AGENDA
CITY OF NORCO
CITY COUNCIL/COMMUNITY REDEVELOPMENT AGENCY
REGULAR MEETING
CITY COUNCIL CHAMBERS – 2820 CLARK AVENUE
NOVEMBER 3, 2010

CALL TO ORDER:	6:00 p.m.
ROLL CALL:	Mayor Malcolm G. Miller, M.D. Mayor Pro Tem Berwin Hanna Council Member Kathy Azevedo Council Member Kevin Bash Council Member Harvey C. Sullivan

THE CITY COUNCIL/CRA WILL RECESS TO CLOSED SESSION (SECTION 54954) TO CONSIDER MATTERS:

Section 54956.9(b) – Conference with Legal Counsel - Anticipated Litigation

Number of Potential Cases:	4
RECONVENE PUBLIC SESSION:	7:00 p.m.
PLEDGE OF ALLEGIANCE:	Mayor Pro Tem Hanna
INVOCATION:	Pastor John Vines *New Beginnings Community Church*
INTRODUCTION:	Sgt. Michael Manning
PRESENTATION:	Wyle Update *Rafat A. Abbasi, DTSC*

REGULAR COMMUNITY REDEVELOPMENT AGENCY (CRA) AGENDA AS FOLLOWS:

1. CRA CONSENT CALENDAR 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 Agency, any public comments on any of the Consent Items will be heard. There will be no separate action unless Members of the Agency Board request specific items be removed from the Consent Calendar)*

   A. CRA Minutes:
   Regular Meeting of October 20, 2010
   Recommended Action: Approve the CRA Minutes (City Clerk)

2. OTHER CRA MATTERS:

ADJOURNMENT OF CRA:

REGULAR CITY COUNCIL AGENDA AS FOLLOWS:

3. CITY COUNCIL CONSENT CALENDAR 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. 4 of the Agenda)*

   A. City Council Minutes:
   Regular Meeting of October 20, 2010
   Special Meeting of October 25, 2010
   Recommended Action: **Approve the City Council Minutes** (City Clerk)

   B. Recap of Actions Taken at the Planning Commission Regular Meeting of October 27, 2010. **Recommended Action: Receive and File** (Planning Director)

   C. Award of a Professional Service Contract to HLP, Inc Chameleon/CMS for Animal Shelter Licensing Software. **Recommended Action: Approve the Professional Service Contract to HLP, Inc. in the amount of $27,500.** (Parks, Recreation & Community Services Director)

   D. Rehabilitation of Well No. 13. **Recommended Action: Authorize staff to proceed with the rehabilitation of Well No. 13, waiving the competitive bidding requirement for emergency repairs due to health and safety concerns, and award the contract to Layne Christensen Company in an amount not-to-exceed $66,000 to complete the project.** (Director of Public Works)

   E. Rehabilitation of Well No. 14. **Recommended Action: Authorize staff to proceed with the rehabilitation of Well No. 14, waiving the competitive bidding requirement for emergency repairs due to health and safety concerns, and award the contract to Layne Christensen Company in an amount not-to-exceed $50,000 to complete the project.** (Director of Public Works)

   F. Resolution Approving the Memorandum of Understanding for the Norco General Employees for Fiscal Years 2010-2011 and 2011-2012. **Recommended Action: Adopt Resolution No. 2010-___.** (Deputy City Manager/Director of Finance)

G. Resolution Approving the Memorandum of Understanding for the Public Works and Parks Maintenance Workers Association for Fiscal Year 2010-2011; and approval of the revised Lead Worker Job Specification. **Recommended Action: Adopt Resolution No. 2010-___.** (Deputy City Manager/Director of Finance)

H. Resolution Fixing the Employer's Contribution Under the Public Employees' Medical and Hospital Care Act. **Recommended Action: Adopt Resolution No. 2010-___.** (Deputy City Manager/Director of Finance)

I. Resolution in Support of "Business Friendly Principles" as part of SCAG's Development of a Southern California Economic Growth Strategy. **Recommended Action: Adopt Resolution No. 2010-___.** (City Manager)

4. ITEMS PULLED FROM CITY COUNCIL CONSENT CALENDAR:

5. PUBLIC COMMENTS OR QUESTIONS - THIS IS THE TIME WHEN PERSONS IN THE AUDIENCE WISHING TO ADDRESS THE CITY COUNCIL REGARDING MATTERS NOT ON THE AGENDA MAY SPEAK. PLEASE BE SURE TO COMPLETE THE CARD IN THE BACK OF THE ROOM AND PRESENT IT TO THE CITY CLERK SO THAT YOU MAY BE RECOGNIZED.

6. OTHER MATTERS – COUNCIL:

7. OTHER MATTERS – STAFF:

8. ADJOURNMENT:

In compliance with the Americans with Disabilities Act, if you need special assistance to participate in this meeting, please contact the City Clerk's office, (951) 270-5623. Notification 48 hours prior to the meeting will enable the City to make reasonable arrangements to ensure accessibility to this meeting (28 CFR 35.102-35.104 ADA Title II).

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Staff reports are on file in the Office of the City Clerk. 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.

/bj-76537

MINUTES
CITY OF NORCO
CITY COUNCIL/COMMUNITY REDEVELOPMENT AGENCY
REGULAR MEETING
CITY COUNCIL CHAMBERS – 2820 CLARK AVENUE
OCTOBER 20, 2010

CALL TO ORDER:	Mayor Pro Tem Hanna called the meeting to order at 6:01 p.m.
ROLL CALL:	Mayor Malcolm G. Miller, M.D., **Absent** Mayor Pro Tem Berwin Hanna, **Present** Council Member Kathy Azevedo, **Present** Council Member Kevin Bash, **Present** Council Member Harvey C. Sullivan, **Present** **Staff Present**: Carlson, Cooper, Groves, Jacobs, King, Okoro, Petree and Thompson City Attorney Harper – **Present**

THE CITY COUNCIL/CRA RECESSED TO CLOSED SESSION (SECTION 54954) TO CONSIDER MATTERS:

Section 54957.6 – Conference with Labor Negotiator

Negotiating Parties:	City Manager Groves and Deputy City Manager/Director of Finance Okoro
Employee Organization:	Norco General Employees Association Norco Public Works & Parks Maintenance Workers Association
RECONVENE PUBLIC SESSION:	With nothing to report from Closed Session, Mayor Pro Tem Hanna reconvened the meeting at 7:00 p.m.
PLEDGE OF ALLEGIANCE:	Norco Boy Scout Troup 999
INVOCATION:	Council Member Sullivan
PROCLAMATIONS:	Red Ribbon Week *Corona-Norco Unified School District*

Mayor Pro Tem Hanna introduced Jessica Hodgeson, representing the Corona-Norco Unified School District, who presented information regarding Red Ribbon Week and the events that will take place. Red Ribbon Week information was passed out to the Council Members and staff.

OMNI Youth Music and Actors Award for "Outstanding Pop Performer, 12-18"
Brooke Rose-Merola

Mayor Pro Tem Hanna presented a certificate to Brooke Rose-Merola in recognition of her accomplishments. A short movie clip was shown highlighting her award.

REGULAR COMMUNITY REDEVELOPMENT AGENCY (CRA) AGENDA AS FOLLOWS:

1. CRA CONSENT CALENDAR ITEMS:

M/S Bash/Sullivan to approve the items as recommended on the CRA Consent Calendar. The motion was carried by the following roll call vote:

AYES: AZEVEDO, BASH, HANNA, SULLIVAN
NOES: NONE
ABSENT: MILLER
ABSTAIN: NONE

A. CRA Minutes:
Regular Meeting of October 6, 2010
Recommended Action: Approve the CRA Minutes. (City Clerk)

B. Approval to Appropriate $11,500 from the Unallocated Low-Mod Fund Balance to Account 015-5500-41225 (Homeless Prevention) for the Norco Senior Meals Program. **Recommendation: Adopt CRA Resolution No. 2010-18.** (Housing Manager)

C. Authorization to Execute a Contract Change Order with the Firm of GMID Architecture, Interior and Planning ("GMID") to Modify the Working Drawings for Engineering and Design of the Animal Control Shelter. **Recommended Action: Authorize the Executive Director to execute a Contract Change Order in the amount of $101,250 with GMID to modify the working drawings and engineering site work for the construction and renovation of the Norco Animal Control Shelter and authorize the Executive Director to approve contract change orders up to 10 percent of the original contract amount.** (Director of Parks, Recreation & Community Services)

JOINT CRA/CITY COUNCIL AGENDA AS FOLLOWS:

2. JOINT CRA/CITY COUNCIL CONSENT CALENDAR ITEM:

M/S Sullivan/Bash to approve the item as recommended on the Joint CRA/City Council Consent Calendar. The motion was carried by the following roll call vote:

AYES: AZEVEDO, BASH, HANNA, SULLIVAN
NOES: NONE
ABSENT: MILLER
ABSTAIN: NONE

A. Authorization for the City to Quit Claim City Property at 1468 Second Street to the Norco Redevelopment Agency. **Recommended Action: Adopt Resolution No. 2010-56, authorizing the City to Quit Claim its interest in real property located at 1468 Second Street purchased for the Second Street Widening Project to the Norco Redevelopment Agency.** (City Engineer)

3. OTHER CRA MATTERS: **No other CRA matters.**

ADJOURNMENT OF CRA: 7:10 p.m.

REGULAR CITY COUNCIL AGENDA AS FOLLOWS:

4. CITY COUNCIL CONSENT CALENDAR ITEMS:

M/S Sullivan/Bash to approve the items as recommended on the City Council Consent Calendar. The motion was carried by the following roll call vote:

AYES: AZEVEDO, BASH, HANNA, SULLIVAN
NOES: NONE
ABSENT: MILLER
ABSTAIN: NONE

A. City Council Minutes:
Regular Meeting of October 6, 2010
Special Meeting of October 11, 2010
Recommended Action: **Approve the City Council Minutes** (City Clerk)

B. Recap of Actions Taken at the Planning Commission Regular Meeting of October 13, 2010. **Recommended Action: Receive and File** (Planning Director)

C. Quarterly Investment Report for Quarter Ended September 30, 2010. **Recommended Action: Receive and File** (Deputy City Manager/Director of Finance)

D. Resolution Approving Employer Paid Member Contributions. **Recommended Action: Adopt Resolution No. 2010-57, approving Employer Paid Member Contributions.** (Deputy City Manager/Director of Finance)

E. Acceptance of the Parmenter Park ADA Restroom Project as Complete. **Recommendation: Accept the Parmenter Park ADA Restroom Project as complete and direct the City Clerk to file the Notice of Completion with the County Recorder's Office.** (Housing Manager)

F. Acceptance of Irrevocable Offer of Dedication for Public Use an Easement for Equestrian Trail Purposes across Parcels 1 and 5 of Parcel Map No. 24006. **Recommended Action: Adopt Resolution No. 2010-58, accepting the offer of dedication. (**Director of Public Works)

G. Acceptance of Bids and Award of Contract for the Auger/Grinder Wastewater System. **Recommendation: Award the contract for the Auger/Grinder Sewage System Project to Atom Inc. in the amount of $281,095 and authorize the City Manager to approve contract change orders up to 10- percent of the contract amount.** (Director of Public Works)

H. Approval to Declare as Surplus the Reclaimed Water Meters from the Automated Meter Reading Project. **Recommended Action: Declare the reclaimed water meters as surplus and authorize the Deputy City Manager/Director of Finance to dispose of surplus assets through a competitive process.** (Deputy City Manager/Director of Finance)

I. Amendment to the Facility Use Policy for the Parks, Recreation and Community Services Department approving the list of Special Consideration Groups. **Recommended Action: Adopt Resolution No. 2010-59.** (Director of Parks, Recreation & Community Services)

J. City of Norco Participation in the County of Riverside Mortgage Credit Certificate (MCC) Program. **Recommendation: Adopt Resolution 2010-60, approving the City's participation in the County of Riverside Mortgage Credit Certificate Program.** (Housing Manager)

5. ITEMS PULLED FROM CITY COUNCIL CONSENT CALENDAR: **No items pulled from the City Council Consent Calendar.**

6. CITY COUNCIL PUBLIC HEARINGS:

A. Amendment to the Comprehensive Fee Schedule to Update and Adjust Fees for Parks, Recreation and Community Services

On June 2, 2010, the City Council adopted Resolution No. 2010-26 updating the fees for general City services. The proposed resolution recommends the following amendments to the City's Comprehensive Fee Schedule: 1.) The addition of certain new fees to the Comprehensive Fee Schedule relating to Parks, Recreation and Community Services Department: and 2.) Changes to certain facility use charges based on the elimination of Groups 1, 2, and 3 fee categories creating one fee for all users, with the exception of Special Consideration Groups.

Recommended Action: Adopt Resolution No. 2010-___, amending Resolution No. 2010-26 to update and adjust fees for Parks, Recreation and Community Services. (Director of Parks, Recreation & Community Services)

City Manager Groves stated that an ad-hoc committee reviewed the current facility fees to find the most effective way to bridge the gap that is subsidized by the General Fund, while accommodating residents, businesses and those special consideration organizations/events that have had historical and widespread community involvement with reduced or waived fees. The current Group II arena rates are proposed to increase by 30% on January 1, 2011 and an additional 30% on July 1, 2011, at which time the fee structure will once again be reevaluated to determine if the increases should continue until all direct costs are recovered.

Director Petree thanked the sub-committee and all the various groups that worked together through this process.

Mayor Pro Tem Hanna OPENED the public hearing, indicating that proper notification had been made and asked for the appearance of those wishing to speak. With no one wishing to speak, Mayor Pro Tem Hanna CLOSED the public hearing.

Under discussion following the motion, Council Member Azevedo thanked the groups that worked on this and also thanked the "amazing" Parks and Recreation staff. Council Member Bash stated that he is proud of the Parks and Recreation Commission and ad-hoc committee that worked on this.

M/S Sullivan/Azevedo to adopt Resolution No. 2010-61, amending Resolution No. 2010-26 to update and adjust fees for Parks, Recreation and Community Services. The motion was carried by the following roll call vote:

AYES: AZEVEDO, BASH, HANNA, SULLIVAN
NOES: NONE
ABSENT: MILLER
ABSTAIN: NONE

B. Appeal of Planning Commission Denial of Conditional Use Permit 2010-02 to Locate a Service Station/Convenience Store at 2807 Hamner Avenue

This item is an appeal of the Planning Commission denial of Conditional Use Permit 2010-02, a request for approval to allow development of a service station with a convenience store at 2807 Hamner Avenue located within the C-G (Commercial General) Zone. The project was denied by the Planning Commission on a 5-0 vote because the project did not meet the minimum development standards required for the approval of the conditional use permit. The appeal to the City Council was filed by the property owner/applicant.

Recommended Action: Adopt Resolution No. 2010-___, upholding the Planning Commission action to deny Conditional Use Permit 2010-02. (Planning Director)

Director King stated that what is being requested is approval of the development of a new gas station, with a convenience store and pump stations, at 2807 Hamner Avenue. Currently, there is an existing gas station at that site. He noted that the current gas station needs to be removed from the site. The application is for a new gas station on that site.

Director King stated that one of the issues that came up is the Hamner Avenue widening project. Since the City (through TUMF) initiated this street-widening program, the City was required to obtain the right-of-way from adjacent properties where it didn't exist. That was the case with this project site as well. The right-of-way had not been dedicated so it was necessary for the City to obtain access to the needed property. Because the site is already small and congested, it was determined that obtaining any right-of-way for street improvement purposes would put the business in a position of not being able to stay open and function properly. The owner was therefore compensated entirely in the amount of nearly $1.5 million for the loss of the business as well as the loss of the property that was taken through the acquisition of right-of-way for the street improvements. The agreement was that once street improvements began, the owner would close the business permanently, hence the compensation for the loss of the business. This compensation agreement was entered into in January 2008. The owner stayed in business per the agreement even though the compensation for the loss of the business had already been paid.

The property owner is now requesting approval to allow the development of a new service station on the remainder parcel (the project site for this conditional use permit application) after demolition of the existing structures. Service Stations are conditionally permitted land uses in the C-G zone. With conditionally-permitted uses, the Planning Commission must hold a public hearing to consider whether the proposed land use will adversely affect the adjoining land uses and the growth and development of the area. The project must also be reviewed to ensure that development standards in the C-G zone are complied with as well as other requirements of the Norco Municipal Code including Chapter 18.33 "General Provisions for Service Stations".

Staff met with the applicant a number of times at pre-planning meetings and one of the persistent problems was the access and circulation on the site, per the requirements in the Norco Municipal Code. Because the parking requirement was not been met and on-site circulation is inadequate by not continually maintaining the required 25-foot wide drive-aisle clearance, the Planning Commission concurred with staff's determination that the site is not large enough to accommodate the proposed land use. As such, the Planning Commission could not make findings for the approval of the conditional use permit and for the approval of the accessory convenience store. Therefore, the project was denied.

Council Member Azevedo asked Director King if, as a part of this agreement, the applicant would give us back the $1.5 million dollars, or does he want to keep the money, keep the current business running and build a new business? Director King stated that he does not intend to give the Agency the money back, does intend to keep the existing business running and does intend to build a new business.

Mayor Pro Tem Hanna OPENED the public hearing, indicating that proper notification had been made and asked for the appearance of those wishing to speak.

Larry Morris. Mr. Morris stated that he represents Conoco-Phillips 76 gas stations and is the area representative for them. He encouraged the building of the new station and noted that the applicant received an award for being in the top 10 of 50 stations in his group. He further noted that he was under the impression that the new driveway built would make the development OK to do and encourages this to be approved.

Reda Wasee. Mr. Wasee stated that he owns the Mobile gas station across the street and based on the Purchase and Sale Agreement, the station should be shut down and added that the applicant is fully aware of his responsibilities. He noted that, according to the City's Code, you cannot open a gas station less than 2,000 feet from an existing gas station and his station is less than that from Mr. Sedrak's station. Mr. Wasee stated that the applicant should not keep the public money and keep the business, and added that he hopes that the City denies the project.

Charles Schurter. Mr. Schurter is the attorney representing Mr. Sedrak and stated that this gas station has been in existence before the City was incorporated and is a long standing gas station that is popular with the residents. He noted that its benefit creates a public convenience and is not detrimental to public welfare, and further noted that it adds competition, which is good for the community. He pointed out that the minimum location and distance requirements in the City's Municipal Code, in this instance, and in most instances, would be applied in an arbitrary manner. What is going to happen is that the Mobile station down the street would remain open and Mr. Sedrak's station would be closed down and this is arbitrary, why him?. He commented on the contract issues and noted that Mr. Sedrak would experience quite a hardship from the loss of his business. Mr. Schurter stated that blight would be created if the business was closed down and added that Mr. Sedrak is creating tax revenue and jobs for the City.

Fayez Sedrak. Mr. Sedrak, the applicant, stated that the payment to him from the City was based on an appraisal done by the City, and not by him. He stated that there was not much he could do with the remaining contaminated land. Mr. Sedrak stated that what he is proposing is to completely tear down the existing business and put a new business in. He added that he is investing money received into Norco and he will create revenue for the City.

Council Member Sullivan asked Mr. Sedrak when he signed the agreement to shut the business down and took the $1.5 million dollars; did he have his attorney look at it? Mr. Sedrak responded that he did not have an attorney at the time and indemnified the City and agreed on everything. Council Member Sullivan commented on the fact that Mr. Sedrak owned two or three other stations and asked if he would have an attorney look at other agreements that would shut his businesses down. Mr. Sedrak responded that he did not have an attorney at the time and was very happy. He added that he spent the money on his business. Council Member Sullivan commented on discussions Mr. Sedrak had with City Staff regarding the islands and canopies at his gas station and asked Mr. Sedrak if he had permits from the City to make those changes. Mr. Sedrak stated he was told he did not need City permits and received permission from the County. Council Member Sullivan stated that Mr. Sedrak should have done the things he agreed to do.

Niall Saunders. Mr. Saunders, Mr. Sedrak's architect, stated that the project has support among the community. He commented on the Purchase and Sale Agreement and noted that the agreement was to compensate Mr. Sedrak for the closing of the business and redevelopment, not to purchase the site. Mr. Saunders stated that the plans under the CUP are to tear the existing business down and reopen a brand new gas station.

John Box. Mr. Box commented that he is a patron of the Mobile and 76 stations and has had great service from both. He stated that this is a great situation to be in as they want to do business in the City and added that it wouldn't hurt to formulate a solution for all parties. Mr. Box stated that making a deal is all about giving something up and added "don't just push him off the cliff." He noted that the there should be a plan to satisfy all parties and further commented on the economic impact from this.

Pat Overstreet. Ms. Overstreet stated that some times she wonders if we are getting "punked" and added that she does not get this one at all. She noted that she also supports businesses in Norco and further noted that we have a competent Planning Commission and the Council should vote for denial.

Mayor Pro Tem Hanna CLOSED the public hearing.

Council Member Bash commented on the contract with the business owner and noted that he needs to keep his word. He further commented that he understands competition, but there is another business involved. Council Member Bash stated that the owner is still responsible for cleaning it up and is on the hook for the contamination. He added that the $1.5 million was a good deal. He noted the sub-standard lot and further noted that the City is trying to help him, but he is on a sub-standard lot and gave his word that he would give up the property.

Council Member Azevedo commented on sections of the Purchase and Sale Agreement relating to the demolishment of the existing structures on the remainder parcel and within the easement, the $1.5 million he received and the fact that the business remained open rent free. She stated that with that, over $2 million was given to him in exchange for property. Council Member Azevedo stated that if Mr. Sedrak gave the money back, then we could re-look at a project in compliance with City's Code. She further stated that we cannot turn our backs on a signed agreement as this would make for an unfair playing field in our community.

Council Member Sullivan commented on the competition in the gas stations and noted the comments made that the owner paid only for his loss of business. He further stated that he was also compensated for the City's purchase of the easement.

Mayor Pro Tem Hanna stated that Mr. Sedrak was treated fairly as he was paid to cease business in 2008 and has been operating ever since. He added that when he was asked by the City to close down, he continued to operate. Mayor Pro Tem Hanna stated that he sees no reason why he should go against the Planning Commission recommendation.

City Attorney Harper reminded the Council Members that there has been a lot of discussion regarding the agreement and that was not why we are here tonight. He added that the agreement (he supposed) is background about how we got to where we are tonight. What the Council is here for is to consider the appeal of the denial of the Conditional Use Permit based upon the grounds upon which you can either deny or approve a CUP. The agreement in itself, whether or not he has been paid or not paid, is not relevant to the extent that the Council is considering the appeal based upon the requirements that the City places in its Zoning Code on the issuing of a CUP for a gas station/convenience store. City Attorney Harper stated that should be the basis of any decision made tonight, not whether or not he was adequately compensated for closing the business.

Under discussion following the motion, Council Member Azevedo stated that she absolutely would love to have a gas station and a Circle K in town where it meets the right conditions of the City.

M/S Bash/Azevedo to adopt Resolution No. 2010-62, upholding the Planning Commission action to deny Conditional Use Permit 2010-02. The motion was carried by the following roll call vote:

AYES: AZEVEDO, BASH, HANNA, SULLIVAN
NOES: NONE
ABSENT: MILLER
ABSTAIN: NONE

7. PUBLIC COMMENTS OR QUESTIONS:

Ron Warren. Mr. Warren invited everyone to a tribute for Veterans Day on the 13th of November to be held at the Norco Seventh-Day Adventist Church.

Glenn Hedges. Mr. Hedges announced the Norco Trails Cleanup Day to be held on November 13th at Pikes Peak Park. He added that Waste Management will be hosting a barbeque following the event.

8. OTHER MATTERS – COUNCIL:

Council Member Sullivan:

- Commented on a check received from the Mustang Heritage Foundation in the amount of $500 that will be donated to the City for the Employee Recognition Dinner.

Council Member Azevedo:

- Commented on her first attendance at a RCTC Commission meeting and reported that it was very informational. She added that there is a lot of good work being done in the region to help mitigate traffic.

Council Member Bash:

- Noted the November 30th event where there will be a run around Lake Norconian put on by the Kiwanis and the Lake Norconian Club Foundation.
- Commented on his attendance at an event put on by the Urban Land Institute called "Planning for Edge Development in the Next Cycle: A Case Study in Emerging Communities" where discussion was held regarding how to survive as cities.

Mayor Pro Tem Hanna:

- Asked Public Works Director Thompson if there was any more discussion on traffic calming. Public Works Director Thompson responded that no discussions have taken place but he will look into this by the next meeting.
- Commented on a young man injured on a horse on Hillside above the Norco High School football stadium and asked if anything was being done to complete the horse trail and also asked about the placement of the memorial bench. Public Works Director Thompson responded that Hillside will need to be moved 18 feet to the east so that there will be more room for the trail and added that the trail design has been stopped at this point until that road design is complete. He added that he has been in contact with Norco High School about the bench placement and will get information to the City Manager on this.
- Noted the conditions of the trail on Town and Country, where they are covered with bushes, and asked if there was any way they can be made safer.
- Commented on calls he has received regarding dogs that are running up to fences and spooking horses. He asked if there could be a letter places in water bills making residents aware of this.

9. OTHER MATTERS – STAFF:

City Manager Groves stated that a City Council Study Session will be held on Monday, October 25th at 1:00 p.m. She also reminded everyone about the Holiday Banner Program on Sixth Street and noted that staff will be accepting applications through the next week.

10. ADJOURNMENT: There being no further business to come before the City Council, Mayor Pro Tem Hanna adjourned the meeting at 8:19 p.m.

BRENDA K. JACOBS
CITY CLERK

/bj-76873

MINUTES
CITY OF NORCO

SPECIAL MEETING – STUDY SESSION
CITY COUNCIL
CONFERENCE ROOMS "A" & "B"
NORCO CITY HALL – 2870 CLARK AVENUE
OCTOBER 25, 2010

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1. CALL TO ORDER: 1:04 p.m.

2. ROLL CALL:
Mayor Malcolm Miller, **Absent**
Mayor Pro Tem Berwin Hanna, **Present**
Council Member Kathy Azevedo, **Present**
Council Member Kevin Bash, **Present**
Council Member Harvey C. Sullivan, **Present**

3. PLEDGE OF ALLEGIANCE: Council Member Sullivan

4. PUBLIC COMMENTS OR QUESTIONS: No public comments received.

5. STUDY SESSION ITEMS:

A. Overview from the City Manager

City Manager Groves presented an overview of the financial condition of the Water and Sewer Funds and noted that the Public Works Director is responsible for the operation, maintenance, production and distribution of water to customers within the water system boundary. The City produces 40 percent of its water from 5 deep wells and purchases the remainder of its water from the Arlington DeSalter, the Chino DeSalter Authority and from Western Municipal Water District. Water is distributed through 101 miles of water mains, serving more than 7,600 customers. The City operates and maintains 120 miles of sewer collection pipelines and 10 sewer lift pump stations, with over 7,000 sewer connections within the City. The water and sewer service is an enterprise fund, which is a separate from the General Fund, and is operated by user fees, not general tax dollars

B. Budget Update -- Water and Sewer Funds **(The PowerPoint presentation and spreadsheets as presented are attached hereto and incorporated herein.)**

Deputy City Manager/Director of Finance Okoro, in collaboration with Public Works Director Thompson, presented the update on the Water and Sewer Funds.

Water Fund:
The key Water Fund cost components include purchased water & utilities, debt service, salaries & benefits, maintenance & supplies, reimbursements to the General Fund and other (equipment replacement/maintenance ISF). The Water Fund expense trends for the last five years were presented with the highest costs increasingly trending in purchased water and utilities. It was noted that in FY 2009-2010, the actual water consumption went down, but the total expenditures went up. Salaries and benefits remained steady throughout the past 5 years and staffing has remained essentially the same. Debt service costs remained steady up to the last fiscal year.

The Arlington DeSalter rates have gone up over the past few years as we are the only end-user of that water. The use of the City wells has steadily decreased due to requirements requiring the lowering of the arsenic levels and so required the City to appropriate additional funds for the treatment for the water. The prices for each source of water were presented and it was noted that one residential house in Norco uses approximately 1 acre foot of water. It was also noted that it will be two years in January of 2011 since rates were increased.

The City water source cost comparison cost per acre foot chart was presented that included the residential water rate. The Water Fund expenses versus revenues was presented showing FY 2009-2010 revenues of $6.6 million and actual expenditures of $7.7 million, noting the spike in purchased water and increase in debt service. The working Capital/Fund Balance trend was presented showing a FY 2009-2010 deficit of $551,847. The monthly fixed water rate trend for the 5/8-3/4 "meters was presented. The 2010 monthly residential water rate comparison 1" meter rates were presented based on 22 units used. Water consumption quantity rates per 748 gallons were presented at City of Norco's per unit flat rate of $1.33. It was noted that the other agencies and cities shown have instituted tiered water rate programs and the City of Norco is at the very low end of the rates in comparison.

Deputy City Manager/Director of Finance Okoro stated that the reserves are set aside for capital improvements. Director Thompson stated that customers could expect a 7 – 10 percent overall increase with the new smart meters installed, in response to questions from the Council Members. Deputy City Manager/Director of Finance Okoro noted that there is not enough information from data received to this date to determine increases in revenue resulting from the installation of the new smart meters.

Sewer Fund:
The Sewer Fund five-year expense trends were presented noting that the bulk of expenditures are the costs for the operation of the treatment facility, which is a pass-through cost from Western Municipal Water District dependent on the level of maintenance. The other major expenditure is the cost of debt service, the majority leveraged on a fixed rate schedule. Deputy City Manager/Director of Finance Okoro stated that in late 2008/early 2009, interest rates jumped to 20% and therefore, the debt was refinanced to a fixed rate. Additional debt has been accumulated to finance capital improvements, noting the River Road Bridge project. The Sewer Fund expenses versus revenues were presented, resulting in a situation where expenditures are now exceeding revenues due to the fixed cost in the debt service component, which will be a debt service expense for the next 20 plus years. The Sewer Fund Working Capital Fund balance was presented noting that the trend is going the wrong way due to the increase in debt service. The residential sewer rates (connected) were also presented.

Conclusions:
The current rate structure is not sufficient to cover costs in the Water Fund, as there are increased expenses due to the increase in the cost of purchased water and debt service. Capital projects adding to that debt service include the automated meter reading project, a loan for water & sewer facilities at Silverlakes, the CRC 4 million gallon reservoir, additional sewer capacity, and the CRC Navy facilities improvements. City Manager Groves stated that these Capital project titles will change in the new budget.

Increase in purchased water costs that the City is obligated to receive are a result of the existing infrastructure not being adequate to maximize domestic water production, and delayed implementation of the recycled water program. In response to the City Council questions, the River Road Bridge project delayed the recycled water implementation and that project will probably take an additional 16 months before implementation can begin.

A tiered rate schedule for water billing will need to be discussed in the future and additional information will need to be collected from the new smart meter project. An interim rate adjustment is needed and Sewer Fund rate adjustments are required due to the increase in debt service.

Deputy City Manager/Director of Finance Okoro stated that the stop-gap rate adjustments could be determined in-house. City Manager Groves stated that a rate study will need to be completed in order to determine tiered rate adjustments. It was further noted that water conservation plans are mandatory and a plan needs to be developed by every city. The tiered rates mandate the residents to cooperate in this. Director Thompson stated that the City's Development Impact Fees would need to be included in the fee study to determine rate adjustments.

In response to Council Member Sullivan regarding the need for a tiered rate structure, Director Thompson indicated that a tiered rate schedule would help with the water conservation program as mandated by the state. Director Thompson further noted that he believes that the tiered rate schedule would establish the lower end baseline units and would assist fixed income residents.

In response to Council Member Azevedo, Director Thompson stated that it is estimated that there will be a slight increase in water bills as a result of the installation of the new smart meters and that additional revenue goes directly into the Water Fund. Council Member Azevedo questioned if the increase in revenue from the installation of the smart meters would help bridge the gap with the expenditures. Deputy City Manager/Director of Finance Okoro stated that we would need a 50% increase in new revenues on the consumption side from the smart meters with the current fixed rate structure that is in place to meet the deficit.

Mayor Pro Tem Hanna stated that he went on the tour of the Delta, sponsored by the Western Municipal Water District, and discussions were held regarding the cities involved noting that Norco has the best program there is. He further commented on the State's mandatory conservation program.

6. ADJOURNMENT: There being no further business to come before the City Council, Mayor Pro Tem Hanna adjourned the meeting at 2:30 p.m.

_____

BRENDA K. JACOBS
CITY CLERK

/bj-76617
Attachment: PowerPoint Presentation

Study Session

October 25, 2010

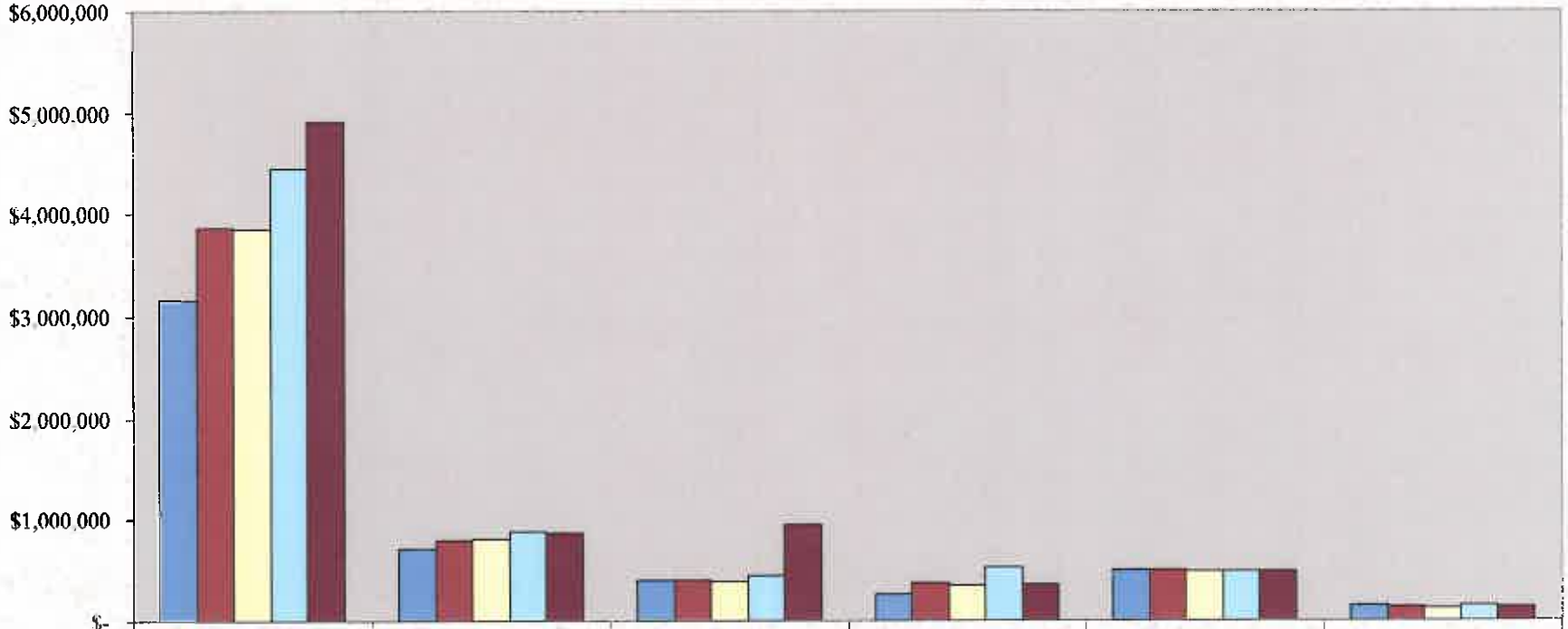
OVERVIEW

- Review the Financial Condition of Water and Sewer Funds
- Last Five Years Trend:
  - Revenue and Expenditures
  - Working Capital (fund balance)
  - Rates, Components of Water Costs
  - Comparison to Other Agencies
- Conclusions from the trend information

KEY WATER FUND COST COMPONENTS

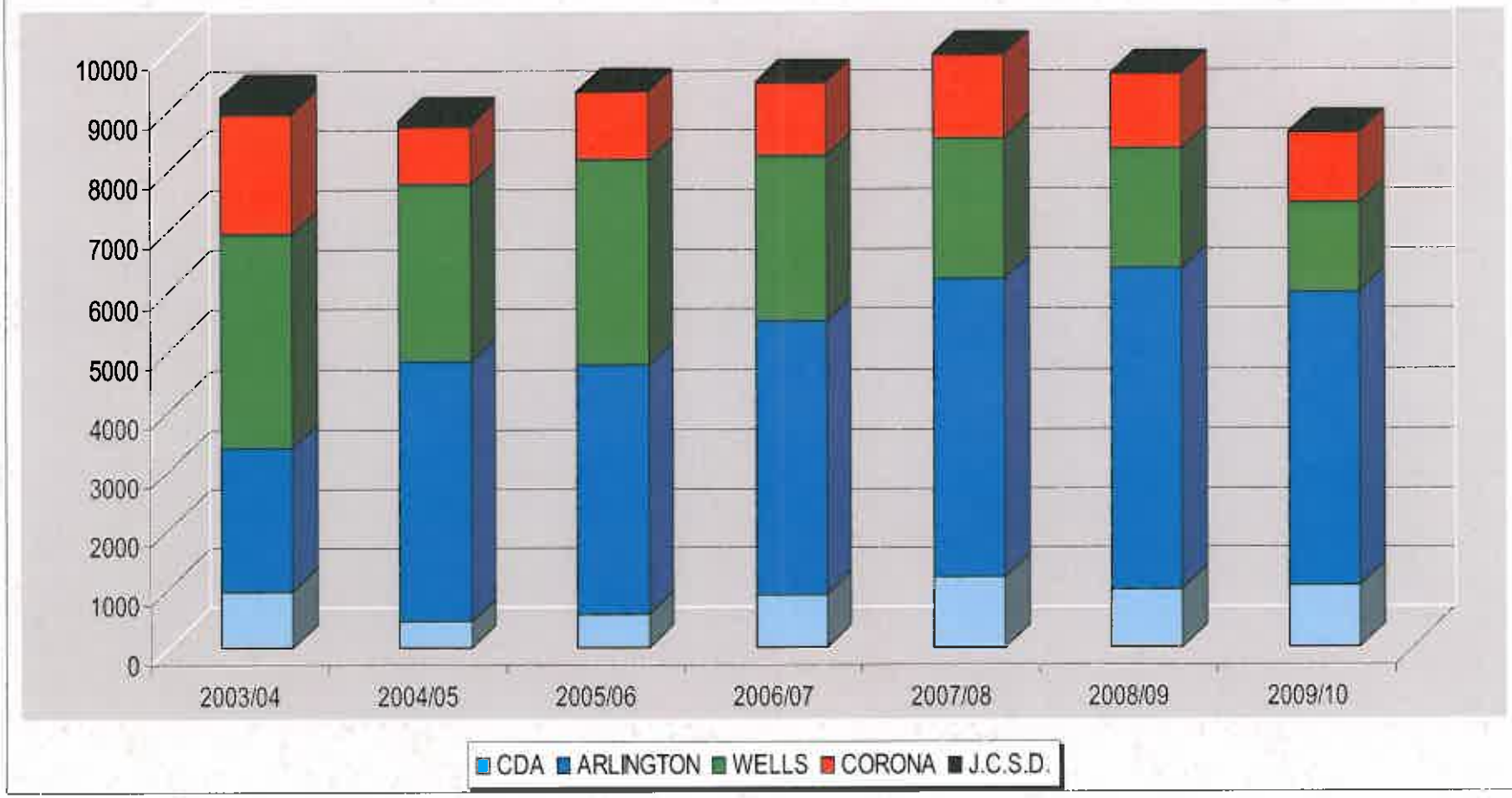
- Purchased Water and Utilities
- Debt Service
- Salaries & Benefits
- Maintenance & Supplies
- Reimbursements to General Fund
- Other – Equipment Replacement/Maint; ISF

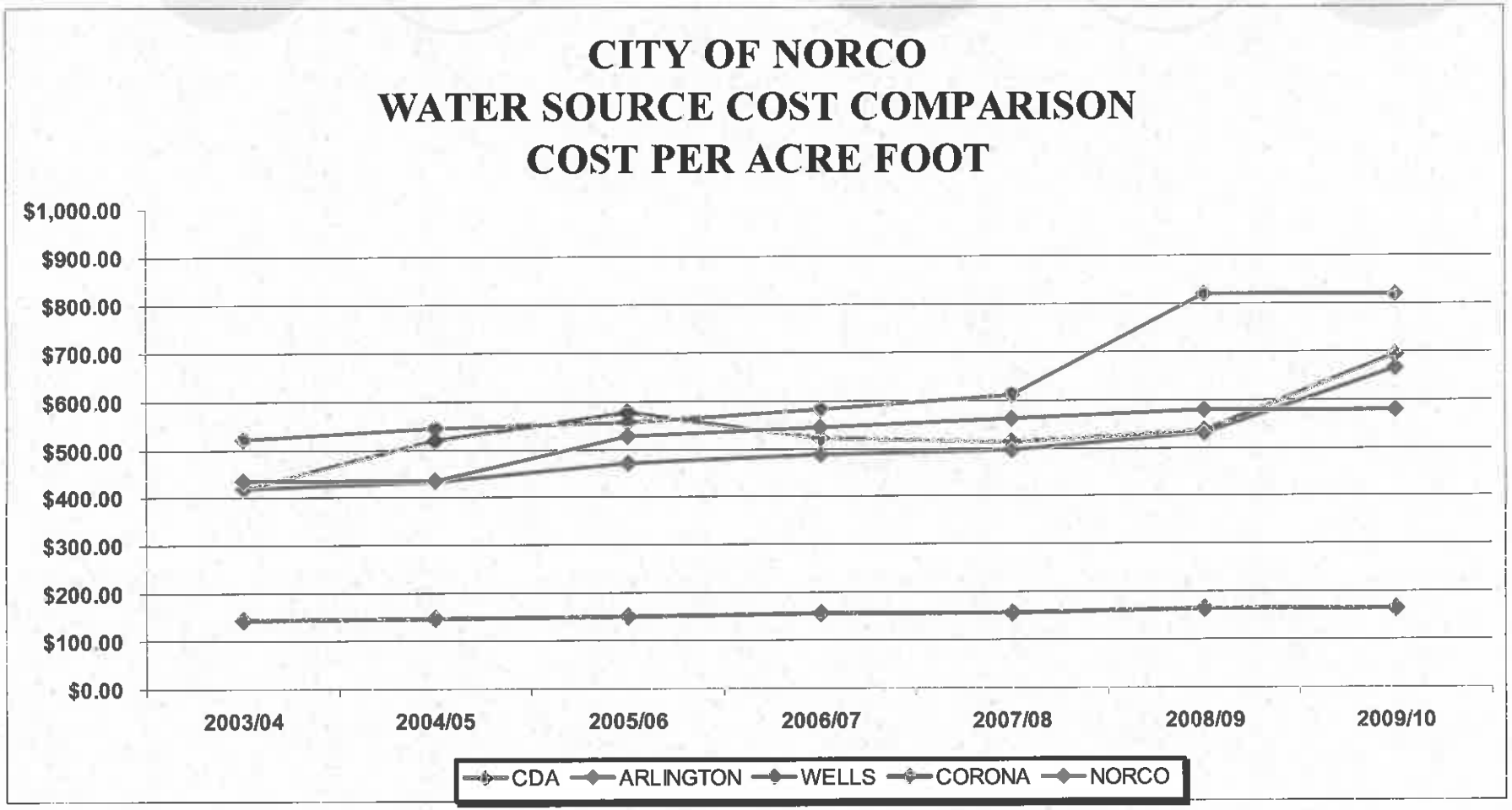
Water Fund Expense Trend - Last Five Years



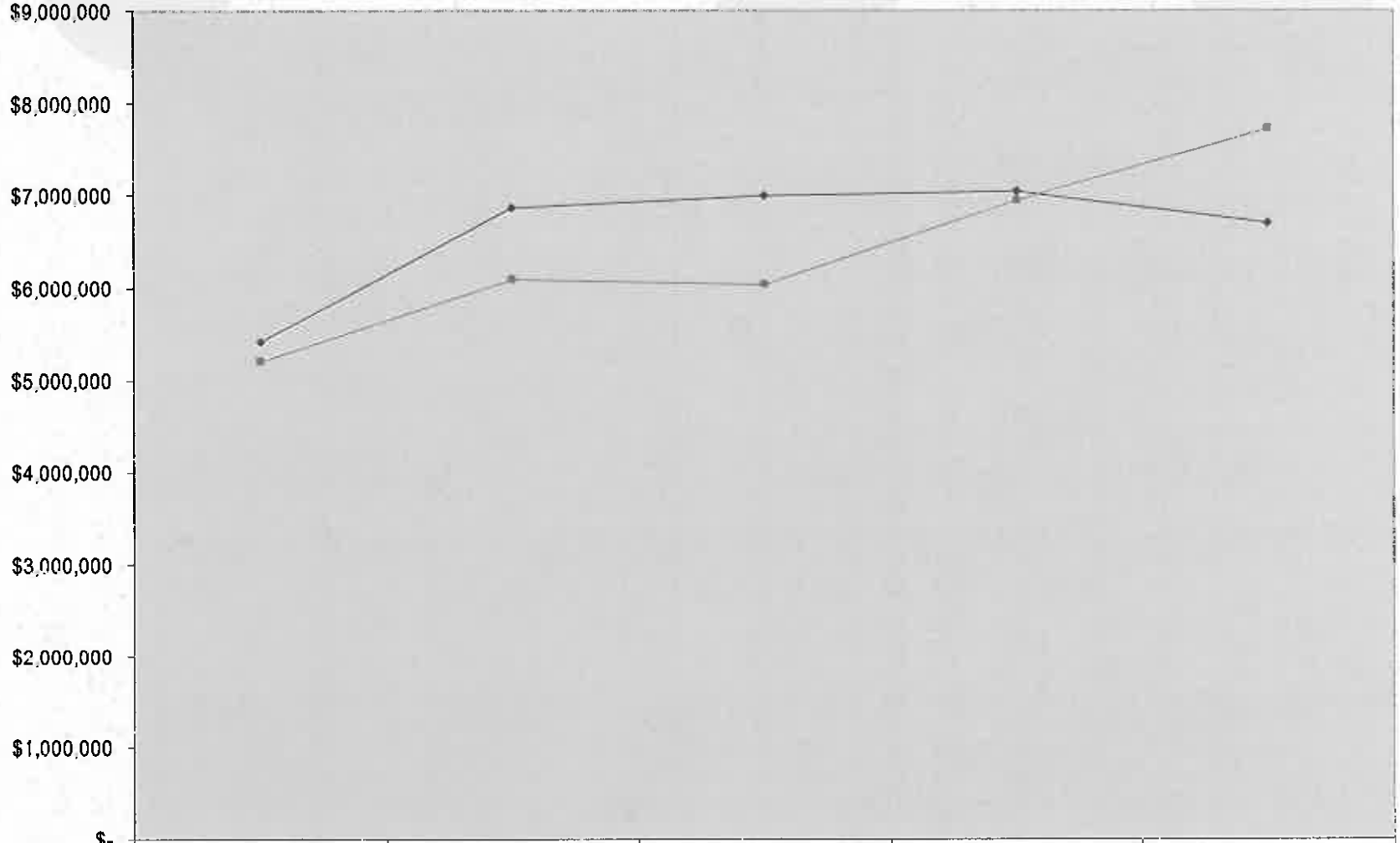
	Purchased Water and Utilities	Salaries and Benefits	Debt Service	Maintenance, Supplies & Services	Reimbursements to General Fund	Other
FY 2005/2006	$3,150,313	710,412	403,625	266,360	501,570	158,651
FY 2006/2007	3,870,939	794,804	401,762	376,614	501,570	136,040
FY 2007/2008	3,854,193	805,485	396,987	344,828	489,439	131,997
FY 2008/2009	4,445,637	875,591	444,705	531,499	489,439	149,829
FY 2009/2010	4,909,635	859,450	946,377	361,978	489,439	141,139

CITY OF NORCO
FISCAL YEAR PRODUCTION
BY SOURCE



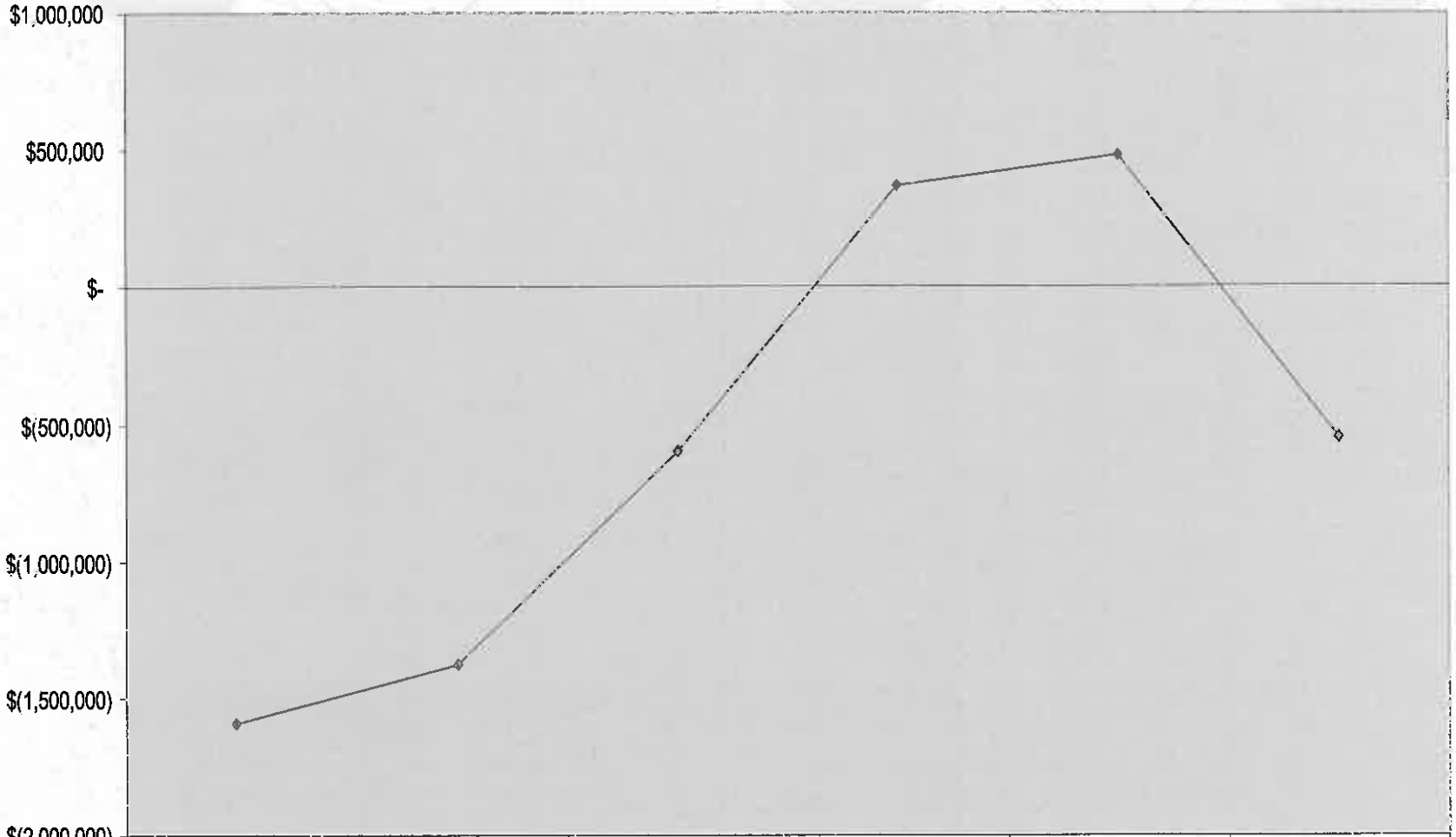

CITY OF NORCO
WATER SOURCE COST COMPARISON
COST PER ACRE FOOT
$1,000.00
$900.00
$800.00
$700.00
$600.00
$500.00
$400.00
$300.00
$200.00
$100.00
$0.00
2003/04
2004/05
2005/06
2006/07
2007/08
2008/09
2009/10
CDA
ARLINGTON
WELLS
CORONA
NORCO

Water Fund Expenses Vs. Revenues



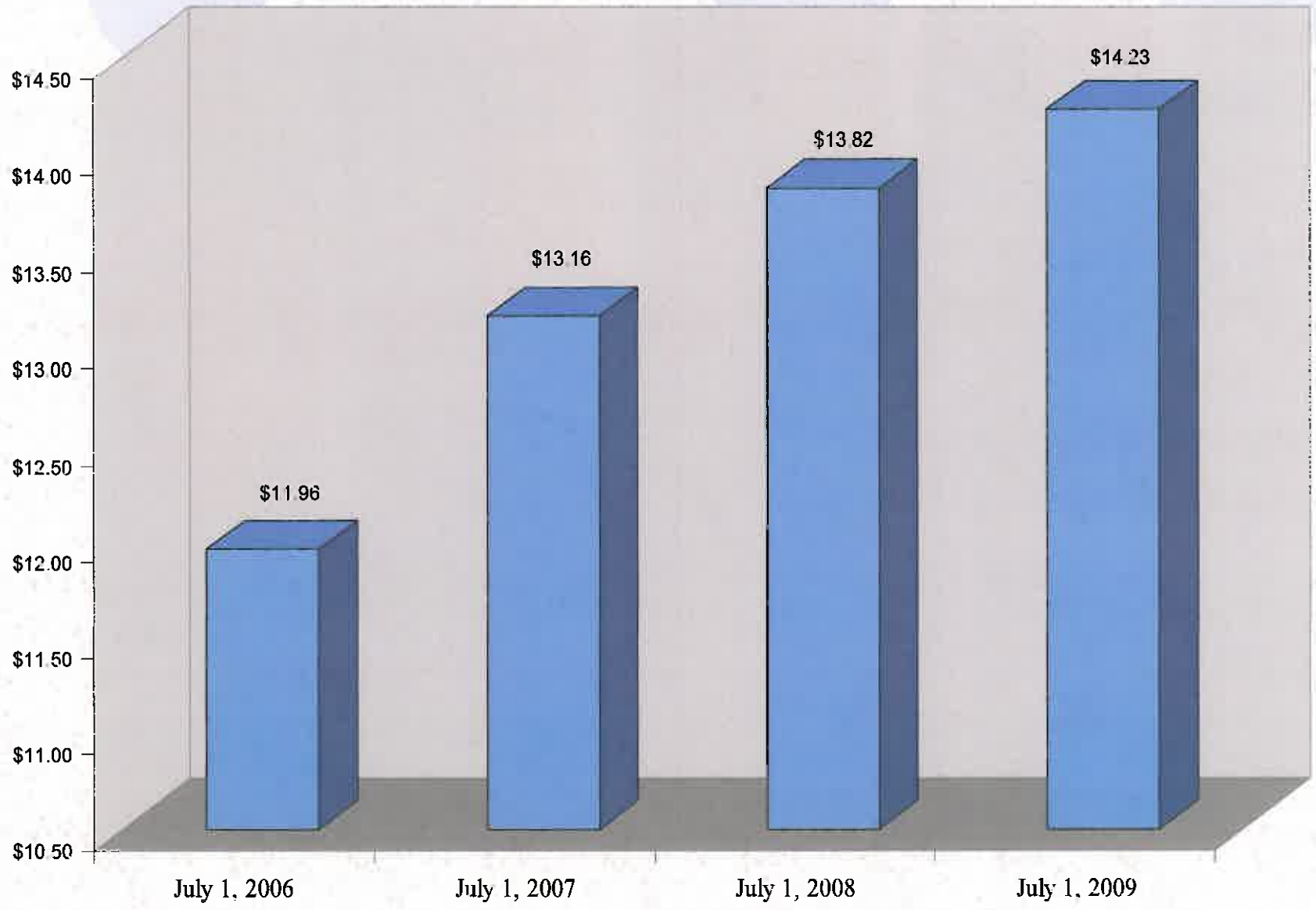
	FY 2005/2006	FY 2006/2007	FY 2007/2008	FY 2008/2009	FY 2009/2010
Total Revenues	$5,407,080	6,860,654	6,990,372	7,040,593	6,682,523
Total Expenses	5,190,931	6,081,729	6,022,929	6,936,700	7,708,018

Working Capital/Fund Balance Trend

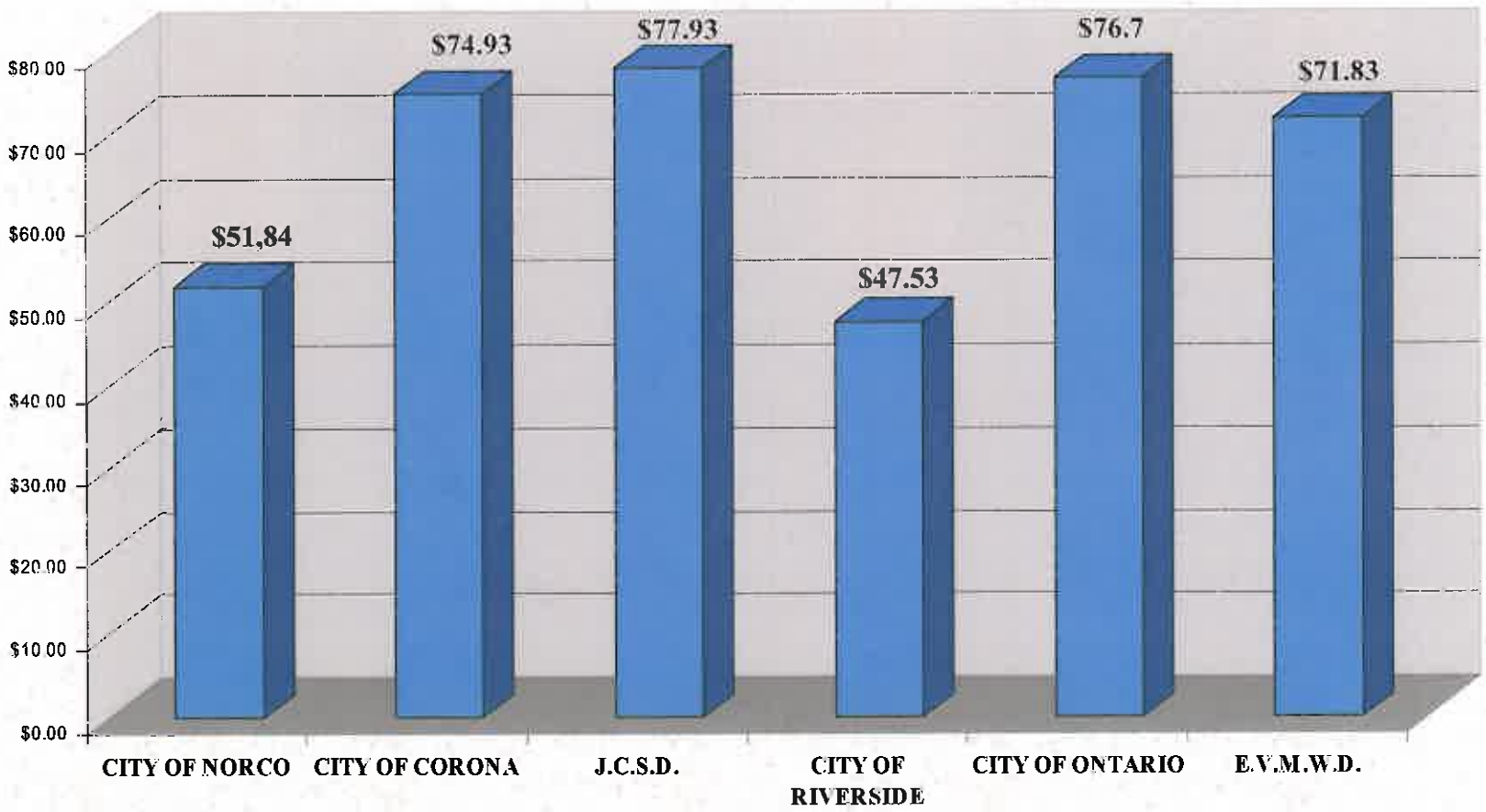


	FY 2004/2005	FY 2005/2006	FY 2006/2007	FY 2007/2008	FY 2008/2009	FY 2009/2010
Working Capital	$(1,592,762)	(1,376,613)	(597,688)	369,755	473,648	(551,847)

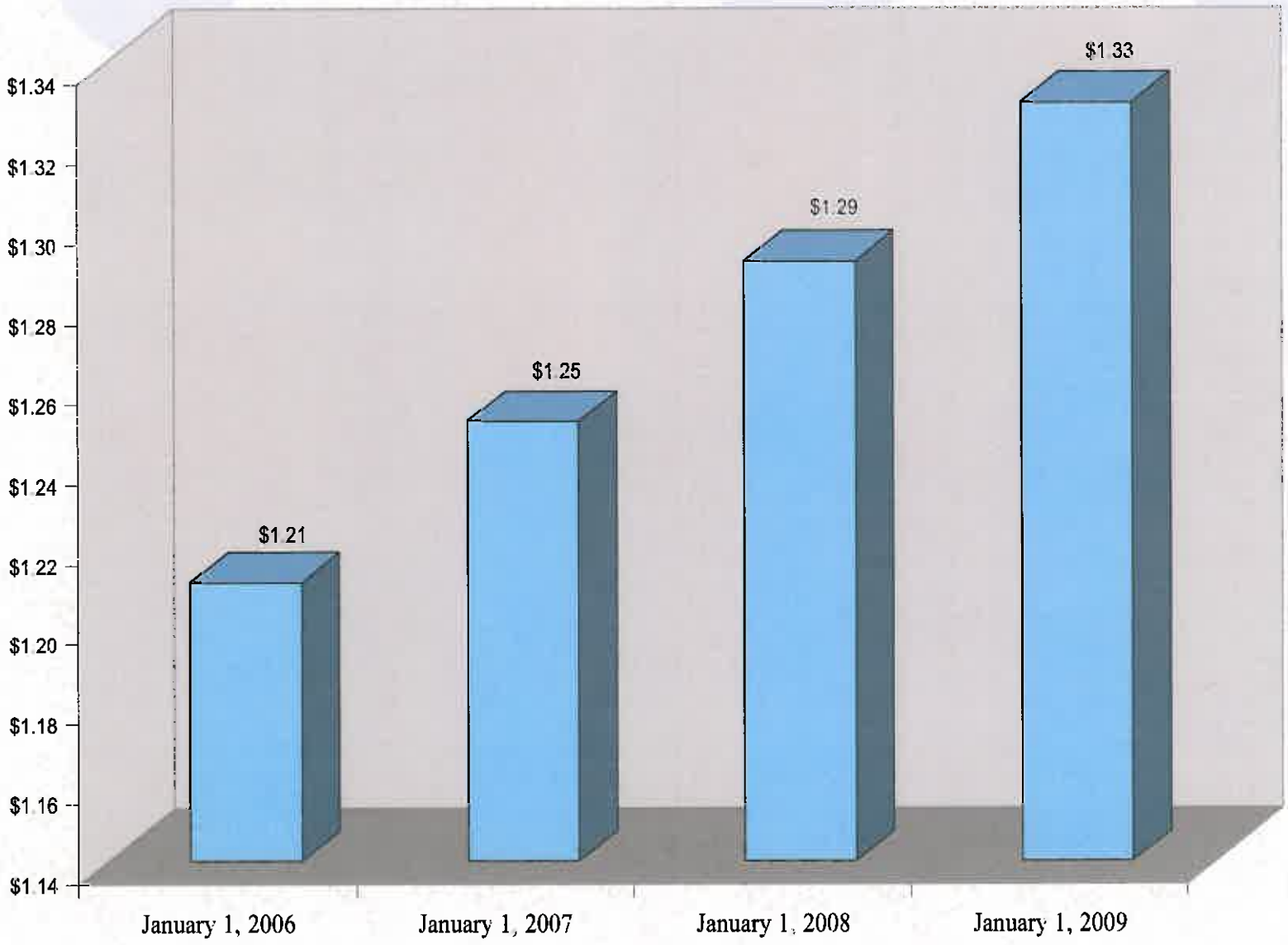
Fixed Water Rate Trend 5/8-3/4" Meters



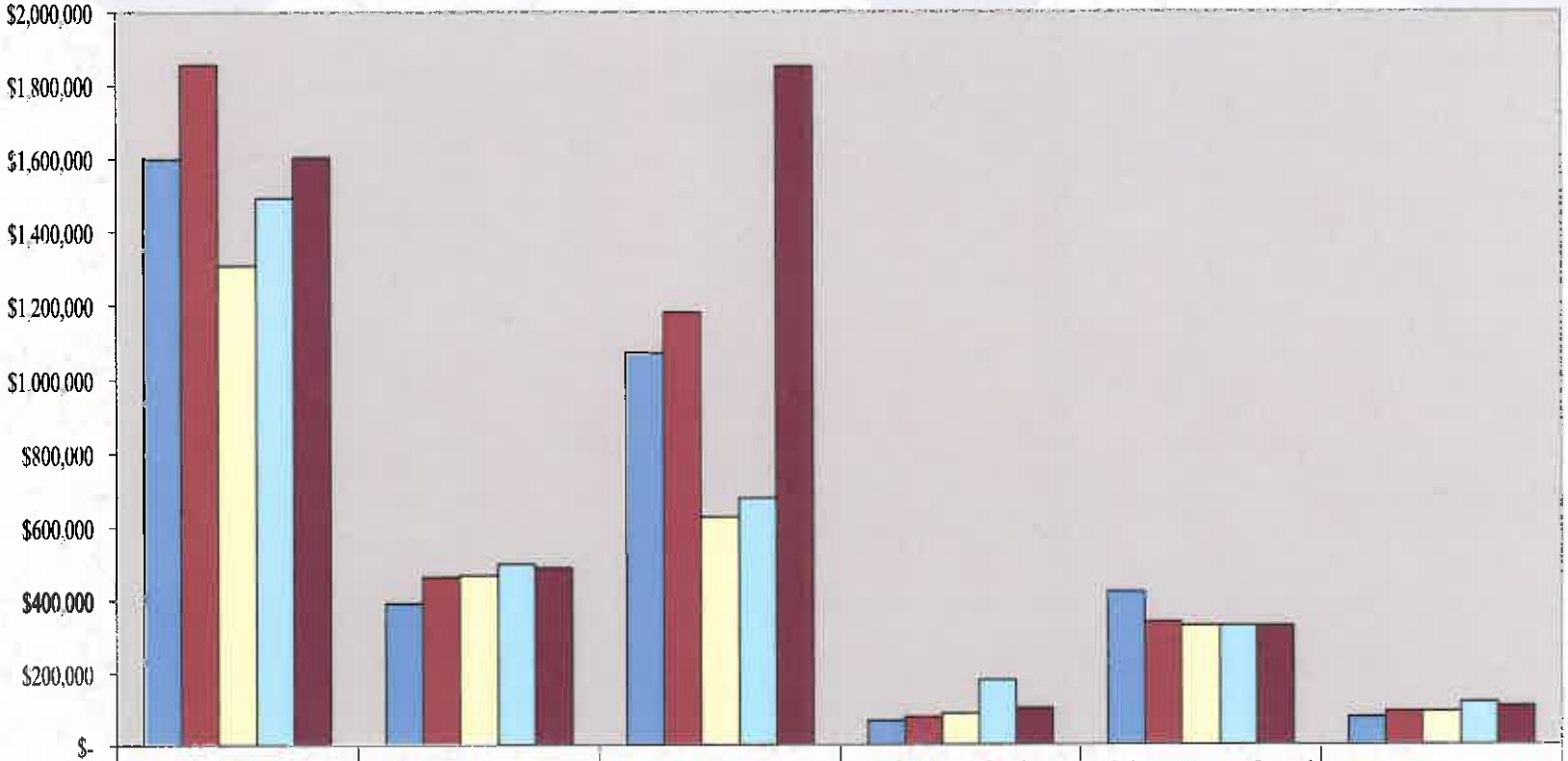
2010 Residential Water Rate Comparison
1" Meter
Based on 22 Units Used



Water Consumption Quantity Rates per 748 Gallons

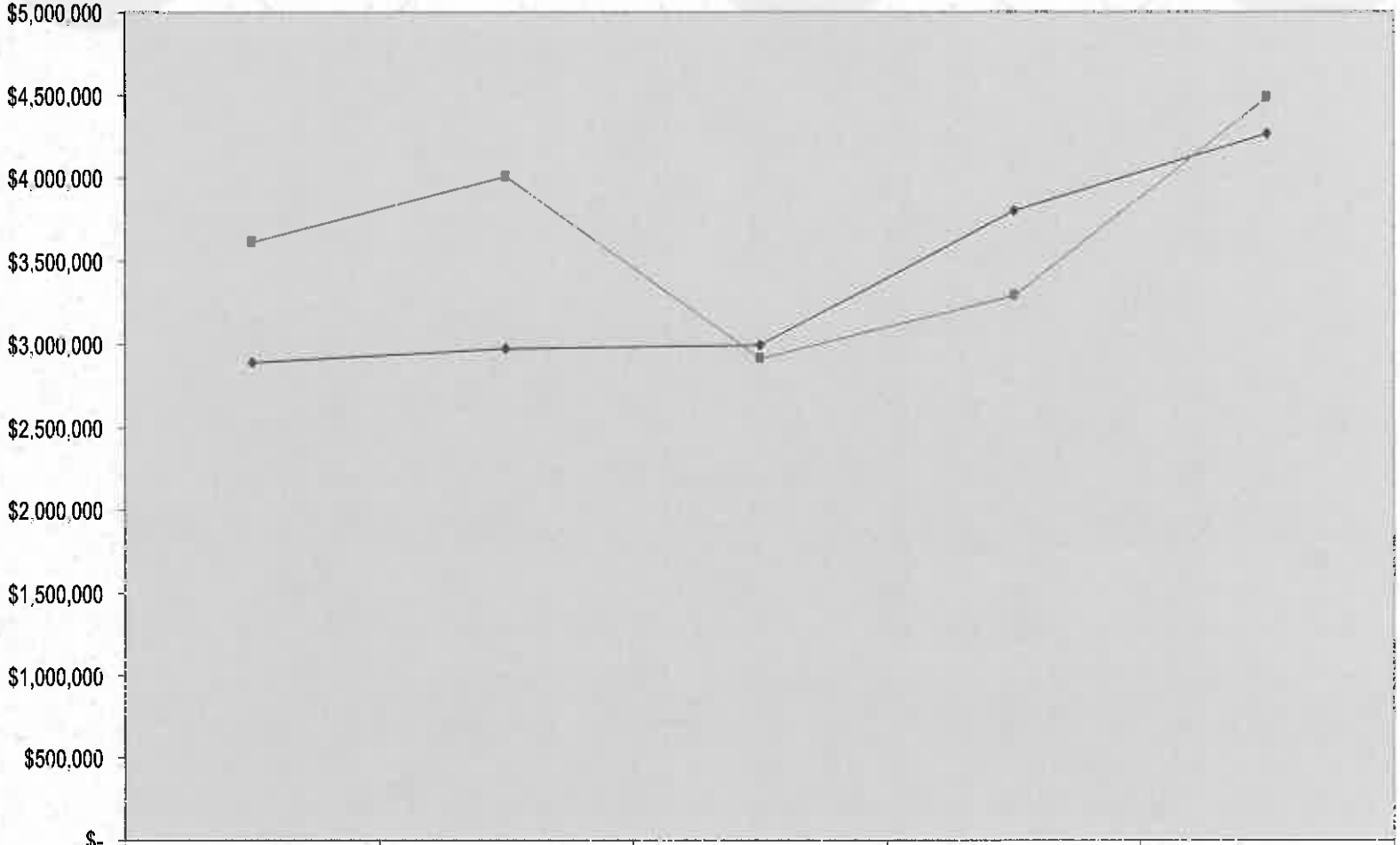


Sewer Fund - Five Year Expense Trend



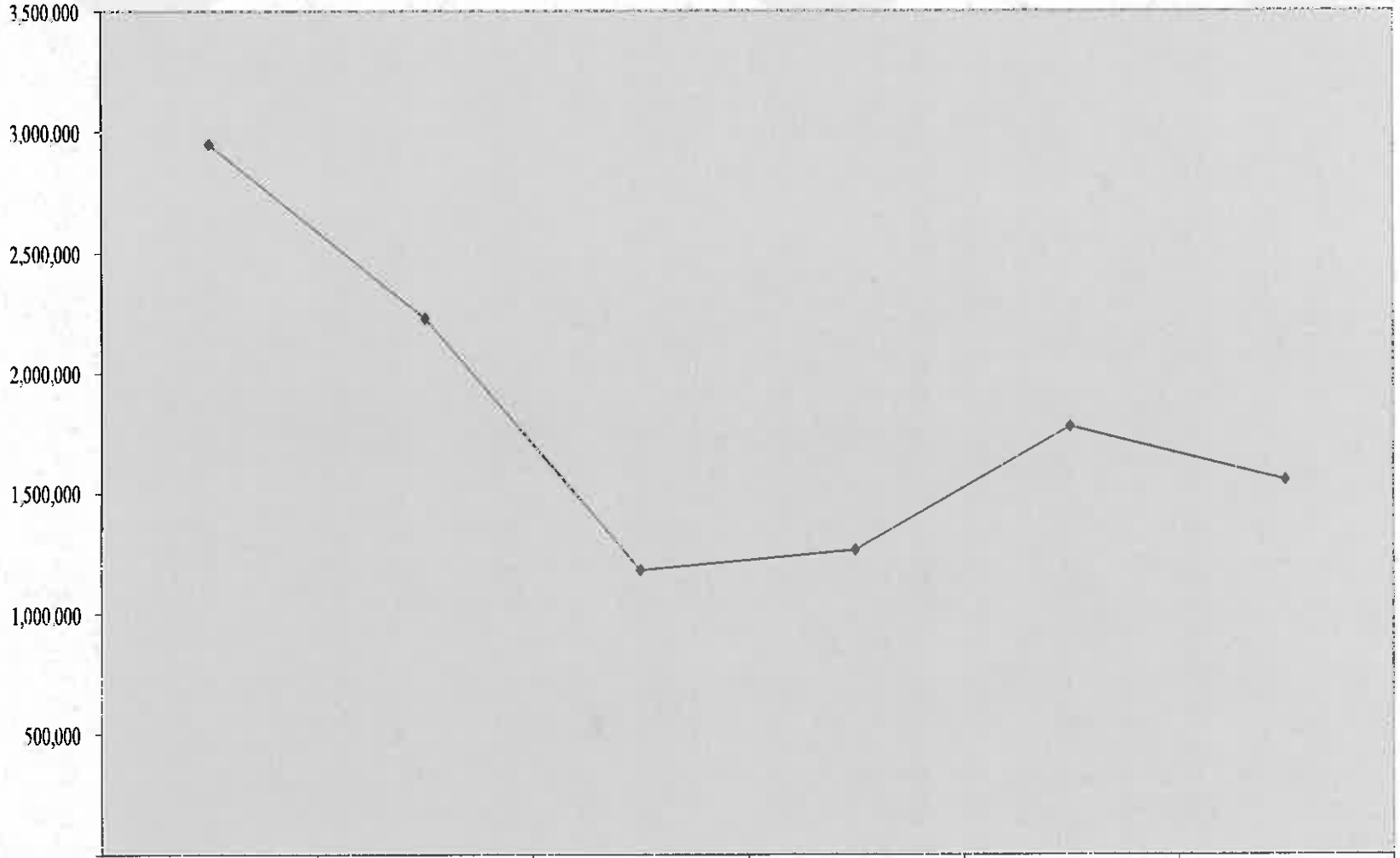
	Contractual Services	Salaries and Benefits	Debt Service	Maintenance, Supplies, Utilities, Services	Reimbursements to General Fund	Other
FY 2005/2006	$1,598,614	387,073	1,068,348	64,012	417,446	75,135
FY 2006/2007	1,855,067	461,028	1,180,540	76,681	339,353	92,061
FY 2007/2008	1,309,533	466,887	625,924	86,649	327,230	90,098
FY 2008/2009	1,492,905	494,121	674,943	178,908	327,223	119,120
FY 2009/2010	1,604,060	485,772	1,853,476	99,853	327,223	109,696

Sewer Fund Expenses Vs. Revenues



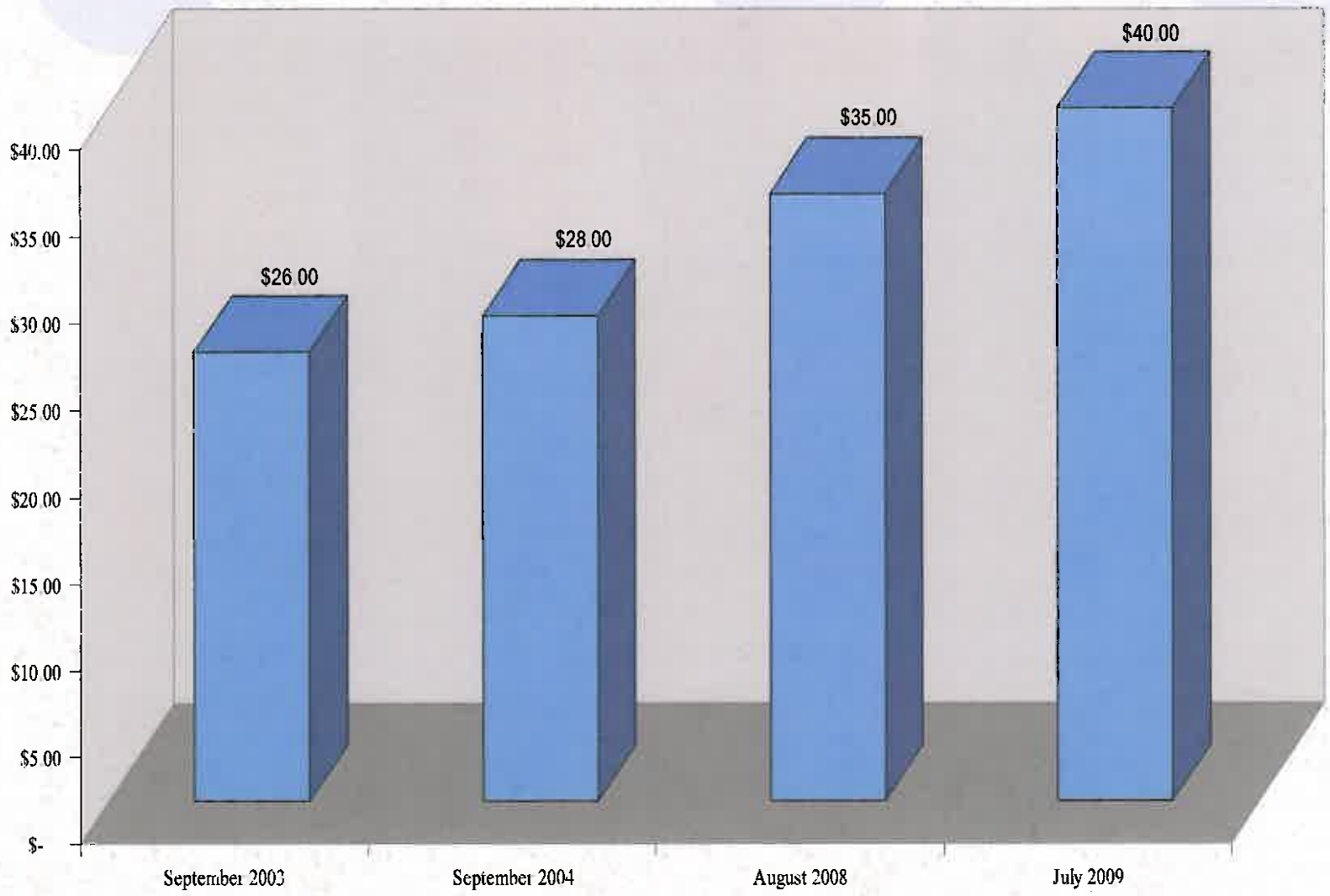
	FY 2005/2006	FY 2006/2007	FY 2007/2008	FY 2008/2009	FY 2009/2010
Total Operating Revenues	$2,889,144	2,966,248	2,986,549	3,795,791	4,260,592
Total Operating Expenses	3,610,628	4,004,730	2,906,321	3,287,220	4,480,080

Sewer Fund Working Capital/Fund Balance



	FY 2004/2005	FY 2005/2006	FY 2006/2007	FY 2007/2008	FY 2008/2009	FY 2009/2010
Working Capital	2,942,195	2,220,711	1,182,229	1,262,457	1,771,028	1,551,540

Residential Sewer Rates - Connected



CONCLUSIONS

- Current rate structure not sufficient to cover costs in the Water Fund
- Increase in expenses due to increase in the cost of purchased water and debt service
- Increase in debt service due to:
  - Additional debt issued in 2009 to finance water & sewer capital project improvements

(continued)

CONCLUSIONS

Examples of Capital Projects Financed

- Automated meter reading project
- Loan for water & sewer facilities at Silverlakes
- CRC 4 million gallon reservoir
- Additional sewer capacity
- CRC Navy facilities improvements

(continued)

CONCLUSIONS

- Increase in purchased water costs due to:
  - Cost of purchased water that City is obligated
  - Existing infrastructure not adequate to maximize domestic water production
  - Delayed implementation of recycled water program

(continued)

CONCLUSIONS

- Need to go to tiered rate in the future as part of water conservation program
- Stop-gap rate adjustment needed
- Sewer Fund rate adjustments have sustained expenses
- Due to increase in debt service, positive trend in the Sewer Fund has reversed

RECAP OF ACTIONS TAKEN
CITY OF NORCO

PLANNING COMMISSION
CITY COUNCIL CHAMBERS – 2820 CLARK AVENUE
REGULAR MEETING
October 27, 2010

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1. CALLED TO ORDER: **7:00 p.m.**

2. ROLL CALL: **Chair Hedges, Vice Chair Wright, Commissioners Henderson, Jaffarian, Newton**

3. STAFF PRESENT: **Planning Director King, Deputy City Clerk Germain**

4. PLEDGE OF ALLEGIANCE: **Chair Hedges**

5. APPEAL NOTICE: **Read by staff.**

6. HEARING FROM THE AUDIENCE ON ITEMS NOT LISTED ON THE AGENDA: **No items.**

7. APPROVAL OF MINUTES: Minutes of October 13, 2010; **Approved 5-0.**

8. CONTINUED ITEMS:
   A. Draft Residential Accessory Structure Guidelines. *Recommendation*: Approval. (Planning Director King) (Continued from October 13, 2010); ***Action:*** **Approved 5-0 with minor changes. This action is final unless appealed to the City Council.**

   B. Residential Accessory Structure Site Plan Requirements. *Recommendation*: Approval (Planning Director King) (Continued from October 13, 2010); ***Action:*** **Approved 5-0 with minor changes. This action is final unless appealed to the City Council.**

9. PUBLIC HEARINGS: **None scheduled.**

10. BUSINESS ITEMS: **None**

11. CITY COUNCIL:
    A. Recap of Actions Taken at the October 13, 2010 City Council/Community Redevelopment Agency Meeting.

    B. City Council Minutes dated October 6, 2010
    Received and filed.

12. PLANNING COMMISSION: Oral Reports from Various Committees; **None.**

13. STAFF: Current Work Program; **Received and filed.**

14. OTHER MATTERS
    - **Commissioner Newton questioned why the 76 gas station is still open.**
    - **The November 24 and December 29, 2010 regular meetings were cancelled.**

15. ADJOURNMENT: **8:40 p.m.**

/sk-76966

CITY OF NORCO
STAFF REPORT

TO: Honorable Mayor and Members of the City Council

FROM: Beth Groves, City Manager

PREPARED BY: Brian K. Petree, Director
Parks, Recreation and Community Services

DATE: November 3, 2010

SUBJECT: Award of a Professional Service Agreement to HLP, Inc., for Chameleon Software to replace the existing Animal Control TRAKKERS Software.

RECOMMENDATION: Approve the Award of a Professional Service Agreement to HLP, Inc. for Chameleon Software Products, Licensing, Field Operations Support, Conversion and Maintenance in the amount of $27,500.

SUMMARY: The City desires to upgrade its existing twenty-year old DOS - based Animal Control Trakkers software which supports kennel, license, shelter and field operations software. The City has solicited from HLP, Inc. a cost estimate to provide professional services to replace the unsupported and antiquated software that has exceeded its life expectancy. HLP, Inc. responded and submitted what staff believes is an acceptable proposal for replacement of software, necessary training, maintenance and support services. HLP, Inc. is experienced with the City's existing Trakkers software and skilled in the conversion of files to Chameleon. Staff is recommending award of professional service agreement in the amount of $27,500.

BACKGROUND/ANALYSIS: In 1990, the City selected and implemented the Trakkers software for Animal Control licensing, shelter services, kennel and field operations which has exceeded its usability and cannot be updated. The Trakkers software developer and designer passed away in December, 2009.

Staff evaluated software from ARK; HLP, Inc.; Multiple Options and Shelter Pro. These companies are experienced with licensing software but HLP, Inc. was the only company to meet current staff needs in the area of shelter, kennel and field operations. HLP, Inc. also is the only company having experience with Trakkers in successfully converting its database to the new software system. This conversion process is critical as it reduces the amount of staff costs in relation to inputting current records into the new system. Staff contacted surrounding animal control agencies in San Diego and San Bernardino Counties, and the City of Rancho Cucamonga that currently utilize HLP, Inc. Chameleon software and only positive feedback was received.

HLP, Inc. has been in business for over twenty years and currently has installed Chameleon software at over three hundred sites throughout the United States, and Canada for Humane Society's and Animal Control agencies.

FINANCIAL IMPACT: Allocate $27,500 from Animal Control CIP Project to HLP, Inc. for professional service agreement. This software upgrade is part of the new Animal Control Shelter capital IT budget.

/pi-76921
Attachment: HLP, Inc. Quote for Chameleon Products, Software Support, Maintenance and Training

HLP, INC. PRICE QUOTE #102510

City of Norco

2870 Clark Ave Norco CA. 92860

Item	Price	Qty	Amount	Totals
CHAMELEON PRODUCTS :				
Chameleon/CMS Software License	$12,000	1	$12,000	
- **DISCOUNT for direct purchase** (no RFP/Contract)	($2,200)	1	($2,200)	
Chameleon Public Access Software License	$9,800	1	fee waived	
- ChamCam Plus imaging package	$150	1	fee waived for first package	
- PaWWW Kiosk - software only	$600		$0	
PRODUCTS TOTAL (shipping included)				**$9,800**
Sales Tax on products only (AZ, CA, CO, FL, IL,KY & NM)				**$0**
SOFTWARE SUPPORT & MAINTENANCE :	annual required licensing fees			
Chameleon/CMS Software annual fee				
- limited to a single server & 7 workstations	$960	8	$7,680	
- limited to 3 Field Service Units	$240	3	$720	
-limited to no GPS, (add Chameleon Mapping for no additional cost!)	$240		$0	
- limited to no PocketCham	$240		$0	
Chameleon Public Access Software annual fee				
- limited to no PAWWW Kiosk	$960		$0	
Certified data connect license required for all 3rd party applications connecting to database				
SUPPORT & MAINTENANCE TOTAL				**$8,400**
Chameleon QuickKennel, PostMaster & ActiveAgent	**All Included!**			
COMPUTER SERVICES :				
Software Customization per day	$600		$0	
Conversion of files into Chameleon see attached quote			$4,800	
Software Tuning & Training per day (on site) includes travel time	$900	5	$4,500	
SERVICES TOTAL (all expenses included)				**$9,300**
Sales Tax *estimated and will reflect current tax rate at time of billing	8.75%			**$2,406**
TOTAL PRICE QUOTE				**$27,500**
***DELIVERY**: Software is installed remotely ASAP after P.O. received. No magnetic media is shipped.*				
Services are offered at available time on HLP calendar, after P.O. received.				
Fee charged monthly at 60 days past due.				
Microsoft Windows 2000 Server, Microsoft SQL Server, latest edition and Crystal Report Writer professional, latest edition				
must be purchased and pre installed locally.				

HLP, INC
2595 S Lewis Way Ste B-124
Lakewood, Co 80227
866-844-3924 fax

TO: Patty Ireland
pireland@ci.norco.ca.us

From: Robin Kee
Robin@chameleonbeach.com
(800) 459-8376
Date 10/25/10
Price set for 60 days

CITY OF NORCO
STAFF REPORT

TO: Honorable Mayor and Members of the City Council

FROM: Beth Groves, City Manager

PREPARED BY: William R. Thompson, Director of Public Works

DATE: November 3, 2010

SUBJECT: Rehabilitation of Well No. 13

RECOMMENDATION: Authorize staff to proceed with the rehabilitation of Well No. 13, waiving the competitive bidding requirement for emergency repairs due to health and safety concerns, and award the contract to Layne Christensen Company in an amount not-to-exceed $66,000 to complete the project.

SUMMARY: Well No. 13 is a critical component of the City's water distribution system, annually producing 35 percent of the city's groundwater. In September of 2010, staff received a SCADA alarm indicating Well No. 13 had ceased pumping water into the distribution system. Layne Christensen Company was contacted to evaluate the condition of the pump, during the investigation it was determined the tube, column and shaft had separated. Emergency repairs are required due to health and safety concerns and therefore, staff is requesting that the Council waive the competitive bidding requirement and award a contract to Layne Christensen Company in an amount not-to-exceed $66,000 to complete the repairs.

BACKGROUND/ANALYSIS: Well No. 13 extracts water from the Temescal Basin and discharges 1,200 gallons per minute or 1.7 million gallons per day per day into our Treatment Plant for removal of iron, manganese and arsenic. The treated water is then distributed to the residents of Norco for potable consumption.

On September 14, 2010, staff received a SCADA alarm indicating Well No. 13 had ceased pumping water into the distribution system. Layne Christensen Company was contacted to evaluate the condition of the pump. During the initial inspection, it was determined that the tube, column and shaft had separated. Staff authorized Layne Christensen Company to pull the remaining portion of the pump shaft and impeller section to conduct a thorough inspection of the entire well pump. Upon further inspection, the pump or impeller is in good condition. Staff is recommending replacement of 470 feet of tube, column and shaft, including 23 connector couplings. The repairs will include swabbing and bailing the well casing, and video to ensure all perforations are clear.

The City Council is recommended to waive the competitive bidding process, as the emergency repairs are a health and safety issue. Staff is also recommending awarding the contract to Layne Christensen Company in an amount not-to-exceed $66,000 to complete the project.

FINANCIAL IMPACT: Funds are available in Capital Improvement Program Funds (144).

/wrt-76945

Attachments: Deep Well Turbine Pump Diagram
Layne Christensen Quote

Agenda Item 3.D.

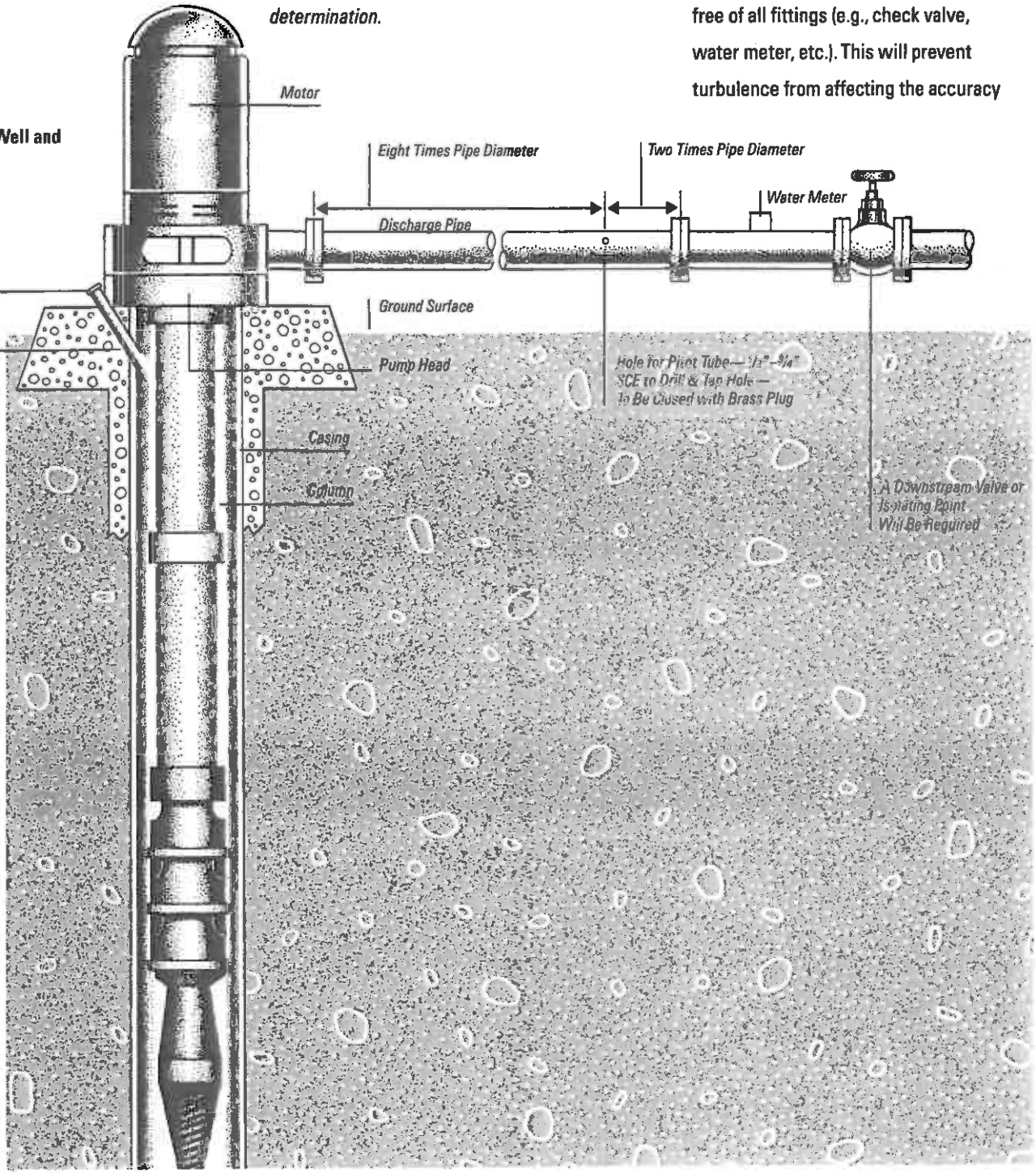
ACCESS REQUIREMENTS FOR TESTING A PUMPING STATION

Pumping plant efficiency is determined by analyzing the water level in a well during pumping, discharge flow rates and power inputs to the pump motor.

In order to obtain the pumping water level, it is essential to sound the well. This illustration shows a type of sounding access which can be added to existing wells. Some pumps have sounding access holes in the pump head. Many new wells include an "airline" which can provide rapid determination of water levels. *All wells must have suitable access for water level determination.*

In order to obtain flow rate (gallons per minute) a pitot tube must be inserted in the discharge pipe. *All pump discharge pipes should be accessible for pitot tube insertion.* The *ideal* length of the discharge pipe is eight times the discharge pipe diameter. It should be straight pipe, free of all fittings (e.g., check valve, water meter, etc.). This will prevent turbulence from affecting the accuracy

Surface Features for Proper Access to a Well and Pump Installation



Layne Christensen Company CA License # 510011
11001 Etiwanda Avenue Fontana, CA 92337 • Phone (909) 390-2833 • Fax (909) 390-6097 www.laynechristensen.com

10/18/2010

Quote: Q074

Mr. Bill Thompson
City of Norco
1281 5th Street
Norco, CA 92860

Re: City of Norco: Well 13 - Pull 450' of 10" O/L Pump with 4 Men, Crane and Service Truck. Video-Log.

Dear Bill,

We are pleased to present our project estimate for the referenced work to be performed at Well 13 location.

Unless otherwise noted, we have based our cost estimate upon the assumption that the client will:
• provide adequate ingress and egress by truck-mounted equipment
• provide adequate water source on-site at no cost to Contractor
• provide all applicable permits and right-of-ways
• provide a disposal location on-site for waste fluids and debris
• not delay on-site activities
• provide for reasonable jobsite restoration from normal job activities
• provide a safe working environment

Our estimate is valid for 30 days and is subject to the attached Terms and Conditions. Applicable taxes, bonds, and special insurance requirements are not included with this estimate. The estimated labor rates are based on standard rates unless otherwise noted. Our Terms and Conditions are hereby incorporated by reference and constitute a part of this estimate. Please contact your Layne Christensen Company representative if you have any questions.

Layne Christensen Company has been the industry leader in groundwater development since 1882. Our full range of water-related service encompasses: initial site selection; well field design and development; well drilling and development; pump installation and repair; water treatment; aquifer investigation and remediation; and well rehabilitation.

Thank you for choosing Layne Christensen Company and giving us the opportunity to be your water resource solution provider.

Sincerely,
Layne Christensen Company

Michael R. Boyd
Account Manager
Layne Christensen Company

Layne Christensen Company
11001 Etiwanda Avenue Fontana, CA 92337 • Phone (909) 390-2833 • Fax (909) 390-6097 www.laynechristensen.com

10/18/2010 Quote: Q074
City of Norco: Well 13

1. R&I - Supervisor Use on Job	Qty	Units	Unit Price	Ext Price
Labor				$800.00
			Sub-Total	$800.00

2. Pump - Repair	Qty	Units	Unit Price	Ext Price
Labor				$1,420.80
Motor Repair Parts	1	LS	$2,721.43	$2,721.43
Discharge Head Rebuild Materials	1	LS	$164.29	$164.29
10" x 20' Butt Column Pipe	23	EA	$657.14	$15,114.22
10" x 5' Butt Column Pipe	1	EA	$285.71	$285.71
Rebuilt Bowls	1	EA	$5,428.57	$5,428.57
Tube and Shaft Assemblies 20' x 3" x 1 15/16"	23	EA	$814.29	$18,728.67
Tube and Shaft Assemblies 5' x 3" x 1 15/16"	1	EA	$250.00	$250.00
Black Widow Spiders	23	EA	$17.14	$394.22
Head Shaft	1	EA	$350.00	$350.00
Stainless Steel Airline	465	FT	$1.93	$897.45
Direct Read Guage	1	EA	$50.00	$50.00
Motor Repair Labor	1	LS	$1,923.08	$1,923.08
			Sub-Total	$47,728.44

3. Rehab - Brush Well	Qty	Units	Unit Price	Ext Price
Labor				$6,540.10
Wire Brush	1	Each	$600.00	$600.00
			Sub-Total	$7,140.10

4. Pump - Install Permanent	Qty	Units	Unit Price	Ext Price
Labor				$7,500.00
			Sub-Total	$7,500.00

5. Testing - System Startup	Qty	Units	Unit Price	Ext Price
Labor				$800.00
			Sub-Total	$800.00

6. R&I - Hauling/Transport	Qty	Units	Unit Price	Ext Price
Labor				$800.00
Roll-Off Bin, 20 Yd	2	Day	$22.00	$44.00
Lab Fees	1	LS	$1,000.00	$1,000.00
			Sub-Total	$1,844.00

Layne Christensen Company
11001 Etiwanda Avenue Fontana, CA 92337 • Phone (909) 390-2833 • Fax (909) 390-6097 www.laynechristensen.com

10/18/2010 Quote: Q074
City of Norco: Well 13

Sub-Total	$65,812.54
Tax	$0.00
Consumables	$0.00
Estimated Price	$65,812.54

Our estimate is valid for 30 days and is subject to the attached Terms and Conditions. Our terms and conditions are hereby incorporated by reference and constitute a part of this estimate. Please contact your Layne representative if you have any questions.

Layne Christensen Company
11001 Etiwanda Avenue Fontana, CA 92337 • Phone (909) 390-2833 • Fax (909) 390-6097 www.laynechristensen.com

10/18/2010 Quote: Q074
City of Norco: Well 13

CONFIRMING ORDER

The undersigned Client instructs Layne Christensen Company to proceed with the work described with the understanding that Layne's Standard Terms and Conditions and attached documents are hereby incorporated as part of this Confirming Order.

Work to be performed per attached quote .

CLIENT	CONTRACTOR
_____	Layne Christensen Company
By: _____	By: _____
Title: _____	Title: _____
Date: _____	Date: _____

Layne Christensen Company
11001 Etiwanda Avenue Fontana, CA 92337 • Phone (909) 390-2833 • Fax (909) 390-6097 www.laynechristensen.com

10/18/2010 Quote: Q074
City of Norco: Well 13

Terms and Conditions

LIABILITY OF CONTRACTOR: Contractor shall not be liable for any bodily injury, death, or injury to or destruction of tangible property except, as the same may have been caused by the negligence of Contractor. In no event shall Contractor be liable for any delays or special, indirect, incidental or consequential damages. Purchaser agrees that the total limit of Contractor's liability (whether based on negligence, warranty, strict liability or otherwise) hereunder, shall not exceed the aggregate amount due Contractor for services rendered under this contract. All claims, including claims for negligence or any other cause whatsoever, shall be deemed waived unless made in writing and received by Contractor within one (1) year after Contractor's completion of work hereunder.

INSURANCE: Contractor shall provide worker's compensation insurance, public liability and property damage insurance covering its employees and operation. Purchaser, at its option, may maintain such insurance as will protect it against claims arising out of the work.

PRICE ADJUSTMENT: Any cost estimates or time frames stated herein are subject to equitable adjustment in the event of differing or unforeseeable conditions, changes in applicable laws after the date of this contract, unforeseeable delays or difficulties caused by acts of God, Purchaser or any third parties. Prices of goods acquired by Contractor from others shall be adjusted to reflect Contractor's price in effect at time of shipment. The price of Contractor's goods will be adjusted to the price in effect at time of shipment in accordance with Contractor's current escalation policies or as specifically covered in this contract.

TERMS: **Due** upon Receipt. For extended projects, Contractor shall submit invoices on a monthly basis for any and all work completed and materials or equipment provided during the previous month. Past due invoices shall be subject to a delinquency charge of one and one-half percent (1-1/2%) per month (eighteen percent (18%) per annum) unless a lower charge is required under applicable law, in which case the lower rate shall apply. Purchaser agrees to pay all collection fees, attorneys' fees and costs incurred in the collection of any past due amounts arising out of this contract. Contractor shall have the right to immediately terminate this contract without further liability if Purchaser fails to make timely payment or otherwise materially breaches this contract.

MATERIAL **SHORTAGES AND COST INCREASES:** If any portion of materials or equipment which Contractor is required to furnish becomes unavailable, either temporarily or permanently, through causes beyond the control and without the fault of Contractor, then in the case of temporary unavailability any completion time frames shall be extended for such period of time as Contractor shall be delayed by such above-described unavailability, and in the case of permanent unavailability Contractor shall be excused from the requirement of furnishing such materials or equipment. Purchaser agrees to pay Contractor any increase in cost between the cost of the materials or equipment, which become permanently unavailable and the cost of the closest substitute, which is then reasonably available.

DELAYS: **If Contractor** is delayed at any time in the progress of work by labor disputes, fire, unusual delays in transportation, unavoidable casualties, weather, or any cause beyond Contractor's reasonable control, then any completion time frames shall be extended by a reasonable period of time, at least equal to the period of delay.

CHANGED CONDITIONS: **The discovery** of any hazardous waste, substances, pollutants, contaminants, underground obstructions or utilities on or in the job-site which were not brought to the attention of Contractor prior to the date of this contract will constitute a materially different site condition entitling Contractor, at its sole discretion to immediately terminate this contract without further liability.

GUARANTEE AND **LIABILITY: Contractor** warrants that its labor supplied hereunder shall be free from defect and shall conform to the standards of care in effect in its industry at the time of performance of such labor for a period of twelve (12) months after substantial completion of Contractor's work. Contractor agrees, to the extent it is permitted, to pass on any warranties provided by the manufactures of materials and/or equipment furnished under this contract. Contractor itself provides no warranty, express, implied or otherwise, on any such materials or equipment. Contractor will not be responsible for; work done, material or equipment furnished or repairs or alterations made by others.

For any breach hereunder, Contractor shall be liable only for the values of the installation work or, if it wrongfully fails to install, then its liability is limited to the difference between the contract price herein, and the value of other similar installation work. If Contractor's breach damages any materials or equipment furnished hereunder, Contractor shall only be liable for the value of such materials or equipment. Under no circumstances will Contractor be liable for consequential, special or indirect damages, including without limitation, any crop loss or damage to other equipment, structures or property, nor for any other similar or dissimilar damages or losses whether due to delay, failure to furnish or install, delay in installation, defective material or equipment, defective workmanship, defective installation, delay in replacing, nor for any cause or breach whatsoever. In any event, Contractor's total liability towards Purchaser for alleged faulty performance or nonperformance under this contract shall be limited to the total contract price. No materials, equipment or services contracted herein carries any guarantee not mentioned in this contract. THE ABOVE WARRANTY IS INLIEU OF ALL OTHER WARRANTIES, EXPRESS OR IMPLIED, INCLUDING, BUT NOT LIMITED TO, WARRANTIES OR MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE, WHICH ARE HEREBY DISCLAIMED.

TITLE AND OWNERSHIP: **In case of default** on Purchaser's part, Contractor shall have the right to enter the premises upon which any material or equipment furnished herein have been installed and retake such goods not then paid for and pursue any further remedy provided by law, including recovery of attorney's fees and any deficiency to the maximum extent and in the manner provided by law. Such materials and equipment shall retain their character as personal property of Contractor until Contractor receives payment in full, regardless of their mode of attachment. Unless prior specific written instructions are received to the contrary, surplus and replaced materials and equipment resulting from repair of installation work shall become the property of Contractor.

DELIVERY: Shipment **schedules** and dates, express or implied, are contingent on normal conditions. Contractor will not be responsible for any delays in shipment or completion caused by factors beyond its control such as, but not limited to, suppliers' failures, accidents, work stoppages or operation of or changes in the law. Shipments will be made as promptly as Contractor's ability to obtain materials and/or equipment and scheduling will permit. No delay in shipments or variances from shipping schedule shall be cause of cancellation or any claim for damage. Any changes in layout or design requested after acceptance of this contract will be made at Purchaser's additional cost. Any such change and/or time taken to supply engineering data or to approve drawings will automatically extend shipping schedules. Equipment will be shipped "knocked down" to the extent Contractor considers necessary, with small parts stripped from equipment and crated. On and after delivery to the carrier for transportation to the Purchaser's site, Purchaser shall be responsible for all loss or damage to materials or equipment due to any cause, including but not limited to loss or damage resulting from casualty.

INDEMNIFICATION: **Purchaser agrees to** indemnify and hold Contractor, its directors, officers, stockholders, employees, agents and subcontractors, harmless from and against any and all claims, demands, causes of action (including third party claims, demands or causes of actions for contribution or indemnification), liability and costs (including attorneys' fees and other costs of defense) asserted and/or filed by Purchaser or any third party(ies), including without limitation Purchaser's employees, and arising out of or as a result of: (I) the presence of Contractor or its subcontractors at the job-site, (ii) the work performed by Contractor or its subcontractors, or (iii) any negligent act or omission of Purchaser, its employees, agents, consultants, or other contractors or any person or entity under Purchaser's control; except to the extent that such claims, demands, causes of action, liabilities or costs are caused by the negligence of Contractor or its subcontractors.

INTERPRETATION: This **contract shall** be governed by and construed in accordance with the laws of the state of the job-site location. In any term, provision or condition contained herein shall, to any extent, be invalid or unenforceable, pursuant to state law or otherwise, the remainder of the terms, provisions and conditions herein (or the application of such term, provision, or condition to persons or circumstances other than those in respect of which it is invalid or unenforceable) shall not be affected thereby, and each term, provision and condition of this contact shall be valid and enforceable to the fullest extent permitted by law.

ASSIGNMENT AND SUBLETTING: **Purchaser shall not** have the right to transfer or assign its rights and/or obligations under this contract to any third party, related or unrelated, without the express written consent of Contractor. Contractor shall have the right to transfer, assign or sublet all or any portion of its rights or obligations hereunder, but such transfer, assignment or subletting shall not relieve Contractor from its full obligations to Purchaser unless such transfer, assignment or subletting is pursuant to the sale of Contractor, or the division of Contractor responsible for this contract, to a third party.

FUEL: **A fuel surcharge** will be applied to all hourly charges (except for equipment rates stated without fuel). The fuel surcharge is a 0.75% increase in hourly rates for every $0.10 cost increase in the average cost of diesel fuel above the $3.00 baseline. The cost of fuel over the billing period is defined as the average Retail On-Highway Diesel Prices for the region where the work was completed, published by the Energy Information Administration posted on eia.doe.gov.

OPERATING COST: An operating **supply charge** of 1.5% of the applicable rig operating hourly rates will be added to the invoice to cover daily expendable items (lubricants, rags).

MISCELLANEOUS: The terms and **conditions** set forth herein constitute the entire understanding of the parties relating to the work to be performed, and materials and equipment to be provided, by Contractor for the Purchaser. All previous proposals, offers and other communications relative to the provisions of the subject work, oral or written, are hereby superseded, except to the extent that they have been expressly incorporated herein. Any modifications or revisions of any provisions herein or any additional provisions contained in any purchase order, acknowledgement, or other form of the Purchaser are hereby expressly objected to by Contractor and shall not operate to modify this contract. This contract shall take effect upon acceptance and execution by both parties.

CITY OF NORCO
STAFF REPORT

TO: Honorable Mayor and Members of the City Council

FROM: Beth Groves, City Manager

PREPARED BY: William R. Thompson, Director of Public Works

DATE: November 3, 2010

SUBJECT: Rehabilitation of Well No. 14

RECOMMENDATION: Authorize staff to proceed with the rehabilitation of Well No. 14, waiving the competitive bidding requirement for emergency repairs due to health and safety concerns, and award the contract to Layne Christensen Company in an amount not-to-exceed $50,000 to complete the project.

SUMMARY: Well No. 14 is a critical component of the City's water distribution system. Over the past few months the production capacity has decreased to 400 gpm causing a marked loss of pump efficiency and pumping capacity. This well has been in continuous operation 24 hours per day since November 2002. Layne Christensen Company was recently contacted to provide a quotation to rehabilitate Well No. 14. Emergency repairs are required due to health and safety concerns and therefore, staff is requesting that the Council waive the competitive bidding requirement and award a contract to Layne Christensen Company in an amount not-to-exceed $50,000 to complete the repairs.

BACKGROUND/ANALYSIS: Well No. 14 produces approximately 900 acre feet per year or 10% percent of the City's annual water demands. The well extracts water from the Temescal Basin producing 750 gallons per minute or 1.1 million gallons of high quality water to our residents each day for potable consumption. Staff monitors all pumps within our distribution system on a daily basis for water quality and pump efficiency. Well No. 14 has been a consistent source of water; however, over the past few months the production capacity has decreased from 750 gpm to 400 gpm. Staff believes the decline in water production over time indicates normal mechanical wear to the pump impellers, or bowls.

Layne Christensen Company was recently contacted to inspect Well No. 13 and was requested to provide a quotation to rehabilitate Well No. 14 at the same time. Layne Christensen Company originally designed and drilled Well No. 14 and is very familiar with the pump characteristics, water quality and the well site. As a result of the inspection, the proposed project will include the rehabilitation of the pump, tube, column and shaft which may also include a combination of redesigning the pump impellers to increase capacity and an extension of the pumping depth. The project will also include swabbing and bailing and a video of the well casing to ensure all perforations are clear. Staff is recommending waiving the competitive bidding process, as the rehabilitation is a heath and safety concern, and further recommends awarding the contract to Layne Christensen Company in an amount not-to-exceed $50,000 to complete the project.

FINANCIAL IMPACT: Funds are available in Capital Improvement Program Funds (144).

/wrt-76955

Attachments: Deep Well Turbine Pump Diagram
Layne Christensen Quote

Agenda Item 3.E.

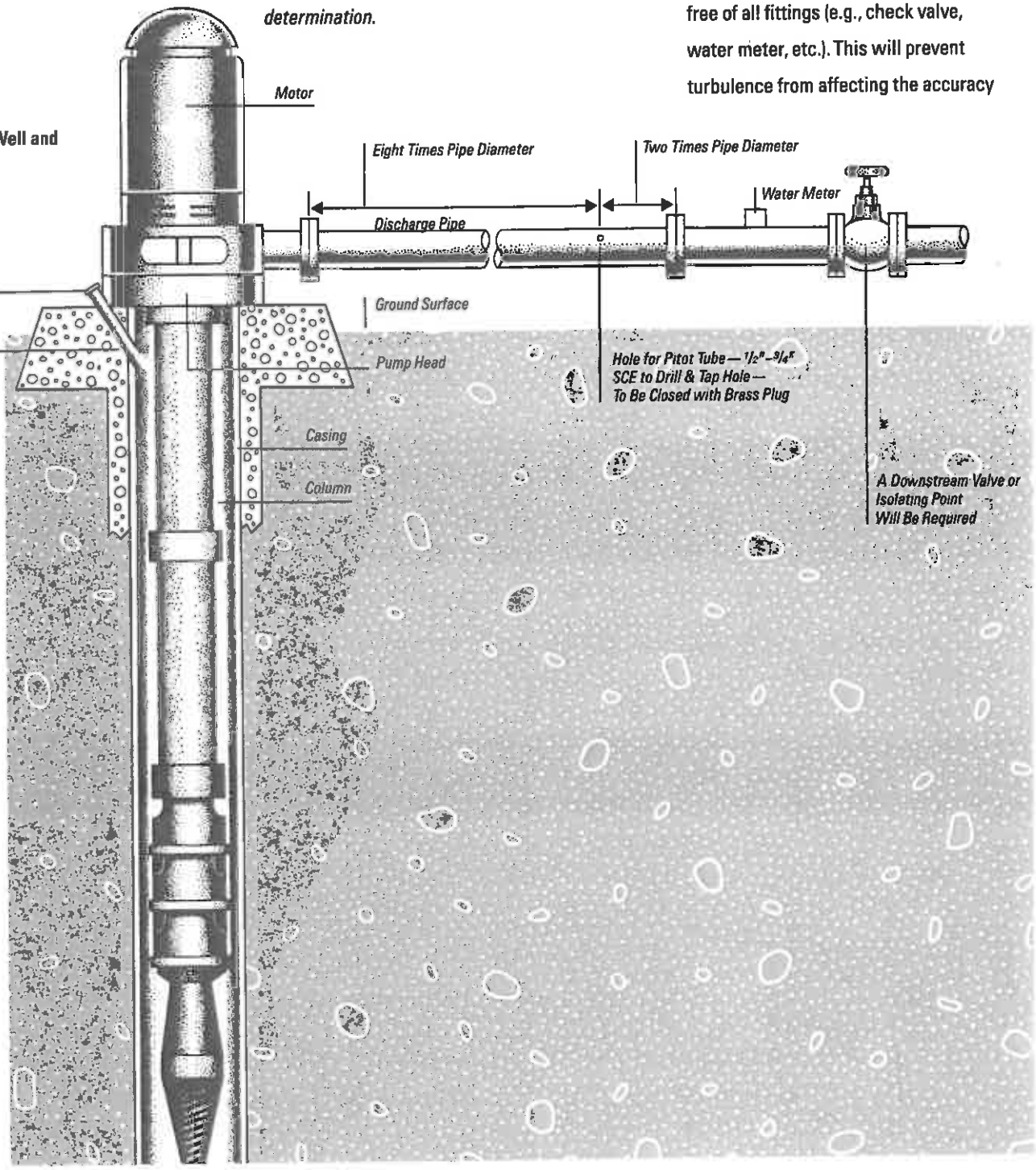
ACCESS REQUIREMENTS FOR TESTING A PUMPING STATION

Pumping plant efficiency is determined by analyzing the water level in a well during pumping, discharge flow rates and power inputs to the pump motor.

In order to obtain the pumping water level, it is essential to sound the well. This illustration shows a type of sounding access which can be added to existing wells. Some pumps have sounding access holes in the pump head. Many new wells include an "airline" which can provide rapid determination of water levels. *All wells must have suitable access for water level determination.*

In order to obtain flow rate (gallons per minute) a pitot tube must be inserted in the discharge pipe. *All pump discharge pipes should be accessible for pitot tube insertion.* The *ideal* length of the discharge pipe is eight times the discharge pipe diameter. It should be straight pipe, free of all fittings (e.g., check valve, water meter, etc.). This will prevent turbulence from affecting the accuracy

Surface Features for Proper Access to a Well and Pump Installation



City of Norco
1281 5th Street
Norco, CA 92860
Phone: 951.270.5607
Fax: 951.735.0186

Project Estimate: Well 14 - Pull & Furnish New

Wednesday, October 27, 2010

Prepared For: Bill Thompson
General Manager

Prepared By: Michael Boyd
Account Manager

DESCRIPTION:

Thank you for choosing Layne Christensen Company, a leader in groundwater development. Layne Christensen continually works to tailor unique and practical solutions using Layne products and services to meet individual client needs within the water community. Layne Christensen has been maintaining life's most vital resource since 1882. Our full range of water-related services encompasses site selection, well field design and development, pump installation and repair, water treatment, aquifer maintenance and remediation, and well rehabilitation.

The scope of work for this project is to pull the pump at well 14, transport back to the Fontana yard for teardown and inspection. If any necessary work needs to be completed on the pump, the client will be provided an estimate of the repairs. The pump will then be furnished with a new bowl assembly and installed into well 14. A video-log of the well will be completed before the final installation.

Thank you again for choosing Layne Christensen Company. As a representative of the company's Fontana, California based district office, I realize that Layne possesses the experience and technical expertise to solve your complex water supply issues. We will diligently work in a consistently courteous and professional manner to meet your specific site conditions and needs. We look forward to becoming your sole source provider for water-related services.

Thank you for the opportunity to be your water resource solution.

Project Estimate

Company: City of Norco
Contact: Bill Thompson
Address: 1281 5th Street
City, State, Zip: Norco, CA 92860
Project: Pull Pump & Video-Log
Phone: 951.270.5607
Fax: 951.735.0186

Date: October 27, 2010
Estimated By: Michael Boyd
Location: Norco 13
Prevailing Wage: Yes
Type of Tax: Sales
Tax Rate: 8.75%

Description	Unit	Quantity	Price	Total
LABOR				
1. 4 Man Crew, 75 Ton Crane & Service Truck (Pull Pump)	Hours	16	$580.00	$9,280.00
2. Shop Labor	Hours	4	$105.00	$420.00
3. Video-Log Well	EA	1	$800.00	$800.00
4. 4 Man Crew, 75 Ton Crane & Service Truck (Install Pump)	Hours	16	$580.00	$9,280.00
MATERIALS				
1. Christensen 11CLC - 9 Stage Bowl Assembly	EA	1	$8,656.00	$8,656.00
			Subtotal	$28,436.00
			Sales Tax	$757.40
			Total	$29,193.40

Clarifications

1. Client to provide legal access.
2. Client to provide all applicable permits.
3. Client to provide on-site water source.
4. This quote is valid for 30 days from above date.
5. Based upon Layne Christensen's attached Terms & Conditions.
6. Layne's payment terms are "Net Due Upon Receipt Of Invoice".
7. This estimate will be subject to a fuel surcharge per the attached Terms & Conditions.
8. Signing this project estimate authorizes Layne Christensen Company to proceed with your project.

Layne Christensen Company

10/27/2010

Michael Boyd - Account Manager DATE

City of Norco

Bill Thompson DATE

Terms & Conditions

LIABILITY OF CONTRACTOR: Contractor shall not be liable for any bodily injury, death, or injury to or destruction of tangible property except, as the same may have been caused by the negligence of Contractor. In no event shall Contractor be liable for any delays or special, indirect, incidental or consequential damages. Purchaser agrees that the total limit of Contractor's liability (whether based on negligence, warranty, strict liability or otherwise) hereunder, shall not exceed the aggregate amount due Contractor for services rendered under this contract. All claims, including claims for negligence or any other cause whatsoever, shall be deemed waived unless made in writing and received by Contractor within one (1) year after Contractor's completion of work hereunder.

INSURANCE: Contractor shall provide worker's compensation insurance, public liability and property damage insurance covering its employees and operation. Purchaser, at its option, may maintain such insurance as will protect it against claims arising out of the work.

PRICE ADJUSTMENT: Any cost estimates or time frames stated herein are subject to equitable adjustment in the event of differing or unforeseeable conditions, changes in applicable laws after the date of this contract, unforeseeable delays or difficulties caused by acts of God, Purchaser or any third parties. Prices of goods acquired by Contractor from others shall be adjusted to reflect Contractor's price in effect at time of shipment. The price of Contractor's goods will be adjusted to the price in effect at time of shipment in accordance with Contractor's current escalation policies or as specifically covered in this contract.

TERMS: Due upon Receipt. For extended projects, Contractor shall submit invoices on a monthly basis for any and all work completed and materials or equipment provided during the previous month. Past due invoices shall be subject to a delinquency charge of one and one-half percent (1-1/2%) per month (eighteen percent (18%) per annum) unless a lower charge is required under applicable law, in which case the lower rate shall apply. Purchaser agrees to pay all collection fees, attorneys' fees and costs incurred in the collection of any past due amounts arising out of this contract. Contractor shall have the right to immediately terminate this contract without further liability if Purchaser fails to make timely payment or otherwise materially breaches this contract.

MATERIAL SHORTAGES AND COST INCREASES: If any portion of materials or equipment which Contractor is required to furnish becomes unavailable, either temporarily or permanently, through causes beyond the control and without the fault of Contractor, then in the case of temporary unavailability any completion time frames shall be extended for such period of time as Contractor shall be delayed by such above-described unavailability, and in the case of permanent unavailability Contractor shall be excused from the requirement of furnishing such materials or equipment. Purchaser agrees to pay Contractor any increase in cost between the cost of the materials or equipment, which become permanently unavailable and the cost of the closest substitute, which is then reasonably available.

DELAYS: If Contractor is delayed at any time in the progress of work by labor disputes, fire, unusual delays in transportation, unavoidable casualties, weather, or any cause beyond Contractor's reasonable control, then any completion time frames shall be extended by a reasonable period of time, at least equal to the period of delay.

CHANGED CONDITIONS: The discovery of any hazardous waste, substances, pollutants, contaminants, underground obstructions or utilities on or in the job-site which were not brought to the attention of Contractor prior to the date of this contract will constitute a materially different site condition entitling Contractor, at its sole discretion to immediately terminate this contract without further liability.

GUARANTEE AND LIABILITY: Contractor warrants that its labor supplied hereunder shall be free from defect and shall conform to the standards of care in effect in its industry at the time of performance of such labor for a period of twelve (12) months after substantial completion of Contractor's work. Contractor agrees, to the extent it is permitted, to pass on any warranties provided by the manufactures of materials and/or equipment furnished under this contract. Contractor itself provides no warranty, express, implied or otherwise, on any such materials or equipment. Contractor will not be responsible for; work done, material or equipment furnished or repairs or alterations made by others.

For any breach hereunder, Contractor shall be liable only for the values of the installation work or, if it wrongfully fails to install, then its liability is limited to the difference between the contract price herein, and the value of other similar installation work. If Contractor's breach damages any materials or equipment furnished hereunder, Contractor shall only be liable for the value of such materials or equipment. Under no circumstances will Contractor be liable for consequential, special or indirect damages, including without limitation, any crop loss or damage to other equipment, structures or property, nor for any other similar or dissimilar damages or losses whether due to delay, failure to furnish or install, delay in installation, defective material or equipment, defective workmanship, defective installation, delay in replacing, nor for any cause or breach whatsoever. In any event, Contractor's total liability towards Purchaser for alleged faulty performance or nonperformance under this contract shall be limited to the total contract price. No materials, equipment or services contracted herein carries any guarantee not mentioned in this contract. THE ABOVE WARRANTY IS INLIEU OF ALL OTHER WARRANTIES,

EXPRESS OR IMPLIED, INCLUDING, BUT NOT LIMITED TO, WARRANTIES OR MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE, WHICH ARE HEREBY DISCLAIMED.

TITLE AND OWNERSHIP: In case of default on Purchaser's part, Contractor shall have the right to enter the premises upon which any material or equipment furnished herein have been installed and retake such goods not then paid for and pursue any further remedy provided by law, including recovery of attorney's fees and any deficiency to the maximum extent and in the manner provided by law. Such materials and equipment shall retain their character as personal property of Contractor until Contractor receives payment in full, regardless of their mode of attachment. Unless prior specific written instructions are received to the contrary, surplus and replaced materials and equipment resulting from repair of installation work shall become the property of Contractor.

DELIVERY: Shipment schedules and dates, express or implied, are contingent on normal conditions. Contractor will not be responsible for any delays in shipment or completion caused by factors beyond its control such as, but not limited to, suppliers' failures, accidents, work stoppages or operation of or changes in the law. Shipments will be made as promptly as Contractor's ability to obtain materials and/or equipment and scheduling will permit. No delay in shipments or variances from shipping schedule shall be cause of cancellation or any claim for damage. Any changes in layout or design requested after acceptance of this contract will be made at Purchaser's additional cost. Any such change and/or time taken to supply engineering data or to approve drawings will automatically extend shipping schedules. Equipment will be shipped "knocked down" to the extent Contractor considers necessary, with small parts stripped from equipment and crated. On and after delivery to the carrier for transportation to the Purchaser's site, Purchaser shall be responsible for all loss or damage to materials or equipment due to any cause, including but not limited to loss or damage resulting from casualty.

INDEMNIFICATION: Purchaser agrees to indemnify and hold Contractor, its directors, officers, stockholders, employees, agents and subcontractors, harmless from and against any and all claims, demands, causes of action (including third party claims, demands or causes of actions for contribution or indemnification), liability and costs (including attorneys' fees and other costs of defense) asserted and/or filed by Purchaser or any third party(ies), including without limitation Purchaser's employees, and arising out of or as a result of: (I) the presence of Contractor or its subcontractors at the job-site, (ii) the work performed by Contractor or its subcontractors, or (iii) any negligent act or omission of Purchaser, its employees, agents, consultants, or other contractors or any person or entity under Purchaser's control; except to the extent that such claims, demands, causes of action, liabilities or costs are caused by the negligence of Contractor or its subcontractors.

INTERPRETATION: This contract shall be governed by and construed in accordance with the laws of the state of the job-site location. In any term, provision or condition contained herein shall, to any extent, be invalid or unenforceable, pursuant to state law or otherwise, the remainder of the terms, provisions and conditions herein (or the application of such term, provision, or condition to persons or circumstances other than those in respect of which it is invalid or unenforceable) shall not be affected thereby, and each term, provision and condition of this contact shall be valid and enforceable to the fullest extent permitted by law.

ASSIGNMENT AND SUBLETTING: Purchaser shall not have the right to transfer or assign its rights and/or obligations under this contract to any third party, related or unrelated, without the express written consent of Contractor. Contractor shall have the right to transfer, assign or sublet all or any portion of its rights or obligations hereunder, but such transfer, assignment or subletting shall not relieve Contractor from its full obligations to Purchaser unless such transfer, assignment or subletting is pursuant to the sale of Contractor, or the division of Contractor responsible for this contract, to a third party.

FUEL: A fuel surcharge will be applied to all hourly charges (except for equipment rates stated without fuel). The fuel surcharge is a 0.75% increase in hourly rates for every $0.10 cost increase in the average cost of diesel fuel above the $4.00 baseline. The cost of fuel over the billing period is defined as the average Retail On-Highway Diesel Prices for the region where the work was completed, published by the Energy Information Administration, posted on eia.doe.gov.

Based on the defined scope of work we estimate the fuel surcharge for this project to be $0.00. The fuel surcharge will appear on your final bill as a separate line item.

OPERATING COST: An operating supply charge of 1% of the applicable rig operating hourly rates will be added to the invoice to cover daily expendable items (lubricants, rags).

MISCELLANEOUS: The terms and conditions set forth herein constitute the entire understanding of the parties relating to the work to be performed, and materials and equipment to be provided, by Contractor for the Purchaser. All previous proposals, offers and other communications relative to the provisions of the subject work, oral or written, are hereby superseded, except to the extent that they have been expressly incorporated herein. Any modifications or revisions of any provisions herein or any additional provisions contained in any purchase order, acknowledgement, or other form of the Purchaser are hereby expressly objected to by Contractor and shall not operate to modify this contract. This contract shall take effect upon acceptance and execution by both parties.

CITY OF NORCO
STAFF REPORT

TO: Honorable Mayor and Members of the City Council

FROM: Beth Groves, City Manager

PREPARED BY: Andy Okoro, Deputy City Manager/Director of Finance

DATE: November 3, 2010

SUBJECT: Approval of Memorandum of Understanding for Norco General Employees for Fiscal Years 2010-2011 and 2011-2012

RECOMMENDATION: Adopt: Resolution No. 2010 - ___, approving the Memorandum of Understanding for the Norco General Employees Association (NGEA).

SUMMARY: The recommendation for the NGEA MOU is for a two year contract (FY 2010 - 2011 and FY 2011 - 2012). There will be no change to salary compensation levels. The changes being recommended for Council approval will reduce future pension and health insurance costs for the City.

BACKGROUND/ANALYSIS: The Memorandum of Understanding for the NGEA expired June 30, 2010. The proposed resolution and Memorandum of Understanding reflects no increase in salaries. Currently, the City pays 100% of the employee and their dependents cost for medical insurance provided the total cost does not exceed the premium for PERS Choice Preferred Provider Plan. As the costs of medical insurance premiums have continued to rise, staff is recommending that the City reduce its exposure to future increases and ensure some predictability in budgeting by capping the amount of City subsidy to a monthly flat amount up to a maximum of $1,250. Consistent with the equal contribution provision in the City's medical insurance coverage contract with CalPERS, the recommended flat amount cap for active employees will also apply to retirees. The recommended cap will have negative financial impact on very few employees for the 2010 coverage year. Future impacts on employees will depend on future medical insurance premiums.

The recommended changes to the NGEA MOU are outlined as follows:

- From July 1, 2010 – December 31, 2010, the City agrees to pay the full cost (100%) of the plans for those employees and their dependents enrolled in the HMO or PERS Choice plans.
- Effective January 1, 2011 through December 31, 2011, the City agrees to pay up to a maximum of $1,250 a month for those employees and their dependents enrolled in any of the available PERS health plans.

- Effective January 1, 2012 through December 31, 2012, the City agrees to pay up to the Employee, Employee plus 1, or Employee plus Family premium for the lowest HMO in the CalPERS Other Southern California Region.
- Additionally, future hires will pay 100% of their share of pension contribution which is currently 8% of eligible pay.

FINANCIAL IMPACT: It is estimated that the change in medical insurance benefit could generate about $8,000 savings for the remainder of FY2010-2011. There will be additional savings for the 2012 coverage year when the City health insurance subsidy to the members of the NGEA will be based on lowest HMO premium instead of the $1,250 limit in 2011 coverage year. There will be no immediate savings from the change in pension contribution rates. However, future savings could be substantial as new employees are hired.

Attachment: Resolution Nos. 2010-_____
/jk-76910

RESOLUTION NO. 2010-____

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF NORCO, CALIFORNIA, APPROVING THE MEMORANDUM OF UNDERSTANDING BETWEEN THE CITY OF NORCO AND NORCO GENERAL EMPLOYEES ASSOCIATION

WHEREAS, a Memorandum of Understanding ("MOU") between the City of Norco ("City") and the Norco General Employees Association ("NGEA") covering the period of July 1, 2009 through June 30, 2010 has expired; and

WHEREAS, the City and NGEA have met and conferred in good faith and have agreed on the terms and conditions set forth in a MOU covering the period of July 1, 2010 through June 30, 2012; and

NOW THEREFORE, BE IT RESOLVED as follows:

The City Council does hereby approve the terms and conditions set forth in the attached MOU (Attachment "A-1") for a period covering July 1, 2010 through June 30, 2012.

PASSED AND ADOPTED by the City Council of the City of Norco at a regular meeting held on November 3, 2010.

_____
Mayor Pro Tem of the City of Norco, California

ATTEST:

_____
Brenda K. Jacobs, City Clerk
City of Norco, California

I, BRENDA JACOBS, 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 regular meeting held on November 3, 2010 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 November 3, 2010.

_____
Brenda K. Jacobs, City Clerk
City of Norco, California
/jk-76911

MEMORANDUM OF UNDERSTANDING
BETWEEN
CITY OF NORCO
AND
NORCO GENERAL EMPLOYEES ASSOCIATION

JULY 1, 2010 – JUNE 30, 2012

Attachment "A-1"

NORCO GENERAL EMPLOYEES ASSOCIATION
MEMORANDUM OF UNDERSTANDING

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City_____NGEA_____

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MEMORANDUM OF UNDERSTANDING BETWEEN CITY OF NORCO AND NORCO GENERAL EMPLOYEES ASSOCIATION

ARTICLE 1 PREAMBLE

Representatives of the City of Norco and the Norco General Employees Association have met and conferred on salaries and benefits for the Fiscal Year beginning July 1, 2010. The following items have been agreed upon and have been submitted to the City Council for consideration and have been implemented by appropriate City Council action. The term of this Agreement shall be for two (2) years for the period beginning July 1, 2010 and ending June 30, 2012.

ARTICLE 2 RECOGNITION

1. The City recognizes the Norco General Employees Association as the exclusive representative of full-time employees in the following classifications:

   Account Clerk I

   Account Clerk II

   Account Clerk III

   Administrative Clerk

   Animal Control Officer

   Animal Control Supervisor

   Assistant Civil Engineer

   Assistant Planner

   Building Inspector

   Building Ops. Support Coordinator

   Bus Driver

   C.I.S. Technician

   Code Enforcement Officer

   Custodian

   Deputy City Clerk

   Kennel Officer

   Permit Technician

   Plans Examiner/Senior Building Inspector

   Recreation & Community Services Coordinator

   Secretary II

   Senior Administrative Clerk

   Senior Permit Technician

2. The classifications listed above constitute all of the City employees that are represented by the Norco General Employees Association.

ARTICLE 3 SALARIES

There shall not be any salary range adjustments for classifications represented by the Norco General Employees Association.

ARTICLE 4 P.E.R.S. Benefits

1. The City has agreed to pay 100% of the employer and employee's contribution rates toward retirement through the CalPERS Retirement System for current employees. Anyone hired on or after November 1, 2010 will pay 100% of their share of pension contribution.
2. The City is contracted with CalPERS to provide employees with the 2.7% at 55 Full Formula.

   Other benefits in the CalPERS agreement include:

   a. Credit for unused sick leave

   b. Fourth Level 1959 Survivors Benefits
3. The City will participate with the State of California for health benefit programs available through P.E.R.S. (see Article 5).

ARTICLE 5 HEALTH INSURANCE

1. The City will participate with the State of California for health benefit programs available through PERS.
2. From July 1, 2010- December 31, 2010, the City agrees to pay the full cost (100%) of the plans for those employees and their dependents enrolled in the HMO or PERS Choice plans.
3. Effective January 1, 2011, the City agrees to pay up to $1250 a month for those employees and their dependents enrolled in any of the available PERS health plans.
4. Effective January 1, 2012, the City agrees to pay up to the Employee, Employee plus 1, or Employee plus Family premium for the lowest HMO in the CalPERS Other Southern California Region.
5. Any eligible employee who elects to opt-out of health benefits will be paid a monthly cash amount equal to the lowest basic single rate premium in lieu of health benefits, providing the following requirements are met:

   1. An election form to opt-out of health benefits is completed.
   2. Proof of other coverage is provided.

ARTICLE 6 DENTAL INSURANCE

The City will provide a choice between a pre-paid dental insurance plan, fully paid by the City for both the employee and dependent coverage, and a fee-for-service dental insurance plan with the City's contribution limited to the cost of the pre-paid dental insurance.

ARTICLE 7 VISION INSURANCE

The City will provide a vision care plan that is fully paid by the City for both employee and dependent coverage.

ARTICLE 8 LIFE INSURANCE

The City will provide term life insurance benefit equal to the employee's annual salary (rounded to the nearest thousand) and $5,000 dependent life benefit, fully paid by the City for both employee and dependent coverage. The annual salary will be the monthly base salary times twelve.

ARTICLE 9 LONG TERM DISABILITY INSURANCE

The City of Norco offers an optional Long-Term Disability plan at the employee's expense.

ARTICLE 10 CONTINUOUS SERVICE BONUS

In recognition of years of service to the City, a Continuous Service Bonus shall be given on the anniversary date of the employee as follows:

- Five-year anniversary $100
- Ten-year anniversary $300
- Fifteen year anniversary $500
- Twenty-year anniversary $700
- Twenty-five year anniversary $1,000
- Thirty-year anniversary $1,250

ARTICLE 11 SICK LEAVE

1. Full-time general employees assigned to the 36-hour workweek shall accrue 8.1 hours of sick leave per month.
2. Accumulated sick leave may be used for doctor and/or dental appointments for the employee or an immediate member of the employee's family or domestic partner. See Article 13, Section 2, for definition of immediate family.
3. Employees may use up to half of their accumulated sick leave for immediate family or domestic partner illness or medical emergency and up to three days of accumulated sick leave in addition to the three days of bereavement leave for the death of an immediate family member or domestic partner.

ARTICLE 12 EMPLOYEE ON LEAVE COMPENSATION

An employee on leave without pay, excluding FMLA and Disability, shall receive no compensation and shall accumulate no vacation or sick leave while on such leave but shall continue to receive the benefits of continuous service and insurance coverage. The employee's department head shall approve all leaves without pay.

ARTICLE 13 ANNUAL SICK LEAVE BUY-BACK

1. At the option of the employee, the City shall pay to each employee on the payroll immediately following December 1 of the year, 40 percent (40%) of the employee's unused sick leave for the previous 12 months with the time paid to be deducted from the employee's total sick leave accumulation.
2. If the employee is enrolled in the City of Norco deferred compensation program, the employee will have the option of having the money placed in a deferred compensation account.
3. In order to be eligible for a sick leave buy back, the employee must have been employed with the City for six months and have successfully completed his/her probationary period as of December of each year.
4. Individuals on probation due to promotions will be eligible for the buy back.

ARTICLE 14 SICK LEAVE BUY BACK ON SEPARATION

After ten years of service, the City shall pay 50 percent (50%) of any sick leave accumulation to the employee at the time of death, retirement or separation from the City up to a maximum of ninety days.

ARTICLE 15 BEREAVEMENT

1. Bereavement leave shall be provided in the amount of three days in the event of the death of a member of the employee's immediate family. Such bereavement leave shall not be deducted from an employee's accumulated sick leave.
2. Immediate family shall be defined as any relative by blood or marriage who is a member of the employee's household, domestic partner, and any parent, grandparent, spouse, child, brother or sister of the employee, or the parent or brother or sister of the employee's spouse, regardless of residence.

ARTICLE 16 JURY DUTY

1. An employee of the City who is requested to serve on jury duty shall notify his/her supervisor who shall in turn notify his/her department head.
2. While serving on jury duty, an employee shall receive his/her regular salary from the City. The employee shall remit to the City all compensation received as a result of serving on jury duty, except mileage reimbursement.
3. Jury duty limit will be 72 paid hours per year. An employee must submit documentation of court attendance. Jury duty will be paid for regularly scheduled work days up to the maximum of 72 paid hours per year.

ARTICLE 17 HOLIDAYS

1. Employees shall receive the following paid days off for holidays each year:

   - New Year's Day
   - Martin Luther King's Birthday (third Monday in January)
   - Washington's Birthday (third Monday in February)
   - Memorial Day (fourth Monday in May)
   - Independence Day
   - Labor Day
   - Veteran's Day
   - Thanksgiving Day
   - Christmas Eve Day
   - Christmas Day
   - Birthday

     The birthday holiday must be taken within the pay period of the employee's birthday.
   - 3 Floating Holidays

     New hires' floating holidays will be pro-rated. If hired between July 1 – October 31 new hires will accrue three (3) floating holidays, if hired between November 1 –

February 28 new hires will accrue two (2) floating holidays, if hired between March 1 – June 30 new hires will accrue one (1) floating holiday. New hires are not required to complete probation to use accrued floating holiday(s). Days off must have prior approval by immediate supervisor. All floating holidays must be used or will be lost by June 30 each year.

2. In the event when <u>any</u> holiday falls on a Friday or Saturday the Thursday preceding shall be observed as the holiday, or if the holiday falls on a Sunday, the Monday following shall be observed as the holiday.

3. The City shall pay nine (9) hours for each holiday.

ARTICLE 18 VACATION

1. Full-time Norco General Employees shall receive vacation accruals as follows:

Vacation Accumulation	Hours of Service	Maximum Accrual
86.4 hours per year / 3.32 hours per pay period	Up to 7,488	192 hours
129.6 hours per year / 4.98 hours per pay period	7,489 – 16,847	288 hours
151.2 hours per year / 5.82 hours per pay period	16,848 - 26,207	336 hours
172.8 hours per year / 6.65 hours per pay period	26,208 – 99,999	384 hours

2. Employees will cease to accrue vacation hours when in any pay period they exceed two times their annual accrual as determined by their anniversary date.

ARTICLE 19 COMPENSATORY TIME

1. In lieu of overtime pay, employees may be granted compensatory time, if requested by the employee and approved in advance by the City Manager or designee. However, it is the City's intent to minimize compensatory time authorization. Therefore, employees should not expect to have compensatory time authorized.

2. Compensatory time granted will accrue at a rate of one and one half hours per overtime hour worked, except for overtime worked on holidays and the employee's seventh scheduled day of a work week.

4. Compensatory time granted will accrue at a rate of two hours per overtime hour worked on holidays and the employee's seventh scheduled day of a workweek.

4. Employees may accumulate 60 hours of compensatory time used at the employee's discretion with the approval of the immediate supervisor.

5. All time worked in excess of 60 hours compensatory time will be paid.

6. The decision to allow compensatory time in lieu of overtime is solely a management decision.

7. Employees shall be allowed to carry 60 hours compensatory time from one calendar year to the next.

8. Payment, if any, to employees to reduce a compensatory time balance, will be at the discretion of the City Manager.

9. Subject to the 60-hour limit above, management can be expected to approve an employee request for compensatory time in lieu of paid overtime if:

A. The request to accumulate time is for a specific reason (i.e. vacation, family need, medical need, lack of available sick or paid leave, etc.) generally related to a need for future paid time off; and

B. Hours to be accumulated as compensatory time are not reasonably expected to result in the need to backfill resulting in lost productivity when the hours are taken off work, by necessitating a management decision to pay regular pay, overtime pay, or grant additional compensatory time to the requestor or another employee or require hiring temporary or consulting personnel.

ARTICLE 20 STANDBY

1. Assignment of personnel to standby shall be the prerogative of management and employees shall be subject to standby or call-out as deemed necessary.
2. Employees required to accept standby assignment will be compensated at the rate of one and one half hours per weekday and three hours per 24-hour shift for weekends and holidays.
3. The definition of weekends shall include employee's regularly scheduled days off.
4. Employees required to accept backup standby assignments will be compensated at the rate of one hour per day.
5. Employees who are not on assigned standby but are "called out" are required to respond if contacted and instructed to report to work.

ARTICLE 21 OVERTIME

1. For employees assigned to the 36-hour workweek, the City will compensate employees for overtime in excess of 36 hours per week paid at a rate of time and one-half, except for holidays and for overtime on the employee's seventh scheduled day of their workweek.
2. The City will compensate employees for overtime on holidays and employee's seventh day of their workweek at a rate of double time.
3. An employee's scheduled workweek may or may not be a traditional Monday through Friday workweek.
4. The regular 36-hour workweek is considered to be 36 hours of paid time, which will include holidays, sick leave, vacation and compensated time off.

ARTICLE 22 CALL OUT

1. Employees will be compensated for a minimum of two hours when performing call-out work.
2. Employee compensation rate is addressed in Article 21.

ARTICLE 23 COURT TIME COMPENSATION

City employees will be compensated for City of Norco duty-related and required court appearances in those cases where the employee is required to report to the court when he/she is not scheduled to work.

ARTICLE 24 TUITION REIMBURSEMENT

1. The City will provide tuition reimbursement in an amount not to exceed $400 per quarter, not to exceed $800 per year, for the purpose of offsetting costs of actual tuition and/or book expense incurred by such employee.
2. The benefit is intended only for courses related to the furtherance of employees' careers with the City.

3. To be eligible for reimbursement, the course must be pre-approved by the Department Head prior to enrollment.

4. Receipts will be required prior to reimbursement.

5. All persons participating in the tuition reimbursement program must maintain a passing grade of "C" and submit satisfactory proof to the Department Head.

6. A grade of "B" will be required for master's level class reimbursement.

7. Should an employee fail to obtain a passing grade of C (or B for master's level courses) or fail to complete the course, he/she shall be obligated to reimburse the City for his/her reimbursement if prepayment had been made.

ARTICLE 25 ACTING PAY

1. General Employees shall be eligible for acting pay for temporarily filling a position of a higher classification beyond a period of ten consecutive workdays or for filling a position of a higher classification for an interim period during a vacancy.

2. Employees shall be compensated one step or at a rate of five percent higher than his/her current salary if his/her current position is in a range that overlaps the range of the higher classification being filled, or be compensated two steps or at a rate of ten percent higher than his/her current salary, if the position being temporarily filled is beyond subject employee's pay range.

3. Eligibility for acting pay shall be determined by employee's Department Head.

ARTICLE 26 UNIFORMS

1. The City shall purchase all special equipment and uniforms required of an employee in relation to the employee's job duties.

2. All uniforms purchased by the City, and all identifying patches, badges, etc., must be returned to the City when an employee terminates his/her employment.

3. The City shall approve the store to be used for purchase of uniforms and boots.

ARTICLE 27 DEFERRED COMPENSATION

1. The City of Norco offers a deferred compensation plan.

2. Any City employee may elect to participate. The plan provides employees the ability to defer current income from state and federal taxes to provide future payments upon death, disability retirement or separation from the City.

3. Employees may defer a minimum of $10 per payroll period up to a maximum that is determined by Internal Revenue Service Code 457K.

4. The provisions of deferred compensation are subject to change in accordance with Internal Revenue Code Section 457.

ARTICLE 28 STATE DISABILITY INSURANCE

1. Employees of the City are covered under State Disability Insurance.

2. The State Disability Insurance (SDI) shall provide benefits to employees consistent with state laws, and shall be paid per state law.

3. An employee may request to supplement his/her State Disability Insurance with his/her available sick leave or vacation time to maintain a regular salary while receiving disability benefits.

ARTICLE 29 INJURY ON DUTY – WORKERS COMPENSATION

1. An employee injured on the job must notify their supervisor and Human Resources immediately and submit claim form within one business day of injury and/or illness.
2. Unless an employee has completed a "Designation of Personal Physician" form prior to an injury and/or illness, an employee needing medical treatment should be referred to the City's authorized clinic to be provided with medical care.
3. The City Worker's Compensation Insurance Program shall provide compensation to employees injured on duty consistent with state laws and other worker's compensation laws. An injury must meet the test of both arising out of employment and occurring during the course of employment to be compensable under worker's compensation.
4. An injured employee under Worker's Compensation may request to supplement his/her Worker's Compensation payments with his/her available sick leave or vacation time to maintain a regular salary while on Worker's Compensation.

ARTICLE 30 LAYOFF PROCEDURE

1. For the purpose of providing reemployment opportunities for individuals who may be laid off from their employment with the City of Norco, the City shall establish a "reemployment list."
2. General Employees shall remain on the reemployment list for a period of one year from the date of the receipt of notice of layoff.
3. The reemployment list shall be used for individuals who will be eligible for appointment to a position that he/she held at the time of layoff from the City, or to a specific classification previously held with the City should such a position become vacant.
4. The reemployment list shall have priority over open competitive examination employment lists established by the City for a position affected by the reemployment list.

ARTICLE 31 SEVERANCE PAY – LAYOFF

1. Severance pay will be provided upon layoff from the City.
2. The severance pay shall be one week of compensation at six months employment, two weeks compensation at eighteen months, three weeks compensation at thirty months employment, and four weeks compensation at forty-two months or more of employment.

ARTICLE 32 MANAGEMENT RIGHTS

It is understood and agreed that the City retains all of its powers and authority to manage municipal services and the work force performing those services.

ARTICLE 33 PROVISIONS OF LAW

If any article or section of this agreement, or any addition thereto, should be held invalid by operation of law, or by a tribunal or office of competent jurisdiction, or if compliance with or enforcement of any article or section should be restrained by such tribunal or office, the remainder of this agreement shall not be affected thereby and all parties shall enter into immediate negotiations for the purpose of arriving at a mutually satisfactory replacement for such article or section.

ARTICLE 34 GENERAL PROVISIONS

1. The parties acknowledge that during the negotiations which resulted in this MOU, each had the right and opportunity to make demands and proposals with respect to subjects within the scope of representation. The understandings arrived at after the exercise of that right are set forth in this MOU and constitute the complete and total contract between the City and the NGEA with respect to wages, hours, and other terms and conditions of employment.
2. Any prior or existing Memoranda of Understanding between the parties regarding matters within the scope of representation are hereby superseded and terminated in their entirety.

CITY OF NORCO

_____

Andy Okoro,
Deputy City Manager/Director of Finance

_____

Myrna Paakkonen, Human Resource Analyst

Date: _____

NORCO GENERAL EMPLOYEES ASSOCIATION

_____

Frank Scagnamiglio, President

_____

Dennis Hurford, Vice President

_____

Linda Tackett, 2nd Vice President

_____

Shanon Anderson, Treasurer

_____

Julia Murray, Secretary

Date: _____

City_____NGEA_____

CITY OF NORCO
STAFF REPORT

TO: Honorable Mayor and Members of the City Council

FROM: Beth Groves, City Manager

PREPARED BY: Andy Okoro, Deputy City Manager/Director of Finance

DATE: November 3, 2010

SUBJECT: Approval of Memorandum of Understanding for the Norco Public Works and Parks Maintenance Workers Association for Fiscal Years 2010-2011

RECOMMENDATION: Adopt: Resolution No. 2010 - ___, approving the Memorandum of Understanding for the Norco Public Works and Parks Maintenance Workers Association (NPW&PMWA).

SUMMARY: The recommendation for the NPW&PMWA MOU will have a one year contract (FY 2010 - 2011). There will be no change to salary compensation levels. The changes being recommended for Council approval will reduce future pension and health insurance costs for the City.

Staff is also recommending the Council approve the attached revised Job Specification for Lead Worker ("Attachment A-2") which more clearly outlines the required duties, responsibilities and desirable qualifications for Public Works and Parks Lead Worker.

BACKGROUND/ANALYSIS: The Memorandum of Understanding for the NPW&PMWA expired June 30, 2010. The proposed resolution and Memorandum of Understanding reflects no increase in salaries. Currently, the City pays 100% of the employee and their dependents cost for medical insurance provided the total cost does not exceed the premium for PERS Choice Preferred Provider Plan. As the costs of medical insurance premiums have continued to rise, staff is recommending that the City reduce its exposure to future increases and ensure some predictability in budgeting by capping the amount of City subsidy to a monthly flat amount up to a maximum of $1,250. Consistent with the equal contribution provision in the City's medical insurance coverage contract with CalPERS, the recommended flat amount cap for active employees will also apply to retirees. The recommended cap will have negative financial impact on very few employees for the 2010 coverage year. Future impacts on employees will depend on future medical insurance premiums.

The recommended changes to the NPW&PMWA MOU are outlined as follows:

- From July 1, 2010 – December 31, 2010, the City agrees to pay the full cost (100%) of the plans for those employees and their dependents enrolled in the HMO or PERS Choice plans.
- Effective January 1, 2011 through December 31, 2011, the City agrees to pay up to a maximum of $1,250 a month for those employees and their dependents enrolled in any of the available PERS health plans.
- Additionally, future hires will pay 100% of their share of pension contribution which is currently 8% of eligible pay.

FINANCIAL IMPACT: It is estimated that the change in medical insurance benefit could generate about $8,000 savings for the remainder of FY2010-2011. There will be additional savings for the 2012 coverage year when the City health insurance subsidy to the members of the NGEA will be based on lowest HMO premium instead of the $1,250 limit in 2011 coverage year. There will be no immediate savings from the change in pension contribution rates. However, future savings could be substantial as new employees are hired.

Attachment: Resolution Nos. 2010-____
/jk-76947

RESOLUTION NO. 2010-____

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF NORCO, CALIFORNIA, APPROVING THE MEMORANDUM OF UNDERSTANDING BETWEEN THE CITY OF NORCO AND NORCO PUBLIC WORKS AND PARKS MAINTENANCE WORKERS ASSOCIATION

WHEREAS, a Memorandum of Understanding ("MOU") between the City of Norco ("City") and the Norco Public Works and Maintenance Workers Association ("NPWPMWA") covering the period of July 1, 2009 through June 30, 2010 has expired; and

WHEREAS, the City and NPW&PMWA have met and conferred in good faith and have provided NPW&PMWA a last and final offer on the terms and conditions set forth in a MOU covering the period of July 1, 2010 through June 30, 2011; and

NOW THEREFORE, BE IT RESOLVED as follows:

The City Council does hereby approve the terms and conditions set forth in the attached MOU (Attachment "A-1") for a period covering July 1, 2010 through June 30, 2011 and the revised Lead Worker Job Specification.

PASSED AND ADOPTED by the City Council of the City of Norco at a regular meeting held on November 3, 2010.

_____
Mayor Pro Tem of the City of Norco, California

ATTEST:

_____
Brenda K. Jacobs, City Clerk
City of Norco, California

I, BRENDA JACOBS, 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 regular meeting held on November 3, 2010 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 November 3, 2010.

_____
Brenda K. Jacobs, City Clerk
City of Norco, California
/jk-76912
Attachment

CITY OF NORCO
STAFF REPORT

TO:	Honorable Mayor and Members of the City Council
FROM:	Beth Groves, City Manager
PREPARED BY:	Andy Okoro, Deputy City Manager/Director of Finance
DATE:	November 3, 2010
SUBJECT:	Approval of a Resolution for Fixing the Employer's Contribution Under the Public Employees' Medical and Hospital Care Act
RECOMMENDATION:	Adopt Resolution No. 2010 ___, Fixing the Employer's Contribution Under the Public Employees' Medical and Hospital Care Act.

SUMMARY: The attached Resolution ("Exhibit A") amends the City's contract with California Public Employers Retirement System (CalPERS) by fixing the City's contribution under the Public Employees' Medical and Hospital Care Act up to a maximum of $1,250 a month effective January 1, 2011. As part of this amendment, the City will cancel the Miscellaneous Group category in the contract with CalPERS and replace it with separate bargaining units consisting of Management, Mid-Management/Confidential, General Employees, and Public Works and Parks Maintenance Workers.

BACKGROUND/ANALYSIS: To provide budget stability and reduce City exposure to the rising costs of medical insurance premium, City medical insurance monthly contribution subsidy of up to a maximum of $1,250 effective January 1, 2011 was approved via resolution for Management and Middle Management, Professional and Confidential Employees on October 6, 2010. The same change is also being recommended for approval on tonight's agenda as part of the NGEA and PW&PMWA Memoranda of Understanding.

The following requests for approval are being submitted in conjunction with Memorandum of Understanding for the Norco General Employee Association and Public Works and Parks Maintenance Association:

FINANCIAL IMPACT: The estimated savings from this change for the remainder of FY 2010 – 2011 is $8,000.

Attachment: Resolution No. 2010-____
/jk-76934

Agenda Item 3.H.

RESOLUTION NO. 2010-____

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF NORCO, CALIFORNIA, FIXING THE EMPLOYER'S CONTRIBUTION UNDER THE PUBLIC EMPLOYEES' MEDICAL AND HOSPITAL CARE ACT

WHEREAS, (1) Government Code Section 22892(a) provides that a local agency contracting under the Public Employees' Medical and Hospital Care Act shall fix the amount of the employer's contribution at an amount not less than the amount required under Section 22892(b)(1) of the Act, and

WHEREAS, (2) City of Norco is a local agency contracting under the Act; now, therefore be it

RESOLVED, (a) That the employer's contribution for each employee or annuitant shall be the amount necessary to pay the full cost of his/her enrollment, including the enrollment of family members, in a health benefits plan up to a maximum of:

CODE	BARGAINING UNIT	MAXIMUM CONTRIBUTION PER MONTH
003	Management	$ 1,250
004	Mid-Management/Confidential	$ 1,250
005	General Employees	$ 1,250
006	Public Works & Parks Maintenance	$ 1,250

Plus administrative fees and Contingency Fund Assessments; and be it further

RESOLVED, (b) That City of Norco has fully complied with any and all applicable provisions of Government Code Section 7507 in electing the benefits set forth above.

PASSED AND ADOPTED by the City Council of the City of Norco at a regular meeting held on November 3, 2010.

_____
Mayor Pro Tem of the City of Norco, California

ATTEST:

_____
Brenda Jacobs, City Clerk
City of Norco, California

I, BRENDA JACOBS, 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 regular meeting held on November 3, 2010 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 November 3, 2010.

_____
Brenda Jacobs, City Clerk
City of Norco, California

/jk-76935

CITY OF NORCO
STAFF REPORT

TO: Honorable Mayor and Members of the City Council

FROM: Beth Groves, City Manager

DATE: November 3, 2010

SUBJECT: Resolution in Support of "Business Friendly Principles" as part of SCAG's Development of a Southern California Economic Growth Strategy

RECOMMENDATION: Adopt **Resolution No. 2010-___,** in support of "Business Friendly Principles" as part of SCAG's development of a Southern California Economic Growth Strategy.

SUMMARY: SCAG has initiated an effort to reduce impediments to creating jobs and stimulating economic investments through incentives. SCAG staff is preparing a Southern California Economic Growth Strategy and has planned a December 2, 2010, *Southern California Road to Economic Recovery Summit* at which they plan to have legislators, cities, counties and business leaders discuss working together in the next year to remove State-related economic impediments to economic growth. SCAG has asked all member agencies to adopt the proposed resolution supporting "Business Friendly Principles" to demonstrate Southern California's commitment to this effort.

BACKGROUND/ANALYSIS: In May of 2010, the SCAG General Assembly discussed the need for a concerted effort to reduce impediments to creating jobs and stimulating economic investments through incentives. SCAG staff was directed to prepare a Southern California Economic Growth Strategy and they are proceeding with that effort. In addition, SCAG has planned a December 2, 2010, *Southern California Road to Economic Recovery Summit* at which they plan to have the Governor-elect, State legislative leaders, the Regional Council, cities, counties and business leaders discuss working together in the next year to remove State-related economic impediments to economic growth. SCAG has asked all member agencies to adopt the attached resolution supporting "Business Friendly Principles" to demonstrate Southern California's commitment to this effort.

SCAG understands that many local jurisdictions are already following the "Business Friendly Principles" outlined in the proposed resolution as part of their regular economic development practices. Having the member agencies adopt the resolution in support of the December 2 Summit is intended to demonstrate to state leaders that the SCAG municipalities "are serious about working together in the next legislative session to find ways together to increase economic growth." The principles included in the proposed resolution include the following:

- Demonstrating commitment to economic development as a priority;
- Providing quality municipal services to attract and retain businesses;

- Communicating effectively with businesses including processes to increase responsiveness to businesses seeking or doing business within the jurisdiction; and
- Striving to streamline operations for efficient and responsive business assistance and seeking to improve cities' attractiveness to new and existing businesses.

FINANCIAL IMPACT: N/A

/bj-76948
Attachment: Resolution No. 2010-___

RESOLUTION NO. 2010-___

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF NORCO, CALIFORNIA, IN SUPPORT OF "BUSINESS FRIENDLY PRINCIPLES" AS PART OF SCAG'S DEVELOPMENT OF A SOUTHERN CALIFORNIA ECONOMIC GROWTH STRATEGY

Whereas, the City of Norco is a member of the Southern California Association of Governments (SCAG) who is engaged in the development of a Southern California Economic Growth Strategy;

Whereas, the City of Norco supports working with SCAG and other key economic stakeholders to improve the Southern California economy;

Whereas, the City of Norco is a business friendly municipality and has numerous practices in place to encourage economic growth within its community;

NOW THEREFORE, BE IT RESOLVED, DETERMINED AND ORDERED BY THE CITY COUNCIL OF THE CITY OF NORCO, CALIFORNIA, AS FOLLOWS:

1. That the City of Norco supports the following "Business Friendly Principles" as part of SCAG's development of a Southern California Economic Growth Strategy:

Principle One – Economic Development as a Priority
The City of Norco strives to demonstrate commitment to economic development as a priority.

Principle Two - Business Partnership

The City of Norco strives to provide quality municipal services to attract and retain businesses and employees.

Principle Three-Business Responsive Processes

The City of Norco strives to communicate effectively with businesses including processes to increase its responsiveness to businesses that are seeking or doing business within its jurisdiction (commitments include responding to business inquires within an established time period and offering an expedited permitting process for new businesses).

Principle Four – Attractiveness to Business Investment

The City of Norco strives to streamline operations for efficient and responsive business assistance in areas of licensing, permitting, inspections and other municipal services and will seek to improve its attractiveness to new and existing

businesses within its jurisdiction (commitments include striving to maintain competitive taxes and fees and establishing good communications with business base via newsletter or website).

2. That the City of Norco authorizes its staff to submit a copy of this resolution to SCAG in time for SCAG's Regional Economic Summit currently scheduled for December 2, 2010.

PASSED AND ADOPTED by the City Council at a regular meeting held on November 3, 2010.

_____
Mayor Pro Tem of the City of Norco, California

ATTEST:

_____
Brenda K. Jacobs, City Clerk
City of Norco, California

I, BRENDA K. JACOBS, City Clerk of the City of Norco, 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 November 3, 2010 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 November 3, 2010.

_____
Brenda K. Jacobs, City Clerk
City of Norco, California

/bj-76954