over (Under) Expenditures	\$ 430,047	\$ 1,070,017	\$ 1,799,592	\$ 1,369,545	729,575

City of Norco
Other Funds Budget to Actual Report
For Fiscal Year-Ended June 30, 2016

Fund Description	Amended Budget	Year-End Projection	FY 2016 Actual	Variance Actual to Year-End Projection
<u>CDBG</u>				
Revenues	149,497	11,502	11,502	-
Expenditures	82,159	11,502	11,502	-
Revenues Over (Under) Expenditures	67,338	-	-	-
<u>WATER FUND</u>				
Revenues	9,664,902	8,016,782	8,302,008	285,226
Expenditures	10,543,058	9,627,518	9,299,600	327,918
Revenues Over (Under) Expenditures	(878,156)	(1,610,736)	(997,592)	613,144
<u>SEWER FUND</u>				
Revenues	6,515,761	6,459,022	6,581,007	121,985
Expenditures	6,369,434	5,454,892	5,893,961	(439,069)
Revenues Over (Under) Expenditures	146,327	1,004,130	687,046	(317,084)
<u>GAS TAX</u>				
Revenues	609,291	612,336	586,528	(25,808)
Expenditures	775,412	589,406	609,565	(20,159)
Revenues Over (Under) Expenditures	(166,121)	22,930	(23,037)	(45,967)
<u>NPDES FUND</u>				
Revenues	140,000	140,000	139,413	(587)
Expenditures	158,689	134,687	112,555	22,132
Revenues Over (Under) Expenditures	(18,689)	5,313	26,858	21,545
<u>MISCELLANEOUS GRANTS</u>				
Revenues	164,877	160,000	179,965	19,965
Expenditures	164,512	160,000	179,965	(19,965)
Revenues Over (Under) Expenditures	365	-	-	-

City of Norco
Summary of General Fund Balance
For Fiscal Year-Ended June 30, 2016

GENERAL FUND	Fund Balance Unaudited 6/30/2016
Audited Beginning Balance, June 30, 2015	\$ 7,849,353
Actual Revenues, FY 2015-2016	18,221,217
Actual Expenditures, FY 2015-2016	16,421,628
Revenues Over (Under) Expenditures FY2015-2016	1,799,589
Preliminary Fund Balance, June 30, 2016 (Unaudited)	9,648,942
Trust Fund Deposits Attributed to General Fund & Mis. Adj.	525,356
Fund Balance, June 30, 2016 (Unaudited)	\$ 10,174,298

City of Norco
Water Fund Statement of Revenues & Expenses
For Fiscal Year-Ended June 30, 2016

Water Fund	FY 2016 Amended Budget	FY 2016 Actuals	Variance
Operating Revenues:			
Charges for Water Services	\$ 9,635,902	\$ 8,260,623	\$ (1,375,279)
Interest Income	13,000	18,013	5,013
Miscellaneous	16,000	23,372	7,372
Total Revenues	9,664,902	8,302,008	(1,362,894)
Expenses:			
Salaries and Benefits	\$ 1,119,226	\$ 1,065,698	\$53,528
Operating Supplies and Services	553,834	556,227	(2,393)
Water Purchases, Production and Utilities	6,135,400	4,995,493	1,139,907
Administrative Overhead & Reimbursements to Other Funds	789,439	789,439	-
Contractual Services	588,905	632,324	(43,419)
Debt Service Payments	1,067,485	1,067,484	1
Miscellaneous/Small Equipment	30,000	-	30,000
Computer, Vehicle Operations & Replacement Charges	142,769	142,769	-
Self Insurance Settlements	66,000	166	65,834
Post Retirement Health Contributions	50,000	50,000	-
Total Operating Expenses	10,543,058	9,299,600	1,243,458
Revenues Over (Under) Expenses	\$ (878,156)	\$ (997,592)	\$ (119,436)

City of Norco
Sewer Fund Statement of Revenues & Expenses
For Fiscal Year-Ended June 30, 2016

Sewer Fund	FY 2016 Amended Budget	FY 2016 Actuals	Variance
Operating Revenues:			
Charges for Sewer Services	\$ 6,130,313	\$ 6,175,582	\$ 45,269
Interest Income	19,200	32,312	13,112
Miscellaneous	366,248	373,113	6,865
Total Revenues	<u>6,515,761</u>	<u>6,581,007</u>	<u>65,246</u>
Operating Expenses:			
Salaries and Benefits	\$ 693,022	\$ 649,524	\$43,498
Operating Supplies & Services	317,714	318,170	(456)
Utilities	41,000	101,210	(60,210)
Contractual Services	2,377,565	2,257,988	119,577
Debt Service Payments	2,156,831	1,823,767	333,064
Administrative Overhead & Reimbursement to Other Funds	577,223	577,223	-
Computing, Vehicle Operations and Replacement	116,079	116,079	-
Self Insurance Settlements	25,000	-	25,000
Post Retirement Health Contributions	50,000	50,000	-
Capital Outlay	15,000	-	15,000
Total Operating Expenses	<u>6,369,434</u>	<u>5,893,961</u>	<u>475,473</u>
Revenues Over (Under) Expenses	<u><u>\$ 146,327</u></u>	<u><u>\$ 687,046</u></u>	<u><u>\$ 540,719</u></u>

City of Norco
Schedule of Landscape Maintenance District Revenues & Expenses
For Fiscal Year-Ended June 30, 2016

<u>Landscape Maintenance District #1</u>	<u>FY 2016 Budget</u>	<u>FY 2016 Actuals</u>	<u>Variance</u>
Revenues:			
LMD # 1 Assessments	\$11,670	\$8,849	(\$2,821)
Interest Income	-	51	51
Miscellaneous	-	29	29
Total Revenues	<u>\$11,670</u>	<u>\$8,929</u>	<u>(\$2,741)</u>
Expenditures:			
Observation	\$2,086	\$1,394	\$692
Water Charges	3,570	2,331	1,239
Electricity Charges	180	349	(169)
Telephone Charges	189	206	(17)
Landscape Maintenance	2,640	2,738	(98)
Contractual	1,400	1,658	(258)
Administrative Overhead	586	586	-
Admin Fees-Property Taxes	170	159	11
Operating Contingency	658	-	658
Total Expenditures	<u>\$11,479</u>	<u>\$9,421</u>	<u>\$2,058</u>
Revenues Over (Under) Expenditures	<u><u>\$191</u></u>	<u><u>(\$492)</u></u>	<u><u>(\$683)</u></u>
Fund Balance:			
Beginning Adj. Fund Balance July 1, 2015		\$ 13,731	
Ending Fund Balance June 30, 2016		<u>13,239</u>	
Change in Fund Balance		\$ (492)	

City of Norco
Schedule of Landscape Maintenance District Revenues & Expenses
For Fiscal Year-Ended June 30, 2016

<u>Landscape Maintenance District #2</u>	<u>FY 2016 Budget</u>	<u>FY 2016 Actuals</u>	<u>Variance</u>
Revenues:			
LMD # 2 Assessments	\$132,091	\$135,752	\$3,661
Interest Income	-	(125)	(125)
Miscellaneous Revenue	-	7,119	7,119
Total Revenues	<u>\$132,091</u>	<u>\$142,746</u>	<u>\$10,655</u>
Expenditures:			
Observation	\$10,428	\$7,085	\$3,343
Trail Maintenance	5,000	36,498	(31,498)
Water Charges	48,930	42,417	6,513
Electricity Charges	5,985	5,963	22
Telephone Charges	227	218	9
Landscape Maintenance	44,342	30,635	13,707
Wet Lands Area	500	-	500
Park Maintenance	5,995	-	5,995
Contractual	2,500	3,494	(994)
Administrative Overhead	7,942	7,942	-
Admin Fees-Property Taxes	242	222	20
Operating Contingency	-	-	-
Total Expenditures	<u>\$132,091</u>	<u>\$134,474</u>	<u>(\$2,383)</u>
Revenues Over (Under) Expenditures	<u>-</u>	<u>\$8,272</u>	<u>\$8,272</u>
Fund Balance:			
Beginning Adj. Fund Balance July 1, 2015		\$ (26,146)	
Ending Fund Balance June 30, 2016		<u>(17,874)</u>	
Change in Fund Balance		\$ 8,272	

City of Norco
Schedule of Landscape Maintenance District Revenues & Expenses
For Fiscal Year-Ended June 30, 2016

<u>Landscape Maintenance District #3</u>	<u>FY 2016 Budget</u>	<u>FY 2016 Actuals</u>	<u>Variance</u>
Revenues:			
LMD # 3 Assessments	\$86,306	\$75,350	(\$10,956)
Interest Income	-	187	187
Miscellaneous Revenue	-	1,449	1,449
Total Revenues	<u>\$86,306</u>	<u>\$76,986</u>	<u>(\$9,320)</u>
Expenditures:			
Observation	\$8,345	\$5,573	\$2,772
Trail Maintenance	5,802	7,299	(1,497)
Water Charges	31,500	27,310	4,190
Electricity Charges	1,890	1,329	561
Telephone Charges	63	59	4
Landscape Maintenance	28,174	30,258	(2,084)
Contractual	2,500	1,521	979
Administrative Overhead	5,068	5,068	-
Admin Fees-Property Taxes	266	165	101
Operating Contingency	1,349	1,050	299
Total Expenditures	<u>\$84,957</u>	<u>\$79,632</u>	<u>\$5,325</u>
Revenues Over (Under) Expenditures	<u><u>\$1,349</u></u>	<u><u>(\$2,646)</u></u>	<u><u>(\$3,995)</u></u>
Fund Balance:			
Beginning Fund Balance July 1, 2015		\$ 62,293	
Ending Fund Balance June 30, 2016		<u>59,647</u>	
Change in Fund Balance		\$ (2,646)	

City of Norco
Schedule of Landscape Maintenance District Revenues & Expenses
For Fiscal Year-Ended June 30, 2016

<u>Landscape Maintenance District #4</u>	<u>FY 2016 Budget</u>	<u>FY 2016 Actuals</u>	<u>Variance</u>
Revenues:			
LMD # 4 Assessments	\$492,422	\$504,809	\$12,387
Interest Income	-	1,741	1,741
Miscellaneous Revenue	-	3,632	3,632
Total Revenues	<u>\$492,422</u>	<u>\$510,182</u>	<u>\$17,760</u>
Expenditures:			
Observation	\$14,602	\$9,752	\$4,850
Trail Maintenance	72,828	80,351	(7,523)
Tree Replacement	5,000	6,000	(1,000)
Water Charges	78,750	61,430	17,320
Electricity Charges	55,000	6,131	48,869
Telephone Charges	717	689	28
Landscape Maintenance	119,800	154,461	(34,661)
Natural Open Space	11,000	-	11,000
Wet Lands Area	5,000	-	5,000
Contractual	3,600	6,816	(3,216)
Administrative Overhead	30,724	30,724	-
Admin Fees-Property Taxes	401	366	35
Trail Fence	240,008	168,611	71,397
Storm Sewer Lines	20,000	-	20,000
Total Expenditures	<u>\$657,430</u>	<u>\$525,331</u>	<u>\$132,099</u>
Revenues Over (Under) Expenditures	<u><u>(\$165,008)</u></u>	<u><u>(\$15,149)</u></u>	<u><u>\$149,859</u></u>
Fund Balance:			
Beginning Adj. Fund Balance July 1, 2015		\$ 925,667	
Ending Fund Balance June 30, 2016		<u>910,518</u>	
Change in Fund Balance		\$ (15,149)	

City of Norco
Schedule of Landscape Maintenance District Revenues & Expenses
For Fiscal Year-Ended June 30, 2016

<u>Landscape Maintenance District #5</u>	<u>FY 2016 Budget</u>	<u>FY 2016 Actuals</u>	<u>Variance</u>
Revenues:			
LMD # 5 Assessments	\$59,931	\$51,472	(\$8,459)
Interest Income	-	316	316
Miscellaneous Revenue	-	114	114
Total Revenues	<u>\$59,931</u>	<u>\$51,902</u>	<u>(\$8,029)</u>
Expenditures:			
Observation	\$6,257	\$4,214	\$2,043
Trail Maintenance	7,368	7,320	48
Water Charges	8,000	5,454	2,546
Electricity Charges	390	570	(180)
Telephone Charges	66	67	(1)
Landscape Maintenance	29,168	15,353	13,815
Contractual	2,500	1,538	962
Administrative Overhead	2,956	2,956	-
Admin Fees-Property Taxes	243	151	92
Operating Contingency	2,362	-	2,362
Total Expenditures	<u>\$59,310</u>	<u>\$37,623</u>	<u>\$21,687</u>
Revenues Over (Under) Expenditures	<u><u>\$621</u></u>	<u><u>\$14,279</u></u>	<u><u>\$13,658</u></u>
Fund Balance:			
Beginning Adj. Fund Balance July 1, 2015		\$ 82,587	
Ending Fund Balance June 30, 2016		<u>96,866</u>	
Change in Fund Balance		\$ 14,279	

CITY OF NORCO STAFF REPORT

TO: Honorable Mayor and Members of the City Council

FROM: Andy Okoro, City Manager 

DATE: October 19, 2016

SUBJECT: Reconsideration of Approval of Conditional Use Permit 2016-22 (Podaca)

RECOMMENDATION: City Council to vote on whether to set a public hearing to reconsider approval of Conditional Use permit 2016-22 (Podaca)

SUMMARY: Conditional Use Permit (CUP) 2016-22 to allow a detached accessory building consisting of a 2,000 square-foot shop/storage building at 3596 Pedley Avenue located within the A-120 (Agricultural Low Density) Zone was approved by the Planning Commission on August 10, 2016. The Planning Commission's approval was appealed to the City Council by an adjacent property owner. The appeal was heard by the City Council on September 7, 2016 and the Planning Commission's approval was upheld by 3-1-1 vote of the City Council (Ayes: Grundmeyer, Hoffman, Newton; Noes: Hanna; Recused: Bash). On September 21, 2016 the City Council voted 4-0-1 (Recused: Bash) to agendize a vote by the City Council on whether to set a public hearing to reconsider approval of CUP 2016-22. The City Council is requested to a take a roll call vote on this matter and if a majority of City Council members votes to reconsider the approval of CUP 2016-22, a public hearing date will be established and the matter will be brought back on future City Council meeting for reconsideration.

BACKGROUND: Accessory buildings that exceed 864 square feet require approval of CUP by the Planning Commission. CUP 2016-22 for a 2,000 square foot shop/storage at 3596 Pedley Avenue was approved by the Planning Commission on August 10, 2016. The Planning Commission's approval was appealed to the City Council by an adjacent property owner. The appeal was heard by the City Council on September 7, 2016 and the Planning Commission's approval was upheld by 3-1-1 vote of the City Council (Ayes: Grundmeyer, Hoffman, Newton; Noes: Hanna; Recused: Bash). On September 21, 2016 the City Council voted 4-0-1 (Recused: Bash) to agendize a vote by the City Council on whether to set a public hearing to reconsider approval of CUP 2016-22. The City Council is requested to a take a roll call vote on this matter and if a majority of City Council members vote to reconsider the approval of CUP 2016-22, a public hearing date will be established for a future City Council meeting for reconsideration.

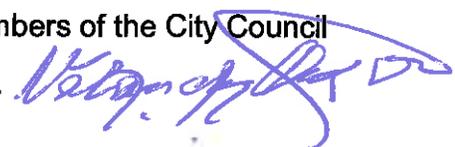
FISCAL IMPACT: This recommendation would not require additional budget appropriation.

RELATIONSHIP TO STRATEGIC PLAN: This item is consistent and supports Strategic Direction #2 – “Engage with the community through excellent customer service, communication and programs.”

Agenda Item: 5.B.

CITY OF NORCO STAFF REPORT

TO: Honorable Mayor and Members of the City Council

FROM: Andy Okoro, City Manager 

PREPARED: Chad Blais, Director of Public Works

DATE: October 19, 2016

SUBJECT: Water and Sewer Rate Study Discussion

RECOMMENDATION: Authorize staff to mail the Proposition 218 Notice and schedule a Public Hearing for December 7, 2016 for the City Council to consider adoption of multi-year increases to water and sewer rates.

SUMMARY: On September 28, 2016, an interactive public study session was conducted that comprised of the City Council, Streets, Trails, and Utility Commission, and City staff to review financial planning scenarios regarding potential multi-year rate increases for the Water and Sewer Funds. Staff is requesting City Council's authorization to schedule a Public Hearing for December 7, 2016, and the mailing of the Proposition 218 notification to all ratepayers and property owners in order for the City Council to consider adoption of multi-year increases to water and sewer rates.

BACKGROUND/ ANALYSIS: In July 2016, the City retained Hawksley Consulting to study the financial stability of the Water and Sewer Funds and to perform a cost of service analysis. The cost of service analysis uses a planning period of five (5) years and a copy of the Executive Summary of Water and Sewer Rate Study is attached for the Council's review. Hawksley Consulting will be in attendance at the City Council Meeting to present information on the rate study, including findings and recommendations. A complete draft copy of the report will be made available through the City website at the time the Proposition 218 Notice is released. The study provides recommended rates that should provide water and sewer revenues necessary to support operations and maintenance, capital improvement program, and establish a minimum operating reserve to ensure future financial stability.

Water and Sewer Rate Study Report

The report examined the financial data for the Water and Sewer Funds for the past five (5) years and reviewed the projected financial obligations and planned capital improvement projects over the next five (5) years using a detailed water and sewer financial modeling software. The rate study was developed based on three primary goals:

- Maintain positive cash balance in the operating fund to include a minimum of three months operating reserve.

- Establish a rate stabilization fund.
- Provide funding for all the projects outlined in the current Council approved Five-Year Capital Improvement Program (CIP) budget.

Key Financial Issue

For Fiscal Year 2015-2016, the water operations and maintenance component of the Water Fund had a shortfall of \$1.4 million and a higher shortfall is projected for FY 2016-2017. The FY 2015-2016 estimated shortfall was covered by using existing operating reserves from prior years, while the projected FY 2016-2017 shortfall is proposed to be covered by a one-time transfer from the capital component of the Water Fund and by one-time sales of stored water. These shortfalls in revenue are directly related to a significant decrease in customer water usage due to mandatory water conservation established by the State. Customer water demands are not anticipated to return to previous years' usage patterns even if the State reduces the mandatory conservation requirements.

Rate Scenarios

The rate study provided three scenarios that were reviewed at the workshop on September 28th by a combined working group made up of the City Council, Streets, Trails, and Utilities Commission, and City staff. The primary variable considered in the development of the scenarios included the funding of the City's adopted CIP, specifically the execution level of the CIP and the funding sources. The specific scenarios there were evaluated include the following:

- Scenario 1: Full execution of the City's adopted CIP without the issuance of debt
- Scenario 2: Full execution of the City's five-year CIP with the issuance of debt in FY 2019 to fund a portion of the water and sewer CIP
- Scenario 3: Extension of the five-year CIP to a ten-year plan without the issuance of debt

Each of the scenarios was evaluated to determine the required adjustments to water and sewer rates to meet the funding requirements for each Fund. A summary of the results of the financial planning scenarios for the Water and Sewer Fund are outlined in the attached Executive Summary report.

Recommended Rate Increases

The results of the financial planning scenarios for the Water and Sewer Funds were reviewed with the City staff during an interactive work session with the consultant. Based on the review, it was determined that the most appropriate approach for the City would be to move forward with Scenario #3 for both the Water and Sewer Funds. This approach is recommended because it will allow the City to more gradually increase water and sewer rates and avoid interest expenses associated with issuance of debt, which would result in higher costs for rate payers in the long-term. This approach is also considered prudent

given the current financial health of the water system. It should be noted that the level of capital investment the City will be undertaking with the execution of half of CIP still represents a substantial increase in the level of capital investment in the water and sewer systems when compared to recent years. The funding level will allow the City to move forward with addressing critical water and sewer system capital needs such as repair and replacement system assets. The table below summarizes the recommended water and sewer rate increases identified as necessary to provide sufficient revenues to meet the stated goals over the next five years.

Recommended Water and Sewer Rate Revenue Increase

	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021
Effective Date:	1/1/2017	7/1/2017	7/1/2018	7/1/2019	7/1/2020
Water Rate Revenue Increases	15.00%	12.00%	11.00%	10.00%	2.00%
Sewer Rate Revenue Increases	0.00%	0.00%	5.50%	5.50%	5.50%

Drought Surcharge Rates

Pursuant to State law and recognizing that water is our most vital scarce resource, the City has adopted a water shortage contingency plan that addresses specific “stages” of action to be undertaken in response to the eventuality of various water shortage conditions. The City’s Water Conservation Program established five (5) water shortage stages (each a “Level”) and associated conservation mandates to reduce unreasonable and wasteful water use; and preserve the City’s water supplies. The City Council may elect to enact the following drought surcharge rates during each respective Level as a means to stabilize rate revenue. The surcharge rates would be assessed to all metered water usage.

Recommended Drought Surcharge Rates

Water Shortage Response Level	Conservation Target	Drought Surcharge
Level 1	0%	\$-
Level 2	20%	\$0.37
Level 3	30%	\$0.71
Level 4	40%	\$1.14
Level 5	>50%	\$1.73

Customer Impact Analysis

As part of the Study, a bill impact analysis was conducted to better understand the changes that the recommended rate modifications would have on the monthly bills of various types of customers. The average residential customer in the City uses

approximately 20 HCF per month. It should be noted that 3/4" and 1" metered customers account for 96% of the total number of accounts served by the City.

Bill Impact Analysis, Single Family Residential with 3/4" Meter

Monthly Use (HCF)	Number of Bills	Cumulative % of Bills	Current Bill	Proposed Bill (FY17)	\$ Change
5	2,328	12.90%	\$83	\$97	\$14
10	2,689	34.50%	\$94	\$108	\$14
15	2,105	53.60%	\$105	\$119	\$13
20	1,538	67.90%	\$116	\$129	\$13
25	1,007	77.90%	\$127	\$140	\$12
30	726	84.70%	\$138	\$150	\$12
35	511	89.50%	\$150	\$161	\$11
40	324	92.60%	\$161	\$171	\$11

Bill Impact Analysis, Commercial Customer with 1" Meter

Monthly Use (HCF)	Number of Bills	Cumulative % of Bills	Current Bill	Proposed Bill (FY17)	\$ Change
5	104	44.13%	\$95	\$115	\$19
10	39	58.17%	\$106	\$125	\$19
15	23	66.43%	\$157	\$176	\$18
20	29	72.54%	\$209	\$226	\$18
25	16	77.79%	\$260	\$277	\$17
30	7	81.90%	\$311	\$328	\$17
35	15	84.81%	\$362	\$378	\$16
40	15	88.25%	\$413	\$429	\$16
45	10	90.11%	\$464	\$479	\$15
50	3	91.88%	\$515	\$530	\$15
55	6	93.55%	\$566	\$581	\$14

CONCLUSION: The Water and Sewer Fund must recover all costs from user charges as it is a business-type operation not supported by any taxes. The City is required to set rates that are sufficient to cover operating cost, capital improvements and debt service obligations. Funds derived from water and sewer rates may not be used for any other purpose.

FISCAL IMPACT: The mailing of the Proposition 218 Notice to an estimated 10,000 customers and property owners will cost approximately \$6,500 and will be funded evenly from the water and sewer funds.

RELATIONSHIP TO STRATEGIC PLAN: This item is consistent and supports Strategic Direction #1 – Infrastructure – Establish funding for planning, maintenance, replacement and development of infrastructure and #3 Financial Stability – Assure financial stability by identifying new revenue sources and continuing prudent financial management.

Attachments: Water and Sewer Rate Study Executive Summary
Proposition 218 Notice

Water & Sewer Rate Study



Final Report for
City of Norco, CA
October 11, 2016



October 11, 2016

Chad Blais
Director of Public Works
City of Norco
2870 Clark Avenue
Norco, CA 92860

Re: Water & Sewer Rate Study

Dear Mr. Blais:

Hawksley Consulting is pleased to present this Draft Report of the Water & Sewer Rate Study that we performed for the City's Water & Sewer Enterprise Funds.

We appreciate the effective and efficient support provided by you and all of the members of City staff who participated in the analysis. If you or others at the City have any questions, please do not hesitate to call me in our Bowie, Maryland office at (443) 538-1175, or Mark Hildebrand in our Walnut Creek, California office at (510) 316-0621.

It has been a pleasure to be of service to the City and we look forward to the possibility of doing so again in the future.

Sincerely,

A handwritten signature in black ink, appearing to read "David Hyder". The signature is fluid and cursive, written over a white background.

David A. Hyder
Principal

Enclosure

E1. EXECUTIVE SUMMARY

This Executive Summary presents an overview of the results of the Water and Sewer Rate Study (Study) that was conducted for the water and sewer systems (collectively the "Utility") of the City of Norco (City) by Hawksley Consulting.

E.1.1 OBJECTIVES

The primary objectives of this Study are to:

- i. Develop a multi-year financial management plan for each fund that identifies future rate adjustments to water and sewer rates that will ensure adequate revenues to meet the ongoing financial requirements of each fund;
- ii. Integrate the capital funding needs per the City's adopted Capital Improvements Plan for the Utility including evaluation of appropriate funding levels and sources of funds;
- iii. Identify appropriate reserve levels for each fund to provide financial stability and resiliency within the Utility; and
- iv. Recommend specific rate structures that equitably recover the cost of service, enhance revenue stability and conforms with industry practices and legal requirements.

E.1.2 GENERAL METHODOLOGY

The following phases were used to conduct this Study:

Perform a Revenue Sufficiency Analysis (RSA) – Develop and populate a multi-year forecasting model for each of the City's water and sewer funds that was used to determine the level of annual revenue required to satisfy projected annual operating costs, debt service expenses, and capital cost requirements as well as maintain and develop adequate reserves.

Cost-of-Service Allocation (COSA) Analysis – Using the revenue requirements from the revenue sufficiency analysis for Fiscal Year (FY) ending 2017, we performed a detailed COSA analysis based upon principles outlined by the American Water Works Association (AWWA) and other generally accepted industry practices in order to allocate the cost of providing service to the components of the rate structure.

Rate Structure Analysis – The rate structure analysis phase developed specific rates that would recover the identified level of required revenue for each service. The recommended rate schedules were designed to ensure that the City's water and sewer rates conform to accepted industry practices and reflect the appropriate distribution of system costs, while achieving the City's policy objectives, such as enhanced fiscal stability, to the greatest extent possible.

E2. REVENUE SUFFICIENCY ANALYSIS

The RSA evaluated the sufficiency of the Utility's revenues to meet all of its current and projected financial requirements over a five-year projection period, and determined the level of any rate revenue increases necessary in each year of the projection period to provide sufficient revenues to fund all of its cost requirements. Working with City staff, we thoroughly discussed the base data and assumptions of the analysis, and reviewed several alternative funding scenarios for the water and sewer funds. Through this process, we identified the recommended financial management plan and associated plan of annual water and sewer rate revenue increases presented herein to address the current and projected cost requirements of the Utility.

Over the last few years, the revenues generated by the City's water system have been insufficient to fund utility costs due to significant reductions in annual water usage as a result of the recent drought and the subsequent conservation efforts. The City has seen water usage decline by nearly 30 percent over the past three years, which directly impacts water utility rate revenues. At the same time, the City's cost of providing water service have not fallen proportionately with the reduction in rate revenue due the fact that the City's operating costs are largely fixed, including the City's water purchase costs. If additional revenues are not generated within the water system, the City will be at risk of defaulting on debt covenants and jeopardize its ability to purchase water and execute critical infrastructure repair and replacement projects. Fortunately, the sewer system is not in the same financial position as the water system.

The sewer system is currently generating revenues sufficient to fund the operations of the system. However, over the next five years additional revenue will be required to address the increasing cost of providing sewer service, including purchased wastewater treatment services and to provide funds for repair and replacement of the sewer system.

The recommended financial management plan and corresponding plan of water and sewer rate revenue adjustments are based upon the revenue and expense information, beginning balances, and assumptions as described in the full report. The specific five-year rate revenue adjustment plan recommended herein is presented in the following table.

Table E.1: Recommended Plan of Water & Sewer Rate Revenue Increases

	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021
Effective Date:	1/1/2017	7/1/2017	7/1/2018	7/1/2019	7/1/2020
Water Rate Revenue Increases	15.00%	12.00%	11.00%	10.00%	2.00%
Sewer Rate Revenue Increases	0.00%	0.00%	5.50%	5.50%	5.50%

E3. COST-OF-SERVICE ALLOCATION

A COSA analysis was completed for the study to identify the cost of providing water service including fixed, variable and system peaking costs. The Study employed the "base-extra capacity" cost-of-service method

promulgated in AWWA's Manual M1: Principles of Water Rates, Fees, and Charges (M1) for the water system, whereby costs are first allocated to individual functions or activities then the costs of each function are distributed to appropriate system parameters to allow for allocation to specific components of the rate structure. The COSA analysis was completed *only for the water system* based on the fact that the City's current sewer rate structure is functioning appropriately with an appropriate level of fixed cost recovery.

E4. RATE STRUCTURE ANALYSIS

Upon completion of the COSA analysis, a rate structure analysis was performed to identify potential rate structure modifications and specific rate schedules for implementation in FY 2017 that would:

- i. Fairly and equitably recover each fund's current cost of providing service and revenue requirements;
- ii. Conform to accepted industry practice and legal requirements;
- iii. Provide fiscal stability and recovery of fixed costs of the system; and
- iv. Maintain affordability to low volume and average users to the extent possible.

Water Rates

The City's current water rate structure consists of a fixed monthly charge and a variable usage charge based on metered water usage. The fixed monthly charge portion of the water rate structure currently generates approximately 30% of the revenues for the water system with the remaining 70% generated from the usage charge. To enhance the revenue stability within the water fund, an alternative water rate structure was developed based on the results of the COSA analysis. The recommended structure includes the following:

Fixed Monthly Charges - The Study proposes a fixed monthly charge that recovers the cost of customer service, billing and system peaking costs. Based on this level of cost recovery the fee would generate 46% of the revenues for the water fund enhancing revenue stability within the water fund and recovering an increased portion of the fixed cost of providing water service.

Usage Charges - The Study recommends that the City continue to charge for metered water utilizing a uniform rate for all customers. The usage charges will generate 54% of the revenues from the water system.

In addition to the standard water rates, the Study reviewed the current private fire protection charges assessed by the City. The cost of providing this service was determined as part of the COSA analysis and an alternative fee structure is proposed to provide a more equitable fee which comports with industry standards.

The study also provides an analysis of drought surcharge rates for the water system. The surcharge rates were examined in light of the City's Emergency Water Conservation Program and could be enacted at the City Council's discretion in response to future drought conditions in the City. The full discussion of the drought rates are presented in the body of this report.

The recommended water rates summarized in the following tables are intended for implementation on January 1, 2017 and embody the recommended rate revenue increase of 15% identified in the RSA. The full report provides a complete 5-year schedule of water and sewer rates for the period of FY 2017 to FY 2021.

Recommended Water Rates for FY 2017 (Effective January 1, 2017)

Water Monthly Service Charge		Private Fire Service	
Meter Size	Monthly Charge	Service Connection Size	Monthly Charge
3/4"	\$35.74	2"	\$36.48
1"	\$53.09	3"	\$37.88
1 1/2"	\$124.04	4"	\$40.29
2"	\$159.55	6"	\$48.96
3"	\$417.94	8"	\$63.92
4"	\$744.95	10"	\$86.42
6"	\$1,771.94	12"	\$117.59
8"	\$2,843.06		
10"	\$4,497.90		
12"	\$7,393.83		
		Consumptive Rate	
		Rate (\$ per hundred cubic feet)	\$2.12

Sewer Rates

The current sewer rate structure was reviewed and deemed appropriate given the services provided by the City. The current sewer fixed monthly charge generates approximately 71% of the sewer system revenues providing revenue stability and a relatively high level of fixed cost recovery. As demonstrated in the recommended financial plan no adjustments to sewer rates are required until FY 2019. The five-year schedule of sewer rates are presented in the body of this report.



City of Norco
2870 Clark Ave.
Norco, CA 92860

PUBLIC HEARING

DECEMBER 7, 2016 AT 7:00 PM

NOTICE OF PROPOSED

MULTI-YEAR WATER AND SEWER RATE INCREASE

NOTICE OF PROPOSED MULTI-YEAR RATE INCREASE
FOR WATER AND SEWER SERVICES

NOTICE IS HEREBY GIVEN, in Compliance with Article XIID of the State of California Constitution and the Proposition 218 Omnibus Implementation Act, the City Council of the City of Norco will hold a public hearing on Wednesday, December 7, 2016, at 7:00 p.m. or thereafter in the City Council Chambers, 2820 Clark Avenue, Norco, CA 92860, to consider adopting increases in the rates for its water and sewer services, which shall be implemented beginning January 1, 2017 through July, 1, 2020. This proposed multi-year rate increase will be used to balance shortfalls in the operating funds for water and sewer and for repair/replacement of the City's deteriorating water and sewer infrastructure.

WATER AND SEWER SYSTEM

The City of Norco provides safe, reliable and affordable drinking water and sewer service to the residents and businesses located within the City of Norco. The City is committed to providing these high-quality utility services at the lowest possible rates for our customers. The City's current 5-year capital improvement program includes over \$42 million in water and sewer infrastructure improvements. The City has over 100 miles of individual water and sewer mainlines, with a significant portion of these mainlines exceeding its useful life. However, the City's current rates are unable to properly fund the planned annual capital improvement projects.

WATER AND SEWER RATE STUDY

The City has retained the services of Hawksley Consulting to complete a comprehensive water and sewer rate study to determine the annual cash needs of the water and sewer systems over the next five fiscal years and the appropriate level of revenue required to fund rehabilitation and replacement of the aging water and sewer system infrastructure.

Water and sewer rates are carefully designed to treat all customers fairly by reflecting the cost of providing the respective services. Water and sewer rates are also designed to protect the financial viability of the water and sewer utilities in order to ensure that the City is able to continuously provide high-quality services in the future.

The study calculated the annual revenues necessary for the City to recover current and projected costs of operations, maintenance and capital infrastructure projects, while ensuring sufficient reserves for unplanned events. A copy of the water rate study can be viewed on the City of Norco's website at <http://www.norco.ca.us/>.

RATE STUDY FINDINGS

Over the last few years, the revenues generated by the water system have been insufficient to fund operating and capital costs due to significant reductions in annual water usage as a result of the recent drought and the subsequent conservation efforts. The City has seen water usage decline by nearly 30 percent over the past three years, which directly impacts total water revenues. At this time, if additional revenues are not generated for the water system, the City will be at risk of defaulting on debt covenants and jeopardize its ability to purchase water and execute critical infrastructure repair and replacement projects.

While sewer rates are currently generating sufficient revenues to support the sewer operations and maintenance, additional revenue will be required over the coming years to address the increasing cost of wastewater treatment operations and infrastructure repair and replacement projects.

PROPOSED RATE INCREASE OBJECTIVES

The planned rate increases outlined in this notice provide a phased approach to meet water and sewer funding requirements. Immediate rate increases will be necessary for the Water Fund given its current financial condition. The planned rate increases will allow the City to:

- Address current fiscal deficits within the Water Fund;
- Ensure that the Sewer Fund continues to sustain operating, capital and debt expenses;
- Fund half of the City's adopted Capital Improvements Plan for the water and sewer systems (i.e. the previous five-year plan will now be deferred over a ten year period); and
- Establish and maintain target cash reserves in the event of future unplanned expenditures or revenue shortfalls.

HOW WILL THIS IMPACT YOUR WATER RATES?

The proposed rates for the City's water service shall become effective January 1, 2017 and every July 1 thereafter, as set forth in the table below.

	<u>Current</u>	<u>FY 16/17</u>	<u>FY 17/18</u>	<u>FY 18/19</u>	<u>FY 19/20</u>	<u>FY 20/21</u>
	<u>Rate</u>					
Monthly Fixed Charge (Service Size)						
<i>SFR, MFR, Commercial, Industrial, Irrigation, and Municipal</i>						
3/4"	\$ 20.87	\$ 35.74	\$ 39.42	\$ 43.27	\$ 47.10	\$ 47.85
1"	\$ 33.12	\$ 53.09	\$ 58.54	\$ 64.26	\$ 69.96	\$ 71.01
1 1/2"	\$ 83.23	\$ 124.04	\$ 136.75	\$ 150.14	\$ 163.48	\$ 165.95
2"	\$ 108.31	\$ 159.55	\$ 175.90	\$ 193.13	\$ 210.29	\$ 213.47
3"	\$ 290.80	\$ 417.94	\$ 460.73	\$ 505.88	\$ 550.86	\$ 559.23
4"	\$ 521.75	\$ 744.95	\$ 821.21	\$ 901.69	\$ 981.87	\$ 996.81
6"	\$ 1,247.06	\$ 1,771.94	\$ 1,953.30	\$ 2,144.75	\$ 2,335.48	\$ 2,371.04
8"	\$ 2,843.06	\$ 2,843.06	\$ 3,134.02	\$ 3,441.22	\$ 3,747.24	\$ 3,804.31
10"	\$ 3,172.60	\$ 4,497.90	\$ 4,958.21	\$ 5,444.23	\$ 5,928.38	\$ 6,018.68
12"	N/A	\$ 7,393.83	\$ 8,150.49	\$ 8,949.43	\$ 9,745.30	\$ 9,893.75
Monthly Commodity Charge (Per Unit = 100 cubic feet or CCF)						
<i>SFR, MFR, Commercial, Industrial, Irrigation, and Municipal</i>						
Rate Per CCF	\$ 2.22	\$ 2.12	\$ 2.22	\$ 2.44	\$ 2.66	\$ 2.70
Monthly Fireline Fixed Charge (Service Size)						
<i>All Customer Classes</i>						
2"	\$ 20.87	\$ 36.48	\$ 40.85	\$ 45.35	\$ 49.88	\$ 50.88
3"	\$ 20.87	\$ 37.88	\$ 42.42	\$ 47.09	\$ 51.80	\$ 52.83
4"	\$ 20.87	\$ 40.29	\$ 45.13	\$ 50.09	\$ 55.10	\$ 56.20
6"	\$ 20.87	\$ 48.96	\$ 54.84	\$ 60.87	\$ 66.96	\$ 68.30
8"	\$ 20.87	\$ 63.92	\$ 71.59	\$ 79.46	\$ 87.41	\$ 89.16
10"	\$ 20.87	\$ 86.42	\$ 96.79	\$ 107.43	\$ 118.17	\$ 120.54
12"	\$ 20.87	\$ 117.59	\$ 131.71	\$ 146.19	\$ 160.81	\$ 164.03
Monthly Commodity Charge (Per Unit = 100 cubic feet or CCF)						
<i>Firelines</i>						
Any consumption recorded on the meter will be charged at double the regular commodity rate (No charge shall be assessed when extinguishing fires or testing fire equipment).						
Rate Per CCF	\$ 4.44	\$ 4.24	\$ 4.44	\$ 4.88	\$ 5.32	\$ 5.40

HOW WILL THIS IMPACT YOUR SEWER RATES?

The proposed rates for the City's water service shall become effective January 1, 2017 and every July 1 thereafter, as set forth in the table below.

	<u>Current</u>	<u>FY 16/17</u>	<u>FY 17/18</u>	<u>FY 18/19</u>	<u>FY 19/20</u>	<u>FY 20/21</u>
	<u>Rate</u>					
Monthly Sewer Fixed Charge						
<i>SFR, MFR, Commercial, Industrial, and Municipal</i>						
Rate	\$ 51.00	\$ 51.00	\$ 51.00	\$ 53.81	\$ 56.77	\$ 59.89
Monthly Sewer Commodity Charge (Per Unit of Water Used above 10 Units)						
<i>MFR, Commercial, Industrial, and Municipal</i>						
Rate	\$ 8.00	\$ 8.00	\$ 8.00	\$ 8.44	\$ 8.90	\$ 9.39
Monthly Sewer Fixed Non-Connect Charge						
<i>SFR, MFR, Commercial, Industrial, and Municipal</i>						
Rate	\$ 19.00	\$ 19.00	\$ 19.00	\$ 20.05	\$ 21.15	\$ 22.31

DROUGHT SURCHARGE RATES

Pursuant to State law and recognizing that water is our most vital resource, the City has adopted a water shortage contingency plan that addresses specific "stages" of action to be undertaken in response to the eventuality of various water shortage conditions. The City's Water Conservation Program establishes five (5) water shortage stages (each a "Level") and associated conservation mandates to reduce unreasonable and wasteful water use and preserve the City's water supplies. The City Council may elect to enact the following drought surcharge rates during each respective Level as a means to stabilize rate revenue. The surcharge rates would be assessed to all metered water usage.

Drought Level	Conservation Target	Drought Surcharge Rate (per Hundred Cubic Feet)
Level 1	0%	\$ -
Level 2	20%	\$0.37
Level 3	30%	\$0.71
Level 4	40%	\$1.14
Level 5	>50%	\$1.73

PUBLIC HEARING INFORMATION AND PROTEST

A public hearing on the proposed rate adjustments will be held as part of the regular City Council meeting, which starts at 7:00 p.m. on December 7th at the City Council Chambers, located at 2820 Clark Avenue, Norco, California. At the time of the Public Hearing, the City Council will hear and consider all protests and objections concerning the proposed rates and will consider and may adopt the adjusted rates and charges.

Any property owner or any tenant directly responsible for the payment of water service fees may submit a written protest to the proposed rate increases to the City of Norco's water service fees; provided, however, only one protest will be counted per identified parcel. Any written protest must : (1) state that the identified property owner or tenant is in opposition to the proposed water rate increases; (2) provide the location of the identified parcel (by assessor's parcel number or street address); and (3) include the name and signature of the property owner or tenant submitting the protest. Written protests may be submitted by mail or in person to the City Clerk, City of Norco, 2870 Clark Avenue, Norco, CA 92860 or at the Public Hearing, December 7, 2016 at 7 pm, provided they are received prior to the close of the Public Hearing, which will occur when public testimony is concluded. Any protest submitted via e-mail or other electronic means will not be accepted. Please identify on the front of the envelope for any protest, whether mailed or submitted in person to the City Clerk's Office, Attn: Public Hearing on Water and Sewer Rate Increases.

The City Council will hear and consider all written and oral protests to the proposed rate increases for the City of Norco's service area at the Public Hearing. Oral comments at the Public Hearing will not qualify as formal protests unless accompanied by a written protest. Upon close of the Public Hearing, the City Council will consider adoption of a resolution authorizing the rate increases to the City of Norco's water and sewer service fees. If written protests against the proposed rate increases as outlined above are not presented by a majority of property owners or customers of record of the identified parcels upon which the rates are proposed to be imposed, the City of Norco will be authorized to impose the rate increases. For information regarding the proposed water and sewer rate increase, the Water and Sewer Rate Study, or questions about the Proposition 218 process, please contact the City of Norco at (951) 270-5678. For specific information regarding the proposed water rate increase and your water account, please contact Utility Billing at (951) 270-5654. Information is also available on our website at www.norco.ca.us.

EN ESPAÑOL: Si hablan y tienen preguntas sobre este documento, por favor llamen a (951) 270-5654.

We apologize for any duplicate mailers your household or business may have received. Addresses were gathered from both our customer database and the property tax rolls to ensure all rate payers are notified properly, according to the requirements established in Proposition 218

PROTEST OF THE PROPOSED MULTI-YEAR WATER AND SEWER RATE INCREASE

I _____ protest this proposed multi-year increase to water and sewer rates.
PRINT

Property Address or
Assessor's Parcel Number: _____

Signature: _____ Date: _____

If you wish to use this form as your protest, please fill out
and submit in person or mail in a stamped envelope to:

City Clerks Office, Attention: Cheryl Link - City Clerk, City Hall
Norco City Hall, 2870 Clark Ave, Norco, CA 92860

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 19, 2016

SUBJECT: **Appeal Hearing.** Conditional Use Permit 2016-24 (Foley): an appeal of the Planning Commission's denial of a request for approval to allow a detached accessory building consisting of a 1,560 square-foot storage building at 2272 Lonestar Drive located within the A-1-20 (Agricultural Low Density) Zone

SUMMARY: The request for Conditional Use Permit (CUP) 2016-24 was denied by the Planning Commission on September 14, 2016, but that decision has been appealed by the applicant to the City Council.

PROJECT DESCRIPTION/ANALYSIS: The subject property is located in the A-1-20 zone. The property consists of about .47 acres/20,364 square-feet and is developed with a residential use (ref. Exhibit "A" – Location Map, Exhibit "B" – APN Map and Exhibit "C" – Aerial and Site Photos).

Accessory buildings that exceed 864 square feet require approval of a conditional use permit by the Planning Commission. Because denial of this accessory building has been appealed, it is now being considered by the City Council.

The site plan, building elevations and floor plan for the proposed building are attached (ref. Exhibit "D" – Site Plan, Building Elevations, and Floor Plan). The building is proposed at the rear of the property, proposed to be wood framed construction with a stucco exterior, and with colors to complement the existing home.

The following is required of accessory buildings in the A-1-20 Zone:

- The minimum setbacks of 15 feet from a street side property line, 5 feet from interior and rear property lines, and 10 feet from any other structure are required for accessory buildings. **The proposed building will meet these requirements.**
- The maximum height of any accessory structure that exceeds 864 square feet is 20 feet, or as approved by the Planning Commission (in this case the City Council). **The structure is shown with a maximum height of 20 feet as measured to the peak of the roof.**
- The maximum lot coverage of all structures shall be not more than 40% of the total pad area. The pad area is defined as the "flat" part of the lot (4% grade or less). **The subject property is approximately 20,364 square feet and 18,628 square feet of the property has an average grade of 4% or less. The lot/pad coverage for the property is 39%,**

which takes into account the existing and proposed structures which includes the pool.

- **A contiguous open animal area must be shown on the site plan which must be rectangular in shape with a minimum of 24 feet on any side. The total open area must be equal to the allowed number of animal units multiplied by 576 square feet. Based on the size of the property, a total of 5 animal units would be allowed which would require an open area of at least 2,880 square feet. There is an open area of over 2,880 square-feet at the rear of the property on the south side of the proposed structure, which is rectangular in shape and a minimum of 24 feet on all sides. As designed access to the accessory building would be through the open animal area which has been an issue with the Planning Commission but is not prohibited by the Norco Municipal Code.**

Before the project was presented to the Planning Commission, the applicant was informed of the Planning Commission's concern of crossing over the open animal keeping area to access the proposed building, and staff made the suggestion that the building be moved to the opposite side of where it was being proposed. However the applicant requested to move forward with the project as proposed.

The Planning Commission considered the above information and in its purview, looked not only at the minimum standards but also at the protection of animal-keeping. The Commission determined that having to cross over the required open animal keeping area to access the proposed building did not protect the animal keeping potential of the property. The project was denied on a 5-0 vote (ref. Exhibit "F" – Planning Commission Minutes dated September 14, 2016).

If the City Council chooses to uphold the decision of the Planning Commission to deny the project, then a roll call vote is all that is needed. If the City Council chooses to approve the project a resolution of approval needs to be adopted. A resolution for approval is attached and can incorporate any changes by the City Council.

Attachments: Resolution 2016-61 for approval
 Exhibit "A" – Location Map
 Exhibit "B" – Assessor's Parcel Map
 Exhibit "C" – Aerial and Site Photos
 Exhibit "D" – Site Plan
 Exhibit "E" – Building Elevations, and Floor Plan
 Exhibit "F" – Planning Commission Minutes dated September 14, 2016

RESOLUTION NO. 2016-61

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF NORCO APPROVING A CONDITIONAL USE PERMIT TO ALLOW A DETACHED ACCESSORY BUILDING CONSISTING OF A 1,560 SQUARE-FOOT STORAGE BUILDING AT 2272 LONESTAR DRIVE LOCATED WITHIN THE A-1-20 (AGRICULTURAL LOW DENSITY) ZONE. (CONDITIONAL USE PERMIT 2016-24)

WHEREAS, SCOTT FOLEY submitted an application to the City of Norco, California has been submitted for a conditional use permit under the provisions of Chapter 18.45, Title 18 of the Norco Municipal Code by for property located at 2272 Lonestar Drive (APN 129-352-001); and

WHEREAS, notice of a public hearing on said petition has been given in the manner and for times required by law; and

WHEREAS, at the time set, at 7 p.m. on September 14, 2016 within the Council Chambers at 2820 Clark Avenue, Norco, California, 92860, 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, on September 14, 2016 the Planning Commission denied said petition; and

WHEREAS, said action by the Planning Commission was appealed to the City Council of the City of Norco; and

WHEREAS, notice of a public hearing on said appeal has been given in the manner and for times required by law; and

WHEREAS, at the time set, at 7 p.m. on October 19, 2016 within the Council Chambers at 2820 Clark Avenue, Norco, California, 92860, said appeal 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 proposed project is exempt from environmental assessment.

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

A. The requested Conditional Use Permit will not adversely affect the general welfare of persons residing or working in the neighborhood thereof.

- B. The requested use will not adversely affect the adjoining land uses.
- C. The size and shape of the site proposed for the use is adequate to allow full development of the proposed use.
- D. The traffic generated by the proposed use will not impose an undue burden.
- E. The City of Norco, acting as lead agency, has determined that the project is categorically exempt from environmental assessment per Section 3.13, Class 3 of the City of Norco Environmental Guidelines.

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

SECTION 1: the City Council of the City of Norco, California, in session assembled October 19, 2016 that the aforesaid application for a conditional use permit is granted, subject to the conditions provided in Section 18.45.14 of the Municipal Code of Norco, including, but not limited to the following conditions:

1. Approval is based on Exhibit "D" – Site Plan Building Elevations, and Floor Plan dated June 22, 2016 and incorporated herein by reference and on file with the Planning Division. Development shall occur as shown unless otherwise noted in these conditions.
2. The recorded owner of the property shall submit to the Planning Division for record purposes, written evidence of agreement with all conditions of this approval before said permit shall become effective.
3. The project shall be in compliance with all City of Norco Municipal Codes, Ordinances and Resolutions. Non-compliance with any provisions of the Norco Municipal Code (NMC) not specifically waived in compliance with City procedures shall constitute cause for revocation and/or termination of the approvals granted under authority of this permit.
4. In the event conditions for approval by the Planning Commission, or City Council (as the case may be) require the revision of plans as submitted, the applicant shall submit four copies of the approved plan (revised to incorporate conditions for approval) to the Planning Division for record purposes for approval of any grading and/or building permits.
5. No occupancy of any building and/or structure shall be permitted which is not in compliance with approved plans and excepting upon specific review and approval of any "as built" modifications by the Planning Director as appropriate. Provided further, that no expansion of use beyond the scope and nature described in this application which would tend to increase the projected scale of operations shall be permitted except upon application for, and approval of,

modification of this application in compliance with all procedures and requirements thereof.

6. The applicant shall obtain building permits and pay all applicable fees before beginning construction of the structure on the subject property.
7. The applicant shall comply with all requirements from the Planning, Engineering, and Building Divisions; and the Fire and Sheriff's Departments; and all other applicable departments and agencies.
8. The structure shall complement the existing house in color.
9. A home occupation business shall not be permitted from the subject building.
10. This approval is for an accessory building consisting of a storage building. It is hereby established that it shall be grounds for revocation of this conditional use permit if the property owner has:
 - A. Violated any rule, regulation or condition of approval adopted by the Planning Commission relating to the conditional use permit; or
 - B. Conducted the operation permitted hereunder in a manner contrary to the peace, health, safety and general welfare of the public or in a manner which either generates or contributes to noise and/or health/sanitation nuisances, or which results in undesirable activities or creating an increased demand for public services.
11. Building permits for this accessory building are issued within the confines of this Conditional Use Permit. Any violation of a condition resulting in a revocation of this Conditional Use Permit may result in an order to remove the accessory building at the owner's expense.
12. The maximum height of the building shall be 20 feet as measured from the outside finished grade to the peak of the roof.
13. The toilet room inside the subject building shall only accommodate a toilet and sink and shall not exceed 30 square feet.

SECTION 2: EFFECTIVE DATE. This resolution shall become effective upon approval by the City Council of the City of Norco.

APPROVED AND ADOPTED by the City Council of the City of Norco at a regular meeting held on October 19, 2016.

Kevin Bash, Mayor
City of Norco, California

ATTEST:

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

I, CHERYL L. LINK, CMC, 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 19, 2016 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 19, 2016.

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

APN MAP

BELGIAN

LOT

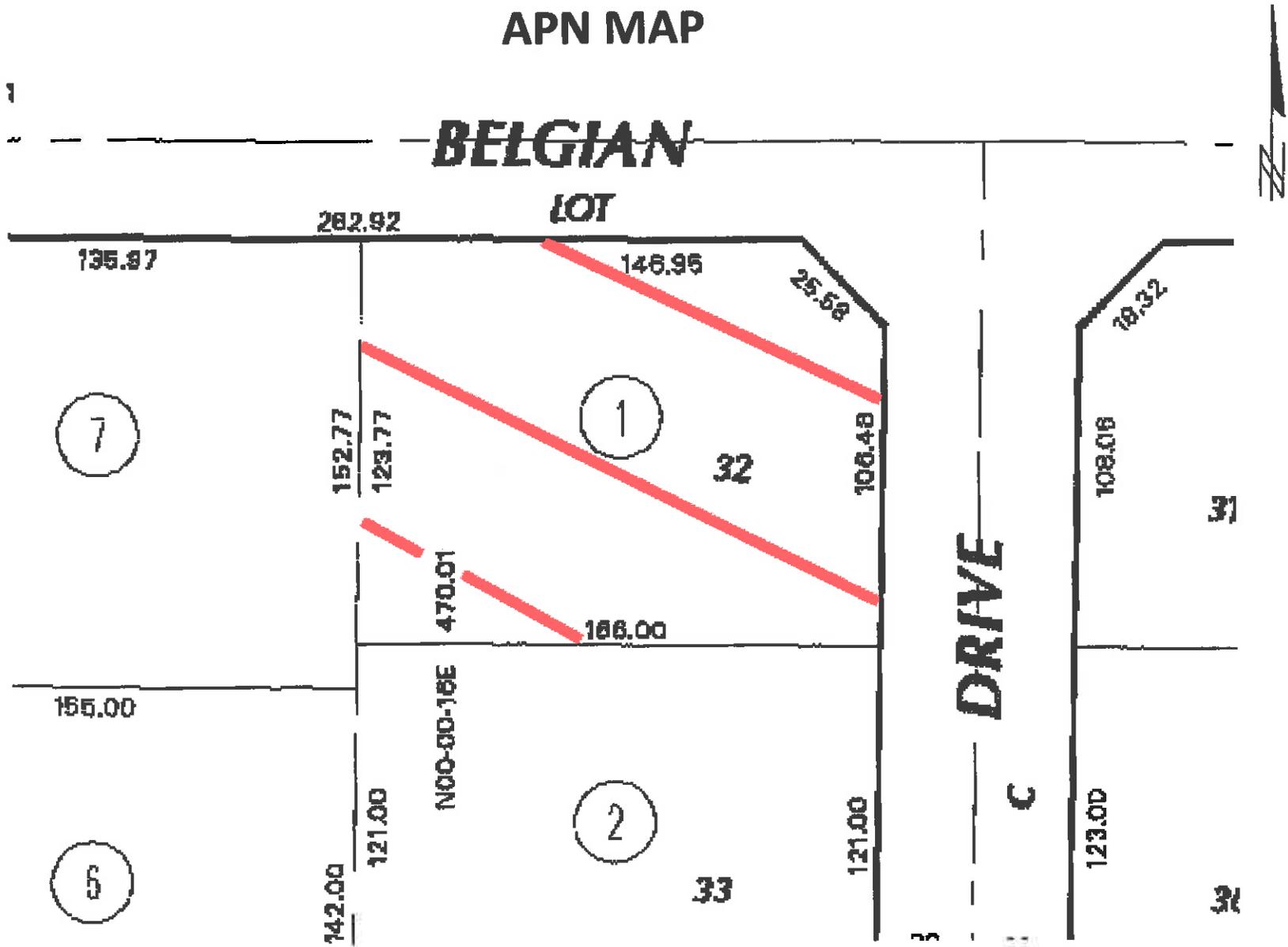


Exhibit "B"



2272

EXHIBIT "C"
CUP 2016-24
1 OF 2

PHOTOS



Access to the back of the property



Approximate location of the open animal keeping area



Approximate location of proposed structure



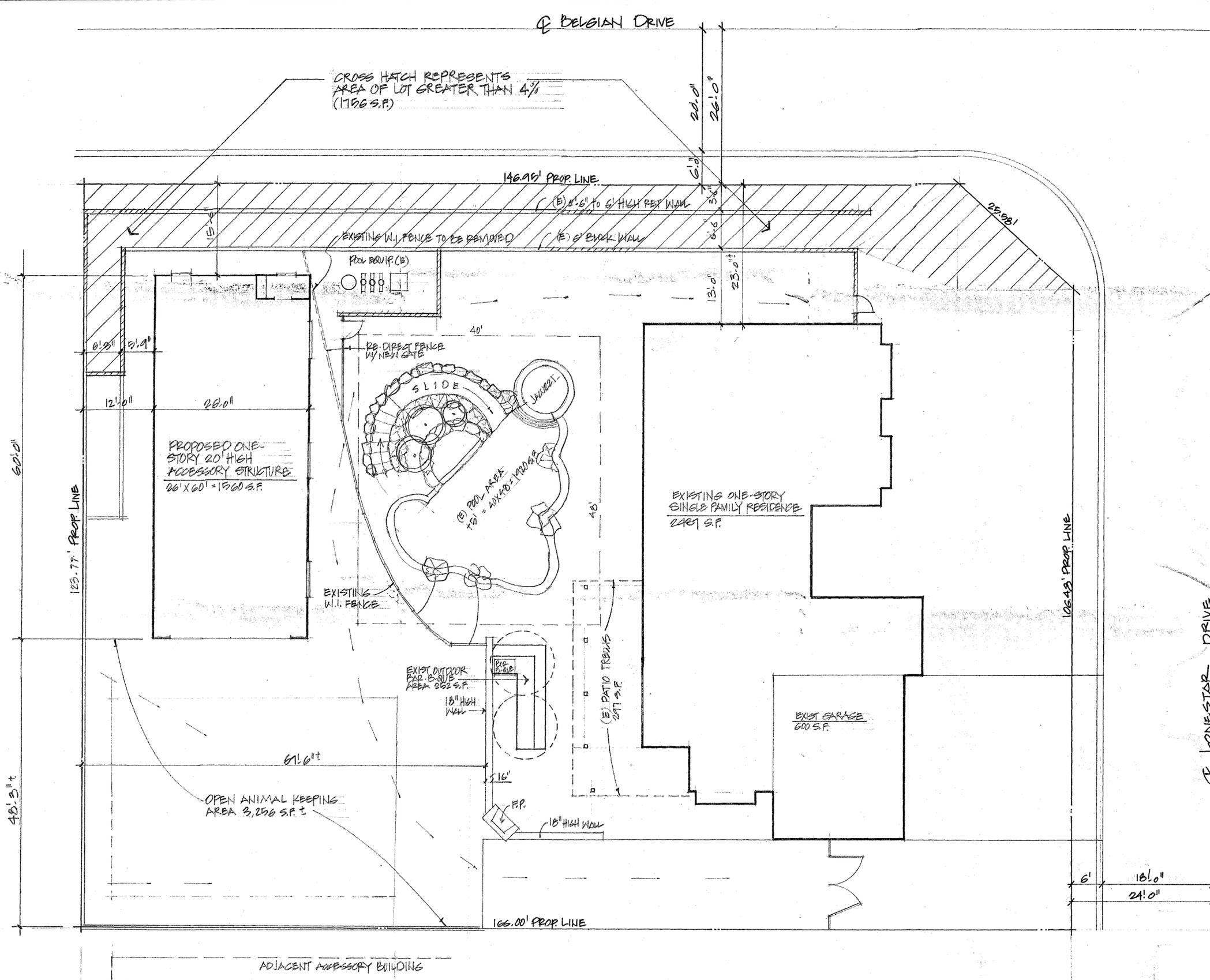
Approximate location of proposed structure



EXHIBIT "C"

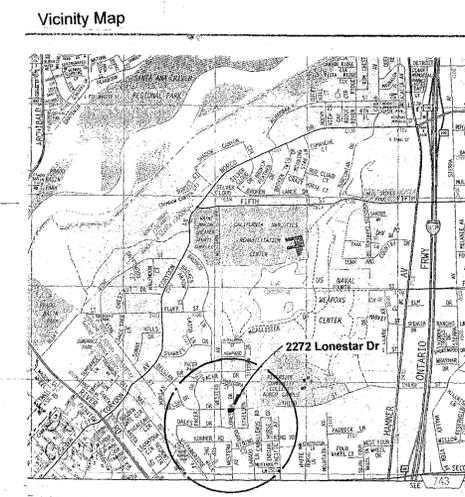
CUP 2016-24

2 OF 2



Existing Site Plan w/ Proposed Accessory Structure Addition

Owner	Mr Scott Foley
Address	2272 Lonestar Drive Norco, California 92860
Legal Description	Lot 32 of Tract no.23507-1, in the city of Norco, county of Riverside, state of California, as shown by map recorded in book 240, pages 87-89 inclusive of maps, in the office of the county recorder of said county.
APN	129-352-001-9
Lot size	20,384 s.f. - 1,756 s.f. (area greater than 4% slope)
	18,628 s.f. (net)
Zoning	A-1 20
Building sq. ftg	2,487 s.f. one-story
Porch	121 s.f.
Patio cover	297 s.f.
Palapa	262 s.f.
Garage	600 s.f.
Total existing sq. ftg	3,757 s.f. 1,920 s.f. (pool + 5' around)
Proposed addition	1,560 s.f. (new accessory building)
Total lot coverage	7,237 s.f. / 18,628 s.f. = 38.8% < 40% allowed
Min. open animal keeping area required is	2,880 s.f.
Open animal keeping area provided is	3,256 s.f. (see plan)
Occupancy group	U-occupancy
Type of construction	Type VB non-sprink.
Model Code(s)	2013 CRC/CBC/CEC/CPCI CMC



REVISIONS	BY
8/24/16	PB
9/8/16	PB

Phillip Bennett Architect

Design
6552 E. Via Arroyo, Anaheim, California 92807
Phone 714 997-4956 Cell 714 831-6720
e-mail pb@bennettarch.com

Project Accessory Structure Addition
For Mr Scott Foley 714 240-0536
At 2272 Lonestar Drive Norco, California 92860
Job 2272 Lonestar Dr. Norco, California 92860

Date 8/24/16
Scale 1/8" = 1' 0"
Drawn PB
Job 2016.05
Sheet 1
Of 1 Sheets

EXHIBIT "D"
6-22-16

4. PUBLIC HEARINGS:

- A. **Conditional Use Permit 2016-24 (Foley):** A request for approval to allow a building at 2272 Lonestar Drive located within the A-1-20 (Agricultural Low Density) Zone. **Recommended Action: Approval** (Senior Planner)

Senior Planner Robles presented the staff report on file in the Planning Department. The Architectural Review Board was concerned with the placement and then causing driving over the animal keeping area. All requirements were met; staff recommends approval.

Commission members have concerns with the driving over animal keeping area to gain access to detached accessory buildings. Director King explains that is not in the municipal code, but is a consideration.

Member Jaffarian questioned if staff explained concern that the Planning Commission would have with the driving over the animal keeping area and suggested a new location. Planner Robles states that she did and the applicant chose to move forward with the project.

Chair Leonard OPENED the public hearing, indicating that proper notification had been made and asked for the appearance of those wishing to speak.

Mike Thompson expresses his opinion in regards to lot size in regards to PAKA vs AKA. States that there are no city codes for driving over PAKA and/or AKA or preventing hardscape in the PAKA and/or AKA, says that at previous city council meeting that Council Member Newton put on record that he drives over his AKA, and reminds staff that council can override the commission denial.

Phil Bennett is the architect for owner, he explains that the location of the building was chosen due to that the property to the south of the site has a building within 5' of the property line, and felt that both buildings right next to each other would be an eye sore. Chair Leonard expresses his issues with the buildings placement and feels this will destroy the lot for anyone in the future to use for animal keeping, Mr. Bennett expresses that his clients don't have animals, but it still could be used for this later. Chair Leonard asks if the property owner understands that a business cannot be ran out of building. Scott Foley states that the pool and walls were already at site when he purchased the home and this was another reason for the choice of location.

Chair Leonard CLOSED the public hearing, bringing the discussion back to the Commission.

Member Hedges feels that the commission is working to protect the lots for animal keeping areas and the locations of these accessory building locations.

Member Azevedo explains the intent of the code; the intent is animal keeping, feels changes need to be made to the code to protect the animal keeping.

Planning Commission Minutes

Page 6

September 14, 2016

Chair Leonard states that he was at the city council meeting as well, and feels that animal owners will be turned away by lots like this and that these buildings are destroying the lots.

M/S JAFFARIAN/RIGLER to deny Resolution 2016-56, to approve Conditional Use Permit 2016-24, to allow a detached 1,560 square-foot storage building at 2272 Lonestar Drive; the motion was carried by the following roll call vote:

AYES: LEONARD, RIGLER, AZEVEDO, HEDGES, JAFFARIAN

NOES: NONE

ABSENT: NONE

ABSTAIN: NONE