AGENDA
CITY OF NORCO

CITY COUNCIL/SUCCESSOR AGENCY
REGULAR MEETING
CITY COUNCIL CHAMBERS – 2820 CLARK AVENUE
DECEMBER 5, 2012

CALL TO ORDER:	7:00 p.m.
ROLL CALL:	Mayor Kevin Bash Mayor Pro Tem Kathy Azevedo Council Member Berwin Hanna Council Member Herb Higgins Council Member Harvey C. Sullivan
PLEDGE OF ALLEGIANCE:	Council Member Hanna
INVOCATION:	Assembly of God – Beacon Hill *Pastor Rene Parish*
INTRODUCTION:	Nathan Miller *Riverside Community College District Trustee*
PRESENTATIONS:	Recognition of "Recycling All Stars" Winners *Julie Reyes, Waste Management*
	Dalton Shepard *NJBRA 12 and Under "National Steer Riding" Champion*
	Jonathan Kahan *Eagle Scout Presentation*
	RURAL *Donation to Animal Shelter*
	Update on the Silverlakes Development *R.J. Brandes*

REORGANIZATION OF CITY COUNCIL:

A. Election of Mayor

B. Election of Mayor Pro Tem

REGULAR CITY COUNCIL AGENDA AS FOLLOWS:

1. 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.2 of the Agenda)*

   A. City Council Minutes:
   Regular Meeting of November 7, 2012
   Recommended Action: **Approve the City Council Minutes** (City Clerk)

   B. Procedural Step to Approve Ordinance after Reading of Title Only. **Recommended Action: Approval** (City Clerk)

   C. Recap of the Planning Commission Meeting of November 14, 2012. **Recommended Action: Receive and File** (Planning Director)

   D. Approval of the Annual Reports for Community Facilities Districts 2001-1 and 2002-1 for the Fiscal Year Ended June 30, 2012. **Recommended Action: Receive and file.** (Deputy City Manager/Director of Finance)

   E. Fiscal Year 2011-2012 Year-End Budget to Actual Report. **Recommendation: Receive and file.** (Deputy City Manager/Director of Finance)

   F. Parking Citation 90-Day Review. **Recommended Action: Receive and file.** (Lt. Hedge)

   G. Implementation Measures Regarding Pension Reform Provisions Effective January 1, 2013 Affecting all Full-Time City of Norco Employees. **Recommended Action: 1.) Approve a Letter of Agreement between the City of Norco and the Norco General Employees Association; 2.) Approve a Letter of Agreement between the City of Norco and the Public Works and Parks Maintenance Workers Association; 3.) Adopt Resolution No. 2012 77, amending Resolution No. 2012-39 adopting and implementing pension reform provisions for Management Classifications; and 4.) Adopt Resolution No. 2012-78, amending Resolution No. 2012-40 adopting and implementing pension reform provisions for Middle Management, Professional, and Confidential Classifications.** (Deputy City Manager/Director of Finance)

H. Approval of Amendment No. 1 to the Project and Capacity Agreement for the Expansion of the Western Riverside County Regional Wastewater Authority Treatment Plant. **Recommended Action: Approve Amendment No. 1 to the Project and Capacity Agreement for the expansion of the Western Riverside County Regional Wastewater Authority Treatment Plant, subject to non-substantive changes and approval by all WRCRWA Member Agencies.** (Public Works Director)

I. Approval of Amendment No. 2 to the Project and Capacity Agreement for the Expansion of the Western Riverside County Regional Wastewater Authority Treatment Plant. **Recommended Action: Approve Amendment No. 2 to the Project and Capacity Agreement for the expansion of the Western Riverside County Regional Wastewater Authority Treatment Plant, subject to non-substantive changes and approval by all WRCRWA Member Agencies.** (Public Works Director)

J. Reimbursement Agreement for Transportation Uniform Mitigation Fees (TUMF) for the Hamner Avenue Widening Project. **Recommended Action: Approve a TUMF Reimbursement Agreement with Western Riverside Council of Governments for street widening improvements on Hamner Avenue, 1,500 feet south and 1,500 feet north of Citrus Avenue, subject to non-substantive changes; and authorize the City Manager to execute the Agreement.** (Public Works Director)

K. Approval of the Sale, Assignment and Grant of Options for certain Delinquent Tax and other Receivables and Authorization to Execute Documents. **Recommended Action: Adopt Resolution No. 2012-79, approving the sale, assignment and grant options for certain delinquent tax and other receivables to the California Finance Authority for delinquent special taxes and assessments and authorizing execution and delivery of related documents and actions.** (City Attorney)

L. Resolution approving Amendment No. 5 to the Chino Basin Desalter Authority Joint Exercise of Powers Agreement. **Recommended Action: Adopt Resolution No. 2012-80, approving Amendment No. 5 to the Chino Basin Desalter Authority (CDA) Joint Exercise of Powers Agreement, subject to non-substantive changes and approval by all CDA Member Agencies.** (Public Works Director)

2. ITEM(S) PULLED FROM CITY COUNCIL CONSENT CALENDAR:

3. CITY COUNCIL DISCUSSION/ACTION ITEM:

A. Approval of the Location and Concept Plan for the George Ingalls Veterans Memorial Plaza located at the George Ingalls Equestrian Event Center. **Recommended Action: Approve the location and concept plan for the George Ingalls Veterans Memorial Plaza located at the George Ingalls Equestrian Event Center; and, authorize staff to request and accept donations to fund the project.** (Director of Parks, Recreation & Community Development)

4. CITY COUNCIL PUBLIC HEARING ITEMS:

A. Public Hearing Confirming Costs for 2012 Tumbleweed Abatement.

The 2012 Tumbleweed Abatement Report of Costs lists property owners whose vacant parcels were abated by the City's weed abatement contractor in October of 2012. After Council adopts the Resolution, property owners will be invoiced for payment of the abatement.

Recommended Action: Adopt Resolution No. 2012-81, confirming the report of costs for abatement of tumbleweeds and hazardous vegetation as a public nuisance and imposing special assessment liens on vacant parcels within the City. (Fire Chief)

B. Consideration of an Ordinance Adopting Specific Plan 85-1 (Auto Mall) Amendment 5 (City of Norco).

The ordinance is a proposed amendment to the Auto Mall Specific Plan that includes land use designation changes to add some C-G uses as similarly permitted and conditionally-permitted uses in a new Area D of the Specific Plan for lots in the northern half of the specific plan on both sides of Hamner Avenue, south of Third Street (39.42 acres); and to change the land use designation on 6.1 acres east of Four Wheel Drive, north of Second Street from Area B to Area A. The amendment includes text changes to bring the document consistent with current Code regulations and consistent with this amendment.

Recommended Action: Adopt Ordinance No. 954 for first reading. (Planning Director)

C Consideration of an Ordinance Amending the Text of Chapter 18.29 of the Norco Municipal Code Entitled Commercial General Zone, the Text of the Gateway Specific Plan, the Text of the Norco Auto Mall Specific Plan, and the Text of the Norco Hills Specific Plan, to Remove Car Washes as Permitted and/or Conditionally Permitted Uses in Each of Their Corresponding Zones.

This ordinance is a City-initiated proposal to remove car washes as permitted uses City-wide and would make existing car washes non-conforming uses subject to those provisions.

Recommended Action: Adopt Ordinance No. 955 for first reading. (Senior Planner)

D. Consideration of an Ordinance Amending the Provisions of Chapter 18.28 Entitled "P-E Zone Pedestrian-Equestrian Trails" to Amend Materials Permitted in the Trails and Clarify Where Alternative Materials are Approved.

Adoption of this City-initiated Code amendment would eliminate the use of impervious materials (including pavers) in the P-E Zone and Pedestrian-Equestrian Trails; except for drainage related improvements and to control erosion.

Recommended Action: Adopt Ordinance No. 956 for first reading. (Deputy Public Works Director/Senior Engineer)

5. SUCCESSOR AGENCY CONSENT CALENDAR ITEM:

A. Successor Agency Minutes:
Regular Meeting of November 7, 2012
Recommended Action: **Approve the Successor Agency Minutes** (City Clerk)

6. 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.

7. CITY COUNCIL COMMUNICATIONS/REPORTS:

A. Discussion Regarding the Proposed City Song Presented by Mr. Mattheus Zoetemelk. (Council Member Sullivan)

8. CITY MANAGER REPORTS:

9. 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.

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MINUTES
CITY OF NORCO
CITY COUNCIL/SUCCESSOR AGENCY
REGULAR MEETING
CITY COUNCIL CHAMBERS – 2820 CLARK AVENUE
NOVEMBER 7, 2012

CALL TO ORDER: Mayor Bash called the meeting to order at 6:03 p.m.

ROLL CALL:
Mayor Kevin Bash, **Present**
Mayor Pro Tem Kathy Azevedo, **Present**
Council Member Berwin Hanna, **Present**
Council Member Herb Higgins, **Present**
Council Member Harvey C. Sullivan, **Present**

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

Conference with Legal Counsel – Anticipated Litigation

Significant Exposure to Litigation Pursuant to Section 54956.9(b): 1 Potential Case

Initiation of Ligation Pursuant to Section 54956.9(c): 2 Potential Cases

RECONVENE PUBLIC SESSION: Mayor Bash reconvened the meeting at 7:05 p.m.

REPORT OF ACTION(S) TAKEN IN CLOSED SESSION (§54957.1): **City Attorney Harper stated that there were no reportable actions resulting from the items discussed in Closed Session.**

PLEDGE OF ALLEGIANCE: Council Member Sullivan

INVOCATION: Calvary Chapel – Norco
Pastor Louie Monteith

PROCLAMATION: Pancreatic Cancer Awareness Month
Jennifer Luna
Pancreatic Cancer Action Network

COMMENDATIONS: Deputy David Coronado
Riverside County Sheriff's Department

Joseph Visser (and his horse -- Meet My Dust)
17 Year Old Accomplished Competitor

PRESENTATION: Mattheus Zoetemelk
Mr. Zoetemelk sang a song about Norco that he wrote with words put to a traditional Dutch waltz melody.

REGULAR CITY COUNCIL AGENDA AS FOLLOWS:

1. CITY COUNCIL CONSENT CALENDAR ITEMS:

Mayor Bash pulled Item 1.C. for City Council discussion.

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

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

A. City Council Minutes:
Regular Meeting of October 17, 2012
Recommended Action: **Approve the City Council Minutes** (City Clerk)

B. Procedural Step to Approve Ordinance after Reading of Title Only. **Recommended Action: Approval** (City Clerk)

C. Approval to Reinstate and Update a Three-Year Lease Agreement with Vandermolen Investments, Inc. and the Corona-Norco Unified School District for Overflow Parking on the Vacant Parcel Known as APN 129-251-006-2 Located Adjacent to City Hall. **Recommended Action: That the City Council grant authority to the City Manager to negotiate and approve the following agreements: 1.) Reinstate and update the terms of a three-year Lease Agreement with Vandermolen Investments, Inc. for overflow parking on APN 129-251-006-2; and 2.) Reinstate and update the terms of a three-year Overflow Parking Agreement with the Corona Norco Unified School District on said APN for cost-sharing purposes.** (City Manager) **PULLED FOR DISCUSSION**

D. Acceptance of Bids and Award of Contract for the Traffic Signal at Hamner Avenue and Detroit Street. **Recommended Action: Accept bids submitted for the installation of a Traffic Signal at Hamner Avenue and Detroit Street and award a contract to New West Signal, Inc. in the amount of $139,624; and authorize the City Manager to approve contract change orders up to 10 percent of the bid contract amounts.** (Deputy Public Works Director/Senior Engineer)

E Approval of a Resolution Adding an Administrative Analyst Position to the Middle Management, Professional, and Confidential Service of the City of Norco. **Recommendation: Adopt Resolution No. 2012-71, adding the Class Specification of Administrative Analyst to the classifications in the Middle Management, Professional, and Confidential Service of the City of Norco.** (Deputy City Manager/Director of Finance)

F. Acceptance of Bids and Award of Contract for the LMD No. 4 Equestrian Trail Drainage Improvements, Phase II Project. **Recommended Action: Accept bids submitted for the installation of Phase II drainage devices in LMD No. 4 (Norco Ridge Ranch) and award a contract to Valley Crest Landscape Maintenance, Inc. in the amount of $218,585; and authorize the City Manager to approve contract change orders up to 10 percent of the contract amount.** (City Engineer)

2. ITEM(S) PULLED FROM CITY COUNCIL CONSENT CALENDAR:

Item 1.C. Approval to Reinstate and Update a Three-Year Lease Agreement with Vandermolen Investments, Inc. and the Corona-Norco Unified School District for Overflow Parking on the Vacant Parcel Known as APN 129-251-006-2 Located Adjacent to City Hall.

Mayor Bash asked for clarification regarding the agreement(s). City Manager Groves responded that currently the agreements have expired and if the Lease Agreement moves forward, the Overflow Parking Agreement will be presented to the District for its approval.

M/S Bash/Sullivan to grant authority to the City Manager to negotiate and approve the following agreements: 1.) Reinstate and update the terms of a three-year Lease Agreement with Vandermolen Investments, Inc. for overflow parking on APN 129-251-006-2; and 2.) Reinstate and update the terms of a three-year Overflow Parking Agreement with the Corona Norco Unified School District on said APN for cost-sharing purposes. The motion was carried by the following roll call vote:

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

3. CITY COUNCIL DISCUSSION/ACTION ITEMS:

A. Approval to Lift the Suspension of the Issuance of Permits for Pavers in the Pedestrian/Equestrian Trail in Commercial and Residential Driveways. **Recommended Action: That the City Council lift the suspension on the issuance of permits for pavers in the pedestrian/equestrian trails and approve the modifications to the equestrian trail standard and right-of-way encroachment permit for commercial and residential driveways as recommended by the Streets, Trails and Utilities Commission.** (Deputy Public Works Director/Senior Engineer)

Deputy Public Works Director/Senior Engineer Askew presented the item as stated in the staff report. She pointed out the changes made to the Equestrian Trail Standard 700, as recommended by the Streets, Trails and Utilities Commission.

Kathleen Kay. Ms. Kay commented in opposition of the use of pavers. She further commented on specific addresses in the Norco hills area where pavers are placed.

Danny Azevedo. Mr. Azevedo commented as the President of the Norco Horsemen's Association and noted that they do not want any pavers in the City, with the exception of commercial locations.

Ted Hoffman. Mr. Hoffman commented in opposition of the use of pavers, with the exception of steep grades. He further noted that the pavers placed without permits should be removed.

Karen Leonard. Ms. Leonard commented in opposition of the use of pavers, with the exception of commercial locations.

Don Bowker. Mr. Bowker commented in opposition of the use of pavers, noting the elimination of the erosion problem in the Norco hills with the new drains that were installed. He added that he is in favor of commercial locations on Sixth Street only.

Roy Hungerford. Mr. Hungerford commented in opposition of the use of pavers. He noted that his horse previously slipped on the pavers.

Bobbie Pope. Ms. Pope commented in opposition of the use of pavers, noting the safety concerns. She added that the pavers that have been illegally placed should be removed.

Mayor Pro Tem Azevedo stated that she is also opposed to the pavers and agrees with the public comments made, adding that they should be banned completely require all illegal pavers be removed.

Council Member Hanna stated that he does not want to approve any more pavers in town and require all illegal pavers to be removed.

Council Member Higgins stated that he has a concern regarding the trails and animal-keeping rights, adding that he does not want pavers and wants illegal pavers removed.

Council Member Sullivan commented on the past history of materials used on the trails, noting the pavers on Sixth Street and the uniformity created. He further commented on other materials available to use and that have been tried in the past. He stated that he is willing to have the Streets, Trails and Utilities Commission continue to look at other alternatives to pavers and people should have the right to continue to put pavers in. He further stated that the illegal pavers put in without a permit should be removed and put in again with a permit.

Mayor Bash commented on the history of the pavers, adding that we need to listed to the Norco Horsemen's Association because they are the arm to maintaining the City's lifestyle.

Deputy Public Works Director/Senior Engineer Askew commented on what is currently included in the Norco Municipal Code, siting Chap. 18.28.

M/S Higgins/Bash to deny lifting the suspension of pavers and bring back language for an ordinance; and, require all non-permitted pavers be removed. The motion was carried by the following roll call vote:

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

B. Discussion of Available Services and Resources for Norco Senior Citizens. **Recommended Action: That the City Council discuss the issues.** (Mayor Bash)

Mayor Bash stated that this discussion was prompted following discussions with senior citizens at the most recent Senior Town Hall event.

The Council Members briefly commented on the remaining unspent housing money, knowing that it is not available to appropriate for any expenditures. The all voiced concerns over the many needs in the senior community and commented on their desire to assist in some way.

Darleen Williamson. Ms. Williamson commented on her water bill, noting that it has doubled. She asked that her water meter be evaluated.

Rose Eldridge. Ms. Eldridge commented on her concerns regarding the needs of the seniors in the community.

Mayor Bash stated that he would draft a letter to the State commenting on the financial hit the seniors took with the elimination of the redevelopment agency funding.

Council Member Sullivan requested to look at all the Housing contracts. City Manager Groves responded that this should be requested through the public records request process.

5. JOINT CITY COUNCIL/SUCCESSOR AGENCY ACTION ITEM:

A. Resolutions Approving the Transfer of the Former Norco Community Redevelopment Agency Governmental Purpose Property/Assets to the City of Norco

Recommended Actions: Staff recommends that the City Council, as Grantee, and the Successor Agency, as Grantor, adopt the following resolutions transferring the former Norco Community Redevelopment Agency governmental purpose property to the City of Norco:

1.) Adopt SA Resolution No. 2012-01 and Resolution No. 2012-72, approving the governmental purpose property Quitclaim Deed transfer of APN 131-112-016 from the former Norco Community Redevelopment Agency to the City of Norco;

2.) Adopt SA Resolution No. 2012-02 and Resolution No. 2012-73, approving the governmental purpose property Quitclaim Deed transfer of APN 125-180-007 from the former Norco Community Redevelopment Agency to the City of Norco;

3.) Adopt SA Resolution No. 2012-03 and Resolution No. 2012-74, approving the governmental purpose property Quitclaim Deed transfer of APN 125-150-041 from the former Norco Community Redevelopment Agency to the City of Norco;

4.) Adopt SA Resolution No. 2012-04 and Resolution No. 2012-75, approving the governmental purpose property transfer of the mobile home-storage trailer asset from the former Norco Community Redevelopment Agency to the City of Norco; and

5.) Adopt SA Resolution No. 2012-05 and Resolution No. 2012-76, approving the governmental purpose property transfer of the Auto Mall Sign asset from the former Norco Community Redevelopment Agency to the City of Norco.
(Executive Director)

M/S Higgins/Sullivan to adopt the resolutions as recommended. The motion was carried by the following roll call vote:

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

6. PUBLIC COMMENTS OR QUESTIONS:

Tara Kelly. Ms. Kelly commented as a representative of Corona's Solar Program.

Kathy Walker. Ms. Walter invited everyone to a party on November 10th at her business.

David Sandidge. Mr. Sandidge commented on the flood drainage problem where he resides on Crestview and also commented on the traffic problem on Crestview Drive.

Roy Hungerford. Mr. Hungerford thanked staff for the meeting hosted for the residents that live in LMD No. 4.

7. CITY COUNCIL COMMUNICATIONS:
A. Reports on Regional Boards and Commissions / Announcements

Council Member Sullivan:

- Commented on the Hall of Fame induction ceremony to be held on Saturday.
- Noted that he is meeting with City staff on the 14th regarding the one million dollar challenge for the Extreme Mustang Makeover.
- Recommended, and unanimously approved by the City Council, to place an item on the next agenda to discuss adopting the song sung tonight by Mr. Zoetemelk.

Council Member Higgins:

- Requested that a report be provided once a month on trail citations issued.

Council Member Hanna:

- Reported on the most recent RCTC meeting, noting the bullet train discussion held and the costs involved.

Mayor Pro tem Azevedo:

- Commented on the Parade of Lights and Winter Festival to be held on December 1st, noting that the festivities begin at 2 p.m. this year.
- Reported on the WRCOG Executive Committee meeting, noting the presentations made on the City of Jurupa Valley and the Riverside County School District awareness program regarding the education needs in the County.
- Commented on an event she attended at the Naval Surface Warfare Center presenting the new Captain on the Base. She further commented on the Navy smart grid that is being constructed.
- Recommended, and unanimously approved by the City Council, that a discussion be sent to the Planning Commission regarding parking horse trailers on private property.

Mayor Bash:

- Stated that he was receiving positive comments regarding the improved traffic at the schools in Norco. In response, Lt. Hedge noted that the grant program has begun.
- Noted that filming was completed for advertising the City.
- Commented on the December 7th event honoring the Pearl Harbor veterans.
- Commented on the proposed Veterans Memorial at the George Ingalls Equestrian Event Center.

8. CITY MANAGER REPORTS:

City Manager Groves:

- Stated that the plan for the Veterans Memorial will be brought to the Council at its December meeting.

Director of Parks, Recreation & Community Services Petree:

- Invited everyone to attend the dedication of the Bob and Karlene Allen Community Room which will be held on Friday, November 16th at 10 a.m.
- Commented on the opportunity to submit work orders on the City's website for LMD repairs.

9. ADJOURNMENT: There being no further business to come before the City Council, Mayor Bash adjourned the meeting at 9:21 p.m.

RECAP OF ACTIONS TAKEN
CITY OF NORCO

PLANNING COMMISSION
CITY COUNCIL CHAMBERS – 2820 CLARK AVENUE
REGULAR MEETING
NOVEMBER 14, 2012

CALL TO ORDER: **7:00 p.m.**

ROLL CALL: **Chair Wright, Vice Chair Henderson, Commission Members Hedges, Jaffarian, and Leonard**

STAFF PRESENT: **Planning Director King, Senior Planner Robles, and Deputy City Clerk Germain**

PLEDGE OF ALLEGIANCE: **Vice Chair Henderson**

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

2. PUBLIC COMMENTS: **None**

3. APPROVAL OF MINUTES:
   - Minutes of October 10, 2012

   Recommended Action: Approval (Deputy City Clerk)
   Action: Approved 5-0

4. CONTINUED ITEM:

   A. Zone Change 2012-11 and General Plan Amendment 2010-04 (City of Norco): A proposal to change zoning from M-1 (Heavy Commercial/Light Manufacturing) to C-G (Commercial General) with the corresponding General Plan Amendment 2012-04 to change the Land Use designation from I (Industrial) to CC (Commercial Community) on 22.9 acres located on the southwest corner of Fifth Street and Horseless Carriage Drive (APN 129-200-011) Recommended Action: Continue off Calendar *(Planning Director)*
   Action: Continued off-calendar.

5. PUBLIC HEARINGS:

   A. Zone Code Amendment 2012-05, Specific Plan 90-01 (Gateway), Amendment No. 11, Specific Plan 85-1 (Norco Auto Mall) Amendment No. 7, and Specific Plan 91-02 (Norco Hills) Amendment No.4 (City of Norco):
   A City-initiated proposal to amend the text of Chapter 18.29 of the Norco Municipal Code entitled Commercial General (CG) zone, the text of the Gateway Specific Plan, the text of the Norco Auto Mall Specific Plan, and the text of the Norco Hills Specific Plan to remove the provision for allowing car washes as permitted and/or conditionally permitted uses in each of their corresponding zones. Recommended Action: Approval *(Senior Planner)*

Action: Adopted four resolutions recommending approval to the City Council (4-1, Wright voting against). These items require a public hearing before the City Council and will be advertised for the December 5, 2012 meeting.

B. General Plan Amendment 2012-05: A City-initiated proposal to update the Seismic/Safety Element of the General Plan Recommended Action: Continue to the next scheduled Planning Commission Regular Meeting *(Planning Director);* **Action: Continued to December 12, 2012.**

6. BUSINESS ITEM:

A. Site Plan 2012-14 (Andresen/Gougeon): A request for approval to allow an accessory building consisting of a 450 square-foot tack room at 1320 Hillkirk Avenue located within the A-1-20 (Agricultural Low-Density) Zone. Recommended Action: Approval *(Senior Planner)*
Action: Approved 5-0. This item is final unless appealed to the City Council.

7. CITY COUNCIL: **Received and filed.**

- City Council Minutes dated October 3, 2012
- City Council Minutes dated October 17, 2012

8. PLANNING COMMISSION:

a. Oral Reports from Various Committees: **None**

b. Request for Items on Future Agenda (within the purview of the Commission):

- **Commission Member Hedges requested a status report on an unfinished office building.**

9. ADJOURNED: **7:30 p.m.**

/sk-82298

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:	December 5, 2012
SUBJECT:	Approval of the Annual Reports for Community Facilities Districts 2001-1 and 2002-1 for the Fiscal Year Ended June 30, 2012
RECOMMENDATION:	Staff recommends that the City Council receive and file the Annual Reports for Community Facilities Districts 2001-1 and 2002-1 for the Fiscal Year Ended June 30, 2012.

SUMMARY: Staff is recommending that the City Council receive and file the City's annual reports for Community Facilities Districts 2001-1 and 2002-1 for fiscal year ended June 30, 2012. This report meets the requirements of the Government Code.

BACKGROUND/ ANALYSIS: Government Code Section 50075.3 requires the chief fiscal officer of a levying local agency to file a report with its governing body at least once a year on Community Facilities Districts formed on or after January 1, 2001. The report is to contain information on the amount of funds collected and expended as well as information on the status of any project required or authorized to be funded by the Community Facilities Districts (CFD).

CFD 2001-1 (Norco Ridge Ranch) was approved by the Council on February 2, 2001 and by the qualified electors, being the land owners, within the boundaries of the District on April 18, 2001. The completed public improvements financed with Bonds issued by the District included the reconstruction of sanitary facilities; construction of domestic and reclaimed water transmission and storage facilities; storm drain facilities, including storm drains, channels, detention, retention and/or cache basins; street improvements including curb, gutters, striping, lighting, signalization, signage; public walls and barriers; dry utilities; Ingalls Park, horse arena improvements; and public park, recreation and/or open space facilities. These improvements have been completed and accepted for maintenance by the City.

CFD 2002-1 (KB Norco 50) was approved by the Council on March 20, 2002 and by the qualified electors on November 6, 2002. The proceeds of the CFD Bonds issued were used to pay for public improvements consisting of sewer, water, storm drain and street improvements. The improvements also included curbs, gutters, asphalt pavement,

equestrian trail, parkway trees and irrigation. All improvements have been completed and accepted by the City for maintenance since September 21, 2005.

Attachments 1 and 2 provide summary of fiscal year 2011/2012 revenues and expenditures for CFD Districts 2001-1 and 2002-1 respectively. Revenues consist of assessment levies on property owners and interest income. Revenues derived from the assessment are used to pay for debt service on the Bonds issued to finance the improvements which benefit property owners in each District.

FINANCIAL INPACT: This report is for information only.

/jk-77121
Attachments: 1) Financial Report for CFD 2001-1
2) Financial Report for CFD 2002-1

City of Norco
Statement of Sources and Uses of Funds
Community Facilities District 2002-1
(KB Norco 50)
Fiscal Year Ended June 30, 2012

Beginning Fund Balance		$	134,785
Revenues:			
CFD 2002-1 Assessments	115,527		
Interest Income	269		
Transfer from Debt Service Reserve Fund	29,618		
Total Revenues			145,414
Expenditures:			
Debt Service	129,701		
Miscellaneous	17,345		
Total Expenditures			147,046
Revenues Over (Under) Expenditures			(1,632)
Ending Fund Balance		$	133,153

Attachment 2

City of Norco
Statement of Sources and Uses of Funds
Community Facilities District 2001-1
(Norco Ridge Ranch)
Fiscal Year Ended June 30, 2012

Beginning Fund Balance		$ 3,062,925
Revenues:		
CFD 2001-1 Assessments	2,444,649	
Interest Income	23,235	
Transfer from Debt Service Reserve Fund	13,898	
Total Revenues		2,481,782
Expenditures:		
Debt Service	2,192,663	
Miscellaneous	83,088	
Total Expenditures		2,275,751
Revenues Over (Under) Expenditures		206,031
Ending Fund Balance		$ 3,268,956

Attachment 1

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/Finance Director
DATE:	December 5, 2012
SUBJECT:	Fiscal Year 2011-2012 Year-End Budget to Actual Report
RECOMMENDATION:	Staff recommends that the City Council receive and file the Fiscal Year 2011-2012 Year-End Budget to Actual Report.

SUMMARY: This report details actual financial results compared to budget for the Operating Funds of the City for the Fiscal Year ended June 30, 2012. For the Fiscal Year, total actual General Fund revenues of $13.6 million exceeded total adopted budget amount of $13.1 million by $0.5 million. Total actual expenditures of $12.9 million were $0.4 million less than total adopted budget amount of $13.3 million. The favorable revenue and expenditure performance resulted in a net addition of $0.6 million to the fund balance compared to a projected budget draw of $0.2 million from the fund balance. Consequently, the actual fund balance of the General Fund as of June 30, 2012 was $2.7 million (see Attachment 2).

Total Water Operating Fund revenues were $9.4 million compared to a budget amount of $9.0 million for a favorable revenue performance of $0.4 million. However, total actual operating expenses were $9.4 million compared to budget amount of $8.3 million for unfavorable expenditure performance of nearly $1.1 million. Overall, total actual Water Fund revenues were slightly ahead of total actual expenses. Total actual revenues for the Sewer Fund were $5.0 million compared to budget amount of $4.8 million for a favorable revenue performance of $0.2 million. Total actual expenses were $4.6 million compared to budget amount of $4.6 million. Overall, total actual Sewer Fund revenues exceeded total actual expenses by $0.4 million.

The City's Redevelopment Agency was dissolved as of January 31, 2012. Consequently, no budget to actual comparison is presented in this report. However, all Redevelopment Agency reports required by the State Department of Finance are presented in the appropriate Due Diligence and/or year-end financial reports.

Agenda Item 1.E.

BACKGROUND/ANLYSIS: The City's independent auditors have completed their field-work on the City audit for the Fiscal Year ended June 30, 2012. The Comprehensive Annual Financial Report (CAFR) prepared in accordance with Generally Accepted Accounting Principles (GAAP) will be submitted to the Council at a later date. If Council desires, a Study Session will be scheduled with the independent auditors to further review and discuss the CAFR with the City Council. At this time, staff is presenting this report as information to show how the various Operating Funds performed relative to the adopted budget for the Fiscal Year 2011-2012.

FY 2011-2012 General Fund Revenues

Attachment 1 page 1 is a schedule showing General Fund budget to actual data for the Fiscal Year ended June 30, 2012. For the Fiscal Year, total actual revenues were higher than the budget and final year-end projections by $481,589 and $532,513 respectively. This net favorable revenue performance was mainly from the following:

1. **Property Tax:** Actual property tax receipts during the fiscal year were higher than budget by $208,041 primarily due to un-budgeted additional receipt of $187,353 of AB 1389 Pass-through payment from the County Auditor-Controller. Property tax receipts are based on the assessed value of taxable real property in the City of Norco.

2. **Sales Tax:** City's actual sales tax receipts during the fiscal year exceeded budget by $151,363 due to better than anticipated revenues from auto sales. Total FY 2011-2012 sales tax receipts of $4,353,046 were $338,000 higher than $4,014,848 collected in FY 2010-2011. The trend appears to show that the City's sales tax revenue is continuing to recover.

3. **Other Taxes:** Actual receipts from other taxes which are comprised of public safety sales tax, property transfer tax, transient occupancy tax and business license tax exceeded budget by $42,697. Except for business license tax, actual receipts from the other items slightly exceed budget.

4. **Community Services and Recreation Fees:** Community Services and Recreation is another revenue category where actual receipts exceeded budget by a measurable amount. The increase was mainly from charges for services for recreational fee-based activities.

General Fund Expenditures

Total General Fund expenditures for the Fiscal Year were below budget by $386,117. This net savings were achieved through successful expenditure control throughout the Fiscal Year beyond the reductions that were already incorporated into the FY 2011-2012 adopted budget. Substantial savings were realized in the Recreation, Senior Citizens, Building Maintenance, Sheriffs' and Fire divisions/departments. Savings from these divisions were slightly offset by budget over expenditure in non-departmental.

Savings in the Recreation program were from part-time salaries and utilities. The Senior Citizens' Program realized savings in most line items as grant funds were first utilized before General Fund resources. Savings in Building Maintenance were from lower expenditure for utilities. Substantial net savings of $209,793 were realized in the Sheriff's department due largely from the Sheriff's actual contract rate increase that was lower than the rate increase anticipated in the budget. Similarly, savings of $55,000 were realized in the one-half year Cal Fire contract due to actual rates that were lower than budgeted rates. The budget overage in non-departmental was due to higher spending in retiree medical insurance premium. Few employees moved to the retiree roll after the budget was adopted. Comparable medical insurance savings were realized from the active employee roll.

General Fund (Fund Balance)

The fund balance at the beginning of the fiscal year was $2.1 million (see attachment 2). During the fiscal year, total revenues exceeded total expenditures by $0.6 million resulting in ending fund balance of $2.7 million as of June 30, 2012. As previously stated, it is important to note that the FY 2011-2012 budget anticipated a draw-down from fund balance of nearly $0.2 million. Furthermore, this is the first year in the last five years that the fund balance of the General Fund has recorded an increase instead of a decrease.

Other Operating Funds

Attachment 1, beginning on page 2, provides a summary of revenues and expenditures for other Operating Funds. Other Operating Funds included in this report are CDBG, Water, Sewer, Gas Tax, NPDES and Miscellaneous Grants.

Water Fund

Water Fund actual operating revenues for the Fiscal Year were $9,426,211, while operating expenses (excluding depreciation but including debt service payments) were $9,368,240, resulting in $57,971 positive change in working capital. Actual revenues exceeded budget by $422,549 due to higher than anticipated consumption. Actual expenses exceeded budget by $1,061,986. The overage is attributable to additional water purchases needed to meet an increase in

consumption; an increase in purchased water rate; and prior expenses that were billed in the current Fiscal Year. Due to an increase in purchased water rate above the rate use to estimate budget and additional purchased water needed to meet demand, the cost of purchased water increased by $324,000. Additional increase of $653,000 in actual expenses during the Fiscal Year came from under billing of FY 2010-2011 purchased water cost by Western Municipal Water Service. The under billing was discovered and a catch-up bill was paid in FY 2011-2012. There were no other material differences between actual and budgeted Water Fund expenses during the fiscal year. For additional information regarding the Water Fund, please refer to Attachment 3.

As of June 30, 2012, the Water Operating Fund had a negative working capital cash balance of $1.1 million due to accumulated operating deficits. Recent rate increases have reduced the accumulated deficit. However, continuing increase in the cost of purchased water is outpacing revenue increases from rate adjustments. With the last phase of approved rate adjustment having been implemented, staff will be recommending appropriate rate adjustments to be effective in FY 2013-2014.

Sewer Fund

The Sewer Operating Fund ended the fiscal year with operating revenues exceeding operating expenses by $416,816. For the fiscal year, total actual revenues were $4,977,248 and total actual expenses were $4,560,432. All the expense categories of the Sewer Fund were reasonably within budgeted amounts. For details regarding Sewer Fund budget to actual revenues and expenses, please refer to Attachment 4.

Other Funds

Gas Tax Fund actual revenues were $769,584 while actual expenditures were $627,155. Total actual expenditures and revenues were favorable relative to the adopted budget. NPDES total revenues were $141,462 compared to actual expenditures of $118,400.

FINANCIAL IMPACT: As discussed throughout the report.

/ao-82311
Attachments: Budget and Actual Report FY 2011-2012
Summary of General Fund Balance
Water Fund Statement of Revenues and Expenses
Sewer Fund Statement of Revenues and Expenses

City of Norco
Budget to Actual Report
For the Fiscal Year Ended June 30, 2012

	Amended Budget	Year-end Projection	FY 2012 Actual	Variance Budget to Actual	Variance Actual to Year-end Projection
GENERAL FUND					
REVENUES					
Property Taxes	1,176,200	1,198,288	1,384,241	208,041	185,953
Sales taxes	4,201,683	4,261,000	4,353,046	151,363	92,046
Motor Vehicle License Fees	1,970,332	1,983,870	1,983,873	13,541	3
Other Taxes	693,625	718,000	736,322	42,697	18,322
Franchise Fees	1,015,729	1,016,332	1,034,701	18,972	18,369
Intergovernmental	50,695	42,295	34,344	(16,351)	(7,951)
Fines and Penalties	102,000	107,100	112,984	10,984	5,884
Interest/Lease Income	323,193	304,057	320,879	(2,314)	16,822
Community Development Fees	514,889	467,363	531,047	16,158	63,684
Community Services/Recreation	597,031	597,809	636,605	39,574	38,796
Other Revenues	1,302,237	1,194,976	1,288,533	(13,704)	93,557
Administrative Overhead/Operating Transfers	1,154,483	1,160,083	1,167,111	12,628	7,028
Total Revenues	13,102,097	13,051,173	13,583,686	481,589	532,513
EXPENDITURES					
City Council	75,645	68,500	64,646	10,999	3,854
City Attorney	137,314	137,314	129,118	8,196	8,196
City Clerk	192,741	190,639	193,409	(668)	(2,770)
City Manager	182,397	180,180	179,845	2,552	335
Economic Development	36,041	46,119	47,361	(11,320)	(1,242)
Code Enforcement	10,613	9,697	11,142	(529)	(1,445)
Recreation	762,402	751,291	719,183	43,219	32,108
Youth & Teen	262,724	257,753	238,749	23,975	19,004
Park Maintenance	635,167	632,251	634,620	547	(2,369)
Senior Citizens	143,827	132,556	120,538	23,289	12,018
Public Buildings	296,934	280,322	259,791	37,143	20,531
Animal Control	590,332	588,109	598,965	(8,633)	(10,856)
Community Development	217,454	202,783	203,751	13,703	(968)
Building & Safety	188,511	188,658	175,236	13,275	13,422
Engineering	198,117	196,975	199,849	(1,732)	(2,874)
Inspection	29,666	30,524	31,185	(1,519)	(661)
Parkway Maintenance	54,941	58,896	49,092	5,849	9,804
CAL Fire	1,616,219	1,607,789	1,553,849	62,370	53,940
Fire Suppression	1,154,994	1,162,396	1,162,393	(7,399)	3
Paramedic	340,619	340,615	340,664	(45)	(49)
Emergency Services	247	246	246	1	-
Sheriff	4,363,221	4,315,096	4,076,045	287,176	239,051
Citizens on Patrol	15,942	98,834	103,400	(87,458)	(4,566)
Crossing Guards	64,589	64,589	54,514	10,075	10,075
Fiscal & Support Services	486,700	479,914	481,354	5,346	(1,440)
Non-Departmental	1,271,461	1,318,186	1,313,756	(42,295)	4,430
Total Expenditures	13,328,818	13,340,232	12,942,701	386,117	397,531
Revenues Over (Under) Expenditures	(226,721)	(289,059)	640,985	867,706	930,044

City of Norco
Budget to Actual Report
For the The Fiscal Year Ended June 30, 2012

	Amended Budget	Year-end Projection	FY 2012 Actual	Variance Budget to Actual	Variance Actual to Year-end Projection
CDBG					
Revenues	337,514	280,138	280,138	(57,376)	-
Expenditures	337,514	280,138	280,138	57,376	-
Revenues Over (Under) Expenditures	-	-	-	-	-
WATER FUND (See Attachment 3)					
Revenues	9,003,662	8,783,457	9,426,211	422,549	642,754
Expenditures	8,306,254	9,072,671	9,368,240	(1,061,986)	(295,569)
Revenues Over (Under) Expenditures	697,408	(289,214)	57,971	(639,437)	347,185
SEWER FUND (See Attachment 4)					
Revenues	4,755,882	4,858,320	4,977,248	221,366	118,928
Expenditures	4,639,670	4,646,671	4,560,432	79,238	86,239
Revenues Over (Under) Expenditures	116,212	211,649	4,891,009	300,604	205,167
GAS TAX					
Revenues	738,394	712,909	769,584	31,190	56,675
Expenditures	632,701	596,721	627,155	5,546	(30,434)
Revenues Over (Under) Expenditures	105,693	116,188	142,429	36,736	26,241
NPDES FUND					
Revenues	140,000	114,200	113,242	(26,758)	(958)
Expenditures	96,099	103,129	100,554	(4,455)	2,575
Revenues Over (Under) Expenditures	43,901	11,071	12,688	(31,213)	1,617
MISCELLANEOUS GRANTS					
Revenues	381,766	350,145	444,037	62,271	93,892
Expenditures	344,144	350,145	444,037	(99,893)	(93,892)
Revenues Over (Under) Expenditures	37,622	-	-	(37,622)	-

City of Norco, California
General Fund - Fund Balance
As of June 30, 2012

Audited Beginning Balance, June 30, 2011	$	2,082,140
Actual Revenues, Fiscal Year 2011-2012		13,583,686
Actual Expenditures, FY 2011-2012		(12,942,701)
Fund Balance June 30, 2012	$	2,723,125

Attachment 2

City of Norco, California
Water Fund Statement of Revenues & Expenses
For the Fiscal Year Ended June 30, 2012

	FY 2012 Amended Budget	Actuals at June 30, 2012	Variance
Operating Revenues:			
Charges for Water Services	$ 9,003,662	$ 9,337,360	333,698
Interest Income	-	19,095	19,095
Miscellaneous	-	69,756	69,756
Total Revenues	9,003,662	9,426,211	422,549
Expenses:			
Salaries and Benefits	961,562	977,605	16,043
Operating Supplies and Services	260,269	321,371	61,102
Water Purchases, Production and Utilities	5,166,700	6,144,216	977,516
Administrative Overhead & Reimbursements to Other Funds	489,439	489,439	-
Contractual Services	114,295	137,851	23,556
Debt Service Payments	1,069,876	986,550	(83,326)
Bad Debt Write-off	-	25,910	25,910
Small Equipment	15,000	-	(15,000)
Computer, Vehicle Operations & Replacement Charges	138,726	141,660	2,934
Self Insurance Settlements	-	53,251	53,251
Post Retirement Health Contributions	90,387	90,387	-
Total Expenses	8,306,254	9,368,240	1,061,986
Revenues Over (Under) Expenses	$ 697,408	57,971	(639,437)

City of Norco, California
Sewer Fund Statement of Revenues & Expenses
For the Fiscal Year Ended June 30, 2012

	FY 2012 Amended Budget	Actuals at June 30, 2012	Variance
Operating Revenues:			
Charges for Sewer Services	$ 4,708,882	$ 4,947,020	238,138
Interest Income	45,000	27,041	(17,959)
Miscellaneous	2,000	3,187	1,187
Total Revenues	4,755,882	4,977,248	221,366
Operating Expenses:			
Salaries and Benefits	548,890	558,395	9,505
Operating Supplies & Services	62,069	42,522	(19,547)
Utilities	32,000	33,014	1,014
Contractual Services	1,680,975	1,610,174	(70,801)
Debt Service Payments	1,798,938	1,795,131	(3,807)
Administrative Overhead & Reimbursement to Other Funds	327,223	327,223	-
Computing, Vehicle Operations and Replacement	114,317	114,317	-
Post Retirement Health Contributions	60,258	60,258	-
Bad Debt Write Off	-	19,398	19,398
Capital Outlay	15,000	-	(15,000)
Total Operating Expenses	4,639,670	4,560,432	(79,238)
Revenues Over (Under) Expenses	$ 116,212	$ 416,816	300,604

CITY OF NORCO
STAFF REPORT

TO:	Honorable Mayor and Members of the City Council
FROM:	Beth Groves, City Manager
PREPARED BY:	Daniel Hedge, Lieutenant
DATE:	December 5, 2012
SUBJECT:	Parking Citation 90-Day Review
RECOMMENDATION:	Receive and file

SUMMARY: On August 15, 2012, the City Council directed sheriff's staff to initiate a 90-day evaluation reference conducting proactive parking enforcement with an emphasis on equestrian trail violations. The evaluation period data presented encompassed August 21, 2012 through November 18, 2012.

BACKGROUND/ANALYSIS: On July 18, 2012 City Council approved a motion to agendize a discussion on the topic of giving authority to Norco Citizens Patrol (NCP) members to issue parking citations. On August 15, 2012 City Council directed staff to utilize sheriff's personnel, including community service officers, for directed parking enforcement throughout the community with an emphasis on equestrian trail violations. In addition, City Council directed staff to conduct a 90-day evaluation to monitor parking enforcement results. The evaluation period encompassed August 21, 2012 through November 18, 2012.

During the evaluation period, in addition to regular law enforcement duties, deputies and community service officers were instructed to pay particular attention to parking violations and take enforcement action when appropriate. In addition, the two dedicated community service officers were each directed to dedicate a large percentage of a 10 hour shift per week to parking enforcement with an emphasis on equestrian trail violations, rotating their enforcement day on a weekly basis.

During the 90-day evaluation period, sheriff's staff issued 173 parking citations. The majority of issued citations were for vehicle registration violations with 12 citations issued for equestrian trail violations. Staff responded to seven citizen complaints regarding equestrian trail violations, which generated five citations. Although sheriff's staff has decreased over the last couple years, the number of citations for equestrian trail violations has remained consistent within the same 90-day period with staff issuing 17 citations in 2010 and 11 citations in 2011.

Norco Citizen Patrol members were not given any particular direction regarding issuing written parking violation warnings. The expectation was that warnings would be issued following normal protocol with no unnecessary influence to increase or decrease productivity. Norco Citizen Patrol members issued eight written parking warning notices for various violations during the evaluation period.

In addition to enforcement, staff prepared a public service announcement article to educate the public on the hazards and consequences of violating the equestrian trail municipal code.

In summary, parking enforcement is a regular component of law enforcement duties that will continue to be enforced by Sheriff's staff throughout Norco. In a large part to the activities of Norco Citizens Patrol, the hard work of sheriff's staff and Council's direction and support for parking enforcement programs, equestrian parking violations will continue to be addressed and evaluated.

FINANCIAL IMPACT: None

/rlf - 82318
Attachments: 2012 chart for 90-day parking citations
2012 NCP written warning citation chart
Public Service Announcement

90 Day Parking Citation Review						
YEAR: 2012						
	August 21st	September	October	November 18th	Total	
Parking Citations:						
Unregistered Vehicle	14	47	39	5	105	
Improper/Fail to Display Plate	1	2	4	1	8	
Registration Tabs	2	9	3	0	14	
Improper Parking	3	3	2	0	8	
Parking in Wheelchair Access	0	0	0	0	0	
Parking in Fire Lane	1	0	0	1	2	
Improper Parking - 18" from curb	0	2	1	0	3	
Disabled Parking	1	3	2	1	7	
Fire Hydrant Parking	0	1	0	0	1	
Equestrian Trail	1	8	2	1	12	
Commercial Vehicle Prohibited	0	3	0	0	3	
Unattached Trailer	4	2	2	1	9	
Miscellaneous Parking	0	1	0	0	1	173

2012 WRITTEN WARNINGS ISSUED

	NCP	CSO	DEPUTIES
JANUARY	23	0	0
FEBRUARY	22	0	0
MARCH	16	0	0
APRIL	31	0	0
MAY	12	0	1
JUNE	1	0	0
JULY	6	0	0
AUGUST	12	0	0
SEPTEMBER	0	0	0
OCTOBER	7	0	0
NOVEMBER	1	0	0
DECEMBER			
	131	0	1

A public service announcement from the

Norco Office

Of the

Riverside County Sheriff's Department

Deputies assigned to the Riverside County Sheriff's Department, Norco office, patrol the equestrian trails in Norco to increase horse and rider safety. Deputies monitor the equestrian trails to prevent trail obstructions and unauthorized parked vehicles that pose a hazard to both rider and horse. The city of Norco wants to remind motorists that parking or blocking an equestrian trail can result in a $125.00 municipal code violation. This enforcement measure is provided to ensure a safe and enjoyable equestrian experience throughout the City of Norco.

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: December 5, 2012

SUBJECT: Implementation Measures Regarding Pension Reform Provisions Effective January 1, 2013 Affecting all Full-Time City of Norco Employees

RECOMMENDATION:

1.) Approve a Letter of Agreement between the City of Norco and the Norco General Employees Association;

2.) Approve a Letter of Agreement between the City of Norco and the Public Works and Parks Maintenance Workers Association;

3.) Adopt **Resolution No. 2012 ___,** amending Resolution No. 2012-39 adopting and implementing pension reform provisions for Management Classifications; and

4.) Adopt **Resolution No. 2012 ___,** amending Resolution No. 2012-40 adopting and implementing pension reform provisions for Middle Management, Professional, and Confidential Classifications.

SUMMARY: Staff is recommending that the City Council review the state mandated public pension reform, which will become effective January 1, 2013 for all full-time City employees. There are existing Memorandums of Understanding (MOUs) with the Norco General Employees Association ("NGEA") and the Public Works and Parks Maintenance Workers Association ("PW&PMWA") for the period of July 1, 2012 through June 30, 2013. The City has informed both Associations regarding the implementation of mandated pension reform and both have agreed to amend existing MOUs to comply. Similarly, resolutions for unrepresented employees must be amended to comply with the state mandated public reform.

BACKGROUND/ANALYSIS: On September 12, 2012, Governor Brown signed AB340, the "California Public Employee's Pension Reform Act (PEPRA)." PEPRA applies to all public employers and pension plans on or after January 1, 2013.

Mandated changes are as follows:

Effective January 1, 2013, for all current and future Employees regardless of hire date:

- "Air time" (i.e. service credits purchased rather than reflecting years of employment) is disallowed.
- Future pension enhancements will not apply retroactively, but only to subsequent service.
- Upon conviction of a felony arising from the performance of public duties or connected with obtaining salary or other benefits for public service, an employee forfeits the portion of his or her pension accruing after the crime.
- New retirees may not be employed by an agency in the same retirement system for 180 days after retirement ("sit out" period). The City Council can approve an exception to fill a critical position while recruitment is being conducted.
- Retired annuitants (after the 180-day "sit out" period) are limited to 960 hours of annual service to any agency in same retirement system; no extensions are permitted.
- To avoid characterization as a "new" employee, employees may not have a break in service of more than six months, although moves between employers and pension systems are permitted.

For "New" Employees hired after January 1, 2013:

- Employees must contribute at least 50% of the normal cost rate for the defined benefit plan, rounded to the nearest quarter percent.
- Employer may not pay any of the employee share of pension cost.
- The new retirement formula for miscellaneous employees is 2% at 62, with a maximum benefit of 2.5% at 67.
- Pensions will be based on the highest 36 months of base salary.
- Compensation used to calculate a pension is capped at $110,100 for an employee who participates in Social Security and at $132,120 for others; these caps will be adjusted for inflation.

FINANCIAL IMPACT: Pension payment savings will be realized for new employees hired after January 1, 2013.

/mp-82203
Attachments

CITY of NORCO

CITY HALL • 2870 CLARK AVENUE • NORCO CA 92860 • (951) 735-3900 • FAX (951) 270-5622

LETTER OF AGREEMENT
BETWEEN
THE CITY OF NORCO
AND
THE NORCO GENERAL EMPLOYEES ASSOCIATION
1/1/2013-6/30/2013

WHEREAS, a Memorandum of Understanding (MOU) exists between the City of Norco and the Norco General Employees Association (the "Parties") for the period of July 1, 2012 through June 30, 2013; and

WHEREAS, the Parties have conferred in good faith to implement mandated pension reform (AB340 and AB197); and

WHEREAS, the City of Norco is a member of the California Public Employee Retirement System ("CalPERS") and effective January 1, 2013, for all employees regardless of hire date, the following will be implemented for all full-time City employees:

Current and Future Full-Time Employees:

- "Air time" (i.e. service credits purchased rather than reflecting years of employment) is disallowed.
- Future pension enhancements will not apply retroactively, but only to subsequent service.
- Upon conviction of a felony arising from the performance of public duties or connected with obtaining salary or other benefits for public service, an employee forfeits the portion of his or her pension accruing after the crime.
- New retirees may not be employed by an agency in the same retirement system for 180 days after retirement ("sit out" period). The City Council can approve an exception to fill a critical position while recruitment is being conducted.
- Retired annuitants (after the 180-day "sit out" period) are limited to 960 hours of annual service to any agency in same retirement system; no extensions are permitted.
- To avoid characterization as a "new" employee, employees may not have a break in service of more than six months, although moves between employers and pension systems are permitted.

New Full-Time Employees Hired after January 1, 2013:

- Employees must contribute at least 50% of the normal cost rate for the defined benefit plan, rounded to the nearest quarter percent.
- Employer may not pay any of the employee share of pension cost.
- The new retirement formula for miscellaneous employees is 2% at 62, with a maximum benefit of 2.5% at 67.
- Pensions will be based on the highest 36 months of base salary.

- Compensation used to calculate a pension is capped at $110,100 for an employee who participates in Social Security and at $132,120 for others; these caps will be adjusted for inflation.

NOW, THEREFORE, BE IT RESOLVED, the Parties agree to the following amendment to replace ARTICLE 4 in the current MOU for the period of January 1, 2013 through June 30, 2013:

ARTICLE 4 P.E.R.S. Benefits

1. The City has a contract with CalPERS to provide employees with the 2.7% at 55 Full Formula (Section 21354.5).

   Other benefits in the CalPERS agreement include:

   a. Section 20965: Credit for Unused Sick Leave. Unused accumulated sick leave at time of retirement may be converted to additional service credit at the rate of 0.004 year of service credit for each day of unused sick leave.

   b. Section 21574: Fourth Level 1959 Survivors Benefits. This benefit provides a higher level of 1959 Survivor Benefits to survivors of a member who dies prior to retirement.

   c. Three-year final compensation (36 highest paid consecutive months)

   The retirement formula for new miscellaneous employees is 2% at 62, with a maximum benefit of 2.5% at 67.

2. Employees hired on or prior to October 31, 2010: The City has agreed to pay 100% of the employer and 4% of the employee's contribution rates toward retirement through the CalPERS Retirement System. Employees will pay 4% of the employee's contribution rates.

3. Employees hired on or after November 1, 2010: The City has agreed to pay 100% of the employer contribution rates toward retirement and the employee will pay 8% of the employee contribution rates toward retirement through the CalPERS Retirement System.

4. Upon conviction of a felony arising from the performance of public duties or connected with obtaining salary or other benefits for public service, an employee forfeits the portion of his or her pension accruing after the crime.

NOW, THEREFORE, BE IT FURTHER RESOLVED, that the Parties have read and understand all of the pension reform mandates applicable to all full-time employees of the City of Norco as a member of CalPERS.

_____	_____
Frank Scagnamiglio, President Norco General Employees Association	Andy Okoro, Deputy City Manager/ Director of Finance
Date: _____	Date: _____

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

/mp-82204

CITY of NORCO

CITY HALL • 2870 CLARK AVENUE • NORCO CA 92860 • (951) 735-3900 • FAX (951) 270-5622

LETTER OF AGREEMENT
BETWEEN
THE CITY OF NORCO
AND
PUBLIC WORKS AND PARKS MAINTENANCE WORKERS ASSOCIATION
1/1/2013-6/30/2013

WHEREAS, a Memorandum of Understanding (MOU) exists between the City of Norco and the Public Works and Parks Maintenance Workers Association (the "Parties") for the period of July 1, 2012 through June 30, 2013; and

WHEREAS, the Parties have conferred in good faith to implement mandated pension reform (AB340 and AB197); and

WHEREAS, the City of Norco is a member of the California Public Employee Retirement System ("CalPERS") and effective January 1, 2013, for all employees regardless of hire date, the following will be implemented for all full-time City employees:

Current and Future Full-Time Employees:

- "Air time" (i.e. service credits purchased rather than reflecting years of employment) is disallowed.
- Future pension enhancements will not apply retroactively, but only to subsequent service.
- Upon conviction of a felony arising from the performance of public duties or connected with obtaining salary or other benefits for public service, an employee forfeits the portion of his or her pension accruing after the crime.
- New retirees may not be employed by an agency in the same retirement system for 180 days after retirement ("sit out" period). The City Council can approve an exception to fill a critical position while recruitment is being conducted.
- Retired annuitants (after the 180-day "sit out" period) are limited to 960 hours of annual service to any agency in same retirement system; no extensions are permitted.
- To avoid characterization as a "new" employee, employees may not have a break in service of more than six months, although moves between employers and pension systems are permitted.

New Full-Time Employees Hired after January 1, 2013:

- Employees must contribute at least 50% of the normal cost rate for the defined benefit plan, rounded to the nearest quarter percent.
- Employer may not pay any of the employee share of pension cost.

- The new retirement formula for miscellaneous employees is 2% at 62, with a maximum benefit of 2.5% at 67.
- Pensions will be based on the highest 36 months of base salary.
- Compensation used to calculate a pension is capped at $110,100 for an employee who participates in Social Security and at $132,120 for others; these caps will be adjusted for inflation.

NOW, THEREFORE, BE IT RESOLVED, the Parties agree to the following amendment to replace ARTICLE 4 in the current MOU for the period of January 1, 2013 through June 30, 2013:

ARTICLE 4 P.E.R.S. BENEFITS

1. The City has a contract with CalPERS to provide employees with the 2.7% at 55 Full Formula (Section 21354.5).

   Other benefits in the CalPERS agreement include:

   a. Section 20965: Credit for Unused Sick Leave. Unused accumulated sick leave at time of retirement may be converted to additional service credit at the rate of 0.004 year of service credit for each day of unused sick leave.

   b. Section 21574: Fourth Level 1959 Survivors Benefits. This benefit provides a higher level of 1959 Survivor Benefits to survivors of a member who dies prior to retirement.

   c. Three-year final compensation (36 highest paid consecutive months)

   The retirement formula for new miscellaneous employees is 2% at 62, with a maximum benefit of 2.5% at 67.

2. Employees hired on or prior to October 31, 2010: The City has agreed to pay 100% of the employer and 4% of the employee's contribution rates toward retirement through the CalPERS Retirement System. Employees will pay 4% of the employee's contribution rates.

3. Employees hired on or after November 1, 2010: The City has agreed to pay 100% of the employer contribution rates toward retirement and the employee will pay 8% of the employee contribution rates toward retirement through the CalPERS Retirement System.

4. Upon conviction of a felony arising from the performance of public duties or connected with obtaining salary or other benefits for public service, an employee forfeits the portion of his or her pension accruing after the crime.

NOW, THEREFORE, BE IT FURTHER RESOLVED, that the Parties have read and understand all of the pension reform mandates applicable to all full-time employees of the City of Norco as a member of CalPERS.

_____	_____
Derek Lacombe, President Public Works and Parks Maintenance Workers Association	Andy Okoro, Deputy City Manager/ Director of Finance
Date: _____	Date: _____

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

/mp-82205

RESOLUTION NO. 2012-____

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF NORCO, CALIFORNIA, AMENDING RESOLUTION 2012-39 ADOPTING AND IMPLEMENTING PENSION REFORM PROVISIONS FOR MANAGEMENT CLASSIFICATIONS OF THE CITY OF NORCO

WHEREAS, Resolution 2012-39 exists between the City of Norco and Management Classifications of the City of Norco for the period of July 1, 2012 through June 30, 2013; and

WHEREAS, the Management classifications of the City of Norco ("City") are unrepresented in the employer-employee relationship and, therefore receive consideration from the City Council in recognition of the management nature and responsibility of the positions and contributions to the efficient and effective operations of the City; and

WHEREAS, individuals serving in these Management classifications are "at will" employees who serve at the pleasure of the City Manager; and

WHEREAS, employees in these classifications are exempt under the provisions of the Federal Fair Labor Standards Act; and

WHEREAS, the City has informed at-will employees of pension reform (AB340 and AB197) mandates.

WHEREAS, the City of Norco is a member of the California Public Employee Retirement System ("CalPERS") and effective January 1, 2013, for all employees regardless of hire date, the following will be implemented for all full-time City employees:

Current and Future Full-Time Employees:

- "Air time" (i.e. service credits purchased rather than reflecting years of employment) is disallowed.
- Future pension enhancements will not apply retroactively, but only to subsequent service.
- Upon conviction of a felony arising from the performance of public duties or connected with obtaining salary or other benefits for public service, an employee forfeits the portion of his or her pension accruing after the crime.
- New retirees may not be employed by an agency in the same retirement system for 180 days after retirement ("sit out" period). The City Council can approve an exception to fill a critical position while recruitment is being conducted.
- Retired annuitants (after the 180-day "sit out" period) are limited to 960 hours of annual service to any agency in same retirement system; no extensions are permitted.
- To avoid characterization as a "new" employee, employees may not have a break in service of more than six months, although moves between employers and pension systems are permitted.

New Full-Time Employees Hired after January 1, 2013:

- Employees must contribute at least 50% of the normal cost rate for the defined benefit plan, rounded to the nearest quarter percent.
- Employer may not pay any of the employee share of pension cost.
- The new retirement formula for miscellaneous employees is 2% at 62, with a maximum benefit of 2.5% at 67.
- Pensions will be based on the highest 36 months of base salary.
- Compensation used to calculate a pension is capped at $110,100 for an employee who participates in Social Security and at $132,120 for others; these caps will be adjusted for inflation.

NOW, THEREFORE, BE IT RESOLVED, that effective January 1, 2013, Resolution 2012-39 is hereby amended to replace Section VI for the period of January 1, 2013 through June 30, 2013 as follows:

VI. RETIREMENT/PERS

1. The City has a contract with CalPERS to provide employees with the 2.7% at 55 Full Formula (Section 21354.5).

   Other benefits in the CalPERS agreement include:

   a. Section 20965: Credit for Unused Sick Leave. Unused accumulated sick leave at time of retirement may be converted to additional service credit at the rate of 0.004 year of service credit for each day of unused sick leave.

   b. Section 21574: Fourth Level 1959 Survivors Benefits. This benefit provides a higher level of 1959 Survivor Benefits to survivors of a member who dies prior to retirement.

   c. Three-year final compensation (36 highest paid consecutive months)

   The retirement formula for new miscellaneous employees is 2% at 62, with a maximum benefit of 2.5% at 67.

2. Employees hired on or prior to October 31, 2010: The City has agreed to pay 100% of the employer and 4% of the employee's contribution rates toward retirement through the CalPERS Retirement System. Employees will pay 4% of the employee's contribution rates.

3. Employees hired on or after November 1, 2010: The City has agreed to pay 100% of the employer contribution rates toward retirement and the employee will pay 8% of the employee contribution rates toward retirement through the CalPERS Retirement System.

4. Upon conviction of a felony arising from the performance of public duties or connected with obtaining salary or other benefits for public service, an employee forfeits the portion of his or her pension accruing after the crime.

NOW, THEREFORE, BE IT FURTHER RESOLVED, that all of the pension reform mandates stated in this resolution are applicable to all full-time employees of the City of Norco as a member of CalPERS.

PASSED AND ADOPTED by the City Council of the City of Norco at a regular meeting held on December 5, 2012.

_____
Mayor 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, 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 December 5, 2012 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 December 5, 2012.

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

/mp-82207

RESOLUTION NO. 2012-____

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF NORCO, CALIFORNIA, AMENDING RESOLUTION 2012-40 ADOPTING AND IMPLEMENTING PENSION REFORM PROVISIONS FOR MIDDLE MANAGEMENT, PROFESSIONAL, AND CONFIDENTIAL CLASSIFICATIONS OF THE CITY OF NORCO

WHEREAS, Resolution 2012-40 exists between the the City of Norco and Middle Management, Professional, and Confidential Classifications of the City of Norco for the period of July 1, 2012 through June 30, 2013; and

WHEREAS, the classifications in Middle Management, Professional, and Confidential Service of the City of Norco ("City") are unrepresented in the employer-employee relationship and, therefore receive consideration from the City Council in recognition of the management, supervisory, professional and/or confidential nature of their positions and contributions to the efficient and effective operations of the City; and

WHEREAS, employees in these classifications are exempt under the provisions of the Federal Fair Labor Standards Act;

WHEREAS, the City has informed unrepresented employees of pension reform (AB340 and AB197) mandates; and

WHEREAS, the City of Norco is a member of the California Public Employee Retirement System ("CalPERS") and effective January 1, 2013, for all employees regardless of hire date, the following will be implemented for all full-time City employees:

Current and Future Full-Time Employees:

- "Air time" (i.e. service credits purchased rather than reflecting years of employment) is disallowed.
- Future pension enhancements will not apply retroactively, but only to subsequent service.
- Upon conviction of a felony arising from the performance of public duties or connected with obtaining salary or other benefits for public service, an employee forfeits the portion of his or her pension accruing after the crime.
- New retirees may not be employed by an agency in the same retirement system for 180 days after retirement ("sit out" period). The City Council can approve an exception to fill a critical position while recruitment is being conducted.
- Retired annuitants (after the 180-day "sit out" period) are limited to 960 hours of annual service to any agency in same retirement system; no extensions are permitted.
- To avoid characterization as a "new" employee, employees may not have a break in service of more than six months, although moves between employers and pension systems are permitted.

New Full-Time Employees Hired after January 1, 2013:

- Employees must contribute at least 50% of the normal cost rate for the defined benefit plan, rounded to the nearest quarter percent.
- Employer may not pay any of the employee share of pension cost.
- The new retirement formula for miscellaneous employees is 2% at 62, with a maximum benefit of 2.5% at 67.
- Pensions will be based on the highest 36 months of base salary.
- Compensation used to calculate a pension is capped at $110,100 for an employee who participates in Social Security and at $132,120 for others; these caps will be adjusted for inflation.

NOW, THEREFORE, BE IT RESOLVED, that effective January 1, 2013, Resolution 2012-40 is hereby amended to replace Section VII for the period of January 1, 2013 through June 30, 2013 as follows:

VII. RETIREMENT/PERS

1. The City has a contract with CalPERS to provide employees with the 2.7% at 55 Full Formula (Section 21354.5).

   Other benefits in the CalPERS agreement include:

   a. Section 20965: Credit for Unused Sick Leave. Unused accumulated sick leave at time of retirement may be converted to additional service credit at the rate of 0.004 year of service credit for each day of unused sick leave.

   b. Section 21574: Fourth Level 1959 Survivors Benefits. This benefit provides a higher level of 1959 Survivor Benefits to survivors of a member who dies prior to retirement.

   c. Three-year final compensation (36 highest paid consecutive months)

   The retirement formula for new miscellaneous employees is 2% at 62, with a maximum benefit of 2.5% at 67.

2. Employees hired on or prior to October 31, 2010: The City has agreed to pay 100% of the employer and 4% of the employee's contribution rates toward retirement through the CalPERS Retirement System. Employees will pay 4% of the employee's contribution rates.

3. Employees hired on or after November 1, 2010: The City has agreed to pay 100% of the employer contribution rates toward retirement and the employee will pay 8% of the employee contribution rates toward retirement through the CalPERS Retirement System.

4. Upon conviction of a felony arising from the performance of public duties or connected with obtaining salary or other benefits for public service, an employee forfeits the portion of his or her pension accruing after the crime.

NOW, THEREFORE, BE IT FURTHER RESOLVED, that all of the pension reform mandates stated in this resolution are applicable to all full-time employees of the City of Norco as a member of CalPERS.

PASSED AND ADOPTED by the City Council of the City of Norco at a regular meeting held on December 5, 2012.

_____
Mayor 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, 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 December 5, 2012 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 December 5, 2012.

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

/mp-82206

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:	December 5, 2012
SUBJECT:	Amendment No. 1 to the Project and Capacity Agreement for the Expansion of the Western Riverside County Regional Wastewater Authority Treatment Plant
RECOMMENDATION:	Approve Amendment No. 1 to the Project and Capacity Agreement for the expansion of the Western Riverside County Regional Wastewater Authority Treatment Plant, subject to non-substantive changes and approval by all WRCRWA Member Agencies.

SUMMARY: The City of Norco is a member of WRCRWA, which jointly exercises powers to own, operate, convey, treat and maintain wastewater treatment facilities, commonly referred to as the Western Riverside County Wastewater Authority. At their July 31, 2012 Board meeting, the WRCRWA Board of Directors approved the proposed Amendment No. 1 to the Project and Capacity Agreement. The governing bodies of each of the Member Agencies are recommended to approve Amendment No. 1 in order for it to become effective.

BACKGROUND/ANALYSIS: The City of Norco is a member of WRCRWA, which jointly exercises powers to own, operate, convey, treat and maintain wastewater treatment facilities, commonly referred to as the Western Riverside County Wastewater Authority. The treatment facility was constructed to operate as a regional wastewater conveyance, treatment and disposal system to serve its member agencies: Home Gardens, Jurupa Community Services District (JCSD), Western Municipal Water District (WMWD), the City of Corona, and the City of Norco. The WRCRWA wastewater facility was originally designed to treat 8 million gallons of wastewater per day (MGD). Norco's existing WRCRWA conveyance capacity is 2.5 mgd and the treatment capacity is 2.2 mgd.

On March 8, 2012, the WRCRWA Board of Directors approved the proposed Project and Capacity Agreement for the Expansion of the Western Riverside County Regional Wastewater Authority Treatment Plant. Staff has determined that increasing the incremental treatment capacity is necessary to insure adequate capacity is available to provide wastewater treatment to future development. The proposed expansion would provide the City with an additional 500,000 gallons per day of treatment capacity. At its August 1, 2012, meeting, the City Council approved the Project and Capacity Agreement for the Expansion of the Western Riverside County Regional Wastewater Authority

Treatment Plant.

Proposed Amendment No. 1 (Attachment) resets the timetable for the City of Corona's (Corona) Buy-In payments, and establishes revised amounts for Jurupa Community Services District's (Jurupa) contribution toward additional design fees in order to meet Jurupa's request for an additional capacity of 1.25 million gallons per day (MGD). The action would also reset the timetable for Jurupa's and the City of Norco's (Norco) design fee deposits.

The new schedule, Corona's Buy-In as published in Amendment No. 1 to the Ageement, is as follows:

Installment Number	Date the Installment is due and payable	Installment Amount
First	August 17, 2012	$ 400,000.00
Second	October 19, 2012	$ 400,000.00
Third	January 11, 2013	$ 600,000.00
Fourth	April 12, 2013	$ 600,000.00
Fifth	July 12, 2013	$2,000,000.00
Corona's total Buy-In		$4,000,000.00

The scheduled payments from Jurupa and Norco will be revised and is included in Amendment No. 1 with the initial deposits due and payable as follows:

Member Expander	Initial Deposit for final design of 4.0 MGD	Initial Deposit for final design of 1.25 MGD	Total Initial Deposit due and payable August 17, 2012
Jurupa	$225,000.00	$350,000.00	$575,000.00
Norco	$ 75,000.00	$ 0.00	$ 75,000.00
	$300,000.00	$350,000.00	$650,000.00

FINANCIAL IMPACT: Approval of Amendment No. 1 will not increase planned expenditures within the Sewer Capital Improvement Program Fund (147).There is no financial impact to the General Fund.

Attachments: Project and Capacity Agreement Amendment No. 1

AMENDMENT NO. 1 TO THE PROJECT AND CAPACITY AGREEMENT FOR THE EXPANSION OF THE WESTERN RIVERSIDE COUNTY WASTEWATER TREATMENT PLANT

THIS AMENDMENT NO. 1 to the Project And Capacity Agreement For The Expansion Of The Western Riverside County Regional Wastewater Authority Treatment Plant is made by and between the Home Garden Sanitary District, a sanitary district (hereinafter "Home Gardens"), the City of Corona, a municipal corporation (hereinafter "Corona"), the City of Norco, a municipal corporation (hereinafter "Norco"), Jurupa Community Services District, a community services district (hereinafter "Jurupa") and Western Municipal Water District of Riverside County, a municipal water district (hereinafter "Western") (sometimes hereinafter collectively referred to as the "Parties"), and shall be effective July 31, 2012.

RECITALS

A. WHEREAS, Home Gardens, Corona, Norco, Jurupa, Western and the Santa Ana Watershed Project Authority (hereinafter "SAWPA") entered into the Project And Capacity Agreement For The Expansion Of The Western Riverside County Regional Wastewater Authority Treatment Plant (the "Agreement") dated March 8, 2012.

B. WHEREAS, pursuant to Addendum No. 7 to the Joint Exercise of Powers Agreement Creating the Western Riverside County Regional Wastewater Authority, SAWPA withdrew from membership of the Western Riverside County Regional Wastewater Authority (the "Authority"), effective June 30, 2012, and is, therefore, not a Party to this Amendment No. 1.

C. WHEREAS, the Parties desire to amend the Agreement to revise the dates when Corona shall deposit its Buy-In to the Authority totaling $4,000,000.

D. WHEREAS, the original treatment plant expansion design for the Authority was for an expansion of 4.0 million gallons per day ("MGD") thereby increasing the current upgraded capacity of the Authority's treatment plant from 8.0 MGD to 12 MGD.

E. WHEREAS, Jurupa requested an additional 1.25 MGD of capacity in the Authority's treatment plant such that the revised treatment plant expansion design would be for an expansion of 5.25 MGD thereby increasing the current upgraded capacity from 8.0 MGD to 13.25 MGD.

F. WHEREAS, the Parties also desire to amend the Agreement to increase Jurupa's Initial Deposit for final design to accommodate Jurupa's request for an additional expansion of capacity as set forth in Recital E above.

AGREEMENT

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

1. This Amendment incorporates all terms and conditions of the Agreement, except those modified by this Amendment No. 1. Therefore, all terms and conditions in the Agreement remain in full force and effect unless modified by this Amendment No. 1.

2. Section 4 of the Agreement is hereby deleted and replaced with the following:

Corona shall deposit its Buy-In into the Authority's work order account established for the Project (the "Project Work Order Fund") in the following installments:

Installment Number	Date the Installment is due and payable	Installment Amount
First	August 17, 2012	$ 400,000
Second	October 19, 2012	$ 400,000
Third	January 11, 2013	$ 600,000
Fourth	April 12, 2013	$ 600,000
Fifth	July 12, 2013	$2,000,000
Corona's total Buy-In		$4,000,000

3. Section 6 of the Agreement shall be deleted and replaced with the following:

Member Expanders, Jurupa and Norco, shall provide an initial cash deposit to commence final design. The initial deposit shall be accounted for as a part of the Member Expanders total cost for the Project (currently estimated to be a nominal unit cost of $10 per gallon of expanded capacity after deducting the Corona Buy-In).

Jurupa and Norco initial deposits shall be due and payable August 17, 2012 as follows:

Member Expander	Initial Deposit for final design of 4.0 MGD	Initial Deposit for final design of 1.25 MGD	Total Initial Deposit due and payable August 17, 2012
Jurupa	$225,000	$350,000	$575,000
Norco	$ 75,000	0	$ 75,000
	$300,000	$350,000	$650,000

IN WITNESS WHEREOF, the Parties hereto have executed this Amendment No. 1 on the day and year hereinafter indicated.

HOME GARDEN SANITARY DISTRICT

Dated: _____ By _____
Its President

By _____
Its Secretary

CITY OF CORONA

Dated: _____ By _____
Mayor

Dated: _____ By _____
City Clerk

CITY OF NORCO

Dated: _____ By _____
Mayor

Dated: _____ By _____
City Clerk

JURUPA COMMUNITY SERVICES DISTRICT

Dated: _____

By _____
Its President

By _____
Its Secretary

WESTERN MUNICIPAL WATER DISTRICT OF RIVERSIDE COUNTY

Dated: _____

By _____
Its President

By _____
Its Secretary

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:	December 5, 2012
SUBJECT:	Amendment No. 2 to the Project and Capacity Agreement for the Expansion of the Western Riverside County Regional Wastewater Authority Treatment Plant
RECOMMENDATION:	Approve Amendment No. 2 to the Project and Capacity Agreement for the expansion of the Western Riverside County Regional Wastewater Authority Treatment Plant, subject to non-substantive changes and approval by all WRCRWA Member Agencies.

SUMMARY: The City of Norco is a member of WRCRWA, which jointly exercises powers to own, operate, convey, treat and maintain wastewater treatment facilities, commonly referred to as the Western Riverside County Wastewater Authority. At its November 14, 2012 Board meeting, the WRCRWA Board of Directors approved the proposed Amendment No. 2 to the Project and Capacity Agreement. The governing bodies of each of the Member Agencies are now recommended to approve Amendment No. 2 in order for it to become effective.

BACKGROUND/ANALYSIS: The City of Norco is a member of WRCRWA, which jointly exercises powers to own, operate, convey, treat and maintain wastewater treatment facilities, commonly referred to as the Western Riverside County Wastewater Authority. The treatment facility was constructed to operate as a regional wastewater conveyance, treatment and disposal system to serve its member agencies: Home Gardens, Jurupa Community Services District (Jurupa), Western Municipal Water District (WMWD), the City of Corona, and the City of Norco. The WRCRWA wastewater facility was originally designed to treat 8 million gallons of wastewater per day (MGD). Norco's existing WRCRWA conveyance capacity is 2.5 mgd and the treatment capacity is 2.2 mgd.

The original Project and Capacity Agreement for the Expansion of the Western Riverside County Wastewater Treatment Plant (Original Agreement) was approved by the WRCRWA Board of Directors on March 8, 2012. The City Council, at their August 1, 2102 meeting approved the Project and Capacity Agreement for the Expansion of the Western Riverside County Regional Wastewater Authority Treatment Plant.

Amendment No.1 reset the timetable for the City of Corona's (Corona) Buy-In payments, and established revised amounts for Jurupa Community Services District's (Jurupa) contribution toward additional design fees in order to meet Jurupa's request for the additional capacity of 1.25 million gallons per day (MGD). The action also reset the timetable for Jurupa's and the City of Norco's (Norco) design fee deposits.

Proposed Amendment No. 2 to the Project and Capacity Agreement for the Expansion of the Western Riverside County Wastewater Treatment Plant addresses Jurupa's request for an additional 1.25 MGD to create a total expansion of 5.25 MGD from the existing 8.0 MGD to 13.25 MGD.

Amendment No. 2 follows the rationale used in the Original Agreement:

1. Expanders (those in need of additional treatment capacity) and Non-Expanders (those not in need of additional capacity), will donate all existing and ultimate stranded capacity in existing components to the expansion project.

2. All Members agree to donate 100% of Corona's Buy-In ($4.0 million) to the expansion project.

It is stipulated in Amendment No. 2 that the cost of added odor control facilities will be offset by the donations listed above and if the project cost exceeds $10 per gallon as a result of added odor control facilities, excluding change orders, the actual cost of added odor control facilities will be shared by all Members, not to exceed the estimated cost of the added odor control facilities at $3,250,000 or a unit cost of approximately $0.245 per gallon when spread to the entire 13.25 MGD Project.

Finally, if the total project cost estimate (after receiving bids) exceeds $10 per gallon plus the cost of added odor control facilities, a total of $59,750,000 (a comparative unit cost of $10.62 per gallon), the Board of Directors will have the option of rejecting all bids and having staff and consultants review the 13.25 MGD Project scope.

FINANCIAL IMPACT: Approval of Amendment No. 2 will not increase planned expenditures within the Sewer Capital Improvement Program Fund (147).There is no financial impact to the General Fund.

Attachments: Project and Capacity Agreement Amendment No. 2

AMENDMENT NO. 2 TO THE PROJECT AND CAPACITY AGREEMENT FOR THE EXPANSION OF THE WESTERN RIVERSIDE COUNTY WASTEWATER TREATMENT PLANT

THIS AMENDMENT NO. 2 to the Project And Capacity Agreement For The Expansion Of The Western Riverside County Regional Wastewater Authority Treatment Plant is made by and between the Home Garden Sanitary District, a sanitary district (hereinafter "Home Gardens"), the City of Corona, a municipal corporation (hereinafter "Corona"), the City of Norco, a municipal corporation (hereinafter "Norco"), Jurupa Community Services District, a community services district (hereinafter "Jurupa") and Western Municipal Water District of Riverside County, a municipal water district (hereinafter "Western") (sometimes hereinafter collectively referred to as the "Parties"), and shall be effective November 14, 2012.

RECITALS

A. WHEREAS, Home Gardens, Corona, Norco, Jurupa, Western and the Santa Ana Watershed Project Authority (hereinafter "SAWPA") entered into the Project And Capacity Agreement For The Expansion Of The Western Riverside County Regional Wastewater Authority Treatment Plant (the "Agreement") dated March 8, 2012.

B. WHEREAS, the Parties entered into Amendment No. 1 to the Agreement dated July 31, 2012 ("Amendment No. 1").

C. WHEREAS, pursuant to Addendum No. 7 to the Joint Exercise of Powers Agreement Creating the Western Riverside County Regional Wastewater Authority, SAWPA withdrew from membership of the Western Riverside County Regional Wastewater Authority (the "Authority"), effective June 30, 2012, and is, therefore, not a Party to this Amendment No. 2.

D. WHEREAS, the original treatment plant expansion design for the Authority was for an expansion of 4.0 million gallons per day ("MGD") thereby increasing the current upgraded capacity of the Authority's treatment plant from 8.0 MGD to 12 MGD.

E. WHEREAS, Jurupa requested an additional 1.25 MGD of capacity in the Authority's treatment plant such that the revised treatment plant expansion design would be for an expansion of 5.25 MGD thereby increasing the current upgraded capacity from 8.0 MGD to 13.25 MGD.

F. WHEREAS, the Parties current capacity rights, initial requested expansion capacity and Jurupa's additional requested expansion capacity are as follows:

Authority Member	Current Capacity Right MGD	Initial Expans'n Request MGD	Added Expans'n Request MGD	Final Expans'n Proposed MGD	13.25 Project Capacity Right MGD
Jurupa	3.25	1.50	1.25	2.75	6.00
Norco	2.20	0.50		0.50	2.70
Corona	0	2.00		2.00	2.00
Western	1.93			0	1.93
Home Gardens	0.62			0	0.62
Totals	8.00	4.00	1.25	5.25	13.25

G. WHEREAS, the Parties desire to amend the Agreement to accommodate Jurupa's request for 1.25 MGD additional expansion of capacity as set forth in Recital D above and memorialize the allocation of Total Rated Capacity to each Member upon completion of the 13.25 Project.

AGREEMENT

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

1. This Amendment incorporates all terms and conditions of the Agreement and Amendment No. 1, except as modified by this Amendment No. 2.

2. The language in Recital C of the Agreement is hereby deleted and replaced with the following:
   This Project and Capacity Agreement is intended to address the construction of a 5.25 MGD treatment plant expansion from its current upgrade capacity of 8 MGD to the proposed capacity of 13.25 MGD (the "13.25 Project") and to memorialize capacity allocation as set forth in Recital F upon completion of the Project, with "Capacity", "Capacity Right" and "Rated Capacity" defined as total quantity discharged to the treatment plant in any consecutive 24 hours.

3. The language in Recital D of the Agreement is hereby deleted and replaced with the following:
   The Parties needing the 13.25 Project include Jurupa, Norco and Corona and are known collectively as the "Expanders".

4. The language in Recital G of the Agreement is hereby deleted and replaced with the following:

Corona is now a member agency of the Authority and Jurupa, Norco and Corona are known as Member Expanders.

5. The language in Recital N of the Agreement is hereby deleted and replaced with the following:
By previous agreement, there is 11.63 MGD Ultimate Capacity at the treatment plant, and all unused Ultimate Capacity excess to the 8 MGD operation will be utilized by the 13.25 Project, with total Rated Capacity defined as 13.25 MGD.

6. Exhibit B attached to the Agreement is hereby deleted and replaced with a new Exhibit B attached hereto and made a part of this Amendment No. 2.

7. Exhibit C attached to the Agreement is hereby deleted and replaced with a new Exhibit C attached hereto and made a part of this Amendment No. 2.

8. Exhibit D attached to the Agreement is hereby deleted and replaced with a new Exhibit D attached hereto and made a part of this Amendment No. 2.

9. Exhibit E attached to the Agreement is hereby deleted and replaced with a new Exhibit E attached hereto and made a part of this Amendment No. 2.

10. Exhibit F attached to the Agreement is hereby deleted and replaced with a new Exhibit F attached hereto and made a part of this Amendment No. 2.

11. The language in Section 1 of the Agreement is hereby deleted and replaced with the following:
The estimated budget for the 13.25 Project is $56.5 million, as shown on Exhibit B attached hereto and made a part of this Amendment No. 2. Total cost for the 13.25 Project has been reduced by utilizing unused Existing Capacity and Ultimate Capacity associated with the existing upgraded 8 MGD treatment plant. Such capacity was 8 MGD total Existing Capacity and 11.63 MGD Ultimate Capacity. However, upon completion of the 13.25 Project, words used to describe treatment plant capacity such as "Existing Capacity", "Ultimate Capacity", "Plant Capacity" and "Rated Capacity" shall all have the same meaning and shall be redefined as 13.25 MGD Rated Capacity.

12. Section 3 of the Agreement is modified as follows:
Corona's share of the 13.25 Project is 2 MGD/13.25 MGD or approximately 15%. Therefore using the CBO depreciation rate of 2.7% per year and 25 years, thereby establishing a remaining life of 68%, Corona's Buy-In would be $4.08 million (68% remaining life x $40 million plant value x 15% Corona share). Therefore, the Parties agree and affirm by this Amendment No. 2 that Corona's Buy-In is $4.0 million.

13. The language in Section 5 of the Agreement is hereby deleted and replaced with the following:
A portion of Corona's Buy-In shall reduce the actual final cost of the 13.25 Project for the Expanders and allow Corona to share Existing Capacity, Ultimate Capacity and Rated Capacity. The distribution and reallocation of Rated Capacity after completion of the 13.25 Project is shown on Exhibit C attached hereto and made a part of this Amendment No. 2. Such distribution of Existing Capacity, Ultimate Capacity and Rated Capacity hereby supersedes all prior agreements and resolutions allocating such Capacity to the Members.

14. The Cost Allocation Diagram attached to the Agreement as Exhibit D depicting the contributions by Expanders and non-Expanders is deleted and replaced with that Cost Allocation Diagram shown on the next Exhibit D attached to and made a part of this Amendment No. 2.

15. The language in Section 7 of the Agreement is hereby deleted and replaced with the following:
Expanders shall contribute unused Existing Capacity and Ultimate Capacity to the 13.25 Project and shall contribute Capital to the 13.25 Project in proportion to the Expanders share of the 5.25 MGD expansion. All Expanders shall pay the same per gallon cost, calculated by first reducing the actual total cost of the 13.25 Project by Corona's Buy-In amount and then dividing the remainder by 5.25 MGD, as shown in Exhibit E, attached hereto and made a part of this Amendment No. 2.

16. The language in Section 8 of the Agreement is hereby deleted and replaced with the following:
Expanders shall deposit a capacity contribution of $10/gal of requested capacity (which may be adjusted after receiving construction bids and upon written request of the Expander further adjusted by the Expander's prior deposits) into the Project Work Order Fund no later than 30 days after the bid opening for construction of the 13.25 Project as shown in Exhibit E of this Amendment No. 2.

17. The language in Section 9 of the Agreement is hereby deleted and replaced with the following:
Non-Expanders shall provide an In-Kind Contribution of unused Existing Capacity and Ultimate Capacity to the 13.25 Project in lieu of a capital contribution and agree that 100% of the City of Corona's $4 million Buy-In may be used to reduce the cost of the 13.25 Project and in return share in the benefits of lower annual O&M costs upon completion of the Project. The Non-Expanders' contribution of unused capacity together with the Non-Expanders' pass-through of Corona's Buy-In constitutes payment in full by the Non-Expanders for the Non-Expanders share of the 13.25 Project Budget. No other contributions shall be required of the Non-Expanders in the event upgrades are needed in the future to bring the

expansion to a full 5.25 MGD, a total treatment plant Rated Capacity of 13.25 MGD.

18. The language in Section 10 of the Agreement is hereby modified as follows:
Expanders and Non-Expanders shall be provided credit and refunds for advance cash deposits as shown more specifically on Exhibit A of the Agreement and Exhibit F of this Amendment No. 2.

19. The language in Section 15 of the Agreement is hereby deleted and replaced with the following:
In the event the 13.25 Project Work Order Funds are being depleted as a result of approved construction change orders and/or service provider extra work requests and additional amounts are needed to complete the 13.25 Project and the additional amounts do not cause the total anticipated expenditures to exceed the sum of the budget amount in Exhibit B of this Amendment No. 2 ($56.5 million) and the authorized additional construction change orders and service provider extras described in Sections 16 through 22 of the Agreement , the Authority finance staff shall invoice the Expanders the amount deemed necessary to complete construction of the 13.25 Project. The invoice shall show the total amount needed and each Expander's proportionate share calculated from percentages listed below for each Expander. The Expanders shall pay any balance due the Authority based on actual cost incurred for the Project, no later than 40 days from receipt of the Authority's invoice.

Expander's percentage cost share for the 5.25 MGD expansion:

Expander	Requested Capacity	Percentage of total Requested Capacity
Norco	0.50 MGD	9.52 %
Jurupa	2.75 MGD	52.38 %
Corona	2.00 MGD	38.10 %
	5.25 MGD	100 %

20. The language in Section 24 of the Agreement is hereby deleted and replaced with the following:
Should any funds deposited by Expanders into the Project Work Order Fund remain upon completion of the Project after all advance deposits have been paid or credited and final accounting has been completed, the amount shall be paid to individual Expanders in the proportions shown in Section 19 of this Amendment No. 2. Payments shall be made within 120 days after the issuance of the Notice of Completion for the Project. Expanders shall not earn interest on deposited funds. Interest earnings, if any, shall accrue to the Authority's G&A account.

21. The Parties agree that the favorable unit cost of $10 per gallon for the 13.25 Project is most likely a result of the 13.25 Project incorporating unused capacity that is excess to the needs of the upgraded 8 MGD treatment plant. If after final audit of expenditures, excluding approved construction change orders and service provider extras described in Sections 16 through 22 of the Agreement, the total 13.25 Project cost exceeds the unit cost of $10 per gallon ($56.5M minus $4.0M Corona Buy-In divided by 5.25 MGD) it is likely the result of excess capacity being fully utilized and/or the additional odor control facilities that benefits the operation for all Members. Therefore, if the audit of expenditures indicates the budget as shown in Exhibit I was exceeded due to added odor control components for the benefit of all members, all Members shall share in the budgeted cost overruns not to exceed the odor control facilities estimate presented to the Board of Directors July 31, 2012 of $3,250,000 using the following distribution:

Odor Control Facilities Cost Allocation if Needed

Member	Capacity Right	Percentage of Total	Not to Exceed Allocation
Norco	2.70 MGD	20.38 %	$ 662,350
Jurupa	6.00 MGD	45.28 %	$1,471,600
Corona	2.00 MGD	15.09 %	$ 490,425
Western	1.93 MGD	14.57 %	$ 473,525
Home Gardens	0.62 MGD	4.68 %	$ 152,100
	13.25 MGD	100 %	$3,250,000 *

* Not to exceed unit cost for odor control is $0.245/gallon ($3.25m/13.25MGD).

22. Pursuant to the Authority's construction contract documents the Board of Directors shall review Bids and consider award of construction contract within 60 days of the Bid Opening. The Board of Directors shall:

1. Accept or reject any or all Bids, or any alternates;
2. Award the Contract to any of the qualified Bidders;
3. Increase or decrease the quantity of any of the Bid Items at the Unit Price;
4. Waive any immaterial defects and/or accept any immaterial irregularities or clauses deemed acceptable to the Authority.

If the Authority Board of Directors rejects all Bids it shall direct staff and consultants to review the scope of the 13.25 Project with the Authority's Executive Committee and return to the Board of Directors a recommendation for a revised 13.25 Project and/or revisions to this Amendment No. 2.

IN WITNESS WHEREOF, the Parties hereto have executed this Amendment No. 2 on the day and year hereinafter indicated.

HOME GARDENS SANITARY DISTRICT

Dated: _____ By _____
Its President

Dated: _____ By _____
Its Secretary

CITY OF CORONA

Dated: _____ By _____
Its General Manager

Dated: _____ By _____
Its City Clerk

CITY OF NORCO

Dated: _____ By _____
Its Mayor

Dated: _____ By _____
Its City Clerk

JURUPA COMMUNITY SERVICES DISTRICT

Dated: _____ By _____
Its President

Dated: _____ By _____
Its Secretary

WESTERN MUNICIPAL WATER DISTRICT OF RIVERSIDE COUNTY

Dated: _____ By _____
Its President

Dated: _____ By _____
Its Secretary

Exhibit B
Amendment No. 2
to the
Authority's Project and Capacity Agreement
for the
5.25 MGD EXPANSION

The 13.25 Project Budget
$56.5 Million

Construct additional facilities and utilize unused Existing Capacity and Ultimate Capacity to expand the existing, upgraded 8 MGD treatment plant by 5.25 MGD in Capacity to a 13.25 MGD treatment plant Rated Capacity based on average daily flow (ADF) rates. The budget is based on 13.25 Project estimates presented July 31, 2012 to the Board of Directors with Memorandum No. 765.

	July 31, 2012 ENGINEERING ESTIMATE	13.25 PROJECT BUDGET
HARD COSTS (Construction)	$38,771,200	$47 Million *
FUNDS PREVIOUSLY ADVANCED BY MEMBERS		$ 1.5 Million
SOFT COSTS (Design, CM, Admin)	$ 5,815,800	$ 6 Million
CONTINGENCY	$11,631,600 **	$ 2 Million
Totals	$56,218,600	$56.5 Million

* $47M represents the Engineering Estimate of $38,771,200 plus 21.2% bid deviation allowance.
** $11,631,600 represents a contingency of 30% on Hard Costs ($38,771,200 x 30%).

Exhibit C
Amendment No. 2
to the
Authority's Project and Capacity Agreement
for the
5.25 MGD EXPANSION

Distribution of Existing, Ultimate & Rated Capacity

Before the 13.25 Project

	Upgraded Existing Capacity MGD	Previous Ultimate Capacity MGD	Ultimate Capacity Defined with the 4 MGD Expansion MGD
HGSD	.62	.75	.78
JCSD	3.25	3.23	3.33
Norco	2.20	2.50	2.58
WMWD	1.93	5.15	5.31
Corona	0	0	0
SAWPA	0	0	0
Total	8.0	11.63	12.00

After the 13.25 Project

	Existing Capacity MGD	Ultimate Capacity MGD	Rated Capacity MGD	Capacity Right HGSD
.62	.62	.62	.62	
JCSD	6.00	6.00	6.00	6.00
Norco	2.70	2.70	2.70	2.70
WMWD	1.93	1.93	1.93	1.93
Corona	2.00	2.00	2.00	2.00
Total	13.25	13.25	13.25	

* Capacity is measured and defined as total quantity discharged during any consecutive 24 hours.

Exhibit D
Amendment No. 2
to the
Authority's Project and Capacity Agreement
for the
5.25 MGD EXPANSION

COST ALLOCATION DIAGRAM

USING $56.5 MILLION from the 13.25 PROJECT BUDGET

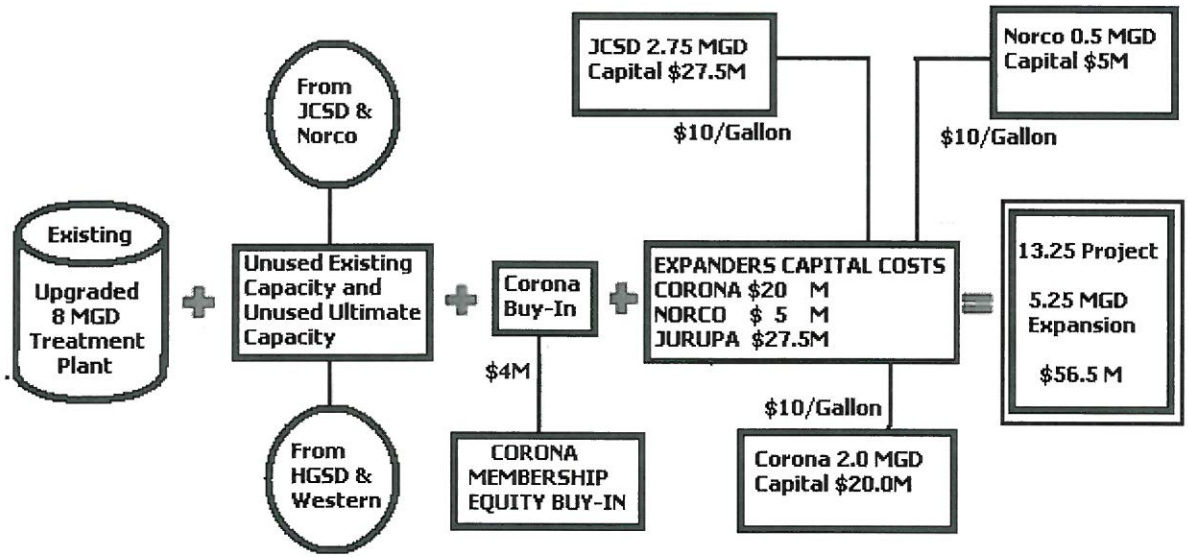


Exhibit E
Amendment No. 2
to the
Authority's Project and Capacity Agreement
for the
5.25 MGD EXPANSION

Expanders Capital Cost Allocation Plan

Expanders shall pay the same cost per gallon, calculated by first reducing the actual cost of the 13.25 Project by Corona's Buy-In amount and then dividing the remainder by 5.25 MGD of Capacity.

The following example calculation uses the 13.25 Project Budget from Exhibit B that includes estimated Hard construction costs, Soft engineering costs and previously contributed capital from Members after fully utilizing Existing Capacity and Ultimate Capacity associated with the existing 8 MGD as shown in Exhibit D.

Budget Amount and Corona's Buy-In Amount

$47 million	Hard construction costs
$ 1.5 million	Approximate Cash Advances from Members
$ 6 million	Soft engineering costs
$ 2 million	Factor of Safety for all above estimates
$56.5 million	Total 13.25 Project Budget
$ 4.0 million	Less Corona Buy-In
$52.5 million	Approximate Total to Share Among Expanders

Approximate Unit Cost Per Gallon

($52.5 million / 5.25 MGD = $10.00/gallon

Expanders Share of Cost:

Expander	Requested Capacity	Times the Unit Cost	Estimated Share of Costs
JCSD	2.75 MGD	x $10 =	$27.5 million
Norco	0.50 MGD	x $10 =	$ 5.0 million
Corona	2.00 MGD	x $10 =	$20.0 million
Sub total			$52.5 million
Corona's Buy-In			$ 4.0 million
Budget Total			$56.5 million

Exhibit F
Amendment No. 2
to the
Authority's Project and Capacity Agreement
for the
5.25 MGD EXPANSION

Expanders Early Capital Deposits and Final Credits

June 2009 Carollo Planning Work

Expander	Carollo Contract Allocation	Distribution of Funds Paid Out	Credit Due the Expander	*If the Expander paid in the full amount of the Board Approved Allocation the Credit Due shall be:
JCSD	$195,571	$188,261	$188,261*	$195,571
Norco	$132,387	$127,439	$127,439*	$132,387
Corona	0	0	0	0

August 2009 Dunbar EIR Work

Expander	Dunbar Contract Allocation	Distribution of Funds Paid Out	Credit Due the Expander
JCSD	$26,780	$26,780	$26,780
Norco	$18,128	$18,128	$18,128
Corona	0	0	0

March 2011 Webb/Aqua Preliminary Design Work

Expander	Board Max Budget Allocation	Distribution of Funds Paid Out	Credit Due the Expander	*If the Expander paid in the Board Max Budget, the credit due shall be
JCSD	$400,000	$326,537	$326,537*	$400,000
Norco	$ 50,000	$ 40,817	$ 40,817*	$ 50,000
Corona	$ 50,000	$ 40,817	$ 40,817*	$ 50,000

Exhibit F continued

August 17, 2012, from Section 3 of Amendment No. 1 to the Agreement

"Member Expanders, Jurupa and Norco, shall provide an initial cash deposit to commence final design. The initial deposit shall be accounted for as a part of the Member Expanders total cost for the Project (currently estimated to be a nominal unit cost of $10.00 per gallon of expanded capacity after deducting the Corona Buy-In)."

Jurupa and Norco deposits for Webb/Aqua final design were payable August 17, 2012 as follows:

Member Expander	Initial Deposit for final design of 4.0 MGD	Initial Deposit for final design of 1.25 MGD	Total Initial Deposit due and payable August 17, 2012
Jurupa	$225,000.00	$350,000.00	$575,000.00
Norco	$ 75,000.00	0	$ 75,000.00
	$300,000.00	$350,000.00	$650,000.00

EXPANDER CONTRIBUTION SUMMARY *

Work Performed	Jurupa	Norco	Corona
Carollo June 2009	$188,200	$127,439	0
Dunbar EIR August 2009	$26,780	$18,128	0
Webb/Aqua Prelim March 2011	$326,537	$40,817	$40,817
Webb/Aqua Final August 2012	$575,000	$75,000	0
	$1,116,578	$261,384	$40,817

* The above contribution amounts are estimates based on service provider contract amounts. Expander Credits shall be based on actual contribution amount received from each Expander.

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:	December 5, 2012
SUBJECT:	Reimbursement Agreement for Transportation Uniform Mitigation Fees (TUMF) for Hamner Avenue Widening Project No. 11-NW-NOR-1075
RECOMMENDATION:	That City Council Approve a TUMF Reimbursement Agreement with Western Riverside Council of Governments "WRCOG" Project No. 11-NW-NOR-1075, for street widening improvements on Hamner Avenue 1,500 feet south and 1,500 feet north of Citrus Avenue, subject to non-substantive changes; and, authorize the City Manager to execute the Agreement.

SUMMARY: In 2003, Riverside County and the member cities of Western Riverside Council of Governments ("WRCOG") established a Transportation Uniform Mitigation Fee (TUMF) in order to finance the construction of regional road improvements and transportation programs. Hamner Avenue has been designated as a regionally significant arterial street segment selected for TUMF funding for necessary street improvements. Staff is requesting City Council approve the attached funding agreement.

BACKGROUND/ANALYSIS: On February 5, 2003, the City Council adopted Ordinance No. 804 establishing the TUMF program and creating Chapter 3.50 of the City of Norco Municipal Code. Section 3.50.040 provides for Developer/Agency credits or reimbursements of fees for transportation improvements to TUMF designated roadways.

The City of Norco has awarded a contract to construct street widening improvements on Hamner Avenue. WRCOG has identified $1,870,395.00 as the eligible amount of TUMF funding available for reimbursement to the City of Norco for this project. The City will provide the initial construction payments and the Finance Department will invoice WRCOG for reimbursement as progress payments are requested for construction of Hamner Avenue TUMF Project No. 11-NW-NOR-1075. The City will contribute the remaining funding to satisfy any matching fund obligation requirements. The City is required to follow program compliance with all applicable provisions of the Government Code and the Public Contract Code relating to Public Works Projects.

The attached draft Agreement is the approved document executed for all TUMF Program reimbursements. Upon approval by the City, the agreement will be forwarded to Western Riverside Council of Governments for finalization.

Agenda Item 1.J.

FINANCIAL IMPACT: TUMF Program requires that each agency contribute local matching funds for program reimbursements, City of Norco will contribute $3,043,756.75 toward the Hamner Avenue Widening Project total cost of $4,914,151.75.

Attachments: Reimbursement Agreement

TRANSPORTATION UNIFORM MITIGATION FEE PROGRAM

AGREEMENT TO REIMBURSE TUMF FUNDS

THIS REIMBURSEMENT AGREEMENT ("Agreement") is entered into as of this day of ____, 20__, by and between the Western Riverside County of Governments ("WRCOG"), a California joint powers authority and **CITY OF NORCO, A CALIFORNIA MUNICIPAL CORPORATION**, ("AGENCY"). WRCOG and Agency are sometimes hereinafter referred to individually as "Party" and collectively as "Parties".

RECITALS

A. WRCOG is the Administrator of the Transportation Uniform Mitigation Fee Program of Western Riverside County ("TUMF Program").

B. WRCOG has identified and designated certain transportation improvement projects throughout Western Riverside County as projects of regional importance ("Qualifying Projects" or "Projects"). The Qualifying Projects are more specifically described in that certain WRCOG study titled "TUMF Nexus Study", as may be amended from time to time. Qualifying Projects can have Regional or Zonal significance as further described in the TUMF Nexus Study.

C. The TUMF Program is funded by TUMF fees paid by new development in Western Riverside County (collectively, "TUMF Program Funds"). TUMF Program Funds are held in trust by WRCOG for the purpose of funding the Qualifying Projects.

D. The AGENCY proposes to implement a Qualifying Project, and it is the purpose of this Agreement to identify the project and to set forth the terms and conditions by which WRCOG will release TUMF Program Funds.

AGREEMENT

NOW, THEREFORE, in consideration of the mutual covenants and subject to the conditions contained herein, the Parties hereby agree as follows:

1. Description of the Qualifying Project. This Agreement is intended to distribute TUMF Program Funds to the AGENCY for **HAMNER AVENUE FROM 1,500 FEET NORTH OF AND 1,500 FEET SOUTH OF CITRUS AVENUE** (the "Project"), a Qualifying Project. The Work, including a timetable and a detailed scope of work, is more fully described in Exhibit A attached hereto and, pursuant to Section 20 below, is subject to modification as requested by the jurisdiction and approved by WRCOG. The work shall be consistent with one or more of the defined WRCOG Call for Projects phases detailed herein as follows:

1) PA&ED – Project Approvals & Environmental Document
2) PS&E – Plans, Specifications and Estimates
3) R/W – Right of Way Acquisition and Utility Relocation
4) CON – Construction

2. WRCOG Funding Amount. WRCOG hereby agrees to distribute to AGENCY, on the terms and conditions set forth herein, a sum not to exceed **One Million Eight Hundred Seventy Thousand Three Hundred Ninety Five dollars and no cents($1,870,395.00),** to be used for reimbursing the AGENCY for eligible Project expenses as described in Section 3 herein ("Funding Amount"). The Parties acknowledge and agree that the Funding Amount may be less than the actual cost of the Project. Nevertheless, the Parties acknowledge and agree that WRCOG shall not be obligated to contribute TUMF Program Funds in excess of the maximum TUMF share identified in the TUMF Nexus Study ("Maximum TUMF Share"), as may be amended from time to time.

3. Project Costs Eligible for Advance/Reimbursement. The total Project costs ("Total Project Cost") may include the following items, provided that such items are included in the scope of work attached hereto as Exhibit "A" ("Scope of Work"): (1) AGENCY and/or consultant costs associated with direct Project coordination and support; (2) funds expended in preparation of preliminary engineering studies; (3) funds expended for preparation of environmental review documentation for the Project; (4) all costs associated with right-of-way acquisition, including right-of-way engineering, appraisal, acquisition, legal costs for condemnation procedures if authorized by the AGENCY, and costs of reviewing appraisals and offers for property acquisition; (5) costs reasonably incurred if condemnation proceeds; (6) costs incurred in the preparation of plans, specifications, and estimates by AGENCY or consultants; (7) AGENCY costs associated with bidding, advertising and awarding of the Project contracts; (8) construction costs, including change orders to construction contract approved by the AGENCY; (9) construction management, field inspection and material testing costs; and (10) any AGENCY administrative cost to deliver the Project.

4. Ineligible Project Costs. The Total Project Cost shall not include the following items which shall be borne solely by the AGENCY without reimbursement: (1) any AGENCY administrative fees attributed to the reviewing and processing of the Project; and (2) expenses for items of work not included within the Scope of Work in Exhibit "A".

5. Procedures for Distribution of TUMF Program Funds to AGENCY.

(a) Initial Payment by the AGENCY. The AGENCY shall be responsible for initial payment of all the Project costs as they are incurred. Following payment of such Project costs, the AGENCY shall submit invoices to WRCOG requesting reimbursement of eligible Project costs. Each invoice shall be accompanied by detailed contractor invoices, or other demands for payment addressed to the AGENCY, and documents evidencing the AGENCY's payment of the invoices or demands for payment. Documents evidencing the AGENCY'S payment of the invoices shall be retained for three (3) years and shall be made available for review by WRCOG. The AGENCY shall submit invoices not more often than monthly and not less often than quarterly.

(b) Review and Reimbursement by WRCOG. Upon receipt of an invoice from the AGENCY, WRCOG may request additional documentation or explanation of the Project costs for which reimbursement is sought. Undisputed amounts shall be paid by WRCOG to the AGENCY within thirty (30) days. In the event that WRCOG disputes the eligibility of the AGENCY for reimbursement of all or a portion of an invoiced amount, the Parties shall meet

and confer in an attempt to resolve the dispute. If the meet and confer process is unsuccessful in resolving the dispute, the AGENCY may appeal WRCOG's decision as to the eligibility of one or more invoices to WRCOG's Executive Director. The WRCOG Executive Director shall provide his/her decision in writing. If the AGENCY disagrees with the Executive Director's decision, the AGENCY may appeal the decision of the Executive Director to the full WRCOG Executive Committee, provided the AGENCY submits its request for appeal to WRCOG within ten (10) days of the Executive Director's written decision. The decision of the WRCOG Executive Committee shall be final. Additional details concerning the procedure for the AGENCY's submittal of invoices to WRCOG and WRCOG's consideration and payment of submitted invoices are set forth in Exhibit "B", attached hereto.

(c) Funding Amount/Adjustment. If a post Project audit or review indicates that WRCOG has provided reimbursement to the AGENCY in an amount in excess of the Maximum TUMF Share of the Project, or has provided reimbursement of ineligible Project costs, the AGENCY shall reimburse WRCOG for the excess or ineligible payments within 30 days of notification by WRCOG.

6. Increases in Project Funding. The Funding Amount may, in WRCOG's sole discretion, be augmented with additional TUMF Program Funds if the TUMF Nexus Study is amended to increase the maximum eligible TUMF share for the Project. Any such increase in the Funding Amount must be approved in writing by WRCOG's Executive Director. In no case shall the amount of TUMF Program Funds allocated to the AGENCY exceed the then-current maximum eligible TUMF share for the Project. No such increased funding shall be expended to pay for any Project already completed. For purposes of this Agreement, the Project or any portion thereof shall be deemed complete upon its acceptance by WRCOG's Executive Director which shall be communicated to the AGENCY in writing.

7. No Funding for Temporary Improvements. Only segments or components of the construction that are intended to form part of or be integrated into the Project may be funded by TUMF Program Funds. No improvement which is temporary in nature, including but not limited to temporary roads, curbs, tapers or drainage facilities, shall be funded with TUMF Program Funds, except as needed for staged construction of the Project.

8. AGENCY's Funding Obligation to Complete the Project. In the event that the TUMF Program Funds allocated to the Project represent less than the total cost of the Project, the AGENCY shall provide such additional funds as may be required to complete the Project.

9. AGENCY's Obligation to Repay TUMF Program Funds to WRCOG. In the event that: (i) the AGENCY, for any reason, determines not to proceed with or complete the Project; or (ii) the Project is not timely completed, subject to any extension of time granted by WRCOG pursuant to the terms of this Agreement; the AGENCY agrees that any TUMF Program Funds that were distributed to the AGENCY for the Project shall be repaid in full to WRCOG. The Parties shall enter into good faith negotiations to establish a reasonable repayment schedule and repayment mechanism.

10. Jurisdictions's Local Match Contribution. The Jurisdiction shall provide at least dollars **($3,043,756.75) Three million, forty-three thousand, seven hundred fifty-six and seventy five cents** of funding toward the Work, as shown in Exhibit "A" and as called out in the Jurisdiction's Project Nomination Form submitted to WRCOG in response to its Call for Projects.

11. Term/Notice of Completion. The term of this Agreement shall be from the date first herein above written until: (i) the date WRCOG formally accepts the Project as complete, pursuant to Section 6; (ii) termination of this Agreement pursuant to Section 15; or (iii) the AGENCY has fully satisfied its obligations under this Agreement. All applicable indemnification provisions of this Agreement shall remain in effect following the termination of this Agreement.

12. Representatives of the Parties. WRCOG's Executive Director, or his or her designee, shall serve as WRCOG's representative and shall have the authority to act on behalf of WRCOG for all purposes under this Agreement. The AGENCY hereby designates **Bill Thompson, Public Works Director**, or his or her designee, as the AGENCY's representative to WRCOG. The AGENCY's representative shall have the authority to act on behalf of the AGENCY for all purposes under this Agreement and shall coordinate all activities of the Project under the AGENCY's responsibility. The AGENCY shall work closely and cooperate fully with WRCOG's representative and any other agencies which may have jurisdiction over or an interest in the Project.

13. Expenditure of Funds by AGENCY Prior to Execution of Agreement. Nothing in this Agreement shall be construed to prevent or preclude the AGENCY from expending funds on the Project prior to the execution of the Agreement, or from being reimbursed by WRCOG for such expenditures. However, the AGENCY understands and acknowledges that any expenditure of funds on the Project prior to the execution of the Agreement is made at the AGENCY's sole risk, and that some expenditures by the AGENCY may not be eligible for reimbursement under this Agreement.

14. Review of Services. The AGENCY shall allow WRCOG's Representative to inspect or review the progress of the Project at any reasonable time in order to determine whether the terms of this Agreement are being met.

15. Termination.

(a) Notice. Either WRCOG or AGENCY may, by written notice to the other party, terminate this Agreement, in whole or in part, in response to a material breach hereof by the other Party, by giving written notice to the other party of such termination and specifying the effective date thereof. The written notice shall provide a 30 day period to cure any alleged breach. During the 30 day cure period, the Parties shall discuss, in good faith, the manner in which the breach can be cured.

(b) Effect of Termination. In the event that the AGENCY terminates this Agreement, the AGENCY shall, within 180 days, repay to WRCOG any unexpended TUMF Program Funds provided to the AGENCY under this Agreement and shall complete any portion of segment of work for the Project for which TUMF Program Funds have been provided. In the event that WRCOG terminates this Agreement, WRCOG shall, within 90 days, distribute to the

AGENCY TUMF Program Funds in an amount equal to the aggregate total of all unpaid invoices which have been received from the AGENCY regarding the Project at the time of the notice of termination; provided, however, that WRCOG shall be entitled to exercise its rights under Section 5(b), including but not limited to conducting a review of the invoices and requesting additional information. Upon such termination, the AGENCY shall, within 180 days, complete any portion or segment of work for the Project for which TUMF Program Funds have been provided. This Agreement shall terminate upon receipt by the non-terminating Party of the amounts due to it hereunder and upon completion of the segment or portion of Project work for which TUMF Program Funds have been provided.

(c) Cumulative Remedies. The rights and remedies of the Parties provided in this Section are in addition to any other rights and remedies provided by law or under this Agreement.

16. Prevailing Wages. The AGENCY and any other person or entity hired to perform services on the Project are alerted to the requirements of California Labor Code Sections 1770 et seq., which would require the payment of prevailing wages were the services or any portion thereof determined to be a public work, as defined therein. The AGENCY shall ensure compliance with these prevailing wage requirements by any person or entity hired to perform the Project. The AGENCY shall defend, indemnify, and hold harmless WRCOG, its officers, employees, consultants, and agents from any claim or liability, including without limitation attorneys, fees, arising from its failure or alleged failure to comply with California Labor Code Sections 1770 et seq.

17. Progress Reports. WRCOG may request the AGENCY to provide WRCOG with progress reports concerning the status of the Project.

18. Indemnification.

(a) AGENCY Responsibilities. In addition to the indemnification required under Section 16, the AGENCY agrees to indemnify and hold harmless WRCOG, its officers, agents, consultants, and employees from any and all claims, demands, costs or liability arising from or connected with all activities governed by this Agreement including all design and construction activities, due to negligent acts, errors or omissions or willful misconduct of the AGENCY or its subcontractors. The AGENCY will reimburse WRCOG for any expenditures, including reasonable attorneys' fees, incurred by WRCOG, in defending against claims ultimately determined to be due to negligent acts, errors or omissions or willful misconduct of the AGENCY.

(b) WRCOG Responsibilities. WRCOG agrees to indemnify and hold harmless the AGENCY, its officers, agents, consultants, and employees from any and all claims, demands, costs or liability arising from or connected with all activities governed by this Agreement including all design and construction activities, due to negligent acts, errors or omissions or willful misconduct of WRCOG or its sub-consultants. WRCOG will reimburse the AGENCY for any expenditures, including reasonable attorneys' fees, incurred by the AGENCY, in defending against claims ultimately determined to be due to negligent acts, errors or omissions or willful misconduct of WRCOG.

(c) Effect of Acceptance. The AGENCY shall be responsible for the professional quality, technical accuracy and the coordination of any services provided to complete the Project. WRCOG's review, acceptance or funding of any services performed by the AGENCY or any other person or entity under this Agreement shall not be construed to operate as a waiver of any rights WRCOG may hold under this Agreement or of any cause of action arising out of this Agreement. Further, the AGENCY shall be and remain liable to WRCOG, in accordance with applicable law, for all damages to WRCOG caused by the AGENCY's negligent performance of this Agreement or supervision of any services provided to complete the Project.

19. Insurance. The AGENCY shall require, at a minimum, all persons or entities hired to perform the Project to obtain, and require their subcontractors to obtain, insurance of the types and in the amounts described below and satisfactory to the AGENCY and WRCOG. Such insurance shall be maintained throughout the term of this Agreement, or until completion of the Project, whichever occurs last.

(a) Commercial General Liability Insurance. Occurrence version commercial general liability insurance or equivalent form with a combined single limit of not less than $1,000,000.00 per occurrence. If such insurance contains a general aggregate limit, it shall apply separately to the Project or be no less than two times the occurrence limit. Such insurance shall:

(i) Name WRCOG and AGENCY, and their respective officials, officers, employees, agents, and consultants as insured with respect to performance of the services on the Project and shall contain no special limitations on the scope of coverage or the protection afforded to these insured;

(ii) Be primary with respect to any insurance or self insurance programs covering WRCOG and AGENCY, and/or their respective officials, officers, employees, agents, and consultants; and

(iii) Contain standard separation of insured provisions.

(b) Business Automobile Liability Insurance. Business automobile liability insurance or equivalent form with a combined single limit of not less than $1,000,000.00 per occurrence. Such insurance shall include coverage for owned, hired and non-owned automobiles.

(c) Professional Liability Insurance. Errors and omissions liability insurance with a limit of not less than $1,000,000.00 Professional liability insurance shall only be required of design or engineering professionals.

(d) Workers' Compensation Insurance. Workers' compensation insurance with statutory limits and employers' liability insurance with limits of not less than $1,000,000.00 each accident.

20. Project Amendments. Changes to the characteristics of the Project, including the deadline for Project completion, and any responsibilities of the AGENCY or WRCOG may be requested in writing by the AGENCY and are subject to the approval of WRCOG's Representative, which approval will not be unreasonably withheld, provided that extensions of time for completion of the Project shall be approved in the sole discretion of WRCOG's Representative. Nothing in this Agreement shall be construed to require or allow completion of the Project without full compliance with the California Environmental Quality Act (Public Resources Code Section 21000 *et seq.;* "CEQA") and the National Environmental Policy Act of 1969 (42 USC 4231 *et seq.*), if applicable, but the necessity of compliance with CEQA and/or NEPA shall not justify, excuse, or permit a delay in completion of the Project.

21. Conflict of Interest. For the term of this Agreement, no member, officer or employee of the AGENCY or WRCOG, during the term of his or her service with the AGENCY or WRCOG, as the case may be, shall have any direct interest in this Agreement, or obtain any present or anticipated material benefit arising therefrom.

22. Limited Scope of Duties. WRCOG's and the AGENCY's duties and obligations under this Agreement are limited to those described herein. WRCOG has no obligation with respect to the safety of any Project performed at a job site. In addition, WRCOG shall not be liable for any action of AGENCY or its contractors relating to the condemnation of property undertaken by AGENCY or construction related to the Project.

23. Books and Records. Each party shall maintain complete, accurate, and clearly identifiable records with respect to costs incurred for the Project under this Agreement. They shall make available for examination by the other party, its authorized agents, officers or employees any and all ledgers and books of account, invoices, vouchers, canceled checks, and other records or documents evidencing or related to the expenditures and disbursements charged to the other party pursuant to this disbursements charged to the other party pursuant to this Agreement. Further, each party shall furnish to the other party, its agents or employees such other evidence or information as they may require with respect to any such expense or disbursement charged by them. All such information shall be retained by the Parties for at least four (4) years following termination of this Agreement, and they shall have access to such information during the four-year period for the purposes of examination or audit.

24. Equal Opportunity Employment. The Parties represent that they are equal opportunity employers and they shall not discriminate against any employee or applicant of reemployment because of race, religion, color, national origin, ancestry, sex or age. Such non-discrimination shall include, but not be limited to, all activities related to initial employment, upgrading, demotion, transfer, recruitment or recruitment advertising, layoff or termination.

25. Governing Law. This Agreement shall be governed by and construed with the laws of the State of California.

26. Attorneys' Fees. If either party commences an action against the other party arising out of or in connection with this Agreement, the prevailing party in such litigation shall be entitled to have and recover from the losing party reasonable attorneys' fees and costs of suit.

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

28. Headings. Article and Section Headings, paragraph captions or marginal headings contained in this Agreement are for convenience only and shall have no effect in the construction or interpretation of any provision herein.

29. Public Acknowledgement. The AGENCY agrees that all public notices, news releases, information signs and other forms of communication shall indicate that the Project is being cooperatively funded by the AGENCY and WRCOG TUMF Program Funds.

30. No Joint Venture. This Agreement is for funding purposes only and nothing herein shall be construed to make WRCOG a party to the construction of the Project or to make it a partner or joint venture with the AGENCY for such purpose.

31. Compliance With the Law. The AGENCY shall comply with all applicable laws, rules and regulations governing the implementation of the Qualifying Project, including, where applicable, the rules and regulations pertaining to the participation of businesses owned or controlled by minorities and women promulgated by the Federal Highway Administration and the Federal Department of Transportation.

32. Notices. All notices hereunder and communications regarding interpretation of the terms of this Agreement or changes thereto shall be provided by the mailing thereof by registered or certified mail, return receipt requested, postage prepaid and addressed as follows:

If to AGENCY:

City of Norco
2870 Clark Avenue
Norco, California 92860
Attention: City Manager
Telephone: (951) 270-5617
Facsimile: (951) 270-5622

If to WRCOG:

Western Riverside Council of Governments
Riverside County Administrative Center
4080 Lemon Street, Third Floor
Riverside, California 92501-3609
Attention: Deputy Executive Director
Telephone: (951) 955-7985
Facsimile: (951) 787-7991

Any notice so given shall be considered served on the other party three (3) days after deposit in the U.S. mail, first class postage prepaid, return receipt requested, and addressed to the party at its applicable address. Actual notice shall be deemed adequate notice on the date actual notice occurred regardless of the method of service.

33. Integration: Amendment. This Agreement contains the entire agreement between the PARTIES. Any agreement or representation respecting matters addressed herein that are not expressly set forth in this Agreement is null and void. This Agreement may be amended only by mutual written agreement of the PARTIES.

34. Severability. If any term, provision, condition or covenant of this Agreement is held invalid or unenforceable, the remainder of this Agreement shall not be affected thereby.

35. Conflicting Provisions. In the event that provisions of any attached appendices or exhibits conflict in any way with the provisions set forth in this Agreement, the language, terms and conditions contained in this Agreement shall control the actions and obligations of the Parties and the interpretation of the Parties' understanding concerning the Agreement.

36. Independent Contractors. Any person or entities retained by the AGENCY or any contractor shall be retained on an independent contractor basis and shall not be employees of WRCOG. Any personnel performing services on the Project shall at all times be under the exclusive direction and control of the AGENCY or contractor, whichever is applicable. The AGENCY or contractor shall pay all wages, salaries and other amounts due such personnel in connection with their performance of services on the Project and as required by law. The AGENCY or consultant shall be responsible for all reports and obligations respecting such personnel, including, but not limited to: social security taxes, income tax withholding, unemployment insurance and workers' compensation insurance.

37. Effective Date. This Agreement shall not be effective until executed by both Parties. The failure of one party to execute this Agreement within forty-five (45) days of the other party executing this Agreement shall render any execution of this Agreement ineffective.

[SIGNATURES ON FOLLOWING PAGE]

IN WITNESS WHEREOF, the Parties have caused this Agreement to be executed by their duly authorized representatives to be effective on the day and year first above-written.

WESTERN RIVERSIDE COUNCIL OF GOVERNMENTS

By:_____ Date:_____
Rick Bishop
Executive Director

CITY OF NORCO

By: _____ Date:_____
Beth Groves
City Manager

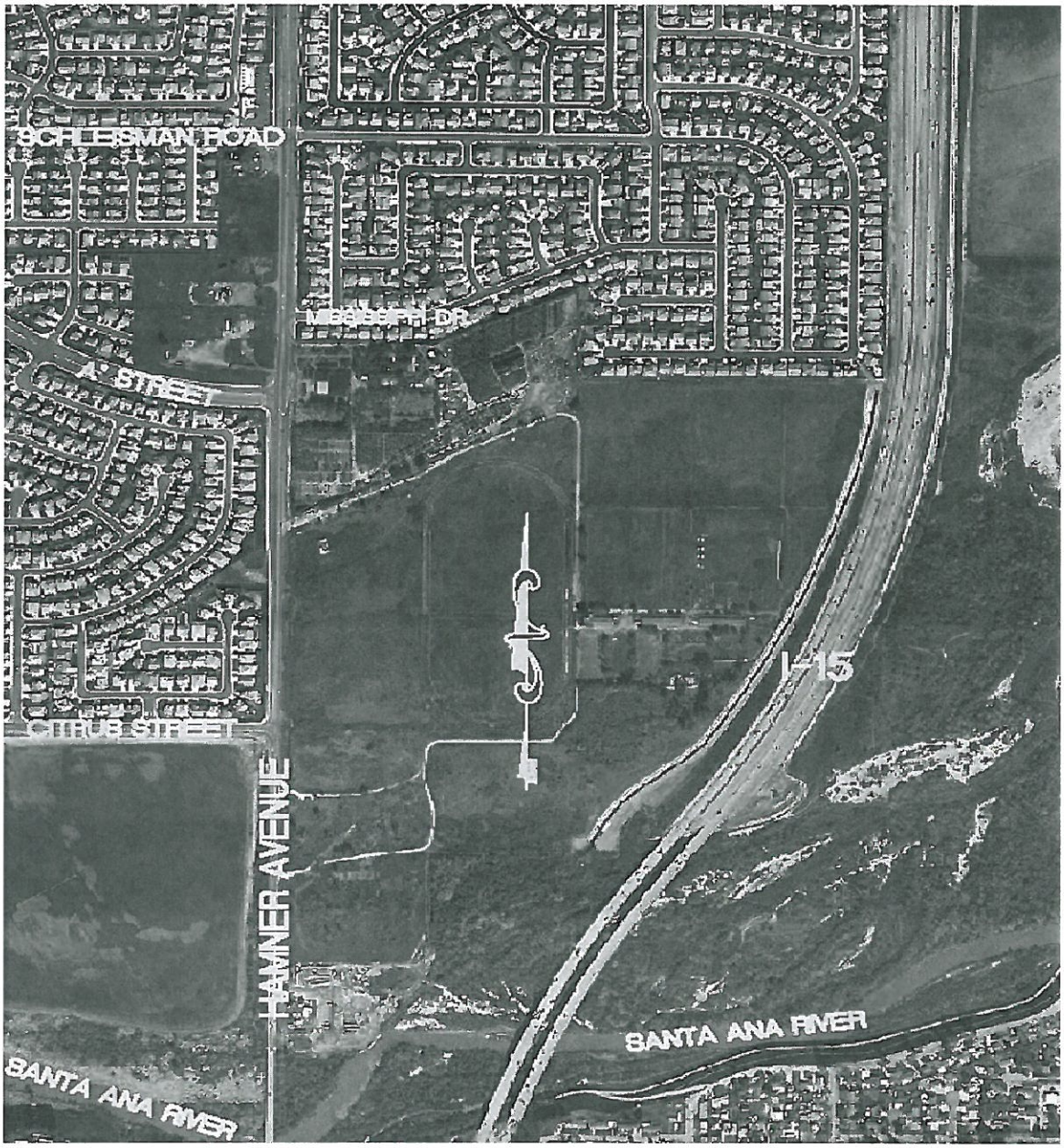
Approved to Form:

By:_____ Date:_____
Steven C. DeBaun
General Counsel

EXHIBIT "A"

SCOPE OF WORK

The Hamner Avenue 1,500 feet north and 1,500 feet south of Citrus Avenue Widening Project will connect the County of Riverside (Community of Eastvale) to the City of Norco. This project represents a parallel roadway along the I-15 corridor linking the 60 Freeway to SR-91.



SCOPE OF WORK: The Scope of Work and TUMF funding under the terms of this Agreement includes Preliminary Engineering and Design (PS&E). A detailed scope of

work for all phases of the Project, including Right-of-Way and Construction, is as follows;

- Project Approval/Environmental Documents (PA & ED): This project is subject to the requirements of the California Environmental Quality Act (CEQA). Work activities include: Conduct wildlife protocol surveys; Research and prepare technical memoranda for Biology, Cultural Resources, Noise, and Air Quality; Prepare and submit applications to resource agencies for the construction permits; Prepare and file environmental documents for geotechnical investigation and construction; Meet requirements of the Multiple Species Habitat Conservation Plan.

- Preliminary Engineering and Design (PS&E): Develop topographical maps from aerial photogrammetry and ground surveys. Locate existing utilities and coordinate preparation of relocation and protection plans with utility companies. Map property lines for right-of-way engineering. Conduct subsurface geotechnical investigations and analysis. Perform hydrology and hydraulic studies including structural calculations. Prepare bid documents including the project plans, specifications, and engineers estimate. Complete the Water Quality Management Plan and SWPPP.

- Construction and Right-of-Way: Prepare right of way engineering maps. Establish liabilities. Acquire land or obtain temporary/permanent easements. Advertise, award, and administer the construction contract. Coordinate utility relocations. Construct the roadway, underpass, and storm drain facilities.

EXHIBIT "A-1"

ESTIMATE OF COST

PHASE	LOCAL/CITY	TUMF	PROJECT TOTALS
PA & ED	$154,000.00	0.00	$154,000.00
PS &E (Engineering)	$266,359.50	0.00	$266,359.50
Right of Way/ Construction	$360,472.00 $2,262,925.25	$1,870,395.00	$4,493,792.25
Total	$3,043,756.75	$1,870,395.00	$4,914,151.75

EXHIBIT "A-2"

PROJECT SCHEDULE

PROJECT STATUS/SCHEDULE

Project Approval/Environmental Documents (PA & ED) Phase: Preliminary environmental documents have been completed. Research and field surveys for technical memoranda in support of the project environmental document have been completed.

Preliminary Engineering and Design (PS&E) Phase: Baseline map has been developed from aerial photogrammetry and preliminary ground surveys that includes utilities and property boundaries based on records. Preliminary hydrological and hydraulic analysis have been completed. Coordination with utility companies has been initiated to protect or relocate affected infrastructure. Coordination with the City of Eastvale, and the Riverside County Transportation Department has been completed. Encroachment permits to conduct subsurface geological investigations were issued by the City of Norco and completed. The City of Norco advertised and awarded a public works contract to construct the designed roadway and utility improvements to complete the widening of Hamner Avenue.

Right-of-Way: Existing property boundaries have been identified and mapped based on records. Right-of-Way acquisition is completed.

Construction: Estimated completion March 1, 2013

Phase	Completion Date
Project Approval/Environmental Documents (PA&ED)	9-01-2010
Preliminary Engineering and Design (PS&E)	06-01-2012
Right-of-Way	07-01-2009
Construction	03-01-2013

CITY OF NORCO
STAFF REPORT

TO:	Honorable Mayor and Members of the City Council
FROM:	Beth Groves, City Manager Andy Okoro, Deputy City Manager/Director of Finance
PREPARED BY:	John R. Harper, City Attorney
DATE:	December 5, 2012
SUBJECT:	Approval of the Sale, Assignment and Grant of Options for certain Delinquent Tax and other Receivables and Authorization to Execute Documents
RECOMMENDATION:	Adopt **Resolution No. 2012-___,** approving the sale, assignment and grant options for certain delinquent tax and other receivables to the California Finance Authority for delinquent special taxes and assessments and authorizing execution and delivery of related documents and actions.

SUMMARY: In order to address the issue of rising delinquent Community Facilities Districts' (CFD'S) special taxes without initiating potential foreclosure litigation process, the City, along with several other local agencies, formed a joint powers authority in October, 2009 (the "California Finance Authority") through which the delinquent special taxes would be sold to a third party at full face value of the amount levied. This program will also eliminate the need for the City to draw from debt service reserve funds in order to meet periodic debt payment obligations.

BACKGROUND/ANALYSIS: The City previously formed Community Facilities Districts and Assessment Districts and issued bonds to finance certain facilities that benefit the Districts and/or property owners. Under the Fiscal Agent Agreements, or other applicable agreements governing each bond issue, the City is required to levy special taxes within the Districts, and when received, those taxes and assessments are required to be used to repay the bonded indebtedness. The bonds are neither general nor special obligations of the City, but are limited obligations of the District, payable only from the proceeds of the special tax or assessment levies within the CFDs each year. In the event that the property owners within the districts do not pay the special taxes or assessments when due, the City has established a reserve fund to pay the bond owners the scheduled payments, and under certain circumstances, the City is required to commence and diligently prosecute to completion certain foreclosure actions against the delinquent properties. The proceeds of the sale of the delinquent properties at foreclosure sale, or the amounts paid to cure the delinquencies prior to a foreclosure sale, are required to be paid to the appropriate fund for eventual replenishment of the reserve fund and/or payment to the bond owners. The foreclosure proceeds would not be used by the City for any other purposes.

The foreclosure process can be time consuming, expensive and may present a public relations challenge for the City. To avoid the foreclosure process, which includes potential litigation, the cities of Riverside and Norco formed the California Finance Authority for Delinquent Special Taxes and Assessments and under which 100% of the delinquent special taxes and assessments will be advanced in full by the Authority, in exchange for an assignment of the rights to the payments eventually made by the property owners, along with all penalties or interest thereon. This program is designed to be like a "Teeter Plan," but for special assessments and taxes rather than for regular ad valorem property taxes, and administered and funded by the Authority rather than the County. The Authority finances the Program by pooling the CFD and Assessment District (AD) delinquencies of different local agencies, and simultaneously selling a Certificate of Participation for the amount of all of the accumulated delinquencies to Tower Capital Management, LLC. The other agencies participating in this financing at this time are the City of Riverside and the Lee Lake Water District.

This program will be win-win-win for the City, property owners and bondholders. The program allows the City to finance the delinquencies, and relieves it of the requirement to foreclosure on the delinquent property owners so long as the City and Tower Capital Management, LLC continue the program. If Tower Capital Management, LLC stops purchasing (or if the City stops selling) the delinquencies, the foreclosure obligation of the City would revive, but only with respect to the unpurchased delinquencies. The only cost to the City is the penalty income which, if collected and received, would have been used only within the District and not for any General Fund expenditure. The City will also avoid the foreclosure costs normally incumbent upon it to comply with its foreclosure covenant. This program would also benefit delinquent property owners within the Districts in that they wouldn't face immediate foreclosure ahead of the County tax collector (who is required by law to wait five years after a delinquency commences before selling the property). The property owners who timely paid their assessments and taxes will be assured that the amounts levied against their properties will not be increased, even temporarily, to cover the delinquent amounts. The bond owners will be paid 100% of the amounts owed them, and on time.

In order to commence the program, a resolution authorizing the sale, assignment and grant of options and for authorizing the execution of related documents, must be adopted by the City Council, said resolution being attached to this Staff Report.

The sale, assignment and grant of options for the delinquent taxes, and other receivables and the related documents must be reviewed and approved by Bond Counsel to the Authority (Jones Hall) and are contingent upon the agreement of the bond trustees or fiscal agents (and possibly their counsel).

FINANCIAL INPACT: This program will improve cash flows needed to make bi-annual Community Facilities District and Assessment District debt service payments.

Attachments: Resolution No. 2012-___

Purchase and Sale Agreement

RESOLUTION NO. 2012-____

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF NORCO APPROVING THE SALE, ASSIGNMENT AND GRANT OF OPTIONS FOR CERTAIN DELINQUENT TAX AND OTHER RECEIVABLES TO THE CALIFORNIA FINANCE AUTHORITY FOR DELINQUENT SPECIAL TAXES AND ASSESSMENTS AND AUTHORIZING EXECUTION AND DELIVERY OF RELATED DOCUMENTS AND ACTIONS

WHEREAS, the City has previously conducted proceedings to form certain community facilities districts (the "CFDs") and special assessment districts (the "ADs"), and issued certain bonds and executed certain related fiscal agent agreements or bond indentures or resolutions governing the repayment of the bonded indebtedness secured by the levy of special taxes and assessments within those districts; and

WHEREAS, the City has levied special taxes or assessments on the secured property tax roll for the County of Riverside, as needed to repay the owners of the bonds referred to above; and

WHEREAS, certain of the special taxes and assessments heretofore levied by the City for these districts have not been paid and remain delinquent at this time; and

WHEREAS, under Section 6516.6 of the Government Code of the State of California (the "Law"), local agencies, including, cities, counties, cities and counties, school districts, redevelopment agencies, and all other special districts that are authorized by law to levy property taxes on the county tax rolls, are authorized to sell, assign, pledge, or otherwise transfer to a joint powers authority any or all of their right, title, and interest in and to the enforcement and collection of delinquent and uncollected property taxes, assessments, and other receivables that have been levied by or on behalf of the local agency for collection on the property tax rolls in accordance with the terms and conditions that may be set forth in an agreement with a joint powers authority; and

WHEREAS, the California Finance Authority for Delinquent Special Taxes and Assessments (the "Authority") is a joint powers authority previously formed by the City and two other local agencies with the authority under the Law to purchase the enforcement and collection of delinquent and uncollected property taxes, assessments, and other receivables levied by or on behalf of the City and other local agencies; and

WHEREAS, the City desires to sell and assign to the Authority, and the Authority desires to acquire, certain tax receivables (collectively, the "Tax Receivables") consisting of delinquent installments of special taxes levied by the City under the Mello-Roos Community Facilities Act of 1982, delinquent assessment installments levied by the City under the Improvement Bond Act of 1915 with respect to assessments levied under the Municipal Improvement Act of 1913, or delinquent installments of assessments levied by the City under the Landscaping and Lighting Act of 1972, for the fiscal years ending June 30, 2011, and June 30, 2012, and

WHEREAS, the City may desire to sell and assign to the Authority delinquent installments of certain fees and charges levied on the City's behalf on the secured, unsecured or supplemental tax rolls against parcels of real property located within the City, for the fiscal years ending June 30, 2013, and June 30, 2014, which, if the City so desired, would be included in the definition of Tax Receivables for purposes of this Resolution; and

WHEREAS, the purchase price for the Tax Receivables will equal 108.5% of the amount of the Tax Receivables; and

WHEREAS, the City desires to convey and the Authority desires to acquire, subject to an opt-out, future delinquent installments of the Tax Receivables in the same manner for the fiscal years ending June 30, 2013, and June 30, 2014; each of the fiscal years ending June 30, 2011, through June 30, 2014, are referred to herein as the "Covered Fiscal Years"; and

WHEREAS, the Authority has made arrangements to issue and sell a certificate of participation for each Covered Fiscal Year, representing a participation interest in all of the Tax Receivables received from the City and from certain other participating local agencies for each Covered Fiscal Year, and

WHEREAS, each certificate of participation will be sold to an affiliate of Tower Capital Management, LLC, a Delaware limited liability company; and

WHEREAS, the City Council has reviewed a form of Purchase and Sale Agreement by and between the City and the Authority (the "Purchase and Sale Agreement"), the form of which is intended to govern the sale and assignment of the Tax Receivables for the fiscal years ending June 30, 2011 through June 30, 2012 and, subject to an opt-out by the Authority, the fiscal years ending June 30, 2013 and June 30, 2014; and

WHEREAS, the City Council wishes at this time to approve the foregoing financing plan and authorize any of the City Manger, the City Attorney or the City Treasurer (each being an "Authorized Officer" of the City) to execute the Purchase and Sale Agreement and all related documents, including all amendments to the applicable bond indentures, bond resolutions, or fiscal agent agreements (the "Operative Agreements") and to perform all actions reasonably necessary to consummate the forgoing financing plan.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City as follows:

Section 1. Approval of Financing Plan; Sale of Tax Receivables to Authority. The City Council hereby approves the financing plan presented to the City Council at the meeting at which this Resolution is adopted, and as generally described

in the recitals of this Resolution. The City Council hereby approves and authorizes the sale, assignment and grant of option for the Tax Receivables to the Authority for the Covered Fiscal Years, as set forth in the form of Purchase and Sale Agreement presented herewith.

Section 2. Approval of Financing Documents. In order to implement the financing plan approved under Section 1, the City Council hereby approves the Purchase and Sale Agreements, in substantially the form on file with the City Clerk of the City, to be entered into between the Authority and the City with respect to the Tax Receivables for each of the Covered Fiscal Years, together with any changes therein or modifications thereof as may be approved by an Authorized Officer, and the execution and delivery of a Purchase and Sale Agreement by an Authorized Officer shall be conclusive evidence of the approval of all changes and modifications to such Purchase and Sale Agreement. The City Council hereby authorizes any Authorized Officer to execute a Purchase and Sale Agreement on behalf of the City for one or more Covered Fiscal Years, and hereby approves the execution, delivery and performance by the City of the Purchase and Sale Agreement for each such Covered Fiscal Year or Years. This authority shall include authority to execute other Purchase and Sale Agreements substantially in the form of the Purchase and Sale Agreement, selling and assigning the Tax Receivables for the Fiscal Years ending June 30, 2013, and June 30, 2014, and to execute all other documents and perform all other acts as are reasonably necessary to consummate the sale of the delinquent Tax Receivables for each Covered Fiscal Year.

Section 3. Official Actions. Each Authorized Officer is hereby authorized and directed, for and in the name and on behalf of the City, to do any and all things and take any and all actions, including execution and delivery of any and all assignments, certificates, requisitions, agreements, notices, consents, instruments of conveyance, warrants and other documents, which they, or any of them, may deem necessary or advisable in order to consummate the sale of the Tax Receivables to the Authority for each Covered Fiscal Year and effectuate any of the other transactions approved in this resolution. Whenever in this resolution any officer of the City is authorized to execute or countersign any document or take any action, such execution, countersigning or action may be taken on behalf of such officer by any deputy of such officer or any other person designated by such officer to act on his or her behalf if such officer is absent or unavailable.

Section 4. Effective Date. This resolution shall take effect from and after the date of approval and adoption thereof.

PASSED AND ADOPTED by the City Council of the City of Norco at a regular meeting held on December 5, 2012.

_____
Mayor of the City of Norco, California

ATTEST:

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

I, BRENDA K. 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 December 5, 2012 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 December 5, 2012.

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

PURCHASE AND SALE AGREEMENT

Dated as of December 1, 2012

between

THE CITY OF NORCO,

as Seller

and

CALIFORNIA FINANCE AUTHORITY FOR DELINQUENT SPECIAL TAXES AND ASSESSMENTS,

as Purchaser

Regarding
Tax Receivables for the Fiscal Years Ending
June 30, 2011, and June 30, 2012

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EXHIBIT B Taxing Entity Authorizing Resolution

PURCHASE AND SALE AGREEMENT

THIS PURCHASE AND SALE AGREEMENT (this "Agreement"), dated as of December 1, 2012, between the CITY OF NORCO, a California municipal corporation organized and existing under the laws of the State of California (the "Taxing Entity"), and CALIFORNIA FINANCE AUTHORITY FOR DELINQUENT SPECIAL TAXES AND ASSESSMENTS, a joint exercise of powers authority organized and existing under the laws of the State of California (the "Authority").

BACKGROUND

1. The Taxing Entity is a political subdivision of the State of California (the "State") that has levied special taxes under the Mello Roos Act, assessments under the 1913 Act (payable in installments under the 1915 Act) or Assessments under the 1972 Act, or has imposed property-related fees and charges under applicable law, which are collected on the secured property tax roll of the County.

2. Certain Special Taxes, Assessments and Fees and Charges (as defined below) are delinquent (the "Tax Receivables") as of the Cut-off Date (as defined below).

3. The Authority is authorized under Section 6516.6 of the California Government Code (the "Act") to purchase from participating local agencies delinquent and uncollected property taxes, assessments, and other receivables that have been levied by or on behalf of the local agencies and placed for collection on the secured, unsecured, or supplemental property tax rolls, upon terms and conditions which are acceptable to such local agencies.

4. In order to facilitate the purchase of the Tax Receivables, the Authority has made arrangements to execute, deliver and sell a certificate of participation representing a 100% participation interest in the Tax Receivables (the "Certificate of Participation") to Tower _____ Trust _____ , a Delaware Statutory Trust ("Tower Trust"), pursuant to Article 4 (commencing with Section 6584) of Chapter 5 of Division 7 of Title 1 of the Government Code of the State. The Certificate of Participation will be sold by the Authority to Tower Trust pursuant to a Certificate Purchase Agreement, dated as of December 1, 2012 (the "Certificate Purchase Agreement"), between the Authority and Tower Trust.

5. The Taxing Entity has determined that it is in the best interests of the Taxing Entity at this time to sell to the Authority the Tax Receivables it is entitled to receive arising from the collection of certain delinquent Special Taxes, Assessments and Fees and Charges for the fiscal years specified in this Agreement, upon the terms and conditions provided herein.

NOW, THEREFORE, for and in consideration of the premises and the material covenants hereinafter contained, the parties hereto hereby formally covenant, agree and bind themselves as follows:

Article I

Definitions

Section 1.01. Definitions. Whenever used in this Agreement, the following words and phrases, unless the context otherwise requires, shall have the following meanings:

"Act" means Section 6516.6 of the California Government Code.

"Agreement" means this Purchase and Sale Agreement, as originally executed or as it may from time to time be supplemented, modified or amended in accordance with the provisions hereof.

"Assessments" means assessment installments levied by a Taxing Entity under the 1915 Act with respect to assessments levied under the 1913 Act, or assessments levied by the Taxing Entity under the 1972 Act, as applicable.

"Authority" means the California Finance Authority for Delinquent Special Taxes and Assessments, a joint exercise of powers authority organized and existing under the laws of the State, or any successor thereto.

"Bond Counsel" means Jones Hall, A Professional Law Corporation, or any other attorney or firm of attorneys of nationally recognized expertise with respect to legal matters relating to public financing in the State.

"Business Day" means any day that is not a Saturday, Sunday or other day on which commercial banking institutions in the City of New York, New York or the City of Los Angeles, California are authorized or obligated by law or executive order to be closed.

"Certificate of Participation" means the Certificate of Participation executed and delivered by the Authority to the Certificate Owner pursuant to the Certificate Purchase Agreement, representing a 100% participation interest in the Tax Receivables.

"Certificate Owner" means, at any time, the registered owner of the Certificate that is the subject of the Certificate Purchase Agreement. The original Certificate Owner is Tower Trust.

"Certificate Purchase Agreement" means the Certificate Purchase Agreement, dated as of December 1, 2012, between the Authority and the Certificate Owner.

"Closing Date" means December ____, 2012.

"Collections" means, with respect to a Tax Receivable, the amount collected by the County (whether as payments by the related Property Owner in a lump sum, payments by the related Property Owner pursuant to an installment payment plan, as proceeds of sale of the related tax-defaulted Property, or otherwise) on the Tax Receivable. Collections include but are not limited to the following:

(i) the delinquent Special Taxes, Assessments and Fees and Charges levied on behalf of the Taxing Entity payable for the Fiscal Year to which the Tax Receivable is related,

(ii) the 10% penalty payable thereon in accordance with Sections 2617 and 2618 of the California Revenue and Taxation Code,

(iii) interest accruing at the rate of 1.5% per month in accordance with Section 4103 of the California Revenue and Taxation Code,

(iv) all administrative costs levied in connection therewith that are distributable to the Taxing Entity, if any, and

(v) any other charges (including but not limited to attorney fees and costs) authorized by law to be paid to the Taxing Entity.

"Community Facilities Districts" means the community facilities districts formed by the Lee Lake Water District under the Mello-Roos Act and listed on EXHIBIT A hereto.

"County" means the County of Riverside, a political subdivision of the State in which the Taxing Entity is located.

"Cut-off Date" means July 1, 2012.

"Defective Tax Receivable" has the meaning set forth in Section 3.01(c) hereof.

"Defective Tax Receivable Purchase Amount" means, as to any Defective Tax Receivable, an amount equal to (i) the purchase price of such Defective Tax Receivable set forth on the Tax Receivables Schedule reduced by the amount, if any, of Collections on such Defective Tax Receivable which have been applied to the recovery of such purchase price as of the date of calculation, plus (ii) the proportionate share of the Purchase Premium allocable to that Defective Tax Receivable; *provided, however,* that if the defect in the Defective Tax Receivable is solely that the related Special Taxes, Assessments or Fees and Charges are determined to be less than the amount shown on the Tax Receivables Schedule, then the Defective Tax Receivable Purchase Amount shall be equal to 108.5% of the reduction in the amount of the related Special Taxes, Assessments or Fees and Charges shown on the Tax Receivables Schedule with respect to such Defective Tax Receivable.

"Delinquent Tax Roll" means the delinquent tax roll which is delivered by the Treasurer-Tax Collector of the County to the County Auditor-Controller pursuant to Section 2627 of the Revenue and Taxation Code of the State, or such other report, file or data of the Treasurer-Tax Collector or Auditor-Controller of the County as may be available from the County and mutually satisfactory to the Taxing Entity, the Authority and the Certificate Owner.

"Fees and Charges" means any property-related fees, charges, or other amounts collected by or on behalf of the Taxing Entity on the secured tax roll of the County, interests in which the Authority is authorized to purchase under the Act.

"Fiscal Year" means the 12-month period beginning on July 1 in any year and ending on the following June 30. Whenever in this Agreement reference is made to the Fiscal Year of a certain year, such reference is to the Fiscal Year ending June 30 of that year.

"Mello-Roos Act" means the Mello-Roos Community Facilities Act of 1982, Chapter 2.5 of Part 1 of Division 2 of Title 5 (commencing with Section 53311) of the California Government Code.

"1913 Act" means the Municipal Improvement Act of 1913, Division 12 (commencing with Section 10000) of the California Streets and Highways Code.

"1915 Act" means the Improvement Bond Act of 1915, Division 10 of Part I (commencing with Section 8500) of the California Streets and Highways Code.

"1972 Act" means the Landscaping and Lighting Act of 1972, Part 2 of Division 15 (commencing with Section 22500) of the California Streets and Highways Code.

"Non-Purchased Receivables" means, collectively, the "Non-Purchased Special Taxes and Assessments," the "Non-Purchased Fees and Charges" and the "Non-Purchased Parcels Subject to Fees and Charges," all as defined and set forth in Section 2.06 hereof.

"Opinion of Counsel" means one or more written opinions of counsel, who may be an employee of or counsel to the Taxing Entity, which counsel shall be acceptable to the recipient of such opinion or opinions.

"Property" means, with respect to a Tax Receivable, the real property that is encumbered by the Tax Lien of such Tax Receivable.

"Property Owner" means, with respect to a Tax Receivable, the fee owner or owners of the related Property.

"Purchase Premium" has the meaning set forth in Section 2.01(a) hereof.

"Purchase Price" has the meaning set forth in Section 2.01(a) hereof.

"Purchased Fiscal Year" means, for a given Tax Receivable, the Fiscal Year ending on June 30 of the applicable calendar year, as set forth in EXHIBIT A hereto.

"Purchased Receivables" has the meaning set forth in Section 2.07 hereof.

"Repurchase Date" means each date that Collections are required to be paid to the Certificate Owner pursuant to Section 3.02(b) hereof.

"Responsible Officer" means, with respect to the Taxing Entity, the finance director or chief financial officer of the Taxing Entity or any other official of the Taxing Entity customarily performing functions similar to those performed by any of the above designated officials, and also with respect to a particular matter, any other official of the Taxing Entity to whom such matter is referred because of such official's knowledge of and familiarity with the particular subject.

"Special Taxes" means special taxes levied by a Taxing Entity under the Mello-Roos Act.

"State" means the State of California.

"Tax Lien" means any lien that attaches, by operation of Section 2187 of the California Revenue and Taxation Code, to the fee interest in real property.

"Tax Receivable" means, with respect to a Property for a particular Fiscal Year, the portion of a delinquent installment of Special Taxes, Assessments or Fees and Charges on the secured tax roll of the County that:

(i) was levied by the Taxing Entity on one of the Properties listed on the Tax Receivables Schedule for such Fiscal Year in accordance with the Mello-Roos Act, the 1913 Act or the 1972 Act, or other applicable law, and is payable to the Taxing Entity if and when collected,

(ii) was levied on account of the applicable Purchased Fiscal Year, was delinquent as of the Cut-off Date and was shown as such on the Delinquent Tax Roll maintained by the County for the applicable Purchased Fiscal Year,

(iii) had not been received by the Taxing Entity as of the Cut-off Date,

(iv) is due and owing to the Taxing Entity in an amount equal to the amounts of taxes, penalties and accrued interest set forth on the Tax Receivables Schedule,

(v) includes all penalties and accrued interest thereon to the date of collection, and

(vi) has not become a Defective Tax Receivable.

"Tax Receivable Balance" means, with respect to a Tax Receivable as of a particular date, the sum of

(A) an amount equal to the delinquent Special Taxes, Assessments or Fees and Charges levied on behalf of the Taxing Entity and payable to the County Tax Collector with respect to such Tax Receivable as shown on the Tax Receivables Schedule,

(B) the 10% penalty payable on the Tax Receivable in accordance with Sections 2617 and 2618 of the California Revenue and Taxation Code, and

(C) interest accrued on the amount in clause (A) from the July 1 of the Fiscal Year following the Fiscal Year in which such Tax Receivable first became delinquent through the date of determination at the rate of 1.5% per month in accordance with Section 4103 of the California Revenue and Taxation Code, *less*

(D) any Collections thereon paid to the Certificate Owner and allocated to such amounts as of such particular date under Section 3.04 hereof.

"Tax Receivables Schedule" means the schedule attached as (or incorporated by reference in) EXHIBIT A hereto, as such schedule may be amended from time to time in accordance with Section 3.01(e) hereof, with respect to the Special Taxes, Assessments or Fees and Charges generally described on EXHIBIT A hereto.

"Taxing Entity" means the City of Norco, a California municipal corporation organized and existing under the laws of the State, including any entity with which it may be consolidated or which otherwise succeeds to the interests of the Taxing Entity, and as the context may require, each of the Community Facilities Districts.

"Tower Trust" means Tower _____ Trust _____ , a Delaware Statutory Trust, or such other entity designated by Tower Capital Management, LLC.

Section 1.02. Other Definitional Provisions.

(a) All terms defined in this Agreement shall have the defined meanings when used in any certificate or other document made or delivered pursuant hereto unless otherwise defined therein.

(b) As used in this Agreement and in any certificate or other document made or delivered pursuant hereto or thereto, accounting terms not defined in this Agreement or in any such certificate or other document, and accounting terms partly defined in this Agreement or in any such certificate or other document to the extent not defined, shall have the respective meanings given to them under generally accepted accounting principles. To the extent that the definitions of accounting terms in this Agreement or in any such certificate or other document are inconsistent with the meanings of such terms under generally accepted accounting principles, the definitions contained in this Agreement or in any such certificate or other document shall control.

(c) The words "hereof", "herein", "hereunder" and words of similar import when used in this Agreement shall refer to this Agreement as a whole and not to any particular provision of this Agreement; Article, Section, Schedule and Exhibit references contained in this Agreement are references to Articles, Sections, Schedules and Exhibits in or to this Agreement unless otherwise specified; and the term "including" shall mean "including without limitation."

(d) The definitions contained in this Agreement are applicable to the singular as well as the plural forms of such terms and to the masculine as well as to the feminine and neuter genders of such terms.

(e) Any agreement, instrument or statute defined or referred to herein or in any instrument or certificate delivered in connection herewith means such agreement, instrument or statute as from time to time amended, modified or supplemented and includes (in the case of agreements or instruments) references to all attachments thereto and instruments incorporated therein; references to a Person are also to its permitted successors and assigns.

(f) The phrases "to the knowledge of the Taxing Entity," "to the Taxing Entity's knowledge," "to the best knowledge of the Taxing Entity" or other similar phrases used herein or in any certificate delivered pursuant hereto, shall mean that the Responsible Officer of the Taxing Entity signing this Agreement or such certificate, as the case may be, had no actual knowledge that the information referred to in connection with such phrase was incorrect in any material respect.

Section 1.03. Term of this Agreement.

This Agreement shall remain in full force and effect for the period during which any of the Tax Receivables purchased under this Agreement remains outstanding.

Article II

Purchase and Sale of Tax Receivables

Section 2.01. Purchase and Sale of Tax Receivables; Assignment of Rights.

(a) *Purchase and Sale.* In consideration of the Authority's promise to deliver on the Closing Date to or upon the order of the Taxing Entity the sum of $_____ (the "Purchase Price") plus $_____ (the "Purchase Premium"), the Taxing Entity does hereby sell, transfer, assign, set over and otherwise convey to the Authority, without recourse (but subject to the obligations herein), all right, title and interest of the Taxing Entity on the Closing Date, whether now owned or hereinafter acquired, in and to:

(i) the Tax Receivables;

(ii) all Collections in respect of the Tax Receivables since the Cut-off Date; and

(iii) the proceeds of any and all of the foregoing.

(b) *Collections.* The Authority shall be entitled, from and after the Closing Date, to receive all Collections with respect to the Tax Receivables.

(c) *Payment and Application of Purchase Price.* On the Closing Date, the Authority shall pay or cause to be paid the Purchase Price in immediately available funds by federal funds wire to or upon the order of the Taxing Entity. The Taxing Entity covenants that (i) it shall treat the Purchase Price as Special Taxes or Assessments or other revenues for all purposes under the terms of the indenture, trust agreement, fiscal agent agreement, resolution or other document by which any bonds, notes or other evidences of indebtedness were issued and secured by the Special Taxes or Assessments to which the Tax Receivables relate, and (ii) it shall apply the Purchase Price to the payment of any bonds, notes or other evidences of indebtedness secured by the Special Taxes or Assessments to which the Tax Receivables relate, and to the other authorized purposes to which the Special Taxes, Assessments or Fees and Charges may be applied (including without limitation replenishment of reserve funds and payment of administrative expenses), to the same extent that the proceeds of the Special Taxes, Assessments or Fees and Charges constituting the Tax Receivables would have been required to be applied had they been paid by the respective property owner before delinquency and received by the Taxing Entity.

(d) *Payment and Application of Purchase Premium.* On the Closing Date, the Authority shall pay or cause to be paid the Purchase Premium in immediately available funds by federal funds wire to or upon the order of the Taxing Entity. The Taxing Entity may apply the Purchase Premium to any legal purpose.

(e) *Assignment of Enforcement Rights.* The Taxing Entity hereby assigns and transfers to the Authority, and its assigns, all of the Taxing Entity's rights to enforce the Tax Receivables, including without limitation the Taxing Entity's rights to judicially foreclose on delinquent installments of Special Taxes or Assessments under the Mello-Roos Act, the 1913 Act, the 1915 Act or the 1972 Act, or other applicable law, as applicable, and under common law or any other legal authority, subject only to such restrictions as are contained in this

Agreement. The Taxing Entity acknowledges and agrees that the Authority will further assign the foregoing rights to enforce the Tax Receivables to the Certificate Owner.

Section 2.02. Closing Conditions. The obligation of the Authority to purchase the Tax Receivables and pay the Purchase Price and Purchase Premium will be subject to the accuracy of the representations and warranties of the Taxing Entity herein, to the accuracy of statements to be made by or on behalf of the Taxing Entity, to the performance by the Taxing Entity of its obligations hereunder and to the following additional conditions precedent:

(a) *Executed Agreement.* At the Closing Date, this Agreement must have been authorized, executed and delivered by the respective parties thereto, and this Agreement and all official action of the Taxing Entity relating thereto must be in full force and effect and not have been amended, modified or supplemented.

(b) *Closing Documents.* The Authority must receive the following opinions and certificates (which may be consolidated into a single certificate for convenience), dated the Closing Date and acceptable to the Authority:

(1) *Legal Opinion of Bond Counsel.* An approving opinion of Bond Counsel to the effect that the obligations of the Taxing Entity and of the Authority under this Agreement are valid, binding and enforceable, and as to certain other matters, addressed to, and in form and substance satisfactory to, the Taxing Entity, the Authority and Tower Trust. At the option of Bond Counsel, such opinion may be addressed to the Taxing Entity and the Authority, with reliance letters given to the other parties.

(2) *Certificate of the Taxing Entity.* A certificate signed by an appropriate official of the Taxing Entity to the effect that:

(i) the Taxing Entity is duly organized and validly existing as a California municipal corporation under the laws of the State,

(ii) the representatives of the Taxing Entity who executed this Agreement have been duly authorized to do so on behalf of the Taxing Entity,

(iii) the representations, agreements and warranties of the Taxing Entity herein are true and correct in all material respects as of the Closing Date,

(iv) the Taxing Entity has complied with all the terms of this Agreement which are required to be complied with by the Taxing Entity prior to or concurrently with the Closing Date, and

(v) the execution and delivery of this Agreement have been approved by resolution duly adopted by the governing board of the Taxing Entity, which resolution was duly and regularly adopted in accordance with all applicable legal requirements.

(3) *No Litigation Certificate.* A certificate signed by an appropriate official from the Taxing Entity stating that no litigation or other proceedings are

pending or, to the knowledge of the Taxing Entity, threatened against the Taxing Entity in any court or other tribunal of competent jurisdiction, state or federal, in any way (A) restraining or enjoining the execution or delivery of this Agreement or the consummation of the transactions described in this Agreement, (B) contesting or affecting the validity of the Special Taxes, Assessments or Fees and Charges constituting the Tax Receivables that are to be sold under this Agreement, this Agreement or any transaction described in this Agreement, (C) questioning or affecting the organization or existence of the Taxing Entity or the title to office of the officers thereof or (D) questioning or affecting the power and authority of the Taxing Entity to enter into this Agreement and perform its obligations hereunder or to levy and collect the Special Taxes, Assessments or Fees and Charges constituting the Tax Receivables that are to be sold under this Agreement.

(4) *Certified Resolution.* A certificate of the clerk or secretary of the governing board of the Taxing Entity, together with fully executed copies of the Taxing Entity's resolution approving this Agreement and the transactions described herein, to the effect that:

(i) such copies are true and correct copies of the resolution; and

(ii) the resolution was duly adopted and has not been modified, amended, rescinded or revoked and is in full force and effect on the Closing Date.

(5) *Other Documents.* Such additional legal opinions, certificates, proceedings, instruments and other documents as the Authority, Tower Trust or Bond Counsel may reasonably request to evidence compliance (A) by the Authority and the Taxing Entity with legal requirements applicable to the transactions contemplated by this Agreement, (B) the truth and accuracy, as of the Closing Date, of the representations of the Taxing Entity contained in this Agreement, (iii) the due performance or satisfaction by the Authority and the Taxing Entity at or prior to such time of all agreements then to be performed and all conditions then to be satisfied by the Authority and the Taxing Entity.

(c) *Execution and Delivery of Certificate of Participation.* The Certificate of Participation must have been executed and delivered to the Certificate Owner, and the Certificate Owner must have paid the purchase price of the Certificate of Participation in full. All conditions to the execution and delivery of the Certificate of Participation, as such conditions and actions are set forth in the Certificate Purchase Agreement, must have been satisfied and all actions required to execute and deliver the Certificate of Participation must have been taken.

Section 2.03. Right to Terminate. If the Taxing Entity is unable to satisfy the conditions set forth in Section 2.02(a) and (b) hereof, as reasonably determined by the Authority or the Certificate Owner, this Agreement may be canceled either in part or in its entirety by the Authority at any time. Notice of such cancellation shall be given to the Taxing Entity in writing, or by telephone confirmed in writing.

Section 2.04. Pledge.

Although the parties hereto intend that the sale of the Tax Receivables by the Taxing Entity to the Authority be characterized as an absolute sale rather than a secured borrowing, if the sale of the Tax Receivables is deemed to be a secured borrowing, then in order to secure the Taxing Entity's obligations to the Authority hereunder, the Taxing Entity takes the actions set forth below.

(a) The Taxing Entity hereby pledges, assigns and grants a lien to the Authority on the following (the "Collateral"):

(i) the Tax Receivables;

(ii) the Collections; and

(iii) all proceeds of the foregoing.

(b) The Taxing Entity represents and warrants to the Authority that:

(i) this Agreement creates a valid and continuing lien on the Collateral in favor of the Authority, which is prior to all other liens, and is enforceable as such as against creditors of and purchasers from the Taxing Entity;

(ii) the Taxing Entity owns and has good and marketable title to the Collateral free and clear of any lien, claim or encumbrance of any person;

(iii) other than the lien granted to the Authority pursuant to this Agreement, the Taxing Entity has not pledged, assigned, sold, granted a lien on, or otherwise conveyed any of the Collateral; and

(iv) the Taxing Entity is not aware of any judgment or tax lien filings against the Taxing Entity.

These representations and warranties shall survive the Closing and may not be waived.

Section 2.05. Release of Collateral upon Repurchase of Tax Receivables. Any Tax Receivable that is repurchased by the Taxing Entity in accordance with this Agreement shall be released from the Collateral when the required payment is made pursuant to Section 3.01(e) of this Agreement. Promptly upon such release, the Authority shall amend the Tax Receivables Schedule to reflect the release of such Tax Receivable from the terms of this Agreement. Such Tax Receivable shall cease to be a part of the Collateral and be released from, and no longer be subject to, the pledge of this Agreement. The Authority agrees to take or cause to be taken such actions and to execute, deliver and record such instruments and documents as may be set forth in a written request of the Taxing Entity to release such Tax Receivable from the lien of this Agreement.

Section 2.06. Purchase of Future Tax Receivables.

(a) Taxing Entity hereby agrees to sell to the Authority and, subject to subdivision (b) of this section the Authority agrees to purchase, in the same manner as set forth in Sections 2.01 and 2.02 above, under separate purchase and sale agreements containing substantially similar terms and conditions to those set forth in this Agreement, Tax Receivables with respect

to Fiscal Years 2012-13 and 2013-14. The Authority shall have the discretion to purchase only a portion of the Tax Receivables, as set forth in subsection (b) below.

(b) If the Authority elects not to purchase all or any portion of the Special Taxes or Assessments constituting the Tax Receivables for Fiscal Years 2012-13 and 2013-14, it shall deliver to the Taxing Entity written notice of its election to discontinue purchasing the Tax Receivables (a "Notice of Discontinuance") no later than March 30 of the Fiscal Year prior to the Fiscal Year to which the Tax Receivables pertain (such March 30 being the "Effective Date of the Notice"). The notice shall identify the Special Taxes or Assessments that the Authority elects not to purchase (the "Non-Purchased Special Taxes and Assessments").

(c) If the Authority elects not to purchase all the Fees and Charges constituting the Tax Receivables for Fiscal Years 2012-13 and 2013-14, it shall deliver to the Taxing Entity a Notice of Discontinuance no later than March 30 of the Fiscal Year prior to the Fiscal Year to which the Tax Receivables pertain (such March 30 being the "Effective Date of the Notice"). The notice shall identify the Fees and Charges which the Authority elects not to purchase (the "Non-Purchased Fees and Charges"). With respect to the Fees and Charges *not* subject to a Notice of Discontinuance, the Authority reserves the right to apply reasonable due diligence criteria, and to allow the Certificate Owner to apply reasonable due diligence criteria, to the individual parcels subject to Fees and Charges for Fiscal Years 2012-13 and 2013-14, and to elect not to purchase individual Tax Receivables constituting Fees and Charges on a parcel-by-parcel basis ("Non-Purchased Parcels Subject to Fees and Charges"), and to notify the Taxing Entity of those parcels for which it agrees to purchase Tax Receivables constituting Fees and Charges by such date as may be reasonably agreed to by the Authority and the Taxing Entity, but in any event within a reasonable period before the applicable closing date under the applicable purchase and sale agreement.

Section 2.07. Enforcement Proceedings.

(a) *Agreement Not to Exercise Enforcement Rights.* The Authority hereby agrees that, so long as it has not delivered a Notice of Discontinuance evidencing its election to discontinue purchasing a specific Tax Receivable under Section 2.06(b) above and so long as the Taxing Entity remains obligated to sell at least one Fiscal Year's future Tax Receivables under Section 2.06 above, the Authority will not exercise its rights under Section 2.01(e) to enforce the Special Taxes or Assessments constituting that Tax Receivable.

(b) *Subordination of Rights.* If at any time, and for any reason, Tax Receivables arise that are not purchased by the Authority (herein, the "Non-Purchased Receivables"), then the Authority hereby agrees that the lien securing payment of the Non-Purchased Receivables shall have priority over the lien securing payment of the Tax Receivables purchased by the Authority (herein, the "Purchased Receivables"). Both the Authority and the Taxing Entity shall retain the right to judicially foreclose on their respective liens at any time as may otherwise be authorized by law. If the Taxing Entity commences judicial foreclosure to enforce payment of the Non-Purchased Receivables, and the proceeds of any resulting foreclosure sale are insufficient to pay in full the amount due and owing on the Non-Purchased Receivables and the Purchased Receivables, the Taxing Entity shall have priority over the Authority to recover all amounts due and owing with respect to the Non-Purchased Receivables before the Authority shall be entitled to recover any portion of the amounts due and owing with respect to the Purchased Receivables. Any amounts not paid on the Purchased Receivables from the proceeds of the Taxing Entity's foreclosure sale will thereupon become unsecured, and the lien as to the unpaid Purchased Receivables will thereupon be considered released and of no

further effect; and the Authority and its assignee agree to execute and deliver any and all documents reasonably necessary to memorialize and give effect to the release of the lien. The intent is that the purchaser at the Taxing Entity's foreclosure sale will take the property free and clear of any lien related to the unpaid Purchased Receivables.

(c) *Assignment of Enforcement Rights and Obligations.* The Taxing Entity hereby expressly delegates, transfers and conveys authority to the Authority to take all actions, subject to subdivision (a) of this Section 2.07, as the Authority may in its sole discretion deem necessary or desirable to pursue foreclosure of any properties securing the Purchased Receivables, including without limitation the following:

(1) The Authority may order the applicable foreclosure actions, record a notice of intention to remove the delinquent installments to be foreclosed upon from the County tax rolls ("Notice of Intention"), provide the Notice of Intention to the County tax collector with a written request to remove the subject delinquent installments from the tax roll, file the complaint in foreclosure in superior court in its own name on behalf of the Taxing Entity (or, if applicable, the community facilities district established under the Mello-Roos Act), and record a notice of pendency of action (*lis pendens*) with the County recorder.

(2) The Authority may thereafter pursue the foreclosure action to completion, by causing any of the following actions to be taken:

(i) it may obtain a judgment in its favor for the amount of the Purchased Receivables, applicable penalties and interest, and all attorney fees and costs of suit;

(ii) it may cause a writ of sale to issue from the superior court to the levying officer;

(iii) it may provide the levying officer with all information and documents (and deposits of levying officer costs where required) necessary for the levying officer to conduct the sale;

(iv) If the property does not sell at the foreclosure sale, then the Authority may seek an amended judgment at a reduced sale price, and thereafter follow the steps listed in (ii) and (iii) above to cause the levying officer to conduct a second sale of the property at the reduced sale price; provided, however, that the Authority may not seek an amended judgment at a reduced sale price of any Non-Purchased Receivables included in the judgment unless the amended judgment provides for payment of the Non-Purchased Receivables in full.

(3) Notwithstanding anything to the contrary in this agreement, all installments of the Non-Purchased Receivables against the subject properties becoming delinquent after the Effective Date of the Notice but prior to the entry of a foreclosure judgment or amended judgment may, with the concurrence of both the Authority and the Taxing Entity, be included by the Authority in the judgment or amended judgment, as applicable, and if it does so and there is a successful sale, the proceeds of such Non-Purchased Receivables received from the sale, along with applicable penalties and interest, shall be distributed to the Taxing Entity within 30 days of receipt thereof by the Authority.

(d) *Further Assignment of Enforcement Rights and Obligations to Certificate Owner.* The Taxing Entity acknowledges and agrees that all of the foregoing rights and obligations regarding enforcement of Tax Receivables will be assigned to and assumed by the Certificate Owner.

Article III

The Tax Receivables

Section 3.01. Representations, Warranties and Covenants as to the Tax Receivables.

(a) *Representations and Warranties.* The Taxing Entity hereby represents and warrants to the Authority and Tower Trust that (1) as of the Closing Date for the Tax Receivables, the information set forth in the Tax Receivables Schedule will be correct in all material respects, and (2) as to each Tax Receivable transferred hereunder, as of the Closing Date:

(i) the Taxing Entity was the sole owner of such Tax Receivable;

(ii) the Taxing Entity had full right and authority to sell such Tax Receivable as provided in this Agreement;

(iii) the Taxing Entity sold such Tax Receivable free and clear of any and all liens, pledges, charges, security interests or any other statutory impediments to transfer created by or imposed upon the Taxing Entity encumbering such Tax Receivable (but subject to the right of redemption by the related Property Owner), except for liens that will be discharged by the application of the proceeds of the sale thereof;

(iv) the sale of such Tax Receivable by the Taxing Entity did not contravene or conflict with any laws, rules or regulations or any contractual or other restriction, limitation or encumbrance applicable to the Taxing Entity;

(v) the Special Taxes, Assessments or Fees and Charges of which the Tax Receivable constitutes a portion were validly levied by the Taxing Entity and, to the best knowledge of Taxing Entity and its agents and representatives, also validly levied and collected by the County on the secured property tax roll on behalf of the Taxing Entity, in accordance with all applicable provisions of the laws, rules and regulations of the State, the County and of the United States;

(vi) the amount of the Tax Receivable includes the installments of Special Taxes, Assessments and Fees and Charges on the secured tax roll which have been levied by the Taxing Entity and by the County on the secured property tax roll on behalf of the Taxing Entity during the applicable Purchased Fiscal Year which were delinquent as of the Cut-off Date;

(vii) the Tax Receivable was secured by a legal, valid, binding and enforceable lien on the related Property;

(viii) except as disclosed to the Authority and the Certificate Owner, the Property encumbered by the lien of the Tax Receivable was, as of the Closing Date, not encumbered by a tax lien securing any delinquent Special Taxes, Assessments or Fees and Charges assessed with respect to any fiscal year ending on or prior to June 30 of each respective Purchased Fiscal Year;

(ix) the lien of the Tax Receivable represented a valid, proper and enforceable lien on the related Property, the priority of which was subject only to other Tax Liens on such Property and to certain other priorities prescribed by statute;

(x) the amount of such Tax Receivable includes a 10% penalty on the portion of such Tax Receivable consisting of delinquent Special Taxes, Assessments or Fees and Charges;

(xi) interest payable by the related Property Owner has accrued and will continue to accrue on the delinquent Special Taxes, Assessments or Fees and Charges of which the Tax Receivable constitutes a portion from July 1 of the Fiscal Year following the Fiscal Year in which such Tax Receivable first became delinquent to the date of payment of such taxes at the rate of 1.5% per month (not compounded) as provided in California Revenue and Taxation Code Section 4103;

(xii) such Tax Receivable had not been discharged or disallowed (in whole or in part) in a bankruptcy proceeding;

(xiii) such Tax Receivable had not been compromised, adjusted or modified (including by the granting of any discounts, allowances or credits, but not including installment payment plans in accordance with law);

(xiv) such Tax Receivable was not subject to a foreign government's diplomatic immunity from enforcement or treaty with the United States of America;

(xv) there existed no fact, condition or circumstance that would prevent the County from being able to sell the related Property in a tax sale upon the expiration of a period of five years from July 1 of the Fiscal Year after the Fiscal Year in which the related Special Taxes, Assessments or Fees and Charges became delinquent;

(xvi) no right of rescission, setoff, counterclaim or defense had been asserted with respect to such Tax Receivable;

(xvii) such Tax Receivable does not relate to a Property owned by a Property Owner that is subject to any bankruptcy proceeding commenced prior to the Closing Date;

(xviii) such Tax Receivable does not relate to a Property owned by a federal, state, or local governmental entity; and

(xix) the Taxing Entity has not waived any penalties or interest with respect to such Tax Receivable.

(b) *Survival of Representations and Warranties; Liability of the Taxing Entity.*

(i) The Taxing Entity acknowledges that the Authority will assign to the Certificate Owner all of its rights and remedies with respect to the breach of any representations and warranties of the Taxing Entity under this Agreement. It is understood and agreed that the representations and warranties set forth in this Section 3.01, Section 2.04 and Section 4.02 shall survive the consummation of the sale of the

Tax Receivables on the Closing Date and shall inure to the benefit of the Authority and the Certificate Owner.

(ii) It is understood and agreed that the representations and warranties made by the Taxing Entity in Section 3.01(a) hereof are made solely for the purpose of establishing the criteria for establishing the existence of a Defective Tax Receivable, and in no case shall the Taxing Entity or any of its officers or employees have any liability based upon any knowledge that such representations and warranties were in fact false at the time they were made, other than the obligation of the Taxing Entity to repurchase Defective Tax Receivables as provided in this Agreement.

(c) *Defective Tax Receivables.* Upon discovery by the Taxing Entity, the Authority, or the Certificate Owner (based on information provided by the County, examination of the Delinquent Tax Roll, or otherwise) of a breach of any of the foregoing representations and warranties (without regard to any knowledge qualifier) that materially and adversely affects the value of any Tax Receivable (such Tax Receivable, a "Defective Tax Receivable"), the party making such discovery shall notify the Taxing Entity and the Certificate Owner of such discovery.

The Authority may, at its option, or shall, if and to the extent required by the Certificate Owner under the Certificate Purchase Agreement, require the Taxing Entity to repurchase the Defective Tax Receivable. Under no circumstances will the Taxing Entity have the right to require the resale of a Defective Tax Receivable to the Authority. The Taxing Entity shall have no right to substitute another Tax Receivable for a Defective Tax Receivable.

If the Authority or the Certificate Owner elect to require the Taxing Entity to repurchase a Defective Tax Receivable, the Authority shall give written notice to the Taxing Entity. Such notice must (i) identify the Defective Tax Receivable and describe in reasonable detail the nature of the breach, (ii) if the Tax Receivable Balance as of the Closing Date is determined to be less than the amount thereof shown on the Tax Receivables Schedule, state the amount of such deficiency and (iii) be accompanied by documentation from the County which reasonably establishes the factual basis for the determination of the breach.

For purposes of clause (ii) of the preceding sentence, if the adjustments to the Tax Receivable Balance result from adjustments to the Delinquent Tax Roll provided by the County, the Authority will use its best reasonable efforts to obtain the reason(s) for the adjustments from the County, but if the Authority is unable to obtain such reasons despite using its best reasonable efforts to do so, such inability shall not be grounds for rejection or disallowance of the adjustment.

(d) *Effect of Reduced Tax Receivable Amount.* By way of illustration and not limitation, it is understood and agreed that amounts due with respect to a Tax Receivable may be reduced as a result of changes in any applicable exemptions of the related Property pursuant to an appeal proceeding with respect to the applicable Special Taxes, Assessments or Fees and Charges. The rights of the parties hereto shall be governed as if any such reduction constitutes a breach by the Taxing Entity of its representation and warranty as to the amount of the related Tax Receivable as set forth on the Tax Receivables Schedule.

If any Tax Receivable becomes a Defective Tax Receivable solely as a result of the determination that the Tax Receivable Balance as of the Closing Date (or applicable Repurchase Date) was less than the amount set forth on the Tax Receivables Schedule, then

only the amount of the reduction of such Tax Receivable shall be deemed to be repurchased and such Tax Receivable, at its reduced Tax Receivable Balance, shall continue to be a Tax Receivable for all purposes of this Agreement.

(e) *Cure or Purchase of Defective Tax Receivables.* As to any Defective Tax Receivable, on or prior to the next date on which the Taxing Entity receives the normal payments of special taxes and assessment installments from the County following the day on which it is discovered that what was supposed to be a Tax Receivable is, in fact, a Defective Tax Receivable, the Taxing Entity shall, at its option, either (A) cure or cause to be cured such breach or (B) pay to the Certificate Owner, in immediately available funds, the Defective Tax Receivable Purchase Amount.

If any Tax Receivable is determined to be a Defective Tax Receivable prior to the Closing Date, the Defective Tax Receivable Purchase Amount may, at the option of the Certificate Owner, be subtracted from the Purchase Price and Purchase Premium payable to the Taxing Entity on the Closing Date.

The obligations of the Taxing Entity under this Section 3.01(e) shall constitute the sole remedies available to the Authority and the Certificate Owner with respect to a Defective Tax Receivable and the Taxing Entity shall not incur any other liability to the Authority or the Certificate Owner or any other Person because of any inaccuracy of any representation or warranty made under this Section 3.01 with respect to the Tax Receivables. Upon the repurchase of a Defective Tax Receivable by the Taxing Entity, the Authority shall cause the Tax Receivables Schedule to be amended to delete the Defective Tax Receivable, and the Taxing Entity shall have no further liabilities or obligations with respect to such Defective Tax Receivable.

(f) *Pledge of Subsequent Tax Revenues.* The Taxing Entity hereby irrevocably grants and pledges to the Authority, to the extent permitted by applicable law, a first lien and claim in and to all Collections to which the Taxing Entity is entitled under State law during each of the Fiscal Years subsequent to the applicable Purchased Fiscal Year to which the Collection relates in order to secure its obligation to make any payment to the Certificate Owner under Section 3.01(e) above.

(g) *Certificate Owner's Calculation of Defective Tax Receivables.* The Authority shall cause the Certificate Owner's calculations and/or recalculations of any adjustments made under this Section 3.01 (herein, "Adjustments") to be delivered to the Taxing Entity. The Taxing Entity shall have 10 Business Days after delivery thereof to review the Adjustments and submit to the Authority any objections, whereupon the Authority will transmit such objections to the Certificate Owner and, if received from the Certificate Owner, deliver revised Adjustments to the Taxing Entity. If the Taxing Entity does not respond to any such Adjustments (as they may be revised) within 10 Business Days after delivery, such Adjustments shall be deemed final and binding on the Taxing Entity, and the Taxing Entity shall remit any payment required by Section 3.01(e).

Section 3.02. Enforcement and Collection; Assignment of Rights.

(a) *Enforcement of Rights by Certificate Owner.* Subject to the limitations contained in Section 2.07(a), the Certificate Owner shall be entitled to assert all right, title, and interest of the Taxing Entity in the enforcement and collection of the Tax Receivables, including but not limited to the Taxing Entity's lien priority and the Taxing Entity's right to receive the Collections

on the Tax Receivables, and the Taxing Entity's right to judicially foreclose upon the Properties securing the payment of the Tax Receivables.

From and after the receipt by the Taxing Entity of the Purchase Price and Purchase Premium on the Closing Date, the Taxing Entity shall have no rights whatsoever in and to the Purchased Receivables, including but not limited to the right to receive any Collections in respect of the Purchased Receivables, except with respect to Defective Tax Receivables repurchased by the Taxing Entity in accordance with Section 3.01 hereof.

The Taxing Entity shall cooperate fully with the Authority and the Certificate Owner as may be reasonably required by the Authority and the Certificate Owner to exercise any rights granted to the Authority under this Agreement and assigned to the Certificate Owner. The Taxing Entity shall take all actions as may be required by law fully to preserve, maintain, defend, protect and confirm the interests of the Authority and the Certificate Owner in the Purchased Receivables and the Collections.

(b) *Change of Records; Further Actions and Assurances.* On or before the Closing Date, the Taxing Entity shall mark its appropriate records so that, from and after the Closing Date, records of the Taxing Entity shall indicate that such Purchased Receivables have been sold. The Taxing Entity hereby agrees to (i) execute, deliver and cause to be approved and/or recorded all documents, and take all actions, as may be required to assign the Purchased Receivables and the Collections to the Authority under this Agreement, and to notify the County of the assignments made under this Agreement, and (ii) execute, deliver and cause to be approved all amendments to any documents under which bonds or other debt secured by the Purchased Receivables were issued as may be required to assign the Purchased Receivables and the Collections to the Authority under this Agreement, and to notify any applicable bond trustee, fiscal agent or payment agent of the assignments made under this Agreement.

The Taxing Entity shall take all reasonable actions as may be required to cause the Collections, when remitted by the County to the Taxing Entity, to be remitted as soon as reasonably possible by or on behalf of the Taxing Entity to the Certificate Owner by federal funds wire transfer. If the Certificate Owner or the Authority becomes aware of Collections that have been remitted by the County to the Taxing Entity and not paid to the Certificate Owner, the Certificate Owner or the Authority may notify the Taxing Entity in writing and the Taxing Entity agrees to take all actions required to remit those Collections to the Certificate Owner as soon as reasonably possible. If any Collections received by the Taxing Entity from the County are not remitted to the Certificate Owner within 10 business days of such notice, the Taxing Entity agrees to pay to the Certificate Owner upon demand interest on the amount of such unpaid Collections at the rate of 10% per annum for each day such Collections remain unpaid after such date.

(c) *Covenant Not to Waive Penalties.* The Taxing Entity agrees not to waive all or any portion of delinquency penalties and redemption penalties as permitted by Section 53340 of the Mello-Roos Act or any other provision of applicable law with respect to any delinquent Special Taxes, Assessments or Fees and Charges included within the Purchased Receivables.

Section 3.03. Consent to Assignment; Further Certificates.

(a) *Consent to Assignment of Collections and Sale of Certificate of Participation.* The Taxing Entity acknowledges that all of the Collections have been assigned by the Authority to the Certificate Owner and that the Certificate of Participation evidences the right of the

Certificate Owner to receive the Collections. The Taxing Entity hereby consents to (i) such assignment of the Collections and (ii) the sale of the Certificate of Participation to the Certificate Owner. The Taxing Entity hereby waives any right of setoff it may have against the Authority with respect to the Collections and agrees to pay or cause to be paid to the Certificate Owner or to the designee of the Certificate Owner all Collections free and clear of any such claims or right of setoff.

(b) *Consent to Assignment of Rights to Certificate Owner.* The Taxing Entity acknowledges that the rights of the Authority under this Agreement to enforce the obligations of the Taxing Entity under this Agreement have been assigned by the Authority to the Certificate Owner. The Taxing Entity hereby consents to such assignment and agrees that the right to enforce the obligations of the Taxing Entity under this Agreement have vested in the Certificate Owner.

(c) *Agreement to Provide Certifications and Seek Opinions.* The Taxing Entity acknowledges that the financing of the purchase of the Tax Receivables hereunder has been financed or may be refinanced from time to time by the issuance of securities that may require the rating of such securities by securities rating agencies, and the Taxing Entity agrees to provide the Certificate Owner with such further truthful certifications and to use its best efforts to seek such further opinions after the Closing Date that may be reasonably requested by the Certificate Owner in order to obtain such securities ratings, provided that the out-of-pocket costs to the Taxing Entity of providing any such certifications and opinions shall be borne by the Certificate Owner.

Article IV

The Taxing Entity

Section 4.01. Representations of Taxing Entity. The Taxing Entity makes the following representations on which the Authority is deemed to have relied in acquiring the Tax Receivables. The representations speak as of the Closing Date, and shall survive the sale of the Tax Receivables to the Authority and the pledge thereof to the Certificate Owner pursuant to the Certificate Purchase Agreement.

(a) *Due Organization, Existence and Authority.* The Taxing Entity is a municipal corporation, duly organized and validly existing under the laws of the State, has full legal right, power and authority under the Constitution and laws of the State to enter into this Agreement, to sell the Tax Receivables and the Collections to the Authority, and to carry out and consummate all transactions contemplated hereby.

(b) *Due Execution.* By all necessary official action of the governing board of the Taxing Entity, the Taxing Entity has duly authorized and approved the execution and delivery of, and the performance by it of the obligations contained in this Agreement, and, as of the date hereof, such authorizations and approvals are in full force and effect and have not been amended, modified or rescinded.

(c) *Valid, Binding and Enforceable Obligations.* This Agreement constitutes the legal, valid and binding obligation of the Taxing Entity, enforceable in accordance with its terms, except as enforcement may be limited by bankruptcy, insolvency, reorganization, moratorium or similar laws or equitable principles relating to or affecting creditors' rights, generally.

(d) *No Conflicts.* The authorization, execution and delivery of this Agreement and compliance with the provisions of this Agreement do not and will not conflict with or constitute a breach of or default under any applicable constitutional provision, law or administrative rule or regulation of the State or the United States, or any applicable judgment, decree, license, permit, trust agreement, loan agreement, bond, note, resolution, ordinance, agreement or other instrument to which the Taxing Entity (or any of its officers in their respective capacities as such) are subject, or by which it or any of its properties are bound; nor will any such authorization, execution, delivery or compliance result in the creation or imposition of any lien, charge or other security interest or encumbrance of any nature whatsoever upon any of its assets or properties or under the terms of any such law, regulation or instrument, except as may be provided by this Agreement.

(e) *Consents and Approvals.* No consent or approval of any trustee or holder of any indebtedness of the Taxing Entity or of the voters of the Taxing Entity, and no consent, permission, authorization, order or license of, or filing or registration with, any governmental authority, is necessary in connection with the execution and delivery of this Agreement, or the consummation of any transaction herein or therein contemplated, except as have been obtained or made and as are in full force and effect.

(f) *No Litigation.* No action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, government agency, public board or body, is pending

with service of process accomplished or, to the knowledge of the Taxing Entity, pending or threatened:

(i) in any way questioning the legal existence of the Taxing Entity or the titles of the officers of the Taxing Entity to their respective offices that would have any material likelihood of affecting the obligations of the Taxing Entity under this Agreement;

(ii) contesting the validity of Article 1 (commencing with Section 6500) of Chapter 5, Division 7, Title 1 of the Government Code of the State of California or the power and authority of the Taxing Entity to sell the Tax Receivables to the Authority;

(iii) affecting, contesting or seeking to prohibit, restrain or enjoin the execution and delivery of this Agreement, the sale of the Tax Receivables by the Taxing Entity to the Authority, or the payment of Collections on the Tax Receivables to the Certificate Owner;

(iv) in any way contesting of affecting the validity of this Agreement or the consummation of the transactions contemplated hereby; or

(v) which may result in any material adverse change relating to the Taxing Entity's ability to comply with its obligations under this Agreement.

Section 4.02. Additional Representations and Agreements. The Taxing Entity makes the following additional representations and agreements as of the Closing Date, on which the Authority is deemed to have relied in acquiring the Tax Receivables:

(a) The Taxing Entity has transferred the Tax Receivables to the Authority pursuant to this Agreement for the Purchase Price and Purchase Premium specified in this Agreement in cash. The consideration paid to the Taxing Entity represents the fair market value of the Tax Receivables. This consideration was agreed upon as the result of arm's length negotiations. The Taxing Entity has determined that the transactions contemplated by this Agreement and the related documents provide the maximum available financial benefits to the Taxing Entity consistent with other objectives and requirements of the Taxing Entity.

(b) The Taxing Entity properly treats the transfer of the Tax Receivables to the Authority as a sale pursuant to generally accepted accounting principles.

(c) There are no other agreements between the Taxing Entity and the Authority relating to or affecting the Tax Receivables, other than this Agreement.

(d) The Taxing Entity does not receive any payments with respect to the Tax Receivables, except pursuant to this Agreement.

(e) The Taxing Entity will mark its appropriate records so that they indicate the Tax Receivables have been sold. Such records of the Taxing Entity may be in the form of a computer tape, microfiche, or other electronic or computer media.

(f) The Taxing Entity at all times has maintained and will maintain its respective books, financial records and accounts (including, without limitation, inter-entity transaction accounts) in a manner so as to identify separately the assets and liabilities of the Taxing Entity from the Authority.

(g) The Taxing Entity at no time has commingled or will commingle any of its assets, funds, liabilities or business functions with the assets, funds, liabilities or business functions of the Authority or any other person or entity.

(h) None of the transactions with respect to which this Agreement is being delivered have been entered into by the Taxing Entity with the intent to hinder, delay or defraud any of the creditors of the Authority. The Taxing Entity will not be consensually merged or consolidated with the Authority. This shall not prevent the Taxing Entity from being a member of the Authority.

(i) All transfers of assets or funds between the Taxing Entity on the one hand and the Authority on the other hand have been and will be on terms that are fair and equitable and consistent with arms-length negotiations.

(j) All transactions and agreements between the Taxing Entity on the one hand and the Authority on the other hand have reflected and will reflect the separate legal existence of each entity and have been and will be formally documented in writing. The pricing and other material terms of all such transactions and agreements have been and will be fair and equitable and consistent with arms-length negotiations.

(k) All transactions and agreements between the Taxing Entity and third parties have been and will be conducted in the name of the Taxing Entity as an entity separate and independent from the Authority.

(l) The Taxing Entity has compensated and will compensate all consultants, independent contractors and agents from its own funds for services provided to it by such consultants, independent contractors and agents.

(m) The Taxing Entity has not at any time jointly contracted or done business, or will jointly contract or do business, with vendors or service providers or share overhead expenses with the Authority. To the extent that the Taxing Entity or the Authority has contracted or done business or will contract or do business with vendors or service providers where the goods or services in question are wholly or partially for the benefit of the other, then the costs incurred in so doing at all times have been or will be fairly and non-arbitrarily allocated to the entity for whose benefit such goods or services have been or will be provided, with the result that each such entity has borne or will bear its fair share of all such costs.

(n) The Taxing Entity at all times will have annual financial statements separate from those of the Authority, prepared in accordance with generally accepted accounting principles, that reflect the separate assets and liabilities of such entity and all transactions and transfers of funds involving such entity, and the Taxing Entity has paid or borne the cost and will pay or bear the cost of the preparation of its own financial statements regardless whether such statements (whether audited or unaudited) have been or will be prepared internally or by a certified public accounting firm that has prepared or will prepare the financial statements of more than one of such entities.

(o) Neither the Taxing Entity nor any of its affiliates has made or will make any inter-entity loans, advances, guarantees, extensions of credit or contributions of capital to, from or for the benefit of the Authority without proper documentation or accounting satisfactory to its and the Authority's outside accountants.

(p) The Taxing Entity in its papers and in the statements of its officials at all times has referred and will refer to the Authority as a separate and independent legal entity.

(q) Sales of assets to the Authority by the Taxing Entity, including but not limited to the Tax Receivables, at all times have constituted and will constitute absolute transfers and conveyances, for fair and reasonably equivalent consideration, of all of the seller's right, title and interest in, to and under those assets for all purposes.

(r) In becoming a member of the Authority, the Taxing Entity has relied and is relying upon the fact that the Authority at all times has been and will continue to remain an entity the legal existence of which is separate and distinct from that of the Taxing Entity.

(s) The Taxing Entity at no time has taken or will take any action that is inconsistent with any of the foregoing assumptions and that has given or will give (a) any creditor or future creditor of the Authority cause to believe mistakenly that any obligation incurred by the Taxing Entity has been or will be not only the obligation of the Taxing Entity, but also of the Authority, or (b) any creditor or future creditor of either the Taxing Entity or the Authority cause to believe mistakenly that the Taxing Entity and the Authority have not been or will not continue to remain separate and distinct entities.

(t) The Taxing Entity at all times has observed and will observe all applicable governmental procedures and formalities, including, where applicable, the holding of duly noticed meetings of governing bodies, the recording and maintenance of minutes of such meetings, and the recording and maintenance of resolutions, if any, adopted at such meetings.

(u) The Taxing Entity is duly organized and validly existing under the laws of the State.

Article V

Miscellaneous

Section 5.01. Amendment.

This Agreement may be amended by an instrument in writing signed by the Taxing Entity, the Authority and the Certificate Owner.

Section 5.02. Entire Agreement. This Agreement shall constitute the entire agreement between the parties hereto and is made solely for the benefit of the parties hereto. No other person shall acquire or have any right hereunder by virtue hereof, except as provided herein.

Section 5.03. Notices. All notices or communications to be given under this Agreement shall be given by first class mail or personal delivery to the party entitled thereto at its address set forth below, or at such address as the party may provide to the other party in writing from time to time. Notice shall be effective either (a) upon actual receipt after deposit in the United States mail, postage prepaid, or (b) in the case of personal delivery to any person, upon actual receipt. The Authority or the Taxing Entity may, by written notice to the other parties, from time to time modify the address or number to which communications are to be given hereunder.

If to the Authority:	California Finance Authority for Delinquent Special Taxes and Assessments c/o Jones Hall, A Professional Law Corporation 650 California Street, 18th Floor San Francisco, CA 94108 Attn: Scott R. Ferguson, Esq.
If to the Taxing Entity:	City of Norco 2870 Clark Avenue Norco, CA 92860 Attn: City Attorney and City Treasurer

Section 5.04. No Assignment by the Taxing Entity. Notwithstanding anything to the contrary contained herein, this Agreement may not be assigned by the Taxing Entity.

Section 5.05. Limitations on Rights of Others. The provisions of this Agreement are solely for the benefit of the Taxing Entity, the Authority and the Certificate Owner, which is expressly made a third party beneficiary of this Agreement, and nothing in this Agreement, whether express or implied, shall be construed to give to any other Person any legal or equitable right, remedy or claim under or in respect of this Agreement or any covenants, conditions or provisions contained herein.

Section 5.06. ***[Reserved].***

Section 5.07. Non-Liability of Authority. The Authority shall not be liable for any costs, expenses, losses, damages, claims or actions, of any conceivable kind on any conceivable theory, under or by reason of or in connection with this Agreement, except only to the extent amounts are received for the payment thereof from the Certificate Owner.

Section 5.08. Severability. Any provision of this Agreement that is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof, and any such prohibition or unenforceability in any jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction.

Section 5.09. Separate Counterparts. This Agreement may be executed by the parties hereto in separate counterparts, each of which when so executed and delivered shall be an original, but all such counterparts shall together constitute but one and the same instrument.

Section 5.10. Headings. The headings of the various Articles and Sections herein are for convenience of reference only and shall not define or limit any of the terms or provisions hereof.

Section 5.11. Governing Law and Venue. (a) This Agreement shall be construed in accordance with the laws of the State, without reference to its conflict of law provisions, and the obligations, rights and remedies of the parties hereunder shall be determined in accordance with such laws.

(b) To the extent permitted by law, the parties hereto agree that any and all claims asserted against the Authority arising under this Agreement or related thereto shall be heard and determined either in the courts of the United States located in Riverside, California or in the California State Courts located in Riverside, California.

(c) If the Taxing Entity commences any action against the Authority in a court located other than in Riverside, California, upon request of the Authority, the Taxing Entity shall either consent to a transfer of the action to a court of competent jurisdiction located in Riverside, California or, if the court where the action is initially brought will not or cannot transfer the action, the Taxing Entity shall consent to dismiss such action without prejudice and may thereafter reinstitute the action in a court of competent jurisdiction in Riverside, California.

(d) To the extent permitted by law, the parties hereto agree that any and all claims asserted against the Taxing Entity arising under this Agreement or related thereto shall be heard and determined either in the courts of the United States located in Riverside County, California or in the California State Courts located in Riverside County, California.

(e) If the Authority commences any action against the Taxing Entity in a court located other than in Riverside County, California, upon request of the Taxing Entity, the Authority shall either consent to a transfer of the action to a court of competent jurisdiction located in Riverside County, California or, if the court where the action is initially brought will not or cannot transfer the action, the Authority shall consent to dismiss such action without prejudice and may thereafter reinstitute the action in a court of competent jurisdiction in Riverside County, California.

(f) With respect to any action between the Taxing Entity and the Authority in California State Court brought in accordance with the provisions of this Section, the Taxing Entity and the Authority each hereby expressly waives and relinquishes any rights either might otherwise have (A) to move to dismiss on grounds of forum non conveniens; (B) to remove to Federal Court; and (C) to move for a change of venue to a California State Court outside the county in which it is pending.

(g) With respect to any action between the Taxing Entity and the Authority in Federal Court brought in accordance with the provisions of this Section, the Taxing Entity and the Authority each hereby expressly waives and relinquishes any right either might otherwise have to move to transfer the action to another United States Court.

(f) To facilitate this Agreement and intent, both parties agree to accept service of process either in person, or by registered mail addressed to the party at its address as set forth in this Agreement, or to such other address as the parties may provide to each other in writing.

Section 5.12. Nonpetition Covenants. Notwithstanding any prior termination of this Agreement, the Taxing Entity shall not, prior to the date which is one year and one day after the termination of this Agreement with respect to the Authority, acquiesce, petition or otherwise invoke or cause the Authority to invoke the process of any court or government authority for the purpose of commencing or sustaining a case against the Authority under any Federal or state bankruptcy, insolvency or similar law or appointing a receiver, liquidator, assignee, trustee, custodian, sequestrator or other similar official of the Authority or any substantial part of its property, or ordering the winding up or liquidation of the affairs of the Authority.

Section 5.13. Successor Is Deemed Included in All References to Predecessor. Whenever in this Agreement either the Taxing Entity, the Authority or the Certificate Owner is named or referred to, such reference shall be deemed to include the successors thereof, and all the covenants and agreements in this Agreement by or for the benefit of the Taxing Entity, the Authority and the Certificate Owner shall bind and inure to the benefit of the respective successors thereof whether so expressed or not.

Section 5.14. Waiver of Personal Liability. No member, officer, agent or employee of the Authority or the Taxing Entity shall be individually or personally liable for the payment of any amount due hereunder or be subject to any personal liability or accountability by reason of the transactions described herein; but nothing herein contained shall relieve any such member, officer, agent or employee from the performance of any official duty provided by law or by this Agreement.

Section 5.15. Taxing Entity Authorizing Resolution. The officer of the Taxing Entity whose signature is set forth below is the duly elected or appointed, qualified and acting officer of the Taxing Entity, who is duly authorized to execute and deliver the foregoing Agreement on behalf of the Taxing Entity.

Attached hereto as EXHIBIT B is the duly adopted resolution of the governing board of the Taxing Entity that was called and held pursuant to law and with all public notice required by law and at which a quorum was present and acting throughout, which resolution has not been amended, modified, supplemented, rescinded or repealed and remains in full force and effect as of the date hereof.

[Next page is signature page]

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date and year first above written.

THE CITY OF NORCO

By _____
Andy Okoro
Deputy City Manager/Director of Finance

CALIFORNIA FINANCE AUTHORITY FOR DELINQUENT SPECIAL TAXES AND ASSESSMENTS

By _____
Jeff Pape
President

EXHIBIT A

List of Special Taxes, Assessments or Fees and Charges and Tax Receivables Schedule

List of Special Taxes, Assessments or Fees and Charges

District or Fees and Charges	Purchased Fiscal Years
1. City of Norco Community Facilities District No. 97-1 (Norco Hills)	2010-11 and 2011-12
2. City of Norco Community Facilities District No. 2001-1 (Norco Ridge Ranch)	2010-11 and 2011-12
3. City of Norco Community Facilities District No. 2002-1 (Norco 50)	2010-11 and 2011-12

Tax Receivables Schedule

(Attached)

EXHIBIT B

Taxing Entity Authorizing Resolution

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:	December 5, 2012
SUBJECT:	Resolution Approving Amendment No. 5 to the Chino Basin Desalter Authority Joint Exercise of Powers Agreement
RECOMMENDATION:	Adopt **Resolution 2012** ____ approving Amendment No. 5 to the Chino Basin Desalter Authority ("CDA") Joint Exercise of Powers Agreement, subject to non-substantive changes and approval by all CDA Member Agencies.

SUMMARY: The City of Norco is a member of the CDA, which jointly exercises powers to own, operate and maintain water desalting facilities, commonly referred to as the Chino I and Chino II Desalters. The CDA facilities are located within the Chino Basin, an adjudicated water basin that has been ordered by the court to meet the Optimum Basin Management Plan objectives through the expansion of the Chino Desalter Phase 3 project. The CDA Board of Directors at their November 1, 2012 CDA Board Meeting, adopted Resolution 2013-03 approving Amendment No. 5 to the Joint Exercise of Powers Agreement. The governing bodies of each of the Member Agencies must now approve proposed Amendment No. 5 by resolution in order for it to become effective.

BACKGROUND/ANALYSIS: The City of Norco is a member of the CDA, which jointly exercises powers to own, operate and maintain water desalting facilities (Chino I and II Desalters). The original members of the CDA include the Jurupa Community Services District (JCSD), Inland Empire Utilities Agency (IEUA), Santa Ana River Water Company (SARWC), and the cities of Norco, Chino, Chino Hills, and Ontario, including recently added member Western Municipal Water District (WMWD). The CDA facilities include two treatment plants, twenty-one groundwater wells, over thirty miles of pipeline and various product water distribution facilities (pump stations, reservoirs and interconnections). Norco's existing CDA water capacity is 1,000 acre-feet per year and this obligation will not increase with the completion of the Desalter Phase III Expansion project (Desalter Expansion project).

On March 18, 2009, the City Council adopted Resolution No. 2009-13 approving Amendment No. 2 to the JPA agreement which included provisions for the Desalter Expansion project. Certain Desalter Expansion project timelines, implementing terms and agreements defined in Amendment No. 2 required refinement as the project moved forward prompting the CDA Board of Directors to approve Amendment No. 3 on February

18, 2010. On June 2, 2010, the City Council followed the direction of the CDA Board of Directors and approved Resolution No. 2010-24 approving Amendment No. 3. The CDA Board of Directors at their January 5, 2012 Board meeting approved JPA Amendment No. 4. On February 1, 2012, the City Council followed the direction of the CDA Board of Directors and approved Resolution No. 2012-06 approving Amendment No. 4.

Proposed Amendment No. 5 clarifies provisions in Section 2.11 of the Agreement, authorizing the CDA to hire and retain a Treasurer and Auditor, as stated below;

Section 2.11 of the Agreement is hereby amended, restated and superseded by the following:

1. **Officers**. There shall be selected from the membership of the Board, a Chairperson and a Vice-Chairperson. The Board shall appoint a Secretary, who may be a Director. The Board shall also appoint a Treasurer.

    (a) Treasurer. The Treasurer shall be the depositary and have custody of all money of the CDA from whatever source, and shall draw all warrants and pay demands against the CDA as approved by the Board. If directed by the Board, the Treasurer may function as the combined offices of Treasurer and Auditor pursuant to Government Code Section 6505.6.

    (b) Additional Officers. The Board shall have the power to appoint such additional officers as it deems necessary.

    (c) Terms. The Chairperson, Vice-Chairperson, and Secretary shall hold office for a period of one year commencing January 1st of each fiscal year; provided, however, the first Chairperson, Vice-Chairperson and Secretary appointed shall hold office from the date of appointment to December 31st of the ensuing fiscal year.

    (d) Qualifications. Any officer, employee or agent of the Board also may be an officer, employee or agent of any of the Members. The public officer or officers or person who have charge of, handle, or have any access to any money or property of the CDA shall be bonded, and the amount of their bond shall be designated and fixed in the budget for each fiscal year pursuant to Government Code § 6505.1. [The Treasurer may be changed only by a Super-Majority Vote.]

    (e) Privileges, Liability and Immunity. All of the privileges and immunities from liability, exemption from laws, ordinances and rules, all pension, relief, disability, workmen's compensation and other benefits which apply to the activities of officers, agents, or employees of any of the

> Members when performing their respective functions shall apply to the same degree and extent while such individuals are engaged in the performance of any of the functions and other duties under this Agreement. None of the officers, agents or employees appointed by the Board shall be deemed by reason of their employment by the Board to be employed by any of the Members or subject to any of the requirements of such Members.

FINANCIAL IMPACT: If approved, this action is not anticipated to have a significant impact on either the overall cost of treated water or the Desalter Phase III Expansion project. There is no impact to the General Fund.

Attachments: Chino Basin Desalter Authority JPA Amendment No. 5

RESOLUTION NO. 2012- ____

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF NORCO, CALIFORNIA, APPROVING AN AMENDMENT NO. 5 TO THE JOINT EXERCISE OF POWERS AGREEMENT CREATING THE CHINO BASIN DESALTER AUTHORITY

WHEREAS, a Joint Exercise of Powers Agreement ("Original Agreement") creating the Chino Basin Desalter Authority ("CDA") was made and entered into as of the 25th day of September, 2001 by and among the Jurupa Community Services District ("JCSD"), the Santa Ana River Water Company ("SARWC"), the cities of Chino ("Chino"), Chino Hills ("Chino Hills"), Norco ("Norco") and Ontario ("Ontario") and the Inland Empire Utilities Agency ("IEUA") (collectively the "Original Members" and individually, an "Original Member"); and

WHEREAS, Amendment No. 1 to the Original Agreement ("Amendment No. 1") was entered into by the Original Parties as of December 11, 2001; and

WHEREAS, Amendment No. 2 to the Original Agreement ("Amendment No. 2"), dated as of October 30, 2008, was entered into by the Original Parties and Western Municipal Water District, a California water district ("WMWD"; the Original Parties and WMWD are collectively referred to herein as the "Parties"); and

WHEREAS, the Members entered into Amendment No. 3 to the Original Agreement ("Amendment No. 3"), dated as of February 18, 2010; and

WHEREAS, the Members entered into Amendment No. 4; to the Original Agreement ("Amendment No. 4"), dated as of July 12, 2012; and

WHEREAS, the Original Agreement, as amended by Amendment No. 1, Amendment No. 2, Amendment No. 3, and Amendment No. 4 is referred to herein as the "Agreement"; and

WHEREAS, the Agreement designates that the Treasurer of CDA shall be the Treasurer of IEUA; and

WHEREAS, the Members desire to enter into Amendment No. 5 to permit CDA to hire or appoint a Treasurer without requiring that the Treasurer of CDA be the Treasure of CDA be the Treasurer of IEUA; and

NOW, THEREFORE, BE IT RESOLVED, the City Council of the City of Norco hereby declares, finds, and determines as follows:

1. The recitals set forth above are true and correct.

2. Amendment No. 5 is hereby approved in substantially the form on file with CDA and is made a part hereof as though set forth in full herein. Upon approval of Amendment No. 5 by resolution of each of the Members, the Chairperson or the Chairperson's designee and the Secretary are hereby authorized and directed to make such non-substantive revisions to Amendment No. 5 as they deem appropriate and to execute and deliver Amendment No. 5 with such changes, insertions and omissions as may be approved by the officers executing the same, said execution being conclusive evidence of such approval.

3. The Chairperson or the Chairperson's designee, and any other proper officer of CDA, are each hereby authorized and directed to execute and deliver any and all documents and instruments and to do and cause to be done any and all acts and things necessary or proper for carrying out the transactions contemplated by Amendment No. 5 and this Resolution.

4. Unless the context clearly requires otherwise, all terms used herein and not otherwise defined shall have the meanings given such terms in Amendment No. 5.

5. This Resolution shall take effect immediately.

PASSED AND ADOPTED by the City Council at a regular meeting held on December 5, 2012.

_____
Mayor 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 December 5, 2012 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 December 5, 2012.

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

AMENDMENT NO. 5 to
JOINT EXERCISE OF POWERS AGREEMENT
creating the
CHINO BASIN DESALTER AUTHORITY

WHEREAS, a Joint Exercise of Powers Agreement ("Original Agreement") creating the Chino Basin Desalter Authority ("CDA") was made and entered into as of the 25th day of September, 2001 by and among the Jurupa Community Services District ("JCSD"), the Santa Ana River Water Company ("SARWC"), the cities of Chino ("Chino"), Chino Hills ("Chino Hills"), Norco ("Norco") and Ontario ("Ontario") and the Inland Empire Utilities Agency ("IEUA") (collectively, the "Original Members" and individually, an "Original Member"); and

WHEREAS, Amendment No. 1 to the Original Agreement ("Amendment No. 1") was entered into by the Original Members as of December 11, 2001; and

WHEREAS, Amendment No. 2 to the Original Agreement ("Amendment No. 2"), dated as of October 30, 2008, was entered into by the Original Members and Western Municipal Water District, a California water district ("WMWD"; the Original Members and WMWD are collectively referred to herein as the "Members"); and

WHEREAS, the Members entered into Amendment No. 3 to the Original Agreement ("Amendment No. 3"), dated as of February 18, 2010; and

WHEREAS, the Members entered into Amendment No. 4 to the Original Agreement ("Amendment No. 4"), dated as of July 12, 2012; and

WHEREAS, the Original Agreement, as amended by Amendment No. 1, Amendment No. 2, Amendment No. 3 and Amendment No. 4, is referred to herein as the "Agreement"; and

WHEREAS, the Members now desire to enter into this Amendment No. 5 to Joint Exercise of Powers Agreement creating the Chino Basin Desalter Authority ("Amendment No. 5") to authorize CDA to hire and retain a Treasurer and Auditor, as more particularly described below.

NOW THEREFORE, the Members hereto agree that the Agreement shall be amended as follows:

1. Section 2.11 of the Agreement is hereby amended, restated and superseded by the following:

> **Officers.** There shall be selected from the membership of the Board, a Chairperson and a Vice-Chairperson. The Board shall appoint a Secretary, who may be a Director. The Board shall also appoint a Treasurer.

(a) Treasurer. The Treasurer shall be the depositary and have custody of all money of the CDA from whatever source, and shall draw all warrants and pay demands against the CDA as approved by the Board. If directed by the Board, the Treasurer may function as the combined offices of Treasurer and Auditor pursuant to Government Code Section 6505.6.

(b) Additional Officers. The Board shall have the power to appoint such additional officers as it deems necessary.

(c) Terms. The Chairperson, Vice-Chairperson, and Secretary shall hold office for a period of one year commencing January 1st of each fiscal year; provided, however, the first Chairperson, Vice-Chairperson and Secretary appointed shall hold office from the date of appointment to December 31st of the ensuing fiscal year.

(d) Qualifications. Any officer, employee or agent of the Board also may be an officer, employee or agent of any of the Members. The public officer or officers or person who have charge of, handle, or have any access to any money or property of the CDA shall be bonded, and the amount of their bond shall be designated and fixed in the budget for each fiscal year pursuant to Government Code § 6505.1. [The Treasurer may be changed only by a Super-Majority Vote.]

(e) Privileges, Liability and Immunity. All of the privileges and immunities from liability, exemption from laws, ordinances and rules, all pension, relief, disability, workmen's compensation and other benefits which apply to the activities of officers, agents, or employees of any of the Members when performing their respective functions shall apply to the same degree and extent while such individuals are engaged in the performance of any of the functions and other duties under this Agreement. None of the officers, agents or employees appointed by the Board shall be deemed by reason of their employment by the Board to be employed by any of the Members or subject to any of the requirements of such Members.

2. Initially capitalized terms used herein without definition shall have the meanings ascribed to them in the Agreement.

3. Except as expressly set forth in herein, nothing in this Amendment No. 5 shall constitute an amendment to any other provision of the Agreement.

IN WITNESS WHEREOF, the Members have executed this Amendment No. 5 to Joint Exercise of Powers Agreement creating the Chino Basin Desalter Authority as of the dates set forth below.

CITY OF NORCO

DATED: _____ **BY:** _____
MAYOR

DATED: _____ **ATTESTED:** _____
CITY CLERK

_____
APPROVED AS TO FORM

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 Director
DATE:	December 5, 2012
SUBJECT:	Approval of the Location and Concept Plan for the George Ingalls Veterans Memorial Plaza located at the George Ingalls Equestrian Event Center
RECOMMENDATION:	Approve the location and concept plan for the George Ingalls Veterans Memorial Plaza located at the George Ingalls Equestrian Event Center; and authorize staff to request and accept donations to fund the project.

SUMMARY: At the City Council meeting held on October 3, 2012, Mayor Bash commented on the planning-stage development of a veteran's memorial named after George Ingalls and located within the George Ingalls Equestrian Event Center. He stated that once a concept plan is in place, that information would be brought back to the City Council for its approval. The concept plan has now been developed and the City Council is recommended to approve the location and the concept plan; and further, authorize staff to request and accept donations to fund the project.

BACKGROUND ANALYSIS: At the October 3, 2012 City Council meeting, Mayor Bash commented on the development of the George Ingalls Veterans Memorial Plaza, previously adopted as part of the George Ingalls Equestrian Event Center Master Plan. The concept of the veteran's memorial, located in the George Ingalls Equestrian Event Center, was part of the original Master Plan; however, due to lack of funding, it has not taken on conceptual detail development.

Based on discussions held, staff is recommending a flat pad area just below the Moreno Arena (Exhibit "A") to construct the memorial plaza. This was part of the original memorial plaza area (Exhibit "B") and modified to stay consistent with the memorial site recommended in the approved Master Plan. The pad is large enough to accommodate the conceptual elements that have been discussed. Landscape architects Ken Kammeyer and Ron Kammeyer, of Kammeyer and Associates ("Kammeyer"), have volunteered their firm to develop the concept renderings and working drawings, along with RKA Engineering, at no cost to the City.

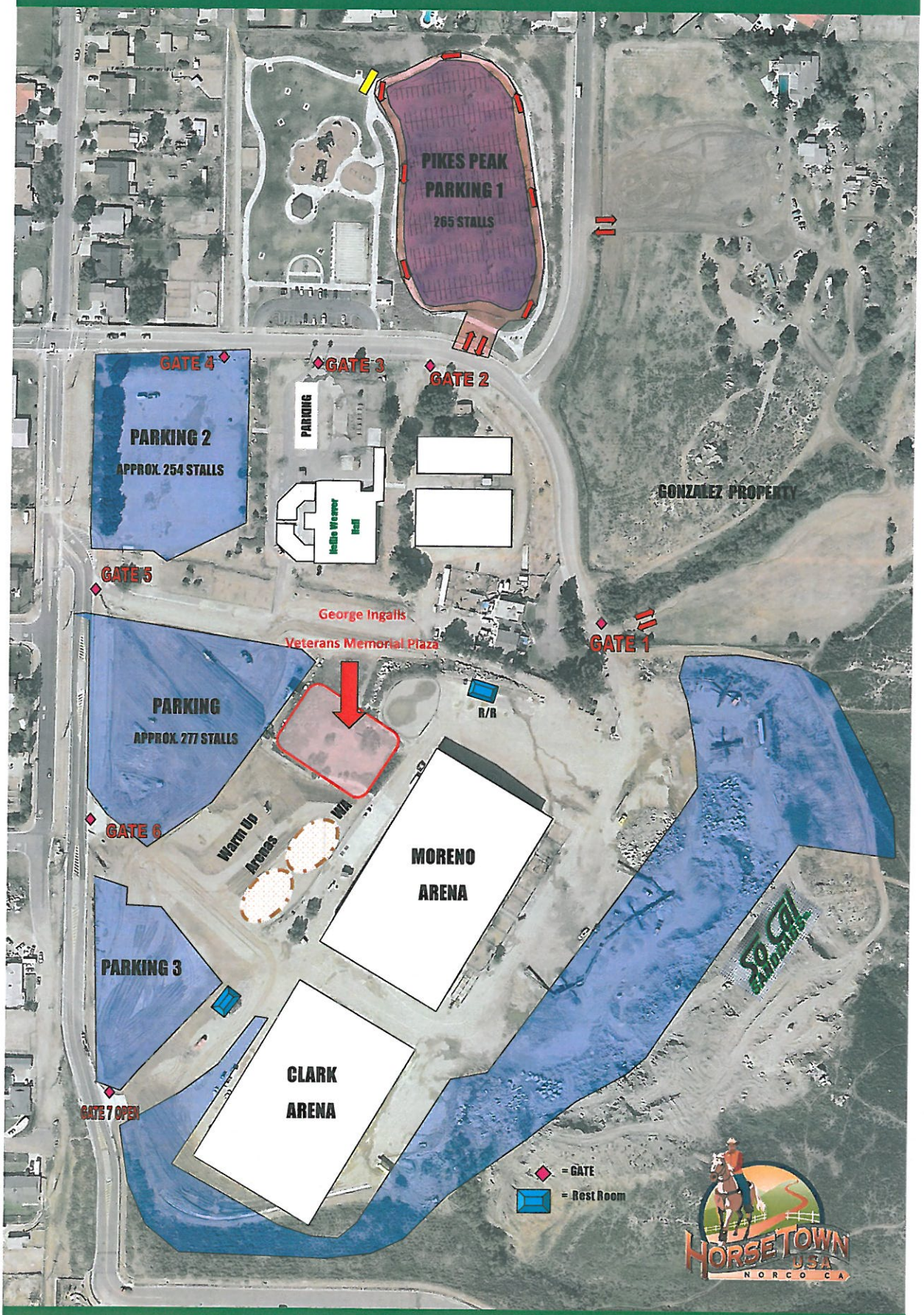
Kammeyer has developed a conceptual rendering (Exhibit "C") based on existing site mapping and discussion with staff and various community members, Mayor Bash and Councilman Hanna who was part of the George Ingalls Equestrian Event Center Master Plan Committee. The rendering provides for recognition of fallen soldiers who have given the ultimate sacrifice for our country. It also provides a public venue that accommodates ceremonial presentations to honor our troops and military service areas.

Staff is recommending that the City Council approve the proposed location within the George Ingalls Equestrian Event Center to build "The George Ingalls Veterans Memorial Plaza." Staff will organize a committee, led by Mayor Bash and Council Member Hanna, to oversee the development, construction and organize fund raising necessary to complete the project.

FINANCIAL IMPACT: The development of the George Ingalls Veterans Memorial will be designed and constructed through volunteerism, pledge generation, grants, and donations in-kind; as well as monetary donations from both public and corporate contributors.

/bp-82279
Attachments

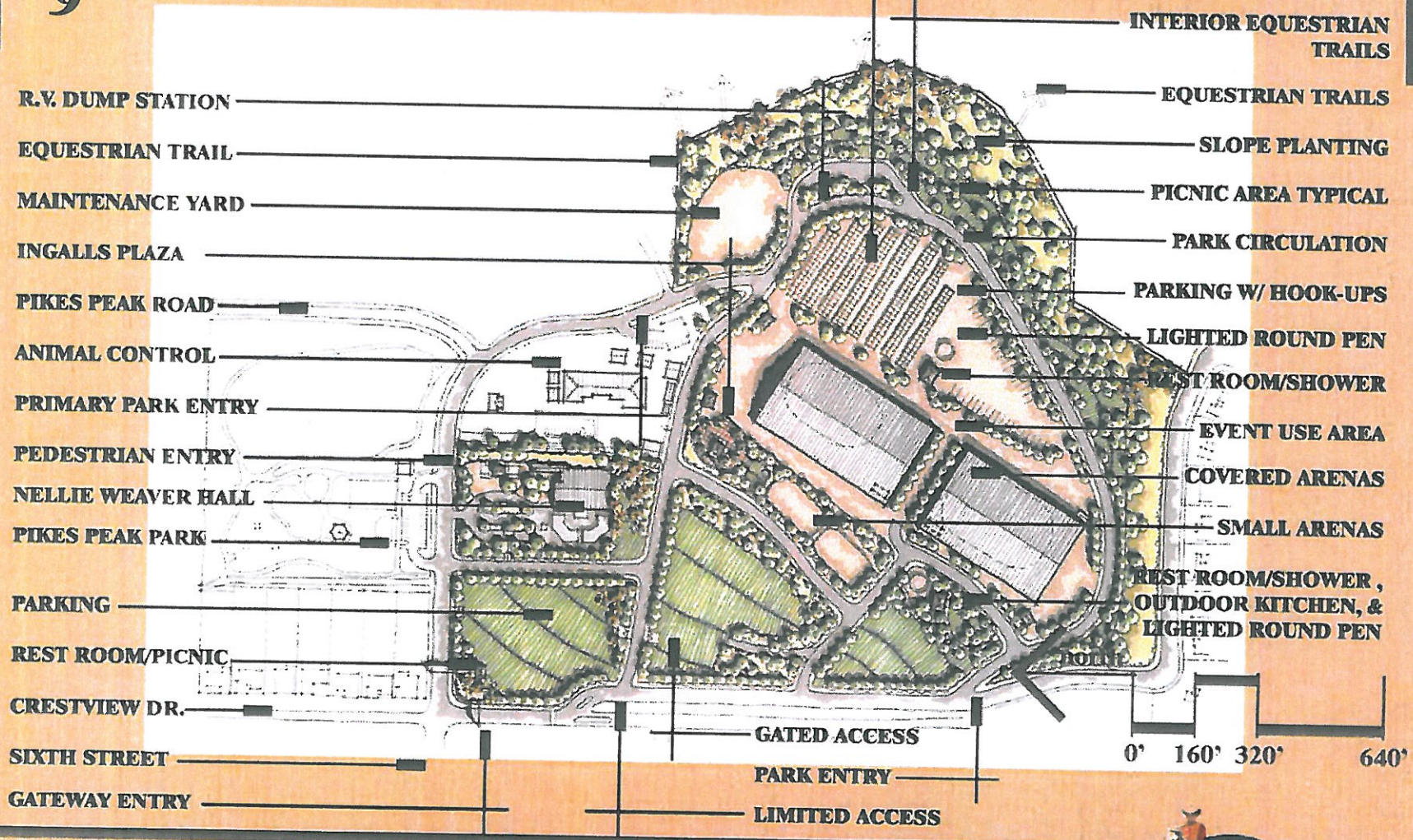
GEORGE INGALLS EQUESTRIAN EVENT CENTER SITE MAP



"We create community through people, parks, trails and programs!"

Exhibit "A"

9



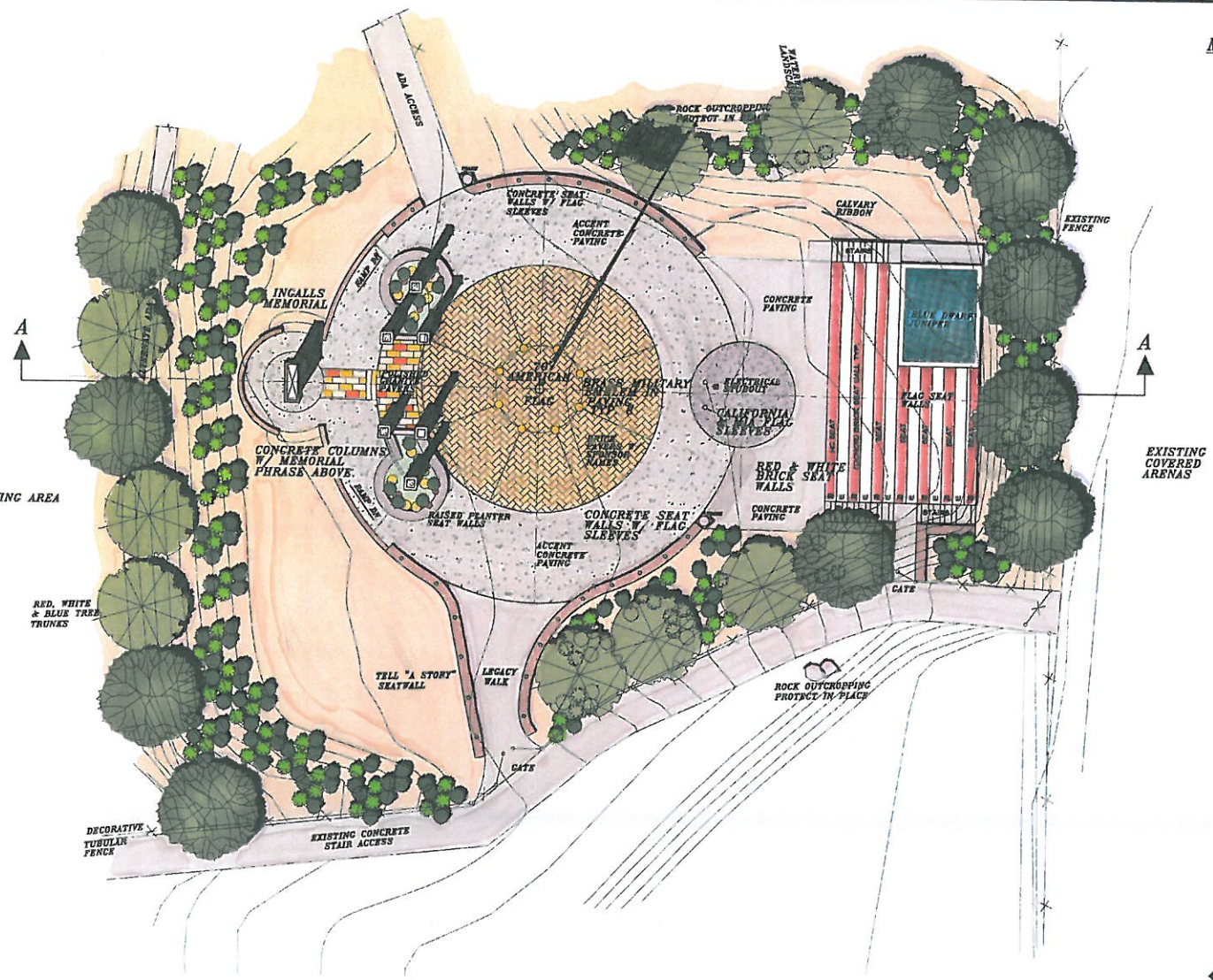
GEORGE INGALLS EQUESTRIAN EVENTS CENTER

KAMMEYER & ASSOCIATES

HORSETOWN USA NORCO CA

Exhibit "B"

Exhibit "C"



SITE PLAN

MILITARY EMBLEMS

ARMY
MARINES
NAVY
AIRFORCE
COAST GAURD
MERCHANT MARINES
NATIONAL GAURD
MEDICAL CORP

north

0' 10' 30'

KAMMEYER & ASSOCIATES
ENVIRONMENTAL DESIGN PLANNING LANDSCAPE ARCHITECTURE
THE RANCH 2650 EL CERRITO LOOP CORONA, CA 92881
PHONE (951) 337-8555 FAX (951) 664-4504

GEORGE INGALLS VETERANS MEMORIAL PARK
NORCO, CA.

MONUMENT PLAN

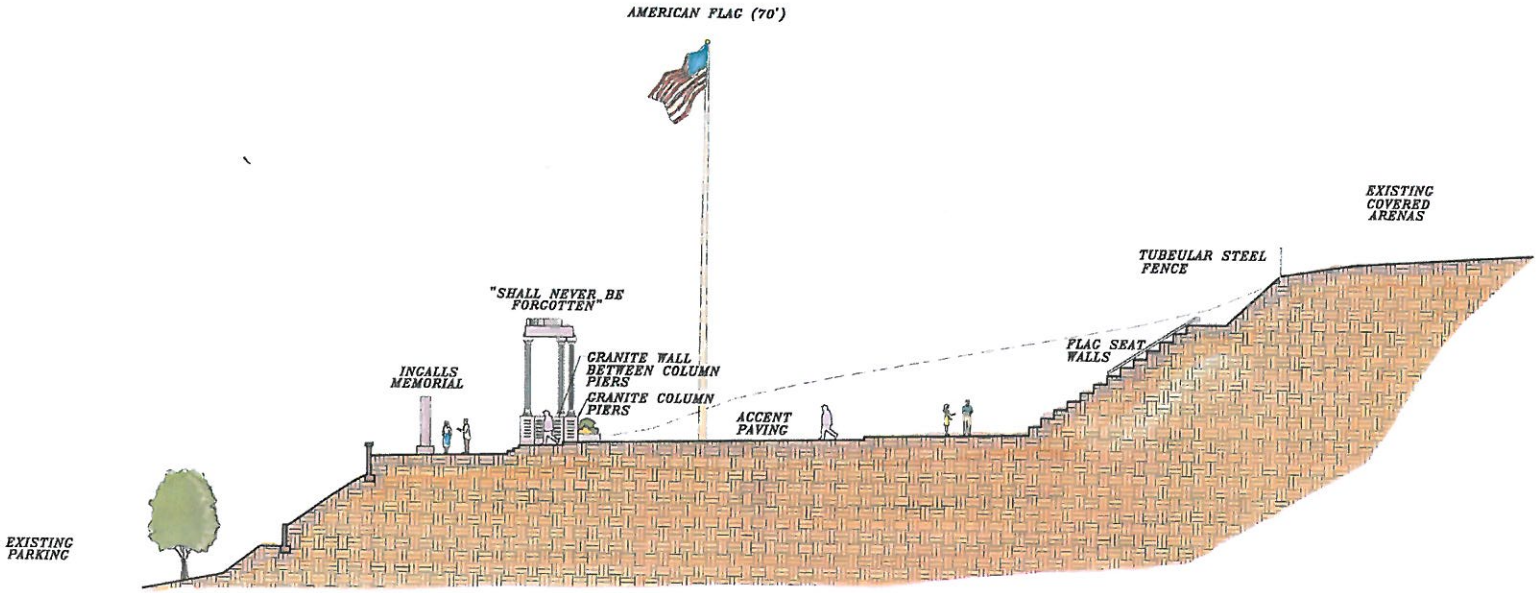
REGISTERED LANDSCAPE ARCHITECT RONALD DIE KAMMEYER NO. 2264 STATE OF CALIFORNIA

11-27-12

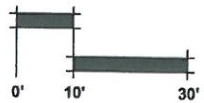
no.	date

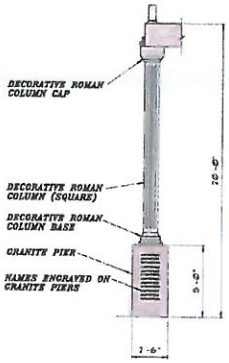
checked by:
drawn by: HBS

Sheet L1 of 2



A-A SITE SECTION EAST-WEST
1"=10'-0"





COLUMN DETAIL
1/4"=1'-0"

KAMMEYER & ASSOCIATES
ENVIRONMENTAL DESIGN PLANNING LANDSCAPE ARCHITECTURE
THE RANCH 2637 GELLOCK AVENUE CORONA, CA 92881
PHONE (951) 737-8555 FAX (951) 654-4006

GEORGE INGALLS VETERANS MEMORIAL PARK
NORCO, CA.

MONUMENT SITE SECTION

REGISTERED LANDSCAPE ARCHITECT
CHALLE DEE KAMMEYER
NO. 2088
STATE OF CALIFORNIA

11-30-18

no	date

checked by:
drawn by: ES

Sheet 2 of 2

CITY OF NORCO
STAFF REPORT

TO: Honorable Mayor and Members of the City Council

FROM: Beth Groves, City Manager

PREPARED BY: Geoff Pemberton, Fire Chief

DATE: December 5, 2012

SUBJECT: Public Hearing Confirming Costs for 2011 Tumbleweed Abatement

RECOMMENDATION: Adopt **Resolution No. 2012-____,** confirming the report of costs for abatement of tumbleweeds and hazardous vegetation as a public nuisance and imposing special assessment liens on vacant parcels within the City.

SUMMARY: The 2012 Tumbleweed Abatement Report of Costs lists property owners whose vacant parcels were abated by the City's weed abatement contractor in October 2012. After Council adopts the Resolution, property owners will be invoiced for payment of the abatement.

BACKGROUND/ANALYSIS: The City's weed abatement contractor has completed the removal of tumbleweeds from vacant properties whose owners failed to abate. The Notices to Abate Tumbleweeds were mailed on August 1, 2012 pursuant to Council's declaration on March 7, 2012 that seasonal, recurring tumbleweeds and hazardous vegetation constitute a public nuisance. The deadline to comply with the abatement notice was September 15, 2012.

Exhibit "A" – 2012 Tumbleweed Abatement Report of Costs shows both the contractor's cost and the Fire Department's administrative fee. Property owners will be invoiced for these costs; and if not paid, property liens will be assessed through the Riverside County Auditor-Controller's Office.

FINANCIAL IMPACT: Costs to abate weeds on vacant property are paid by the property owner or special assessment property tax liens.

/jk-81970
Attachments: Resolution No. 2012-_____
Exhibit "A" – 2012 Tumbleweed Abatement Report of Costs

Agenda Item 4. A.

RESOLUTION NO. 2012-____

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF NORCO, CALIFORNIA, CONFIRMING THE REPORT OF COSTS FOR ABATEMENT OF WEEDS AND HAZARDOUS VEGETATION AS A PUBLIC NUISANCE AND IMPOSING SPECIAL ASSESSMENT LIENS ON VACANT PARCELS WITHIN THE CITY

WHEREAS, the City Council declared that seasonal and recurring weeds and hazardous vegetation, growing upon and in front of vacant property in the City of Norco, constitute a public nuisance and also declared its intent to provide for abatement by adopting Resolution No. 2012-16 on March 7, 2012; and

WHEREAS, the Notice to Destroy Weeds and Hazardous Vegetation was given to property owners of vacant property in accordance with Chapter 13, Article 2, Section 39567.1 of the State of California Government Code and Resolution No. 2012-16; and

WHEREAS, the City Council held a Public Hearing on May 2, 2012, and all objections to the proposed abatement of weeds and hazardous vegetation on vacant parcels were heard and considered in accordance with the State of California Government Code and Resolution No. 2012-16; and

WHEREAS, the City Council ordered the Fire Chief to have such nuisances abated by adopting Resolution No. 2012-35 on May 2, 2012; and

WHEREAS, an itemized report showing the cost to abate the nuisances that were on or in front of vacant parcels has been prepared and submitted to the City Council for confirmation; and

WHEREAS, a copy of the report of costs was posted near the door of the Council Chamber at least three days prior to the Public Hearing; and

WHEREAS, the Public Hearing being held by City Council is for the purpose of receiving and considering the report of costs showing abatement costs and hearing objections from property owners liable to be assessed for such costs.

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of Norco, California, does hereby find and declare that the 2012 Tumbleweed Abatement Report of Costs, Exhibit "A" on nuisance abatement for vacant parcels is confirmed, and that the costs are also confirmed as special assessment property liens against the vacant parcels whose property owners do not pay the invoiced amount.

PASSED AND ADOPTED by the City Council of the City of Norco at a regular meeting held on December 5, 2012.

_____
Mayor 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 adopted by the City Council of the City of Norco, California, at a regular meeting thereof held on December 5, 2012 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 December 5, 2012.

_____
Brenda Jacobs, City Clerk
City of Norco, California

/jk-81969

NORCO/RIVERSIDE COUNTY FIRE DEPARTMENT

2012 TUMBLE WEED ABATEMENT REPORT OF COSTS
Exhibit "A"

PARCEL NO.	OWNER OF RECORD	PARCEL ACREAGE	CONTRACTOR'S FEE	ADMIN FEE	TOTAL CHARGE
119020023-0	RBE NORCO JFH 1 21800 Burbank Blvd #330 Woodland Hills, CA 91367	5.17	458.50	458.50	917.00
121074014-6	Amir & Fadia Ibrahim 3070 Shadow Canyon Circle Norco, CA 92860	0.5	120.00	120.00	240.00
121092016-4	LOT 65 TRUST 2337 Norco Drive Norco, CA 92860	0.47	70.00	70.00	140.00
122020027-8	CAPITALAND INV c/o Sam Ostayan 1379 Park Western #300 San Pedro, CA 90732	0.76	290.00	290.00	580.00
125270012-8	Eugene Eustaquio 3 Dogwood South / PO Box 10595 Irvine, CA 92612 / Newport Beach, CA 92658	1.08	120.00	120.00	240.00
126240004-5	1300 NORMANDY PROP 1300 E. Normandy Place Santa Ana, CA 92705	5.00	270.00	270.00	540.00
126050017-0	D W AUGUST, INC. 1331 Tiffany Ranch Road Arroyo Grande, CA 93420	0.43	70.00	70.00	140.00
127331012-0	Pat & Emma Alvarado c/o Rollie Alvarado 6072 Candle Light Lane Yorba Linda, CA 92886	0.20	145.00	145.00	290.00
129380009-4	REXCO 2518 Santiago Blvd Orange, CA 92867	1.63	170.00	170.00	340.00
131070014-7	George Sinichak 13814 Walnut Street Whittier, CA 90602	4.44	270.00	270.00	540.00
153222009-2	Frances Vaughan 3806 Highway 90 Del Rio, TX 78840	2.19	220.00	220.00	440.00
	Total Charges		$ 2,203.50	$ 2,203.50	$ 4,407.00

CITY OF NORCO
STAFF REPORT

TO:	Honorable Mayor and Members of the City Council
FROM:	Beth Groves, City Manager
PREPARED BY:	Steve King, Planning Director
DATE:	December 5, 2012
SUBJECT:	Specific Plan 85-1 (Auto Mall) Amendment 5 (City of Norco): A proposal to amend the Auto Mall Specific Plan by creating a new land use designation (Area D) with new permitted uses and regulations, and changing the land use designation on 39.42 acres consisting of various lots east and west of Hamner Avenue south of Third Street to the Area D designation. Amendment 5 also includes changes in the underlying zoning designation on two lots on the east side of Four Wheel Drive north of Second Street from M-1 (Light Industrial) to C-G. The amendment also includes text changes to bring the Specific Plan document consistent with current code regulations and with this Amendment (Various APN's). (Specific Plan 85-1, Amendment 5)
RECOMMENDATION:	The Planning Commission adopted Planning Commission Resolution 2012-42 recommending approval. The City Council is recommended to adopt **Ordinance No. 954 for first reading,** approving Specific Plan 85-1, Amendment 5.

SUMMARY: The ordinance is a proposed amendment to the Auto Mall Specific Plan that includes land use designation changes to add some C-G uses as similarly permitted and conditionally-permitted uses in a new Area D of the Specific Plan for lots in the northern half of the specific plan on both sides of Hamner Avenue, south of Third Street (39.42 acres); and to change the land use designation on 6.1 acres east of Four Wheel Drive, north of Second Street from Area B to Area A. The amendment includes text changes to bring the document consistent with current Code regulations and consistent with this amendment.

BACKGROUND: On May 30, 2012 the Planning Commission and City Council held a joint meeting to discuss priorities for staff with City-initiated projects. One of the priorities from that meeting was to review and rezone portions of the Auto Mall to include some of the allowed commercial uses from the C-G zone.

The City Council/Planning Commission Working Group proposed the list of commercial uses that should be included along with some other changes. The Planning Commission reviewed the proposed changes with some minor modifications so that the list of proposed changes is as follows:

1. Create a new land use district within the Auto Mall Specific Plan that is a combination of the specific plan and the C-G zone.
2. Change the land use designation on 36.15 acres of Area A and 3.27 acres of Area C (total 39.42 acres) to Area D.
3. Change the land use designation on 6.31 acres from Area B (underlying M-1 zoning) to Area A (underlying C-G zoning).

   (ref. Exhibit "B" – Existing Auto Mall Land Use Plan; Exhibit "C" – Proposed Auto Mall Land Use Plan)

4. Text changes to the Specific Plan to bring the document consistent with current Municipal Code changes/requirements and consistent with the land use designation changes of this amendment.

   a. Change the text to include some of the permitted and conditionally permitted uses of the C-G zone to be likewise permitted and conditionally permitted in the Area D land use designation.
   b. Add used car dealers as a conditionally-permitted use in Areas A, B, C, and D.

ANALYSIS: The specific plan amendment is consistent with the prioritized goals as directed by the City Council and Planning Commission in the Joint Meeting that occurred on May 30, 2012 (ref. Exhibit "D" – Minutes, May 30, 2012). The re-categorization of the land use designations is needed because of changes in the auto retail industry since the Auto Mall Specific Plan was first adopted in 1985.

The original Specific Plan was approved for 11 dealerships along Hamner Avenue between Second Street and Third Street of which only five of the sites were ever developed, all on the southern side of the Specific Plan near Second Street (Ford, Dodge, Mazda, Mitsubishi, and Chrysler/Jeep). Of those five only two remain (Ford and Dodge/Chrysler/Jeep). There has been little, if any, interest for new car dealerships as far north as Third Street. The consolidation of companies, elimination of brands, nearby dealerships in adjoining cities, and changes in the way consumers buy vehicles are reasons why it is unlikely that the remaining lots in the north half of the Auto Mall will be used for new car dealerships. The Specific Plan Amendment will allow these lots to become more productive commercial uses providing better sustainable for the community's tax base.

The land use changes described in Numbers 2 and 3 above are illustrated in Exhibit "C". The proposed text changes to the Specific Plan are as follows and are contained in Ordinance No. ___:

70. Permitted Uses:

(1) Area A:

(a) New automobile dealerships and accessory uses as an integral part of the operation of a new automobile dealership.

(b) Other uses as permitted by the underlying zone may be allowed upon approval of a Conditional Use Permit (CUP). Such a permit may be granted where the proposed use is similar and compatible with the permitted uses, there is reasonable assurance that the use will be economically viable, and will not materially adversely affect the goals, objects and purpose of Specific Plan One."

(c) Used automobile dealerships and accessory uses as an integral part of the operation of a used car dealership.

(2) Area B:

(a) Uses as permitted in Area A.

(3) Area C:

(a) Uses as permitted in Areas A and B.

(4) Area D: (as contained in Ordinance No. __ attached)

Used automobile dealers are added as conditionally-permitted uses in Areas A-D to be consistent with the Zone Code Amendment and Zone Change that first established the C-G zone, and then rezoned all of the C-2 and C-3 properties to C-G. One of the intents in that zone change was to eliminate anymore used auto sales along Hamner Avenue, except in the Auto Mall. The problem that occurred was that the C-G zone became the new underlying zone in Area A of the Specific Plan with used auto dealers having been eliminated as a permitted use. They used to be allowed upon approval of a CUP because of the underlying C-2 and C-3 zoning. This amendment would make the Specific Plan document consistent with that intent to allow used auto sales only in the Auto Mall.

In addition to the changes in permitted uses, the following changes in design standards have been added to make the document consistent with all of the Specific Plan amendments including Amendment 5.

90. Site Development Regulations:

~~In addition to the regulations of the zone district, the following regulations shall apply:~~

The following regulations (Sections 1-12) shall apply to the development of an automobile dealership in Areas A, B, C, or D. All other development in Areas A, B, or C shall be in accordance with the underlying zoning standards thereon. For development standards not addressed in Sections 1-12, the development standards

of the C-G zone shall apply. For development in Area D that is not an automobile dealership the development standards of the C-G zone shall apply.

The Housing Development Overlay zone that was approved for the 19.58 acres on the southwest corner of Hamner Avenue and Third Street is not affected by the Specific Plan amendment and will remain in place.

Attachments: Ordinance No. 954, Specific Plan 85-1, Amendment 5
Exhibit "A" – Location Map
Exhibit "B" – Existing Auto Mall Land Use Plan
Exhibit "C" – Proposed Auto Mall Land Use Plan
Exhibit "D" – Minutes: May 30, 2012

ORDINANCE NO. 954

A ORDINANCE OF THE CITY COUNCIL OF THE CITY OF NORCO APPROVING SPECIFIC PLAN 85-01 AMENDMENT 5 TO AMEND THE NORCO AUTO MALL SPECIFIC PLAN, WITH ANY RELATED CROSS-REFERENCES IN OTHER CHAPTERS AS NEEDED, TO CREATE A NEW LAND USE DESIGNATION WITH ADDED ALLOWED USES AND REGULATIONS; A CHANGE TO THE LAND USE DESIGNATIONS ON 39.42 AND 6.1 ACRES RESPECTIVELY AT TWO SEPARATE LOCATIONS; AND AMEND THE TEXT TO MAKE THE DOCUMENT CONSISTENT WITH CURRENT CODE CHANGES AND REGULATIONS AND WITH THE CHANGES ASSOCIATED WITH AMENDMENT 5. SPECIFIC PLAN 85-01 AMENDMENT 5.

WHEREAS, the CITY OF NORCO initiated Amendment 5 to Specific Plan 85-01 (Norco Auto Mall Specific Plan); and

WHEREAS, the Specific Plan Amendment was duly submitted to said City's Planning Commission for decision at a public hearing for which proper notice was given; and

WHEREAS, the Specific Plan Amendment was scheduled for public hearing on October 10, 2012 on or about 7 p.m. in the Council Chambers at 2820 Clark Avenue, Norco, California 92860; and

WHEREAS, at the time set, the Planning Commission held a public hearing and received both oral and written testimony pertaining to the Specific Plan Amendment; and

WHEREAS, based on findings of fact said Planning Commission adopted Resolution 2012-42 recommending to the City Council that Specific Plan 85-1, Amendment 5 be approved; and

WHEREAS, the Specific Plan Amendment was duly submitted to City Council for decision at a public hearing for which proper notice was given; and

WHEREAS, the Specific Plan Amendment was scheduled for public hearing on December 5, 2012 on or about 7 p.m. in the Council Chambers at 2820 Clark Avenue, Norco, California 92860; and

WHEREAS, at the time set, the City Council held a public hearing and received both oral and written testimony pertaining to the Specific Plan Amendment; and

WHEREAS, the City of Norco acting as the Lead Agency has determined that the project is categorically exempt from California Environmental Quality Act (CEQA) and the City of Norco Environmental Guidelines pursuant to Class 3.

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

A. The proposed Specific Plan Amendment is consistent with, and not contrary to, the Norco General Plan, the Zoning Code, and the Norco Auto Mall Specific Plan since the project changes regulations for uses already allowed by conditional use permit to be permitted uses, without eliminating the standard project review and conditioning process.

B. The project has been determined to be exempt from the California Environmental Quality Act and the City of Norco Environmental Guidelines pursuant to Section 3.13.

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

SECTION 1: Specific Plan 85-1, Norco Auto Mall Specific Plan is hereby amended as follows.

70. Permitted Uses

(1) Area A:

(c) Used automobile dealerships and accessory uses as an integral part of the operation of a used car dealership.

(2) Area B:

(a) Uses as permitted in Area A.

(3) Area C:

(a) Uses as permitted in Areas A and B.

(4) Area D:

Automotive/Vehicle/Vessel	
New Automobile Dealerships; and Accessory Uses (accessory uses only allowed as integral parts of, and under the same business operation as, the new automobile dealership).	*p*
Used Automobile Dealerships; accessory uses not permitted.	*c*
Fuel Service	*c*
Tire Sales and Service (does not include retreading, recapping, etc.)	*c*
Vehicle/Vessel Service	*c*
Animals/Pets	
Small Animal Hospitals and Veterinary Clinics	*c*
Dog Kennels	*c*
Grooming	*p*
Office	
Administrative, Business, and Professional Offices	*p*[1,5]

Charity and Philanthropic Institutions	*c*[1]
Financial, Insurance, Real Estate Offices	*p*[1]
General Offices	*p*[1,5]
Medical and Dental Offices	*p*[1]
Public and Community Facilities	
Auditoriums, Meeting Halls, Banquet Rooms, and Community Centers	*c*
Bus Terminals, Depots, and other similar transit facilities	*c*
Child Care Centers	*c*[1]
Churches and Religious Institutions	*c*[1]
Education Facilities (public and private)	*c*[1]
Government and Civic Uses	*c*[1]
Museums and Libraries	*c*[1]
Public Utility Uses	*c*[1]
Entertainment/Recreation	
Health Clubs	*c*
Indoor and Outdoor Recreation	*c*
Motel and Hotel	*c*
Theater (Indoor)	*p*
Medical Facilities	
Ambulance Services	*c*[1]
Hospitals and Healthcare Centers	*c*[1]
Laboratories (Medical and Dental)	*p*[1]
Retail	
Drug Store/Pharmacy	*p*
Furniture Stores	*p*
General and Specialized Retail	*p*
Grocery Stores/Markets	*p*
Home Improvement/Goods/Supplies/Appliances	*p*
On-Site and Off-Site Liquor Sales (hard liquor)	*c*[2]
On-Site and Off-Site Liquor Sales (beer and wine)	*p*
Plant Nursery	*p*
Reconditioned or Used Merchandise Stores	*c*
Service Commercial	
Banks	*p*
Locksmith	*p*
Mail Cargo Packaging/Processing Services	*p*
Printing Services	*p*
Repair Service (non-vehicle, vessel & non-motorized)	*p*
The processing, treatment, storage, or repair of products which are clearly incidental to, and part of, the business conducted on the premises.	*a*
Personnel Services	

Dry Cleaning, Tailoring, and Laundromats	*p*
Hair/Nail Salons, Barbers	*p*
Spa/Massage	*c*
Eating and Drinking Establishments	
Catering Establishments	*p*[4]
Deli/Bakery	*p*
Dine-in Restaurants	*p*
Drive-thru, Walk-up, and Outdoor Eating Establishments	*c*
Other	
Auction Establishments (not including livestock sales)	*c*
Radio and Television Broadcasting Studios	*c*[1]
Wireless Communication Facilities	*c*

"p"	*Permitted Use*
"c"	*Requires Approval of a Conditional Use Permit*
"a"	*Permitted as an Accessory Use*
--[1]	*To encourage more convenient access and visibility for entertainment, retail, restaurant, and service commercial uses, noted uses are not encouraged on urban arterial street frontages unless located on the second floor of mixed-use retail/commercial development.*
--[2]	*Conditionally permitted as an ancillary use only.*
--[3]	*Plant nurseries shall be permitted to have outdoor displays and sales as ancillary uses.*
--[4]	*Cannot be located on urban arterial street frontages unless the use is ancillary to a restaurant.*
--[5]	*Includes dispatch and office support services for the operation of taxicab/vehicles for hire businesses but does not include the storage, staging, standing, or parking of company vehicles on-site.*
	In the event that a use is not listed, and is not easily included in a listed category, at the discretion of the Planning Director, the use is determined to not be permitted. Through procedures established in Section 18.42 the Planning Commission may approve a Similar Use Application for said use.

(5) Existing Uses and Structures:
(6) Temporary Uses:

90. Site Development Regulations:

The following regulations (Sections 1-12) shall apply to the development of an automobile dealership in Areas A, B, C, or D. All other development in Areas A, B, or C shall be in accordance with the underlying zoning standards thereon. For development standards not addressed in Sections 1-12, the development standards of the C-G zone shall apply. For development in Area D that is not an automobile dealership the development standards of the C-G zone shall apply.

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

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

SECTION 4: POSTING: The Mayor shall sign this Ordinance and the City Clerk shall attest thereto and shall cause the same within 15 days of its passage to be posted at no less than five public places within the City of Norco.

PASSED AND ADOPTED by the City Council of the City of Norco at a regular meeting held January 16, 2013.

_____
Mayor of the City of Norco, California

ATTEST:

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

I, BRENDA K. JACOBS, City Clerk of the City of Norco, California, do hereby certify that the foregoing Ordinance was introduced at a regular meeting of the City Council of the City of Norco, California, duly held on December 5, 2012 and thereafter at a regular meeting of said City Council duly held on January 16, 2013, it was duly passed and adopted by the following vote of the City Council:

AYES:
NOES:
ABSENT:
ABSTAIN:

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the official seal of the City of Norco, California, on January 16, 2013.

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

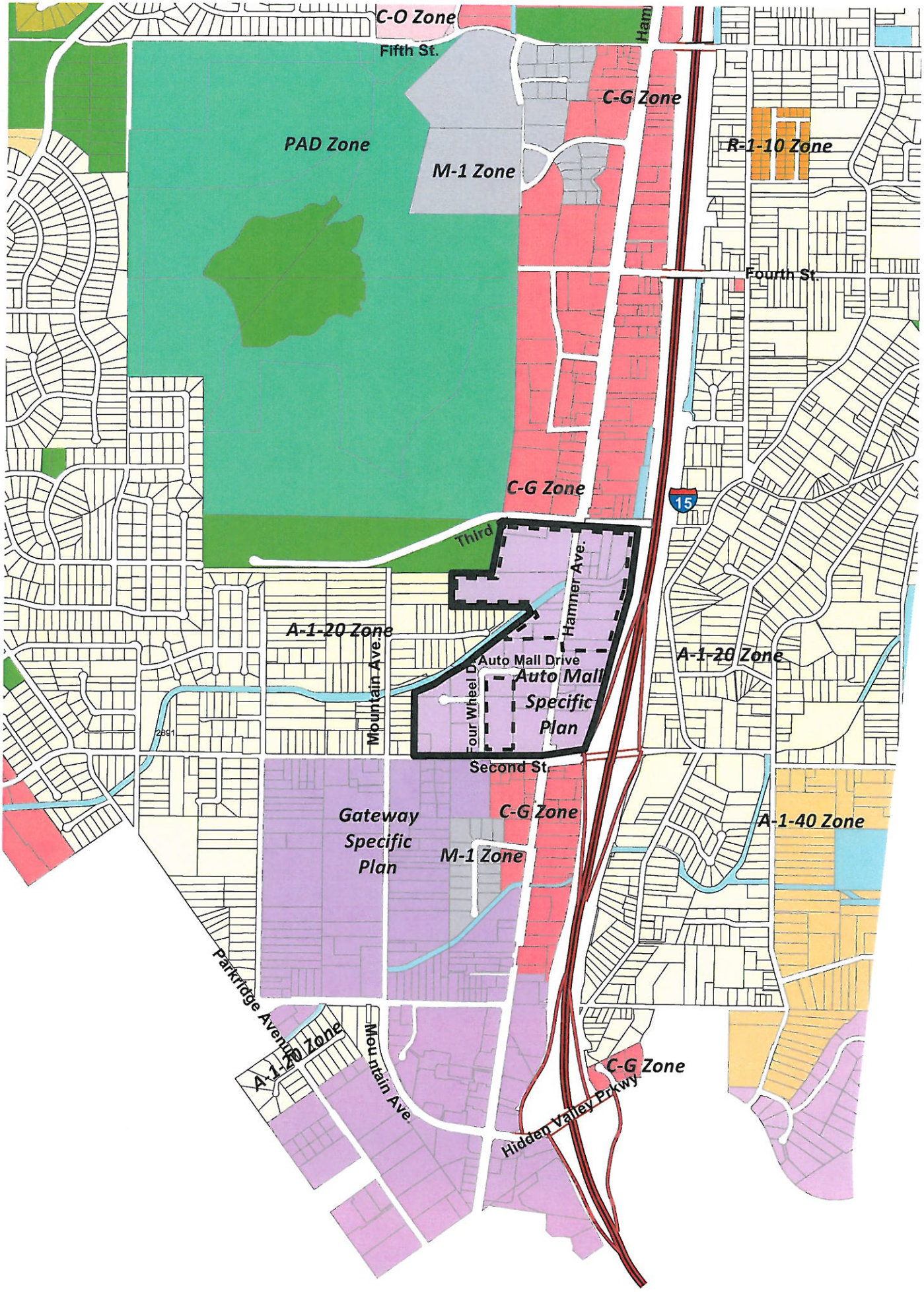

C-O Zone
Fifth St.
C-G Zone
PAD Zone
M-1 Zone
R-1-10 Zone
Fourth St.
C-G Zone
15
Third
Hamner Ave.
A-1-20 Zone
Mountain Ave.
Auto Mall Drive
Auto Mall Specific Plan
Four Wheel D
A-1-20 Zone
Second St.
Gateway Specific Plan
C-G Zone
M-1 Zone
A-1-40 Zone
Parkridge Avenue
A-1-20 Zone
Mountain Ave.
C-G Zone
Hidden Valley Prkwy.

EXHIBIT "A"

NORCO AUTO MALL

EXISTING LAND USE DESIGNATIONS LEGEND

Area A (Underlying Zone: C-G)	57.06 Acres
Area B (Underlying Zone: M-1)	21.74
Area C (Underlying Zone: C-G)	5.08
	83.88

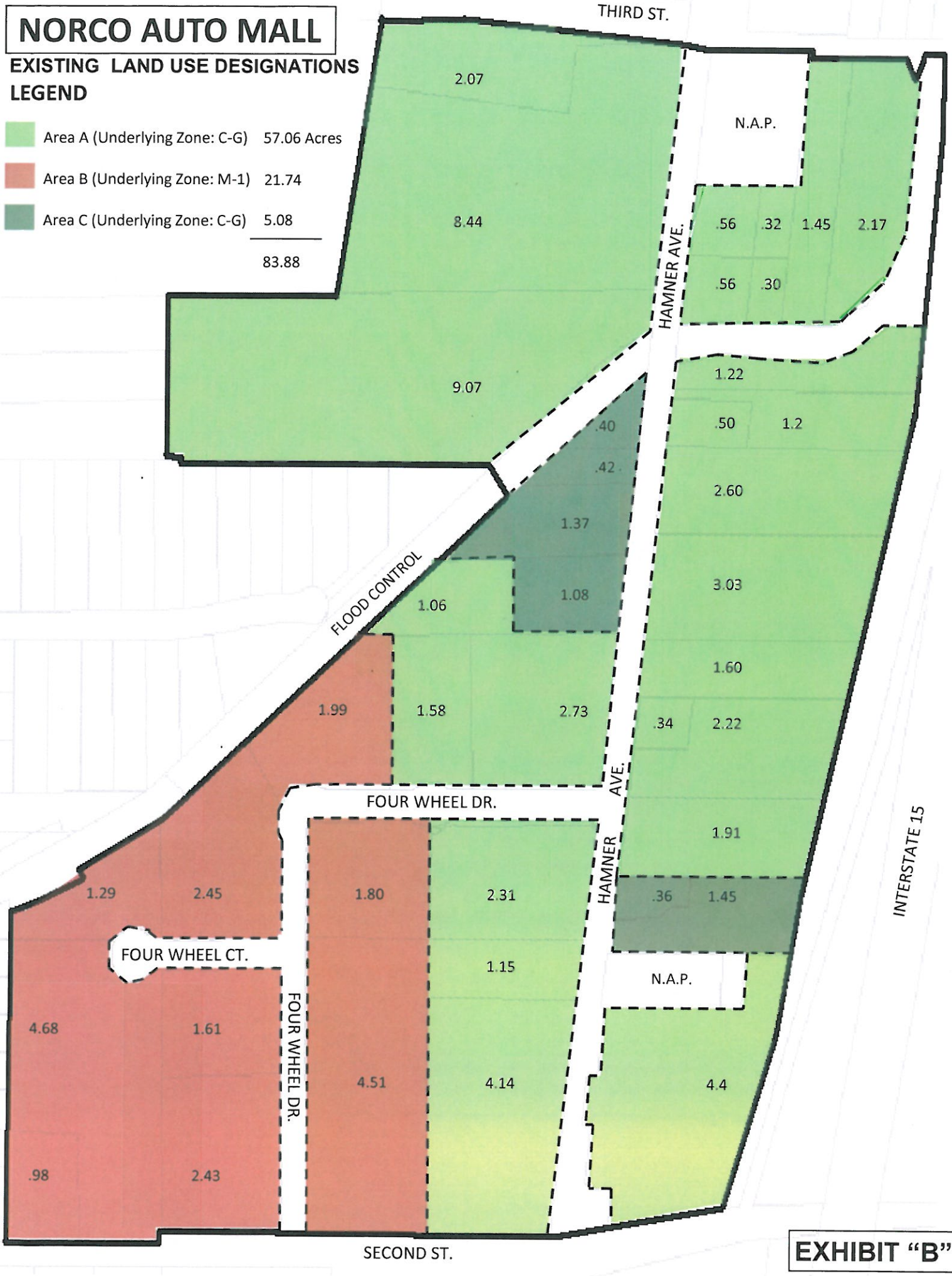


EXHIBIT "B"

NORCO AUTO MALL

PROPOSED LAND USE DESIGNATIONS
LEGEND

Area A (Underlying Zone: C-G)	27.22 Acres
Area B (Underlying Zone: M-1)	15.43
Area C (Underlying Zone: C-G)	1.81
Area D	39.42
	83.88

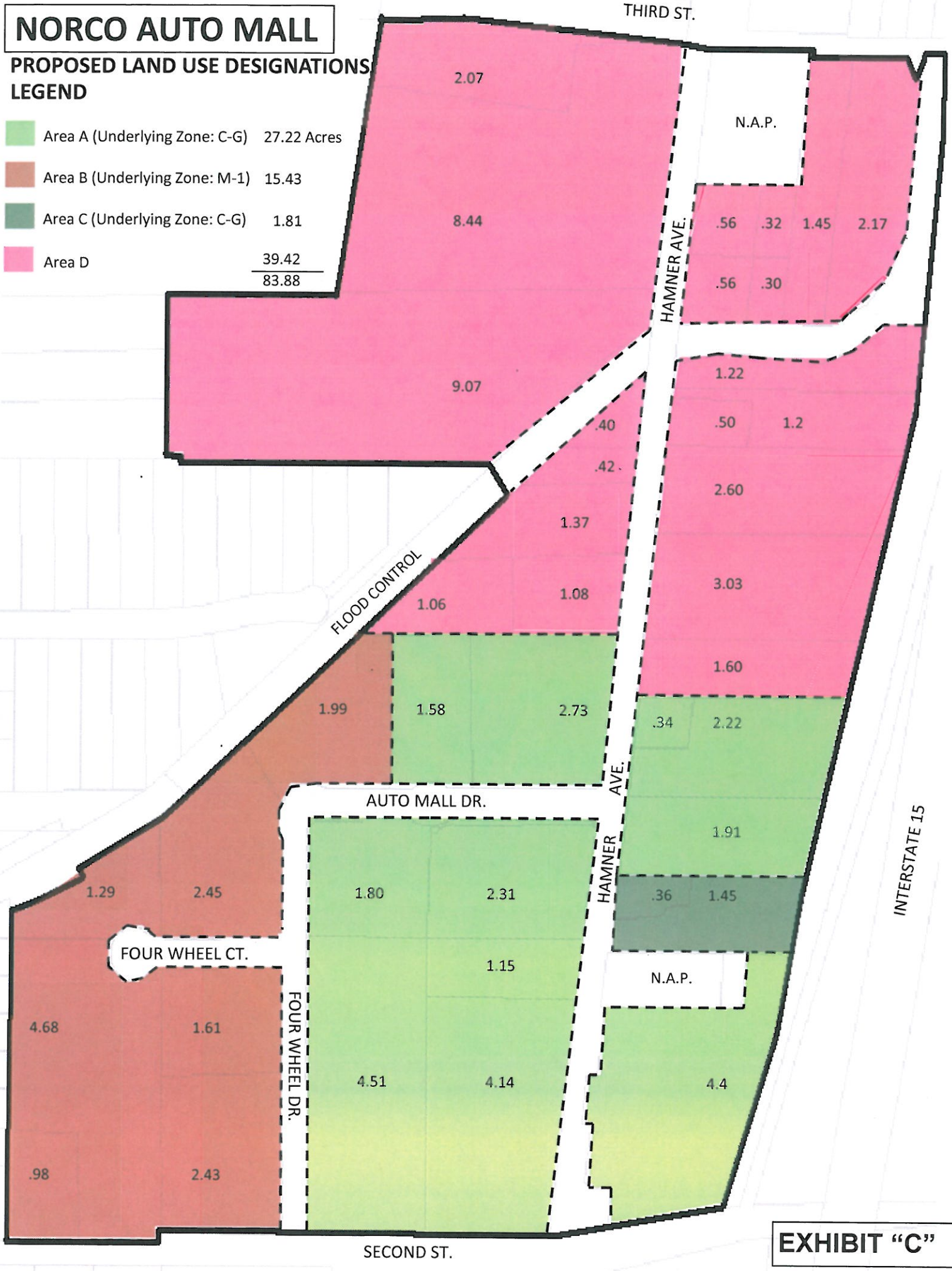


EXHIBIT "C"

MINUTES
CITY OF NORCO
JOINT CITY COUNCIL/PLANNING COMMISSION
SPECIAL MEETING
NORCO CITY HALL
CONFERENCE ROOMS "A" AND "B"
2820 CLARK AVENUE
MAY 30, 2012

---

1. CALL TO ORDER: Mayor Bash called the meeting to order at 6:30 p.m.

2. ROLL CALL:

Mayor Kevin Bash, **Present**
Mayor Pro Tem Kathy Azevedo, **Present**
Council Member Berwin Hanna, **Present**
Council Member Herb Higgins, **Absent**
Council Member Harvey C. Sullivan, **Present**

Chairman Robert Wright, **Present**
Vice Chairman Dave Henderson, **Present**
Commission Member Philip Jaffarian, **Absent**
Commission Member Robert Leonard, **Present**
Commission Member Patricia Hedges, **Present**

PLEDGE OF ALLEGIANCE: Lori Askew, Deputy Public Works Director/Senior Engineer

3. PUBLIC COMMENTS OR QUESTIONS: NONE

4. CITY MANAGER REMARKS:

City Manager Groves stated that the joint meeting was directed by the City Council, adding that from a staff perspective, cities plan for many things but the key issues have to do with zoning. She noted that the goal as a result of the meeting is to prioritize.

5. ROUND TABLE DISCUSSION – CITY COUNCIL AND PLANNING COMMISSION:

The City Council Members and Planning Commission Members each provided input and agreed that the key issues are completing the circulation element and zoning. Brief comments were also heard from the public in attendance.

City Manager Groves stated that the two key projects that will take priority at this time as a result of the discussions will be to address 1.) Sixth Street issues through the normal Planning Commission process, 2.) Relooking the Auto Mall zone, and 3.) Designation of a Hospitality zone in specific locations from Sixth Street to the Santa Ana River. She further stated that, to enable better communication, the City Council and Planning Commission will each designate two Members to serve on a working group after the new fiscal year begins in July to work through these priorities and define the specifics.

6. ADJOURNMENT: There being no further business to come before the City Council and Planning Commission, Mayor Bash adjourned the special meeting at 9:00 p.m.

/bj-81236

EXHIBIT "D"

CITY OF NORCO
STAFF REPORT

TO:	Honorable Mayor and Members of the City Council
FROM:	Beth Groves, City Manager
PREPARED BY:	Steve King, Planning Director
DATE:	December 5, 2012
SUBJECT:	Zone Code Amendment 2012-05, Specific Plan 90-01 (Gateway), Amendment No. 11, Specific Plan 85-1 (Norco Auto Mall) Amendment No. 7, and Specific Plan 91-02 (Norco Hills) Amendment No.4 (City of Norco): A City-initiated proposal to amend the text of Chapter 18.29 of the Norco Municipal Code entitled Commercial General (C-G) Zone, the text of the Gateway Specific Plan, the text of the Norco Auto Mall Specific Plan, and the text of the Norco Hills Specific Plan to remove car washes as permitted and/or conditionally permitted uses in each of their corresponding zones.
RECOMMENDATION:	The Planning Commission adopted Resolutions 2012-44, 2012-45, 2012-46, 2012- 46, and 2012-47 recommending approval. The City Council is recommended to adopt **Ordinance No. 955 for first reading**, approving Zone Code Amendment 2012-05, Specific Plan 90-01 Amendment 11, Specific Plan 85-1 Amendment 7, Specific Plan 91-02 Amendment 4.

SUMMARY: This ordinance is a City-initiated proposal to remove car washes as permitted uses City-wide and would make existing car washes non-conforming uses subject to those provisions.

BACKGROUND: The City Council directed that staff process a zone code amendment to eliminate new car washes throughout the City. This direction was based on the determination that the City already has an over-concentration of car washes and that like storage unit facilities, car washes eat up valuable commercial property without providing any sales tax revenue.

ANALYSIS: The C-G Zone, the Gateway Specific Plan, the Norco Auto Mall Specific Plan and the Norco Hills Specific Plan are the zones/specific plan areas that make provision for allowing car washes in the City:

CAR WASHES	P	CUP
C-G Zone		✓
Gateway Specific Plan, Commercial District		✓
Auto Mall Specific Plan, Area A		✓
Auto Mall Specific Plan, Area B	✓	
Auto Mall Specific Plan, Area C	✓	
Norco Hills Specific Plan, Commercial District		✓

The Planning Commission adopted resolutions recommending that car washes be removed as permitted or conditionally-permitted uses City-wide (G-G zone, Gateway S.P., Auto Mall S.P., Norco Hills S.P). This includes ancillary car washes attached to an otherwise permitted primary use such as a gas station, and it also includes self-service car washes. All existing car washes would become non-conforming uses and would be subject to the provisions that regulate those uses. The primary effect of becoming a non-conforming use is that any proposed expansion of use would require approval of a conditional use permit:

> *Section 18.39.06*
>
> *A non-conforming use shall not be enlarged, altered, or moved to another portion of the lot unless approved by a conditional use permit.*

The elimination of car washes is similar to the action taken several years ago when the C-G zone was created to replace the C-2 and C-3 zones. That action occurred just prior to the expiration of a moratorium on used car lots and storage unit facilities in the City. With the adoption of the C-G zone, storage unit facilities were eliminated entirely from the zoning code.

At that time the City recognized the need for a strong financial tax base to maintain the animal-keeping lifestyle. The Hamner Avenue Corridor Study was done to guide the City in attracting the uses needed to enhance its commercial base. The study examined the development opportunities and constraints along with recommendations to improve conditions that would make the corridor more unified, functional, and compatible, and thereby more marketable for commercial development.

One of the results of the Study was the elimination of storage unit facilities as a permitted or conditionally-permitted use. They were eliminated because:

1) The uses remove valuable commercial property from generating sales tax;
2) The uses are unsightly and incompatible to the types of uses the City hopes to attract in its commercial zones.

For these same reasons car washes can also be determined as incompatible. In addition, car washes can create noise impacts that are equally undesirable to a commercial environment conducive to the attraction of quality development.

The Planning Commission concurred in its recommendations. One Planning Commission member was in objection to the proposed revisions as they were drafted because it was that member's conclusion that a complete elimination was not the correct way to proceed. The remaining four members voted to support the Planning Commission recommendation as presented.

Attachments: Ordinance No. 955

ORDINANCE NO. 955

A ORDINANCE OF THE CITY COUNCIL OF THE CITY OF NORCO APPROVING ZONE CODE AMENDMENT 2012-05, SPECIFIC PLAN 90-01 AMENDMENT 11, SPECIFIC PLAN 85-1 AMENDMENT 7, AND SPECIFIC PLAN 91-02 AMENDMENT 4 TO REMOVE CAR WASHES AS PERMITTED AND/OR CONDITIONALLY PERMITTED USES. ZCA 2012-05, SP 90-01 AMD. 11, SP 85-1 AMD. 7, SP 91-02 AMD. 4.

WHEREAS, the CITY OF NORCO initiated Zone Code Amendment 2012-05, Amendment 11 to Specific Plan 90-01 (Gateway), Amendment 7 to Specific Plan 85-1 (Auto Mall), and Amendment 4 to Specific Plan 91-02; and

WHEREAS, the Amendments were duly submitted to said City's Planning Commission for decision at a public hearing for which proper notice was given; and

WHEREAS, the said Amendments were scheduled for public hearing on October 10, 2012 on or about 7 p.m. in the Council Chambers at 2820 Clark Avenue, Norco, California 92860; and

WHEREAS, at the time set, the Planning Commission held a public hearing and received both oral and written testimony pertaining to said Amendments; and

WHEREAS, based on findings of fact said Planning Commission adopted Resolutions 2012-44, 2012-45, 2012-46, and 2012-47 recommending to the City Council that said Amendments be approved; and

WHEREAS, the said Amendments were duly submitted to City Council for decision at a public hearing for which proper notice was given; and

WHEREAS, the said Amendments were scheduled for public hearing on December 5, 2012 on or about 7 p.m. in the Council Chambers at 2820 Clark Avenue, Norco, California 92860; and

WHEREAS, at the time set, the City Council held a public hearing and received both oral and written testimony pertaining to said Amendments; and

WHEREAS, the City of Norco acting as the Lead Agency has determined that the project is categorically exempt from California Environmental Quality Act (CEQA) and the City of Norco Environmental Guidelines pursuant to Class 3.

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

A. Proposed Zone Code Amendment 2012-05, Amendment 11 to Specific Plan 90-01, Amendment 7 to Specific Plan 85-1, and Amendment 4 to Specific Plan 91-02 is consistent with, and not contrary to, the Norco General Plan, the Zoning Code, and the Gateway, Norco Auto Mall, and Norco Hills Specific Plans since the project changes regulations by eliminating currently permitted uses that are not primary to any of the affected land use districts.

B. The proposed amendments remove a land use that otherwise does not financially benefit the City or the implementation of the affected zoning districts or the Hamner Corridor Study.

C. The project has been determined to be exempt from the California Environmental Quality Act and the City of Norco Environmental Guidelines pursuant to Section 3.13.

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

SECTION 1:

Section 18.29.20, is hereby amended as follows:
Permitted Uses:

Automotive/Vehicle/Vessel	
Fuel Service	*c*
Tire Sales and Service (not including retreading and recapping)	*c*
Vehicle/Vessel Service	*c*

Specific Plan 90-01 (Gateway), Appendix C is hereby amended as follows:

APPENDIX C			
SUMMARY OF PERMITTED (X) AND CONDITIONALLY PERMITTED (O) USES			
	COMMERCIAL	*OFFICE*	*INDUSTRIAL*
Auto Service (Including motorcycles, boats, trailers, campers)			
a) Sales (with ancillary repair facilities)	*O*		
b) Rentals	*O*		
c) Automobile repair and services	*O*		
d) Parts and supplies	*O*		

Specific Plan 85-1 (Auto Mall) is hereby amended as follows:
70. Permitted Uses
(2) Area B:
(a) Uses as permitted in Area A.
(b) Other vehicle sales.
(c) Vehicle repair. Subject to the following limitations:

(i) All mechanical repair and body repair, upholstering, etc. of vehicle shall be conducted within the confines of a building.
(ii) All vehicle painting shall be conducted within a specifically designed paint booth.
(iii) All performance standards contained in the Norco Municipal Code and Noise Element of the General Plan shall be met.

(d) Vehicle parts and supplies
(e) Vehicle renting
(f) Machine shop and tooling for vehicle repair services.
(g) Testing and diagnostic labs
(h) Vehicle Storage areas (exclusive of impound yards)
(i) Service stations meeting all requirements of Chapter 18.33 of the Norco Zone Code.

Specific Plan 91-02 (Norco Hills) is hereby amended as follows:
Chapter III – "Development regulations"
Section C - "Regulations"
Subsection 2 – "Neighborhood Commercial District"
c. Uses Which May Be Permitted with a Conditional Use Permit:

The following uses may be permitted subject to the approval of a Conditional Use Permit, as provided in Chapter 18.45 (CONDITIONAL USE PERMITS).

1) Public Schools.
2) Private schools providing educations as required under the California State Education Code.
3) Day nurseries or nursery schools.
4) Churches, temples or other places used exclusively for religious worship.
5) Public utility uses, both publicly and privately owed.
6) Governmental and civic uses.
7) Hospitals, sanitariums, convalescent and rest homes
8) Clubs, museums and libraries.
9) Institutions of a philanthropic nature.
10) Athletic, sport and recreation uses.
11) Small animal clinics and hospitals.
12) Drive-in, walk-up, and other outdoor restaurants. No drive-thru restaurants will be permitted.
13) Any establishment entailing the on-premise sale of liquor.
14) Farrier at a fixed place of business to be operated wholly or partially for farrier purposes.

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

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

SECTION 4: POSTING: The Mayor shall sign this Ordinance and the City Clerk shall attest thereto and shall cause the same within 15 days of its passage to be posted at no less than five public places within the City of Norco.

PASSED AND ADOPTED by the City Council of the City of Norco at a regular meeting held January 16, 2013.

_____
Mayor of the City of Norco, California

ATTEST:

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

I, BRENDA K. JACOBS, City Clerk of the City of Norco, California, do hereby certify that the foregoing Ordinance was introduced at a regular meeting of the City Council of the City of Norco, California, duly held on December 5, 2012 and thereafter at a regular meeting of said City Council duly held on January 16, 2013, it was duly passed and adopted by the following vote of the City Council:

AYES:
NOES:
ABSENT:
ABSTAIN:

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the official seal of the City of Norco, California, on January 16, 2013.

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

CITY OF NORCO
STAFF REPORT

TO: Honorable Mayor and Members of the City Council

FROM: Beth Groves, City Manager

PREPARED BY: Lori J. Askew, Deputy Director of Public Works/Senior Engineer

DATE: December 5, 2012

SUBJECT: City-Initiated Proposal to Amend Title 18 of the Norco Municipal Code by Amending the Provisions of Chapter 18.28 Entitled "P-E Zone Pedestrian-Equestrian Trails", to Amend Materials Permitted in the Trails and Clarify Where Alternative Materials are Approved. (Code Change 2012-03)

RECOMMENDATION: Adopt **Ordinance No. 956** for first reading.

SUMMARY: Adoption of this City initiated zone code amendment would restrict the use of impervious materials in the P-E Zone and Pedestrian-Equestrian Trails; except for drainage related improvements and to control erosion.

BACKGROUND/ANALYSIS: The City of Norco originated initial discussions to evaluate alternative trail materials in 2001 after staff had received a number of individual requests to install alternative materials within the equestrian trail at driveway crossings in order to reduce storm runoff erosion. The majority of the requests were from property owners with driveway grades/slopes greater than 4%. Staff had also received requests to restrict property owners with existing asphalt driveways from resurfacing with a slurry type material.

In 2002, staff initiated two pilot test sites utilizing rubber block pavers. The installations were completed on Sixth Street at two locations; the west driveway of Ranchland Market, and at the Norco Fire Station. Unfortunately the rubber pavers failed at both locations and were removed and replaced with Stalok, a polymer coated crushed stone product.

Shortly thereafter, a committee was formed to install and evaluate a number of materials and report the findings to the Streets and Trails Commission. Pilot test sites were established for multiple soil mixture types, railroad ties, turf, polymer binders, rubber pavers, and interlocking brick pavers. The process to research, install and evaluate materials was completed in September of 2005, when the City Council approved revisions to City of Norco, Standard Drawing No. 700 to include two new types of alternative trail materials; 1.) a mixture of decomposed granite (DG) and cement (soil cement); and 2.) a polymer coated crushed stone (Stalok). The City of Norco Zoning Code, Chapter 18.28 was also amended to add and clarify the types of material permitted to be placed in the trail.

In March of 2007, shortly after the initial design incorporating the interlocking pavers was introduced, the City Council approved the use of driveway pavers as an alternative material, restricted to driveways only.

At its meeting on June 15, 2011, the City Council suspended the issuance of interlocking paver installation permits for residential driveways and requested that the Streets, Trails and Utilities Commission review the issue.

The Streets, Trails, and Utilities Commission discussed and reviewed Equestrian Trail Standard Drawing No. 700, as it relates to driveway pavers at their August 1, 2011 and December 5, 2011 meetings. Discussion revolved around the existing paver installation process and recommendations to modify the installation standard, and also include wording on the encroachment permit that would require maintenance to be done on improvements within the public right-of-way.

On March 5, 2012, the Streets, Trails and Utilities Commission considered the paver issue with the prior meeting's recommendations having been analyzed and incorporated where appropriate. Wording was inserted as a note on the standard drawing that property owners are required to maintain the integrity of the pavers and general maintenance including weeding and debris removal. Equestrian Trail Standard No. 700 was modified to include a "wet set" edge requirement to eliminate the railroad ties and concrete along the borders in residential applications. The paver's top surface requires a chamfered edge and "tumbled" exposed top surface. The lay patterns had been reevaluated to minimize the area of potential slippage. The commission affirmed the wording in Chapter 18.28 of the Norco Municipal Code which discusses of the percentage of slope versus erosion issues and grants authority to the Public Works Director to use his discretion on placement of impervious materials in the trails. The Streets, Trails and Utilities Commission unanimously recommended the changes made to the equestrian trail standard be approved by City Council.

On November 7, 2012, staff presented a revised Standard Drawing No. 700, to City Council with the incorporation of the recommended changes from the Streets, Trails and Utilities Commission. Staff requested the City Council lift the suspension on the issuance of permits for pavers in the P-E trail for residential applications. Permits would be issued to put pavers in the trail by following the new standards.

City Council voted 4-1 to deny lifting the suspension of pavers for residential driveways and bring back language for revising the ordinance to eliminate concrete and asphalt in the trails; and require all non-permitted pavers be removed.

Staff has further reviewed Chapter 18.28, "P-E Zone Pedestrian-Equestrian Trails" of the Norco Municipal Code. Section 18.28.16 "Encroachment for Driveways", prohibits concrete material to surface a driveway across the P-E Zone. However, further along in the section it allows for impervious material to be placed in the trail under certain conditions. Staff has attempted to clarify the wording in this section to keep the prohibition of the use of concrete and asphalt material to surface a driveway across the P-E Trail, but to allow for methods to control erosion if it occurs along a portion of the trail.

Since 2007, when pavers were first allowed to be placed over the P-E Trail, 82 Encroachment Permits have been issued for residential applications. Section 18.28.08 (e) has been added to this Chapter to address these permitted encroachments.

FINANCIAL IMPACT: None

Attachments: Redlined changes to NMC Chapter 18.28
Ordinance No.956

Chapter 18.28
P-E ZONE PEDESTRIAN-EQUESTRIAN TRAILS

Sections:

18.28.02 Intent and Purpose.
18.28.04 Applicability of Regulations.
18.28.06 Permitted Uses.
18.28.08 Limitation of Uses and Violation--Penalties.
18.28.14 Designation of ~~pedestrian~~Pedestrian-Equestrian Trails.
18.28.16 Encroachment for Driveways.

18.28.02 Intent and Purpose.

This zone is intended to establish, within existing public easements and rights-of-way and within private access easements, a zone and use that is compatible with and which will encourage the development of City of Norco as a community which emphasizes equestrian activities and which will safeguard the public by providing regulated pedestrian - equestrian-~~pedestrian~~ trails.

18.28.04 Applicability of Regulations.

There is hereby created a zone classification, up to twelve (12) feet in width, over certain existing public easements and rights-of-way and within private access easements as designated on the official zoning map, within which pedestrian-equestrian trails are established to the exclusion of such other uses of land as may be in conflict therewith.

18.28.06 Permitted Uses.

There shall be permitted within the P-E Zone, pedestrian and equestrian traffic, as well as any bicycle or other device moved by human or equestrian propulsion.

18.28.08 Limitation of Uses and Violation--Penalties.

(1) It shall be unlawful for any motor-driven vehicle or motor-driven device to park, ride or drive upon a P-E Zone, except as may be necessary to enter a driveway, exit from a driveway, or perform necessary maintenance of the pedestrian-equestrian trails. No above grade structure, other than necessary fencing and maintenance facilities, shall be permitted within a P-E Zone.

(2) The use of surfacing materials other than those authorized by this Section shall constitute a threat to the public health, safety and general welfare, and pursuant to the City's police power, said threat is hereby declared a public nuisance, which nuisance shall be abated.

Every person who maintains, permits, or allows a public nuisance to exist upon his or her property or premises, and every person occupying or leasing the property or premises of another who maintains, permits or allows a public nuisance to exist thereon, after reasonable notice in writing from the City Attorney to remove, discontinue or abate the same has been served upon such person is guilty of a violation in accordance with Code Section 1.04. It shall be the duty of the City Attorney to prosecute all persons

guilty of violating this Section by continuous prosecutions until the nuisance is abated and removed. (Amended by Ord. 639, Sec. 1, 1991; Ord. 527, Sec. 4, 1984; Ord. 417, Sec. 6, 1978)

18.28.14 Designation of pedestrian –Equestrian Trails.

The City Engineer/Director of Public Works shall cause the placing of directional signs and other appropriate traffic control devices as may be warranted to designate pedestrian-equestrian trails and to provide for safe and appropriate crossing along the designated City street system.

18.28.16 Encroachment for Driveways.

(1) The use of any impervious ~~concrete~~ material to surface a driveway across the Pedestrian-Equestrian Zone, trail or public right-of-way within the "A" Zone shall be prohibited, except as provided in subsection (2)(c) hereof~~.~~

The installation of decomposed granite as specified in (a) below is the only ~~and use of the following~~ approved material~~s~~ allowed at ~~in~~ the intersection of driveways, trails and the public rights-of-way. Other materials as listed in (b) and (c) may be requested as an alternative to decomposed granite and must follow Trail Standards and Specifications as established by the City Engineer. An encroachment permit is required for these alternative materials.~~:~~

(a) Decomposed granite ~~to City standard.~~ conforming to ½" Gradation per Section 200-1.2 "Crushed Rock and Rock Dust" of the Greenbook, current edition.

(b) Slag or steel slag ~~with a 1/2 inch size maximum less or in combination to a No. 200 sieve minimum.~~conforming to gradation of decomposed granite as specified in (a) above.

(c) Impervious Material.
- (i) Asphalt
- (ii) Concrete
- (iii) Soil Cement
- (iv) Polymer Coated Crushed Stone pathway Mix
- (v) Wood
- (vi) Others as approved

(d~~c~~) Property owners wishing to replace trail material with other than subsections (a) and (b) herein must ensure that the material conforms to the specifications established by the Public Works Director, which shall be confirmed by the Streets and Trails Commission and approved by the City Council. ~~Other~~ These proposed materials shall not constitute a threat to the public health, safety, and general welfare including equestrian safety.

(e) Impervious material placed over driveway crossings of P-E trails, by benefit of an encroachment permit, shall be permitted to stay as long as the crossing remains in good repair. No expansion or modifications may be made to the crossing;

(2) If drainage facilities approved by the City Engineer are installed across a trail at a driveway location, ~~asphalt or steel slag~~an impervious materilal with a Class 2 Base may be used to cover said facilities in certain portions of the Pedestrian-Equestrian zone, trail or public right-of-way as follows, provided that a minimum 4" of decomposed granite can be placed over the structural section:

(a) Pedestrian-Equestrian Zone or Trail. Impervious material shall not be used to surface a driveway for a distance of twelve (12) feet from the property line along the alignment of such driveway, except as provided in subsection (~~c~~b) hereof.

~~(b) Public Right-of-Way. Impervious material shall not be used to surface a driveway for a distance of six (6) feet from the property line along the alignment of such driveway except as provided in subsection (c) hereof.~~

(~~c~~b) Exceptions: In the "A" zones and "C" zones, ~~asphalt~~ impervious material, with a Class 2 Base, may be used to surface a driveway within said distance of twelve (12) feet in the Pedestrian-Equestrian Zone or Trail ~~and within said distance of six (6) feet in the public right-of-way~~ subject to conditions as follows:

(i~~1~~) If the natural or graded slope perpendicular to the street exceeds ~~fifteen~~ twelve percent (1~~5~~2%) and/or the City Engineer determines that a severe erosion problem exists and that an impervious driveway is necessary, then an ~~asphalt~~ impervious material driveway may be installed in accordance with street standards of the City.

(ii~~2~~) In the "C" zones, ~~asphalt~~ impervious material may be used to surface a driveway within said distance of twelve (12) feet in the Pedestrian-Equestrian Zone or Trail; and within said distance of six (6) feet in the public right-of-way.

(iii~~3~~) In the "A" zones and "C" zones, impervious material ~~(concrete, asphalt or comparable)~~ designated by the Director of Public Works may be used to surface a driveway within a distance of six (6) feet within the ~~tree median~~parkway, provided that a Pedestrian-Equestrian Zone or Trail and ~~tree median~~parkway exists fully improved to standards of the City.

(iv~~4~~) In the parkway, wooden baffle boards fixed into the ground may be installed at an angle of 60 degrees to 90 degrees, whichever is more effective, to divert erosive water from the parkway into the concrete gutter. The baffle boards may be 4 x 4's, railroad ties or poles, provided that they do not project above the ground more than four (4) inches, and provided that they are installed not less than eight (8) feet apart.

(v~~5~~) In the "A" zones and "C" zones, asphalt or concrete curb ramps at ~~corners~~ street intersections shall be allowed for compliance with Americans with Disability~~ies~~ Act requirements for accessibility.

(d) Discretion of Director of Public Works. With respect to distance, slope and use of impervious material, all determinations shall be made by and shall be solely in the discretion of the Director of Public Works or his duly authorized representative.

~~The use of surfacing materials other than those authorized by this Section shall constitute a threat to the public health, safety and general welfare, and pursuant to the City's police power, said threat is hereby declared a public nuisance, which nuisance shall be abated.~~

~~Every person who maintains, permits, or allows a public nuisance to exist upon his or her property or premises, and every person occupying or leasing the property or premises of another who maintains, permits or allows a public nuisance to exist thereon, after reasonable notice in writing from the City Attorney to remove, discontinue or abate the same has been served upon such person is guilty of a violation in accordance with Code Section 1.04. It shall be the duty of the City Attorney to prosecute all persons guilty of violating this Section by continuous prosecutions until the nuisance is abated and removed.~~

ORDINANCE NO. 956

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF NORCO, CALIFORNIA, AMENDING THE TEXT OF THE NORCO MUNICIPAL CODE, CHAPTER 18.28 "P-E ZONE, PEDESTRIAN-EQUESTRIAN TRAILS" TO AMEND THE MATERIALS PERMITTED IN THE TRAILS AND CLARIFY WHERE ALTERNATIVE MATERIALS ARE APPROVED

WHEREAS, the City-initiated Code Change is an amendment to Chapter 18.28of the Norco Municipal Code entitled "P-E Zone, Pedestrian-Equestrian Trails" to amend and clarify the materials permitted to be placed in the pedestrian-equestrian trail; and

WHEREAS, the said amendments were duly submitted to City Council for decision at a public hearing for which proper notice was given; and

WHEREAS, the said amendments were scheduled for a public hearing on the 5th day of December, 2012 on or about 7:00 p.m. in the City Council Chambers, at 2820 Clark Avenue, Norco California 92860; and

WHEREAS, at the time set, the City Council held a public hearing and received both oral and written testimony pertaining to said Amendments.

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

Sections:

18.28.02 Intent and Purpose.
18.28.04 Applicability of Regulations.
18.28.06 Permitted Uses.
18.28.08 Limitation of Uses and Violation--Penalties.
18.28.14 Designation of Pedestrian-Equestrian Trails.
18.28.16 Encroachment for Driveways.

18.28.02 Intent and Purpose.
This zone is intended to establish, within existing public easements and rights-of-way and within private access easements, a zone and use that is compatible with and which will encourage the development of City of Norco as a community which emphasizes equestrian activities and which will safeguard the public by providing regulated pedestrian - equestrian- trails.

18.28.04 Applicability of Regulations.
There is hereby created a zone classification, up to twelve (12) feet in width, over certain existing public easements and rights-of-way and within private access easements as designated on the official zoning map, within which pedestrian-equestrian trails are established to the exclusion of such other uses of land as may be in conflict therewith.

18.28.06 Permitted Uses.
There shall be permitted within the P-E Zone, pedestrian and equestrian traffic, as well as any bicycle or other device moved by human or equestrian propulsion.

18.28.08 Limitation of Uses and Violation--Penalties.
(1) It shall be unlawful for any motor-driven vehicle or motor-driven device to park, ride or drive upon a P-E Zone, except as may be necessary to enter a driveway, exit from a driveway, or perform necessary maintenance of the pedestrian-equestrian trails. No above grade structure, other than necessary fencing and maintenance facilities, shall be permitted within a P-E Zone.

(2) The use of surfacing materials other than those authorized by this Section shall constitute a threat to the public health, safety and general welfare, and pursuant to the City's police power, said threat is hereby declared a public nuisance, which nuisance shall be abated.

Every person who maintains, permits, or allows a public nuisance to exist upon his or her property or premises, and every person occupying or leasing the property or premises of another who maintains, permits or allows a public nuisance to exist thereon, after reasonable notice in writing from the City Attorney to remove, discontinue or abate the same has been served upon such person is guilty of a violation in accordance with Code Section 1.04. It shall be the duty of the City Attorney to prosecute all persons guilty of violating this Section by continuous prosecutions until the nuisance is abated and removed. (Amended by Ord. 639, Sec. 1, 1991; Ord. 527, Sec. 4, 1984; Ord. 417, Sec. 6, 1978)

18.28.14 Designation of pedestrian –Equestrian Trails.
The City Engineer/Director of Public Works shall cause the placing of directional signs and other appropriate traffic control devices as may be warranted to designate pedestrian-equestrian trails and to provide for safe and appropriate crossing along the designated City street system.

18.28.16 Encroachment for Driveways.
(1) The use of any impervious material to surface a driveway across the Pedestrian-Equestrian Zone, trail or public right-of-way within the "A" Zone shall be prohibited, except as provided in subsection (2)(c) hereof

The installation of decomposed granite as specified in (a) below is the only approved material allowed at the intersection of driveways, trails and the public rights-of-way. Other materials as listed in (b) and (c) may be requested as an alternative to decomposed granite and must follow Trail Standards and Specifications as established by the City Engineer. An encroachment permit is required for these alternative materials.

(a) Decomposed granite conforming to ½" Gradation per Section 200-1.2 "Crushed Rock and Rock Dust" of the Greenbook, current edition.

(b) Slag or steel slag conforming to gradation of decomposed granite as specified in (a) above.

(c) Impervious Material.
(i) Asphalt (ii) Concrete
(iii) Soil Cement
(iv) Polymer Coated Crushed Stone pathway Mix
(v) Wood
(vi) Others as approved

(d) Property owners wishing to replace trail material with other than subsections (a) and (b) herein must ensure that the material conforms to the specifications established by the Public Works Director, which shall be confirmed by the Streets and Trails Commission and approved by the City Council. These proposed materials shall not constitute a threat to the public health, safety, and general welfare including equestrian safety.

(e) Impervious material placed over driveway crossings of P-E trails, by benefit of an encroachment permit, shall be permitted to stay as long as the crossing remains in good repair. No expansion or modifications may be made to the crossing;

(2) If drainage facilities approved by the City Engineer are installed across a trail at a driveway location, an impervious material with a Class 2 Base may be used to cover said facilities in certain portions of the Pedestrian-Equestrian zone, trail or public right-of-way as follows, provided that a minimum 4" of decomposed granite can be placed over the structural section:

(a) Pedestrian-Equestrian Zone or Trail. Impervious material shall not be used to surface a driveway for a distance of twelve (12) feet from the property line along the alignment of such driveway, except as provided in subsection (b) hereof.

(b) Exceptions: In the "A" zones and "C" zones, impervious material, with a Class 2 Base, may be used to surface a driveway within said distance of twelve (12) feet in the Pedestrian-Equestrian Zone or Trail subject to conditions as follows:

(i) If the natural or graded slope perpendicular to the street exceeds twelve percent (12%) and/or the City Engineer determines that a severe erosion problem exists and that an impervious driveway is necessary, then an impervious material driveway may be installed in accordance with street standards of the City.

(ii) In the "C" zones, impervious material may be used to surface a driveway within said distance of twelve (12) feet in the Pedestrian-Equestrian Zone or Trail; and within said distance of six (6) feet in the public right-of-way.

(iii) In the "A" zones and "C" zones, impervious material designated by the Director of Public Works may be used to surface a driveway within a distance of

six (6) feet within the parkway, provided that a Pedestrian-Equestrian Zone or Trail and parkway exists fully improved to standards of the City.

(iv) In the parkway, wooden baffle boards fixed into the ground may be installed at an angle of 60 degrees to 90 degrees, whichever is more effective, to divert erosive water from the parkway into the concrete gutter. The baffle boards may be 4 x 4's, railroad ties or poles, provided that they do not project above the ground more than four (4) inches, and provided that they are installed not less than eight (8) feet apart.

(v) In the "A" zones and "C" zones, asphalt or concrete curb ramps at street intersections shall be allowed for compliance with Americans with Disabilities Act requirements for accessibility.

(d) Discretion of Director of Public Works. With respect to distance, slope and use of impervious material, all determinations shall be made by and shall be solely in the discretion of the Director of Public Works or his duly authorized representative.

PASSED AND ADOPTED by the City Council of the City of Norco at a regular meeting held on January 16, 2013.

_____
Mayor 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 Ordinance was introduced at a regular meeting of the City Council of the City of Norco, California, duly held on December 5, 2012 and thereafter at a regular meeting of said City Council duly held on January 16, 2013, it was duly passed and adopted by the following vote of the City Council:

AYES:
NOES:
ABSENT:
ABSTAIN:

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the official seal of the City of Norco, California, on January 16, 2013.

_____
Brenda Jacobs, City Clerk
City of Norco, California