



## Regular Meeting Agenda July 25, 2023

Placentia City Council  
Placentia City Council Acting as Successor Agency to the  
Placentia Redevelopment Agency  
Placentia Industrial Commercial Development Authority  
Placentia Public Financing Authority

Mayor Ward L. Smith  
District 5

Mayor Pro Tem Jeremy B. Yamaguchi  
Councilmember  
District 3

Kevin Kirwin  
Councilmember  
District 2

Rhonda Shader  
Councilmember  
District 1

Chad P. Wanke  
Councilmember  
District 4

Robert S. McKinnell  
City Clerk

Kevin A. Larson  
City Treasurer

Damien R. Arrula  
City Administrator

Christian L. Bettenhausen  
City Attorney

**City of Placentia**  
**401 E. Chapman Avenue**  
**Placentia, CA 92870**

**Phone: (714) 993-8117**  
**Fax: (714) 961-0283**  
**Email:**  
**administration@placentia.org**  
**Website: www.placentia.org**

### *Mission Statement*

*The City Council is committed to keeping Placentia a pleasant place by providing a safe family atmosphere, superior public services and policies that promote the highest standards of community life.*

### *Vision Statement*

*The City of Placentia will maintain an open, honest, responsive, and innovative government that delivers quality services in a fair and equitable manner while optimizing available resources.*

Copies of all agenda materials are available for public review in the Office of the City Clerk, online at [www.placentia.org](http://www.placentia.org), and at the Placentia Library Reference Desk. Persons who have questions concerning any agenda item may call the City Clerk's Office, (714) 993-8231, to make inquiry concerning the nature of the item described on the agenda.

### **Procedures for Addressing the Council/Board Members**

Any person who wishes to speak regarding an item on the agenda or on a subject within the City's jurisdiction during the "Oral Communications" portion of the agenda should fill out a "Speaker Request Form" and give it to the City Clerk BEFORE that portion of the agenda is called. Testimony for Public Hearings will only be taken at the time of the hearing. Any person who wishes to speak on a Public Hearing item should fill out a "Speaker Request Form" and give it to the City Clerk BEFORE the item is called.

The Council and Board members encourage free expression of all points of view. To allow all persons the opportunity to speak, please keep your remarks brief. If others have already expressed your position, you may simply indicate that you agree with a previous speaker. If appropriate, a spokesperson may present the views of an entire group. To encourage all views, the Council and Board discourage clapping, booing or shouts of approval or disagreement from the audience.

PLEASE SILENCE ALL PAGERS, CELL PHONES, AND OTHER ELECTRONIC EQUIPMENT WHILE COUNCIL AND BOARD MEMBERS ARE IN SESSION.

### **Special Accommodations**

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 at (714) 993-8231. Notification 48 hours prior to the meeting will generally enable City Staff to make reasonable arrangements to ensure accessibility.  
(28 CFR 35.102.35.104 ADA Title II)

In compliance with California Government Code § 54957.5, any writings or documents provided to a majority of the City Council regarding any item on this agenda that are not exempt from disclosure under the Public Records Act will be made available for public inspection at the City Clerk's Office at City Hall, 401 East Chapman Avenue, Placentia, during normal business hours.

Study Sessions are open to the public and held in the City Council Chambers or City Hall Community Room. Executive Sessions are held in the Council Caucus Room. While the public may be in attendance during oral announcements preceding Executive Sessions, Executive Sessions are not open to the public.

**PLACENTIA CITY COUNCIL  
PLACENTIA CITY COUNCIL ACTING AS SUCCESSOR AGENCY TO THE  
PLACENTIA REDEVELOPMENT AGENCY  
PLACENTIA INDUSTRIAL COMMERCIAL DEVELOPMENT AUTHORITY  
PLACENTIA PUBLIC FINANCING AUTHORITY  
REGULAR MEETING AGENDA - CLOSED SESSION  
July 25, 2023  
5:30 p.m. – City Council Chambers  
401 E. Chapman Avenue, Placentia, CA**

**CALL TO ORDER:**

**ROLL CALL:** Councilmember/Board Member Kirwin  
Councilmember/Board Member Shader  
Councilmember/Board Member Wanke  
Mayor Pro Tem/Board Vice Chair Yamaguchi  
Mayor/Board Chair Smith

**ORAL COMMUNICATIONS:**

At this time, the public may address the City Council and Boards of Directors concerning any items on the Closed Session Agenda only. There is a five (5) minute time limit for each individual addressing the City Council and Boards of Directors.

The City Council and Boards of Directors will recess to the City Council Caucus Room for the purpose of conducting their Closed Session proceedings.

1. Pursuant to Government Code Section 54956.8  
**CONFERENCE WITH REAL PROPERTY NEGOTIATOR**  
Property: 207-209 W. Crowther Avenue  
Agency Negotiator: Damien R. Arrula, City Administrator  
Negotiating Party: Damien R. Arrula, City Administrator  
Under Negotiations: Price and Terms of Payment

**RECESS:** The City Council and Boards of Directors will recess to their 7:00 p.m. Regular Meeting.

**PLACENTIA CITY COUNCIL  
PLACENTIA CITY COUNCIL ACTING AS SUCCESSOR AGENCY TO THE  
PLACENTIA REDEVELOPMENT AGENCY  
PLACENTIA INDUSTRIAL COMMERCIAL DEVELOPMENT AUTHORITY  
PLACENTIA PUBLIC FINANCING AUTHORITY  
REGULAR MEETING AGENDA  
July 25, 2023  
7:00 p.m. – City Council Chambers  
401 E. Chapman Avenue, Placentia, CA**

**CALL TO ORDER:**

**ROLL CALL:** Councilmember/Board Member Kirwin  
Councilmember/Board Member Shader  
Councilmember/Board Member Wanke  
Mayor Pro Tem/Board Vice Chair Yamaguchi  
Mayor/Board Chair Smith

**INVOCATION:** Chaplain Sterling Bennett

**PLEDGE OF ALLEGIANCE:** Officer Isaias Caravez

**PRESENTATIONS:**

a. **Presentation to CERT Graduates**

Presenter: Mayor Smith

Recipients: CERT Graduates

**CLOSED SESSION REPORT:**

**CITY ADMINISTRATOR REPORT:**

**ORAL COMMUNICATIONS:**

At this time, the public may address the City Council and Boards of Directors concerning any agenda item, which is not a public hearing item, or on matters within the jurisdiction of the City Council and Boards of Directors. There is a five (5) minute time limit for each individual addressing the City Council and Boards of Directors.

**CITY COUNCIL/BOARD MEMBER COMMENTS:**

**1. CONSENT CALENDAR (Items 1.a. through 1.o.):**

All items on the Consent Calendar are considered routine and are enacted by one motion approving the recommended action listed on the Agenda. Any Member of the City Council and Boards of Directors or City Administrator may request an item be removed from the Consent Calendar for discussion. All items removed shall be considered immediately following action on the remaining items.

1.a. **Consideration to Waive Reading in Full of all Ordinances and Resolutions**

Fiscal Impact: None

Recommended Action: Approve

1.b. **City Fiscal Year 2022-23 and 2023-24 Registers for July 25, 2023**

**Check Register**

1) FY 22/23 - \$1,119,736.40

2) FY 23/24 - \$ 257,567.27

**Electronic Disbursement Registers**

Fiscal Impact:

1) FY 22/23 \$ 303,747.51

2) FY 23/24 \$ 1,115,148.38

Recommended Action: It is recommended that the City Council:

1) Receive and file

1.c. **Acceptance of Construction Work and Notice of Completion for the Santa Fe Avenue Outdoor Dining Platform Project**

Fiscal Impact: Expense: \$65,888.00 Original Construction Contract  
\$13,177.60 Approved Change Order No. 1  
\$79,065.60 Total Construction Cost  
Budgeted: \$150,000.00 Community Development Block Grant  
Fund (302534-6401, 232502-6401)

Recommended Action: It is recommended that the City Council:

- 1) Accept the work performed by Global Builders Inc., for the outdoor dining platform improvements on Santa Fe Avenue, for a grand total amount of \$79,065.60; and
- 2) Authorize the City Administrator to file a Notice of Completion with the Orange County Clerk-Recorder's Office for the Project; and
- 3) Authorize the City Administrator to release retention funds in accordance with the terms of the contract.

1.d. **Acceptance of Construction Work and Notice of Completion for Old Town Placentia Façade Improvement Project**

Fiscal Impact: Expense: \$ 205,838.00 Original Construction Contract  
\$ 12,536.26 Contract Change Orders No. 1-3  
\$ 218,374.26 Total Construction Cost  
Budgeted: \$ 226,421.80 Community Development Block Grant  
Fund (302535-6401 JL# 232501)

Recommended Action: It is recommended that the City Council:

- 1) Accept the work performed by Loengreen Inc., for the Old Town Placentia Façade Improvement Project, for a grand total amount of \$218,374.26; and
- 2) Authorize the City Administrator to file a Notice of Completion with the Orange County Clerk-Recorder's Office for the Project; and
- 3) Adopt Resolution No. R-2023-69, A Resolution of the City Council of the City of Placentia, California authorizing a budget amendment in Fiscal Year 2023-24 in compliance with City Charter of the City of Placentia §§1206 and 1209 pertaining to appropriations for actual expenditures; and
- 4) Authorize the City Administrator to release retention funds in accordance with the terms of the contract.

1.e. **Amendment to Joint Powers Agreement with Integrated Law & Justice Agency for Orange County**

Fiscal Impact: None

Recommended Action: It is recommended that the City Council:

- 1) Approve the Restated and Amended Joint Powers Agreement for Integrated Law & Justice Agency for Orange County (ILJAO); and
- 2) Authorize the City Administrator to execute the necessary documents, in a form approved by the City Attorney.

1.f. **Award of Construction Contract to Unlimited Environmental, Inc. for Demolition Work at 207 West Chapman Avenue**

Fiscal Impact: Expense: \$60,000 Total Construction Contract Amount  
\$ 6,000 Total Construction Contingency Amount  
\$66,000 Total Amount  
Budget: \$66,000 Affordable Housing Development Impact Fee  
Fund (682534-6099)

Recommended Action: It is recommended that the City Council:

- 1) Award a Construction Contract to Unlimited Environmental, Inc., for demolition work and asbestos abatement for 207 West Chapman Avenue in the amount of \$60,000; and
- 2) Reject all other bids received and authorize return of the bid bonds; and

- 3) Authorize the City Administrator to approve contract change orders up to ten percent (10%) of the contract amount, or \$6,000 for a total construction contract not-to-exceed amount of \$66,000; and
- 4) Adopt Resolution No. R-2023-68, A Resolution of the City Council of the City of Placentia, California authorizing a budget amendment in Fiscal Year 2023-24 in compliance with City Charter of the City of Placentia §§1206 and §§1209 pertaining to appropriations for actual expenditures; and
- 5) Authorize the City Administrator and/or his designee to execute all necessary documents, in a form approved by the City Attorney.

1.g. **Resolution Adopting the Annual Statement of Investment Policy for Fiscal Year 2023-24**

Fiscal Impact: None

Recommended Action: It is recommended that the City Council:

- 1) Adopt Resolution No. R-2023-66, a Resolution of the City Council of the City of Placentia, California, adopting the annual Statement of Investment Policy for the Fiscal Year 2023-24.

1.h. **Resolution Approving the Adoption of the Multiple Employer OPEB/Pension 115 Trust Administered by Shuster Advisory Group, LLC**

Fiscal Impact: Estimated savings of \$293,000 over 10-years, \$1.1 million over 20-years, and \$2.9 million over 30-years

Recommended Action: It is recommended that the City Council:

- 1) Adopt Resolution 2023-67 approving the adoption of the Multiple Employer OPEB/Pension 115 Trust administered by Shuster Advisory Group, LLC and the discontinuance of the City’s current participation in the PARS Post-Retirement Health Care Plan Trust administered by Public Agency Retirement Services (“PARS”) and U.S Bank; and
- 2) Direct staff to return to City Council with an update to Policy 431, “Section 115 Funding Policy”, incorporating an OPEB and pension mitigation funding strategy.

1.i. **Award of Construction Contract to Mark Company Asphalt and Concrete for the Crowther Avenue Street Resurfacing Project, Project No. 1401**

Fiscal Impact:

Expense:	\$259,865	Construction Contract
	\$ 25,986	Contingency Amount
Budgeted:	\$285,851	FY 2023-24 CIP Budget (719800-6740 JL#24101)

Recommended Action: It is recommended that the City Council:

- 1) Approve a Public Works Agreement for Project No. 1401 with Mark Company Asphalt and Concrete for an amount not-to-exceed \$259,865; and
- 2) Authorize the City Administrator to approve contract change orders up to 10% of the contract not-to-exceed amount, or \$25,986; and
- 3) Authorize the City Administrator and/or his designee to execute all necessary documents, in a form approved by the City Attorney.

1.j. **Approval of Plans & Specifications and Award of Construction Contract to PCN3, Inc., for Phase II Construction of the Placentia Public Safety Center Project No. 5213**

Fiscal Impact:

Expense:	\$ 9,888,000	Total Construction Contract Amount
	\$ 988,000	Total Construction Contingency Amount
		<u>\$10,876,000</u> Total Amount

Available

Budget: \$21,616,963 Fiscal Year 2023-24 CIP Budget

Recommended Action: It is recommended that the City Council:

- 1) Approve the engineered and architectural construction plans & specifications prepared by PBK Architects, Inc., and approve a Public Works Agreement with PCN3 Inc. for the

construction of Phase II of the Placentia Public Safety Center in the amount of \$9,888,000; and

- 2) Reject all other bids received and authorize return of the bid bonds; and
- 3) Authorize the City Administrator to approve contract change orders up to ten percent (10%) of the contract amount, or \$988,000 for a total construction contract not-to-exceed amount of \$10,876,000; and
- 4) Adopt Resolution No. R-2023-70, A Resolution of the City Council of the City of Placentia, California authorizing a budget amendment in Fiscal Year 2023-24 in compliance with City Charter of the City of Placentia §§1206 and §§1209 pertaining to appropriations for actual expenditures; and
- 5) Authorize the City Administrator and/or his designee to execute all agreements in a form approved by the City Attorney.

1.k. **Amendment No. 1 to the Professional Services Agreement with Geocon West Inc., for Geotechnical Testing and Inspection Services for the Placentia Public Safety Center**

Fiscal Impact:

Expense:	\$ 46,000	Amendment Increase
Available Budget:	\$ 5,007,150	FY 2022-23 CIP Budget (105213-6850 JL# 229999-6850)

Recommended Action: It is recommended that the City Council:

- 1) Approve Amendment No. 1 to the Professional Services Agreement with Geocon West, Inc.; and
- 2) Authorize the City Administrator to execute the agreement amendment in a form approved by the City Attorney.

1.l. **Purchase of Two (2) Public Works Service Trucks**

Fiscal Impact:

Expense:	\$85,767.38	Total Purchase Price
Budget:	\$90,000.00	FY 2023-24 CIP Budget (799800-6842, JL#24802)

Recommended Action: It is recommended that the City Council:

- 1) Approve the purchase of two (2) 2023 Ford F-150 Regular Cab work trucks from Fairway Ford in the amount of \$85,767.38; and
- 2) Authorize the City Administrator and/or his designee to issue a purchase order to Fairway Ford for these vehicles and execute all necessary documents, in a form approved by the City Attorney.

1.m. **Amendment No. 4 to the Professional Services Agreement with the Placentia Yorba Linda Unified School District for the Provision of Two (2) School Resource Officers**

Fiscal Impact:

Revenue:	\$250,000	(School District Reimburses 79% of School Resource Officers Actual Amount)
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Recommended Action: It is recommended that the City Council:

- 1) Approve Amendment No. 4 to the Professional Services Agreement for the Provision of School Resource Officer Services with Placentia-Yorba Linda Unified School District based on a reimbursement formula as specified in the Agreement; and
- 2) Authorize the City Administrator to execute the necessary documents, in a form approved by the City Attorney.

1.n. **Resolution authorizing the temporary suspension of regulatory ordinances pertaining to the operation of the Placentia Rotary Club Cowabunga event on Saturday, September 16, 2023 at Kraemer Memorial Park.**

Fiscal Impact: None

Recommended Action: It is recommended that the City Council:

- 1) Approve an agreement in a form approved by the City Attorney with the Placentia Rotary Club to host the annual Cowabunga fundraising event at Kraemer Memorial

Park and authorize the City Administrator or designee to execute all applicable documents; and

- 2) Adopt Resolution No. R-2023-71, A Resolution of the City Council of the City of Placentia Authorizing the Temporary Suspension of Regulatory Sections 10.28.010 and 23.76.050 of the Placentia Municipal Code for the operation of the Cowabunga fundraising event on September 16, 2023, from 4:00 p.m. to 9:00 p.m. at Kraemer Memorial Park located at 201 N. Bradford Avenue.

1.o. **Approval of LS-1 Option E Agreement with Southern California Edison**

Fiscal Impact: Estimated Savings: \$2,356,340 net after recovery of initial capital investment over 20 years

Recommended Action: It is recommended that the City Council:

- 1) Approve the Southern California Edison Company Schedule LS-1 Option E, Energy Efficiency-Light Emitting Diode (LED) Fixture Replacement Rate Agreement; and
- 2) Authorize the City Administrator and/or his designee to execute the LS-1 Option E Agreement in a form approved by the City Attorney.

**2. PUBLIC HEARINGS:**

2.a. **Annual Solid Waste Handling Services Rate Adjustment and Related Resolutions for Fiscal Year 2023-24**

Fiscal Impact: None

Recommended Action: It is recommended that the City Council:

- 1) Open the Public Hearing concerning the Solid Waste Handling Services, Rate Adjustment and related resolutions for Fiscal Year 2023-24; and
- 2) Receive the Staff Report, consider all public testimony, ask questions of Staff; and
- 3) Close the Public Hearing and direct the City Clerk to tabulate the written protests and report the results of the tabulation to the City Council; and
- 4) Adopt Resolution No. R-2023-64, a Resolution of the City Council of the City of Placentia, California, approving the Amended Fee Schedule for Solid Waste Handling Services for Fiscal Year 2023-24; and
- 5) Adopt Resolution No. R-2023-65, a Resolution of the City Council of the City of Placentia, California, authorizing and determining residential solid waste handling service charges and directing placement thereof on the Orange County property tax rolls for Fiscal Year 2023-24; and
- 6) Approve Amendment No. 14 to the Amended, Revised and Restated Agreement for Solid Waste Handling Services between the City of Placentia and Republic Waste Services of Southern California, LLC; and
- 7) Authorize the City Administrator to execute all the necessary documents, in a form approved by the City Attorney.

2.b. **A Resolution of the City Council of the City of Placentia approving the issuance by the Placentia Public Financing Authority of not to exceed \$10 Million of Placentia Public Financing Authority Lease Revenue Bonds (Public Safety Center Project) Series 2023a; approving the execution and delivery of related documents in connection with the offering and sale of such bonds; and authorizing other matters related thereto**

**A Resolution of the Governing Board of the Placentia Public Financing Authority authorizing the issuance of not to exceed \$10 Million of Placentia Public Financing Authority Lease Revenue Bonds (Public Safety Center Project) Series 2023a; and approving the execution and delivery of related documents in connection with the offering and sale of such bonds; and authorizing other matters related thereto**

Fiscal Impact:

Expense: Lease payments on lease revenue bonds in lieu of rental payments for current leased facility

Recommended Action: It is recommended that the City Council:

- 1) Open the Public Hearing concerning the sale of Lease Revenue Bonds to fund the construction of the Placentia Public Safety Center; and
- 2) Receive the Staff Report, consider all public testimony, ask questions of Staff; and
- 3) Close the Public Hearing; and
- 4) Adopt Resolution R-2023-72 authorizing the issuance of bonds by the Placentia Public Financing Authority in an amount not-to-exceed \$10 million, approving the form of the Indenture, Site Lease, Lease Agreement, Preliminary Official Statement, Bond Purchase Agreement and Continuing Disclosure Agreement; and
- 5) Authorize the City Administrator to execute all the necessary documents, in a form approved by the City Attorney.

**Placentia Public Financing Authority**

Recommended Action: It is recommended that the Placentia Public Financing Authority:

- 1) Adopt Resolution PPFA-2023-02 authorizing the issuance of bonds by the Placentia Public Financing Authority in an amount not to exceed \$10 million and approving the form of the Indenture, Site Lease, Lease Agreement, Preliminary Official Statement, Bond Purchase Agreement and, Assignment Agreement; and
- 2) Authorize the Executive Director to execute all the necessary documents, in a form approved by the Authority's Counsel.

**3. REGULAR AGENDA:**

**3.a. Appointments to Fill Vacancies on One City Commission and One Committee**

Fiscal Impact: None

Recommended Action: It is recommended that the City Council:

- 1) Make the necessary appointments to fill the vacancies listed below:
  - a. One (1) vacancy on the Planning Commission
  - b. One (1) vacancy on the Senior Advisory Committee
- 2) Direct Staff to update the City's Master Commission and Committee vacancy list; and
- 3) Continue the Commission and Committee Application/Recruitment process for any remaining vacancies for future consideration of appointments.

**CITY COUNCIL/BOARD MEMBERS REQUESTS:**

Council/Board Members may make requests or ask questions of Staff. If a Council/Board Member would like to have formal action taken on a requested matter, it will be placed on a future Council or Board Agenda.

**ADJOURNMENT:**

The City Council/Successor Agency/ICDA/PPFA Board of Directors will adjourn to a regular City Council meeting on Tuesday, September 5, 2023 at 5:30 p.m.

**TENTATIVE AGENDA FORECAST**

The Tentative Agenda Forecast is subject to change up until the posting of the Agenda for the Council Meeting listed below:

- NOC: FY 21-22 Street Resurfacing Project
- Tentative Parcel Map No. TPM 2023-113 pertaining to the subdivision of a 0.47 acre lot into two parcels located at 1278 Vina Del Mar within R-1 zoning
- Ad-Hoc Committee and Commission update

**CERTIFICATION OF POSTING**

I, Carole M. Wayman, Deputy City Clerk of the City of Placentia and Assistant Secretary of the Industrial Commercial Development Authority, the Successor Agency, and the Placentia Public Financing Authority hereby certify that the Agenda for the July 25, 2023 meetings of the City Council, Successor Agency, Industrial Commercial Development Authority, and the Placentia Public Financing Authority was posted on July 20, 2023.

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Carole M. Wayman  
Deputy City Clerk

**City of Placentia**

**Check Register  
For 07/25/2023**

Type	Vendor Name/ID	Description	Account/Description	Batch ID	Amount Invoice#	PO #	Check #	Check Date
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**Grand Total: 1,119,736.40**

**Check Totals by ID**

AP	1,119,736.40
EP	0.00
IP	0.00
OP	0.00

**Void Total: 0.00**

**Check Total: 1,119,736.40**

**Fund Name**

**Check Totals by Fund**

101-General Fund (0010)	873,525.44
117-Measure U Fund (0079)	45,760.85
205-State Gas Tax (0017)	19,235.84
208-Sccssr Agncy Ret Oblg (0054)	57.41
225-Asset Seizure (0021)	300.00
240-Sewer Construction (0024)	1,120.00
242-Police Impact Fee (0067)	33,000.00
247-TOD Sewer Impact Fees (0071)	825.00
265-Landscape Maintenance (0029)	17,343.30
275-Sewer Maintenance (0048)	7,545.57
501-Refuse Administration (0037)	28,899.76
605-Risk Management (0040)	13,090.00
610-Equipment Replacement (0041)	63,964.63
701-Special Deposits (0044)	15,068.60

**Check Total: 1,119,736.40**

**1.b.  
July 25, 2023**

Funds will be transferred from the Cash Basis Fund as needed to fund the warrants included on this warrant register

**City of Placentia**  
**Check Register**  
**For 07/20/2023**

Type	Vendor Name/ID	Description	Account/Description	Batch ID	Amount	Invoice#	PO #	Check #	Check Date
MW OH	1ST ACTION RESTORATION V012558	BACKS BLDG -ASBESTOS	104071-6130 Repair & Maint/Facilities	AP070323	10,419.88	043023	P12911	00127660	07/06/2023
MW OH	1ST ACTION RESTORATION V012558	FD1 - MOLD REPAIRS	103654-6130 Repair & Maint/Facilities	AP070323	6,164.03	041923A	P12942	00127660	07/06/2023
MW OH	1ST ACTION RESTORATION V012558	FD2 MOLD REPAIRS	103654-6130 Repair & Maint/Facilities	AP070323	2,983.66	041923B	P12942	00127660	07/06/2023
<b>Check Total:</b>					<b>19,567.57</b>				
MW OH	AIRGAP LABS LLC V012533	MAY CH/PD WIRELESS COVERAGE	101523-6840 Machinery & Equipment	AP070323	16,163.36	211820	P12869	00127661	07/06/2023
<b>Check Total:</b>					<b>16,163.36</b>				
MW OH	ALL CITY MANAGEMENT V000005	6/11-24 CROSSING GUARD SVS	103047-6290 Dept. Contract Services	AP070323	1,772.64	86589	P12461	00127662	07/06/2023
<b>Check Total:</b>					<b>1,772.64</b>				
MW OH	AMAZON CAPITAL SERVICES V012336	LABEL CARTRIDGES	101523-6840 Machinery & Equipment	AP070323	14.13	13PR-KQ36-		00127663	07/06/2023
MW OH	AMAZON CAPITAL SERVICES V012336	OFFICE SUPPLIES	103650-6999 Other Expenditure	AP070323	163.49	17HX-XY7M-		00127663	07/06/2023
MW OH	AMAZON CAPITAL SERVICES V012336	AQUATICS SUPPLIES	104071-6301 Special Department Expenses	AP070323	42.27	1CRT-NCHX-		00127663	07/06/2023
MW OH	AMAZON CAPITAL SERVICES V012336	PROJECTOR	104071-6301 Special Department Expenses	AP070323	818.71	1DND-KFRJ-		00127663	07/06/2023
MW OH	AMAZON CAPITAL SERVICES V012336	DAY CAMP SUPPLIES	104071-6301 Special Department Expenses	AP070323	665.35	1KJG-L3GL-		00127663	07/06/2023
MW OH	AMAZON CAPITAL SERVICES V012336	DAY CAMP SUPPLIES	104071-6301 Special Department Expenses	AP070323	797.95	1LMK-JKTW-		00127663	07/06/2023
MW OH	AMAZON CAPITAL SERVICES V012336	DAY CAMP ART/CRAFT SUPPLIES	104071-6301 Special Department Expenses	AP070323	281.56	1LMK-JKTW-		00127663	07/06/2023
MW OH	AMAZON CAPITAL SERVICES V012336	EANOPY, ICE CHESTS	104071-6301	AP070323	602.16	1MQX-XNGG-		00127663	07/06/2023

**City of Placentia**  
**Check Register**  
**For 07/20/2023**

Type	Vendor Name/ID	Description	Account/Description	Batch ID	Amount	Invoice#	PO #	Check #	Check Date
	V012336		Special Department Expenses						
MW OH	AMAZON CAPITAL SERVICE&QUATICS SUPPLIES V012336		104071-6301 Special Department Expenses	AP070323	515.66	1N6H-GWPT-		00127663	07/06/2023
MW OH	AMAZON CAPITAL SERVICE&QUATICS SUPPLIES V012336		104071-6301 Special Department Expenses	AP070323	32.60	1N9D-4R3R-		00127663	07/06/2023
MW OH	AMAZON CAPITAL SERVICE&AY CAMP SUPPLIES V012336		104071-6301 Special Department Expenses	AP070323	639.22	1R7Y-MKGV-		00127663	07/06/2023
MW OH	AMAZON CAPITAL SERVICE&OFFICE SUPPLIES V012336		103650-6999 Other Expenditure	AP070323	-71.79	1T39-WFW7-		00127663	07/06/2023
<b>Check Total:</b>					<b>4,501.31</b>				
MW OH	AT&T V004144	MAY-JUN PHONE SERVICES	296561-6215 Telephone/Internet	AP070323	575.74	062923		00127664	07/06/2023
MW OH	AT&T V004144	MAY-JUN PHONE SERVICES	109595-6215 Telephone/Internet	AP070323	601.01	062923		00127664	07/06/2023
<b>Check Total:</b>					<b>1,176.75</b>				
MW OH	AT&T MOBILITY V011025	6/15-7/14 LMD INTERNET	109595-6215 Telephone/Internet	AP070323	52.79	JUNE LMD 23		00127665	07/06/2023
<b>Check Total:</b>					<b>52.79</b>				
MW OH	BEE MAN, THE V000117	6/15 BEE REMOVAL/401 E CHAPMAN	103655-6130 Repair & Maint/Facilities	AP070323	225.00	123278		00127666	07/06/2023
<b>Check Total:</b>					<b>225.00</b>				
MW OH	COMLOCK V003166	DOOR REPAIRS	103654-6130 Repair & Maint/Facilities	AP070323	1,774.56	845173		00127667	07/06/2023
<b>Check Total:</b>					<b>1,774.56</b>				
MW OH	ECS IMAGING INC V001305	LEGACY EOL LASERFICHE	101523-6136 Software Maintenance	AP070323	14,352.52	17789	P12854	00127668	07/06/2023
<b>Check Total:</b>					<b>14,352.52</b>				
MW OH	FACTORY MOTOR PARTS	PARTS/SUPPLIES	103658-6134	AP070323	20.15	102-189897	P12506	00127669	07/06/2023

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	V010842		Vehicle Repair & Maintenance						
MW OH	FACTORY MOTOR PARTS V010842	PARTS/SUPPLIES	103658-6134 Vehicle Repair & Maintenance	AP070323	69.56	102-189917	P12506	00127669	07/06/2023
MW OH	FACTORY MOTOR PARTS V010842	PARTS/SUPPLIES	103658-6134 Vehicle Repair & Maintenance	AP070323	155.58	102-190104	P12506	00127669	07/06/2023
MW OH	FACTORY MOTOR PARTS V010842	PARTS/SUPPLIES	103658-6134 Vehicle Repair & Maintenance	AP070323	20.44	102-190116	P12506	00127669	07/06/2023
MW OH	FACTORY MOTOR PARTS V010842	PARTS/SUPPLIES	103658-6134 Vehicle Repair & Maintenance	AP070323	12.09	102-190271	P12506	00127669	07/06/2023
MW OH	FACTORY MOTOR PARTS V010842	PARTS/SUPPLIES	103658-6134 Vehicle Repair & Maintenance	AP070323	36.68	102-190273	P12506	00127669	07/06/2023
MW OH	FACTORY MOTOR PARTS V010842	PARTS/SUPPLIES	103658-6134 Vehicle Repair & Maintenance	AP070323	20.15	102-190302	P12506	00127669	07/06/2023
MW OH	FACTORY MOTOR PARTS V010842	PARTS/SUPPLIES	103658-6134 Vehicle Repair & Maintenance	AP070323	53.98	12-5331734	P12506	00127669	07/06/2023
MW OH	FACTORY MOTOR PARTS V010842	PARTS/SUPPLIES	103658-6134 Vehicle Repair & Maintenance	AP070323	205.47	12-5331829	P12506	00127669	07/06/2023
MW OH	FACTORY MOTOR PARTS V010842	PARTS/SUPPLIES	103658-6134 Vehicle Repair & Maintenance	AP070323	258.21	12-5332225	P12506	00127669	07/06/2023
MW OH	FACTORY MOTOR PARTS V010842	PARTS/SUPPLIES	103658-6134 Vehicle Repair & Maintenance	AP070323	16.60	12-5335691	P12506	00127669	07/06/2023
MW OH	FACTORY MOTOR PARTS V010842	PARTS/SUPPLIES	103658-6134 Vehicle Repair & Maintenance	AP070323	283.17	12-5336126	P12506	00127669	07/06/2023
MW OH	FACTORY MOTOR PARTS V010842	PARTS/SUPPLIES	103658-6134 Vehicle Repair & Maintenance	AP070323	57.38	12-5341508	P12506	00127669	07/06/2023
MW OH	FACTORY MOTOR PARTS V010842	PARTS/SUPPLIES	103658-6134 Vehicle Repair & Maintenance	AP070323	778.13	12-5342840	P12506	00127669	07/06/2023
MW OH	FACTORY MOTOR PARTS V010842	PARTS/SUPPLIES	103658-6134 Vehicle Repair & Maintenance	AP070323	9.20	12-5345349	P12506	00127669	07/06/2023

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MW OH	FACTORY MOTOR PARTS V010842	PARTS/SUPPLIES	103658-6134 Vehicle Repair & Maintenance	AP070323	70.35	12-5347040	P12506	00127669	07/06/2023
					<b>Check Total:</b>	<b>2,067.14</b>			
MW OH	FIREMASTER V000409	FIRE EXTINGUISHER	103654-6301 Special Department Expenses	AP070323	304.50	0001086206		00127670	07/06/2023
					<b>Check Total:</b>	<b>304.50</b>			
MW OH	FRANCHISE TAX BOARD V000404	FTB P/E 06/24 PD 06/30	0010-2196 Garnishments W/H	AP070323	7.73	PR2301013		00127671	07/06/2023
					<b>Check Total:</b>	<b>7.73</b>			
MW OH	GLASBY MAINT. SUPPLY COJANITORIAL SUPPLIES V000445		103654-6301 Special Department Expenses	AP070323	140.08	334466A		00127672	07/06/2023
					<b>Check Total:</b>	<b>140.08</b>			
MW OH	GOLDEN STATE WATER V000928	MAY-JUN WATER CHARGES	109595-6335 Water	AP070323	3,351.61	062923		00127673	07/06/2023
MW OH	GOLDEN STATE WATER V000928	MAY-JUN WATER CHARGES	296561-6335 Water	AP070323	2,738.79	062923		00127673	07/06/2023
					<b>Check Total:</b>	<b>6,090.40</b>			
MW OH	GROUP 4 ARCHITECTURE V012379	MAY PROFESSIONAL SERVICES	105212-6850 / 229999-6850 Building & Facilities	AP070323	153,624.60	11766	P12672	00127674	07/06/2023
					<b>Check Total:</b>	<b>153,624.60</b>			
MW OH	HALO CONFIDENTIAL V011712	JUN PD BACKGROUND	103040-6290 Dept. Contract Services	AP070323	1,700.00	0215	P12503	00127675	07/06/2023
MW OH	HALO CONFIDENTIAL V011712	JUN PD TRAINING MGMT	103040-6290 Dept. Contract Services	AP070323	1,787.50	0216T	P12503	00127675	07/06/2023
					<b>Check Total:</b>	<b>3,487.50</b>			
MW OH	HI-WAY SAFETY RENTALS V000459	SPEED LIMIT SIGN	103652-6310 Street Signs	AP070323	70.55	144233		00127676	07/06/2023
MW OH	HI-WAY SAFETY RENTALS	GRAFFITI OVERLAY	103652-6301	AP070323	106.31	144234		00127676	07/06/2023

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	V000459		Special Department Expenses						
				<b>Check Total:</b>	<b>176.86</b>				
MW OH	HR GREEN PACIFIC INC V010735	JUN PLAN CHECK SVS	103551-6290 Dept. Contract Services	AP070323	963.00	164294	P12469	00127677	07/06/2023
MW OH	HR GREEN PACIFIC INC V010735	MAY LANDSC & ARCHITECTURAL	109202-6770 / 229999-6770 Infrastructure - Major Studies	AP070323	1,050.63	163629	P12887	00127677	07/06/2023
MW OH	HR GREEN PACIFIC INC V010735	MAY LANDSC & ARCHITECTURAL	799202-6770 Infrastructure - Major Studies	AP070323	1,050.62	163629	P12887	00127677	07/06/2023
				<b>Check Total:</b>	<b>3,064.25</b>				
MW OH	IMPERIAL SPRINKLER V006506	IRRIGATION SUPPLIES	104071-6130 Repair & Maint/Facilities	AP070323	102.93	0011386841-001	P12509	00127678	07/06/2023
MW OH	IMPERIAL SPRINKLER V006506	IRRIGATION SUPPLIES	103655-6130 Repair & Maint/Facilities	AP070323	86.57	0011261081-001	P12634	00127678	07/06/2023
				<b>Check Total:</b>	<b>189.50</b>				
MW OH	INGLIS IMPORTS INC V012485	K9 MAINTENANCE TRAINING	213041-6250 Staff Training	AP070323	300.00	IPHS000984		00127679	07/06/2023
				<b>Check Total:</b>	<b>300.00</b>				
MW OH	JOHN HANCOCK USA-PARS V010625	PARS FT-ER P/E 06/24 PD 06/3	0010-2131 Employer PARS/ARS Payable	AP070323	638.87	PR2301013		00127680	07/06/2023
MW OH	JOHN HANCOCK USA-PARS V010625	PARS FT-ER P/E 06/24 PD 06/3	0010-2131 Employer PARS/ARS Payable	AP070323	872.01	PR2301013		00127680	07/06/2023
MW OH	JOHN HANCOCK USA-PARS V010625	PARS FT-ER P/E 06/24 PD 06/30	0010-2131 Employer PARS/ARS Payable	AP070323	795.62	PR2301013		00127680	07/06/2023
MW OH	JOHN HANCOCK USA-PARS V010625	PARS FT-ER P/E 06/24 PD 06/3	0029-2131 Employer PARS/ARS Payable	AP070323	18.38	PR2301013		00127680	07/06/2023
MW OH	JOHN HANCOCK USA-PARS V010625	PARS FT-ER P/E 06/24 PD 06/3	0037-2131 Employer PARS/ARS Payable	AP070323	73.54	PR2301013		00127680	07/06/2023
MW OH	JOHN HANCOCK USA-PARS	PARS FT-ER P/E 06/24 PD 06/3	0037-2131	AP070323	220.25	PR2301013		00127680	07/06/2023

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	V010625		Employer PARS/ARS Payable						
MW OH	JOHN HANCOCK USA-PARS V010625	PARS FT-ER P/E 06/24 PD 06/3	0048-2131 Employer PARS/ARS Payable	AP070323	52.53	PR2301013		00127680	07/06/2023
MW OH	JOHN HANCOCK USA-PARS V010625	PARS FT-ER P/E 06/24 PD 06/3	0048-2131 Employer PARS/ARS Payable	AP070323	105.64	PR2301013		00127680	07/06/2023
MW OH	JOHN HANCOCK USA-PARS V010625	PARS FT-ER P/E 06/24 PD 06/3	0054-2131 Employer PARS/ARS Payable	AP070323	4.50	PR2301013		00127680	07/06/2023
MW OH	JOHN HANCOCK USA-PARS V010625	PARS FT-ER P/E 06/24 PD 06/3	0054-2131 Employer PARS/ARS Payable	AP070323	52.53	PR2301013		00127680	07/06/2023
				<b>Check Total:</b>	<b>2,833.87</b>				
MW OH	KATJE LAW GROUP APC V012585	SETTLEMENT AGREEMENT	101512-6001 Management Consulting Services	AP070323	6,600.00	06/29/23		00127681	07/06/2023
				<b>Check Total:</b>	<b>6,600.00</b>				
MW OH	KEN GRODY FORD V012265	F250 REGULAR CAB	414000-6842 Vehicles	AP070323	63,964.63	2932	P12932	00127682	07/06/2023
				<b>Check Total:</b>	<b>63,964.63</b>				
MW OH	LN CURTIS & SONS V011267	PD UNIFORMS - MCELHINNEY	103041-6360 Uniforms	AP070323	8.29	INV715884		00127683	07/06/2023
MW OH	LN CURTIS & SONS V011267	PD UNIFORMS - OLDHAM	103041-6360 / 50044-6360 Uniforms	AP070323	2,290.30	INV715995		00127683	07/06/2023
MW OH	LN CURTIS & SONS V011267	PD UNIFORMS - SHELLITO	103041-6360 / 50044-6360 Uniforms	AP070323	2,000.88	INV716013		00127683	07/06/2023
				<b>Check Total:</b>	<b>4,299.47</b>				
MW OH	MARIPOSA LANDSCAPES INC V000647	MAY LANDSCAPE MAINT	103655-6115 Landscaping	AP070323	4,174.89	102787	P12471	00127684	07/06/2023
MW OH	MARIPOSA LANDSCAPES INC V000647	MAY LANDSCAPE MAINT - LIBRARY	103655-6115 / 21008-6115 Landscaping	AP070323	1,655.06	102787	P12471	00127684	07/06/2023
MW OH	MARIPOSA LANDSCAPES INC V000647	MAY LANDSCAPE MAINT - LMD	296561-6115	AP070323	6,040.63	102787	P12471	00127684	07/06/2023

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	V000647		Landscaping						
MW OH	MARIPOSA LANDSCAPES INC V000647	MAY LANDSCAPE MAINT	173555-6115 Landscaping	AP070323	9,142.92	102787	P12471	00127684	07/06/2023
<b>Check Total:</b>					<b>21,013.50</b>				
MW OH	ORANGE COUNTY V000699	OCEA P/E 06/24 PD 06/30	0054-2176 PCEA/OCEA Assoc Dues	AP070323	0.35	PR2301013		00127685	07/06/2023
MW OH	ORANGE COUNTY V000699	OCEA P/E 06/24 PD 06/30	0037-2176 PCEA/OCEA Assoc Dues	AP070323	14.09	PR2301013		00127685	07/06/2023
MW OH	ORANGE COUNTY V000699	OCEA P/E 06/24 PD 06/30	0010-2176 PCEA/OCEA Assoc Dues	AP070323	438.31	PR2301013		00127685	07/06/2023
MW OH	ORANGE COUNTY V000699	OCEA P/E 06/24 PD 06/30	0029-2176 PCEA/OCEA Assoc Dues	AP070323	7.51	PR2301013		00127685	07/06/2023
MW OH	ORANGE COUNTY V000699	OCEA P/E 06/24 PD 06/30	0048-2176 PCEA/OCEA Assoc Dues	AP070323	13.29	PR2301013		00127685	07/06/2023
<b>Check Total:</b>					<b>473.55</b>				
MW OH	ORANGE COUNTY V012478	PD PARKING LOT GATES- FINAL	675310-6850 Building & Facilities	AP070323	33,000.00	1649	P12862	00127686	07/06/2023
MW OH	ORANGE COUNTY V012478	CUSTOM LOCKS & LOCK BOXES	103655-6130 Repair & Maint/Facilities	AP070323	6,000.00	1631	P12958	00127686	07/06/2023
MW OH	ORANGE COUNTY V012478	LOCK TABS & SPEC. LOCKS	103655-6130 Repair & Maint/Facilities	AP070323	1,750.00	1631	P12958	00127686	07/06/2023
MW OH	ORANGE COUNTY V012478	CONCRETE PADS	103655-6130 Repair & Maint/Facilities	AP070323	850.00	1631	P12958	00127686	07/06/2023
<b>Check Total:</b>					<b>41,600.00</b>				
MW OH	PCEA C/O NORTH ORANGE V000679	OCEA P/E 06/24 PD 06/30	0048-2176 PCEA/OCEA Assoc Dues	AP070323	1.15	PR2301013		00127687	07/06/2023
MW OH	PCEA C/O NORTH ORANGE V000679	OCEA P/E 06/24 PD 06/30	0029-2176 PCEA/OCEA Assoc Dues	AP070323	0.65	PR2301013		00127687	07/06/2023

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MW OH	PCEA C/O NORTH ORANGE V000679	PCEA P/E 06/24 PD 06/30	0010-2176 PCEA/OCEA Assoc Dues	AP070323	37.95	PR2301013		00127687	07/06/2023
MW OH	PCEA C/O NORTH ORANGE V000679	PCEA P/E 06/24 PD 06/30	0037-2176 PCEA/OCEA Assoc Dues	AP070323	1.22	PR2301013		00127687	07/06/2023
MW OH	PCEA C/O NORTH ORANGE V000679	PCEA P/E 06/24 PD 06/30	0054-2176 PCEA/OCEA Assoc Dues	AP070323	0.03	PR2301013		00127687	07/06/2023
<b>Check Total:</b>					<b>41.00</b>				
MW OH	PEST OPTIONS INC V010037	JUN GROUND SQUIRREL TREATMENT	104071-6130 Repair & Maint/Facilities	AP070323	2,330.00	427626	P12820	00127688	07/06/2023
<b>Check Total:</b>					<b>2,330.00</b>				
MW OH	PLACENTIA FOUNDERS V001568	BRADFORD HOUSE INSURANCE	404582-6201 Liability Insurance Premiums	AP070323	8,446.00	12282022		00127689	07/06/2023
<b>Check Total:</b>					<b>8,446.00</b>				
MW OH	PRUDENTIAL OVERALL V000836	6/21 PW UNIFORM CLEANING SVS	103650-6360 Uniforms	AP070323	163.29	62819817	P12480	00127690	07/06/2023
<b>Check Total:</b>					<b>163.29</b>				
MW OH	QUALITY TILE AND STONE V012378	TILE MAT & INSTALLATION	795204-6850 Building & Facilities	AP070323	38,160.23	P12774	P12775	00127691	07/06/2023
<b>Check Total:</b>					<b>38,160.23</b>				
MW OH	QUIKTURN PROFESSIONAL V012581	FINANCE DEPARTMENT SHIRTS	102020-6360 Uniforms	AP070323	181.12	1039574		00127692	07/06/2023
<b>Check Total:</b>					<b>181.12</b>				
MW OH	RAMOS, ANGELICA V012587	DOOR DASH REIMBURSEMENT	101515-6301 Special Department Expenses	AP070323	9.99	062723		00127693	07/06/2023
<b>Check Total:</b>					<b>9.99</b>				
MW OH	SO CAL GAS V000909	MAY-JUN GAS CHARGES	109595-6340 Natural Gas	AP070323	374.61	062923		00127694	07/06/2023

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					<b>Check Total:</b>	<b>374.61</b>			
MW OH	SOUTHERN CALIFORNIA V000910	MAY-JUN ELECTRIC CHARGES	296561-6330 Electricity	AP070323	1,920.97	062923		00127695	07/06/2023
MW OH	SOUTHERN CALIFORNIA V000910	MAY-JUN ELECTRIC CHARGES	109595-6330 / 21009-6330 Electricity	AP070323	48.00	062923		00127695	07/06/2023
MW OH	SOUTHERN CALIFORNIA V000910	MAY-JUN ELECTRIC CHARGES	109595-6330 / 21010-6330 Electricity	AP070323	270.16	062923		00127695	07/06/2023
MW OH	SOUTHERN CALIFORNIA V000910	MAY-JUN ELECTRIC CHARGES	109595-6330 Electricity	AP070323	35,814.18	062923		00127695	07/06/2023
					<b>Check Total:</b>	<b>38,053.31</b>			
MW OH	T-MOBILE USA V009215	PHONE GPS SVS DR22-04434	103042-6290 Dept. Contract Services	AP070323	100.00	9536502294		00127696	07/06/2023
					<b>Check Total:</b>	<b>100.00</b>			
MW OH	TEAM ONE MANAGEMENT V010070	MAY PARK JANITORIAL SVS	103655-6290 Dept. Contract Services	AP070323	4,334.06	85	P12516	00127697	07/06/2023
MW OH	TEAM ONE MANAGEMENT V010070	MAY PARK JANITORIAL SVS	104071-6130 Repair & Maint/Facilities	AP070323	2,897.19	85	P12516	00127697	07/06/2023
MW OH	TEAM ONE MANAGEMENT V010070	JUN PARK JANITORIAL SVS	104071-6130 Repair & Maint/Facilities	AP070323	7,231.25	86	P12516	00127697	07/06/2023
					<b>Check Total:</b>	<b>14,462.50</b>			
MW OH	THE SAUCE CREATIVE V007476	PARK LOGO DESIGN FOR ARROYO	V104071-6301 Special Department Expenses	AP070323	475.00	6266		00127698	07/06/2023
					<b>Check Total:</b>	<b>475.00</b>			
MW OH	TRIEPEI SMITH & V007848	3/15-6/26 PHOTOGRAPHY SERVICES	103040-6099 Professional Services	AP070323	1,140.00	10355		00127699	07/06/2023
					<b>Check Total:</b>	<b>1,140.00</b>			
MW OH	TTS ENGINEERING INC V012466	MAY PSC - CONTRUCTION SVS	105213-6850 / 229999-6850 Building & Facilities	AP070323	153,800.00	233015	P12777	00127700	07/06/2023

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				<b>Check Total:</b>	<b>153,800.00</b>				
MW OH	ULINE V006583	ICE PACKS FOR AQUATICS	104071-6301 Special Department Expenses	AP070323	283.57	2316471		00127701	07/06/2023
				<b>Check Total:</b>	<b>283.57</b>				
MW OH	US BANK PARS #6746022400 V008781	PARS P/E 06/24 PD 06/30	0010-2126 Employee PARS/ARS W/H	AP070323	2,075.86	PR2301013		00127702	07/06/2023
MW OH	US BANK PARS #6746022400 V008781	PARS P/E 06/24 PD 06/30	0010-2131 Employer PARS/ARS Payable	AP070323	2,075.86	PR2301013		00127702	07/06/2023
				<b>Check Total:</b>	<b>4,151.72</b>				
MW OH	VERIZON WIRELESS V008735	5/21-6/20 PD DEVICES INTERNET	109595-6215 Telephone/Internet	AP070323	3,516.48	9937727803		00127703	07/06/2023
MW OH	VERIZON WIRELESS V008735	5/21-6/20 CS CELL PHONE SVS	109595-6215 Telephone/Internet	AP070323	128.85	9937727805		00127703	07/06/2023
MW OH	VERIZON WIRELESS V008735	5/21-6/20 COUNCIL IPADS INT	109595-6215 Telephone/Internet	AP070323	165.72	9937727806		00127703	07/06/2023
				<b>Check Total:</b>	<b>3,811.05</b>				
MW OH	YORBA LINDA WATER V001148	MAY-JUN WATER CHARGES	109595-6335 Water	AP070323	587.35	062923		00127704	07/06/2023
				<b>Check Total:</b>	<b>587.35</b>				
MW OH	ADMINSURE V004980	MAY WC CLAIM ADMINISTRATION	404580-6025 Third Party Administration	AP071023	4,644.00	16122		00127715	07/13/2023
				<b>Check Total:</b>	<b>4,644.00</b>				
MW OH	ALLY INVESTIGATIONS INC V012592	INVESTIGATION SVS	101512-6001 Management Consulting Services	AP071023	1,768.30	INV-02347	P12967	00127716	07/13/2023
MW OH	ALLY INVESTIGATIONS INC V012592	INVESTIGATION SVS	101512-6001 Management Consulting Services	AP071023	960.00	INV-02381	P12967	00127716	07/13/2023
MW OH	ALLY INVESTIGATIONS INC V012592	INVESTIGATION SVS	101512-6001 Management Consulting Services	AP071023	2,172.80	INV-02523	P12967	00127716	07/13/2023

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				<b>Check Total:</b>	<b>4,901.10</b>				
MW OH	AMAZON CAPITAL SERVICES V012336	GLOVES, ORGANIZING FURNITURE	103066-6301 Special Department Expenses	AP071023	251.72	13WC-69Y6-		00127717	07/13/2023
				<b>Check Total:</b>	<b>251.72</b>				
MW OH	ANAHEIM EMBROIDERY INCS V003751	SWAT UNIFORM EMBROIDERY	103041-6360 / 50055-6360 Uniforms	AP071023	58.19	5573		00127718	07/13/2023
				<b>Check Total:</b>	<b>58.19</b>				
MW OH	APPLE INCORPORATED V010155	APPLE IPADS - CS	101523-6840 Machinery & Equipment	AP071023	1,363.58	AL28049051	P12969	00127719	07/13/2023
MW OH	APPLE INCORPORATED V010155	APPLE IPAD - COMM/MARKETING	101523-6840 Machinery & Equipment	AP071023	1,479.11	AL28068380	P12969	00127719	07/13/2023
MW OH	APPLE INCORPORATED V010155	APPLE IPAD - PW	101523-6840 Machinery & Equipment	AP071023	844.91	AL28069889	P12969	00127719	07/13/2023
MW OH	APPLE INCORPORATED V010155	APPLE IPADS SHIPPING CHG	101523-6840 Machinery & Equipment	AP071023	12.00	AL285049121	P12969	00127719	07/13/2023
				<b>Check Total:</b>	<b>3,699.60</b>				
MW OH	ASSI SECURITY INC V011251	COMPUTER REPAIRS	103041-6137 Repair Maint/Equipment	AP071023	525.00	SD19271		00127720	07/13/2023
				<b>Check Total:</b>	<b>525.00</b>				
MW OH	BUTTS, BRAD V002941	JUN FASTRACK REIMBURSEMENT	103040-6301 Special Department Expenses	AP071023	426.80	JUNE 23		00127721	07/13/2023
				<b>Check Total:</b>	<b>426.80</b>				
MW OH	CALIFORNIA BUILDING V010984	APR-JUN BLDG STANDARDS ADMIN	0044-2036 CBSC State Fee	AP071023	898.00	04192023		00127722	07/13/2023
MW OH	CALIFORNIA BUILDING V010984	APR-JUN BLDG STANDARDS ADMIN	100000-4160 Building Permits	AP071023	-89.80	04192023		00127722	07/13/2023
				<b>Check Total:</b>	<b>808.20</b>				
MW OH	CALMAT CO.	ASPHALT	103652-6301	AP071023	408.19	73579820	P12556	00127723	07/13/2023

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	V010007		Special Department Expenses						
MW OH	CALMAT CO. V010007	ASPHALT	103652-6301 Special Department Expenses	AP071023	527.07	73601503	P12556	00127723	07/13/2023
MW OH	CALMAT CO. V010007	ASPHALT	103652-6301 Special Department Expenses	AP071023	512.84	73601504	P12556	00127723	07/13/2023
MW OH	CALMAT CO. V010007	ASPHALT	103652-6301 Special Department Expenses	AP071023	518.94	73603552	P12556	00127723	07/13/2023
MW OH	CALMAT CO. V010007	ASPHALT	103652-6301 Special Department Expenses	AP071023	620.54	73603553	P12556	00127723	07/13/2023
MW OH	CALMAT CO. V010007	ASPHALT	103652-6301 Special Department Expenses	AP071023	315.73	73606358	P12556	00127723	07/13/2023
MW OH	CALMAT CO. V010007	ASPHALT	103652-6301 Special Department Expenses	AP071023	518.94	73606359	P12556	00127723	07/13/2023
MW OH	CALMAT CO. V010007	ASPHALT	103652-6301 Special Department Expenses	AP071023	515.89	73609413	P12556	00127723	07/13/2023
MW OH	CALMAT CO. V010007	ASPHALT	103652-6301 Special Department Expenses	AP071023	314.72	73611450	P12556	00127723	07/13/2023
MW OH	CALMAT CO. V010007	ASPHALT	103652-6301 Special Department Expenses	AP071023	319.80	73617683	P12556	00127723	07/13/2023
MW OH	CALMAT CO. V010007	ASPHALT	103652-6301 Special Department Expenses	AP071023	319.80	73620018	P12556	00127723	07/13/2023
MW OH	CALMAT CO. V010007	ASPHALT	103652-6301 Special Department Expenses	AP071023	420.38	73655813	P12556	00127723	07/13/2023
MW OH	CALMAT CO. V010007	ASPHALT	103652-6301 Special Department Expenses	AP071023	683.83	73670231	P12556	00127723	07/13/2023
MW OH	CALMAT CO. V010007	ASPHALT	103652-6301 Special Department Expenses	AP071023	420.38	73670232	P12556	00127723	07/13/2023
MW OH	CALMAT CO. V010007	ASPHALT	103652-6301 Special Department Expenses	AP071023	415.30	73675210	P12556	00127723	07/13/2023

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MW OH	CALMAT CO. V010007	ASPHALT	103652-6301 Special Department Expenses	AP071023	608.39 73690911	P12556	00127723	07/13/2023
					<b>Check Total:</b>	<b>7,440.74</b>		
MW OH	CAMACHO, KASSANDRA V012599	SPRING '23 - TUITION REIMB.	109595-5150 Tuition Reimbursement	AP071023	2,153.25 22-13		00127724	07/13/2023
					<b>Check Total:</b>	<b>2,153.25</b>		
MW OH	CHAVEZ, JAMES V012488	SPRING '23 - TUITION REIMB.	109595-5150 Tuition Reimbursement	AP071023	1,346.05 22-16		00127725	07/13/2023
					<b>Check Total:</b>	<b>1,346.05</b>		
MW OH	CITY OF ANAHEIM V010186	5/16-6/16 SHARED TS ELECTRICAL	109595-6330 Electricity	AP071023	67.27 062923		00127726	07/13/2023
					<b>Check Total:</b>	<b>67.27</b>		
MW OH	CLIFTONLARSONALLEN LL V012348	FINANCIAL AUDIT SVS	102020-6010 Accounting & Auditing Service	AP071023	1,155.00 3791880	P12629	00127727	07/13/2023
					<b>Check Total:</b>	<b>1,155.00</b>		
MW OH	DENNIS GRUBB & V012137	JUN FIRE PLAN CHECK SVS	102532-6050 Fire Plan Check Services	AP071023	1,595.00 3198		00127728	07/13/2023
MW OH	DENNIS GRUBB & V012137	JUN FD INSPECTIONS CHECKS -	103066-6290 Dept. Contract Services	AP071023	3,600.00 3199	P12571	00127728	07/13/2023
					<b>Check Total:</b>	<b>5,195.00</b>		
MW OH	DEPARTMENT OF V000184	APR-JUN STRONG MOTION FEES	102532-4160 Building Permits	AP071023	-133.29 07032023		00127729	07/13/2023
MW OH	DEPARTMENT OF V000184	APR-JUN STRONG MOTION FEES	0044-2030 Strong Motion Fees/Res.	AP071023	1,958.14 07032023		00127729	07/13/2023
MW OH	DEPARTMENT OF V000184	APR-JUN STRONG MOTION FEES	0044-2030 Strong Motion Fees/Res.	AP071023	6.00 07032023		00127729	07/13/2023
MW OH	DEPARTMENT OF V000184	APR-JUN STRONG MOTION FEES	0044-2035 Strong Motion Fees/Non-Res	AP071023	700.70 07032023		00127729	07/13/2023

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MW OH	DEPARTMENT OF V000184	APR-JUN STRONG MOTION FEES	0044-2035 Strong Motion Fees/Non-Res	AP071023	1.00	07032023		00127729	07/13/2023
				<b>Check Total:</b>	<b>2,532.55</b>				
MW OH	DF POLYGRAPH V012341	JUN POLYGRAPH EXAMS	103040-6099 Professional Services	AP071023	225.00	2023/5		00127730	07/13/2023
				<b>Check Total:</b>	<b>225.00</b>				
MW OH	DFS FLOORING INC V000099	JUN CARPET CLEANING SVS	103654-6301 Special Department Expenses	AP071023	709.00	309757-24	P12465	00127731	07/13/2023
				<b>Check Total:</b>	<b>709.00</b>				
MW OH	DIAMONDS SPORTS FIELD V011978	TUFFREE PARK BASEBALL FIELD	104071-6130 Repair & Maint/Facilities	AP071023	14,310.00	6185	P12948	00127732	07/13/2023
				<b>Check Total:</b>	<b>14,310.00</b>				
MW OH	DUDEK & ASSOCIATES INC V004114	MAY ENGINEERING/ CONST SUPPORT	13101-6750 Infrastructure - Sewer	AP071023	825.00	202304579	P12818	00127733	07/13/2023
MW OH	DUDEK & ASSOCIATES INC V004114	4/29-5/26 CONSULTING SERVICES	243301-6750 Infrastructure - Sewer	AP071023	1,120.00	202304587	P12871	00127733	07/13/2023
				<b>Check Total:</b>	<b>1,945.00</b>				
MW OH	ENTENMANN-ROVIN CO V000342	PD BADGES	103040-6299 Other Purchased Services	AP071023	153.15	0174398-IN		00127734	07/13/2023
				<b>Check Total:</b>	<b>153.15</b>				
MW OH	EPOWER NETWORK INC V011953	5/26 GENERATOR MAINT	103654-6137 Repair Maint/Equipment	AP071023	233.99	31476	P12474	00127735	07/13/2023
				<b>Check Total:</b>	<b>233.99</b>				
MW OH	FACTORY MOTOR PARTS V010842	PARTS/SUPPLIES	103658-6134 Vehicle Repair & Maintenance	AP071023	16.86	102-190777	P12506	00127736	07/13/2023
				<b>Check Total:</b>	<b>16.86</b>				
MW OH	FAIRWAY FORD	VEHICLE PARTS	103658-6134	AP071023	39.26	279550		00127737	07/13/2023

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	V000376		Vehicle Repair & Maintenance					
MW OH	FAIRWAY FORD V000376	VEHICLE PARTS	103658-6134 Vehicle Repair & Maintenance	AP071023	101.51 279745		00127737	07/13/2023
				<b>Check Total:</b>	<b>140.77</b>			
MW OH	FIREFIGHTERS SAFETY V011346	FD DUTY UNIFORMS	103065-6360 Uniforms	AP071023	3,345.07 29384	P12966	00127738	07/13/2023
				<b>Check Total:</b>	<b>3,345.07</b>			
MW OH	FOSTER MORRISON V012475	JUN CONSULTING SERVICE	799203-6770 Infrastructure - Major Studies	AP071023	6,550.00 IN5-23-4001	P12787	00127739	07/13/2023
				<b>Check Total:</b>	<b>6,550.00</b>			
MW OH	GILLIS, JOSEPH V008160	06/23 - TUITION REIMB.	109595-5150 Tuition Reimbursement	AP071023	2,100.00 22-19		00127740	07/13/2023
				<b>Check Total:</b>	<b>2,100.00</b>			
MW OH	HEALTHPOINTE MEDICAL V010713	JUN DOT PHYSICAL, PRE EMPL.	101512-6099 Professional Services	AP071023	1,966.00 30601-4063429		00127741	07/13/2023
				<b>Check Total:</b>	<b>1,966.00</b>			
MW OH	JV PLUMBING V011345	SEWER LINE REPAIRS	484356-6120 R & M/Sewer & Storm Drain	AP071023	3,000.00 3772	P12951	00127742	07/13/2023
				<b>Check Total:</b>	<b>3,000.00</b>			
MW OH	MARIPOSA LANDSCAPES INC V000647	CUN LANDSCAPE MAINT	173555-6115 Landscaping	AP071023	9,142.92 103212	P12471	00127743	07/13/2023
MW OH	MARIPOSA LANDSCAPES INC V000647	CUN LANDSCAPE MAINT	103655-6115 Landscaping	AP071023	4,174.89 103212	P12471	00127743	07/13/2023
MW OH	MARIPOSA LANDSCAPES INC V000647	CUN LANDSCAPE MAINT - LIBRARY	103655-6115 / 21008-6115 Landscaping	AP071023	1,655.06 103212	P12471	00127743	07/13/2023
MW OH	MARIPOSA LANDSCAPES INC V000647	CUN LANDSCAPE MAINT - LMD	296561-6115 Landscaping	AP071023	6,040.63 103212	P12471	00127743	07/13/2023

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					<b>Check Total:</b>	<b>21,013.50</b>			
MW OH	MARK43 INC V010565	FD CAD SOFTWARE RENEWAL	103066-6136 Software Maintenance	AP071023	37,000.00	INV0910		00127744	07/13/2023
MW OH	MARK43 INC V010565	PD RMS/CAD SOFTWARE RENEWAL	103041-6136 Software Maintenance	AP071023	59,220.00	INV0911		00127744	07/13/2023
					<b>Check Total:</b>	<b>96,220.00</b>			
MW OH	MARTIN, ARMANDO V011735	JUN ANIMAL REMOVAL SVS	103045-6280 Animal Control Services	AP071023	600.00	0002090	P12515	00127745	07/13/2023
					<b>Check Total:</b>	<b>600.00</b>			
MW OH	MC FADDEN-DALE V000635	PW FACILITY MAINT. SUPPLIES	103654-6301 Special Department Expenses	AP071023	59.15	517947/5		00127746	07/13/2023
					<b>Check Total:</b>	<b>59.15</b>			
MW OH	MCMURRAY STERN V006352	40% DEP. ANCILLARY EV. STORAGE	105213-6850 Building & Facilities	AP071023	63,460.00	35520-1DEP	P12921	00127747	07/13/2023
					<b>Check Total:</b>	<b>63,460.00</b>			
MW OH	MICHAEL SULLIVAN & V012591	EMPLOYMENT LAW CONSULTING	101512-6001 Management Consulting Services	AP071023	3,600.00	1048847		00127748	07/13/2023
					<b>Check Total:</b>	<b>3,600.00</b>			
MW OH	MOTOROLA SOLUTIONS V009892	PD RADIO BATTERIES	103041-6301 Special Department Expenses	AP071023	12,500.00	8281656291	P12583	00127749	07/13/2023
MW OH	MOTOROLA SOLUTIONS V009892	SALES TAX	103041-6301 Special Department Expenses	AP071023	1,093.75	8281656291	P12583	00127749	07/13/2023
					<b>Check Total:</b>	<b>13,593.75</b>			
MW OH	NAPA AUTO PARTS V011456	PARTS	103658-6134 Vehicle Repair & Maintenance	AP071023	162.69	021467		00127750	07/13/2023
MW OH	NAPA AUTO PARTS V011456	PARTS	103658-6134 Vehicle Repair & Maintenance	AP071023	79.82	098624		00127750	07/13/2023
MW OH	NAPA AUTO PARTS	PARTS	103658-6134	AP071023	116.68	8/22429		00127750	07/13/2023

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	V011456		Vehicle Repair & Maintenance						
MW OH	NAPA AUTO PARTS V011456	PARTS	103658-6134 Vehicle Repair & Maintenance	AP071023	26.20	817870		00127750	07/13/2023
MW OH	NAPA AUTO PARTS V011456	PARTS	103658-6134 Vehicle Repair & Maintenance	AP071023	204.73	820863		00127750	07/13/2023
MW OH	NAPA AUTO PARTS V011456	PARTS	103658-6134 Vehicle Repair & Maintenance	AP071023	187.49	821493		00127750	07/13/2023
MW OH	NAPA AUTO PARTS V011456	PARTS	103658-6134 Vehicle Repair & Maintenance	AP071023	-137.92	822429		00127750	07/13/2023
MW OH	NAPA AUTO PARTS V011456	PARTS	103658-6134 Vehicle Repair & Maintenance	AP071023	22.62	823040		00127750	07/13/2023
<b>Check Total:</b>					<b>662.31</b>				
MW OH	NICKEY PETROLEUM V000696	FUEL	103658-6345 Gasoline & Diesel Fuel	AP071023	32,061.81	367680	P12953	00127751	07/13/2023
<b>Check Total:</b>					<b>32,061.81</b>				
MW OH	ORANGE COUNTY V011002	JUN CAPACITY FACILITY CHARGE	100000-4364 Sanitation Collect Fees	AP071023	-348.59	07032023		00127752	07/13/2023
MW OH	ORANGE COUNTY V011002	JUN CAPACITY FACILITY CHARGE	0044-2037 County Sanitation Dist Fee	AP071023	6,971.76	07032023		00127752	07/13/2023
<b>Check Total:</b>					<b>6,623.17</b>				
MW OH	ORANGE COUNTY V007306	JUN 2023 PARKING CITATIONS	0044-2038 Parking Fines	AP071023	4,433.00	063023		00127753	07/13/2023
<b>Check Total:</b>					<b>4,433.00</b>				
MW OH	PARKHOUSE TIRE INC V004472	TIRES	103658-6134 Vehicle Repair & Maintenance	AP071023	520.30	1020270734		00127754	07/13/2023
MW OH	PARKHOUSE TIRE INC V004472	TIRES	103658-6134 Vehicle Repair & Maintenance	AP071023	822.01	1020270736		00127754	07/13/2023
<b>Check Total:</b>					<b>1,342.31</b>				

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MW OH	PBK-WLC ARCHITECTS V012022	APR PSC ARCHITECTURAL DESIGN	105213-6850 Building & Facilities	AP071023	26,250.00	000000000018	P12649	00127755	07/13/2023
MW OH	PBK-WLC ARCHITECTS V012022	JUN PSC ARCHITECTURAL DESIGN	105213-6850 Building & Facilities	AP071023	10,500.00	000000000020	P12649	00127755	07/13/2023
<b>Check Total:</b>					<b>36,750.00</b>				
MW OH	PERIMETER PROTECTION V011153	INST CAMERAS BRADFORD/SANTA	101523-6840 Machinery & Equipment	AP071023	4,917.00	1067	P12763	00127756	07/13/2023
MW OH	PERIMETER PROTECTION V011153	SECURITY MONITORING - HOSTING	101523-6290 Dept. Contract Services	AP071023	11,745.00	1056	P12825	00127756	07/13/2023
MW OH	PERIMETER PROTECTION V011153	SECURITY MONITORING	101523-6290 Dept. Contract Services	AP071023	2,880.00	1068	P12825	00127756	07/13/2023
<b>Check Total:</b>					<b>19,542.00</b>				
MW OH	PLANETBIDS INC V012583	PLANETBIDS SUBSCRIPTION	102020-6099 Professional Services	AP071023	31,150.00	112234		00127757	07/13/2023
<b>Check Total:</b>					<b>31,150.00</b>				
MW OH	POWERSTRIDE BATTERY CO V000785	BATTERY REPAIR	103658-6134 Vehicle Repair & Maintenance	AP071023	257.08	C 68849		00127758	07/13/2023
<b>Check Total:</b>					<b>257.08</b>				
MW OH	PSYCHOLOGICAL V009259	APR PRE-EMPL EVALUATION	101512-6099 Professional Services	AP071023	440.00	526248		00127759	07/13/2023
MW OH	PSYCHOLOGICAL V009259	MAY PRE-EMPL EVALUATION	101512-6099 Professional Services	AP071023	440.00	526316		00127759	07/13/2023
MW OH	PSYCHOLOGICAL V009259	JUN APR PRE-EMPL EVALUATION	101512-6099 Professional Services	AP071023	440.00	526413		00127759	07/13/2023
MW OH	PSYCHOLOGICAL V009259	JUN PRE-EMPL EVALUATION	101512-6099 Professional Services	AP071023	440.00	526452		00127759	07/13/2023
<b>Check Total:</b>					<b>1,760.00</b>				
MW OH	ROYAL BUILDERS A-Z INC	FD1 WALL REPAIRS	103654-6130	AP071023	2,791.68	2721	P12959	00127760	07/13/2023

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	V012584		Repair & Maint/Facilities						
MW OH	ROYAL BUILDERS A-Z INC V012584	FD2 WALL REPAIRS	103654-6130 Repair & Maint/Facilities	AP071023	6,480.60	2722	P12959	00127760	07/13/2023
				<b>Check Total:</b>	<b>9,272.28</b>				
MW OH	SAFETY-KLEEN CORP V000959	PARTS CLEANER	103658-6301 Special Department Expenses	AP071023	326.85	91472718		00127761	07/13/2023
				<b>Check Total:</b>	<b>326.85</b>				
MW OH	SCA OF CA LLC V012501	MAY STREET SWEEPING SVS	374386-6290 Dept. Contract Services	AP071023	14,073.54	2511913DS	P12877	00127762	07/13/2023
MW OH	SCA OF CA LLC V012501	JUN STREET SWEEPING SVS	374386-6290 Dept. Contract Services	AP071023	14,073.54	2511952DS	P12877	00127762	07/13/2023
				<b>Check Total:</b>	<b>28,147.08</b>				
MW OH	SECO ELECTRIC & LIGHTING V010182	ELECTRICAL REPAIRS- SPORT COMPI	103655-6130 Repair & Maint/Facilities	AP071023	2,769.89	7831	P12952	00127763	07/13/2023
MW OH	SECO ELECTRIC & LIGHTING V010182	ELECTRICAL REPAIRS- SPORT COMPI	103655-6130 Repair & Maint/Facilities	AP071023	7,765.94	7832	P12952	00127763	07/13/2023
MW OH	SECO ELECTRIC & LIGHTING V010182	ELECTRICAL REPAIRS - TUFFREE	103655-6130 Repair & Maint/Facilities	AP071023	8,094.63	7870	P12952	00127763	07/13/2023
MW OH	SECO ELECTRIC & LIGHTING V010182	EV CHARGING STATION REPAIRS	108206-6842 Vehicles	AP071023	12,078.96	7809	P12956	00127763	07/13/2023
				<b>Check Total:</b>	<b>30,709.42</b>				
MW OH	SELMAN CHEVROLET V009997	VEHICLE PART - PIPE	103658-6134 Vehicle Repair & Maintenance	AP071023	67.44	581695 CVR		00127764	07/13/2023
				<b>Check Total:</b>	<b>67.44</b>				
MW OH	SMARTCOVER SYSTEMS V010957	2/17 SMARTCOVER REPAIRS	484356-6120 R & M/Sewer & Storm Drain	AP071023	3,082.98	25896	P12950	00127765	07/13/2023
				<b>Check Total:</b>	<b>3,082.98</b>				
MW OH	SOLID ROOFING	ROOFING BOND REFUND	0044-2033	AP071023	100.00	30-23-325		00127766	07/13/2023

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	V012590		Construction & Demo Deposit					
				<b>Check Total:</b>	<b>100.00</b>			
MW OH	STARLITE RECLAMATION INC V008845	HAZARDOUS WASTE - USED OIL	103658-6285 Hazardous Materials Disposal	AP071023	483.00 121894		00127767	07/13/2023
				<b>Check Total:</b>	<b>483.00</b>			
MW OH	STERICYCLE V000905	JUN SHREDDING SERVICE	374386-6299 Other Purchased Services	AP071023	443.58 8004270017		00127768	07/13/2023
				<b>Check Total:</b>	<b>443.58</b>			
MW OH	T-MOBILE USA V009215	PHONE GPS SERVICE DR22-04434	103042-6290 Dept. Contract Services	AP071023	25.00 9537401845		00127769	07/13/2023
				<b>Check Total:</b>	<b>25.00</b>			
MW OH	THE SAUCE CREATIVE V007476	VOLUNTEEN T-SHIRTS	104071-6301 Special Department Expenses	AP071023	974.28 6291		00127770	07/13/2023
MW OH	THE SAUCE CREATIVE V007476	DAY CAMP T-SHIRTS	104071-6301 Special Department Expenses	AP071023	1,224.75 6292		00127770	07/13/2023
				<b>Check Total:</b>	<b>2,199.03</b>			
MW OH	THINKSUPPLIES.COM V007047	PAPER	109595-6315 Office Supplies	AP071023	271.82 70077		00127771	07/13/2023
				<b>Check Total:</b>	<b>271.82</b>			
MW OH	THOMSON REUTERS - WEST V009649	JUN PD SOFTWARE SERVICES	103042-6290 Dept. Contract Services	AP071023	378.22 848573894		00127772	07/13/2023
				<b>Check Total:</b>	<b>378.22</b>			
MW OH	TURBO DATA SYSTEMS INC V001238	JUN PARKING CITATION PROCESS	103047-6290 Dept. Contract Services	AP071023	1,451.63 40530		00127773	07/13/2023
				<b>Check Total:</b>	<b>1,451.63</b>			
MW OH	TURNOUT MAINTENANCE V011543	TURNOUTS	103066-6361 Personal Protection Equipment	AP071023	832.31 27244		00127774	07/13/2023

**City of Placentia**  
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Type	Vendor Name/ID	Description	Account/Description	Batch ID	Amount	Invoice#	PO #	Check #	Check Date
				<b>Check Total:</b>	<b>832.31</b>				
MW OH	ULINE V006583	ICE PACKS FOR AQUATICS	104071-6301 Special Department Expenses	AP071023	283.57	164913354		00127775	07/13/2023
				<b>Check Total:</b>	<b>283.57</b>				
MW OH	UNDERGROUND SERVICE V010637	JUN DIG ALERT SERVICE	484356-6301 Special Department Expenses	AP071023	61.15	22-2304659		00127776	07/13/2023
MW OH	UNDERGROUND SERVICE V010637	JUN DIG ALERT SERVICE	484356-6301 Special Department Expenses	AP071023	160.50	620230531		00127776	07/13/2023
				<b>Check Total:</b>	<b>221.65</b>				
MW OH	WEST COAST ARBORISTS IN6/1-15 TREE MAINTENANCE V001124		173555-6116 Tree Maintenance	AP071023	950.00	201233	P12554	00127777	07/13/2023
				<b>Check Total:</b>	<b>950.00</b>				
MW OH	YORBA LINDA WATER V006633	JUN SEWER CHARGES	484356-6297 Billing Services	AP071023	1,068.33	553872		00127778	07/13/2023
				<b>Check Total:</b>	<b>1,068.33</b>				
				<b>Type Total:</b>	<b>1,119,736.40</b>				
				<b>Check Total:</b>	<b>1,119,736.40</b>				

**City of Placentia**

**ACH Check Register  
For 07/20/2023**

Type	Vendor Name/ID	Description	Account/Description	Batch ID	Amount	Invoice#	PO #	Check #	Check Date
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**Grand Total: 303,747.51**

Check Totals by ID

AP	303,747.51
EP	0.00
IP	0.00
OP	0.00

**Void Total: 0.00**

**Check Total: 303,747.51**

<u>Fund Name</u>	<u>Check Totals by Fund</u>
101-General Fund (0010)	287,200.47
208-Scssr Agncy Ret Oblg (0054)	1,101.91
227-Explorer Grant NOC (0076)	182.18
228-NOC-Public Safety Grant(0061)	3,034.40
231-Placentia Reg Nav Cent(0078)	554.23
240-Sewer Construction (0024)	1,533.87
265-Landscape Maintenance (0029)	866.15
275-Sewer Maintenance (0048)	5,954.00
501-Refuse Administration (0037)	3,320.30

**Check Total: 303,747.51**

**Electronic Disbursement Total: 303,747.51**

Funds will be transferred from the Cash Basis Fund as needed to fund the warrants included on this warrant register

**City of Placentia**  
**Check Register**  
**For 07/20/2023**

Type	Vendor Name/ID	Description	Account/Description	Batch ID	Amount	Invoice#	PO #	Check #	Check Date
MW OH	PLACENTIA POLICE V000839	PPMA P/E 06/24 PD 06/30	0010-2180 Police Mgmt Assn Dues	PY2301013	665.76	PR2301013		00017566	07/06/2023
					<b>Check Total:</b>	<b>665.76</b>			
MW OH	PLACENTIA POLICE V003519	PPOA P/E 06/24 PD 06/30	0010-2178 Placentia Police Assoc Dues	PY2301013	3,073.85	PR2301013		00017567	07/06/2023
MW OH	PLACENTIA POLICE V003519	PPOA P/E 06/24 PD 06/30	0061-2178 Placentia Police Assoc Dues	PY2301013	88.00	PR2301013		00017567	07/06/2023
MW OH	PLACENTIA POLICE V003519	PPOA P/E 06/24 PD 06/30	0076-2178 Placentia Police Assoc Dues	PY2301013	8.45	PR2301013		00017567	07/06/2023
					<b>Check Total:</b>	<b>3,170.30</b>			
MW OH	CALIFORNIA PUBLIC V010053	PERS PE 06/10 PD 06/16	0050-2195 PERS Uniform	ACH230101	0.00	PR2301012		00017568	07/13/2023
MW OH	CALIFORNIA PUBLIC V010053	PERS PE 06/10 PD 06/16	0061-2195 PERS Uniform	ACH230101	1.02	PR2301012		00017568	07/13/2023
MW OH	CALIFORNIA PUBLIC V010053	PERS PE 06/10 PD 06/16	0048-2195 PERS Uniform	ACH230101	0.60	PR2301012		00017568	07/13/2023
MW OH	CALIFORNIA PUBLIC V010053	PERS PE 06/10 PD 06/16	0073-2195 PERS Uniform	ACH230101	0.00	PR2301012		00017568	07/13/2023
MW OH	CALIFORNIA PUBLIC V010053	PERS PE 06/10 PD 06/16	0010-2195 PERS Uniform	ACH230101	24.39	PR2301012		00017568	07/13/2023
MW OH	CALIFORNIA PUBLIC V010053	PERS PE 06/10 PD 06/16	0021-2195 PERS Uniform	ACH230101	0.00	PR2301012		00017568	07/13/2023
MW OH	CALIFORNIA PUBLIC V010053	PERS PE 06/10 PD 06/16	0029-2195 PERS Uniform	ACH230101	0.00	PR2301012		00017568	07/13/2023
MW OH	CALIFORNIA PUBLIC V010053	PERS PE 06/10 PD 06/16	0010-2140 Employee PERS W/H	ACH230101	105,753.92	PR2301012		00017568	07/13/2023
MW OH	CALIFORNIA PUBLIC V010053	PERS PE 06/10 PD 06/16	0078-2140 Employee PERS W/H	ACH230101	214.27	PR2301012		00017568	07/13/2023
MW OH	CALIFORNIA PUBLIC	PERS PE 06/10 PD 06/16	0076-2140	ACH230101	0.00	PR2301012		00017568	07/13/2023

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Type	Vendor Name/ID	Description	Account/Description	Batch ID	Amount	Invoice#	PO #	Check #	Check Date
	V010053		Employee PERS W/H						
MW OH	CALIFORNIA PUBLIC V010053	PERS PE 06/10 PD 06/16	0076-2140 Employee PERS W/H	ACH230101	39.94	PR2301012		00017568	07/13/2023
MW OH	CALIFORNIA PUBLIC V010053	PERS PE 06/10 PD 06/16	0054-2140 Employee PERS W/H	ACH230101	424.11	PR2301012		00017568	07/13/2023
MW OH	CALIFORNIA PUBLIC V010053	PERS PE 06/10 PD 06/16	0058-2140 Employee PERS W/H	ACH230101	0.00	PR2301012		00017568	07/13/2023
MW OH	CALIFORNIA PUBLIC V010053	PERS PE 06/10 PD 06/16	0061-2140 Employee PERS W/H	ACH230101	1,544.92	PR2301012		00017568	07/13/2023
MW OH	CALIFORNIA PUBLIC V010053	PERS PE 06/10 PD 06/16	0050-2140 Employee PERS W/H	ACH230101	0.00	PR2301012		00017568	07/13/2023
MW OH	CALIFORNIA PUBLIC V010053	PERS PE 06/10 PD 06/16	0029-2140 Employee PERS W/H	ACH230101	0.00	PR2301012		00017568	07/13/2023
MW OH	CALIFORNIA PUBLIC V010053	PERS PE 06/10 PD 06/16	0029-2140 Employee PERS W/H	ACH230101	444.68	PR2301012		00017568	07/13/2023
MW OH	CALIFORNIA PUBLIC V010053	PERS PE 06/10 PD 06/16	0037-2140 Employee PERS W/H	ACH230101	1,289.72	PR2301012		00017568	07/13/2023
MW OH	CALIFORNIA PUBLIC V010053	PERS PE 06/10 PD 06/16	0048-2140 Employee PERS W/H	ACH230101	1,889.03	PR2301012		00017568	07/13/2023
MW OH	CALIFORNIA PUBLIC V010053	PERS PE 06/10 PD 06/16	0024-2140 Employee PERS W/H	ACH230101	792.67	PR2301012		00017568	07/13/2023
MW OH	CALIFORNIA PUBLIC V010053	PERS PE 06/10 PD 06/16	0029-2145 Employee PERS Payback W/H	ACH230101	2.59	PR2301012		00017568	07/13/2023
MW OH	CALIFORNIA PUBLIC V010053	PERS PE 06/10 PD 06/16	0054-2145 Employee PERS Payback W/H	ACH230101	12.94	PR2301012		00017568	07/13/2023
MW OH	CALIFORNIA PUBLIC V010053	PERS PE 06/10 PD 06/16	0037-2145 Employee PERS Payback W/H	ACH230101	18.11	PR2301012		00017568	07/13/2023
MW OH	CALIFORNIA PUBLIC V010053	PERS PE 06/10 PD 06/16	0048-2145 Employee PERS Payback W/H	ACH230101	4.40	PR2301012		00017568	07/13/2023

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Type	Vendor Name/ID	Description	Account/Description	Batch ID	Amount	Invoice#	PO #	Check #	Check Date
MW OH	CALIFORNIA PUBLIC V010053	PERS PE 06/10 PD 06/16	0010-2145 Employee PERS Payback W/H	ACH230101	220.71	PR2301012		00017568	07/13/2023
MW OH	CALIFORNIA PUBLIC V010053	PERS PE 06/10 PD 06/16	0010-2150 Survivor Benefit Package	ACH230101	130.40	PR2301012		00017568	07/13/2023
MW OH	CALIFORNIA PUBLIC V010053	PERS PE 06/10 PD 06/16	0024-2150 Survivor Benefit Package	ACH230101	0.93	PR2301012		00017568	07/13/2023
MW OH	CALIFORNIA PUBLIC V010053	PERS PE 06/10 PD 06/16	0078-2150 Survivor Benefit Package	ACH230101	0.46	PR2301012		00017568	07/13/2023
MW OH	CALIFORNIA PUBLIC V010053	PERS PE 06/10 PD 06/16	0050-2150 Survivor Benefit Package	ACH230101	0.00	PR2301012		00017568	07/13/2023
MW OH	CALIFORNIA PUBLIC V010053	PERS PE 06/10 PD 06/16	0054-2150 Survivor Benefit Package	ACH230101	0.48	PR2301012		00017568	07/13/2023
MW OH	CALIFORNIA PUBLIC V010053	PERS PE 06/10 PD 06/16	0061-2150 Survivor Benefit Package	ACH230101	0.91	PR2301012		00017568	07/13/2023
MW OH	CALIFORNIA PUBLIC V010053	PERS PE 06/10 PD 06/16	0058-2150 Survivor Benefit Package	ACH230101	0.00	PR2301012		00017568	07/13/2023
MW OH	CALIFORNIA PUBLIC V010053	PERS PE 06/10 PD 06/16	0076-2150 Survivor Benefit Package	ACH230101	0.06	PR2301012		00017568	07/13/2023
MW OH	CALIFORNIA PUBLIC V010053	PERS PE 06/10 PD 06/16	0062-2150 Survivor Benefit Package	ACH230101	0.00	PR2301012		00017568	07/13/2023
MW OH	CALIFORNIA PUBLIC V010053	PERS PE 06/10 PD 06/16	0073-2150 Survivor Benefit Package	ACH230101	0.00	PR2301012		00017568	07/13/2023
MW OH	CALIFORNIA PUBLIC V010053	PERS PE 06/10 PD 06/16	0048-2150 Survivor Benefit Package	ACH230101	3.08	PR2301012		00017568	07/13/2023
MW OH	CALIFORNIA PUBLIC V010053	PERS PE 06/10 PD 06/16	0037-2150 Survivor Benefit Package	ACH230101	2.09	PR2301012		00017568	07/13/2023
MW OH	CALIFORNIA PUBLIC V010053	PERS PE 06/10 PD 06/16	0029-2150 Survivor Benefit Package	ACH230101	1.09	PR2301012		00017568	07/13/2023
<b>Check Total:</b>					<b>112,817.52</b>				

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Type	Vendor Name/ID	Description	Account/Description	Batch ID	Amount	Invoice#	PO #	Check #	Check Date
MW OH	CALIFORNIA STATE V004813	PE 06/24 PD 06/30	0010-2196 Garnishments W/H	ACH230101	2,196.90	PR2301013		00017569	07/13/2023
MW OH	CALIFORNIA STATE V004813	PE 06/24 PD 06/30	0029-2196 Garnishments W/H	ACH230101	9.23	PR2301013		00017569	07/13/2023
MW OH	CALIFORNIA STATE V004813	PE 06/24 PD 06/30	0037-2196 Garnishments W/H	ACH230101	69.23	PR2301013		00017569	07/13/2023
MW OH	CALIFORNIA STATE V004813	PE 06/24 PD 06/30	0048-2196 Garnishments W/H	ACH230101	46.15	PR2301013		00017569	07/13/2023
<b>Check Total:</b>					<b>2,321.51</b>				
MW OH	EMPLOYMENT V010052	PE 06/24 PD 06/30	0010-2135 Calif Income Tax W/H	ACH230101	34,134.30	PR2301013		00017570	07/13/2023
MW OH	EMPLOYMENT V010052	PE 06/24 PD 06/30	0024-2135 Calif Income Tax W/H	ACH230101	197.45	PR2301013		00017570	07/13/2023
MW OH	EMPLOYMENT V010052	PE 06/24 PD 06/30	0029-2135 Calif Income Tax W/H	ACH230101	87.55	PR2301013		00017570	07/13/2023
MW OH	EMPLOYMENT V010052	PE 06/24 PD 06/30	0037-2135 Calif Income Tax W/H	ACH230101	412.52	PR2301013		00017570	07/13/2023
MW OH	EMPLOYMENT V010052	PE 06/24 PD 06/30	0048-2135 Calif Income Tax W/H	ACH230101	771.76	PR2301013		00017570	07/13/2023
MW OH	EMPLOYMENT V010052	PE 06/24 PD 06/30	0054-2135 Calif Income Tax W/H	ACH230101	123.99	PR2301013		00017570	07/13/2023
MW OH	EMPLOYMENT V010052	PE 06/24 PD 06/30	0061-2135 Calif Income Tax W/H	ACH230101	287.88	PR2301013		00017570	07/13/2023
MW OH	EMPLOYMENT V010052	PE 06/24 PD 06/30	0076-2135 Calif Income Tax W/H	ACH230101	32.66	PR2301013		00017570	07/13/2023
MW OH	EMPLOYMENT V010052	PE 06/24 PD 06/30	0078-2135 Calif Income Tax W/H	ACH230101	72.66	PR2301013		00017570	07/13/2023
<b>Check Total:</b>					<b>36,120.77</b>				
MW OH	INTERNAL REVENUE	PE 06/24 PD 06/30	0010-2110	ACH230101	79,975.26	PR2301013		00017571	07/13/2023

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Type	Vendor Name/ID	Description	Account/Description	Batch ID	Amount	Invoice#	PO #	Check #	Check Date
	V010054		Federal Income Tax W/H						
MW OH	INTERNAL REVENUE V010054	PE 06/24 PD 06/30	0076-2110 Federal Income Tax W/H	ACH230101	69.53	PR2301013		00017571	07/13/2023
MW OH	INTERNAL REVENUE V010054	PE 06/24 PD 06/30	0078-2110 Federal Income Tax W/H	ACH230101	147.62	PR2301013		00017571	07/13/2023
MW OH	INTERNAL REVENUE V010054	PE 06/24 PD 06/30	0024-2110 Federal Income Tax W/H	ACH230101	399.12	PR2301013		00017571	07/13/2023
MW OH	INTERNAL REVENUE V010054	PE 06/24 PD 06/30	0061-2110 Federal Income Tax W/H	ACH230101	974.47	PR2301013		00017571	07/13/2023
MW OH	INTERNAL REVENUE V010054	PE 06/24 PD 06/30	0037-2110 Federal Income Tax W/H	ACH230101	972.21	PR2301013		00017571	07/13/2023
MW OH	INTERNAL REVENUE V010054	PE 06/24 PD 06/30	0048-2110 Federal Income Tax W/H	ACH230101	2,105.10	PR2301013		00017571	07/13/2023
MW OH	INTERNAL REVENUE V010054	PE 06/24 PD 06/30	0054-2110 Federal Income Tax W/H	ACH230101	329.88	PR2301013		00017571	07/13/2023
MW OH	INTERNAL REVENUE V010054	PE 06/24 PD 06/30	0029-2110 Federal Income Tax W/H	ACH230101	184.46	PR2301013		00017571	07/13/2023
MW OH	INTERNAL REVENUE V010054	PE 06/24 PD 06/30	0029-2115 Employee Medicare W/H	ACH230101	42.60	PR2301013		00017571	07/13/2023
MW OH	INTERNAL REVENUE V010054	PE 06/24 PD 06/30	0024-2115 Employee Medicare W/H	ACH230101	71.85	PR2301013		00017571	07/13/2023
MW OH	INTERNAL REVENUE V010054	PE 06/24 PD 06/30	0037-2115 Employee Medicare W/H	ACH230101	131.12	PR2301013		00017571	07/13/2023
MW OH	INTERNAL REVENUE V010054	PE 06/24 PD 06/30	0048-2115 Employee Medicare W/H	ACH230101	231.30	PR2301013		00017571	07/13/2023
MW OH	INTERNAL REVENUE V010054	PE 06/24 PD 06/30	0076-2115 Employee Medicare W/H	ACH230101	9.11	PR2301013		00017571	07/13/2023
MW OH	INTERNAL REVENUE V010054	PE 06/24 PD 06/30	0061-2115 Employee Medicare W/H	ACH230101	68.60	PR2301013		00017571	07/13/2023

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Type	Vendor Name/ID	Description	Account/Description	Batch ID	Amount	Invoice#	PO #	Check #	Check Date
MW OH	INTERNAL REVENUE V010054	PE 06/24 PD 06/30	0054-2115 Employee Medicare W/H	ACH230101	44.92	PR2301013		00017571	07/13/2023
MW OH	INTERNAL REVENUE V010054	PE 06/24 PD 06/30	0078-2115 Employee Medicare W/H	ACH230101	22.11	PR2301013		00017571	07/13/2023
MW OH	INTERNAL REVENUE V010054	PE 06/24 PD 06/30	0010-2115 Employee Medicare W/H	ACH230101	10,911.98	PR2301013		00017571	07/13/2023
MW OH	INTERNAL REVENUE V010054	PE 06/24 PD 06/30	0010-2120 Employer Medicare Payable	ACH230101	10,826.88	PR2301013		00017571	07/13/2023
MW OH	INTERNAL REVENUE V010054	PE 06/24 PD 06/30	0078-2120 Employer Medicare Payable	ACH230101	22.11	PR2301013		00017571	07/13/2023
MW OH	INTERNAL REVENUE V010054	PE 06/24 PD 06/30	0054-2120 Employer Medicare Payable	ACH230101	39.79	PR2301013		00017571	07/13/2023
MW OH	INTERNAL REVENUE V010054	PE 06/24 PD 06/30	0076-2120 Employer Medicare Payable	ACH230101	9.11	PR2301013		00017571	07/13/2023
MW OH	INTERNAL REVENUE V010054	PE 06/24 PD 06/30	0061-2120 Employer Medicare Payable	ACH230101	68.60	PR2301013		00017571	07/13/2023
MW OH	INTERNAL REVENUE V010054	PE 06/24 PD 06/30	0037-2120 Employer Medicare Payable	ACH230101	123.94	PR2301013		00017571	07/13/2023
MW OH	INTERNAL REVENUE V010054	PE 06/24 PD 06/30	0048-2120 Employer Medicare Payable	ACH230101	226.17	PR2301013		00017571	07/13/2023
MW OH	INTERNAL REVENUE V010054	PE 06/24 PD 06/30	0024-2120 Employer Medicare Payable	ACH230101	71.85	PR2301013		00017571	07/13/2023
MW OH	INTERNAL REVENUE V010054	PE 06/24 PD 06/30	0029-2120 Employer Medicare Payable	ACH230101	42.60	PR2301013		00017571	07/13/2023
MW OH	INTERNAL REVENUE V010054	PE 06/24 PD 06/30	0010-2125 Employee Social Sec W/H	ACH230101	0.00	PR2301013		00017571	07/13/2023
MW OH	INTERNAL REVENUE V010054	PE 06/24 PD 06/30	0010-2130 Employer Soc Sec Payable	ACH230101	0.00	PR2301013		00017571	07/13/2023
<b>Check Total:</b>					<b>108,122.29</b>				

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**For 07/20/2023**

Type	Vendor Name/ID	Description	Account/Description	Batch ID	Amount	Invoice#	PO #	Check #	Check Date
MW OH	MISSION SQUARE 100091 V012393	401A PE 06/24 PD 06/30	0010-2170 Deferred Comp Payable - ICMA	ACH230101	8,049.64	PR2301013		00017572	07/13/2023
<b>Check Total:</b>					<b>8,049.64</b>				
MW OH	MISSION SQUARE 301387 V012394	PE 06/24 PD 06/30	0010-2170 Deferred Comp Payable - ICMA	ACH230101	30,996.48	301387-PY013		00017573	07/13/2023
MW OH	MISSION SQUARE 301387 V012394	PE 06/24 PD 06/30	0029-2170 Deferred Comp Payable - ICMA	ACH230101	51.35	301387-PY013		00017573	07/13/2023
MW OH	MISSION SQUARE 301387 V012394	PE 06/24 PD 06/30	0037-2170 Deferred Comp Payable - ICMA	ACH230101	301.36	301387-PY013		00017573	07/13/2023
MW OH	MISSION SQUARE 301387 V012394	PE 06/24 PD 06/30	0048-2170 Deferred Comp Payable - ICMA	ACH230101	676.41	301387-PY013		00017573	07/13/2023
MW OH	MISSION SQUARE 301387 V012394	PE 06/24 PD 06/30	0054-2170 Deferred Comp Payable - ICMA	ACH230101	125.80	301387-PY013		00017573	07/13/2023
MW OH	MISSION SQUARE 301387 V012394	PE 06/24 PD 06/30	0061-2170 Deferred Comp Payable - ICMA	ACH230101	0.00	301387-PY013		00017573	07/13/2023
MW OH	MISSION SQUARE 301387 V012394	PE 06/24 PD 06/30	0076-2170 Deferred Comp Payable - ICMA	ACH230101	13.32	301387-PY013		00017573	07/13/2023
MW OH	MISSION SQUARE 301387 V012394	PE 06/24 PD 06/30	0078-2170 Deferred Comp Payable - ICMA	ACH230101	75.00	301387-PY013		00017573	07/13/2023
<b>Check Total:</b>					<b>32,239.72</b>				
MW OH	WASHINGTON STATE V011597	PE 06/24 PD 06/30	0010-2196 Garnishments W/H	ACH230101	240.00	PR2301013		00017574	07/13/2023
<b>Check Total:</b>					<b>240.00</b>				
<b>Type Total:</b>					<b>303,747.51</b>				
<b>Check Total:</b>					<b>303,747.51</b>				

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**Check Register  
For 07/25//2023**

Type	Vendor Name/ID	Description	Account/Description	Batch ID	Amount	Invoice#	PO #	Check #	Check Date
					<b>Grand Total:</b>	257,567.27			
<b>Check Totals by ID</b>									
	AP				257,567.27				
	EP				0.00				
	IP				0.00				
	OP				0.00				
					<b>Void Total:</b>	0.00			
					<b>Check Total:</b>	257,567.27			
<b>Check Totals by Fund</b>									
	<b>Fund Name</b>								
	101-General Fund (0010)				254,972.38				
	211-PEG Fund (0058)				435.00				
	225-Asset Seizure (0021)				1,845.35				
	227-Explorer Grant NOC (0076)				309.54				
	601-Employee Health & Wlfre (0039)				5.00				
	<b>Check Total:</b>				257,567.27				

Funds will be transferred from the Cash Basis Fund as needed to fund the warrants included on this warrant register

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**For 07/20/2023**

Type	Vendor Name/ID	Description	Account/Description	Batch ID	Amount Invoice#	PO #	Check #	Check Date
MW OH	ARCHIVESOCIAL INC V012065	SOCIAL MEDIA ARCHIVING SUBSC.	101523-6999 Other Expenditure	AP070523	5,988.00 28610		00127705	07/06/2023
					<b>Check Total:</b>	<b>5,988.00</b>		
MW OH	CALIFORNIA CLETS USERS V012573	CCUG RENEWAL	101515-6255 Dues & Memberships	AP070523	125.00 9373		00127706	07/06/2023
					<b>Check Total:</b>	<b>125.00</b>		
MW OH	CALIFORNIA POLICE CHIEFS V000196	MEMBERSHIP RENEWAL - BUTTS	103040-6255 Dues & Memberships	AP070523	730.00 1905		00127707	07/06/2023
MW OH	CALIFORNIA POLICE CHIEFS V000196	MEMBERSHIP RENEWAL - <i>MCELHINNEY</i>	103040-6255 Dues & Memberships	AP070523	155.00 1913		00127707	07/06/2023
					<b>Check Total:</b>	<b>885.00</b>		
MW OH	CENTRAL SQUARE V011724	ANNUAL ACCESS FEE - RENEWAL	101523-6136 Software Maintenance	AP070523	99,843.28 Q-137333		00127708	07/06/2023
					<b>Check Total:</b>	<b>99,843.28</b>		
MW OH	CHARTER COMMUNICATIONS V012060	621-7/20 BWC INTERNET	109595-6215 Telephone/Internet	AP070523	1,308.60 119802401		00127709	07/06/2023
					<b>Check Total:</b>	<b>1,308.60</b>		
MW OH	IAFCI V012380	PD ANNUAL TRAINING CONF. REG	213041-6250 Staff Training	AP070523	600.00 FLOOD052423		00127710	07/06/2023
					<b>Check Total:</b>	<b>600.00</b>		
MW OH	LEE, JANICE V012588	TRAINING MEALS, MILEAGE	102531-6245 Meetings & Conferences	AP070523	380.51 070623		00127711	07/06/2023
					<b>Check Total:</b>	<b>380.51</b>		
MW OH	LEXIPOL LLC V003511	FIRE POLICY/PROCEDURE	103066-6136 Software Maintenance	AP070523	2,048.94 INVLEX16933		00127712	07/06/2023
					<b>Check Total:</b>	<b>2,048.94</b>		
MW OH	QUENCH USA	JUL PD WATER/ICE MACHINE RENT	103041-6301	AP070523	170.80 INV05955810		00127713	07/06/2023

**City of Placentia**  
**Check Register**  
**For 07/20/2023**

Type	Vendor Name/ID	Description	Account/Description	Batch ID	Amount Invoice#	PO #	Check #	Check Date
	V012472		Special Department Expenses					
				<b>Check Total:</b>	<b>170.80</b>			
MW OH	TRAINING INNOVATIONS INC/23-6/24 TMS SOFTWARE SUPPORT V003664		103040-6290 Dept. Contract Services	AP070523	800.00 23-082		00127714	07/06/2023
				<b>Check Total:</b>	<b>800.00</b>			
MW OH	AMAZON CAPITAL SERVICES DAY CAMP ARTS, CRAFTS SUPPLIES V012336		104071-6301 Special Department Expenses	AP071123	751.62 17TD-19PM-		00127779	07/13/2023
MW OH	AMAZON CAPITAL SERVICES SD STATIONS SUPPLIES V012336		103066-6301 Special Department Expenses	AP071123	230.72 19WJ-TNKY-		00127779	07/13/2023
MW OH	AMAZON CAPITAL SERVICES DAY CAMP ART, CRAFT SUPPLIES V012336		104071-6301 Special Department Expenses	AP071123	246.46 1GPI-PP1W-		00127779	07/13/2023
MW OH	AMAZON CAPITAL SERVICES DAY CAMP ARTS, CRAFTS SUPPLIES V012336		104071-6301 Special Department Expenses	AP071123	291.24 1JTG-DL3W-		00127779	07/13/2023
MW OH	AMAZON CAPITAL SERVICES SD STATIONS SUPPLIES V012336		103066-6301 Special Department Expenses	AP071123	112.00 1MFR-T1RX-		00127779	07/13/2023
MW OH	AMAZON CAPITAL SERVICES SD STATIONS SUPPLIES V012336		103066-6301 Special Department Expenses	AP071123	370.18 1PVY-YJHP-		00127779	07/13/2023
MW OH	AMAZON CAPITAL SERVICES DAY CAMP ARTS, CRAFTS SUPPLIES V012336		104071-6301 Special Department Expenses	AP071123	67.97 1QVK-CQKM-		00127779	07/13/2023
MW OH	AMAZON CAPITAL SERVICES SD STATIONS SUPPLIES V012336		103066-6301 Special Department Expenses	AP071123	233.00 1VQQ-DVG9-		00127779	07/13/2023
MW OH	AMAZON CAPITAL SERVICES SD OFFICE MISCELLANEOUSE V012336		103065-6301 Special Department Expenses	AP071123	639.53 1X9V-6W1W-		00127779	07/13/2023
MW OH	AMAZON CAPITAL SERVICES OFFICE SUPPLIES V012336		103065-6315 Office Supplies	AP071123	89.31 1X9V-6W1W-		00127779	07/13/2023
MW OH	AMAZON CAPITAL SERVICES BOOT SCRUBBERS V012336		103066-6301 Special Department Expenses	AP071123	163.65 1X9V-6W1W-		00127779	07/13/2023
MW OH	AMAZON CAPITAL SERVICES FIRE EXTINGUISHER		103067-6350	AP071123	238.16 1X9V-6W1W-		00127779	07/13/2023

**City of Placentia**  
**Check Register**  
**For 07/20/2023**

Type	Vendor Name/ID	Description	Account/Description	Batch ID	Amount	Invoice#	PO #	Check #	Check Date
	V012336		Small Tools/Equipment						
MW OH	AMAZON CAPITAL SERVICES	SD STATIONS SUPPLIES	103066-6301	AP071123	98.92	1YJG-LLD9-		00127779	07/13/2023
	V012336		Special Department Expenses						
				<b>Check Total:</b>	<b>3,532.76</b>				
MW OH	ANTHEM LIFE INSURANCE	JUL - SMITH, WARD LIFE INS	395083-5163	AP071123	5.00	JULY2023		00127780	07/13/2023
	V000046		Life Insurance Premiums						
				<b>Check Total:</b>	<b>5.00</b>				
MW OH	ASCAP	FY 23/24 MUSIC LICENSING FEES	581573-6290	AP071123	435.00	500614332-		00127781	07/13/2023
	V004439		Dept. Contract Services						
				<b>Check Total:</b>	<b>435.00</b>				
MW OH	AXON ENTERPRISES INC	FY 23/24 DRONE LICENSE	103041-6136	AP071123	1,998.96	INUS164770		00127782	07/13/2023
	V011762		Software Maintenance						
				<b>Check Total:</b>	<b>1,998.96</b>				
MW OH	CAREERS IN GOVERNMENT	CIG/UNLIMITED ANN. MEMBERSHIP	101512-6225	AP071123	3,350.00	JULY 2023		00127783	07/13/2023
	V012589		Advertising/Promotional						
				<b>Check Total:</b>	<b>3,350.00</b>				
MW OH	ECS IMAGING INC	LASERFICHE SMARTGOV INTEG. SVS	01523-6136	AP071123	1,200.00	17880		00127784	07/13/2023
	V001305		Software Maintenance						
				<b>Check Total:</b>	<b>1,200.00</b>				
MW OH	HALO CONFIDENTIAL	JUL PD TRAINING MGMT SERVICES	103040-6290	AP071123	425.00	0217T		00127785	07/13/2023
	V011712		Dept. Contract Services						
				<b>Check Total:</b>	<b>425.00</b>				
MW OH	JIMMYS BUFFET	7/20 ENTERTAINER	104074-6299	AP071123	1,600.00	07202023		00127786	07/13/2023
	V012596		Other Purchased Services						
				<b>Check Total:</b>	<b>1,600.00</b>				
MW OH	KELLY BOYZ BAND	7/27 ENTERTAINER	104074-6299	AP071123	1,700.00	032123		00127787	07/13/2023
	V012595		Other Purchased Services						

**City of Placentia**  
**Check Register**  
**For 07/20/2023**

Type	Vendor Name/ID	Description	Account/Description	Batch ID	Amount	Invoice#	PO #	Check #	Check Date
				<b>Check Total:</b>	<b>1,700.00</b>				
MW OH	LEMUS, FREDDY V010586	EXPLORER EXCURSION MEAL	763041-6301 Special Department Expenses	AP071123	309.54	070823		00127788	07/13/2023
				<b>Check Total:</b>	<b>309.54</b>				
MW OH	LOCALITY MEDIA INC V011549	FIRST DUE SUITE RENEWAL	103066-6136 Software Maintenance	AP071123	22,284.29	3186		00127789	07/13/2023
				<b>Check Total:</b>	<b>22,284.29</b>				
MW OH	LUKE, BRADY V010674	7/14 DJ SERVICES - LET'S DANCE	104071-6299 Other Purchased Services	AP071123	200.00	3479		00127790	07/13/2023
				<b>Check Total:</b>	<b>200.00</b>				
MW OH	LYNCH EMS V011542	JUL EMT SERVICES	101516-6290 Dept. Contract Services	AP071123	88,784.06	23-15704	P12935	00127791	07/13/2023
				<b>Check Total:</b>	<b>88,784.06</b>				
MW OH	MARLOW INNOVATIONS INCAFR V011989	ENGINE ANN. SUBSCRIPTION	103041-6136 Software Maintenance	AP071123	4,995.00	10377		00127792	07/13/2023
				<b>Check Total:</b>	<b>4,995.00</b>				
MW OH	MENDOZA, SERGIO V012220	PD TRAINING MEALS, MILEAGE	213041-6250 Staff Training	AP071123	245.35	MENDOZA7102		00127793	07/13/2023
				<b>Check Total:</b>	<b>245.35</b>				
MW OH	MURRIETA POLICE V012598	PD MOTOCYCLE TRAINING REG	213041-6250 Staff Training	AP071123	1,000.00	MCINERNEY07		00127794	07/13/2023
				<b>Check Total:</b>	<b>1,000.00</b>				
MW OH	ORANGE COUNTY CHIEFS V011400	OFY 23/24 MEMBERSHIP	103040-6255 Dues & Memberships	AP071123	500.00	FY 23/24		00127795	07/13/2023
				<b>Check Total:</b>	<b>500.00</b>				
MW OH	PSYCHOLOGICAL V009259	7/3 PRE-EMPLOYMENT EVALUATION	01512-6099 Professional Services	AP071123	495.00	526480		00127796	07/13/2023

**City of Placentia**  
**Check Register**  
**For 07/20/2023**

Type	Vendor Name/ID	Description	Account/Description	Batch ID	Amount Invoice#	PO #	Check #	Check Date
MW OH	PSYCHOLOGICAL V009259	7/6 PRE-EMPLOYMENT EVALUATION	01512-6099 Professional Services	AP071123	440.00 526481		00127796	07/13/2023
				<b>Check Total:</b>	<b>935.00</b>			
MW OH	SATTERFIELD, BRIAN V012593	8/3 ENTERTAINER	104074-6299 Other Purchased Services	AP071123	1,600.00 08032023		00127797	07/13/2023
				<b>Check Total:</b>	<b>1,600.00</b>			
MW OH	SHARK SANDWICH V012594	7/13 ENTERTAINER	104074-6299 Other Purchased Services	AP071123	1,600.00 07132023		00127798	07/13/2023
				<b>Check Total:</b>	<b>1,600.00</b>			
MW OH	SOTO ENTERTAINMENT V010517	8/10 ENTERTAINER	104074-6299 Other Purchased Services	AP071123	2,000.00 08102023		00127799	07/13/2023
				<b>Check Total:</b>	<b>2,000.00</b>			
MW OH	SOUTHERN CALIFORNIA V000941	ANNUAL MEMBERSHIP DUES	101001-6255 Dues & Memberships	AP071123	6,391.00 SCAG FY240135		00127800	07/13/2023
				<b>Check Total:</b>	<b>6,391.00</b>			
MW OH	THINKSUPPLIES.COM V007047	PAPER	109595-6315 Office Supplies	AP071123	326.18 70093		00127801	07/13/2023
				<b>Check Total:</b>	<b>326.18</b>			
				<b>Type Total:</b>	<b>257,567.27</b>			
				<b>Check Total:</b>	<b>257,567.27</b>			

**City of Placentia**

**ACH Check Register  
For 07/25/2023**

Type	Vendor Name/ID	Description	Account/Description	Batch ID	Amount	Invoice#	PO #	Check #	Check Date
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**Grand Total: 235,894.59**

Check Totals by ID

AP	235,894.59
EP	0.00
IP	0.00
OP	0.00

**Void Total: 0.00**

**Check Total: 235,894.59**

Fund Name	<u>Check Totals by Fund</u>
601-Employee Health & Wlfre (0039)	235,894.59

**Check Total: 235,894.59**

**ACH Payroll Direct Deposit for 07/14/2023: 621,685.52**

**Electronic Disbursement Total: 1,115,148.38**

Funds will be transferred from the Cash Basis Fund as needed to fund the warrants included on this warrant register

**City of Placentia**  
**Check Register**  
**For 07/20/2023**

Type	Vendor Name/ID	Description	Account/Description	Batch ID	Amount	Invoice#	PO #	Check #	Check Date
MW OH	CALIFORNIA PUBLIC V006234	JUL MED INSURANCE PREMIUM	395000-4715 ISF Health Ins Reimbursement	ACH071223	191,135.48	10000001720258		00017575	07/13/2023
MW OH	CALIFORNIA PUBLIC V006234	JUL MED INSURANCE PREMIUM	395083-5161 Health Insurance Premiums	ACH071223	15,407.31	10000001720258		00017575	07/13/2023
MW OH	CALIFORNIA PUBLIC V006234	JUL NON-PERS MEDICAL INSURANCE	395000-4715 ISF Health Ins Reimbursement	ACH071223	29,351.80	10000001720259		00017575	07/13/2023
<b>Check Total:</b>					<b>235,894.59</b>				
<b>Type Total:</b>					<b>235,894.59</b>				
<b>Check Total:</b>					<b>235,894.59</b>				



# Placentia City Council

## **AGENDA REPORT**

TO: CITY COUNCIL

VIA: CITY ADMINISTRATOR

FROM: DEPUTY CITY ADMINISTRATOR / PUBLIC SERVICES & INFRASTRUCTURE

DATE: JULY 25, 2023

SUBJECT: **ACCEPTANCE OF CONSTRUCTION WORK AND NOTICE OF COMPLETION FOR THE SANTA FE AVENUE OUTDOOR DINING PLATFORM PROJECT**

FISCAL IMPACT:

EXPENSE:	\$65,888.00	ORIGINAL CONSTRUCTION CONTRACT
	<u>\$13,177.60</u>	<u>APPROVED CHANGE ORDER NO. 1</u>
	\$79,065.60	TOTAL CONSTRUCTION COST
BUDGETED:	\$150,000.00	COMMUNITY DEVELOPMENT BLOCK GRANT FUND (302534-6401, 232502-6401)

### **SUMMARY:**

The City received a grant in the amount of \$150,000 from the County of Orange for use in supporting the local businesses. On February 7, 2023, the City Council awarded a construction contract to Global Builders Inc., in the amount of \$65,888.00 for the Santa Fe Avenue Outdoor Dining Platform Project (Project). Contract Change Order No. 1 in the amount of \$13,177.60 was approved by the City Administrator, which was under his authority limit to cover additional unforeseen construction work. The scope of the change order work included one (1) additional dining platform.

The Project has been completed to the satisfaction of the City. This action concludes the Project and authorizes filing a Notice of Completion with the Orange County Clerk-Recorder's Office in the amount of \$79,065.60.

### **RECOMMENDATION:**

It is recommended that City Council take the following actions:

1. Accept the work performed by Global Builders Inc., for the Santa Fe Avenue Outdoor Dining Platform Project, for a grand total amount of \$79,065.60; and
2. Authorize the City Administrator to file a Notice of Completion with the Orange County Clerk-Recorder's Office for the Project; and
3. Authorize the City Administrator to release retention funds in accordance with the terms of the contract.

**1.c.**  
**July 25, 2023**

**STRATEGIC PLAN STATEMENT:**

There is no specific City Council Strategic Goal or objective associated with this agenda item.

**DISCUSSION:**

On February 7, 2023, the City Council awarded a construction contract to Global Builders Inc., in the amount of \$65,888.00 for the Santa Fe Avenue Outdoor Dining Platform improvements. The work included installation of five (5) wood dining platforms for use by adjacent businesses to support outdoor dining uses.

One additional dining platform was installed at the request of an adjacent business owner which resulted in a change order and brings the total of installed dining platforms to six (6). Staff has inspected and accepted the project and recommends approval.

**FISCAL IMPACT:**

The final construction cost amounts to \$79,065.60. This cost consists of the bid amount submitted by Global Builders Inc. in the amount of \$65,888.00 and an additional \$13,177.60 in approved contract change orders. Sufficient funds are budgeted and available in the Fiscal Year 2022-23 Capital Improvement Budget to cover this expense. As such, sufficient funds exist for the recommended actions.

Prepared by:



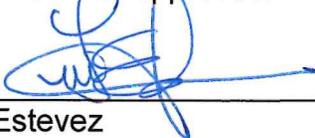
Alex Bangean, P.E.  
Senior Civil Engineer

Reviewed and approved:



Jennifer Lampman  
Director of Finance

Reviewed and approved:



Luis Estevez  
Deputy City Administrator

Reviewed and approved:



Damien R. Arrula  
City Administrator

**Attachment:**

Notice of Completion – Global Builders Inc.

RECORDING REQUESTED BY

AND WHEN RECORDED MAIL TO

Name	City Clerk
Street Address	City of Placentia
City & State	401 E. Chapman Ave. Placentia, CA 92870

SPACE ABOVE THIS LINE FOR RECORDER'S USE

Free Recording Per Government Code Section 27383 & 6103.

City Council Approval:

Deputy City Clerk

## NOTICE OF COMPLETION

Notice pursuant to Civil Code Section 3093, must be filed within 10 days after completion. (See reverse side for Complete requirements.)

Notice is hereby given that:

- The undersigned is owner or corporate officer of the owner of the interest or estate stated below in the property hereinafter described:
- The full name of the owner is City of Placentia
- The full address of the owner is 401 East Chapman Avenue  
Placentia, CA 92870

- The nature of the interest or estate of the owner is: In fee.

N/A

(If other than fee, strike "In fee" and insert, for example, "purchaser under contract of purchase," or "lessee")

- The full names and full addresses of all persons, if any, who hold title with the undersigned as joint tenants or as tenants in common are:

NAMES

ADDRESSES

N/A

- A work of improvement on the property hereinafter described was completed on May 12, 2023. The work done was:

Santa Fe Avenue Outdoor Dining Platform Project. The scope of work included the construction of six (6) wood dining platforms.

The name of the contractor, if any, for such work of improvement was Global Builders Inc.

- 1740 E Garry Ave, Suite 205, Santa Ana, CA 92705

2/7/2023

(If no contractor for work of improvement as a whole, insert "none".)

(Date of Contract)

- The property on which said work of improvement was completed is in the city of Placentia

County of Orange, State of California, and is described as follows: Santa Fe Avenue Outdoor Dining Platform Project.

- The street address of said property is Santa Fe Avenue between Main Street and Bradford Avenue, Placentia, CA 92870.

(If no street address has been officially assigned, insert "none".)

**CITY OF PLACENTIA**

Dated: July 25, 2023

Verification for Individual Owner

Signature of owner or corporate officer of owner  
named in paragraph 2 or his agent

### VERIFICATION

I, the undersigned, say: I am the City Administrator, Damien R. Arrula the declarant of the foregoing  
(\*President of\*, \*Manager of\*, \*Owner of\*, etc.)

Notice of completion; I have read said notice of completion and know the contents thereof; the same is true of my own knowledge.

I declare under penalty of perjury that the foregoing is true and correct.

Executed on \_\_\_\_\_, 2023, at Placentia, California.

(Date of Signature.)

(City where signed.)

(Personal signature of the individual who is swearing  
that the contents of the notice of completion are  
true.)-



# Placentia City Council

## AGENDA REPORT

TO: CITY COUNCIL

VIA: CITY ADMINISTRATOR

FROM: DEPUTY CITY ADMINISTRATOR / PUBLIC SERVICES & INFRASTRUCTURE

DATE: JULY 25, 2023

SUBJECT: **ACCEPTANCE OF CONSTRUCTION WORK AND NOTICE OF COMPLETION FOR OLD TOWN PLACENTIA FAÇADE IMPROVEMENT PROJECT**

FISCAL  
IMPACT: EXPENSE: \$ 205,838.00 ORIGINAL CONSTRUCTION CONTRACT  
\$ 12,536.26 CONTRACT CHANGE ORDERS NO. 1-3  
\$ 218,374.26 TOTAL CONSTRUCTION COST

BUDGETED: \$ 226,421.80 COMMUNITY DEVELOPMENT BLOCK GRANT  
FUND (302535-6401 JL# 232501)

### **SUMMARY:**

On December 5, 2017, the City Council approved the Old Town Placentia Façade Improvement Program (Program) as an effort to remove blight and provide for the expansion of the City's tax base using Community Development Block Grant (CDBG) funds for eligible façade improvements to local businesses within the Old Town Placentia District (OTPD), which is within the eligible census tracts for CDBG funds. The Program provides financial assistance in the form of a grant to commercial property and/or business owners to make facade improvements to the exterior of their commercial buildings. The City Council Housing, Community and Economic Development Ad-Hoc Committee (Committee) previously worked with Staff to develop a façade improvement program with the overall goal of promoting the historic OTPD as a positive venue for quality business, incentivize property and business improvements and attractions to enhance local economic growth. In addition, the Committee emphasized consolidating funds to facilitate worthwhile improvements on commercial corners, which have a key visual impact to attracting visitors to the OTPD.

On December 6, 2022, the City Council awarded a Public Works Agreement to Loengreen, Inc., in the amount of \$205,838 for the fifth project to be funded under the Program to renovate the existing building façade of the commercial property located at 101 W. Santa Fe Avenue. The Project has been completed to the satisfaction of the City. This recommended action concludes the Project and authorizes filing a Notice of Completion with the Orange County Clerk-Recorder's Office in the amount of \$218,374.26.

**1.d.**  
**July 25, 2023**

**RECOMMENDATION:**

It is recommended that City Council take the following actions:

1. Accept the work performed by Loengreen Inc., for the Old Town Placentia Façade Improvement Project, for a grand total amount of \$218,374.26; and
2. Authorize the City Administrator to file a Notice of Completion with the Orange County Clerk-Recorder's Office for the Project; and
3. Adopt Resolution No. R-2023-69, A Resolution of the City Council of the City of Placentia, California authorizing a budget amendment in Fiscal Year 2023-24 in compliance with City Charter of the City of Placentia §§1206 and 1209 pertaining to appropriations for actual expenditures; and
4. Authorize the City Administrator to release retention funds in accordance with the terms of the contract.

**STRATEGIC PLAN STATEMENT:**

This item is consistent with the City Council approved 5-Year Strategic Goal #6 to Improve City Beautification under Objective #6.3, which is to allocate more funding for façade improvement projects within eligible census tracts.

**DISCUSSION:**

On December 6, 2022, the City Council awarded a construction contract to Loengreen, Inc., (Loengreen), in the amount of \$205,838 for Old Town Placentia Façade Improvement Project at 101 W. Santa Fe Avenue. The scope of work for this project included:

- Replacement of existing storefront doors and windows, frame, and hardware.
- Replacement of existing lighting with new LED light fixtures at exterior.
- New architectural and decorative foam and cast concrete.
- New painting of exterior walls and decorative façade elements.

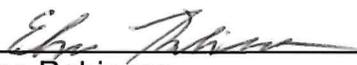
During the course of construction, there were unforeseen conditions that were encountered during the demolition of the existing façade of the building that resulted in additional work to remove asbestos, modify the window sizes, and secure the perimeter wall of the building. As a result, a total of three (3) change orders were issued for this project that totaled \$12,536.26, which was less than 10% of the total contract amount and was approved by the City Administrator under his administrative approval limit. The total construction cost of this work amounts to \$218,374.26. This amount includes the bid received by Loengreen in the amount of \$205,838 and change orders in the amount of \$12,536.26. This recommended action concludes the Project and authorizes filing a Notice of Completion with the Orange County Clerk-Recorder's Office in the amount of \$218,374.26 and starts the 30-day window to file claims against the contractor's retention payment.

**FISCAL IMPACT:**

The final construction cost amounts to \$218,374.26. This cost consists of the bid amount submitted by Loengreen, Inc., in the amount of \$205,838 and an additional \$12,536.26 in approved contract change orders. Sufficient funds were budgeted and available in the Fiscal Year (FY) 2022-23 Operating Budget to cover this expense. Approval of Resolution R-2023-69 (Attachment 2) is recommended to carryover the funds from FY 2022-23 Budget to the FY 2023-24 Budget. As such, sufficient funds exist for the recommended actions.

Prepared by:

Reviewed and approved:

  
\_\_\_\_\_  
Elsa Robinson  
Senior Management Analyst

  
\_\_\_\_\_  
Jennifer Lampman  
Director of Finance

Reviewed and approved:

Reviewed and approved:

  
\_\_\_\_\_  
Luis Estevez  
Deputy City Administrator

  
\_\_\_\_\_  
Damien R. Arrula  
City Administrator

**Attachments:**

1. Notice of Completion – Loengreen, Inc.
2. Budget Amendment Resolution No. 2023-69

RECORDING REQUESTED BY

AND WHEN RECORDED MAIL TO

Name	City Clerk
Street Address	City of Placentia 401 E. Chapman Ave.
City & State	Placentia, CA 92870

SPACE ABOVE THIS LINE FOR RECORDER'S USE

Free Recording Per Government Code Section 27383 & 6103.

City Council Approval:

Deputy City Clerk

## NOTICE OF COMPLETION

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- The full address of the owner is 401 East Chapman Avenue  
Placentia, CA 92870

- The nature of the interest or estate of the owner is: In fee.

N/A

(If other than fee, strike "In fee" and insert, for example, "purchaser under contract of purchase," or "lessee")

- The full names and full addresses of all persons, if any, who hold title with the undersigned as joint tenants or as tenants in common are:

NAMES

ADDRESSES

N/A

- A work of improvement on the property hereinafter described was completed on July 3, 2023. The work done was:

Old Town Placentia Façade Improvement Project . The scope of work included the renovation of the existing building facade of the commercial property located at 101 W Santa Fe Avenue, Placentia, CA 92870.

The name of the contractor, if any, for such work of improvement was Loengreen, Inc. .

- 1740 E Garry Ave, Suite 205, Santa Ana, CA 92705

12/6/2022

(If no contractor for work of improvement as a whole, insert "none".)

(Date of Contract)

- The property on which said work of improvement was completed is in the city of Placentia

County of Orange, State of California, and is described as follows: Old Town Placentia Façade Improvement Project

- The street address of said property is 101 W Santa Fe Avenue, Placentia, CA 92870.

(If no street address has been officially assigned, insert "none".)

### CITY OF PLACENTIA

Dated: July 25, 2023

Verification for Individual Owner

Signature of owner or corporate officer of owner  
named in paragraph 2 or his agent

### VERIFICATION

I, the undersigned, say: I am the City Administrator, Damien R. Arrula the declarant of the foregoing  
(\*President of\*, \*Manager of\*, \*Owner of\*, etc.)

Notice of completion; I have read said notice of completion and know the contents thereof; the same is true of my own knowledge.

I declare under penalty of perjury that the foregoing is true and correct.

Executed on \_\_\_\_\_, 2023, at Placentia, California.

(Date of Signature.)

(City where signed.)

(Personal signature of the individual who is swearing  
that the contents of the notice of completion are  
true.)-

**RESOLUTION NO. R-2023-69**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF PLACENTIA, CALIFORNIA AUTHORIZING A BUDGET AMENDMENT IN FISCAL YEAR 2023-24 IN COMPLIANCE WITH CITY CHARTER OF THE CITY OF PLACENTIA §§ 1206 AND 1209 PERTAINING TO APPROPRIATIONS FOR ACTUAL EXPENDITURES.**

**A. Recitals.**

(i). The adopted budget for the 2023-24 Fiscal Year sets out estimated appropriations for City expenses throughout the year.

(ii). From time to time the adopted budget must be adjusted when precise expenditures are finally determined or when estimated expenditures exceed projected costs allocated.

(iii). City Charter of the City of Placentia § 1206 authorizes the City Council to amend or supplement the budget by motion adopted by the affirmative votes of at least three members so as to authorize the transfer of unused balances appropriated for one purpose to another purpose, or to appropriate available revenues not included in the budget. All other legal prerequisites to the adoption of this Resolution have occurred.

**B. Resolution.**

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

1. In all respects as set forth in the Recitals, Part A., of this Resolution.
2. The adopted budget for Fiscal Year 2023-24, Resolution No. R-2023-42, is hereby amended to adjust the following accounts as specified below:

<b>Fund</b>	<b>Description</b>	<b>Department</b>	<b>GL Account</b>	<b>Amount</b>	<b>Type</b>
Community Development Block Grant Fund	Community Programs	Development Services	302535-6401 JL# 232501	\$50,547.14	Expense
Community Development Block Grant Fund	Federal Grants	Development Services	302535-4201 JL#232501	\$50,547.14	Revenue

3. The Mayor shall sign this resolution, and the City Clerk shall attest and certify to the passage and adoption thereof.

**PASSED, ADOPTED AND APPROVED THIS 25<sup>th</sup> DAY OF JULY 2023.**

\_\_\_\_\_  
Ward L. Smith, Mayor

ATTEST:

\_\_\_\_\_  
Robert McKinnell, City Clerk

STATE OF CALIFORNIA  
COUNTY OF ORANGE

I, Robert McKinnell, City Clerk of the City of Placentia, do hereby certify that the foregoing resolution was adopted at a regular meeting of the City Council of the City of Placentia held on the 25<sup>th</sup> day of July 2023 by the following vote:

AYES: Councilmembers:  
NOES: Councilmembers:  
ABSENT: Councilmembers:  
ABSTAIN: Councilmembers:

\_\_\_\_\_  
Robert McKinnell, City Clerk

APPROVED AS TO FORM:

\_\_\_\_\_  
Christian Bettenhausen, City Attorney



# Placentia City Council

## AGENDA REPORT

TO: CITY COUNCIL

VIA: CITY ADMINISTRATOR

FROM: CHIEF OF POLICE

DATE: JULY 25, 2023

SUBJECT: **AMENDMENT TO JOINT POWERS AGREEMENT WITH INTEGRATED LAW & JUSTICE AGENCY FOR ORANGE COUNTY**

FISCAL  
IMPACT: NONE

### **SUMMARY:**

The City of Placentia has been a member agency of the Integrated Law & Justice Agency for Orange County (ILJAOC) since 2008 via a Joint Powers Agreement (JPA), along with 21 other member cities, the County of Orange and several public university public safety agencies. This Amendment would make minor revisions to the existing JPA to clarify membership practices and continue the City's ability to receive accurate criminal suspect information in a timely manner.

### **RECOMMENDATION:**

It is recommended that the City Council take the following actions:

1. Approve the Restated and Amended Joint Powers Agreement for Integrated Law & Justice Agency for Orange County (ILJAOC); and
2. Authorize the City Administrator to execute the necessary documents, in a form approved by the City Attorney.

### **STRATEGIC PLAN STATEMENT:**

This item conforms to Strategic Plan Goal 2, Ensure that Public Safety Continues to be a High Priority, Objective No. 2, Consider sharing of services to other cities.

### **DISCUSSION:**

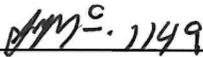
As a member of the ILJAOC since 2008, the City of Placentia is able to share and receive criminal justice information/data among the agencies of the JPA. The ILJAOC is intended to provide criminal justice and law enforcement officials with comprehensive, timely and accurate information about a criminal suspect, including identity, criminal history, and current justice status.

**1.e.**  
**July 25, 2023**

The proposed Amendment makes minor clarifications to the existing JPA Agreement to reflect the ongoing membership.

Submitted by:

Reviewed and approved:

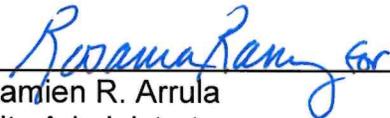
  
\_\_\_\_\_  
Teri Knutson  
Management Analyst

  
\_\_\_\_\_  
Brad Butts  
Chief of Police

Reviewed and approved:

Reviewed and approved:

  
\_\_\_\_\_  
Jennifer Lampman  
Finance Director

  
\_\_\_\_\_  
Damien R. Arrula  
City Administrator

Attachments:

1. Restated and Amended Joint Powers Agreement for Integrated Law & Justice Agency for Orange County
2. Memorandum from Legal Counsel for the ILJAOC summarizing amendments to JPA

**RESTATED AND AMENDED JOINT POWERS AGREEMENT  
FOR  
INTEGRATED LAW & JUSTICE AGENCY FOR ORANGE COUNTY  
(ILJAOC)**

This Amended Joint Powers Agreement (Agreement) is made and entered into by and between the listed cities, other entities, and County of Orange listed below, collectively referred to as “Member Agencies”. This Amendment to the Agreement is dated October 24, 2022 for reference purposes.

**Member Agencies**

Anaheim	Fountain Valley	La Palma	Santa Ana
Brea	Fullerton	Laguna Beach	Seal Beach
Buena Park	Garden Grove	Los Alamitos	Superior Court of CA, County of Orange
Costa Mesa	Huntington Beach	Newport Beach	Tustin
County of Orange	Irvine	Orange	Westminster
Cypress	La Habra	Placentia	University of CA, Irvine Police Department
California State University, Fullerton Police Department			

**RECITALS**

WHEREAS, the Member Agencies entered into an Agreement entitled “Joint Powers Agreement for Integrated Law & Justice Agency for Orange County” originally dated September 3, 2008 to create the Integrated Law and Justice Agency for Orange County; and

WHEREAS, the Member Agencies previously restated and amended said Joint Powers Agreement on June 8, 2015; and

WHEREAS, the Member Agencies desire to restate and amend said Joint Powers Agreement; and

WHEREAS, the Member Agencies have and possess the power and authorization to finance, organize, and establish a public agency to facilitate the integration and sharing of criminal justice information for the benefit of the lands and inhabitants within their respective boundaries; and

WHEREAS, the Member Agencies propose to join together to establish, operate, and maintain an agency for the benefit of their respective lands and inhabitants; and

WHEREAS, it is in the public interest to provide a means by which other public agencies may request services for the benefit of their lands and inhabitants; and

WHEREAS, the Member Agencies anticipate that from time to time it may be necessary to amend this Agreement and/or consider adding new Member Agencies;

NOW, THEREFORE, for and in consideration of the mutual promises and covenants contained herein, the parties hereto agree as follows:

**I  
PURPOSE**

1.01 The purpose of the Integrated Law and Justice Agency for Orange County (ILJAOC) is to cooperate with each Member Agency in the exercise of some or all of their powers to establish a separate agency to facilitate the integration and sharing of criminal justice information/data in the manner set forth in this Agreement.

1.02 Each Member Agency expressly retains all rights and powers to finance, plan, develop, construct, equip, maintain, repair, manage, operate, and control equipment, facilities, properties, projects, and information that it deems in its sole discretion to be necessary or desirable for its own information system needs, and that are authorized by the laws governing it. This Agreement shall not be interpreted, and the ILJAOC created herein, shall not have authority to impair or control any of the Member Agencies' respective rights, powers, or title to such equipment, facilities, properties, information, and projects, nor shall

any Member Agency be required to provide additional personnel, equipment, or services to the ILJAOC, which are not already a part of the Member Agency's current operational costs, or which requires them to modify their non-ILJAOC systems or services, without their consent and full cost reimbursement from other Member Agencies or other revenue sources.

1.03 Each Member Agency expressly retains all rights and powers to use other funds or funding sources to finance, plan, develop, construct, equip, maintain, repair, manage, operate, and control equipment and facilities for their information services. Nothing in this Agreement shall be construed to require a Member Agency (i) to disclose any information that the Member Agency determines, in its sole discretion, it does not have the ability or authority to disclose, or (ii) to do any act that the Member Agency determines, in its sole discretion, is contrary to law or public policy.

1.04 The ILJAOC is intended to provide criminal justice and law enforcement officials who have a need and right to know, with comprehensive, timely, and accurate information about a criminal suspect or offender, including identity, criminal history, and current justice status. In addition, it is intended to

- a) Allow criminal justice practitioners to maintain legacy databases and share only information that has been agreed upon in advance by a majority vote of the Board or the individual agency affected.
- b) Reduce redundant document preparation, data entry, transmission, and storage.
- c) Strive to identify and achieve common interests to enhance public safety and due process.
- d) Maintain individual privacy rights, preserve protections agencies have for public records and promote appropriate access controls and security.
- e) Support the development of effective criminal justice policy in keeping with the objectives of the Orange County Integrated Law & Justice Strategic Plan

("Strategic Plan") adopted by the Orange County Chiefs & Sheriff's Association in April 2001, and any amendments to that plan as approved by a majority vote of the Board.

- f) Strive for the compatibility of automated systems and processes among the various components of the Orange County Criminal Justice System.
- g) Acknowledge that each Member Agency is responsible for internal agency security for their records, technical support, etc.
- h) Recognize that in order to achieve overall success, resources (personnel, software, hardware, etc.), will be shared willingly and in some cases unequally by the Member Agencies, as long as that cooperation does not adversely impact the mission of the sharing member.
- i) Allow the Member Agencies to work together to implement the adopted Strategic Plan (and subsequent amendments to that plan), for an Integrated Law & Justice System through the information sharing which will result from that collaborative effort.

1.05 Member Agencies are not required to seek approval from the ILJAOC to purchase, install, or modify their own (non-ILJAOC owned) equipment, services, or work performed in conjunction with any legislative mandate/authority granted to or required of Member Agencies in order to carry out their respective responsibilities. Furthermore, the ILJAOC has no power or authority to control, interfere with, or inhibit Member Agencies from conducting their own internal business and/or providing their own (non-ILJAOC owned) resources or services to other entities, which may or may not be members of or served by the ILJAOC. Any changes to software or additional hardware that have been integrated into a Member Agency's existing infrastructure as part of a requirement to implement the initiatives approved by the ILJAOC Governing Board will become the sole property of that Member Agency, when without those enhancements, the agency could no longer operate their systems independent of the ILJAOC.

1.06 Member Agencies may modify, upgrade, or otherwise alter any of their internal systems or processes without approval of the ILJAOC, as long as those modifications do not inhibit the exchange of offender data and systems implemented and/or funded by the prior action of the ILJAOC. Notwithstanding anything to the contrary herein, a Member Agency shall have no obligation to seek approval from the ILJAOC for any modification to that Member Agency's internal systems or processes that is mandated by the State, or by any law or regulation governing the affected Member Agency.

1.07 In gathering and sharing information, and in all other respects in performing acts related to this Agreement, the parties will comply with all applicable laws, rules, and regulations.

## II

### CREATION OF THE INTEGRATED LAW & JUSTICE AGENCY FOR ORANGE COUNTY

2.01 By this Agreement, the Member Agencies hereby create a separate legal entity to be known as the Integrated Law & Justice Agency for Orange County ("ILJAOC"). The Member Agencies may agree on a different name for the ILJAOC.

2.02 The ILJAOC shall possess in its own name, and the Member Agencies delegate to it, the following enumerated powers:

- a) To make and enter into contracts consistent with this Agreement, including, but not limited to, contracts to purchase and/or dispose of supplies and equipment to carry out the implementation of the Strategic Plan and any adopted amendments to that plan.
- b) To receive compensation, gifts, contributions, and donations of property, funds, services, and other forms of financial assistance from persons, firms, corporations, and any governmental entity.
- c) To sue and be sued in its own name.

- d) To apply for an appropriate grant or grants under any Federal, State, or local programs for assistance in developing any of its programs or providing services to other public entities.
- e) To appoint committees, adopt rules, regulations, policies, by-laws, and procedures governing the operation of the ILJAOC.
- f) To add Member Agencies to the ILJAOC as approved by the ILJAOC Board in accordance with the terms of this Agreement.
- g) To execute agreements and resolutions consistent with the terms of this Agreement.
- h) To appoint/hire officers, employees, and/or agents.

2.03 Said powers shall be exercised in the manner provided by California law, including, without limitation, the Joint Exercise of Powers provisions of Government Code section 6500, et seq., and, except as expressly set forth herein, the Treasurer/Controller shall be subject to the restrictions upon the manner of exercising such powers as are imposed upon the Member Agency whose employee or officer is designated as the ILJAOC Treasurer/Controller pursuant to Section 3.12 below. The Member Agency's Treasurer/Controller appointed by the Governing Board shall serve a minimum three-year term at the discretion of the Board, so as to minimize any disruptions in carrying out his/her responsibilities.

2.04 Except as provided herein, the member agencies agree that all supplies and equipment purchased by the ILJAOC shall be owned and controlled by the ILJAOC as its sole and separate property and not as property of any Member Agency.

2.05 The ILJAOC shall operate as a separate legal entity and incur debt, separate and apart from the Member Agencies, and its debts, obligations, and liabilities shall be its own and not that of the Member Agencies, except as specifically provided for herein.

### III ORGANIZATION

3.01 The membership of the ILJAOC shall be the original Member Agencies, and any additional Agencies whose admission is unanimously approved, in accordance with the terms of this Agreement, by the ILJAOC Governing Board, but shall exclude any Agencies that have opted to withdraw.

3.02 The ILJAOC shall be governed by a voting Board consisting of six (6) Member Police Chiefs, each elected for a three-year term by the Orange County Chiefs' & Sheriff's Association to represent those Member Agencies with Police Departments. The Orange County Chiefs' & Sheriff's Association shall also designate one alternate Member Police Chief to serve as a voting member in the event less than six voting Board Members are present when a vote is called. In addition to the Police Chief representatives, other voting members of the Board will be the Sheriff, the District Attorney, the Chief Probation Officer, the Public Defender, one (1) representative from the Orange County Executive's Office, who will serve at the County of Orange CEO's pleasure, the Presiding Judge of the Orange County Superior Court, the Chief Executive Officer of the Orange County Superior Court, and three (3) City Manager representatives, who shall be elected for a minimum of three-year terms by the Orange County City Managers Association, with at least one (1) of those City Manager representatives being from a "contract city" in the County. Each Board member, or in the absence of a Board member, an alternate designated in advance by each said Board Member, shall have one vote on all matters before the Board. Such alternate members may be replaced from time-to-time at the appointing Board Member's discretion. All non-elected Board Members may be removed with or without cause by their respective appointing authorities.

3.03 Each Board Member, with the exception of the Sheriff, District Attorney, and Public Defender, shall designate at least one alternate and no more than two alternates to attend meetings and vote on behalf of the Board Member's respective Member Agency. The Sheriff, District Attorney, and Public Defender shall each designate at least one alternate

and no more than three alternates to attend meetings and vote on behalf of the Board Member's respective Member Agency.

3.04 The representatives of non-voting Member Agencies shall be permitted to engage in discussion of agenda items with voting Board Members, including the time period after a motion has been made and before a vote is taken, and shall not be considered members of the public at any ILJAOC meeting for purposes of public comment.

3.05 Each voting Board member shall hold office until a successor is selected, elected, hired or appointed under the powers of this Agreement and each Member Agency. The term of a Board member or alternate (both voting and non-voting) who is a public official or employee of a Member Agency shall terminate upon such Board Member leaving his or her position with the Member Agency. The vacancy of such a member who has left his or her position shall be filled by selection, election, or appointment according to the selection process adopted by this Agreement and the Member Agency whose representative has left his or her position.

3.06 Board members and alternates shall not receive compensation for their service on the ILJAOC Board, but they may be reimbursed by the ILJAOC for reasonable expenses incurred in conducting the business of the ILJAOC, as provided in this Agreement, when the expenses are not paid or reimbursed by their respective employing Member Agencies.

3.07 The principal office of the ILJAOC shall be established by the Board and shall be located within the County of Orange. The Board may change the principal office from one location to another within the County of Orange. Any change of address shall be noted by the Board but shall not be considered an amendment to this Agreement.

3.08 The Board shall meet at a location as may be designated by the Board. The time and place of regular meetings of the Board shall be determined by resolution adopted by the Board. A copy of such resolution shall be furnished to the Member Agencies. All meetings of the Board, including regular, adjourned, and special meetings, shall be called

and held in a manner as provided in the Ralph M. Brown Act, Chapter 9, Division 2, Title 5 of the California Government Code commencing with section 54950 et seq., as amended

3.09 All of the powers and authority of the ILJAOC shall be exercised by the Board unless specifically delegated, to the extent permitted by law, or reserved to the Member Agencies under this Agreement. Unless otherwise provided herein, each voting Board Member shall be entitled to one (1) vote. Except as otherwise provided herein, a majority of the full voting membership of the Board or their alternate present at a properly noticed meeting, shall constitute a quorum for purposes of transacting business. A majority vote of that quorum may adopt any motion, resolution, or order and take any other action appropriate to carry forward the objectives of the ILJAOC pursuant to this Agreement, with the exception of the adoption of the budget or other appropriations in excess of the adopted budget as outlined in Section 4.04 of this Agreement, in which case a two-thirds majority of the entire voting membership or their alternates is required for approval.

3.10 The Board shall designate a recording secretary to establish, distribute, and post agenda notices as required by law, keep the minutes of all open meetings of the Board, and cause a copy of such minutes to be forwarded to each Member Agency within a reasonable time after each meeting.

3.11 The Board may adopt policies, rules, and regulations for the conduct of its administrative affairs and that of the ILJAOC as may be required and that are consistent with this Agreement.

3.12 Where this Agreement requires an approval of a resolution or ordinance by any Member Agencies in any matter, the approval shall be evidenced by a certified copy of the resolution or ordinance of the governing body of such Member Agency filed with the ILJAOC. It shall be the responsibility of the Board to provide certified copies of said actions.

3.13 On an annual basis, the Board shall elect two Board members to act as Chair and Vice-Chair of the Agency for the purpose of conducting the Board meetings and performing other duties as required. The Vice-Chair may carry out all the duties of the Chair in his/her absence.

3.14 The Board shall appoint an officer or employee of a Member Agency to hold the offices of Treasurer and Controller ("Treasurer/Controller"), whose duties shall be in conformance with Government Code sections 6505 and 6505.5, and whose salary, if any, shall be established by the Board. The Treasurer/Controller shall also administer all contracts subsequent to the Board's approval and shall contract with a certified public accountant to make an annual audit of the accounts and records of the ILJAOC as provided in Government Code section 6505. The annual audit shall be submitted to the Board and each Member Agency when completed. The budget, covering a budget cycle set by the Board, shall be prepared by the Treasurer/Controller for the approval by the Board. The ILJAOC's investment policies shall be the policies of the Member Agency of the Treasurer/Controller, as those may be modified by the Board of the ILJAOC. The cost of the Treasurer/Controller in carrying out his/her duties, including, with limitation, any outside professional services, shall be reimbursed by the ILJAOC.

3.15 The Board shall have the power to appoint/hire additional officers, employees, or agents. Any officer, employee, or agent of the ILJAOC who is an officer, employee, or agent of any of the Member Agencies will continue to be subject to the Member Agency's personnel system. However, the ILJAOC may hire employees that are subject to the personnel system of the ILJAOC and said employees shall not be considered employees of any Member Agency. Any person from any Member Agency appointed by the Board to fulfill a staff position with the ILJAOC shall possess appropriate qualifications to carry out his or her responsibilities.

3.16 The Board may appoint legal counsel, by contract or otherwise, to provide legal counsel to the Board, Executive Director, and any other ILJAOC staff regarding the operations of the ILJAOC.

3.17 The officers of the ILJAOC Board shall perform all duties customary and appropriate to their respective offices and:

- a) After approval by the ILJAOC Board, the Board Chair shall sign all contracts on behalf of the ILJAOC Board.

- b) The secretary shall perform such duties as assigned by the Board and shall keep minutes of the Board meetings.
- c) The Treasurer/Controller shall be bonded in the amount to be determined by the Board and the bond fee shall be paid by the ILJAOC. The Treasurer/Controller shall perform the duties as set forth in this Agreement.

3.18 The Board may appoint an Executive Director by contract or otherwise to oversee day-to-day operations of the ILJAOC. The Executive Director shall manage the daily operations of the ILJAOC and supervision of any other ILJAOC employees.

3.19 All of the privileges and immunities from liability, exemption from laws, ordinances and rules, all relief, pension, disability, worker's compensation, and other benefits which apply to the activities or omissions of officials, officers, employees, volunteers, or agents of any of the Member Agencies when performing their respective functions for their respective Member Agency shall apply to such person(s) to the same degree and extent while they are assigned to the ILJAOC to perform and are performing any of the functions and other duties of the ILJAOC pursuant to authority granted by this Agreement. None of the officials, officers, agents, volunteers, or employees of a Member Agency appointed to the Board or performing services at the direction of the ILJAOC shall be deemed by reason of their appointment or service to be employed by any of the other Member Agencies or the ILJAOC or be subject to any of the requirements of the other Member Agencies.

## **IV BUDGET AND DISBURSEMENTS**

4.01 The Board shall adopt a budget for the ensuing fiscal year(s) pursuant to procedures developed by the Board. At the conclusion of each fiscal year, the Treasurer/Controller shall make a report to the Board regarding the excess or deficiency of revenues over (or under) expenditures. Such report shall include "budget to actual" comparisons based upon the previously adopted budget. Upon receipt of the report, the Board shall determine what extent, if any, unexpended budgetary appropriations shall be

re-appropriated or whether any excess of revenues over expenditures shall be allocated or expended.

4.02 The Treasurer/Controller shall draw warrants upon the approval and written order of the Board or the Board's Executive Director. The Board shall requisition the payment of funds only upon approval of such claims or disbursements and such requisition for payment in accordance with rules, regulations, policies, procedures, and by-laws adopted by the Board.

4.03 All funds received by the Treasurer/Controller for services provided by the ILJAOC, will be placed in object accounts, and the receipt, transfer, or disbursement of such funds during the term of this Agreement shall be accounted for in accordance with generally accepted accounting principles applicable to governmental entities. There shall be strict accountability of all funds. All revenues and expenditures shall be reported to the Board on a quarterly basis, unless otherwise required by the Board.

4.04 All expenditures within the approved budget shall be made upon the approval of the Treasurer/Controller in accordance with the rules, policies, and procedures adopted by the Board. No expenditure in excess of those budgeted shall be made without the two-thirds majority approval of the entire Board, and the budget shall thereafter be revised and amended.

4.05 The records and accounts of the ILJAOC shall be audited annually by an independent certified public accountant and any cost of the audit shall be paid by the ILJAOC. The minimum requirements shall be those prescribed by the State Controller under California Government Code section 26909 and in conformance with generally accepted auditing standards. Copies of such audit report shall be filed with each Member Agency no later than fifteen (15) days after receipt of said audit by the Board.

4.06 The Member Agencies have agreed by resolution through their respective Governing Authorities to fund on a shared basis, the costs of the ILJAOC operations, and capital in excess of any grant funds, through annual budget appropriations. Each Member Agency's agreement to provide such funds in fiscal years after the fiscal year in which the

original ILJAOC Joint Powers Agreement was executed, is contingent upon appropriation by the governing body of that Member Agency of sufficient funds for that purpose. The subject resolutions shall not limit the authority of each Member Agency to cease appropriations for the ILJAOC operations as determined by their respective Governing Authorities, provided, however, that a decision to cease appropriations shall be subject to the terms of Section 6.02 below. In addition, where the ILJAOC has an obligation under the terms of this Agreement to reimburse a Member Agency for providing personnel, equipment, and/or services to the ILJAOC, the Member Agency providing such personnel, equipment, and/or services may waive its right to reimbursement. When a Member Agency incurs costs eligible for reimbursement under the terms of this agreement, those costs shall include only those which are not part of the Member Agency's pre-existing infrastructure/operation prior to the effective date of this Agreement. They also shall not include overhead charges. Costs for the ILJAOC operations referenced in accordance with this Section 4.06 shall be shared as follows:

- a) Member Agencies with Municipal Police Departments and the Orange County Sheriff's Department, which serves the unincorporated area of the County as well as their "contract cities," shall be determined on a per capita served basis, with the combined total amount not to exceed 80% of total costs.
- b) County of Orange; an amount not to exceed 15% of total costs.
- c) The Superior Court of California, County of Orange; an amount not to exceed 5% of total costs.
- d) The University of California Police Department; an amount not to exceed 0.75% of total costs.
- e) California State University, Fullerton Police Department, an amount not to exceed 0.75% of total costs.

4.07 The Member Agencies acknowledge and agree that the ILJAOC will act as a conduit for the management, direction, and provision of integrated services to the

Member Agencies and to other public agencies that contract with ILJAOC for such services.

4.08 Based on information provided by the Executive Director or other designated representatives of the ILJAOC, the Treasurer/Controller shall keep a written account of any services provided to other public agencies by the ILJAOC. All revenues received from other public agencies contracting or receiving services from the ILJAOC for services shall be used to offset the costs incurred by the ILJAOC. The Governing Board shall determine whether those funds shall be placed in a Capital Reserve or otherwise allocated in the ILJAOC's Budget and/or projected costs to Member Agencies.

4.09 In establishing rates for services to non-Member Agency public agencies, the Board shall assure that the contracts for such services provide for the reimbursement of the actual expenses of providing all services of the ILJAOC, including insurance coverage for the ILJAOC's personnel and equipment. Payment for the ILJAOC services by contracting public agencies shall be made on a monthly basis, or no less frequently than on a quarterly basis (unless paid in advance) to the Treasurer/Controller of the ILJAOC. The Treasurer/Controller shall provide a written quarterly account to the Board of all revenues and expenses of the ILJAOC services to other public agencies.

4.10 The ILJAOC budget shall include the provision for a Capital Replacement fund that will provide for, among other things, the replacement of the equipment owned and operated by the ILJAOC. The ILJAOC Board annually shall recommend to the Member Agencies amounts needed for Capital Replacement. The amount of the provision for Capital Replacement in each ILJAOC annual budget will depend on the amounts appropriated by the Member Agencies for such purposes during each fiscal year. Said funds shall be transferred to the ILJAOC monthly by the Member Agencies for deposit in the ILJAOC's Capital Replacement fund. The actual purchase of new equipment and disposal of unneeded equipment shall be done whenever determined appropriate and justified by the Board.

4.11 All revenues derived from service contracts with other public agencies shall be maintained in a separate revenue account for the ILJAOC. The Treasurer/Controller

shall be responsible for accounting for all such revenue. The Board shall be responsible for determining the appropriate allocation of such funds as part of the budget adoption process.

## V

### LIABILITIES

5.01 Except as provided in Section 8.05 of this Agreement, the ILJAOC and the Member Agencies agree, to the extent allowed by law, that the Member Agencies shall be fully protected from any loss, injury, liability, damage, claim, lawsuit, cost, or expense arising out of, or in any way related to, the performance of this Agreement by the ILJAOC. Accordingly, the provisions of this Agreement should be broadly construed in favor of protection for the Member Agencies and interpreted to provide the fullest possible protection to the Member Agencies and Member Agency's officials, officers, agents, volunteers, and employees. ILJAOC acknowledges that the Member Agencies would not have entered into this Agreement in the absence of the commitments of the ILJAOC as specified in this Article V.

5.02 The Member Agencies acknowledge that each Member Agency may be assigning its own personnel to a cooperative pool of personnel to provide service to the ILJAOC. The ILJAOC shall be solely responsible for and retain all debts, liabilities, and other obligations for all activities of the ILJAOC, and shall maintain sufficient insurance coverage in effect at all times to cover any such claim, loss, liability, or obligation, as recommended by the ILJAOC Risk Manager and approved by the Board.

5.03 Except as provided in Section 8.05, the ILJAOC shall protect, defend, indemnify, and hold free and harmless the Member Agencies and their respective elected and appointed boards, officials, officers, agents, volunteers, and employees from and against any and all liabilities, damages, loss, cost, claims, expenses, actions, or proceedings of any kind or nature caused by ILJAOC employees or employees of Member Agencies who are performing ILJAOC functions, including, but not by way of limitation, injury or death of any person, injury or damage to any property, including consequential damages and attorney's fees and costs, resulting or arising out of or in any

way connected with the negligent acts or failure to act in the course and scope of carrying out their responsibilities in the performance of their duties to the ILJAO. In addition, and without limiting the foregoing indemnification obligation, except as provided in Section 5.04, the ILJAO will maintain sufficient insurance coverage in effect at all times as recommended by their Risk Manager, to cover any such damage claim, loss, cost, expense, action, proceeding, liability, or obligation.

5.04 Any contract with a non-member public agency (“non-Member Agency”) receiving services from the ILJAO shall include a mutual indemnification provision wherein the non-Member Agency and the ILJAO shall mutually agree to defend and indemnify the other in an amount equal to its proportionate share of liability on a comparative fault basis. The contract shall also provide that: 1) The indemnity obligation shall exist with respect to any claim, loss, liability, damage, lawsuit, cost, or expense that arises out of, or is in any way related to, the performance of services pursuant to the contract; and 2) The obligation of the non-Member Agency and the ILJAO pursuant to the indemnification provision will extend, without limitation, to an injury, death, loss, or damage which occurs in the performance of the contract and that is sustained by any third party, any agent, or contractor of the non-Member Agency or the ILJAO. Notwithstanding the foregoing, in situations where a non-Member Agency lacks the authority to enter into an agreement containing the specific terms specified above in this Section 5.04, the ILJAO may enter into an agreement without such terms (or including only some of those terms) only after (1) a finding by and affirmative vote of a two-thirds majority of all voting Board members, or their alternates, that the risk of entering into such an agreement is outweighed by the benefit to be obtained by entering into the agreement, and (2) a determination by the ILJAO’s Risk Manager that insurance provisions applicable to the agreement are adequate given the specific risks presented.

5.05 Member Agencies shall be responsible for the continued provision of worker's compensation coverage for the officers or employees of the Member Agencies that are assigned to provide services to the ILJAO and/or serve as officers or employees of the ILJAO. In this regard, each Member Agency shall defend, indemnify, and hold harmless the ILJAO and any other Member Agencies, and their respective officials

officers, employees, contractors, agents, and representatives with respect to any claim, loss, liability, damage, lawsuit, cost, or expense, including attorney's fees and costs, that arises out of, or is in any way related, to any industrial/worker compensation injury sustained by an officer or employee of the indemnifying Member Agency during the performance of service to the ILJAOC or the other Member Agencies under this Agreement.

5.06 ILJAOC shall employ the principles of sound risk management in its operations. Risks of loss shall be identified, evaluated, and treated in a manner that protects the ILJAOC and each Member Agency from adverse financial consequences. This may be accomplished in part through the purchase of appropriate commercial insurance.

The Risk Manager, or his/her designee, of one Member Agency shall be designated by the Board, with the consent of the Member Agency, as the "ILJAOC Risk Manager" and shall act in an advisory capacity to the ILJAOC Board to provide guidance in the area of risk management, loss control, insurance procurement, and claims management. Should a Member Agency Risk Manager not be available to serve the ILJAOC, the Board may designate someone who has comparable experience to serve in that capacity. The ILJAOC Risk Manager will be responsible for maintaining the original insurance policies and other risk management and insurance documents.

During the term of this Agreement, the ILJAOC shall purchase and maintain sufficient amounts of commercial insurance coverage at the equally shared cost to the Member Agencies. The types, limits, retention levels, deductibles, policy forms, and carriers providing the above required insurance coverages shall be recommended by the ILJAOC Risk Manager to the Board for its approval, consistent with this Agreement.

## **VI**

### **ADMISSION AND WITHDRAWAL OF PARTIES**

6.01 Additional public agencies may become Member Agencies of the ILJAOC upon such terms and conditions as are determined by the Board, and upon the unanimous

consent of the ILJAOC Governing Board, so long as such addition(s) are not projected to increase costs to existing Member Agencies. Upon approval by the ILJAOC Governing Board, a written amendment to this Agreement shall be executed by all of the existing Member Agencies, as well as the additional Member Agency. Should increased costs to existing Member Agencies be anticipated due to the addition of a new public agency, unanimous approval must be received from the governing bodies of the existing Member Agencies, as evidenced by approval of resolutions and the execution of a written amendment to this Agreement by all of the Member Agencies, including the additional Member Agency.

6.02 Member Agencies have the right to withdraw from the ILJAOC. Such withdrawals, either voluntarily or involuntarily, shall be conditioned as follows:

- a) Involuntary withdrawal shall mean those circumstances where a Member Agency must withdraw due to fiscal or budgetary impact of that Member Agency that results in the discontinuance or reduction of the funding for personnel, services, or equipment by that Member Agency.
- b) In the case of a voluntary withdrawal, written notice shall be given one hundred eighty (180) days prior to the end of a fiscal year except that such notice requirement may be shortened (i) by unanimous approval of the Board members present at the meeting at which the Board considers shortening the notice requirement, or (ii) upon breach of this Agreement by the ILJAOC or any Member Agency, in which case the withdrawing Member Agency may withdraw effective at any time.
- c) Neither voluntary nor involuntary withdrawal shall relieve the withdrawing Member Agency of its obligations for its proportionate share of any debts or other liabilities incurred by the ILJAOC prior to the effective date of the Member Agency's withdrawal (with the exception of new purchases of capital equipment after the date of the Member Agency's notice of withdrawal), nor any liabilities imposed upon or incurred by the Member

Agency pursuant to this Agreement prior to the effective date of the Member Agency's withdrawal.

- d) The withdrawing Member Agency shall retain all rights and claims relating to revenues received by the ILJAOC during the time period that the Member Agency provided personnel, services, or equipment under the ILJAOC direction.
- e) The withdrawing Member Agency shall be entitled to remove its personnel and any equipment whose title was not transferred in writing to the ILJAOC from the possession and control of the ILJAOC, regardless of the impact on the ILJAOC or its continued operation. The withdrawing Member Agency may also recover any other equipment no longer needed by the ILJAOC, including equipment it previously transferred to the ILJAOC, according to the terms and conditions determined by the Board in its sole discretion to be fair and equitable. The ILJAOC Board may choose to exempt a Member Agency from any of the listed conditions, but may not impose any conditions other than those listed.

## **VII**

### **TERMINATION AND DISPOSITION OF ASSETS**

7.01 The ILJAOC shall continue to exist and exercise the powers herein until this Agreement is terminated by a vote of two-thirds of the entire Board; provided, however, that no termination shall be complete and final until the ILJAOC has satisfactorily disposed of all financial obligations and claims, distributed all assets, and performed all other functions deemed necessary by the Board to conclude the affairs of the ILJAOC.

7.02 Termination shall occur upon:

- a) The written consent of all Member Agencies; or

- b) Upon the withdrawal from the ILJAOC of a sufficient number of the Member Agencies that results in a lack of effectiveness as determined by a two-thirds vote of the remaining Board Members; and
  - 1. Full satisfaction of all outstanding financial obligations of the ILJAOC; and
  - 2. All other contractual obligations of the ILJAOC have been satisfied.

7.03 In the event of the termination of this Agreement, any funds remaining following the discharge of all obligations shall be disposed of by returning to each current Member Agency of the ILJAOC immediately prior to the termination of this Agreement, a share of such funds proportionate to the contribution made to the ILJAOC by said Member Agency, to the extent determined by the Board in its sole discretion to be fair and equitable.

7.04 Notwithstanding any other provisions of this Agreement, the Member Agencies agree to abide by the following procedure for selling of equipment in the event this Agreement is terminated. The equipment shall be given a fair market value by an appraiser agreed upon by the Board. Before the equipment is sold on the open market, the Member Agencies each shall have the right to purchase the equipment at a price and under terms as agreed upon by the Board, which may include a financing arrangement for the purchaser to allow for a transition period after the termination of this Agreement. If an agreement cannot be reached concerning a purchase of the equipment, then it shall be sold on the open market. Proceeds from the sale of equipment upon termination of the Agreement shall be distributed to the Member Agencies in a manner consistent with the cost-sharing format outlined in Paragraph 4.06 (a), (b), and (c) of this Agreement, and any modifications to that formula adopted by the Board.

## **VIII MISCELLANEOUS**

### 8.01 Amendments

Except as otherwise specified in this Agreement, this Agreement may be amended with the unanimous approval of all Member Agencies; provided, however, that no amendment may be made that would adversely affect the interests of the owners of bonds, letters of credit, or other financial obligations of the ILJAOC. An Amendment to this Agreement may be executed in any number of actual or digital counterparts. The counterparts together will be taken to constitute one and the same instrument. An Amendment will have effect upon execution by all Member Agencies.

#### 8.02 Notices

Any notice or instrument required to be given or delivered by depositing the same in any United States Post Office, registered or certified, postage prepaid, addressed to the Member Agencies, shall be deemed to have been received by the Member Agency to whom the same is addressed at the expiration of five (5) days after deposit of the same in the United States Post Office for transmission by registered or certified mail as aforesaid.

#### 8.03 Effective Date

This Agreement shall be effective at such time as this Agreement has been executed by the majority of the voting Member Agencies enumerated in the introduction of this Amended Agreement.

#### 8.04 Conflicts of Interest

No official, officer or employee of the ILJAOC or any Member Agency shall have any financial interest, direct or indirect, in the ILJAOC. Nor shall any such officer or employee participate in any decision relating to the ILJAOC that affects his or her financial interests or those of a corporation, partnership, or association in which he or she is directly or indirectly interested, in violation of any State law or regulation.

#### 8.05 Mediation

- a) Any controversy or claim between any Member Agencies, or between any such Member Agency or Member Agencies and the ILJAOC, with respect to the ILJAOC's operations, or to any claims, disputes, demands,

differences, controversies, or misunderstandings arising under, out of, or in relation to this Agreement, shall be submitted to and determined by mediation.

- b) The Member Agency desiring to initiate mediation shall give notice of its intention to every other Member Agency and the ILJAOC. Such notice shall designate such other Member Agencies as the initiating Member Agency intends to have bound by any award made therein.
- c) Each Member Agency involved in the mediation shall bear its own legal costs, including attorney fees.

#### 8.06 Partial Invalidity

If any one or more of the terms, provisions, sections, promises, covenants or conditions of this Agreement shall to any extent be adjudged invalid, unenforceable or void for any reason whatsoever by a court of competent jurisdiction, each and all of the remaining terms, provisions, sections, promises, covenants and conditions of this Agreement shall not be affected thereby and shall be valid and enforceable to the fullest extent permitted by law.

#### 8.07 Successors

This Agreement shall be binding upon and shall inure to the benefit of the successors of the Member Agencies hereto.

#### 8.08 Assignment

A Member Agency shall not assign any rights or obligations under this Agreement without the written consent of all other Member Agencies.

#### 8.09 Execution

The Governing Authorities of the Member Agencies enumerated herein have each authorized execution of this Agreement, as evidenced by the authorized signatures below, respectively.

#### 8.10 Entire Agreement

This Agreement supersedes any and all other agreements whether oral or written, between the parties hereto with respect to the subject matter hereof and contains all of the covenants and agreements between the parties with respect to said matter, and each party to this Agreement acknowledges that no representations, inducements, promises, or agreements, orally or otherwise, have been made by any party, or anyone acting on behalf of any party, which are not embodied herein, and that any other agreement or modification of this Agreement shall be effective only if executed in writing and signed by the ILJAOC and all Member Agencies.

Dated: \_\_\_\_\_  
\_\_\_\_\_

CITY OF: \_\_\_\_\_

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

Title: \_\_\_\_\_

ATTEST:  
  
\_\_\_\_\_

Clerk of the City of \_\_\_\_\_

APPROVED AS TO FORM:  
  
\_\_\_\_\_

City Attorney



**CARNEY MEHR**  
A Legal Corporation

STAFF REPORT

TO: Board of Directors, Integrated Law & Justice Agency for Orange County

FROM: Kendra L. Carney Mehr, Legal Counsel

DATE: October 24, 2022

RE: Amendments to ILJAOOC's Joint Powers Agreement

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Introduction

It has been seven years since the ILJ last reviewed and modified its Joint Powers Agreement. Following a question from the Board regarding the order of voting alternates appointed by the Orange County Chiefs' and Sheriff's Association, the ILJ's Executive Director, Recording Secretary, and Legal Counsel reviewed the Restated and Amended Joint Powers Agreement (the "Agreement"). The following describes the minor amendments proposed to further clarify the Agreement and ensure the practices of the Board conform with the requirements of the Agreement.

Background

The Member Agencies originally adopted the Joint Powers Agreement (the "Agreement") on September 3, 2008. The Agreement was next amended on June 8, 2015. The Agreement governs the operation of the ILJ. The Agreement is executed by all Member Agencies. And, all Member Agencies must approve the proposed amendments.

Discussion

The following amendments to the Agreement are proposed:

- Page 1: The amendments list the date of the proposed amendment and clarify when the original Agreement was adopted.

- Page 2: The amendment adds the last date the Agreement was restated and amended.
  
- Page 7:
  - Section 3.01: The amendment clarifies the ongoing membership of the ILJ.
  - Section 3.02: The amendment confirms that the Orange County Chiefs’ and Sheriff’s Association shall appoint six Board Members and one alternate Board Member who may serve as a voting member in the event less than all six voting Board Members are present when a vote is called.
  
- Page 8:
  - Section 3.02: This amendment clarifies that Board Members that do not serve in an elected position may be removed for any reason by their respective appointing authorities and differentiates elected officials who may only be removed by recall.
  - Section 3.03: This amendment requires that each Board Member shall have at least one alternate, and no more than two alternates, with the exception of the elected Board Members who shall have at least one alternate and no more than three alternates.
  - Section 3.04: This amendment distinguishes non-voting Member Agency representatives from the public for purposes of continuing to engage in discussion separate and apart from public comment.
  
- Page 11:
  - Section 3.16: This allows the Board latitude to appoint legal counsel as it sees fit and mirrors the language of the Board’s ability to appoint an Executive Director.
  
- Page 22:
  - Section 8.01: The amendment allows any future amendments to be executed in digital format, by digital signatures, and in counterparts.
  
- Page 25: The amendment removes the requirement that an Agency’s mayor must execute an amendment to the Agreement in recognition of the fact that some or all Member Agencies may have delegated the ability to approve an amendment to the Agreement to a designee of the City Council, and that not all Member Agencies have a mayor.

Procedure

Should the Board approve the proposed amendments, or any portion of the proposed amendments, the Executive Director will prepare a packet for the Member Agencies to review and approve in accordance with their respective requirements.

Fiscal Impact

There is no fiscal impact to the ILJ as a result of this action.

Recommended Action

Review and approve the proposed amendments to the Joint Powers Agreement for further review and approval by the Members Agencies.



# Placentia City Council

## **AGENDA REPORT**

TO: CITY COUNCIL

VIA: CITY ADMINISTRATOR

FROM: DEPUTY CITY ADMINISTRATOR / PUBLIC SERVICES AND INFRASTRUCTURE

DATE: JULY 25, 2023

SUBJECT: **AWARD OF CONSTRUCTION CONTRACT TO UNLIMITED ENVIRONMENTAL, INC. FOR DEMOLITION WORK AT 207 WEST CHAPMAN AVENUE**

FISCAL IMPACT:	EXPENSE: \$60,000	TOTAL CONSTRUCTION CONTRACT AMOUNT
	\$6,000	TOTAL CONSTRUCTION CONTINGENCY AMOUNT
	\$66,000	TOTAL AMOUNT
BUDGET:	\$66,000	AFFORDABLE HOUSING DEVELOPMENT IMPACT FEE FUND (682534-6099)

### **SUMMARY:**

The property located at 207 West Chapman Avenue (APN: 339-033-21), (the "Property") is located on the northerly side of Chapman Avenue, beginning 50 feet westerly of Main Street in the City of Placentia. The Property backs to a public alley and is located immediately south of Kraemer Memorial Park. The subject property contains 11,000 gross square feet of land area. The Property is within the C1 (Neighborhood Commercial) zone district of the City and has a 1,698 square foot commercial building.

The Property suffered extensive fire damage on November 16, 2022. The property was appraised on January 30, 2023 as an effectively vacant land parcel, and the existing building represents a detriment to the underlying land value, due to the costs associated with clearing the site (demolition, hauling, dump fees, etc.). After considering the various factors which influence value, the fair market value of the fee simple interest of the Property is \$900,000. On April 4, 2023 the City Council approved Resolution No. 2023-18 and a Purchase and Sale Agreement for the Property. The City closed escrow on Monday, June 12, 2023 and the City issued a Request for Proposals (RFP) for the demolition and removal of a fire damaged structure located at 207 West Chapman Avenue on Tuesday, June 20, 2023. After a thorough evaluation of all the proposals received, Staff recommends awarding a construction contract to Unlimited Environmental, Inc. in the amount of \$60,000 for the asbestos abatement and demolition of the Property. This action approves the award of a construction contract to Unlimited Environmental, Inc.

**1.f.**  
**July 25, 2023**

**RECOMMENDATION:**

It is recommended that City Council take the following actions:

1. Award a Construction Contract to Unlimited Environmental, Inc., for demolition work and asbestos abatement for 207 West Chapman Avenue in the amount of \$60,000; and
2. Reject all other bids received and authorize return of the bid bonds; and
3. Authorize the City Administrator to approve contract change orders up to ten percent (10%) of the contract amount, or \$6,000 for a total construction contract not-to-exceed amount of \$66,000; and
4. Adopt Resolution No. R-2023-68, A Resolution of the City Council of the City of Placentia, California authorizing a budget amendment in Fiscal Year 2023-24 in compliance with City Charter of the City of Placentia §§1206 and §§1209 pertaining to appropriations for actual expenditures; and
5. Authorize the City Administrator and/or his designee to execute all necessary documents, in a form approved by the City Attorney.

**STRATEGIC PLAN STATEMENT:**

This item is consistent with the City Council approved 5-Year Strategic Goal to Promote Community and Economic Development under Objective #3.10, which is the Implementation of Housing Element Strategies and Objective #3.12, which is to Secure Funding to Address Affordable Housing.

**DISCUSSION:**

The property located at 207 West Chapman Avenue (APN: 339-033-21), (the "Property") is located on the northerly side of Chapman Avenue, beginning 50 feet westerly of Main Street in the City of Placentia. The Property backs to a public alley and is located immediately south of Kraemer Memorial Park. The subject property contains 11,000 gross square feet of land area. The Property is within the C1 (Neighborhood Commercial) zone district of the City and has a 1,698 square foot commercial building.

The Property suffered extensive fire damage on November 16, 2022. The property was appraised on January 30, 2023 as an effectively vacant land parcel, and the existing building represents a detriment to the underlying land value, due to the costs associated with clearing the site (demolition, hauling, dump fees, etc.). After considering the various factors which influence value, the fair market value of the fee simple interest of the Property is \$900,000. On April 4, 2023, the City Council approved Resolution No. 2023-18 for the purchase of the Property.

As part of the due diligence period during the escrow process, the City conducted several surveys and studies to review the geologic, environmental and soils test of the Property. It was determined

that the Property contains several Recognized Environmental Conditions (REC), including asbestos, lead base paint, and polychlorinated biphenyls (PCBs). The REC's must be properly remediated via a special permit from the South Coast Air Quality Management District Rule 1403 Procedure 5 Workplan.

The City closed escrow on Monday, June 12, 2023 and the City issued a Request for Proposals (RFP) for the demolition and removal of a fire damaged structure located at 207 West Chapman Avenue on Tuesday, June 20, 2023. The RFP was posted on PlanetBids for approximately three (3) weeks. A total of seven bids were received as noted in the table below:

Contractor	Bid Amount
Unlimited Environmental, Inc.	\$60,000
Danny Ryan Precision Contracting, Inc.	\$87,000
Abajian Enterprise	\$93,450
Interior Demolition, Inc.	\$115,875
R&R B Inc.	\$162,095
Integrated Demolition and Remediation Inc.	\$187,000
AD Improvements, Inc.	\$262,310

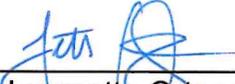
The submitted proposals were reviewed by the Deputy City Administrator and the Deputy Director of Administrative Services. Staff evaluated all proposals received in accordance with the firms' technical experience in performing work of a closely similar nature; strength and stability of the firm; and quality of the final product completed with other agencies by checking their references. Based on this evaluation, Staff recommends awarding a construction contract to Unlimited Environmental, Inc. in the amount of \$60,000 for the asbestos abatement and demolition of the Property.

Should the City Council elect to award this contract, the City will begin to work with Unlimited Environmental, Inc. to complete the tasks as outlined in the RFP and begin the demolition of the Property.

**FISCAL IMPACT:**

The total construction contract for the asbestos removal and demolition of the Property amounts to \$66,000. This cost consists of the bid amount submitted by Unlimited Environmental Inc. in the amount of \$60,000 and a construction contingency in the amount of \$6,000. The Affordable Housing Development Impact Fee account has sufficient funds for the recommended action. Budget Amendment R-2023-68 is presented for the City Council's consideration to allocate funds for this specific work. In addition, according to legal interpretation, the "City can use these funds to demolish the foundation since doing so is necessary for the parcel to be developed into high density affordable housing as contemplated by the Specific Plan. PMC 5.30.120 broadly defines the purposes for which these impact fees can be spent to "provide housing affordable to extremely low, very low, lower and moderate-income households in the City, consistent with the goals and policies contained in the City's housing element..." This expenditure is consistent with the housing element and there is strong public policy favoring providing more affordable housing.

Prepared by:

  
\_\_\_\_\_  
Jeannette Ortega  
Deputy Director of Administrative Services

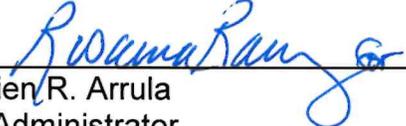
Reviewed and approved:

  
\_\_\_\_\_  
Luis Estevez  
Deputy City Administrator

Reviewed and approved:

  
\_\_\_\_\_  
Jennifer Lampman  
Director of Finance

Reviewed and approved:

  
\_\_\_\_\_  
Damien R. Arrula  
City Administrator

Attachments:

1. Resolution No. 2023-68 - Budget Resolution
2. Construction Contract with Unlimited Environmental, Inc.

**RESOLUTION NO. R-2023-68**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF PLACENTIA, CALIFORNIA AUTHORIZING A BUDGET AMENDMENT IN FISCAL YEAR 2023-24 IN COMPLIANCE WITH CITY CHARTER OF THE CITY OF PLACENTIA §§ 1206 AND 1209 PERTAINING TO APPROPRIATIONS FOR ACTUAL EXPENDITURES.**

**A. Recitals.**

(i). The adopted budget for the 2023-24 Fiscal Year sets out estimated appropriations for City expenses throughout the year.

(ii). From time to time the adopted budget must be adjusted when precise expenditures are finally determined or when estimated expenditures exceed projected costs allocated.

(iii). City Charter of the City of Placentia § 1206 authorizes the City Council to amend or supplement the budget by motion adopted by the affirmative votes of at least three members to authorize the transfer of unused balances appropriated for one purpose to another purpose, or to appropriate available revenues not included in the budget. All other legal prerequisites to the adoption of this Resolution have occurred.

**B. Resolution.**

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

1. In all respects as set forth in the Recitals, Part A., of this Resolution.

2. The adopted budget for Fiscal Year 2023-24, via Resolution No. R-2023-42, is hereby amended to reflect the following expenditure of funds from the Account specified to the Account specified:

<b>Fund</b>	<b>Description</b>	<b>Department</b>	<b>GL Account</b>	<b>Amount</b>	<b>Type</b>
Citywide Affordable Housing Impact Fee Fund 244	Expenditures Related to Demolition of 207 Chapman Avenue	Administration	682534-6099	\$66,000	Expense

3. The Mayor shall sign this resolution, and the City Clerk shall attest and certify to the passage and adoption thereof.

**PASSED, ADOPTED AND APPROVED THIS 25<sup>th</sup> DAY OF JULY 2023.**

\_\_\_\_\_  
Ward L. Smith, Mayor

ATTEST:

\_\_\_\_\_  
Robert S. McKinnell, City Clerk

STATE OF CALIFORNIA  
COUNTY OF ORANGE

I, Robert S. McKinnell, City Clerk of the City of Placentia, do hereby certify that the foregoing resolution was adopted at a regular meeting of the City Council of the City of Placentia held on the 25<sup>th</sup> day of July 2023 by the following vote:

AYES: Councilmembers:  
NOES: Councilmembers:  
ABSENT: Councilmembers:  
ABSTAIN: Councilmembers:

\_\_\_\_\_  
Robert S. McKinnell, City Clerk

APPROVED AS TO FORM:

\_\_\_\_\_  
Christian L. Bettenhausen, City Attorney

**CITY OF PLACENTIA  
PUBLIC WORKS AGREEMENT FOR  
ASBESTOS, PCB ABATEMENT AND DEMOLITION AND REMOVAL  
OF FIRE DAMAGED BUILDING LOCATED AT  
207 W. CHAPMAN AVENUE, PLACENTIA, CA 92870**

THIS AGREEMENT (herein "Agreement"), is made and entered into this 25<sup>th</sup> day of July, 2023 by and between the CITY OF PLACENTIA, a municipal corporation and charter city, (herein "City") and UNLIMITED ENVIRONMENTAL, INC. (herein "Contractor"). The parties hereto agree as follows:

**WITNESSETH:**

A. WHEREAS, City requires Asbestos, PCB Abatement and Demolition and Removal of Fire Damaged Building Located at 207 W. Chapman Avenue, Placentia, CA 92870 as set forth more fully in this Agreement.

B. WHEREAS, Contractor represents to City that Contractor is qualified to perform said work and has submitted a proposal to City for the same.

C. WHEREAS, City desires to have Contractor perform said services on the terms and conditions set forth herein.

D. WHEREAS, no official or employee of City has a financial interest, within the provisions of Sections 1090-1092 of the California Government Code, in the subject matter of this Agreement.

NOW, THEREFORE, for and in consideration of the mutual covenants and conditions contained herein and for good and valuable consideration, the receipt and sufficiency of which is acknowledged by both parties, City and Contractor hereby agree as follows:

**1.0 DEFINITIONS**

1.1 Definitions. As used in this Agreement, the following definitions shall be applicable:

- (a) Contractor. Contractor shall mean Unlimited Environmental, Inc. a California corporation, located at 2300 E. Curry Street, Bldg. B, Long Beach, CA 90805.
- (b) City. City shall mean the City of Placentia, a Municipal Corporation and Charter City, located at 401 E. Chapman, Placentia, California 92870.
- (c) City Council. City Council shall mean the City Council of the City of Placentia.

- (d) Contract Officer shall mean the person designated by the City Administrator or City Engineer of City and shall have the duties set forth in Section 5.2.
- (e) Services. Services shall mean the services to be performed by the Contractor pursuant to this Agreement.
- (f) Satisfactory. Satisfactory shall mean satisfactory to the City Administrator or his/her designee.

## 2.0 SERVICES OF CONTRACTOR

2.1 Scope of Services. In compliance with all terms and conditions of this Agreement, the Contractor shall provide those services specified in the "Scope of Services" attached hereto as Exhibit "A" and incorporated herein by this reference, which services may be referred to herein as the "services" or "work" hereunder. As a material inducement to the City entering into this Agreement, Contractor represents and warrants that Contractor is a provider of first class work and services and Contractor is experienced in performing the work and services contemplated herein and, in light of such status and experience, Contractor covenants that it shall follow the highest professional standards in performing the work and services required hereunder and that all materials will be of good quality, fit for the purpose intended.

2.2 Documents Included in Contract. This contract consists of this Agreement and any Exhibits, which are incorporated herein by this reference. In the event of an inconsistency, the terms of this Agreement shall govern.

2.3 Compliance with Law. All services rendered hereunder shall be provided in accordance with all ordinances, resolutions, statutes, rules, and regulations of the City and any Federal, State or local governmental agency having jurisdiction in effect at the time service is rendered, including but not limited to, the claims procedure set forth in Public Contract Code Section 9204, a summary of which is attached to this agreement as Exhibit "E."

2.4 Licenses, Permits, Fees and Assessments. Contractor shall obtain at its sole cost and expense such licenses, permits and approvals as may be required by law for the performance of the services required by this Agreement, including registration with the Department of Industrial Relations of the State of California as required by Labor Code Section 1725.5 before commencing performance under this Agreement. Contractor shall have the sole obligation to pay for any fees, assessments and taxes, plus applicable penalties and interest, which may be imposed by law and arise from or are necessary for the Contractor's performance of the services required by this Agreement, and shall indemnify, defend and hold harmless City against any such fees, assessments, taxes penalties or interest levied, assessed or imposed against City hereunder. Contractor shall be responsible for all subcontractors' compliance with this Section 2.4.

2.5 Familiarity with Work. By executing this Contract, Contractor warrants that Contractor (a) has thoroughly investigated and considered the scope of services to be performed, (b) has carefully considered how the services should be performed, and (c) fully understands the facilities, difficulties and restrictions attending performance of the services under this Agreement. If the services involve work upon any site, Contractor warrants that Contractor has or will investigate the site and is or will be fully acquainted with the conditions there existing, prior to commencement

of services hereunder. Should Contractor discover any latent or unknown conditions, which will materially affect the performance of the services hereunder, Contractor shall immediately inform the City of such fact and shall not proceed except at Contractor's risk until written instructions are received from the Contract Officer.

2.6 Standard of Performance. Contractor, its subcontractors and their employees, in the performance of Contractor's work under this Agreement shall be responsible for exercising the degree of skill and care required by customarily accepted good professional practices and procedures used in the Contractor's field.

Any costs for failure to meet the foregoing standard or to correct otherwise defective work that requires re-performance of the work, shall be borne in total by the Contractor and not by the City. The failure of a project to achieve the performance goals and objectives stated in this Agreement is not a basis for requesting re-performance unless the work conducted by Contractor and/or its subcontractors is deemed by the City to have failed the foregoing standard of performance.

In the event Contractor fails to perform in accordance with the above standard:

1. Contractor will re-perform, at its own expense, any task which was not performed to the reasonable satisfaction of City. Any work re-performed pursuant to this paragraph shall be completed within the time limitations originally set forth for the specific task involved. Contractor shall work any overtime required to meet the deadline for the task at no additional cost to the City;
2. The City shall provide a new schedule for the re-performance of any task pursuant to this paragraph in the event that re-performance of a task within the original time limitations is not feasible; and
3. The City shall have the option to direct Contractor not to re-perform any task which was not performed to the reasonable satisfaction of the City Project Manager pursuant to application of (1) and (2) above. In the event the City directs Contractor not to re-perform a task, the City shall negotiate a reasonable settlement for satisfactory work performed. No previous payment shall be considered a waiver of the City's right to reimbursement.

Nothing contained in this section is intended to limit any of the rights or remedies which the City may have under law.

2.7 Care of Work. The Contractor shall adopt reasonable methods during the life of the Agreement to furnish continuous protection to the work, and the equipment, materials, papers, documents, plans, studies and/or other components thereof to prevent losses or damages, and shall be responsible for all such damages, to persons or property, until acceptance of the work by City, except such losses or damages as may be caused by City's own negligence.

2.8 Further Responsibilities of Parties. Both parties agree to use reasonable care and diligence to perform their respective obligations under this Agreement. Both parties agree to act in good faith to execute all instruments, prepare all documents and take all actions as may be reasonably necessary to carry out the purposes of this Agreement. Unless hereafter specified, neither party shall be responsible for the service of the other. Contractor shall require all subcontractors to comply with the provisions of this agreement.

2.9 Additional Services. City shall have the right at any time during the performance of the services, without invalidating this Agreement, to order extra work beyond that specified in the Scope of Services or make changes by altering, adding to or deducting from said work. No such extra work may be undertaken unless a written change order is first given by the Contract Officer to the Contractor, incorporating therein any adjustment in (i) the Contract Sum as set forth in Section 3.1, and/or (ii) the time to perform this Agreement, which said adjustments are subject to the written approval of the Contractor. Any increase in compensation of twenty five percent (25%) or less of the Contract Sum, or in the time to perform of one hundred eighty (180) days or less may be approved by the Contract Officer. Any increases, taken either separately or cumulatively, that result in the Contract Sum exceeding \$25,000 must be approved by the City Council. It is expressly understood by Contractor that the provisions of this Section shall not apply to services specifically set forth in the Scope of Services or reasonably contemplated therein. Contractor hereby acknowledges that it accepts the risk that the services to be provided pursuant to the Scope of Services may be more costly or time consuming than Contractor anticipates and that Contractor shall not be entitled to additional compensation therefore.

2.10 Prevailing Wage Laws. Contractor represents and warrants that it is registered with the Department of Industrial Relations pursuant to SB 854 and Labor Code 1725.5. Contractor shall ensure that its subcontractors comply with said requirements. In accordance with Labor Code Section 1770 et seq., the Director of the Department of Industrial Relations of the State of California has ascertained a general prevailing rate of wages, which is the minimum amount, which shall be paid to all workers employed to perform the work pursuant to this Agreement. A copy of the general prevailing wage rate determination is on file in the Office of the City Clerk and is hereby incorporated by reference into this Agreement. In accordance with the provisions of Labor Code Section 1810 et seq., eight (8) hours is the legal working day. Contractor must forfeit to the City Twenty Five Dollars (\$25.00) a day for each worker who works in excess of the minimum working hours when Contractor does not pay overtime. Contractor is required to post a copy of such wage rates at all times at the contract site. The statutory penalties for failure to pay prevailing wage or to comply with State wage and hour laws will be enforced. Contractor also shall comply with State law requirements to maintain payroll records and shall provide for certified records and inspection of records as required by California Labor Code Section 1770 et. seq., including Section 1776. Contractor shall comply with all statutory requirements relating to the employment of apprentices.

### **3.0 COMPENSATION**

3.1 Contract Sum. For the services rendered pursuant to this Agreement, the Contractor shall be compensated as specified herein, but not exceeding the maximum contract amount of Sixty Thousand Dollars (\$60,000) (herein "Contract Sum"), except as provided in Section 2.9. The Contract Sum shall include the attendance of Contractor at all project meetings reasonably deemed necessary by the City; Contractor shall not be entitled to any additional compensation for attending said meetings.

3.2 Progress Payments. Prior to the first day of the month, during the progress of the work, commencing on the day and month specified in the Agreement, Contractor shall submit to the Contract Officer a complete itemized statement of all labor and materials incorporated into the work during the preceding month and the portion of the contract sum applicable thereto. Upon approval in writing by the Contract Officer, payment shall be made in

thirty (30) days. City shall pay Contractor a sum based upon ninety-five percent (95%) of the contract price apportionment of the labor and materials incorporated into the work under the contract during the month covered by said statement. The remaining five percent (5%) thereof shall be retained as performance security. Refer to Section 8.4 of this Agreement for retention of funds.

#### **4.0 PERFORMANCE SCHEDULE**

4.1 Time of Essence. Time is of the essence in the performance of this Agreement.

4.2 Schedule of Performance. Contractor shall commence the services pursuant to this Agreement upon receipt of a written notice to proceed and shall perform all services within the time period(s) established in the "Schedule of Performance" attached hereto as Exhibit "B", and incorporated herein by this reference. When requested by the Contractor, extensions to the time period(s) specified in the Scope of Services may be approved in writing by the Contract Officer.

4.3 Force Majeure. The time period(s) specified in the Scope of Services for performance of the services rendered pursuant to this Agreement shall be extended because of any delays due to unforeseeable causes beyond the control and without the fault or negligence of the Contractor, including, but not restricted to, acts of God or of the public enemy, unusually severe weather, fires, earthquakes, floods, epidemics, quarantine restrictions, riots, strikes, freight embargoes, wars, litigation, and/or acts of any governmental agency, including the City, if the Contractor shall within ten (10) days of the commencement of such delay notify the Contract Officer in writing of the causes for the delay. The Contract Officer shall ascertain the facts and the extent of delay, and extend the time for performing the services for the period of the enforced delay when and if in the judgment of the Contract Officer such delay is justified. The Contract Officer's determination shall be final and conclusive upon the parties to this Agreement.

4.4 Term. Unless earlier terminated in accordance with Section 8.9 of this Agreement, this Agreement shall continue in full force and effect until final approval and acceptance of the project by the Contract Officer. Notwithstanding the foregoing, this Agreement shall terminate no later than January 25, 2024 unless the parties mutually agree in writing to extend the term.

#### **5.0 COORDINATION OF WORK**

5.1 Representative of Contractor. The following principals of Contractor are hereby designated as being the principals and representatives of Contractor authorized to act in its behalf with respect to the work specified herein and make all decisions in connection therewith:

Jill Hunt-Dupleich  
Unlimited Environmental, Inc.  
2300 E. Curry Street, Bldg B  
Long Beach, CA 90805  
(562) 981-6600

It is expressly understood that the experience, knowledge, capability and reputation of the foregoing principals were a substantial inducement for City to enter into this Agreement. Therefore, the foregoing principals shall be responsible during the term of this Agreement for directing all activities of Contractor and devoting sufficient time to personally supervise the services hereunder. For purposes of this Agreement, the foregoing principals may not be replaced nor may their responsibilities be substantially reduced by Contractor without the express written approval of City.

5.2 Contract Officer. The Contract Officer shall be such person as may be designated by the City Administrator or City Engineer of City. It shall be the Contractor's responsibility to assure that the Contract Officer is kept informed of the progress of the performance of the services and the Contractor shall refer any decisions that must be made by City to the Contract Officer. Unless otherwise specified herein, any approval of City required hereunder shall mean the approval of the Contract Officer. The Contract Officer shall have authority to sign all documents on behalf of the City required hereunder to carry out the terms of this Agreement.

5.3 Prohibition Against Assignment. The experience, knowledge, capability and reputation of Contractor, its principals and employees were a substantial inducement for the City to enter into this Agreement. Neither this Agreement nor any interest herein may be transferred, assigned, conveyed, hypothecated or encumbered voluntarily or by operation of law, whether for the benefit of creditors or otherwise, without the prior written approval of City. Transfers restricted hereunder shall include the transfer to any person or group of persons acting in concert of more than twenty five percent (25%) of the present ownership and/or control of Contractor, taking all transfers into account on a cumulative basis. In the event of any such unapproved transfer, including any bankruptcy proceeding, this Agreement shall be void. No approved transfer shall release the Contractor or any surety of Contractor of any liability hereunder without the express consent of City.

5.4 Independent Contractor. Neither the City nor any of its employees shall have any control over the manner, mode or means by which Contractor, its subcontractors, agents or employees, performs the services required herein, except as otherwise set forth herein. City shall have no voice in the selection, discharge, supervision or control of Contractor's employees, subcontractors, servants, representatives or agents, or in fixing their number, compensation or hours of service. Contractor shall perform all services required herein as an independent contractor of City and shall remain at all times as to City a wholly independent contractor with only such obligations as are consistent with that role. Contractor shall not at any time or in any manner represent that it or any of its subcontractors, agents or employees are agents or employees of City. City shall not in any way or for any purpose become or be deemed to be a partner of Contractor in its business or otherwise or a joint venture or a member of any joint enterprise with Contractor.

5.5 Identity of Persons Performing Work. Contractor represents that it employs or will employ at its own expense all personnel required for the satisfactory performance of any and all tasks and services set forth herein. Contractor represents that the tasks and services required herein will be performed by Contractor or under its direct supervision, and that all personnel engaged in such work shall be fully qualified and shall be authorized and permitted under applicable State and local law to perform such tasks and services.

5.6 Utility Relocation. City is responsible for removal, relocation, or protection of existing main or trunkline utilities to the extent such utilities were not identified in the invitation for bids or specifications. City shall reimburse contractor for any costs incurred in locating, repairing

damage not caused by contractor and removing or relocating such unidentified utility facilities, including equipment idled during such work. Contractor shall not be assessed liquidated damages for delay arising from the removal or relocation of such unidentified utility facilities.

5.7 Trenches or Excavations. Pursuant to California Public Contract Code Section 7104, in the event the work included in this Agreement requires excavations more than four (4) feet in depth, the following shall apply.

- (a) Contractor shall promptly, and before the following conditions are disturbed, notify City, in writing, of any: (1) material that Contractor believes may be material that is hazardous waste, as defined in Section 25117 of the Health and Safety Code, that is required to be removed to a Class I, Class II, or Class III disposal site in accordance with provisions of existing law; (2) Subsurface or latent physical conditions at the site different from those indicated; or (3) Unknown physical conditions at the site of any unusual nature, different materially from those ordinarily encountered and generally recognized as inherent in work of the character provided for in the contract.
- (b) City shall promptly investigate the conditions, and if it finds that the conditions do materially so differ, or do involve hazardous waste, and cause a decrease or increase in Contractor's cost of, or the time required for, performance of any part of the work shall issue a change order per Section 2.9 of this Agreement.
- (c) That, in the event that a dispute arises between City and Contractor whether the conditions materially differ, or involve hazardous waste, or cause a decrease or increase in Contractor's cost of, or time required for, performance of any part of the work, Contractor shall not be excused from any scheduled completion date provided for by the contract, but shall proceed with all work to be performed under the contract. Contractor shall retain any and all rights provided either by contract or by law, which pertain to the resolution of disputes and protests between the contracting parties.

## 6.0 INSURANCE, INDEMNIFICATION AND BONDS

6.1 Insurance. The Contractor and all subcontractors, if any, shall procure and maintain, at its sole cost and expense, in a form and content satisfactory to City, during the entire term of this Agreement including any extension thereof, insurance as set forth in Exhibit "C" attached hereto and incorporated herein by this reference.

### **Conditions:**

In accordance with Public Contract Code Section 20170, the insurance of surety companies who provide or issue the policy shall have been admitted to do business in the State of California with a credit rating of A- or better.

This insurance shall not be canceled, limited in scope or coverage or non-renewed until after thirty (30) days prior written notice has been given to the Community Development Director, City of Placentia, 401 E. Chapman Ave., Placentia, California 92870.

Any insurance maintained by the City of Placentia shall apply in excess of and not combined with insurance provided by this policy.

The City of Placentia, its officers, employees, representatives, attorneys, and volunteers shall be named as additional named insureds.

Prior to commencement of any work under this contract, Contractor shall deliver to the City insurance endorsements confirming the existence of the insurance required by this contract, and including the applicable clauses referenced above.

Such endorsements shall be signed by an authorized representative of the insurance company and shall include the signator's company affiliation and title. Should it be deemed necessary by the City, it shall be Contractor's responsibility to see that the City receives documentation, acceptable to the City, which sustains that the individual signing said endorsements is indeed authorized to do so by the insurance company.

If the Contractor fails to maintain the aforementioned insurance, or secure and maintain the aforementioned endorsement, the City may obtain such insurance, and deduct and retain the amount of the premiums for such insurance from any sums due under the agreement. However, procuring of said insurance by the City is an alternative to other remedies the City may have, and is not the exclusive remedy for failure of Contractor to maintain said insurance or secure said endorsement. In addition to any other remedies the City may have upon Contractor's failure to provide and maintain any insurance or policy endorsements to the extent and within the time herein required, the City shall have the right to order Contractor to stop work hereunder, and/or withhold any payment(s) which became due to Contractor hereunder until Contractor demonstrates compliance with the requirements hereof.

Nothing herein contained shall be construed as limiting in any way the extent to which Contractor may be held responsible for payments of damages to persons or property resulting from Contractor's or its subcontractor's performance of the work covered under this agreement.

Each contract between the Contractor and any subcontractor shall require the subcontractor to maintain the same policies of insurance that the Contractor is required to maintain pursuant to this Section 6.1.

6.2 Certificates of Insurance. Contractor shall provide to City certificates of insurance showing the insurance coverages and required endorsements described above, in a form and content approved by City, prior to performing any services under this Agreement. The certificates of insurance and endorsements shall be attached to this Agreement as Exhibit "D", and are incorporated herein by this reference.

6.3 Indemnification. Contractor shall defend, indemnify, hold free and harmless the City of Placentia, its elected and appointed officials, officers, agents and employees, at Contractor's sole expense, from and against any and all actions, suits, claims, damages to persons or property, losses, costs, penalties, obligations, errors, omissions or liabilities, (herein "claims or

liabilities") that may be asserted or claimed by any person, firm or entity arising or alleged to arise out of or in connection with the performance of the work, operations or activities of Contractor, its agents, employees, subcontractors, or invitees, provided for herein, or arising or alleged to arise from the negligent acts or omissions of Contractor hereunder, or arising or alleged to arise from Contractor's performance of or failure to perform any term, provision, covenant or condition of this Agreement.

- (a) Contractor will defend any action or actions filed in connection with any of said claims or liabilities and will pay all costs and expenses, including legal costs and attorneys' fees incurred in connection therewith.
- (b) Contractor will promptly pay any judgment rendered against the City, its officers, agents or employees for any such claims or liabilities arising or alleged to arise out of or in connection with Contractor's (or its agents', employees', subcontractors' or invitees') negligent performance of or failure to perform such work, operations or activities hereunder; and Contractor agrees to save and hold the City, its officers, agents, and employees harmless therefrom.
- (c) In the event the City, its officers, agents or employees is made a party to any action or proceeding filed or prosecuted against Contractor for such damages or other claims arising or alleged to arise out of or in connection with the performance of or failure to perform the work, operation or activities of Contractor hereunder, Contractor shall pay to the City, its officers, agents or employees, any and all costs and expenses incurred by the City, its officers, agents or employees in such action or proceeding, including but not limited to, legal costs and attorneys' fees for counsel selected by City.
- (d) Contractor's duty to defend and indemnify as set out in this Section 6.3 shall include any claims, liabilities, obligations, losses, demands, actions, penalties, suits, costs, expenses or damages or injury to persons or property arising or alleged to arise from, in connection with, as a consequence of or pursuant to any state or federal law or regulation regarding hazardous substances, including but not limited to the Federal Insecticide, Fungicide and Rodenticide Act ("FIFRA"), Comprehensive Environmental Response, Compensation and Liability Act of 1980 ("CERCLA"), Resource Conservation and Recovery Act of 1976 ("RCRA"), the Hazardous and Solid Waste Amendments of 1984, the Hazardous Material Transportation Act, the Toxic Substances control Act, the Clean Air Act, the Clean Water Act, the California Hazardous Substance Account Act, the California Hazardous Waste Control Law or the Porter-Cologne Water Quality Control Act, as any of those statutes may be amended from time to time.

Notwithstanding the foregoing, Contractor shall not be liable for the defense or indemnification of the City for claims, actions, complaints or suits arising out of the sole active negligence or willful misconduct of the City.

The Contractor's indemnification obligations pursuant to this Section 6.3 shall survive the termination of this Agreement. Contractor shall require the same indemnification from all subcontractors.

6.4 Labor and Materials and Performance Bonds. Concurrently with execution of this Agreement, Contractor shall deliver to City a labor and materials bond and a performance bond each in the sum of the amount of this Agreement, in the forms provided by the City Clerk, which secures the faithful performance of this Agreement. The bonds shall contain the original notarized signature of an authorized officer of the surety and affixed thereto shall be a certified and current copy of his power of attorney. The bonds shall be unconditional and remain in force during the entire term of the Agreement and shall be null and void only if the Contractor promptly and faithfully performs all terms and conditions of this Agreement.

6.5 Sufficiency of Insurer or Surety. Insurance required by this Agreement shall be satisfactory only if issued by companies qualified to do business in California, rated "A" or better in the most recent edition of Best Rating Guide, The Key Rating Guide or in the Federal Register, and only if they are of a financial category Class VII or better, unless such requirements are waived by the Risk Manager of the City due to unique circumstances. In the event the Senior Management Analyst of City ("Senior Management Analyst") determines that the work or services to be performed under this Agreement creates an increased risk of loss to the City, the Contractor agrees that the minimum limits of the insurance policies required by this Section 6 may be changed accordingly upon receipt of written notice from the Senior Management Analyst; provided that the Contractor shall have the right to appeal a determination of increased coverage by the Senior Management Analyst to the City Council of City within ten (10) days of receipt of notice from the Senior Management Analyst.

6.6 Substitution of Securities. Pursuant to California Public Contract Code Section 22300, substitution of eligible equivalent securities for any monies withheld to ensure performance under the contract for the work to be performed will be permitted at the request and expense of the successful bidder.

## **7.0 RECORDS AND REPORTS**

7.1 Reports. Contractor shall periodically prepare and submit to the Contract Officer such reports concerning the performance of the services required by this Agreement as the Contract Officer shall require. Contractor hereby acknowledges that the City is greatly concerned about the cost of work and services to be performed pursuant to this Agreement. For this reason, Contractor agrees that if Contractor becomes aware of any facts, circumstances, techniques, or events that may or will materially increase or decrease the cost of the work or services contemplated herein or, if Contractor is providing design services, the cost of the project being designed, Contractor shall promptly notify the Contract Officer of said fact, circumstance, technique or event and the estimated increased or decreased cost related thereto and, if Contractor is providing design services, the estimated increased or decreased cost estimate for the project being designed.

7.2 Records. Contractor shall keep, and require subcontractors to keep, such books and records (including but not limited to payroll records as required herein) as shall be necessary to perform the services required by this Agreement and enable the Contract Officer to evaluate the performance of such services. The Contract Officer shall have full and free access to

such books and records at all times during normal business hours of City, including the right to inspect, copy, audit and make records and transcripts from such records. Such records shall be maintained for a period of three (3) years following completion of the services hereunder, and the City shall have access to such records in the event any audit is required.

7.3 Ownership of Documents. All drawings, specifications, reports, records, documents and other materials prepared by Contractor, its employees, subcontractors and agents in the performance of this Agreement shall be the property of City and shall be delivered to City upon request of the Contract Officer or upon the termination of this Agreement, and Contractor shall have no claim for further employment or additional compensation as a result of the exercise by City of its full rights of ownership of the documents and materials hereunder. Contractor may retain copies of such documents for its own use. Contractor shall have an unrestricted right to use the concepts embodied therein. All subcontractors shall provide for assignment to City of any documents or materials prepared by them, and in the event Contractor fails to secure such assignment, Contractor shall indemnify City for all damages resulting therefrom.

7.4 Public Records Act Disclosure. Contractor has been advised and is aware that this Agreement and all reports, documents, information and data, including, but not limited to, computer tapes, discs or files furnished or prepared by Contractor, or any of its subcontractors, pursuant to this Agreement and provided to City may be subject to public disclosure as required by the California Public Records Act (California Government Code Section 6250 *et seq.*). Exceptions to public disclosure may be those documents or information that qualify as trade secrets, as that term is defined in the California Government Code Section 6254.7, and of which Contractor informs City of such trade secret. The City will endeavor to maintain as confidential all information obtained by it that is designated as a trade secret. The City shall not, in any way, be liable or responsible for the disclosure of any trade secret including, without limitation, those records so marked if disclosure is deemed to be required by law or by order of the Court.

## 8.0 GENERAL PROVISIONS

8.1 Governing Law. This Agreement shall be construed and interpreted both as to validity and to performance of the parties in accordance with the laws of the State of California. Legal actions concerning any dispute, claim or matter arising out of or in relation to this Agreement shall be instituted in the Superior Court of the County of Orange, State of California, or any other appropriate court in such county, and Contractor covenants and agrees to submit to the personal jurisdiction of such court in the event of such action.

8.2 Representatives. The City Administrator or his or her designee shall be the representative of City for purposes of this Agreement and may issue all consents, approvals, directives and agreements on behalf of the City, called for by this Agreement, except as otherwise expressly provided in this Agreement.

The Principal set forth in Section 5.1 above shall be the representative for Contractor for purposes of this Agreement, and shall be authorized to issue all consents, approvals, directives and agreements on behalf of Contractor called for by this Agreement, except as otherwise expressly provided in this Agreement.

8.3 Disputes. In the event either party fails to perform its obligations hereunder, the nondefaulting party shall provide the defaulting party written notice of such default. The

defaulting party shall have ten (10) days to cure the default; provided that, if the default is not reasonably susceptible to being cured within said ten (10) day period, the defaulting party shall have a reasonable time to cure the default, not to exceed a maximum of thirty (30) days, so long as the defaulting party commences to cure such default within ten (10) days of service of such notice and diligently prosecutes the cure to completion; provided further that if the default is an immediate danger to the health, safety and general welfare, the defaulting party shall take such immediate action as may be necessary. Notwithstanding the foregoing, the nondefaulting party may, in its sole and absolute discretion, grant a longer cure period. Should the defaulting party fail to cure the default within the time period provided in this Section, the nondefaulting party shall have the right, in addition to any other rights the nondefaulting party may have at law or in equity, to terminate this Agreement. Compliance with the provisions of this Section 8.3 shall be a condition precedent to bringing any legal action, and such compliance shall not be a waiver of any party's right to take legal action in the event that the dispute is not cured.

8.4 Retention of Funds. Progress payments shall be made in accordance with the provisions of Section 3.2 of this Agreement. In accordance with said section, City shall pay Contractor a sum based upon ninety-five percent (95%) of the contract price apportionment of the labor and materials incorporated into the work under the contract during the month covered by said statement. The remaining five percent (5%) thereof shall be retained as performance security to be paid to the Contractor within sixty (60) days after final acceptance of the work by the City Council, after Contractor shall have furnished City with a release of all undisputed contract amounts if required by City. In the event there are any claims specifically excluded by Contractor from the operation of the release, the City may retain proceeds (per Public Contract Code 7107) of up to 150% of the amount in dispute. City's failure to deduct or withhold shall not affect Contractor's obligations hereunder.

8.5 Waiver. No delay or omission in the exercise of any right or remedy by a nondefaulting party on any default shall impair such right or remedy or be construed as a waiver. A party's consent to or approval of any act by the other party requiring the party's consent or approval shall not be deemed to waive or render unnecessary the other party's consent to or approval of any subsequent act. Any waiver by either party of any default must be in writing and shall not be a waiver of any other default concerning the same or any other provision of this Agreement.

8.6 Rights and Remedies. Rights and Remedies are cumulative except with respect to rights and remedies expressly declared to be exclusive in this Agreement, the rights and remedies of the parties are cumulative and the exercise by either party of one or more of such rights or remedies shall not preclude the exercise by it, at the same or different times, of any other rights or remedies for the same default or any other default by the other party.

8.7 Legal Action. In addition to any other rights or remedies, either party may take legal action, in law or in equity, to cure, correct or remedy any default, to recover damages for any default, to compel specific performance of this Agreement, to obtain declaratory or injunctive relief, or to obtain any other remedy consistent with the purposes of this Agreement.

8.8 Liquidated Damages. Since the determination of actual damages for any delay in performance of this Agreement would be extremely difficult or impractical to determine in the event of a breach of this Agreement, the Contractor and its sureties shall be liable for and shall pay to the City Five Hundred Dollars (\$500) as liquidated damages for each working day of delay in the performance of any service required hereunder, as specified in the Scope of Services (Exhibit

A) or Schedule of Performance (Exhibit B). The City may withhold from any monies payable on account of services performed by the Contractor any accrued liquidated damages.

8.9 Termination for Default of Contractor. If termination is due to the failure of the Contractor to fulfill its obligations under this Agreement, Contractor shall vacate any City owned property which Contractor is permitted to occupy hereunder and City may, after compliance with the provisions of Section 8.3, take over the work and prosecute the same to completion by contract or otherwise, and the Contractor shall be liable to the extent that the total cost for completion of the services required hereunder exceeds the compensation herein stipulated (provided that the City shall use reasonable efforts to mitigate such damages), and City may withhold any payments to the Contractor for the purpose of setoff or partial payment of the amounts owed the City as previously stated.

8.10 Notice. Any notice, demand, request, document, consent, approval, or communication either party desires or is required to give to the other party or any other person shall be in writing and shall be deemed to be given when served personally or deposited in the US Mail, prepaid, first-class mail, return receipt requested, addressed as follows:

To City: City of Placentia  
401 E. Chapman Ave  
Placentia, California 92870  
Attn.: Damien R. Arrula, City Administrator

To Contractor:  
Unlimited Environmental, Inc.  
2300 E. Curry Street, Bldg. B  
Long Beach, CA 90805  
Attn: Jill Hunt-Dupleich, Vice President

8.11 Non-liability of City Officers and Employees. No officer or employee of the City shall be personally liable to the Contractor, or any successor in interest, in the event of any default or breach by the City or for any amount which may become due to the Contractor or to its successor, or for breach of any obligation of the terms of this Agreement.

8.12 Conflict of Interest. The Contractor warrants that it has not paid or given and will not pay or give any third party any money or other consideration for obtaining this Agreement.

Contractor and its officers, employees, associates and subcontractors, if any, will comply with all conflict of interest statutes of the State of California applicable to Contractor's services under this agreement, including, but not limited to, the Political Reform Act (Government Code Sections 81000, *et seq.*) and Government Code Section 1090. During the term of this Agreement, Contractor and its officers, employees, associates and subcontractor shall not, without the prior written approval of the City Representative, perform work for another person or entity for whom Contractor is not currently performing work that would require Contractor or one of its officers, employees, associates or subcontractors to abstain from a decision under this Agreement pursuant to a conflict of interest statute.

8.13 Covenant Against Discrimination. Contractor covenants that, by and for itself, its heirs, executors, assigns, and all persons claiming under or through them, that there shall be no discrimination against or segregation of, any person or group of persons on account of race, color,

creed, religion, sex, marital status, national origin, or ancestry in the performance of this Agreement. To the extent required by law, contractor shall take affirmative action to insure that applicants are employed and that employees are treated during employment without regard to their race, color, creed, religion, sex, marital status, national origin, or ancestry.

8.14 Interpretation. The terms of this Agreement shall be construed in accordance with the meaning of the language used and shall not be construed for or against either party by reason of the authorship of this Agreement or any other rule of construction which might otherwise apply.

8.15 Severability. In the event that any one or more of the phrases, sentences, clauses, paragraphs, or sections contained in this Agreement shall be declared invalid or unenforceable by a valid judgment or decree of a court of competent jurisdiction, such invalidity or unenforceability shall not affect any of the remaining phrases, sentences, clauses, paragraphs, or sections of this Agreement which are hereby declared as severable and shall be interpreted to carry out the intent of the parties hereunder unless the invalid provision is so material that its invalidity deprives either party of the basic benefit of their bargain or renders this Agreement meaningless.

8.16 Hiring of Illegal Aliens Prohibited. Contractor shall not hire or employ any person to perform work within the City of Placentia or allow any person to perform work required under this Agreement unless such person is properly documented and legally entitled to be employed within the United States. Further, Contractor shall comply with the following:

- (a) Unauthorized Aliens. Contractor hereby represents and warrants that it will comply with all of the provisions of the Federal Immigration and Nationality Act, 8 U.S.C.A. §§ 1101, et seq., as amended, and in connection therewith, shall not employ unauthorized aliens as defined therein. Should Contractor so employ such unauthorized aliens for the performance of any work and/or services under this Agreement, and should any liability or sanctions be imposed against City for such use of unauthorized aliens, Contractor hereby agrees to reimburse City for any and all liabilities, actions, suits, claims, demands, losses, costs, judgments, arbitration awards, settlements, damages, demands, orders, or penalties which arise out of or are related to such employment, together with any and all costs, including attorneys' fees, incurred by City.
- (b) E-Verify. If Contractor is not already enrolled in the U.S. Department of Homeland Security's E-Verify program, Contractor shall enroll in the E-Verify program within fifteen (15) days of the effective date of this Agreement to verify the employment authorization of employees assigned to perform work hereunder. Contractor shall verify employment authorization within three (3) days of hiring a new employee to perform work under this Agreement. Information pertaining to the E-Verify program can be found at <http://www.uscis.gov>, or access the registration page at <https://e-verify.uscis.gov/enroll>. Contractor shall certify its registration with E-Verify and provide City its registration number within sixteen days of the effective date of this Agreement. Failure to provide certification will result in withholding payment until full compliance is demonstrated.

8.17 Unfair Business Practices Claims. In entering into a public works contract or a subcontract to supply goods, services or materials pursuant to a public works contract, the contractor or subcontractor offers and agrees to assign to the awarding body all rights, title, and interest in and to all causes of action it may have under Section 4 of the Clayton Act (15 U.S.C. Sec. 15) or under the Cartwright Act (Chapter 2, (commencing with Section 16700) of Part 2 of Division 7 of the Business and Professions Code), arising from purchases of goods, services or materials pursuant to the public works contract or the subcontract. This assignment shall be made and become effective at the time the awarding body renders final payment to the contractor without further acknowledgment by the parties. (Sec. 7103.5, California Public Contract Code).

8.18 Corporate Authority. The persons executing this Agreement on behalf of the parties hereto warrant that (i) such party is duly organized and existing, (ii) they are duly authorized to execute and deliver this Agreement on behalf of said party, (iii) by so executing this Agreement, such party is formally bound to the provisions of this Agreement, and (iv) the entering into this Agreement does not violate any provision of any other Agreement to which said party is bound.

8.19 PERS Eligibility Indemnification. In the event that Contractor or any employee, agent, or subcontractor of Contractor providing services under this Agreement claims or is determined by a court of competent jurisdiction or the California Public Employees Retirement System (PERS) to be eligible for enrollment in PERS as an employee of the City, Contractor shall indemnify, defend, and hold harmless City for the payment of any employee and/or employer contributions for PERS benefits on behalf of Contractor or its employees, agents, or subcontractors, as well as for the payment of any penalties and interest on such contributions, which would otherwise be the responsibility of City.

Notwithstanding any other agency, state or federal policy, rule, regulation, law or ordinance to the contrary, Contractor and any of its employees, agents, and subcontractors providing service under this Agreement shall not qualify for or become entitled to, and hereby agree to waive any claims to, any compensation, benefit, or any incident of employment by City, including but not limited to eligibility to enroll in PERS as an employee of City and entitlement to any contribution to be paid by City for employer contribution and/or employee contributions for PERS benefits.

8.20 Cooperation. In the event any claim or action is brought against City relating to Contractor's performance or services rendered under this Agreement, Contractor shall render any reasonable assistance and cooperation which City might require.

8.21 Legal Responsibilities. The Contractor shall keep itself informed of City, State, and Federal laws, ordinances and regulations, which may in any manner affect the performance of its services pursuant to this Agreement. The Contractor shall at all times observe and comply with all such laws, ordinances and regulations. Neither the City, nor its officers, agents, or employees shall be liable at law or in equity as a result of the Contractor's failure to comply with this section.

8.22 Termination for Convenience. The City may terminate this Agreement without cause for convenience of the City upon giving contractor 30 days prior written notice of termination of the Agreement. Upon receipt of the notice of termination the Contractor shall cease all further work pursuant to the Agreement. Upon such termination by the City the Contractor shall not be entitled to any other remedies, claims, actions, profits, or damages except as provided in

this paragraph. Upon the receipt of such notice of termination Contractor shall be entitled to the following compensation:

1. The contract value of the work completed to and including the date of receipt of the notice of termination, less the amount of progress payments received by contractor.
2. Actual move-off costs including labor, rental fees, equipment transportation costs, the costs of maintaining on-site construction office for supervising the mover-off.
3. The cost of materials custom made for this Agreement which cannot be used by the Contractor in the normal course of his business, and which have not been paid for by City in progress payments.
4. All costs shall not include any markups as might otherwise be allowed by any plans or specifications which were a part of the Agreement.

The provisions of this paragraph shall supersede any other provision of the Agreement or any provision of any plans, specification, addendums or other documents which are or may become a part of this Agreement. City and Contractor agree that the provisions of this paragraph are a substantive part of the consideration for this Agreement.

8.23 Responsibility for Errors. Contractor shall be responsible for its work and results under this Agreement. Contractor, when requested, shall furnish clarification and/or explanation as may be required by the City's representative, regarding any services rendered under this Agreement at no additional cost to City. In the event that an error or omission attributable to Contractor occurs, then Contractor shall, at no cost to City, provide all necessary design drawings, estimates and other Contractor professional services necessary to rectify and correct the matter to the sole satisfaction of City and to participate in any meeting required with regard to the correction.

8.24 Order of Precedence. In the event of an inconsistency in this Agreement and any of the attached Exhibits, the terms set forth in this Agreement shall prevail. If, and to the extent this Agreement incorporates by reference any provision of any document, such provision shall be deemed a part of this Agreement. Nevertheless, if there is any conflict among the terms and conditions of this Agreement and those of any such provision or provisions so incorporated by reference, this Agreement shall govern over the document referenced.

8.25 Costs. Each party shall bear its own costs and fees incurred in the preparation and negotiation of this Agreement and in the performance of its obligations hereunder except as expressly provided herein.

8.26 No Third Party Beneficiary Rights. This Agreement is entered into for the sole benefit of City and Contractor and no other parties are intended to be direct or incidental beneficiaries of this Agreement and no third party shall have any right in, under or to this Agreement.

8.27 Headings. Paragraphs and subparagraph headings contained in this Agreement are included solely for convenience and are not intended to modify, explain or to be a full or accurate description of the content thereof and shall not in any way affect the meaning or interpretation of this Agreement.

8.28 Construction. The parties have participated jointly in the negotiation and drafting of this Agreement. In the event an ambiguity or question of intent or interpretation arises with respect to this Agreement, this Agreement shall be construed as if drafted jointly by the parties and in accordance with its fair meaning. There shall be no presumption or burden of proof favoring or disfavoring any party by virtue of the authorship of any of the provisions of this Agreement.

8.29 Counterparts. This Agreement may be executed in one or more counterparts, each of which shall be deemed an original. All counterparts shall be construed together and shall constitute one agreement.

8.30 Funding Source Conditions – Contractor’s Obligation. Contractor acknowledges that the City may be paying for the Project by using funds it receives or will receive from various funding sources in the form of grants and/or subsidies, and the like under certain terms and conditions. Contractor acknowledges and agrees that any failure of the Contractor and/or its subcontractors to perform its obligations under the Contract, including, but not limited to, timely submitting accurate reports and records, that in any way results in the City not meeting the terms and conditions placed on the funds by the funding source, or forfeiting its entitlement to or, otherwise, not receiving, the funds, then the Contractor shall be liable to pay the City for the funds not granted to the City on the Project.

8.31 Entire Agreement. This Agreement constitutes the entire agreement between the parties with respect to any matter referenced herein and supersedes any and all other prior writings and oral negotiations. This Agreement may be modified only in writing, and signed by the parties in interest at the time of such modification. The terms of this Agreement shall prevail over any inconsistent provision in any other contract document appurtenant hereto, including exhibits to this Agreement.

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

ATTEST:

CITY OF PLACENTIA,  
A municipal corporation and Charter City

\_\_\_\_\_  
Damien R. Arrula, City Administrator

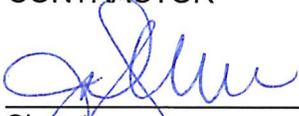
Date: \_\_\_\_\_

ATTEST:

\_\_\_\_\_  
Robert S. McKinnell, City Clerk

APPROVED AS TO FORM:

CONTRACTOR

  
\_\_\_\_\_  
Signature

Date: 7/18/2023

\_\_\_\_\_  
Jill Hunt-Dupleich, Vice President

95-4793259  
\_\_\_\_\_  
Social Security or Taxpayer ID Number

\_\_\_\_\_  
Christian L. Bettenhausen, City Attorney

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

APPROVED AS TO INSURANCE:

\_\_\_\_\_  
Rosanna Ramirez, Deputy City Administrator

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

APPROVED AS TO CONTENT:

\_\_\_\_\_  
Jeannette Ortega, Project Manager

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

DEPARTMENTAL APPROVAL

\_\_\_\_\_  
Luis Estevez, Deputy City Administrator

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

**SUPPLEMENTAL INFORMATION TO BE COMPLETED BY PRINCIPAL**

If an individual, so state. If a firm or co-partnership, state the firm and give the names of all individual co-partners composing the partnership. If a Corporation, state legal name of corporation; state also the names of the president, secretary, treasurer and manager thereof.

Unlimited Environmental, Inc  
W. Scott Lange - President  
Jill Dupleich - Vice President

Business Address:

2300 E Curry St  
Building B  
Long Beach CA 90805

Telephone Number:

562 981-1600

Date:

7/18/23

Print Name:

Jill Dupleich  
Principal

Signature:

Jill Dupleich, vice president  
Title

**TAX IDENTIFICATION NUMBER**

The Tax Equity and Fiscal Responsibility Act of 1982 requires the payer (City of Placentia) to report to the Internal Revenue Service taxable payments to payees.

You (as a payee) are required by law to provide us with your Taxpayer Identification Number (if an individual or partnership, your Social Security Number). If you do not provide us with your correct identification number, you may be subject to a penalty imposed by the Internal Revenue Service. The payments subject to withholdings may include, but are not limited to, interest, dividends, or other payments the City of Placentia and/or the Placentia Redevelopment Agency made to you. Other payments may include rents, royalties, commissions and fees for service of non-employees.

If you are exempt from income tax, we are still required, by law, to maintain a Tax Identification Number on file. **PLEASE PROVIDE YOUR TAX IDENTIFICATION NUMBER next to the appropriate listing below, sign, date and return to:**

CITY OF PLACENTIA FINANCE DEPARTMENT  
401 E. Chapman  
Placentia, CA 92870

Exempt: Yes \_\_\_ No  Telephone (562) 981-6600

CORPORATION: Unlimited Environmental, Inc

U.S.A. OR ANY AGENCIES THEREOF: \_\_\_\_\_

IRS CODE #501 TAX-EXEMPT ORGANIZATION: \_\_\_\_\_

A NON-COMMISSIONED CITY OF PLACENTIA EMPLOYEE: \_\_\_\_\_

SOLE PROPRIETOR: \_\_\_\_\_

A PARTNERSHIP: \_\_\_\_\_

OTHER: \_\_\_\_\_ (Explain)

Signature/Title: Jill Duplich Date: 7/18/23

*Jill Duplich,  
Exec. Vice President*

**BIDDER'S BOND**  
**DEMOLITION OF A FIRE DAMAGED  
STRUCTURE LOCATED AT  
207 W. CHAPMAN AVENUE  
PLACENTIA CA 92870**

KNOW ALL MEN OR WOMEN BY THESE PRESENTS:

That we Unlimited Environmental, Inc., as PRINCIPAL,

Developers Surety and Indemnity Company

hereinafter referred to as "Contractor", and a duly authorized corporate as "Surety," are held and firmly bound unto the City of Placentia in the penal sum of TEN PERCENT (10%) OF THE TOTAL AMOUNT OF THE BID of the Contractor above named, submitted by said Contractor to the City of Placentia for the work for said project entitled above, for the payment of which sum in lawful money of the United States, well and truly to be made, to the City of Placentia to which said bid was submitted, we bind ourselves, our heirs, executors, administrators and successors, jointly and severally, firmly by these presents. In no case shall the liability of the surety hereunder exceed the amount of Ten Percent of Total Amount Bid-(10% of Bid).

THE CONDITION OF THIS OBLIGATION IS SUCH:

That whereas the Contractor has submitted the above-mentioned Bid to the City of Placentia as aforesaid for the work for said project entitled above.

NOW, THEREFORE, if the aforesaid Contractor is awarded the Contract and, within the time and manner required under the Contract documents, after the prescribed forms are presented to him or her for signature, enters into a written Agreement in the prescribed form and in accordance with the Contract documents, and files two bonds with the City of Placentia, one to guarantee faithful performance and the other to guarantee payment for labor and materials, in accordance with said Contract documents, and as required by law, and files the required insurance certificate(s) in accordance with said Contract documents, then this obligation shall be null and void; otherwise, it shall be and remain in full force and effect until execution of the Agreement or forfeiture pursuant to the Provisions of Sections 20172 and 20174 of the Public Contract Code.

In the event suit is brought upon this bond by the City and judgment is recovered, the Surety shall pay all costs incurred by the City in such suit, including a reasonable attorney fee to be fixed by the court.

**(SIGNATURE PAGE FOLLOWS)**

**BIDDER'S BOND SIGNATURE PAGE**

**DEMOLITION OF A FIRE DAMAGED  
STRUCTURE LOCATED AT  
207 W. CHAPMAN AVENUE  
PLACENTIA CA 92870**

IN WITNESS WHEREOF, we have hereunto set our hands and seals on

this 7<sup>th</sup> day of July, 2023

BIDDER:

Contractor Name: Unlimited Environmental, Inc.

Address: 2300 East Curry St. Bldg B

Long Beach, CA 90805

Telephone No.: (562) 981-6600

Print Name: Jill Dupleix

Title: vice president

Signature: Jill Dupleix

Date: 7/6/23

CORPORATE SURETY:

Company Name: Developers Surety and Indemnity Company

Address: 17771 Cowan, Suite 100

Irvine, CA 92614

Telephone No.: (866) 363-2642

Print Name: Rebecca Haas-Bates

Title: Attorney-in-Fact

Signature: Rebecca Haas-Bates

Date: July 7, 2023

**SIGNING INSTRUCTIONS TO THE CONTRACTOR**

Bidder's Bond must be accompanied by notary certificates for EACH signature. Note the description of the document on the notary certificate. Attach BOTH notary certificates immediately following this page.

Corporate Seal may be affixed hereto.

The attorney-in-fact for corporate surety must be registered, as such, in at least one county in the State of California. Attach one original Power of Attorney immediately following the notary certificates.

If the Bidder fails to properly sign or omits the required signatures, the bid will be considered non-responsive and will be rejected.

**CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT**

**CIVIL CODE § 1189**

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California )  
County of Orange )

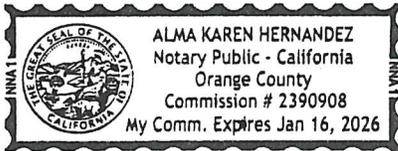
On 07/07/2023 before me, Alma Karen Hernandez, Notary Public  
*Date Here Insert Name and Title of the Officer*

personally appeared Rebecca Haas-Bates  
*Name(s) of Signer(s)*

who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.



Signature [Handwritten Signature]  
*Signature of Notary Public*

*Place Notary Seal Above*

**OPTIONAL**

*Though this section is optional, completing this information can deter alteration of the document or fraudulent reattachment of this form to an unintended document.*

**Description of Attached Document**

Title or Type of Document: Bid Bond Document Date: 07/07/2023

Number of Pages: Two (2) Signer(s) Other Than Named Above: \_\_\_\_\_

**Capacity(ies) Claimed by Signer(s)**

Signer's Name: Rebecca Haas-Bates

Corporate Officer — Title(s): \_\_\_\_\_

Partner —  Limited  General

Individual  Attorney in Fact

Trustee  Guardian or Conservator

Other: \_\_\_\_\_

Signer Is Representing: \_\_\_\_\_

Developers Surety and Indemnity Company

Signer's Name: \_\_\_\_\_

Corporate Officer — Title(s): \_\_\_\_\_

Partner —  Limited  General

Individual  Attorney in Fact

Trustee  Guardian or Conservator

Other: \_\_\_\_\_

Signer Is Representing: \_\_\_\_\_

**POWER OF ATTORNEY FOR  
COREPOINTE INSURANCE COMPANY  
DEVELOPERS SURETY AND INDEMNITY COMPANY**  
59 Maiden Lane, 43rd Floor, New York, NY 10038  
(212) 220-7120

KNOW ALL BY THESE PRESENTS that, except as expressly limited herein, COREPOINTE INSURANCE COMPANY and DEVELOPERS SURETY AND INDEMNITY COMPANY, do hereby make, constitute and appoint:

William Syrkin, Richard Adiar, and Rebecca Haas-Bates, of Irvine, CA

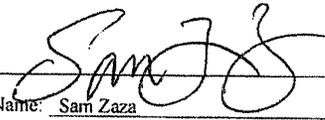
as its true and lawful Attorney-in-Fact, to make, execute, deliver and acknowledge, for and on behalf of said companies, as sureties, bonds, undertakings and contracts of suretyship giving and granting unto said Attorney-in-Fact full power and authority to do and to perform every act necessary, requisite or proper to be done in connection therewith as each of said company could do, but reserving to each of said company full power of substitution and revocation, and all of the acts of said Attorney-in-Fact, pursuant to these presents, are hereby ratified and confirmed. This Power of Attorney is effective July 7, 2023 and shall expire on December 31, 2025.

This Power of Attorney is granted and is signed under and by authority of the following resolutions adopted by the Board of Directors of COREPOINTE INSURANCE COMPANY and DEVELOPERS SURETY AND INDEMNITY COMPANY (collectively, "Company") on February 10, 2023.

RESOLVED, that Sam Zaza, President, Surety Underwriting, James Bell, Vice President, Surety Underwriting, and Craig Dawson, Executive Underwriter, Surety, each an employee of AmTrust North America, Inc., an affiliate of the Company (the "Authorized Signors"), are hereby authorized to execute a Power of Attorney, qualifying attorney(s)-in-fact named in the Power of Attorney to execute, on behalf of the Company, bonds, undertakings and contracts of suretyship, or other suretyship obligations; and that the Secretary or any Assistant Secretary of the Company be, and each of them hereby is, authorized to attest the execution of any such Power of Attorney.

RESOLVED, that the signature of any one of the Authorized Signors and the Secretary or any Assistant Secretary of the Company, and the seal of the Company must be affixed to any such Power of Attorney, and any such signature or seal may be affixed by facsimile, and such Power of Attorney shall be valid and binding upon the Company when so affixed and in the future with respect to any bond, undertaking or contract of suretyship to which it is attached.

IN WITNESS WHEREOF, COREPOINTE INSURANCE COMPANY and DEVELOPERS SURETY AND INDEMNITY COMPANY have caused these presents to be signed by the Authorized Signor and attested by their Secretary or Assistant Secretary this March 27, 2023.

By:   
Printed Name: Sam Zaza  
Title: President, Surety Underwriting



**ACKNOWLEDGEMENT:**

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

STATE OF California COUNTY OF Orange

On this 27 day of March, 2023, before me, Hoang-Quyen Phu Pham, personally appeared Sam Zaza, who proved to me on the basis of satisfactory evidence to be the person whose name is subscribed to within the instrument and acknowledged to me that they executed the same in their authorized capacity, and that by the signature on the instrument the entities upon behalf which the person acted, executed this instrument.

I certify, under penalty of perjury, under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

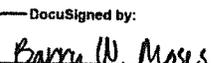
Signature 



**CORPORATE CERTIFICATION**

The undersigned, the Secretary or Assistant Secretary of COREPOINTE INSURANCE COMPANY and DEVELOPERS SURETY AND INDEMNITY COMPANY, does hereby certify that the provisions of the resolutions of the respective Boards of Directors of said corporations set forth in this Power of Attorney are in force as of the date of this Certification.

This Certification is executed in the City of Cleveland, Ohio, this March 19, 2023.

DocuSigned by:  
By:  Barry W. Moses, Assistant Secretary

POA No. N/A

**EXHIBIT A**  
**SCOPE OF SERVICES**

Blank  


**EXHIBIT B**  
**SCHEDULE OF PERFORMANCE**

Blank  


**EXHIBIT C**  
**INSURANCE REQUIREMENTS**

Contractor shall maintain and shall require all of its subcontractors, consultants, and other agents to maintain the insurance listed below. Any requirement for insurance to be maintained after completion of the work shall survive this agreement.

CITY reserves the right to review any and all of the required insurance policies and/or endorsements, but has no obligation to do so. Failure to demand evidence of full compliance with the insurance requirements set forth in this agreement or failure to identify any insurance deficiency shall not relieve Contractor from, nor be construed or deemed a waiver of, its obligation to maintain the required insurance at all times during the performance of this agreement.

A. Workers Compensation & Employers Liability Insurance

- Workers Compensation insurance with statutory limits as required by the Labor Code of the State of California.
- Employers Liability with limits of \$1,000,000 per Accident; \$1,000,000 Disease per employee; \$1,000,000 Disease per policy.
- The policy shall include a written waiver of the insurer's right to subrogate against CITY.
- Required Evidence Of Coverage:
  1. Subrogation waiver endorsement; and
  2. Properly completed Certificate of Insurance.

B. General Liability Insurance

- Commercial General Liability Insurance no less broad than Insurance Services Office (ISO) form CG 00 01.
- Coverage shall be on a standard occurrence form. Claims-Made forms are not acceptable without prior written consent. Modified, limited or restricted Occurrence forms are not acceptable without prior written consent.

- Minimum Limits: \$1,000,000 per Occurrence; \$2,000,000 General Aggregate; \$2,000,000 Products/Completed Operations Aggregate. The General Aggregate shall apply separately to each project. The required limits may be provided by a combination of General Liability Insurance and Commercial Excess or Umbrella Liability Insurance. If contractor maintains higher limits than the specified minimum limits, CITY requires and shall be entitled to coverage for the higher limits maintained by contractor.
- Any deductible or self-insured retention shall be shown on the Certificate of Insurance. If the deductible or self-insured retention exceeds \$25,000 it must be approved in advance by CITY. Contractor is responsible for any deductible or self-insured retention and shall fund it upon CITY'S written request, regardless of whether Contractor has a claim against the insurance or is named as a party in any action involving CITY.
- Coverage shall be continued for one (1) year after completion of the work.
- CITY shall be endorsed as an additional insured for liability arising out of ongoing and completed operations by or on behalf of the contractor. CITY shall continue to be an additional insured for completed operations for (1) year after completion of the work.
- The policy definition of "insured contract" shall include assumptions of liability arising out of both ongoing operations and the products-completed operations hazard ("F" definition of insured contract in ISO form CG 00 01, or equivalent).
- The insurance provided to the additional insureds shall be primary to, and non-contributory with, any insurance or self-insurance program maintained by them.
- The policy shall cover inter-insured suits and include a "Separation of Insureds" or "severability" clause which treats each insured separately.
- The policy shall be endorsed to include a written waiver of the insurer's right to subrogate against all persons or entities that are, or are required to be, additional insureds.
- The policy shall not contain a Contractors' Warranty or other similar

language which eliminates or restricts insurance because of a subcontractor's failure to carry specific insurance or to supply evidence of such insurance.

- Required Evidence of Coverage:
  1. Copy of the additional insured endorsement or policy language granting additional insured status;
  2. Copy of the endorsement or policy language indicating that coverage applicable to the additional insureds is primary and non-contributory;
  3. Properly completed Certificate of Insurance; and
  4. Completed and signed Agent/Broker Questionnaire with supporting documentation as required.

C. Automobile Liability Insurance

- Minimum Limit: \$1,000,000 combined single limit per accident.
- Coverage shall apply to all owned, hired and non-owned vehicles.
- CITY shall qualify as an insured.
- Required Evidence of Coverage:
  1. Copy of the endorsement or policy language indicating that CITY is an insured; and
  2. Properly completed Certificate of Insurance.

D. Contractors Pollution Liability Insurance

- Minimum Limits: \$1,000,000 per Pollution Incident; \$1,000,000 Aggregate;
- Coverage shall apply to pollution incidents at or from any location at which Contractor is performing work under this agreement.
- Any deductible or self-insured retention shall be shown on the Certificate of Insurance. If the deductible or self-insured retention exceeds \$25,000 it shall be approved in advance by CITY. Contractor is responsible for any deductible or self-insured retention and shall fund it upon CITY written request, regardless of whether Contractor has a claim against the

insurance or is named as a party in any action involving CITY.

- CITY shall be endorsed as an additional insured for liability arising out of ongoing and completed operations by or on behalf of the Contractor. Additional insured status shall continue for one (1) year after completion of the work.
- The insurance provided to the additional insureds shall apply on a primary and non-contributory basis with respect to any insurance or self-insurance program maintained by them.
- If the insurance is on a Claims-Made basis, the retroactive date shall be no later than the commencement of work.
- The insurance shall be continued for one (1) year after completion of the work. If the insurance is on a Claims-Made basis, the continuation coverage may be provided by: (a) renewal of the existing policy; (b) an extended reporting period endorsement; or (c) replacement insurance with a retroactive date no later than the commencement of the work.
- Required Evidence of Coverage:
  1. Copy of the additional insured endorsement or policy language granting additional insured status;
  2. Copy of the endorsement or policy language indicating that coverage for the additional insureds is primary and non-contributory;
  3. Properly completed Certificate of Insurance.

E. Surety Bonds

- Bid bond.
- Performance and payment bonds for the entire contract price.
- The surety must be authorized to issue these bonds in the State of California.

F. Standards for Insurance Companies

- Insurers, other than the California State Compensation Insurance Fund,

shall have an A.M. Best's rating of at least A:VII.

G. Documentation

- The Certificate of Insurance shall include the following reference: ED-2023-02
- The name and address for Additional Insured endorsements and Certificates of Insurance is: City of Placentia
- Contractor shall provide immediate written notice if: (1) any of the required insurance policies is terminated; (2) the limits of any of the required policies are reduced; or (3) the deductible or self-insured retention is increased.
- Current Evidence of Coverage shall be provided for the entire required period of insurance.
- Upon written request, certified copies of required insurance policies shall be provided within thirty (30) days.

Project No. ED-2023-02

**EXHIBIT D**

**CERTIFICATES OF INSURANCE AND ENDORSEMENTS**

**EXHIBIT E**  
**CLAIMS PROCEDURE**

**SUMMARY OF PUBLIC CONTRACT CODE § 9204**

The following procedure will apply to any claims by the Contractor on the City:

A “claim” is a separate demand on the City by a contractor on a public works project and sent by registered mail or certified mail with return receipt requested, for one or more of the following:

- A time extension, including relief from penalties for delay
- Payment by the City of money damages under the terms of the contract
- Payment of an amount that is disputed by the City

Initial Review

The claim must be supported by appropriate documentation. The City has 45 days within which to review the claim and provide the contractor with a written statement identifying the disputed and undisputed portions of the claim. If the City does not issue a written statement, the claim is deemed rejected in its entirety. The City will pay any undisputed portion of the claim within 60 days of issuing the statement.

Meet & Confer

If the contractor disputes the City’s written response, or if the City does not issue one, the contractor may request in writing an informal conference to meet and confer for possible settlement of the claim. The City will schedule the meet and confer conference within 30 days of this request and provide a written statement identifying the remaining disputed and undisputed portions of the claim within 10 business days of the meet and confer. The City will pay the undisputed portion within 60 days of issuing this statement.

Mediation

With respect to any disputed portion remaining after the meet and confer, the City and contractor will submit the matter to nonbinding mediation, agree to a mediator within 10 business days after issuing the written statement, and share mediation costs equally. If mediation is unsuccessful, then the terms of the public works agreement and applicable law will govern resolution of the dispute.

Miscellaneous Provisions

Amounts not paid by the City in a timely manner bear interest at 7% per annum. Subcontractors may submit claims via this procedure through the general contractor. The City and contractor may waive the requirement to mediate, but cannot otherwise waive these claim procedures.



# CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)  
07/18/2023

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

**IMPORTANT:** If the certificate holder is an **ADDITIONAL INSURED**, the policy(ies) must have **ADDITIONAL INSURED** provisions or be endorsed. If **SUBROGATION IS WAIVED**, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

<b>PRODUCER</b> Millennium Risk Management & Insurance Services License #0M93299 301 E Colorado Blvd Suite 205 Pasadena, CA 91101	<b>CONTACT NAME:</b> Megan Hilke <b>PHONE (A/C, No, Ext):</b> (818) 844-4118 <b>E-MAIL ADDRESS:</b> MHilke@mcsins.com	<b>FAX (A/C, No):</b> (949) 679-7240
	<b>INSURER(S) AFFORDING COVERAGE</b>	
<b>INSURED</b> Unlimited Environmental Inc 2300 E Curry St Ste B Long Beach, CA 90805	<b>INSURER A:</b> Nautilus Insurance Company <b>NAIC #</b> 17370	
	<b>INSURER B:</b> Great Divide Insurance Company <b>NAIC #</b> 25224	
	<b>INSURER C:</b>	
	<b>INSURER D:</b>	
	<b>INSURER E:</b>	
	<b>INSURER F:</b>	

**COVERAGES**                      **CERTIFICATE NUMBER:** 23-24 GL AU XS WC                      **REVISION NUMBER:**

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	ADDL INSD	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS
A	<input checked="" type="checkbox"/> <b>COMMERCIAL GENERAL LIABILITY</b> <input type="checkbox"/> CLAIMS-MADE <input checked="" type="checkbox"/> OCCUR \$10,000 Deductible <input checked="" type="checkbox"/> incl Pollution/Professional Liab GEN'L AGGREGATE LIMIT APPLIES PER: <input type="checkbox"/> POLICY <input checked="" type="checkbox"/> PRO-JECT <input type="checkbox"/> LOC OTHER:	Y	Y	ECP2008228-20	04/01/2023	04/01/2024	EACH OCCURRENCE \$ 1,000,000 DAMAGE TO RENTED PREMISES (Ea occurrence) \$ 250,000 MED EXP (Any one person) \$ 5,000 PERSONAL & ADV INJURY \$ 1,000,000 GENERAL AGGREGATE \$ 2,000,000 PRODUCTS - COMP/OP AGG \$ 2,000,000 \$
B	<b>AUTOMOBILE LIABILITY</b> <input checked="" type="checkbox"/> ANY AUTO <input type="checkbox"/> OWNED AUTOS ONLY <input type="checkbox"/> SCHEDULED AUTOS <input checked="" type="checkbox"/> HIRED AUTOS ONLY <input type="checkbox"/> NON-OWNED AUTOS ONLY <input checked="" type="checkbox"/> No Liab Ded	Y		BAP2008229-20	04/01/2023	04/01/2024	COMBINED SINGLE LIMIT (Ea accident) \$ 1,000,000 BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (Per accident) \$ \$
A	<input type="checkbox"/> <b>UMBRELLA LIAB</b> <input checked="" type="checkbox"/> OCCUR <input checked="" type="checkbox"/> <b>EXCESS LIAB</b> <input type="checkbox"/> CLAIMS-MADE DED <input checked="" type="checkbox"/> RETENTION \$ 0			FFX2008226-21	04/01/2023	04/01/2024	EACH OCCURRENCE \$ 10,000,000 AGGREGATE \$ 10,000,000 Over GL AL EL PL CPL \$
B	<b>WORKERS COMPENSATION AND EMPLOYERS' LIABILITY</b> ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) <input type="checkbox"/> Y/N If yes, describe under DESCRIPTION OF OPERATIONS below	N/A	Y	WCA2008227-20	04/01/2023	04/01/2024	<input checked="" type="checkbox"/> PER STATUTE <input type="checkbox"/> OTH-ER E.L. EACH ACCIDENT \$ 1,000,000 E.L. DISEASE - EA EMPLOYEE \$ 1,000,000 E.L. DISEASE - POLICY LIMIT \$ 1,000,000

**DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)**  
Re: Asbestos, PCB Abatement and Demolition and Removal of Fire Damaged Building Located at 207 W. Chapman Avenue, Placentia, CA 92870. The City of Placentia, its officers, employees, representatives, attorneys, and volunteers, where required by written contract, are named as additional insured for General Liability for ongoing & completed operations; per project applies; with primary & non-contributory wording; addl insured for Auto Liability; with waiver of subrogation for GL and WC; all per forms attached for review.\*30 day NOC with 10 days for non-payment. Separation of Insured applies.

**CERTIFICATE HOLDER**                      **CANCELLATION**

City of Placentia a Municipal Corporation and Charter City 401 E. Chapman Placentia                      92870	SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.  AUTHORIZED REPRESENTATIVE 
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THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

**ADDITIONAL INSURED -- OWNERS, LESSEES OR CONTRACTORS  
AUTOMATIC STATUS – ONGOING OPERATIONS – COVERAGE A, B, D.1 & D.4**

Policy Number	Policy Effective Date	Policy Expiration Date	Endorsement Effective Date
ECP2008228-20	4/1/2023	4/1/2024	4/1/2023

This endorsement modifies insurance provided under the following:

**ENVIRONMENTAL COMBINED POLICY**

**I. SECTION III – WHO IS AN INSURED** is amended to include as an additional **insured**:

1. Any person or organization for whom you are performing operations when you and such person or organization have agreed in writing in a contract or agreement, in effect during this **policy period**, that such person or organization be added as an additional **insured** on this policy; and
2. Any other person or organization you are explicitly required to add as an additional **insured** under the contract or agreement described in Paragraph 1. above.

Such contract or agreement must be executed and in effect prior to the performance of **your work** which is the subject of such contract or agreement.

Such person(s) or organization(s) is an additional **insured** only with respect to liability for **bodily injury or property damage** under **SECTION I – COVERAGE A – BODILY INJURY AND PROPERTY DAMAGE LIABILITY, Coverage D.1 – Contractors Pollution Legal Liability** and **Coverage D.4 – Microbial Substance Contractors Pollution Liability**, or personal injury or advertising injury under **SECTION I - COVERAGE B – PERSONAL AND ADVERTISING INJURY LIABILITY** directly caused by:

- a. Your acts or omissions; or
- b. The acts or omissions of those acting on your behalf;

in the performance of your ongoing operations for the additional **insured** described in Paragraph 1. or 2. above.

However, the insurance afforded to such additional **insured** described above:

- a. Only applies to the extent permitted by law; and
- b. Will not be broader than that which you are required by the contract or agreement to provide for such additional **insured**, and
- c. Will not extend beyond that which is provided to you in this policy.

A person's or organization's status as an additional **insured** under this endorsement ends when your operations for the person or organization described in Paragraph 1. above are completed.

**II. With respect to the insurance afforded to these additional insureds**, the following additional exclusions apply:

This insurance does not apply to:

- a. **Bodily injury, property damage or personal and advertising injury** arising out of the rendering of, or the failure to render, any professional architectural, engineering or surveying services, including:
  - (1) The preparing, approving, or failing to prepare or approve, maps, shop drawings, opinions, reports, surveys, field orders, change orders or drawings and specifications; or
  - (2) Supervisory, inspection, architectural or engineering activities.

This exclusion applies even if the **claims** against any **insured** allege negligence or other wrongdoing in the supervision, hiring, employment, training or monitoring of others by that **insured**, if the **occurrence** which caused the **bodily injury or property damage**, or the offense which caused the **personal and advertising injury**, involved the rendering of, or the failure to render any professional architectural, engineering or surveying services.

**b. Bodily injury or property damage** occurring after:

- (1) All work, including materials, parts or equipment furnished in connection with such work, on the project (other than service, maintenance or repairs) to be performed by or on behalf of the additional **insured(s)** at the location of the **covered operations** has been completed; or

- (2) That portion of **your work** out of which the injury or damage arises has been put to its intended use by any person or organization other than another contractor or subcontractor engaged in performing operations for a principal as a part of the same project.

III. With respect to the insurance afforded to these additional **insureds**, the following is added to **SECTION V – LIMITS OF INSURANCE**:

The most we will pay on behalf of the additional **insured** is the amount of insurance:

1. Required by the contract or agreement described in Paragraph I.1.; or
2. Available under the applicable limits of insurance;

whichever is less.

This endorsement shall not increase the applicable limits of insurance.

IV. With respect to the insurance afforded to these additional **insureds**, the following is added to **SECTION VI – REPORTING, DEFENSE, SETTLEMENT & COOPERATION**:

1. **Duties -- Additional Insured**

An additional **insured** must see to it that:

- a. We are notified in writing as soon as practicable of an **occurrence** or offense which may result in a **claim** or **suit**;
- b. We receive written notice of a **claim** or **suit** as soon as practicable; and
- c. A request for defense and indemnity of the **claim** or **suit** will promptly be brought against any policy issued by another insurer under which the additional **insured** may be an insured in any capacity. This provision does not apply to insurance on which the additional **insured** is a **Named Insured**, if the contract or agreement requires that this coverage be primary and noncontributory.

V. **SECTION VII – CONDITION 10. – Other Insurance** is amended by the addition of the following which supersedes any provision to the contrary:

**Primary And Noncontributory Insurance**

This insurance is primary to and will not seek contribution from any other insurance available to a person(s) or organization(s) included as an additional **insured** under this endorsement provided that:

1. The additional **insured** person(s) or organization(s) is a **Named Insured** under such other insurance; and
2. You have agreed in writing in a contract or agreement, in effect during this **policy period**, that this insurance would be primary and would not seek contribution from any other insurance available to the additional **insured** person(s) or organization(s). Such contract or agreement must be executed and in effect prior to the performance of **your work** which is the subject of such contract or agreement.

However, this provision does not apply if the other insurance available to the person(s) or organization(s) included as an additional **insured** is Owners and Contractors Protective Liability, Railroad Protective Liability, or similar project-specific, primary insurance.

VI. This endorsement does not apply to an additional **insured** which has been added to this policy by an endorsement showing the additional **insured** in a **SCHEDULE** of additional **insureds**, and which endorsement applies to that designated additional **insured**.

**ALL OTHER TERMS AND CONDITIONS OF THE POLICY SHALL APPLY AND REMAIN UNCHANGED.**

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

**ADDITIONAL INSURED -- OWNERS, LESSEES OR CONTRACTORS  
AUTOMATIC STATUS – COMPLETED OPERATIONS – COVERAGE A, D.1 & D.4**

Policy Number	Policy Effective Date	Policy Expiration Date	Endorsement Effective Date
ECP2008228-20	4/1/2023	4/1/2024	4/1/2023

This endorsement modifies insurance provided under the following:

**ENVIRONMENTAL COMBINED POLICY**

**I. SECTION III – WHO IS AN INSURED** is amended to include as an additional insured:

1. Any person or organization for whom you have performed operations when you and such person or organization have agreed in writing in a contract or agreement, in effect during this **policy period**, that such person or organization be added as an additional **insured** on this policy; and
2. Any other person or organization you are explicitly required to add as an additional **insured** under the contract or agreement described in Paragraph 1. above.

Such contract or agreement must be executed and in effect prior to the performance of **your work** included in the **products-completed operations hazard** which is the subject of such contract or agreement.

Such person(s) or organization(s) is an additional **insured** only with respect to liability for **bodily injury** or **property damage** under **SECTION I – COVERAGE A – BODILY INJURY AND PROPERTY DAMAGE LIABILITY, Coverage D.1 – Contractors Pollution Legal Liability** and **Coverage D.4 – Microbial Substance Contractors Pollution Liability**, directly caused by **your work** performed for the additional **insured** described in Paragraph 1. or 2. above, and included in the **products-completed operations hazard**.

However, the insurance afforded to such additional **insured** described above:

- a. Only applies to the extent permitted by law; and
- b. Will not be broader than that which you are required by the contract or agreement to provide for such additional **insured**; and
- c. Will not extend beyond that which is provided to you in this policy.

**II. With respect to the insurance afforded to these additional insureds**, the following additional exclusions apply:

This insurance does not apply to:

- a. **Bodily injury** or **property damage** arising out of the rendering of, or the failure to render, any professional architectural, engineering or surveying services, including:
  - (1) The preparing, approving, or failing to prepare or approve, maps, shop drawings, opinions, reports, surveys, field orders, change orders or drawings and specifications; or
  - (2) Supervisory, inspection, architectural or engineering activities.

This exclusion applies even if the **claims** against any **insured** allege negligence or other wrongdoing in the supervision, hiring, employment, training or monitoring of others by that **insured**, if the **occurrence** which caused the **bodily injury** or **property damage** involved the rendering of, or the failure to render any professional architectural, engineering or surveying services.

**III. With respect to the insurance afforded to these additional insureds**, the following is added to **SECTION V – LIMITS OF INSURANCE**:

The most we will pay on behalf of the additional **insured** is the amount of insurance:

1. Required by the contract or agreement described in Paragraph I.1.; or
2. Available under the applicable limits of insurance;

whichever is less.

This endorsement shall not increase the applicable limits of insurance.

**IV. With respect to the insurance afforded to these additional insureds**, the following is added to **SECTION VI –**

## REPORTING, DEFENSE, SETTLEMENT & COOPERATION:

### 1. Duties -- Additional Insured

An additional **insured** must see to it that:

- a. We are notified in writing as soon as practicable of an **occurrence** which may result in a **claim or suit**;
- b. We receive written notice of a **claim or suit** as soon as practicable; and
- c. A request for defense and indemnity of the **claim or suit** will promptly be brought against any policy issued by another insurer under which the additional **insured** may be an insured in any capacity. This provision does not apply to insurance on which the additional **insured** is a **Named Insured**, if the contract or agreement requires that this coverage be primary and noncontributory.

### V. SECTION VII – CONDITION 10. – Other Insurance is amended by the addition of the following which supersedes any provision to the contrary:

#### Primary And Noncontributory Insurance

This insurance is primary to and will not seek contribution from any other insurance available to a person(s) or organization(s) included as an additional **insured** under this endorsement provided that:

1. The additional **insured** person(s) or organization(s) is a **Named Insured** under such other insurance; and
2. You have agreed in writing in a contract or agreement, in effect during this **policy period**, that this insurance would be primary and would not seek contribution from any other insurance available to the additional **insured** person(s) or organization(s). Such contract or agreement must be executed and in effect prior to the performance of **your work** included in the **products-completed operations hazard** which is the subject of such contract or agreement.

However, this provision does not apply if the other insurance available to the person(s) or organization(s) included as an additional **insured** is Owners and Contractors Protective Liability, Railroad Protective Liability, or similar project-specific, primary insurance.

### VI. This endorsement does not apply to an additional **insured** which has been added to this policy by an endorsement showing the additional **insured** in a **SCHEDULE** of additional **insureds**, and which endorsement applies to that designated additional **insured**.

**ALL OTHER TERMS AND CONDITIONS OF THE POLICY SHALL APPLY AND REMAIN UNCHANGED.**

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

**DESIGNATED CONSTRUCTION PROJECT(S) GENERAL AGGREGATE LIMIT  
- COVERAGE A**

Policy Number	Policy Effective Date	Policy Expiration Date	Endorsement Effective Date
ECP2008228-20	4/1/2023	4/1/2024	4/1/2023

This endorsement modifies insurance provided under the following:

**ENVIRONMENTAL COMBINED POLICY**

**SCHEDULE**

Designated Construction Project(s):	Designated Construction Project Limit:
Each of your projects away from premises owned or rented to you, performed during the policy period when a Designated Per Project Aggregate Limit of Insurance is required in a written contractual agreement.	2,000,000

- I. For all amounts which the **insured** becomes legally obligated to pay as **damages** caused by **occurrences** under **SECTION I – COVERAGE A – BODILY INJURY AND PROPERTY DAMAGE LIABILITY** which can be attributed only to ongoing operations as shown in the **SCHEDULE** above:
1. A separate Designated Construction Project Limit applies to each designated construction project and that limit is the lesser of:
    - a. the Designated Construction Project Limit indicated in the **SCHEDULE**; or
    - b. the amount of the General Aggregate Limit shown in the Declarations.
  2. The Designated Construction Project Limit is the most we will pay for the sum of all **damages** under **SECTION I – COVERAGE A – BODILY INJURY AND PROPERTY DAMAGE LIABILITY**, except **damages** because of **bodily injury** or **property damage** included in the **products-completed operations hazard**, regardless of the number of:
    - a. **Insureds**;
    - b. **Claims** made or **suits** brought; or
    - c. **Persons** or organizations making **claims** or bringing **suits**.
  3. Any payments made under **SECTION I – COVERAGE A – BODILY INJURY AND PROPERTY DAMAGE LIABILITY** for damages shall reduce the Designated Construction Project Limit for that designated construction project. Such payments shall not reduce the General Aggregate Limit shown in the Declarations nor shall they reduce any other Designated Construction Project Limit, except as affected by the Designated Construction Project Aggregate Limit described in **5.b.** below.
  4. The limits shown in the Declarations for Each Occurrence and Damage to Premises Rented to You continue to apply. However, instead of being subject to the General Aggregate Limit shown in the Declarations, such limits will be subject to the applicable Designated Construction Project Limit.
  5.
    - a. The Designated Construction Project General Aggregate Limit is the most we will pay for all damages under the Designated Construction Project Limit, described in **1.** and **2.** above.
    - b. Regardless of the number of construction projects or designated construction projects covered under this policy, the most we will pay as the Designated Construction Project General Aggregate is \$5,000,000.
- II. For all amounts which the **insured** becomes legally obligated to pay as damages caused by **occurrences** under **SECTION I – COVERAGE A – BODILY INJURY AND PROPERTY DAMAGE LIABILITY** which can be attributed only to ongoing operations at the Designated Construction Project(s) shown in the **SCHEDULE** above:
1. Any payments made under **SECTION I – COVERAGE A – BODILY INJURY AND PROPERTY DAMAGE LIABILITY** for damages shall reduce the amount available under the General Aggregate Limit or the Products Completed Operations Aggregate Limit, whichever is applicable; and

2. Such payments shall not reduce any Designated Construction Project General Aggregate Limit

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

**WAIVER OF SUBROGATION  
(TRANSFER OF RIGHTS OF RECOVERY AGAINST OTHERS TO US)  
AUTOMATIC STATUS – COVERAGE A & B**

Policy Number	Policy Effective Date	Policy Expiration Date	Endorsement Effective Date
ECP2008228-20	4/1/2023	4/1/2024	4/1/2023

This endorsement modifies insurance provided under the following:

**ENVIRONMENTAL COMBINED POLICY**

**I. The following is added to Paragraph 17. Subrogation of SECTION VII – CONDITIONS:**

We waive any right of recovery against any person(s) or organization(s) because of payments we make under **COVERAGE A – BODILY INJURY AND PROPERTY DAMAGE LIABILITY**, and **COVERAGE B – PERSONAL AND ADVERTISING INJURY LIABILITY** under this policy.

Such waiver by us applies only if:

1. The **insured** has agreed in writing in a contract or agreement with such person(s) or organization(s) to waive its right of recovery; and
2. The **insured** has waived its right of recovery against such person(s) or organization(s) prior to loss.

This waiver does not apply in any jurisdiction where such waiver is held to be illegal or against public policy or in any situation where the person(s) or organization(s) against whom subrogation is to be waived is found to be solely negligent.

This endorsement does not apply to any person(s) or organization(s) designated in a **SCHEDULE** of person(s) or organization(s) against whom rights of recovery have been waived.

**ALL OTHER TERMS AND CONDITIONS OF THE POLICY SHALL APPLY AND REMAIN UNCHANGED.**

**ENDORSEMENT**

This endorsement forms a part of the policy to which it is attached. Please read it carefully.

**BUSINESS AUTO - ADDITIONAL INSURED  
WHEN REQUIRED BY CONTRACT OR AGREEMENT**

This endorsement modifies insurance provided under the following:

**BUSINESS AUTO COVERAGE FORM**

**Section II – Liability Coverage A. – Coverage, 1. Who is an Insured,** is amended to add:

- d. Any person or organization to whom you become obligated to include as an additional insured under this policy, as a result of any contract or agreement you enter into, excluding contracts or agreements for professional services, which requires you to furnish insurance to that person or organization of the type provided by this policy, but only with respect to liability arising out of your operations or premises owned by or rented to you. However, the insurance provided will not exceed the lesser of:
  - 1. The coverage and/or limits of this policy; or
  - 2. The coverage and/or limits required by said contract or agreement.

**ALL OTHER TERMS AND CONDITIONS OF THE POLICY SHALL APPLY AND REMAIN UNCHANGED.**

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

## PRIMARY AND NONCONTRIBUTORY – OTHER INSURANCE CONDITION

This endorsement modifies insurance provided under the following:

AUTO DEALERS COVERAGE FORM  
BUSINESS AUTO COVERAGE FORM  
MOTOR CARRIER COVERAGE FORM

With respect to coverage provided by this endorsement, the provisions of the Coverage Form apply unless modified by the endorsement.

- A.** The following is added to the **Other Insurance Condition** in the Business Auto Coverage Form and the **Other Insurance – Primary And Excess Insurance Provisions** in the Motor Carrier Coverage Form and supersedes any provision to the contrary:
- This Coverage Form's Covered Autos Liability Coverage is primary to and will not seek contribution from any other insurance available to an "insured" under your policy provided that:
1. Such "insured" is a Named Insured under such other insurance; and
  2. You have agreed in writing in a contract or agreement that this insurance would be primary and would not seek contribution from any other insurance available to such "insured".
- B.** The following is added to the **Other Insurance Condition** in the Auto Dealers Coverage Form and supersedes any provision to the contrary:
- This Coverage Form's Covered Autos Liability Coverage and General Liability Coverages are primary to and will not seek contribution from any other insurance available to an "insured" under your policy provided that:
1. Such "insured" is a Named Insured under such other insurance; and
  2. You have agreed in writing in a contract or agreement that this insurance would be primary and would not seek contribution from any other insurance available to such "insured".

## WAIVER OF OUR RIGHT TO RECOVER FROM OTHERS ENDORSEMENT - CALIFORNIA

We have the right to recover our payments from anyone liable for an injury covered by this policy. We will not enforce our right against the person or organization named in the Schedule. (This agreement applies only to the extent that you perform work under a written contract that requires you to obtain this agreement from us.)

You must maintain payroll records accurately segregating the remuneration of your employees while engaged in the work described in the Schedule.

The additional premium for this endorsement shall be 0.00% of the California workers' compensation premium otherwise due on such remuneration.

### Schedule

#### Person or Organization

Any person or organization as required in writing by contract or agreement prior to loss.

This endorsement changes the policy to which it is attached and is effective on the date issued unless otherwise stated.

(The information below is required only when this endorsement is issued subsequent to preparation of the policy)

Endorsement Effective

04/01/2023

Policy No.

WCA2008227 20

Endorsement No.

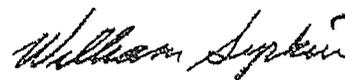
Insured

Unlimited Environmental, Inc.

Insurance Company:

Great Divide Insurance Company

Countersigned  
by

Premium  




# Placentia City Council

## AGENDA REPORT

TO: CITY COUNCIL

VIA: CITY ADMINISTRATOR

FROM: DIRECTOR OF FINANCE

DATE: JULY 25, 2023

SUBJECT: **RESOLUTION ADOPTING THE ANNUAL STATEMENT OF INVESTMENT POLICY FOR FISCAL YEAR 2023-24**

FISCAL  
IMPACT: NONE

### **SUMMARY:**

In accordance with California Government Code ("CGC") Section 53646(a)(2), submitted for City Council review and approval is the annual Statement of Investment Policy for Fiscal Year 2023-24. The proposed investment policy states the goals of the City's investment activities, the types of investments in which the City is allowed to invest its funds and the reporting requirements.

### **RECOMMENDATION:**

It is recommended that the City Council take the following action:

1. Adopt Resolution No. R-2023-66, a Resolution of the City Council of the City of Placentia, California, adopting the annual Statement of Investment Policy for the Fiscal Year 2023-24.

### **STRATEGIC PLAN STATEMENT:**

This item is consistent with the City Council approved 5-Year Strategic Goal #1 to ensure long-term fiscal sustainability under Objective #1.5, which is to continue seeking ways to diversify the City's revenue sources to prevent over-reliance on any one source.

### **DISCUSSION:**

An investment policy describes the parameters for investing government funds and identifies the investment objectives, preferences or tolerance for risk, constraints on the investment portfolio, and how the investment program will be managed and monitored. The document itself serves as a communication tool for the Staff, elected officials, the public, rating agencies, bondholders, and any other stakeholders on investment guidelines and priorities. An investment policy enhances the quality of decision making and demonstrates a commitment to the fiduciary care of public funds, making it the most important element in a public funds investment program.

**1.g.**  
**July 25, 2023**

The City of Placentia's Investment Policy is reviewed and updated annually and includes statements on the following:

- Scope and investment objectives: The scope of the policy covers all funds of the City, with the policy's objectives being (in order) Safety, Liquidity and Yield.
  - *Safety*- Safety of principal is the foremost objective of the investment program. Investments shall be undertaken in a manner that seeks to ensure the preservation of capital in the overall portfolio.
  - *Liquidity*- The City's investment portfolio will remain sufficiently liquid to enable the City of Placentia to meet all operating requirements which might be reasonably anticipated.
  - *Yield*-The City's investment portfolio shall have the objective of attaining a comparative performance measurement or an acceptable rate of return throughout budgetary and economic cycles. These measurements should be commensurate with the City's investment risk constraints identified in this Investment Policy and the cash flow characteristics of the portfolio.
- Roles, responsibilities, and standards of care: The City Treasurer shall be responsible for investment of City Funds and comply with the "prudent investor" standard which states, "When investing, reinvesting, purchasing, acquiring, exchanging, selling, or managing public funds a trustee shall act with care, skill, prudence, and diligence under the circumstances then prevailing, including but not limited to, the general economic conditions and the anticipated needs of the agency, that a prudent person acting in a like capacity and familiarity with those matters would use in the conduct of funds of a like character and with like aims, to safeguard the principal and maintain the liquidity of the agency."
- Suitable and authorized investments: Investment of City funds is governed by the California Government Code Sections 53600 et seq. Only those investments authorized in the policy shall be allowable. Examples of authorized investments include United States treasury bills, bonds or notes, Local Agency Investment Fund (LAIF), Negotiable Certificates of Deposit and United States Government obligations.
- Diversification: The City shall diversify the investments within the portfolio to avoid incurring unreasonable risks inherent in over-investing in specific instruments, individual financial institutions, or maturities. To promote diversification, no more than 5% of the portfolio may be invested in the securities of any one issuer, regardless of security type, excluding U.S. Treasuries, federal agencies, and pooled investments such as LAIF, money market funds, or local government investment pools.
- Safekeeping, custody, and internal controls: All security transactions shall be conducted on a delivery-versus-payment (DVP) basis. Securities will be held by a third-party custodian designated by the City Treasurer and evidenced by safekeeping receipts. Appropriate internal controls will be established and reviewed annually by external auditors that will review and perform procedure testing on the City's cash and investments that have a material impact on the financial statements.

- Authorized financial institutions, depositories, and broker/dealers: The City Treasurer will maintain a list of approved financial institutions authorized to provide investment services to the public agency in the State of California. These may include “primary” dealers or regional dealers that qualify under Securities & Exchange Commission Rule 15C3-1 (uniform net capital rule).
- Risk and performance standards: The recommended performance benchmark is the Two-Year Constant Treasury Maturity Rate which is consistent with the weighted average maturity of the portfolio.
- Reporting and disclosure standards: The City Treasurer will prepare and submit quarterly reports to the City Council stating compliance of the portfolio with the investment policy and affirming the City’s ability to meet its expenditure requirements for the next six months.

The Investment Policy was significantly updated in FY 2022-23 to incorporate best practices recommended by the Government Finance Officers Association (GFOA) and align with their sample investment policy. The FY 2023-24 policy maintains these best practices while continuing to prioritize safety, liquidity and yield.

Prepared by:

  
\_\_\_\_\_  
Jennifer Lampman  
Director of Finance

Reviewed and approved:

  
\_\_\_\_\_  
Kevin Larson  
City Treasurer

Reviewed and approved:

  
\_\_\_\_\_  
Damien R. Arrula  
City Administrator

Attachments:

1. Resolution No. R-2023-66 – Annual Statement of Investment Policy
2. Statement of Investment Policy FY 2023-24

**RESOLUTION NO. R-2023-66**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF PLACENTIA, CALIFORNIA, ADOPTING THE ANNUAL STATEMENT OF INVESTMENT POLICY FOR THE FISCAL YEAR 2023-24**

**A. Recitals**

(i) California Government Code §53646 provides that the Treasurer or Finance Director of the City of Placentia may annually provide a Statement of Investment Policy to the City Council and the Financial Audit Oversight Committee.

(ii) The Finance Director and the City Treasurer of the City of Placentia have prepared for approval the attached Statement of Investment Policy for Fiscal Year 2023-24.

(iii) All legal prerequisites to the adoption of this Resolution have occurred.

**B. Resolution**

NOW, THEREFORE, the City Council of the City of Placentia hereby finds, determines and resolves as follows:

1. The attached Statement of Investment Policy for the City of Placentia hereby is adopted for the Fiscal Year 2023-24, in compliance with California Government Code §53646.

2. The Finance Director shall provide the Annual Statement of Investment Policy to each member of the Financial Audit Oversight Committee.

**PASSED, APPROVED AND ADOPTED** on the 25<sup>th</sup> day of July 2023.

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Ward L. Smith, Mayor

ATTEST:

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Robert S. McKinnell, City Clerk

STATE OF CALIFORNIA  
COUNTY OF ORANGE

I, ROBERT S. MCKINNELL, City Clerk of the City of Placentia, do hereby certify that the foregoing resolution was adopted at a regular meeting of the City Council of the City of Placentia, held on the 25<sup>th</sup> day of July 2023, by the following vote:

AYES: Councilmembers:  
NOES: Councilmembers:  
ABSENT: Councilmembers:  
ABSTAIN: Councilmembers:

---

Robert S. McKinnell, City Clerk

APPROVED AS TO FORM:

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Christian L. Bettenhausen, City Attorney

# City of Placentia

## STATEMENT OF INVESTMENT POLICY

*Adopted by the City Council on July 25, 2023*



**2023-2024**

# CITY OF PLACENTIA

## INVESTMENT POLICY

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## **I. INTRODUCTION**

The purpose of this investment policy is to identify various policies and procedures that will foster a prudent and systematic investment program designed to seek the City of Placentia's objectives of safety, liquidity and return on investment through a diversified investment portfolio. This policy also serves to organize and formalize the City's investment-related activities, while complying with all applicable statutes governing the investment of public funds. This policy is written to incorporate industry best practices and recommendations from sources such as the Government Finance Officers Association (GFOA), California Municipal Treasurers Association (CMTA), California Debt and Investment Advisory Commission (CDIAC) and the Association of Public Treasurers (APT).

This investment policy was adopted by the City Council and is effective as of July 25, 2023, and replaces any previous versions.

## **II. SCOPE**

This policy applies to all funds and investment activities under the direct authority of the City, as set forth in the State Government Code, Sections 53600 *et seq.*, with the following exceptions:

- Proceeds of debt, which are governed by the investment provisions of their specific bond indentures.
- Pension and Other Post-Employment Benefit (OPEB) Trust Funds, which are invested in accordance with the provisions of the Trust Agreements.
- Any other funds specifically exempted by the City Council.

### **POOLING OF FUNDS**

Except for cash in certain restricted and special funds, the City will consolidate cash and reserve balances from all funds to maximize investment earnings and to increase efficiencies with regard to investment pricing, safekeeping, and administration. Investment income will be allocated to the various funds based on their respective participation and in accordance with generally accepted accounting principles.

## **III. PRUDENCE**

Pursuant to California Government Code, Section 53600.3, all persons authorized to make investment decisions on behalf of the City are trustees and therefore fiduciaries subject to the *Prudent Investor Standard*:

“...all governing bodies of local agencies or persons authorized to make investment decisions on behalf of those local agencies investing public funds pursuant to this chapter are trustees and therefore fiduciaries subject to the prudent investor

standard. When investing, reinvesting, purchasing, acquiring, exchanging, selling, or managing public funds, a trustee shall act with care, skill, prudence, and diligence under the circumstances then prevailing, including, but not limited to, the general economic conditions and the anticipated needs of the Agency, that a prudent person acting in a like capacity and familiarity with those matters would use in the conduct of funds of a like character and with like aims, to safeguard the principal and maintain the liquidity needs of the Agency. Within the limitations of this section and considering individual investments as part of an overall strategy, investments may be acquired as authorized by law.”

The Treasurer and other authorized persons responsible for managing City funds acting in accordance with written procedures and this investment policy and exercising due diligence shall be relieved of personal responsibility for an individual security’s credit risk or market price changes provided that the Treasurer or other authorized persons acted in good faith. Deviations from expectations of a security’s credit or market risk should be reported to the governing body in a timely fashion and appropriate action should be taken to control adverse developments.

#### **IV. OBJECTIVES**

The City’s overall investment program shall be designed and managed with a degree of professionalism worthy of the public trust. The overriding objectives of the program are to preserve principal, provide sufficient liquidity, and manage investment risks, while seeking a market-rate of return.

1. **SAFETY.** Safety of principal is the foremost objective of the investment program. Investments will be undertaken in a manner that seeks to ensure the preservation of capital in the overall portfolio. To attain this objective, the City will diversify its investments by investing funds among a variety of securities with independent returns. The City shall seek to preserve principal by mitigating the two types of risk: credit risk and market risk.
  - a. Credit risk, defined as the risk of loss due to failure of the issuer of a security, shall be mitigated by investing in issuers that carry the direct or implied backing of the U.S. Government (including, but not limited to, the U.S. Treasury, U.S. Government Agencies, and federally insured banks). The portfolio will be diversified so that the failure of any one issuer does not unduly harm the City’s capital base and cash flow.
  - b. Market risk, (aka “interest rate risk”) defined as market value fluctuations due to overall changes in the general level of interest rates shall be mitigated by limiting the maximum maturity of any one security to five years, structuring the portfolio based on historic and current cash flow analysis eliminating the need to sell securities prior to maturity and avoiding the purchase of long-term securities for the sole purpose of short-term speculation. Moreover, it is the City’s full intent, at the time of purchase, to hold all investments until maturity to ensure the return of

all invested principal dollars. Limited exceptions will be granted for security swaps that would improve the portfolio's yield and/or credit quality.

2. **LIQUIDITY.** The investment portfolio will remain sufficiently liquid to meet all operating requirements that may be reasonably anticipated.
3. **RETURN ON INVESTMENTS.** The investment portfolio will be designed with the objective of attaining a market rate of return throughout budgetary and economic cycles, taking into account the investment risk constraints for safety and liquidity needs.

## **V. DELEGATION OF AUTHORITY**

Authority to manage the City's investment program is derived from California Government Code, Sections 41006 and 53600 *et seq.*

The City Council is responsible for the management of the City's funds, including the administration of this investment policy. Management responsibility for the cash management of the City's funds is hereby delegated to the City Treasurer and will be reaffirmed annually. In the Treasurer's absence, the Treasurer delegates investment authority to the Deputy City Treasurer (Finance Director) as allowable per California Government Code Section 41006.

The Treasurer will be responsible for all transactions undertaken and will establish a system of procedures and controls to regulate the activities of subordinate officials and employees. Such procedures will include explicit delegation of authority to persons responsible for investment transactions. No person may engage in an investment transaction except as provided under the terms of this policy and the procedures established by the City Treasurer.

The City may engage the services of one or more external investment advisers, who are registered under the Investment Advisers Act of 1940, to assist in the management of the City's investment portfolio in a manner consistent with the City's objectives. External investment advisers may be granted discretion to purchase and sell investment securities in accordance with this investment policy.

The City's overall investment program shall be designed and managed with a degree of professionalism that is worthy of the public trust. The City recognizes that in a diversified portfolio, occasional measured losses may be inevitable and must be considered within the context of the overall portfolio's return and the cash flow requirements of the City.

## **VI. ETHICS AND CONFLICTS OF INTEREST**

All participants in the investment process shall act as custodians of the public trust. Investment officials shall recognize that the investment portfolio is subject to public review and evaluation. Thus, employees and officials involved in the investment process shall refrain from personal business activity that could create a conflict of interest or the

appearance of a conflict with proper execution of the investment program, or which could impair their ability to make impartial investment decisions.

Employees and investment officials shall disclose to the City Administrator any material interests in financial institutions with which they conduct business, and they shall further disclose any large personal financial/investment positions that could be related to the performance of the investment portfolio. Employees and officers shall not undertake any personal investment transactions with the same individual with whom business is conducted on behalf of the Agency.

## **VII. INTERNAL CONTROLS**

The City Treasurer is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the entity are protected from loss, theft, or misuse. The internal control structure shall be designed to provide reasonable assurance that these objectives are met. Internal controls shall include but are not limited to: verification of all wire transfers from two of the four following officers: Mayor, City Treasurer, City Administrator, Finance Director, authorization of transactions, timely bank reconciliations and custodial safekeeping (investment securities are held by an independent financial institution and are recorded in the City's name). Annually, an independent auditing firm shall review internal controls in conjunction with the audit of the City's financial statements and provide written recommendations and observations regarding the adequacy of investment controls. These observations will be reviewed by the City's Financial Audit Oversight Committee as part of their annual audit review of the City's Annual Comprehensive Financial Report (ACFR). All banking and investment accounts held by approved financial institutions shall conform to the City of Placentia Wire and Funds Transfer Policy #443.

## **VIII. AUTHORIZED FINANCIAL INSTITUTIONS, DEPOSITORIES, AND BROKER/DEALERS**

To the extent practicable, the Treasurer shall endeavor to complete investment transactions using a competitive bid process whenever possible. The City's Treasurer will determine which financial institutions are authorized to provide investment services to the City. It shall be the City's policy to purchase securities only from authorized institutions and firms.

The Treasurer shall maintain procedures for establishing a list of authorized broker/dealers and financial institutions which are approved for investment purposes that are selected through a process of due diligence as determined by the City. Due inquiry shall determine whether such authorized broker/dealers, and the individuals covering the City are reputable and trustworthy, knowledgeable, and experienced in Public Agency investing and able to meet all of their financial obligations. These institutions may include "primary" dealers or regional dealers that qualify under Securities and Exchange Commission (SEC) Rule 15c3-1 (uniform net capital rule).

In accordance with Section 53601.5, institutions eligible to transact investment business with the City include:

- Primary government dealers as designated by the Federal Reserve Bank and non-primary government dealers.
- Nationally or state-chartered banks.
- The Federal Reserve Bank.
- Direct issuers of securities eligible for purchase.

Selection of financial institutions and broker/dealers authorized to engage in transactions will be at the sole discretion of the City, except where the City utilizes an external investment adviser in which case the Agency may rely on the adviser for selection.

All financial institutions which desire to become qualified bidders for investment transactions (and which are not dealing only with the investment adviser) must supply the Treasurer with audited financials, proof of state registration, proof of NASD registration and a statement certifying that the institution has reviewed the California Government Code, Section 53600 *et seq.* and the City's investment policy. The Treasurer will conduct an annual review of the financial condition and registrations of such qualified bidders.

Public deposits will be made only in qualified public depositories as established by State law. Deposits will be insured by the Federal Deposit Insurance Corporation, or, to the extent the amount exceeds the insured maximum, will be collateralized in accordance with State law.

Selection of broker/dealers used by an external investment adviser retained by the City will be at the sole discretion of the adviser. Where possible, transactions with broker/dealers shall be selected on a competitive basis and their bid or offering prices shall be recorded. If there is no other readily available competitive offering, best efforts will be made to document quotations for comparable or alternative securities. When purchasing original issue instrumentality securities, no competitive offerings will be required as all dealers in the selling group offer those securities at the same original issue price.

## **IX. AUTHORIZED INVESTMENTS**

The City's investments are governed by California Government Code, Sections 53600 *et seq.* Within the investments permitted by the Code, the City seeks to further restrict eligible investments to the guidelines listed below. In the event a discrepancy is found between this policy and the Code, the more restrictive parameters will take precedence. Percentage holding limits listed in this section apply at the time the security is purchased.

Any investment currently held at the time the policy is adopted which does not meet the new policy guidelines can be held until maturity and shall be exempt from the current policy. At the time of the investment's maturity or liquidation, such funds shall be reinvested only as provided in the current policy.

An appropriate risk level shall be maintained by primarily purchasing securities that are of high quality, liquid, and marketable. The portfolio shall be diversified by security type and

institution to avoid incurring unreasonable and avoidable risks regarding specific security types or individual issuers.

1. **CALIFORNIA LOCAL AGENCY BONDS** include bonds of a local agency within the State of California and including bonds payable solely out of the revenues from a revenue-producing property owned, controlled, or operated by the local agency or by a department, board, agency, or authority of the local agency, provided that:
  - The securities are rated in a rating category of “AA” or its equivalent or better by at least one nationally recognized statistical rating organization (“NRSRO”).
  - The maximum maturity does not exceed five (5) years.
  
2. **CALIFORNIA LOCAL AGENCY OBLIGATIONS** include obligations of a local agency within the State of California, provided that:
  - The securities are rated in a rating category of “AA” or its equivalent or better by at least one nationally recognized statistical rating organization (“NRSRO”).
  - The maximum maturity does not exceed five (5) years.
  
3. **STATE OBLIGATIONS (REGISTERED TREASURY NOTES OR BONDS)** of any of the other 49 states in addition to California, including bonds payable solely out of the revenues from a revenue-producing property owned, controlled, or operated by a state or by a department, board, agency, or authority of any of the other 49 states, in addition to California.
  - The securities are rated in a rating category of “AA” or its equivalent or better by at least one nationally recognized statistical rating organization (“NRSRO”).
  - The maximum maturity does not exceed five (5) years.
  
4. **U.S. TREASURIES** and other government obligations for which the full faith and credit of the United States are pledged for the payment of principal and interest. There are no limits on the dollar amount or percentage that the City may invest in U.S. Treasuries, provided that:
  - The maximum maturity is five (5) years.
  
5. **FEDERAL AGENCIES** or United States Government-Sponsored Enterprise obligations, participations, or other instruments, including those issued by or fully guaranteed as to principal and interest by federal agencies or United States government-sponsored enterprises. There are no limits on the dollar amount that the City may invest in Federal Agency or Government-Sponsored Enterprises (GSEs), provided that:
  - No more than 15% of the portfolio may be invested in any single Agency/GSE issuer.
  - The maximum percent of federal agency obligations in the portfolio will be 30%.
  - The maximum maturity does not exceed five (5) years.

**6. BANKER'S ACCEPTANCES**, provided that:

- No more than 30% of the portfolio may be invested in Banker's Acceptances.
- No more than 30% of the portfolio may be invested in any single issuer.
- The maximum maturity does not exceed 180 days.

**7. COMMERCIAL PAPER**, provided that:

- The issuer is a corporation organized and operating in the United States with assets in excess of \$500 million.
- The securities are rated "A-1" or its equivalent or better by at least one NRSRO.
- They are issued by corporations which have long-term obligations rated in a rating category of "A" or its equivalent or better by at least one NRSRO.
- No more than 25% of the portfolio may be invested in Commercial Paper. Under a provision sunsetting on January 1, 2026, no more than 40% of the portfolio may be invested in Commercial Paper if the Agency's investment assets under management are greater than \$100,000,000.
- No more than 10% of the portfolio may be invested in any single issuer.
- The maximum maturity does not exceed 270 days.

**8. NEGOTIABLE CERTIFICATES OF DEPOSIT (NCDs) OR TIME DEPOSITS**, issued by a nationally or state-chartered bank, a savings association, or a federal association, a state or federal credit union, or by a federally licensed or state-licensed branch of a foreign bank, provided that:

- The amount of the NCD insured up to the FDIC limit does not require any credit ratings.
- Any amount above the FDIC insured limit must be issued by institutions which have short-term debt obligations rated "A-1" or its equivalent or better by at least one NRSRO; or long-term obligations rated in a rating category of "A" or its equivalent or better by at least one NRSRO.
- No more than 30% of the total portfolio may be invested in NCDs (combined with CDARS).
- No more than \$250,000 of the portfolio may be invested in any single issuer.
- The maximum maturity does not exceed five (5) years.

**9. REPURCHASE AGREEMENTS** collateralized with securities authorized under California Government Code, maintained at a level of at least 110% of the market value of the Repurchase Agreement. There are no limits on the dollar amount that the City may invest, provided that:

- Securities used as collateral for Repurchase Agreements will be delivered to an acceptable third-party custodian.
- Repurchase Agreements are subject to a Master Repurchase Agreement between the City and the provider of the repurchase agreement. The Master Repurchase

Agreement will be substantially in the form developed by the Securities Industry and Financial Markets Association (SIFMA).

- Maximum percentage of portfolio does not exceed 30%.
- The maximum maturity does not exceed one (1) year.

**10. STATE OF CALIFORNIA LOCAL AGENCY INVESTMENT FUND (LAIF),** provided that:

- The City may invest up to the maximum amount permitted by LAIF.
- LAIF's investments in instruments prohibited by or not specified in the City's policy do not exclude the investment in LAIF itself from the City's list of allowable investments, provided LAIF's reports allow the Treasurer to adequately judge the risk inherent in LAIF's portfolio.

**11. MEDIUM TERM NOTES (MTNS),** provided that:

- The issuer is a corporation organized and operating within the United States or by depository institutions licensed by the United States or any state and operating within the United States.
- The securities are rated in a rating category of "AA" or its equivalent or better by at least one NRSRO.
- No more than 30% of the total portfolio may be invested in MTNs.
- No more than 5% of the portfolio shall be invested with a single issuer.
- The maximum maturity does not exceed five (5) years.

**12. MONEY MARKET FUNDS** that are registered with the Securities and Exchange Commission under the Investment Company Act of 1940, provided that:

- Have attained the highest ranking or the highest letter and numerical rating provided by not less than two (2) NRSROs; or
- Have retained an investment adviser registered or exempt from registration with the Securities and Exchange Commission with not less than five years' experience managing money market mutual funds with assets under management in excess of \$500 million.
- No more than 20% of the total portfolio may be invested in the shares of any one Money Market Mutual Fund.
- No more than 10% of the total portfolio may be invested in these securities.

**13. PASSBOOK SAVINGS/ DEMAND DEPOSITS** do not have a maximum maturity, maximum percentage of portfolio nor maximum investment in one issuer.

**14. ORANGE COUNTY INVESTMENT POOL** does not have a maximum maturity, maximum percentage of portfolio nor maximum investment in one issuer.

**15. JOINT POWERS AUTHORITY POOLS (JPA),** does not have a maximum maturity, maximum percentage of portfolio nor maximum investment in one issuer provided that:

- The pool retains an investment advisor who is registered with the SEC (or exempt from registration), has assets under management in excess of \$500 million, and has at least five years' experience investing in instruments authorized by Section 53601, subdivisions (a) to (o).

## **X. PROHIBITED INVESTMENT VEHICLES AND PRACTICES**

- State law notwithstanding, any investments not specifically described herein are prohibited, including, but not limited to futures and options.
- In accordance with Government Code, Section 53601.6, investment in inverse floaters, range notes, or mortgage derived interest-only strips is prohibited.
- Investment in any security that could result in a zero-interest accrual if held to maturity is prohibited. Under a provision sunseting on January 1, 2026, securities backed by the U.S. Government that could result in a zero- or negative-interest accrual if held to maturity are permitted.
- The use of reverse repurchase agreements, derivatives, options, futures, zero coupon bonds, first mortgages or trust deeds, collateralized mortgage obligations, limited partnerships, real estate investment trusts (REITs), open-end mutual funds, closed-end mutual funds, mutual funds with a weighted average maturity greater than 180 days, common stock, preferred stock, commodities, precious metals, securities with a high price volatility and/or limited marketability (less than three active bidders), securities that may default on interest payments and any other speculative investment deemed inappropriate under the Prudent Investor standard.

## **XI. INVESTMENT POOLS**

The City shall conduct a thorough investigation of any investment pool prior to making an investment, and on a continual basis thereafter. The Treasurer shall develop a questionnaire which will answer the following general questions:

- A description of eligible investment securities, and a written statement of investment policy and objectives.
- A description of interest calculations and how it is distributed, and how gains and losses are treated.
- A description of how the securities are safeguarded (including the settlement processes), and how often the securities are priced, and the program audited.
- A description of who may invest in the program, how often, what size deposit and withdrawal are allowed.
- A schedule for receiving statements and portfolio listings.
- A statement of how/if reserves and retained earnings are utilized by the pool/fund?
- A fee schedule, and when and how is it assessed.
- Is the pool/fund eligible for bond proceeds and/or will it accept such proceeds?

## **XII. COLLATERALIZATION**

**CERTIFICATES OF DEPOSIT (CDS).** The City shall require any commercial bank or savings and loan association to deposit eligible securities with an agency of a depository approved by the State Banking Department to secure any uninsured portion of a Non-Negotiable Certificate of Deposit. The value of eligible securities as defined pursuant to California Government Code, Section 53651, pledged against a Certificate of Deposit shall be equal to 110% of the face value of the CD. The City Treasurer may waive the collateral requirements for deposits up to the maximum dollar amount which are covered by the Federal Deposit Insurance Corporation (FDIC) or the National Credit Union Administration (NCUA), currently \$250,000.

**COLLATERALIZATION OF BANK DEPOSITS.** This is the process by which a bank or financial institution pledges securities, or other deposits for the purpose of securing repayment of deposited funds. The City shall require any bank or financial institution to comply with the collateralization criteria defined in California Government Code, Section 53651.

**REPURCHASE AGREEMENTS.** The City requires that Repurchase Agreements be collateralized only by securities authorized in accordance with California Government Code:

- The securities which collateralize the repurchase agreement shall be priced at Market Value, including any Accrued Interest plus a margin. The Market Value of the securities that underlie a repurchase agreement shall be valued at 110% or greater of the funds borrowed against those securities.
- Financial institutions shall mark the value of the collateral to market at least monthly and increase or decrease the collateral to satisfy the ratio requirement described above.
- The City shall receive monthly statements of collateral.

### **XIII. DELIVERY, SAFEKEEPING AND CUSTODY**

**DELIVERY-VERSUS-PAYMENT (DVP).** All investment transactions shall be conducted on a delivery-versus-payment basis.

**SAFEKEEPING AND CUSTODY.** To protect against potential losses due to failure of individual securities dealers, and to enhance access to securities, interest payments and maturity proceeds, all cash and securities in the City's portfolio shall be held in safekeeping in the City's name by a third-party custodian, acting as agent for the City under the terms of a custody agreement executed by the bank and the City. All investment transactions will require a safekeeping receipt or acknowledgment generated from the trade. A monthly report will be received by the City from the custodian listing all securities held in safekeeping with current market data and other information.

The only exceptions to the foregoing shall be depository accounts and securities purchases made with: (i) local government investment pools, and (ii) time certificates of deposit since the purchased securities are not deliverable.

#### **XIV. MAXIMUM MATURITY**

To the extent possible, investments shall be matched with anticipated cash flow requirements and known future liabilities.

The City will not invest in securities maturing more than five (5) years from the date of trade settlement, unless the City Council has by resolution granted authority to make such an investment.

#### **XV. DIVERSIFICATION**

The City shall diversify the investments within the portfolio to avoid incurring unreasonable risks inherent in over-investing in specific instruments, individual financial institutions, or maturities. To promote diversification, no more than 5% of the portfolio may be invested in the securities of any one issuer, regardless of security type, excluding U.S. Treasuries, federal agencies, and pooled investments such as LAIF, money market funds, or local government investment pools.

#### **XVI. REVIEW OF INVESTMENT PORTFOLIO**

The Treasurer shall periodically, but no less than quarterly, review the portfolio to identify investments that do not comply with this investment policy and establish protocols for reporting major and critical incidences of noncompliance to the City Council.

#### **XVII. PERFORMANCE EVALUATION**

The investment portfolio shall be designed to attain a market-average rate of return throughout budgetary and economic cycles, taking into account the City's risk constraints, the cash flow characteristics of the portfolio, and state and local laws, ordinances or resolutions that restrict investments.

The Treasurer shall monitor and evaluate the portfolio's performance relative to the chosen market benchmark(s), which will be included in the Treasurer's quarterly report. The Treasurer shall select an appropriate, readily available index to use as a market benchmark. The market benchmark for 2022-2023 will be the Intercontinental Exchange (ICE) Bank of America Merrill Lynch (BAML) 1-5 Year U.S. Treasury/Agency Index.

#### **XVIII. REPORTING**

##### **QUARTERLY REPORTS**

The Treasurer will prepare a quarterly investment report, which provides full disclosure of the City's investment activities. The quarterly investment report shall be so submitted within 45 days following the end of the quarter covered by the report, the report will be made available to the public and the City Council, which can be obtained from the City's website. These reports will disclose, at a minimum, the following information about the City's portfolio:

1. An asset listing showing par value, cost, and independent third-party fair market value of each security as of the date of the report, the source of the valuation, type of investment, issuer, maturity date and interest rate.
2. Transactions for the period.
3. A description of the funds, investments, and programs (including lending programs) managed by contracted parties (i.e., LAIF, investment pools, outside money managers and securities lending agents)
4. A one-page summary report that shows:
  - a. Average maturity of the portfolio and modified duration of the portfolio.
  - b. Maturity distribution of the portfolio.
  - c. Percentage of the portfolio represented by each investment category.
  - d. Average portfolio credit quality; and,
  - e. Time-weighted total rate of return for the portfolio for the prior one month, three months, twelve months and since inception compared to the City's market benchmark returns for the same periods.
5. A statement of compliance with investment policy, including a schedule of any transactions or holdings which do not comply with this policy or with the California Government Code, including a justification for their presence in the portfolio and a timetable for resolution.
6. A statement that the City has adequate funds to meet its cash flow requirements for the next six months.

## **XIX. REVIEW OF INVESTMENT POLICY**

The investment policy will be reviewed and adopted at least annually, to ensure its consistency with the overall objectives of preservation of principal, liquidity and return, and its relevance to current law and financial and economic trends.

Any recommended modifications or amendments shall be presented by Staff to the City Council for their consideration and adoption.

## **GLOSSARY OF INVESTMENT TERMS**

**AGENCIES.** Shorthand market terminology for any obligation issued by a *government-sponsored entity (GSE)*, or a *federally related institution*. Most obligations of GSEs are not guaranteed by the full faith and credit of the US government. Examples are:

**FFCB.** The Federal Farm Credit Bank System provides credit and liquidity in the agricultural industry. FFCB issues discount notes and bonds.

**FHLB.** The Federal Home Loan Bank provides credit and liquidity in the housing market. FHLB issues discount notes and bonds.

**FHLMC.** Like FHLB, the Federal Home Loan Mortgage Corporation provides credit and liquidity in the housing market. FHLMC, also called “FreddieMac” issues discount notes, bonds, and mortgage pass-through securities.

**FNMA.** Like FHLB and FreddieMac, the Federal National Mortgage Association was established to provide credit and liquidity in the housing market. FNMA, also known as “FannieMae,” issues discount notes, bonds, and mortgage pass-through securities.

**GNMA.** The Government National Mortgage Association, known as “GinnieMae,” issues mortgage pass-through securities, which are guaranteed by the full faith and credit of the US Government.

**PEFCO.** The Private Export Funding Corporation assists exporters. Obligations of PEFCO are not guaranteed by the full faith and credit of the US government.

**TVA.** The Tennessee Valley Authority provides flood control and power and promotes development in portions of the Tennessee, Ohio, and Mississippi River valleys. TVA currently issues discount notes and bonds.

**ASSET BACKED SECURITIES.** Securities supported by pools of installment loans or leases or by pools of revolving lines of credit.

**AVERAGE LIFE.** In mortgage-related investments, including CMOs, the average time to expected receipt of principal payments, weighted by the amount of principal expected.

**BANKER’S ACCEPTANCE.** A money market instrument created to facilitate international trade transactions. It is highly liquid and safe because the risk of the trade transaction is transferred to the bank which “accepts” the obligation to pay the investor.

**BENCHMARK.** A comparison security or portfolio. A performance benchmark is a partial market index, which reflects the mix of securities allowed under a specific investment policy.

**BROKER.** A broker brings buyers and sellers together for a transaction for which the broker receives a commission. A broker does not sell securities from his own position.

**CALLABLE.** A callable security gives the issuer the option to call it from the investor prior to its maturity. The main cause of a call is a decline in interest rates. If interest rates decline, the issuer will likely call its current securities and reissue them at a lower rate of interest.

**CERTIFICATE OF DEPOSIT (CD).** A time deposit with a specific maturity evidenced by a certificate.

**CERTIFICATE OF DEPOSIT ACCOUNT REGISTRY SYSTEM (CDARS).** A private placement service that allows local agencies to purchase more than \$250,000 in CDs from a single financial institution (must be a participating institution of CDARS) while still maintaining FDIC insurance coverage. CDARS is currently the only entity providing this service. CDARS facilitates the trading of deposits between the California institution and other participating institutions in amounts that are less than \$250,000 each, so that FDIC coverage is maintained.

**COLLATERAL.** Securities or cash pledged by a borrower to secure repayment of a loan or repurchase agreement. Also, securities pledged by a financial institution to secure deposits of public monies.

**COLLATERALIZED BANK DEPOSIT.** A bank deposit that is collateralized at least 100% (principal plus interest to maturity). The deposit is collateralized using assets set aside by the issuer such as Treasury securities or other qualified collateral to secure the deposit in excess of the limit covered by the Federal Deposit Insurance Corporation.

**COLLATERALIZED MORTGAGE OBLIGATIONS (CMO).** Classes of bonds that redistribute the cash flows of mortgage securities (and whole loans) to create securities that have different levels of prepayment risk, as compared to the underlying mortgage securities.

**COLLATERALIZED TIME DEPOSIT.** Time deposits that are collateralized at least 100% (principal plus interest to maturity). These instruments are collateralized using assets set aside by the issuer such as Treasury securities or other qualified collateral to secure the deposit in excess of the limit covered by the Federal Deposit Insurance Corporation.

**COMMERCIAL PAPER.** The short-term unsecured debt of corporations.

**COUPON.** The rate of return at which interest is paid on a bond.

**CREDIT RISK.** The risk that principal and/or interest on an investment will not be paid in a timely manner due to changes in the condition of the issuer.

**DEALER.** A dealer acts as a principal in security transactions, selling securities from and buying securities for his own position.

**DEBENTURE.** A bond secured only by the general credit of the issuer.

**DELIVERY VS. PAYMENT (DVP).** A securities industry procedure whereby payment for a security must be made at the time the security is delivered to the purchaser's agent.

**DERIVATIVE.** Any security that has principal and/or interest payments which are subject to uncertainty (but not for reasons of default or credit risk) as to timing and/or amount, or any security which represents a component of another security which has been separated from other components ("Stripped" coupons and principal). A derivative is also defined as a financial instrument the value of which is totally or partially derived from the value of another instrument, interest rate, or index.

**DISCOUNT.** The difference between the par value of a bond and the cost of the bond, when the cost is below par. Some short-term securities, such as T-bills and banker's acceptances, are known as discount securities. They sell at a discount from par and return the par value to the investor at maturity without additional interest. Other securities, which have fixed coupons, trade at a discount when the coupon rate is lower than the current market rate for securities of that maturity and/or quality.

**DIVERSIFICATION.** Dividing investment funds among a variety of investments to avoid excessive exposure to any one source of risk.

**DURATION.** The weighted average time to maturity of a bond where the weights are the present values of the future cash flows. Duration measures the price sensitivity of a security to changes interest rates.

**FEDERAL DEPOSIT INSURANCE CORPORATION (FDIC).** The Federal Deposit Insurance Corporation (FDIC) is an independent federal agency insuring deposits in U.S. banks and thrifts in the event of bank failures. The FDIC was created in 1933 to maintain public confidence and encourage stability in the financial system through the promotion of sound banking practices.

**FEDERALLY INSURED TIME DEPOSIT.** A time deposit is an interest-bearing bank deposit account that has a specified date of maturity, such as a certificate of deposit (CD). These deposits are limited to funds insured in accordance with FDIC insurance deposit limits.

**LEVERAGE.** Borrowing funds in order to invest in securities that have the potential to pay earnings at a rate higher than the cost of borrowing.

**LIQUIDITY.** The speed and ease with which an asset can be converted to cash.

**LOCAL AGENCY INVESTMENT FUND (LAIF).** A voluntary investment fund open to government entities and certain non-profit organizations in California that is managed by the State Treasurer's Office.

**LOCAL GOVERNMENT INVESTMENT POOL.** Investment pools that range from the State Treasurer's Office Local Agency Investment Fund (LAIF) to county pools, to Joint Powers Authorities (JPAs). These funds are not subject to the same SEC rules applicable to money market mutual funds.

**MAKE WHOLE CALL.** A type of call provision on a bond that allows the issuer to pay off the remaining debt early. Unlike a call option, with a make whole call provision, the issuer makes a lump sum payment that equals the net present value (NPV) of future coupon payments that will not be paid because of the call. With this type of call, an investor is compensated, or "made whole."

**MARGIN.** The difference between the market value of a security and the loan a broker makes using that security as collateral.

**MARKET RISK.** The risk that the value of securities will fluctuate with changes in overall market conditions or interest rates.

**MARKET VALUE.** The price at which a security can be traded.

**MATURITY.** The final date upon which the principal of a security becomes due and payable.

**MEDIUM TERM NOTES.** Unsecured, investment-grade senior debt securities of major corporations which are sold in relatively small amounts on either a continuous or an intermittent basis. MTNs are highly flexible debt instruments that can be structured to respond to market opportunities or to investor preferences.

**MODIFIED DURATION.** The percent change in price for a 100-basis point change in yields. Modified duration is the best single measure of a portfolio's or security's exposure to market risk.

**MONEY MARKET.** The market in which short-term debt instruments (T-bills, discount notes, commercial paper, and banker's acceptances) are issued and traded.

**MONEY MARKET MUTUAL FUND.** A mutual fund that invests exclusively in short-term securities. Examples of investments in money market funds are certificates of deposit and U.S. Treasury securities. Money market funds attempt to keep their net asset values at \$1 per share.

**MORTGAGE PASS-THROUGH SECURITIES.** A securitized participation in the interest and principal cash flows from a specified pool of mortgages. Principal and interest payments made on the mortgages are passed through to the holder of the security.

**MUNICIPAL SECURITIES.** Securities issued by state and local agencies to finance capital and operating expenses.

**MUTUAL FUND.** An entity which pools the funds of investors and invests those funds in a set of securities which is specifically defined in the fund's prospectus. Mutual funds can be invested in various types of domestic and/or international stocks, bonds, and money market instruments, as set forth in the individual fund's prospectus. For most large, institutional investors, the costs associated with investing in mutual funds are higher than the investor can obtain through an individually managed portfolio.

**NATIONALLY RECOGNIZED STATISTICAL RATING ORGANIZATION (NRSRO).**  
A credit rating agency that the Securities and Exchange Commission in the United States uses for regulatory purposes. Credit rating agencies provide assessments of an investment's risk. The issuers of investments, especially debt securities, pay credit rating agencies to provide them with ratings. The three most prominent NRSROs are Fitch, S&P, and Moody's.

**NEGOTIABLE CERTIFICATE OF DEPOSIT (CD).** A short-term debt instrument that pays interest and is issued by a bank, savings or federal association, state or federal credit union, or state-licensed branch of a foreign bank. Negotiable CDs are traded in a secondary market and are payable upon order to the bearer or initial depositor (investor).

**PRIMARY DEALER.** A financial institution (1) that is a trading counterparty with the Federal Reserve in its execution of market operations to carry out U.S. monetary policy, and (2) that participates for statistical reporting purposes in compiling data on activity in the U.S. Government securities market.

**PRUDENT PERSON (PRUDENT INVESTOR) RULE.** A standard of responsibility which applies to fiduciaries. In California, the rule is stated as "Investments shall be managed with the care, skill, prudence and diligence, under the circumstances then prevailing, that a prudent person, acting in a like capacity and familiar with such matters, would use in the conduct of an enterprise of like character and with like aims to accomplish similar purposes."

**REPURCHASE AGREEMENT.** Short-term purchases of securities with a simultaneous agreement to sell the securities back at a higher price. From the seller's point of view, the same transaction is a reverse repurchase agreement.

**SAFEKEEPING.** A service to bank customers whereby securities are held by the bank in the customer's name.

**SECURITIES AND EXCHANGE COMMISSION (SEC).** The U.S. Securities and Exchange Commission (SEC) is an independent federal government agency responsible for protecting investors, maintaining fair and orderly functioning of securities markets, and facilitating capital formation. It was created by Congress in 1934 as the first federal regulator of securities markets. The SEC promotes full public disclosure, protects investors against fraudulent

and manipulative practices in the market, and monitors corporate takeover actions in the United States.

**SECURITIES AND EXCHANGE COMMISSION (SEC) RULE 15c3-1.** An SEC rule setting capital requirements for brokers and dealers. Under Rule 15c3-1, a broker or dealer must have sufficient liquidity in order to cover the most pressing obligations. This is defined as having a certain amount of liquidity as a percentage of the broker/dealer's total obligations. If the percentage falls below a certain point, the broker or dealer may not be allowed to take on new clients and may have restrictions placed on dealings with current client.

**STRUCTURED NOTE.** A complex, fixed income instrument, which pays interest, based on a formula tied to other interest rates, commodities, or indices. Examples include inverse floating rate notes which have coupons that increase when other interest rates are falling, and which fall when other interest rates are rising, and "dual index floaters," which pay interest based on the relationship between two other interest rates - for example, the yield on the ten-year Treasury note minus the Libor rate. Issuers of such notes lock in a reduced cost of borrowing by purchasing interest rate swap agreements.

**SUPRANATIONAL.** A Supranational is a multi-national organization whereby member states transcend national boundaries or interests to share in the decision making to promote economic development in the member countries.

**TOTAL RATE OF RETURN.** A measure of a portfolio's performance over time. It is the internal rate of return, which equates the beginning value of the portfolio with the ending value; it includes interest earnings, realized and unrealized gains, and losses in the portfolio.

**U.S. TREASURY OBLIGATIONS.** Securities issued by the U.S. Treasury and backed by the full faith and credit of the United States. Treasuries are considered to have no credit risk and are the benchmark for interest rates on all other securities in the US and overseas. The Treasury issues both discounted securities and fixed coupon notes and bonds.

**TREASURY BILLS.** All securities issued with initial maturities of one year or less are issued as discounted instruments and are called Treasury bills. The Treasury currently issues three- and six-month T-bills at regular weekly auctions. It also issues "cash management" bills as needed to smooth out cash flows.

**TREASURY NOTES.** All securities issued with initial maturities of two to ten years are called Treasury notes and pay interest semi-annually.

**TREASURY BONDS.** All securities issued with initial maturities greater than ten years are called Treasury bonds. Like Treasury notes, they pay interest semi-annually.

**YIELD TO MATURITY.** The annualized internal rate of return on an investment which equates the expected cash flows from the investment to its cost.



# Placentia City Council

## AGENDA REPORT

TO: CITY COUNCIL

VIA: CITY ADMINISTRATOR

FROM: DIRECTOR OF FINANCE

DATE: JULY 25, 2023

SUBJECT: **RESOLUTION APPROVING THE ADOPTION OF THE MULTIPLE EMPLOYER OPEB/PENSION 115 TRUST ADMINISTERED BY SHUSTER ADVISORY GROUP, LLC**

FISCAL

IMPACT: ESTIMATED SAVINGS OF \$293,000 OVER 10-YEARS, \$1.1 MILLION OVER 20-YEARS, AND \$2.9 MILLION OVER 30-YEARS

### **SUMMARY:**

Assets in a 115 Trust are irrevocably committed for the government function specific in the applicable trust agreement. Additionally, monies held in such trusts can be invested in accordance with the rules governing those trusts, which are different than the investment rules for the City's pooled investments. Investment restrictions that apply to the general fund of a City (CA Government Code 53601) do not apply to the assets held in an Irrevocable Section 115 Trust, thus allowing for more flexibility in the investment strategy. Setting aside funds in a Section 115 Trust can potentially earn a higher rate of return than funds invested within 53601 guidelines.

Staff has analyzed Shuster Advisory Group, LLC's (Shuster) pricing model and the information provided in comparison to the current Public Agency Retirement Services (PARS) program. The 115 Trust arrangement from Shuster results in a 58% reduction in the annualized expenses of the program in comparison to the current PARS program. The fee schedule from the PARS program results in a 0.60% annualized fee currently, or \$15,594, whereas the Shuster program would result in a 0.25% annualized fee currently, or \$6,478. Assuming both programs earned an average 6% gross annual rate of return and annual contributions were made to both plans totaling \$500,000 (80% to the OPEB and 20% to the Pension Stabilization), the reduction in fees alone will result in an estimated \$293 thousand in savings over 10-years, \$1.1 million over 20-years, and \$2.9 million over 30-years. These results assume there are no fee changes, no distributions, and assume \$2.6 million of assets as of May 31, 2023 (\$1.8 million of OPEB assets and \$793 thousand of Pension Stabilization assets). Additional contributions by the city will only increase the comparative savings.

**1.h.**  
**July 25, 2023**

**RECOMMENDATION:**

It is recommended that the City Council take the following action:

1. Adopt Resolution 2023-67 approving the adoption of the Multiple Employer OPEB/Pension 115 Trust administered by Shuster Advisory Group, LLC and the discontinuance of the City's current participation in the PARS Post-Retirement Health Care Plan Trust administered by Public Agency Retirement Services ("PARS") and U.S Bank; and
2. Direct Staff to return to City Council with an update to Policy 431, "Section 115 Funding Policy", incorporating an OPEB and pension mitigation funding strategy.

**STRATEGIC PLAN STATEMENT:**

This item is consistent with the City Council approved 5-Year Strategic Goal #1 to ensure long-term fiscal sustainability under Objective #1.5, which is to continue seeking ways to diversify the City's revenue sources to prevent over-reliance on any one source.

**DISCUSSION:**

City Council approved the establishment of a Section 115 trust with PARS on October 20, 2020, with subsequent approval of a Section 115 trust policy and initial funding of \$2.4 million on September 20, 2022. The goal in establishing the Section 115 trust is to pre-fund OPEB and pension liabilities and mitigate the impact of CalPERS investment losses on the City's finances.

The trust is irrevocable, with funds committed solely for the purpose of funding pension and OPEB costs such as reimbursing the City for annual CalPERS pension expenses, making additional one-time payments directly to CalPERS, payments for retiree medical expenses, and for other pension related expenses (i.e., plan audits or actuarial valuations).

The City is not obligated to stay in the current trust arrangement with PARS, or any provider for that matter. To the extent that cost savings for administering the trust can be achieved, that is additional money that will stay in the trust and earn interest over time.

Based on available options, significant savings in administration costs are available from Shuster. Shuster is the same firm that took over fiduciary responsibilities of the employees' 457(b) deferred compensation and 401(a) plans in July 2022. Through that change, employees, participants, and retirees have realized significant savings on the fees of those accounts as well as access to an enhanced institutional investment menu.

In March of 2022, the City was introduced to Shuster Advisory Group, LLC and chose to engage Shuster as the retirement plan consultant and investment fiduciary for our 457(b) and 401(a) plans beginning in July 2022. Shuster issued a Request for Information (RFI) to our incumbent record-keeper and completed a comprehensive review, identifying that the fees for record-keeping and administration were high and not transparent, and the quality of the investment menu needed improvement. Based on the information obtained through the RFI, Shuster subsequently

conducted a Request for Proposal (RFP) for administration and recordkeeping services for the Plans. The results of the RFP proved that our administration and record-keeping fees could significantly be reduced, and the City could implement an open architecture investment menu and fee transparent platform, benefiting participants. The City decided to remain with the incumbent recordkeeper, MissionSquare (formerly known as ICMA-RC) at an 88% negotiated reduction in record keeping costs. Also, Shuster negotiated a higher crediting rate for the safety of principal investment option, is implementing an improved investment menu for plan participants and has implemented a comprehensive fiduciary oversight process.

### **Public Agency Retirement Services (PARS)**

The PARS option for OPEB is the Public Agencies Post-Employment Benefits Trust, a multiple employer trust arrangement to which cities adopt the Trust to hold assets. It is important to note that although PARS provides services to public agencies, PARS is not a public agency or public retirement system. PARS provides trust administration for the PARS Post-Retirement Healthcare Plan. The advisor to the PARS investment portfolios is US Bank and HighMark Capital Management serves as the sub-advisor to US Bank, managing the portfolios. US Bank also serves as Trustee for the multiple employer trust. The fees for PARS administrative services and US Bank trust and investment advisory services are separate fees, both a tiered structure based on assets. The PARS program generally provides five HighMark active investment strategies and another five portfolios of the same strategies, but as passive (index) strategies.

### **Shuster Advisory Group, LLC**

Shuster is an independent investment advisory firm and fiduciary. They provide governmental and institutional retirement plan consulting services as well as private wealth management. Shuster is a SEC-Registered Investment Advisor with over \$5 billion in assets under management focusing on serving the unique needs of governmental agencies and special districts serving over 60 cities, agencies and public entities. Shuster serves as fiduciary to plan investments and provides investment selection, monitoring and management.

Shuster serves currently as the fiduciary investment advisor and plan consultant for the MissionSquare 457(b) Deferred Compensation and 401(a) Plan. The services provided by Shuster are unique with a low-cost transparent structure and white glove services. Shuster entered the public retirement plan sector after analyzing the sector and realizing that cities and agencies were being underserved and over-charged for their retirement plans, directly impacting the supplemental retirement savings of the public employees. Hiring Shuster for these services resulted in a 28% reduction in total plan costs for the 457(b) and 401(a) plans, in addition to a significant improvement in the quality of the investments available in the retirement plan. Shuster has proven to be responsive, analytical, and a true partner to the City.

Shuster has conducted the same analysis of the Section 115 Trust programs available to cities and agencies and again determined that the cities were being over-charged and underserved which has a direct result on the taxpayer-funded savings that a city is putting aside for their future obligations. Shuster also found that the programs available generally lacked investment flexibility, customization, transparency, and high-level customer service. As a result, Shuster created and offers a Section 115 Trust program that provides cities with enhanced services at a fraction of the

cost currently being paid. With Shuster's ongoing oversight and exceptional service model, Staff expects similar results with the 115 Trust as experienced with the MissionSquare 457(b) and 401(a) plans.

**Impact on OPEB Liability**

Per the Fiscal Year 2021-22 Annual Comprehensive Financial Report (ACFR), the City has an OPEB liability of \$24,910,487, a decrease of \$6.4 million due to changes in actuarial assumptions including a decrease in assumptions for the discount rate, salary increases and inflation as well as a decrease in the number of retirees receiving benefits. Staff is working with our OPEB actuary to determine the impact on our OPEB liability the reduced fees and anticipated rate of return will have in the long term as well as a funding strategy to address the City's OPEB liability and any future pension liabilities incurred as a result of CalPERS investment performance and will return to the City Council with a recommendation.

**FISCAL IMPACT**

Assuming both programs earned an average 6% gross annual rate of return and annual contributions were made to both plans totaling \$500,000 (80% to the OPEB and 20% to the Pension Stabilization), the reduction in fees alone will result in an estimated \$293 thousand in savings over 10-years, \$1.1 million over 20-years, and \$2.9 million over 30-years. These results assume there are no fee changes, no distributions, and assume \$2.6 million of assets as of May 31, 2023 (\$1.8 million of OPEB assets and \$793 thousand of Pension Stabilization assets). Increased contributions by the City will only increase the comparative savings.

Lastly, Shuster will provide ten investment strategies that combine both active and passive (index) investment solutions to take advantage of the optimum mix of investments from both an investment return and cost perspective. If desired by the City, Shuster will also provide a custom portfolio at no additional cost.

Prepared by:

*Jennifer Lampman*

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Jennifer Lampman  
Director of Finance

Reviewed and approved:

*Damien R. Arrula*

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Damien R. Arrula  
City Administrator

Attachment:

Resolution No. 2023-67

**RESOLUTION NO. 2023-67**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF  
PLACENTIA, CALIFORNIA APPROVING THE ADOPTION OF THE  
MULTIPLE EMPLOYER OPEB/PENSION 115 TRUST  
ADMINISTERED BY SHUSTER ADVISORY GROUP, LLC**

**A. Recitals**

(i). WHEREAS, Shuster Advisory Group, LLC (“Shuster”) has made available the Multiple Employer OPEB/Pension 115 Trust (“Trust”) for the purpose of pre-funding pension obligations and/or OPEB obligations; and

(ii). WHEREAS, the City of Placentia (“City”) is eligible to participate in a tax-exempt trust performing an essential governmental function within the meaning of Section 115 of the Internal Revenue Code, as amended, and the Regulations issued there under, and the Trust is a tax-exempt trust under the relevant statutory provisions of the State of California; and

(iii). WHEREAS, Alta Trust Company satisfies the Trustee requirements under IRC section 115; and

(iv). WHEREAS, all qualified assets currently held in the City’s Public Agency Retirement Services (“PARS”) Public Agencies Post-Employment Benefits Trust are irrevocably dedicated to prefunding the City’s OPEB and pension obligations; and

(v). WHEREAS, the City’s adoption and operation of the Trust has no effect on any current or former employee’s entitlement to post-employment benefits; and

(vi). WHEREAS, the terms and conditions of post-employment benefit entitlement, if any, are governed by contracts separate from and independent of the Trust; and

(vii). WHEREAS, the City Council has prudently set aside funds for the OPEB liability and pre-funding pension obligations; and

(viii). WHEREAS, the City’s funding of the Trust does not, and is not intended to, create any new vested right to any benefit nor strengthen any existing vested right; and

(ix). WHEREAS, the City reserves the right to make contributions, if any, to the Trust.

**B. Resolution**

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

1. The City Council hereby adopts the Shuster Multiple Employer OPEB/Pension 115 Trust, effective July 25<sup>th</sup>, 2023; and
2. The City Council hereby authorizes the termination of the City of Placentia's participation in the PARS Public Agencies Post-Employment Benefits Trust Program, all services, administration, and investment contracts with PARS and US Bank, N.A. ("U.S. Bank"), including the services of U.S. Bank as Trustee; and
3. The City Council hereby authorizes the appointment of Alta Trust Company as successor Trustee and Charles Schwab Trust Bank as custodian of the assets. The transfer of assets is contingent upon the acceptance of the successor Trustee and custodian; and
4. The City Council certifies that the successor trust satisfies the requirements of Section 115 of the Internal Revenue Code and that all assets held by that trust shall qualify as "plan assets" that are irrevocably dedicated to the prefunding of OPEB and pension obligations; and
5. The City Council hereby authorizes the liquidation and transfer of all assets to Charles Schwab Trust Bank, as soon as administratively practicable; and
6. Upon the complete transfer of assets on or around October 31, 2023, PARS is removed as trust administrator and U.S. Bank is removed as Trustee; and
7. The City Council hereby appoints the position of City Administrator, or his/her successor or his/her designee as the City's Administrator for the Trust; and
8. The City's Administrator is hereby authorized to execute the legal and administrative documents on behalf of the City and to take whatever additional actions are necessary to maintain the City's participation in the Trust and to maintain compliance with any relevant regulation issued or as may be issued; therefore, authorizing him/her to take whatever additional actions are required to administer the City's Trust.

**APPROVED AND ADOPTED this 25<sup>th</sup> day of July, 2023.**

ATTEST:

\_\_\_\_\_  
Ward L. Smith, Mayor

\_\_\_\_\_  
Robert S. McKinnell, City Clerk

STATE OF CALIFORNIA  
COUNTY OF ORANGE

I, Robert S. McKinnell, City Clerk of the City of Placentia do hereby certify that the foregoing Resolution was adopted at a regular meeting of the City Council held on the 25<sup>th</sup> day of July, 2023 by the following vote:

AYES:  
NOES:  
ABSENT:  
ABSTAIN:

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Robert S. McKinnell, City Clerk

APPROVED AS TO FORM:

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Christian L. Bettenhausen, City Attorney



# Placentia City Council

## AGENDA REPORT

TO: CITY COUNCIL

VIA: CITY ADMINISTRATOR

FROM: DEPUTY CITY ADMINISTRATOR / PUBLIC SERVICES AND INFRASTRUCTURE

DATE: JULY 25, 2023

SUBJECT: **AWARD OF CONSTRUCTION CONTRACT TO MARK COMPANY ASPHALT AND CONCRETE FOR THE CROWTHER AVENUE STREET RESURFACING PROJECT, PROJECT NO. 1401**

FISCAL  
IMPACT: EXPENSE: \$259,865 CONSTRUCTION CONTRACT  
\$ 25,986 CONTINGENCY AMOUNT  
BUDGETED: \$285,851 FY2023-24 CIP BUDGET (719800-6740 JL#24101)

### **SUMMARY:**

The scope of work for this project entails the partial rehabilitation of Crowther Avenue along with Evelyn and Goetz Streets. As part of the JPI Cenza development in the Transit Oriented District, the developer is responsible for paving Crowther Avenue along the frontage of their project site. This action provides the City with an opportunity to advance street resurfacing work and achieve some cost efficiencies by paying the incremental cost to JPI's contractor to repave the balance of Crowther Avenue to Melrose Avenue as well as two (2) adjacent streets, Goetz Place and Evelyn Place. The cost proposal in the amount of \$259,865 covers the cost of all the paving; and new signing, striping, markings, and pavement legends which is in line with the amount the City has recently paid for similar work. The total construction cost for this work amounts to \$285,851. This amount includes the cost proposal provided by Mark Company Asphalt and Concrete (Mark Company) and a construction contingency amount of 10%. Staff recommends that the City Council award a Public Works Agreement to Mark Company in the amount of \$259,865 to complete this project.

### **RECOMMENDATION:**

It is recommended that the City Council take the following actions:

1. Approve a Public Works Agreement for Project No. 1401 with Mark Company Asphalt and Concrete for an amount not-to-exceed \$259,865; and
2. Authorize the City Administrator to approve contract change orders up to 10% of the contract not-to-exceed amount, or \$25,986; and
3. Authorize the City Administrator and/or his designee to execute all necessary documents, in a form approved by the City Attorney.

**1.i.**  
**July 25, 2023**

**STRATEGIC PLANNING STATEMENT**

This agenda item meets Strategic Planning Goal 5, Objective 5.8, Implement Public Infrastructure to Meet Community Needs – Implement the 2022 Pavement Management Plan Report to Prioritize Streets and Roads.

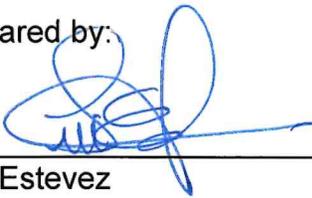
**DISCUSSION:**

As part of the JPI Cenza development project on Crowther Avenue within the City’s Transit Oriented District, the developer was conditioned to repave Crowther Avenue along their entire property frontage as part of their project. The street paving rehabilitation work includes a two (2) inch milling and asphalt concrete capping of the entire roadway. However, this provides an opportunity for the City to advance much needed road resurfacing work by capturing economies of scale and paying the incremental cost to resurface the balance of Crowther Avenue to Melrose Avenue as well as two (2) intersecting streets, Goetz Place and Evelyn Place, since the paving contractor will already be mobilized on site performing the same work. Mark Company provided the City with a cost proposal for rehabilitation of these streets for a similar cost the City has paid recently for like work. The total construction cost of this work amounts to \$285,851. This amount includes the proposal submitted by Mark Company and a construction contingency of 10%. Staff recommends that the City Council award a Public Works Agreement to Mark Company in the amount of \$259,865 to repave Crowther Avenue along with Goetz Place and Evelyn Place.

**FISCAL IMPACT:**

The total construction cost for this work amounts to \$285,851. This cost consists of the cost proposal amount submitted by Mark Company in the amount of \$259,865 and a construction contingency in the amount of \$25,986. Sufficient funds are budgeted and available in the Fiscal Year 2023-24 Capital Improvement Program Budget to cover this expense. As such, sufficient funds exist for the recommended actions.

Prepared by:



Luis Estevez  
Deputy City Administrator

Reviewed and approved:



Jennifer Lampman  
Director of Finance

Reviewed and approved:



Damien R. Arrula  
City Administrator

Attachment:

Public Works Agreement with Mark Company

Project No.

**CITY OF PLACENTIA  
PUBLIC WORKS AGREEMENT FOR  
CROWTHER AVE STREET RESURFACING PROJECT**

THIS AGREEMENT (herein "Agreement"), is made and entered into this 25<sup>TH</sup> day of July, 2023 by and between the CITY OF PLACENTIA, a municipal corporation and charter city, (herein "City") and Mark Company Asphalt and Concrete (herein "Contractor"). The parties hereto agree as follows:

**WITNESSETH:**

A. WHEREAS, City requires the construction of street improvements on Crowther Ave and surrounding area as set forth more fully in this Agreement.

B. WHEREAS, Contractor represents to City that Contractor is qualified to perform said work and has submitted a proposal to City for the same.

C. WHEREAS, City desires to have Contractor perform said services on the terms and conditions set forth herein.

D. WHEREAS, no official or employee of City has a financial interest, within the provisions of Sections 1090-1092 of the California Government Code, in the subject matter of this Agreement.

NOW, THEREFORE, for and in consideration of the mutual covenants and conditions contained herein and for good and valuable consideration, the receipt and sufficiency of which is acknowledged by both parties, City and Contractor hereby agree as follows:

**1.0 DEFINITIONS**

1.1 Definitions. As used in this Agreement, the following definitions shall be applicable:

- (a) Contractor. Contractor shall mean Mark Company Asphalt and Concrete a (California corporation, partnership, individual) located at 2288 North Batavia Street, Orange, CA 92865.
- (b) City. City shall mean the City of Placentia, a Municipal Corporation and Charter City, located at 401 E. Chapman, Placentia, California 92870.
- (c) City Council. City Council shall mean the City Council of the City of Placentia.
- (d) Contract Officer shall mean the person designated by the City Administrator or City Engineer of City and shall have the duties set forth in Section 5.2.

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- (e) Services. Services shall mean the services to be performed by the Contractor pursuant to this Agreement.
- (f) Satisfactory. Satisfactory shall mean satisfactory to the City Administrator or his/her designee.

## 2.0 SERVICES OF CONTRACTOR

2.1 Scope of Services. In compliance with all terms and conditions of this Agreement, the Contractor shall provide those services specified in the "Scope of Services" attached hereto as Exhibit "A" and incorporated herein by this reference, which services may be referred to herein as the "services" or "work" hereunder. As a material inducement to the City entering into this Agreement, Contractor represents and warrants that Contractor is a provider of first class work and services and Contractor is experienced in performing the work and services contemplated herein and, in light of such status and experience, Contractor covenants that it shall follow the highest professional standards in performing the work and services required hereunder and that all materials will be of good quality, fit for the purpose intended.

2.2 Documents Included in Contract. This contract consists of this Agreement and any Exhibits, which are incorporated herein by this reference. In the event of an inconsistency, the terms of this Agreement shall govern.

2.3 Compliance with Law. All services rendered hereunder shall be provided in accordance with all ordinances, resolutions, statutes, rules, and regulations of the City and any Federal, State or local governmental agency having jurisdiction in effect at the time service is rendered, including but not limited to, the claims procedure set forth in Public Contract Code Section 9204, a summary of which is attached to this agreement as Exhibit "E."

2.4 Licenses, Permits, Fees and Assessments. Contractor shall obtain at its sole cost and expense such licenses, permits and approvals as may be required by law for the performance of the services required by this Agreement, including registration with the Department of Industrial Relations of the State of California as required by Labor Code Section 1725.5 before commencing performance under this Agreement. Contractor shall have the sole obligation to pay for any fees, assessments and taxes, plus applicable penalties and interest, which may be imposed by law and arise from or are necessary for the Contractor's performance of the services required by this Agreement, and shall indemnify, defend and hold harmless City against any such fees, assessments, taxes penalties or interest levied, assessed or imposed against City hereunder. Contractor shall be responsible for all subcontractors' compliance with this Section 2.4.

2.5 Familiarity with Work. By executing this Contract, Contractor warrants that Contractor (a) has thoroughly investigated and considered the scope of services to be performed, (b) has carefully considered how the services should be performed, and (c) fully understands the facilities, difficulties and restrictions attending performance of the services under this Agreement. If the services involve work upon any site, Contractor warrants that Contractor has or will investigate the site and is or will be fully acquainted with the conditions there existing, prior to commencement of services hereunder. Should Contractor discover any latent or unknown conditions, which will materially affect the performance of the services hereunder, Contractor shall immediately inform

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the City of such fact and shall not proceed except at Contractor's risk until written instructions are received from the Contract Officer.

2.6 Standard of Performance. Contractor, its subcontractors and their employees, in the performance of Contractor's work under this Agreement shall be responsible for exercising the degree of skill and care required by customarily accepted good professional practices and procedures used in the Contractor's field.

Any costs for failure to meet the foregoing standard or to correct otherwise defective work that requires re-performance of the work, shall be borne in total by the Contractor and not by the City. The failure of a project to achieve the performance goals and objectives stated in this Agreement is not a basis for requesting re-performance unless the work conducted by Contractor and/or its subcontractors is deemed by the City to have failed the foregoing standard of performance.

In the event Contractor fails to perform in accordance with the above standard:

1. Contractor will re-perform, at its own expense, any task which was not performed to the reasonable satisfaction of City. Any work re-performed pursuant to this paragraph shall be completed within the time limitations originally set forth for the specific task involved. Contractor shall work any overtime required to meet the deadline for the task at no additional cost to the City;
2. The City shall provide a new schedule for the re-performance of any task pursuant to this paragraph in the event that re-performance of a task within the original time limitations is not feasible; and
3. The City shall have the option to direct Contractor not to re-perform any task which was not performed to the reasonable satisfaction of the City Project Manager pursuant to application of (1) and (2) above. In the event the City directs Contractor not to re-perform a task, the City shall negotiate a reasonable settlement for satisfactory work performed. No previous payment shall be considered a waiver of the City's right to reimbursement.

Nothing contained in this section is intended to limit any of the rights or remedies which the City may have under law.

2.7 Care of Work. The Contractor shall adopt reasonable methods during the life of the Agreement to furnish continuous protection to the work, and the equipment, materials, papers, documents, plans, studies and/or other components thereof to prevent losses or damages, and shall be responsible for all such damages, to persons or property, until acceptance of the work by City, except such losses or damages as may be caused by City's own negligence.

2.8 Further Responsibilities of Parties. Both parties agree to use reasonable care and diligence to perform their respective obligations under this Agreement. Both parties agree to act in good faith to execute all instruments, prepare all documents and take all actions as may be reasonably necessary to carry out the purposes of this Agreement. Unless hereafter specified, neither party shall be responsible for the service of the other. Contractor shall require all subcontractors to comply with the provisions of this agreement.

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2.9 Additional Services. City shall have the right at any time during the performance of the services, without invalidating this Agreement, to order extra work beyond that specified in the Scope of Services or make changes by altering, adding to or deducting from said work. No such extra work may be undertaken unless a written change order is first given by the Contract Officer to the Contractor, incorporating therein any adjustment in (i) the Contract Sum as set forth in Section 3.1, and/or (ii) the time to perform this Agreement, which said adjustments are subject to the written approval of the Contractor. Any increase in compensation of twenty five percent (25%) or less of the Contract Sum, or in the time to perform of one hundred eighty (180) days or less may be approved by the Contract Officer. Any increases, taken either separately or cumulatively, that result in the Contract Sum exceeding \$25,000 must be approved by the City Council. It is expressly understood by Contractor that the provisions of this Section shall not apply to services specifically set forth in the Scope of Services or reasonably contemplated therein. Contractor hereby acknowledges that it accepts the risk that the services to be provided pursuant to the Scope of Services may be more costly or time consuming than Contractor anticipates and that Contractor shall not be entitled to additional compensation therefore.

2.10 Prevailing Wage Laws. Contractor represents and warrants that it is registered with the Department of Industrial Relations pursuant to SB 854 and Labor Code 1725.5. Contractor shall ensure that its subcontractors comply with said requirements. In accordance with Labor Code Section 1770 et seq., the Director of the Department of Industrial Relations of the State of California has ascertained a general prevailing rate of wages, which is the minimum amount, which shall be paid to all workers employed to perform the work pursuant to this Agreement. A copy of the general prevailing wage rate determination is on file in the Office of the City Clerk and is hereby incorporated by reference into this Agreement. In accordance with the provisions of Labor Code Section 1810 et seq., eight (8) hours is the legal working day. Contractor must forfeit to the City Twenty Five Dollars (\$25.00) a day for each worker who works in excess of the minimum working hours when Contractor does not pay overtime. Contractor is required to post a copy of such wage rates at all times at the contract site. The statutory penalties for failure to pay prevailing wage or to comply with State wage and hour laws will be enforced. Contractor also shall comply with State law requirements to maintain payroll records and shall provide for certified records and inspection of records as required by California Labor Code Section 1770 et. seq., including Section 1776. Contractor shall comply with all statutory requirements relating to the employment of apprentices.

### **3.0 COMPENSATION**

3.1 Contract Sum. For the services rendered pursuant to this Agreement, the Contractor shall be compensated as specified herein, but not exceeding the maximum contract amount of Two-hundred fifty nine thousand eight hundred sixty five Dollars (\$ 259,865.00) (herein "Contract Sum"), except as provided in Section 2.9. The Contract Sum shall include the attendance of Contractor at all project meetings reasonably deemed necessary by the City; Contractor shall not be entitled to any additional compensation for attending said meetings.

3.2 Progress Payments. Prior to the first day of the month, during the progress of the work, commencing on the day and month specified in the Agreement, Contractor shall submit to the Contract Officer a complete itemized statement of all labor and materials incorporated into the work during the preceding month and the portion of the contract sum applicable thereto. Upon approval in writing by the Contract Officer, payment shall be made in thirty (30) days. City shall pay Contractor a sum based upon ninety-five percent (95%) of the

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contract price apportionment of the labor and materials incorporated into the work under the contract during the month covered by said statement. The remaining five percent (5%) thereof shall be retained as performance security. Refer to Section 8.4 of this Agreement for retention of funds.

#### **4.0 PERFORMANCE SCHEDULE**

4.1 Time of Essence. Time is of the essence in the performance of this Agreement.

4.2 Schedule of Performance. Contractor shall commence the services pursuant to this Agreement upon receipt of a written notice to proceed and shall perform all services within the time period(s) established in the "Schedule of Performance" attached hereto as Exhibit "B", and incorporated herein by this reference. When requested by the Contractor, extensions to the time period(s) specified in the Scope of Services may be approved in writing by the Contract Officer.

4.3 Force Majeure. The time period(s) specified in the Scope of Services for performance of the services rendered pursuant to this Agreement shall be extended because of any delays due to unforeseeable causes beyond the control and without the fault or negligence of the Contractor, including, but not restricted to, acts of God or of the public enemy, unusually severe weather, fires, earthquakes, floods, epidemics, quarantine restrictions, riots, strikes, freight embargoes, wars, litigation, and/or acts of any governmental agency, including the City, if the Contractor shall within ten (10) days of the commencement of such delay notify the Contract Officer in writing of the causes for the delay. The Contract Officer shall ascertain the facts and the extent of delay, and extend the time for performing the services for the period of the enforced delay when and if in the judgment of the Contract Officer such delay is justified. The Contract Officer's determination shall be final and conclusive upon the parties to this Agreement.

4.4 Term. Unless earlier terminated in accordance with Section 8.9 of this Agreement, this Agreement shall continue in full force and effect until final approval and acceptance of the project by the Contract Officer. Notwithstanding the foregoing, this Agreement shall terminate no later than July 25, 2024, unless the parties mutually agree in writing to extend the term.

#### **5.0 COORDINATION OF WORK**

5.1 Representative of Contractor. The following principals of Contractor are hereby designated as being the principals and representatives of Contractor authorized to act in its behalf with respect to the work specified herein and make all decisions in connection therewith:

Mark Company Asphalt and Concrete\_  
Attn: Melinda Pack, CFO

It is expressly understood that the experience, knowledge, capability and reputation of the foregoing principals were a substantial inducement for City to enter into this Agreement. Therefore, the foregoing principals shall be responsible during the term of this Agreement for directing all activities of Contractor and devoting sufficient time to personally supervise the services hereunder.

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For purposes of this Agreement, the foregoing principals may not be replaced nor may their responsibilities be substantially reduced by Contractor without the express written approval of City.

5.2 Contract Officer. The Contract Officer shall be such person as may be designated by the City Administrator or City Engineer of City. It shall be the Contractor's responsibility to assure that the Contract Officer is kept informed of the progress of the performance of the services and the Contractor shall refer any decisions that must be made by City to the Contract Officer. Unless otherwise specified herein, any approval of City required hereunder shall mean the approval of the Contract Officer. The Contract Officer shall have authority to sign all documents on behalf of the City required hereunder to carry out the terms of this Agreement.

5.3 Prohibition Against Assignment. The experience, knowledge, capability and reputation of Contractor, its principals and employees were a substantial inducement for the City to enter into this Agreement. Neither this Agreement nor any interest herein may be transferred, assigned, conveyed, hypothecated or encumbered voluntarily or by operation of law, whether for the benefit of creditors or otherwise, without the prior written approval of City. Transfers restricted hereunder shall include the transfer to any person or group of persons acting in concert of more than twenty five percent (25%) of the present ownership and/or control of Contractor, taking all transfers into account on a cumulative basis. In the event of any such unapproved transfer, including any bankruptcy proceeding, this Agreement shall be void. No approved transfer shall release the Contractor or any surety of Contractor of any liability hereunder without the express consent of City.

5.4 Independent Contractor. Neither the City nor any of its employees shall have any control over the manner, mode or means by which Contractor, its subcontractors, agents or employees, performs the services required herein, except as otherwise set forth herein. City shall have no voice in the selection, discharge, supervision or control of Contractor's employees, subcontractors, servants, representatives or agents, or in fixing their number, compensation or hours of service. Contractor shall perform all services required herein as an independent contractor of City and shall remain at all times as to City a wholly independent contractor with only such obligations as are consistent with that role. Contractor shall not at any time or in any manner represent that it or any of its subcontractors, agents or employees are agents or employees of City. City shall not in any way or for any purpose become or be deemed to be a partner of Contractor in its business or otherwise or a joint venture or a member of any joint enterprise with Contractor.

5.5 Identity of Persons Performing Work. Contractor represents that it employs or will employ at its own expense all personnel required for the satisfactory performance of any and all tasks and services set forth herein. Contractor represents that the tasks and services required herein will be performed by Contractor or under its direct supervision, and that all personnel engaged in such work shall be fully qualified and shall be authorized and permitted under applicable State and local law to perform such tasks and services.

5.6 Utility Relocation. City is responsible for removal, relocation, or protection of existing main or trunkline utilities to the extent such utilities were not identified in the invitation for bids or specifications. City shall reimburse contractor for any costs incurred in locating, repairing damage not caused by contractor and removing or relocating such unidentified utility facilities, including equipment idled during such work. Contractor shall not be assessed liquidated damages for delay arising from the removal or relocation of such unidentified utility facilities.

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5.7 Trenches or Excavations. Pursuant to California Public Contract Code Section 7104, in the event the work included in this Agreement requires excavations more than four (4) feet in depth, the following shall apply.

- (a) Contractor shall promptly, and before the following conditions are disturbed, notify City, in writing, of any: (1) material that Contractor believes may be material that is hazardous waste, as defined in Section 25117 of the Health and Safety Code, that is required to be removed to a Class I, Class II, or Class III disposal site in accordance with provisions of existing law; (2) Subsurface or latent physical conditions at the site different from those indicated; or (3) Unknown physical conditions at the site of any unusual nature, different materially from those ordinarily encountered and generally recognized as inherent in work of the character provided for in the contract.
- (b) City shall promptly investigate the conditions, and if it finds that the conditions do materially so differ, or do involve hazardous waste, and cause a decrease or increase in Contractor's cost of, or the time required for, performance of any part of the work shall issue a change order per Section 2.9 of this Agreement.
- (c) That, in the event that a dispute arises between City and Contractor whether the conditions materially differ, or involve hazardous waste, or cause a decrease or increase in Contractor's cost of, or time required for, performance of any part of the work, Contractor shall not be excused from any scheduled completion date provided for by the contract, but shall proceed with all work to be performed under the contract. Contractor shall retain any and all rights provided either by contract or by law, which pertain to the resolution of disputes and protests between the contracting parties.

## 6.0 INSURANCE, INDEMNIFICATION AND BONDS

6.1 Insurance. The Contractor and all subcontractors, if any, shall procure and maintain, at its sole cost and expense, in a form and content satisfactory to City, during the entire term of this Agreement including any extension thereof, insurance as set forth in Exhibit "C" attached hereto and incorporated herein by this reference.

### **Conditions:**

In accordance with Public Contract Code Section 20170, the insurance of surety companies who provide or issue the policy shall have been admitted to do business in the State of California with a credit rating of A- or better.

This insurance shall not be canceled, limited in scope or coverage or non-renewed until after thirty (30) days prior written notice has been given to the Community Development Director, City of Placentia, 401 E. Chapman Ave., Placentia, California 92870.

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Any insurance maintained by the City of Placentia shall apply in excess of and not combined with insurance provided by this policy.

The City of Placentia, its officers, employees, representatives, attorneys, and volunteers shall be named as additional named insureds.

Prior to commencement of any work under this contract, Contractor shall deliver to the City insurance endorsements confirming the existence of the insurance required by this contract, and including the applicable clauses referenced above.

Such endorsements shall be signed by an authorized representative of the insurance company and shall include the signator's company affiliation and title. Should it be deemed necessary by the City, it shall be Contractor's responsibility to see that the City receives documentation, acceptable to the City, which sustains that the individual signing said endorsements is indeed authorized to do so by the insurance company.

If the Contractor fails to maintain the aforementioned insurance, or secure and maintain the aforementioned endorsement, the City may obtain such insurance, and deduct and retain the amount of the premiums for such insurance from any sums due under the agreement. However, procuring of said insurance by the City is an alternative to other remedies the City may have, and is not the exclusive remedy for failure of Contractor to maintain said insurance or secure said endorsement. In addition to any other remedies the City may have upon Contractor's failure to provide and maintain any insurance or policy endorsements to the extent and within the time herein required, the City shall have the right to order Contractor to stop work hereunder, and/or withhold any payment(s) which became due to Contractor hereunder until Contractor demonstrates compliance with the requirements hereof.

Nothing herein contained shall be construed as limiting in any way the extent to which Contractor may be held responsible for payments of damages to persons or property resulting from Contractor's or its subcontractor's performance of the work covered under this agreement.

Each contract between the Contractor and any subcontractor shall require the subcontractor to maintain the same policies of insurance that the Contractor is required to maintain pursuant to this Section 6.1.

6.2 Certificates of Insurance. Contractor shall provide to City certificates of insurance showing the insurance coverages and required endorsements described above, in a form and content approved by City, prior to performing any services under this Agreement. The certificates of insurance and endorsements shall be attached to this Agreement as Exhibit "D", and are incorporated herein by this reference.

6.3 Indemnification. Contractor shall defend, indemnify, hold free and harmless the City of Placentia, its elected and appointed officials, officers, agents and employees, at Contractor's sole expense, from and against any and all actions, suits, claims, damages to persons or property, losses, costs, penalties, obligations, errors, omissions or liabilities, (herein "claims or liabilities") that may be asserted or claimed by any person, firm or entity arising or alleged to arise out of or in connection with the performance of the work, operations or activities of Contractor, its agents, employees, subcontractors, or invitees, provided for herein, or arising or alleged to arise from the negligent acts or omissions of Contractor hereunder, or arising or alleged to arise from

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Contractor's performance of or failure to perform any term, provision, covenant or condition of this Agreement.

- (a) Contractor will defend any action or actions filed in connection with any of said claims or liabilities and will pay all costs and expenses, including legal costs and attorneys' fees incurred in connection therewith.
- (b) Contractor will promptly pay any judgment rendered against the City, its officers, agents or employees for any such claims or liabilities arising or alleged to arise out of or in connection with Contractor's (or its agents', employees', subcontractors' or invitees') negligent performance of or failure to perform such work, operations or activities hereunder; and Contractor agrees to save and hold the City, its officers, agents, and employees harmless therefrom.
- (c) In the event the City, its officers, agents or employees is made a party to any action or proceeding filed or prosecuted against Contractor for such damages or other claims arising or alleged to arise out of or in connection with the performance of or failure to perform the work, operation or activities of Contractor hereunder, Contractor shall pay to the City, its officers, agents or employees, any and all costs and expenses incurred by the City, its officers, agents or employees in such action or proceeding, including but not limited to, legal costs and attorneys' fees for counsel selected by City.
- (d) Contractor's duty to defend and indemnify as set out in this Section 6.3 shall include any claims, liabilities, obligations, losses, demands, actions, penalties, suits, costs, expenses or damages or injury to persons or property arising or alleged to arise from, in connection with, as a consequence of or pursuant to any state or federal law or regulation regarding hazardous substances, including but not limited to the Federal Insecticide, Fungicide and Rodenticide Act ("FIFRA"), Comprehensive Environmental Response, Compensation and Liability Act of 1980 ("CERCLA"), Resource Conservation and Recovery Act of 1976 ("RCRA"), the Hazardous and Solid Waste Amendments of 1984, the Hazardous Material Transportation Act, the Toxic Substances control Act, the Clean Air Act, the Clean Water Act, the California Hazardous Substance Account Act, the California Hazardous Waste Control Law or the Porter-Cologne Water Quality Control Act, as any of those statutes may be amended from time to time.

Notwithstanding the foregoing, Contractor shall not be liable for the defense or indemnification of the City for claims, actions, complaints or suits arising out of the sole active negligence or willful misconduct of the City.

The Contractor's indemnification obligations pursuant to this Section 6.3 shall survive the termination of this Agreement. Contractor shall require the same indemnification from all subcontractors.

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6.5 Sufficiency of Insurer or Surety. Insurance required by this Agreement shall be satisfactory only if issued by companies qualified to do business in California, rated "A" or better in the most recent edition of Best Rating Guide, The Key Rating Guide or in the Federal Register, and only if they are of a financial category Class VII or better, unless such requirements are waived by the Risk Manager of the City due to unique circumstances. In the event the Senior Management Analyst of City ("Senior Management Analyst") determines that the work or services to be performed under this Agreement creates an increased risk of loss to the City, the Contractor agrees that the minimum limits of the insurance policies required by this Section 6 may be changed accordingly upon receipt of written notice from the Senior Management Analyst; provided that the Contractor shall have the right to appeal a determination of increased coverage by the Senior Management Analyst to the City Council of City within ten (10) days of receipt of notice from the Senior Management Analyst.

6.6 Substitution of Securities. Pursuant to California Public Contract Code Section 22300, substitution of eligible equivalent securities for any monies withheld to ensure performance under the contract for the work to be performed will be permitted at the request and expense of the successful bidder.

## **7.0 RECORDS AND REPORTS**

7.1 Reports. Contractor shall periodically prepare and submit to the Contract Officer such reports concerning the performance of the services required by this Agreement as the Contract Officer shall require. Contractor hereby acknowledges that the City is greatly concerned about the cost of work and services to be performed pursuant to this Agreement. For this reason, Contractor agrees that if Contractor becomes aware of any facts, circumstances, techniques, or events that may or will materially increase or decrease the cost of the work or services contemplated herein or, if Contractor is providing design services, the cost of the project being designed, Contractor shall promptly notify the Contract Officer of said fact, circumstance, technique or event and the estimated increased or decreased cost related thereto and, if Contractor is providing design services, the estimated increased or decreased cost estimate for the project being designed.

7.2 Records. Contractor shall keep, and require subcontractors to keep, such books and records (including but not limited to payroll records as required herein) as shall be necessary to perform the services required by this Agreement and enable the Contract Officer to evaluate the performance of such services. The Contract Officer shall have full and free access to such books and records at all times during normal business hours of City, including the right to inspect, copy, audit and make records and transcripts from such records. Such records shall be maintained for a period of three (3) years following completion of the services hereunder, and the City shall have access to such records in the event any audit is required.

7.3 Ownership of Documents. All drawings, specifications, reports, records, documents and other materials prepared by Contractor, its employees, subcontractors and agents in the performance of this Agreement shall be the property of City and shall be delivered to City upon request of the Contract Officer or upon the termination of this Agreement, and Contractor shall have no claim for further employment or additional compensation as a result of the exercise by City of its full rights of ownership of the documents and materials hereunder. Contractor may retain copies of such documents for its own use. Contractor shall have an unrestricted right to use the concepts embodied therein. All subcontractors shall provide for assignment to City of any

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documents or materials prepared by them, and in the event Contractor fails to secure such assignment, Contractor shall indemnify City for all damages resulting therefrom.

7.4 Public Records Act Disclosure. Contractor has been advised and is aware that this Agreement and all reports, documents, information and data, including, but not limited to, computer tapes, discs or files furnished or prepared by Contractor, or any of its subcontractors, pursuant to this Agreement and provided to City may be subject to public disclosure as required by the California Public Records Act (California Government Code Section 6250 *et seq.*). Exceptions to public disclosure may be those documents or information that qualify as trade secrets, as that term is defined in the California Government Code Section 6254.7, and of which Contractor informs City of such trade secret. The City will endeavor to maintain as confidential all information obtained by it that is designated as a trade secret. The City shall not, in any way, be liable or responsible for the disclosure of any trade secret including, without limitation, those records so marked if disclosure is deemed to be required by law or by order of the Court.

## **8.0 GENERAL PROVISIONS**

8.1 Governing Law. This Agreement shall be construed and interpreted both as to validity and to performance of the parties in accordance with the laws of the State of California. Legal actions concerning any dispute, claim or matter arising out of or in relation to this Agreement shall be instituted in the Superior Court of the County of Orange, State of California, or any other appropriate court in such county, and Contractor covenants and agrees to submit to the personal jurisdiction of such court in the event of such action.

8.2 Representatives. The City Administrator or his or her designee shall be the representative of City for purposes of this Agreement and may issue all consents, approvals, directives and agreements on behalf of the City, called for by this Agreement, except as otherwise expressly provided in this Agreement.

The Principal set forth in Section 5.1 above shall be the representative for Contractor for purposes of this Agreement, and shall be authorized to issue all consents, approvals, directives and agreements on behalf of Contractor called for by this Agreement, except as otherwise expressly provided in this Agreement.

8.3 Disputes. In the event either party fails to perform its obligations hereunder, the nondefaulting party shall provide the defaulting party written notice of such default. The defaulting party shall have ten (10) days to cure the default; provided that, if the default is not reasonably susceptible to being cured within said ten (10) day period, the defaulting party shall have a reasonable time to cure the default, not to exceed a maximum of thirty (30) days, so long as the defaulting party commences to cure such default within ten (10) days of service of such notice and diligently prosecutes the cure to completion; provided further that if the default is an immediate danger to the health, safety and general welfare, the defaulting party shall take such immediate action as may be necessary. Notwithstanding the foregoing, the nondefaulting party may, in its sole and absolute discretion, grant a longer cure period. Should the defaulting party fail to cure the default within the time period provided in this Section, the nondefaulting party shall have the right, in addition to any other rights the nondefaulting party may have at law or in equity, to terminate this Agreement. Compliance with the provisions of this Section 8.3 shall be a condition precedent to bringing any legal action, and such compliance shall not be a waiver of any party's right to take legal action in the event that the dispute is not cured.

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8.4 Retention of Funds. Progress payments shall be made in accordance with the provisions of Section 3.2 of this Agreement. In accordance with said section, City shall pay Contractor a sum based upon ninety-five percent (95%) of the contract price apportionment of the labor and materials incorporated into the work under the contract during the month covered by said statement. The remaining five percent (5%) thereof shall be retained as performance security to be paid to the Contractor within sixty (60) days after final acceptance of the work by the City Council, after Contractor shall have furnished City with a release of all undisputed contract amounts if required by City. In the event there are any claims specifically excluded by Contractor from the operation of the release, the City may retain proceeds (per Public Contract Code 7107) of up to 150% of the amount in dispute. City's failure to deduct or withhold shall not affect Contractor's obligations hereunder.

8.5 Waiver. No delay or omission in the exercise of any right or remedy by a nondefaulting party on any default shall impair such right or remedy or be construed as a waiver. A party's consent to or approval of any act by the other party requiring the party's consent or approval shall not be deemed to waive or render unnecessary the other party's consent to or approval of any subsequent act. Any waiver by either party of any default must be in writing and shall not be a waiver of any other default concerning the same or any other provision of this Agreement.

8.6 Rights and Remedies. Rights and Remedies are cumulative except with respect to rights and remedies expressly declared to be exclusive in this Agreement, the rights and remedies of the parties are cumulative and the exercise by either party of one or more of such rights or remedies shall not preclude the exercise by it, at the same or different times, of any other rights or remedies for the same default or any other default by the other party.

8.7 Legal Action. In addition to any other rights or remedies, either party may take legal action, in law or in equity, to cure, correct or remedy any default, to recover damages for any default, to compel specific performance of this Agreement, to obtain declaratory or injunctive relief, or to obtain any other remedy consistent with the purposes of this Agreement.

8.8 Liquidated Damages. Since the determination of actual damages for any delay in performance of this Agreement would be extremely difficult or impractical to determine in the event of a breach of this Agreement, the Contractor and its sureties shall be liable for and shall pay to the City Five Hundred Dollars (\$500) as liquidated damages for each working day of delay in the performance of any service required hereunder, as specified in the Scope of Services (Exhibit A) or Schedule of Performance (Exhibit B). The City may withhold from any monies payable on account of services performed by the Contractor any accrued liquidated damages.

8.9 Termination for Default of Contractor. If termination is due to the failure of the Contractor to fulfill its obligations under this Agreement, Contractor shall vacate any City owned property which Contractor is permitted to occupy hereunder and City may, after compliance with the provisions of Section 8.3, take over the work and prosecute the same to completion by contract or otherwise, and the Contractor shall be liable to the extent that the total cost for completion of the services required hereunder exceeds the compensation herein stipulated (provided that the City shall use reasonable efforts to mitigate such damages), and City may withhold any payments to the Contractor for the purpose of setoff or partial payment of the amounts owed the City as previously stated.

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8.10 Notice. Any notice, demand, request, document, consent, approval, or communication either party desires or is required to give to the other party or any other person shall be in writing and shall be deemed to be given when served personally or deposited in the US Mail, prepaid, first-class mail, return receipt requested, addressed as follows:

To City: City of Placentia  
401 E. Chapman Ave  
Placentia, California 92870  
Attn.: Kevin Koura

To Contractor: Mark Company Asphalt and Concrete  
2288 North Batavia Street  
Orange, CA 92865  
Attn: Melinda Pack, CFO

8.11 Non-liability of City Officers and Employees. No officer or employee of the City shall be personally liable to the Contractor, or any successor in interest, in the event of any default or breach by the City or for any amount which may become due to the Contractor or to its successor, or for breach of any obligation of the terms of this Agreement.

8.12 Conflict of Interest. The Contractor warrants that it has not paid or given and will not pay or give any third party any money or other consideration for obtaining this Agreement.

Contractor and its officers, employees, associates and subcontractors, if any, will comply with all conflict of interest statutes of the State of California applicable to Contractor's services under this agreement, including, but not limited to, the Political Reform Act (Government Code Sections 81000, *et seq.*) and Government Code Section 1090. During the term of this Agreement, Contractor and its officers, employees, associates and subcontractor shall not, without the prior written approval of the City Representative, perform work for another person or entity for whom Contractor is not currently performing work that would require Contractor or one of its officers, employees, associates or subcontractors to abstain from a decision under this Agreement pursuant to a conflict of interest statute.

8.13 Covenant Against Discrimination. Contractor covenants that, by and for itself, its heirs, executors, assigns, and all persons claiming under or through them, that there shall be no discrimination against or segregation of, any person or group of persons on account of race, color, creed, religion, sex, marital status, national origin, or ancestry in the performance of this Agreement. To the extent required by law, contractor shall take affirmative action to insure that applicants are employed and that employees are treated during employment without regard to their race, color, creed, religion, sex, marital status, national origin, or ancestry.

8.14 Interpretation. The terms of this Agreement shall be construed in accordance with the meaning of the language used and shall not be construed for or against either party by reason of the authorship of this Agreement or any other rule of construction which might otherwise apply.

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8.15 Severability. In the event that any one or more of the phrases, sentences, clauses, paragraphs, or sections contained in this Agreement shall be declared invalid or unenforceable by a valid judgment or decree of a court of competent jurisdiction, such invalidity or unenforceability shall not affect any of the remaining phrases, sentences, clauses, paragraphs, or sections of this Agreement which are hereby declared as severable and shall be interpreted to carry out the intent of the parties hereunder unless the invalid provision is so material that its invalidity deprives either party of the basic benefit of their bargain or renders this Agreement meaningless.

8.16 Hiring of Illegal Aliens Prohibited. Contractor shall not hire or employ any person to perform work within the City of Placentia or allow any person to perform work required under this Agreement unless such person is properly documented and legally entitled to be employed within the United States. Further, Contractor shall comply with the following:

- (a) Unauthorized Aliens. Contractor hereby represents and warrants that it will comply with all of the provisions of the Federal Immigration and Nationality Act, 8 U.S.C.A. §§ 1101, et seq., as amended, and in connection therewith, shall not employ unauthorized aliens as defined therein. Should Contractor so employ such unauthorized aliens for the performance of any work and/or services under this Agreement, and should any liability or sanctions be imposed against City for such use of unauthorized aliens, Contractor hereby agrees to reimburse City for any and all liabilities, actions, suits, claims, demands, losses, costs, judgments, arbitration awards, settlements, damages, demands, orders, or penalties which arise out of or are related to such employment, together with any and all costs, including attorneys' fees, incurred by City.
- (b) E-Verify. If Contractor is not already enrolled in the U.S. Department of Homeland Security's E-Verify program, Contractor shall enroll in the E-Verify program within fifteen (15) days of the effective date of this Agreement to verify the employment authorization of employees assigned to perform work hereunder. Contractor shall verify employment authorization within three (3) days of hiring a new employee to perform work under this Agreement. Information pertaining to the E-Verify program can be found at <http://www.uscis.gov>, or access the registration page at <https://e-verify.uscis.gov/enroll>. Contractor shall certify its registration with E-Verify and provide City its registration number within sixteen days of the effective date of this Agreement. Failure to provide certification will result in withholding payment until full compliance is demonstrated.

8.17 Unfair Business Practices Claims. In entering into a public works contract or a subcontract to supply goods, services or materials pursuant to a public works contract, the contractor or subcontractor offers and agrees to assign to the awarding body all rights, title, and interest in and to all causes of action it may have under Section 4 of the Clayton Act (15 U.S.C. Sec. 15) or under the Cartwright Act (Chapter 2, (commencing with Section 16700) of Part 2 of Division 7 of the Business and Professions Code), arising from purchases of goods, services or materials pursuant to the public works contract or the subcontract. This assignment shall be made and become effective at the time the awarding body renders final payment to the contractor without further acknowledgment by the parties. (Sec. 7103.5, California Public Contract Code).

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8.18 Corporate Authority. The persons executing this Agreement on behalf of the parties hereto warrant that (i) such party is duly organized and existing, (ii) they are duly authorized to execute and deliver this Agreement on behalf of said party, (iii) by so executing this Agreement, such party is formally bound to the provisions of this Agreement, and (iv) the entering into this Agreement does not violate any provision of any other Agreement to which said party is bound.

8.19 PERS Eligibility Indemnification. In the event that Contractor or any employee, agent, or subcontractor of Contractor providing services under this Agreement claims or is determined by a court of competent jurisdiction or the California Public Employees Retirement System (PERS) to be eligible for enrollment in PERS as an employee of the City, Contractor shall indemnify, defend, and hold harmless City for the payment of any employee and/or employer contributions for PERS benefits on behalf of Contractor or its employees, agents, or subcontractors, as well as for the payment of any penalties and interest on such contributions, which would otherwise be the responsibility of City.

Notwithstanding any other agency, state or federal policy, rule, regulation, law or ordinance to the contrary, Contractor and any of its employees, agents, and subcontractors providing service under this Agreement shall not qualify for or become entitled to, and hereby agree to waive any claims to, any compensation, benefit, or any incident of employment by City, including but not limited to eligibility to enroll in PERS as an employee of City and entitlement to any contribution to be paid by City for employer contribution and/or employee contributions for PERS benefits.

8.20 Cooperation. In the event any claim or action is brought against City relating to Contractor's performance or services rendered under this Agreement, Contractor shall render any reasonable assistance and cooperation which City might require.

8.21 Legal Responsibilities. The Contractor shall keep itself informed of City, State, and Federal laws, ordinances and regulations, which may in any manner affect the performance of its services pursuant to this Agreement. The Contractor shall at all times observe and comply with all such laws, ordinances and regulations. Neither the City, nor its officers, agents, or employees shall be liable at law or in equity as a result of the Contractor's failure to comply with this section.

8.22 Termination for Convenience. The City may terminate this Agreement without cause for convenience of the City upon giving contractor 30 days prior written notice of termination of the Agreement. Upon receipt of the notice of termination the Contractor shall cease all further work pursuant to the Agreement. Upon such termination by the City the Contractor shall not be entitled to any other remedies, claims, actions, profits, or damages except as provided in this paragraph. Upon the receipt of such notice of termination Contractor shall be entitled to the following compensation:

1. The contract value of the work completed to and including the date of receipt of the notice of termination, less the amount of progress payments received by contractor.
2. Actual move-off costs including labor, rental fees, equipment transportation costs, the costs of maintaining on-site construction office for supervising the mover-off.

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3. The cost of materials custom made for this Agreement which cannot be used by the Contractor in the normal course of his business, and which have not been paid for by City in progress payments.

4. All costs shall not include any markups as might otherwise be allowed by any plans or specifications which were a part of the Agreement.

The provisions of this paragraph shall supersede any other provision of the Agreement or any provision of any plans, specification, addendums or other documents which are or may become a part of this Agreement. City and Contractor agree that the provisions of this paragraph are a substantive part of the consideration for this Agreement.

8.23 Responsibility for Errors. Contractor shall be responsible for its work and results under this Agreement. Contractor, when requested, shall furnish clarification and/or explanation as may be required by the City's representative, regarding any services rendered under this Agreement at no additional cost to City. In the event that an error or omission attributable to Contractor occurs, then Contractor shall, at no cost to City, provide all necessary design drawings, estimates and other Contractor professional services necessary to rectify and correct the matter to the sole satisfaction of City and to participate in any meeting required with regard to the correction.

8.24 Order of Precedence. In the event of an inconsistency in this Agreement and any of the attached Exhibits, the terms set forth in this Agreement shall prevail. If, and to the extent this Agreement incorporates by reference any provision of any document, such provision shall be deemed a part of this Agreement. Nevertheless, if there is any conflict among the terms and conditions of this Agreement and those of any such provision or provisions so incorporated by reference, this Agreement shall govern over the document referenced.

8.25 Costs. Each party shall bear its own costs and fees incurred in the preparation and negotiation of this Agreement and in the performance of its obligations hereunder except as expressly provided herein.

8.26 No Third Party Beneficiary Rights. This Agreement is entered into for the sole benefit of City and Contractor and no other parties are intended to be direct or incidental beneficiaries of this Agreement and no third party shall have any right in, under or to this Agreement.

8.27 Headings. Paragraphs and subparagraph headings contained in this Agreement are included solely for convenience and are not intended to modify, explain or to be a full or accurate description of the content thereof and shall not in any way affect the meaning or interpretation of this Agreement.

8.28 Construction. The parties have participated jointly in the negotiation and drafting of this Agreement. In the event an ambiguity or question of intent or interpretation arises with respect to this Agreement, this Agreement shall be construed as if drafted jointly by the parties and in accordance with its fair meaning. There shall be no presumption or burden of proof favoring or disfavoring any party by virtue of the authorship of any of the provisions of this Agreement.

8.29 Counterparts. This Agreement may be executed in one or more counterparts,

Project No.

each of which shall be deemed an original. All counterparts shall be construed together and shall constitute one agreement.

8.30 Funding Source Conditions – Contractor's Obligation. Contractor acknowledges that the City may be paying for the Project by using funds it receives or will receive from various funding sources in the form of grants and/or subsidies, and the like under certain terms and conditions. Contractor acknowledges and agrees that any failure of the Contractor and/or its subcontractors to perform its obligations under the Contract, including, but not limited to, timely submitting accurate reports and records, that in any way results in the City not meeting the terms and conditions placed on the funds by the funding source, or forfeiting its entitlement to or, otherwise, not receiving, the funds, then the Contractor shall be liable to pay the City for the funds not granted to the City on the Project.

8.31 Entire Agreement. This Agreement constitutes the entire agreement between the parties with respect to any matter referenced herein and supersedes any and all other prior writings and oral negotiations. This Agreement may be modified only in writing, and signed by the parties in interest at the time of such modification. The terms of this Agreement shall prevail over any inconsistent provision in any other contract document appurtenant hereto, including exhibits to this Agreement.

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

ATTEST:

CITY OF PLACENTIA,  
A municipal corporation and Charter City

\_\_\_\_\_  
Damien R. Arrula, City Administrator

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

ATTEST:

\_\_\_\_\_  
Robert S. McKinnell, City Clerk

APPROVED AS TO FORM:

CONTRACTOR

*Melinda Pack*  
\_\_\_\_\_

Date: 7/17/2023

Signature

Melinda Pack

\_\_\_\_\_  
Melinda Pack, CFO

Project No.

95-2660802

\_\_\_\_\_  
Social Security or Taxpayer ID Number

\_\_\_\_\_  
Christian L. Bettenhausen, City Attorney

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

APPROVED AS TO INSURANCE:

\_\_\_\_\_  
Rosanna Ramirez, Deputy City Administrator

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

APPROVED AS TO CONTENT:

**KEVIN KOURA**

\_\_\_\_\_  
Kevin Koura, Project Manager

Date: 7/17/2023

DEPARTMENTAL APPROVAL

*Luis Estevez*

\_\_\_\_\_  
Luis Estevez, Deputy City Administrator

Date: 7/17/2023

Project No.

**SUPPLEMENTAL INFORMATION TO BE COMPLETED BY PRINCIPAL**

If an individual, so state. If a firm or co-partnership, state the firm and give the names of all individual co-partners composing the partnership. If a Corporation, state legal name of corporation; state also the names of the president, secretary, treasurer and manager thereof.

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Business Address:

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Telephone Number:

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Date:

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Print Name:

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Principal

Signature:

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Title

Project No.

**Page 1 of 1**  
(Use of City form  
is required)

**TAX IDENTIFICATION NUMBER**

The Tax Equity and Fiscal Responsibility Act of 1982 requires the payer (City of Placentia) to report to the Internal Revenue Service taxable payments to payees.

You (as a payee) are required by law to provide us with your Taxpayer Identification Number (if an individual or partnership, your Social Security Number). If you do not provide us with your correct identification number, you may be subject to a penalty imposed by the Internal Revenue Service. The payments subject to withholdings may include, but are not limited to, interest, dividends, or other payments the City of Placentia and/or the Placentia Redevelopment Agency made to you. Other payments may include rents, royalties, commissions and fees for service of non-employees.

If you are exempt from income tax, we are still required, by law, to maintain a Tax Identification Number on file. **PLEASE PROVIDE YOUR TAX IDENTIFICATION NUMBER next to the appropriate listing below, sign, date and return to:**

CITY OF PLACENTIA FINANCE DEPARTMENT  
401 E. Chapman  
Placentia, CA 92870

Exempt: Yes\_\_\_No\_\_\_ Telephone ( ) \_\_\_\_\_

CORPORATION: \_\_\_\_\_

U.S.A. OR ANY AGENCIES THEREOF: \_\_\_\_\_

IRS CODE #501 TAX-EXEMPT ORGANIZATION: \_\_\_\_\_

A NON-COMMISSIONED CITY OF PLACENTIA EMPLOYEE: \_\_\_\_\_

SOLE PROPRIETOR: \_\_\_\_\_

A PARTNERSHIP: \_\_\_\_\_

OTHER: \_\_\_\_\_(Explain)

Signature/Title: \_\_\_\_\_ Date: \_\_\_\_\_

Project No.

**BID GUARANTEE**

**TO THE CITY OF PLACENTIA  
PROJECT NO. \_\_\_\_\_**

As a material inducement to the City to award the contract for Project No. \_\_\_\_\_ to \_\_\_\_\_, the undersigned ("Guarantor") has agreed to enter into this guarantee. The Guarantor hereby unconditionally guarantees to the fullest extent allowed by law the following work included in this project: \_\_\_\_\_ ("the work").

Guarantor guarantees that the materials and equipment used by itself and its subcontractors will be free from defects and that the work will conform to the plans and specifications. Should any of the materials or equipment prove defective or should the work as a whole, or any part thereof, prove defective for any reason whatsoever (except due to intentional torts by the City), or should the work as a whole or any part thereof fail to operate properly or fail to comply with the plans and specifications, Guarantor will, at the City's sole election: 1) reimburse the City, upon written demand, for all of the City's expenses incurred replacing or restoring any such equipment or materials, including the cost of any work necessary to make such replacement or repairs; or 2) replace any such defective material or equipment and repair said work completely, all without any cost to the City. Guarantor further guarantees that any such repair work will conform to the plans and specifications for the project. This guarantee will remain in effect for five years from the date on which the contracted for work is accepted for use by the City.

Guarantor understands and agrees that the City shall have the unqualified option to make any replacements or repairs itself or to have such replacement, repair, performed by the undersigned. The City shall have no obligation to consult with Guarantor before the City proceeds to perform any repair, replacement, or work itself. If the City elects to have Guarantor perform said repair, replacement, or work, Guarantor agrees that the repair, replacement, or work shall be performed within 15 days after receipt of a written demand from the City.

If the City elects to perform the replacement, repairs itself, Guarantor agrees to make reimbursement payment within 15 days after receipt of a written demand for payment from the City.

If the Guarantor fails or refuses to comply with this guarantee, the City shall be entitled to all costs and expenses, including attorneys and expert fees, reasonably incurred by reason of Guarantor's failure or refusal.

Guarantor

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

Contractor: \_\_\_\_\_  
Melinda Pack

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

Title: \_\_\_\_\_  
CFO

Project No.

**STATEMENT OF NON COLLUSION BY CONTRACTOR**

The undersigned who submits herewith to the City of Placentia a bid or proposal does hereby certify:

- a. That all statements of fact in such bid or proposal are true;
- b. That such bid or proposal was not made in the interest of or on behalf of any undisclosed person, partnership, company, association, organization or corporation;
- c. That such bid or proposal is genuine and not collusive or sham;
- d. That said bidder has not, directly or indirectly by agreement, communication or conference with anyone, attempted to induce action prejudicial to the interest of the City of Placentia or of any other bidder or anyone else interested in the proposed procurement;
- e. Did not, directly or indirectly, collude, conspire, connive or agree with anyone else that said bidder or anyone else would submit a false or sham bid or proposal, or that anyone should refrain from bidding or withdraw his bid or proposal;
- f. Did not in any manner, directly or indirectly seek by agreement, communication or conference with anyone to raise or fix the bid or proposal price of said bidder or of anyone else, or to raise or fix any overhead, profit or cost element of his bid or proposal price, or that of anyone else;
- g. Did not, directly or indirectly, submit his bid or proposal price or any breakdown thereof, or the contents thereof, or divulge information or data relative thereto, to any corporation, partnership, company, association, organization, bid depository, or to any member agent thereof, or to any individual or group of individuals, except to the City of Placentia, or to any person or persons who have a partnership or their financial interest with said bidder in his business.
- h. Did not provide, directly or indirectly to any officer or employee of the City of Placentia any gratuity, entertainment, meals, or anything of value, whatsoever, which could be objectively construed as intending to invoke any form of reciprocation or favorable treatment.
- i. That no officer or principal of the undersigned firm is related to any officer or employee of the city by blood or marriage within the third degree or is employed, either full or part time, by the City of Placentia either currently or within the last two (2) years.
- j. That no officer or principal of the undersigned firm nor any subcontractor to be engaged by the principal has been convicted by a court of competent jurisdiction of any charge of fraud, bribery, collusion, conspiracy or any other act in violation of any state or federal antitrust law in connection with the bidding upon award of, or performance of, any public work contract, with any public entity, within the last three years.

I certify, under penalty of perjury under the laws of the State of California, that the foregoing is true and correct and that this certification was executed:

On \_\_\_\_\_ at \_\_\_\_\_ California.

Firm \_\_\_\_\_

\_\_\_\_\_  
(Signature)

Street \_\_\_\_\_

\_\_\_\_\_  
(Print Name & Title) Melinda Pack, CFO.

City \_\_\_\_\_ State \_\_\_\_\_ Zip \_\_\_\_\_

Project No.

**EXHIBIT A**  
**SCOPE OF SERVICES**

Project No.

**EXHIBIT B**  
**SCHEDULE OF PERFORMANCE**

Project No.

**EXHIBIT C**  
**INSURANCE REQUIREMENTS**

Contractor shall maintain and shall require all of its subcontractors, consultants, and other agents to maintain the insurance listed below. Any requirement for insurance to be maintained after completion of the work shall survive this agreement.

CITY reserves the right to review any and all of the required insurance policies and/or endorsements, but has no obligation to do so. Failure to demand evidence of full compliance with the insurance requirements set forth in this agreement or failure to identify any insurance deficiency shall not relieve Contractor from, nor be construed or deemed a waiver of, its obligation to maintain the required insurance at all times during the performance of this agreement.

A. Workers Compensation & Employers Liability Insurance

- Workers Compensation insurance with statutory limits as required by the Labor Code of the State of California.
- Employers Liability with limits of \$1,000,000 per Accident; \$1,000,000 Disease per employee; \$1,000,000 Disease per policy.
- The policy shall include a written waiver of the insurer's right to subrogate against CITY.
- Required Evidence Of Coverage:
  1. Subrogation waiver endorsement; and
  2. Properly completed Certificate of Insurance.

B. General Liability Insurance

- Commercial General Liability Insurance no less broad than Insurance Services Office (ISO) form CG 00 01.
- Coverage shall be on a standard occurrence form. Claims-Made forms are not acceptable without prior written consent. Modified, limited or restricted Occurrence forms are not acceptable without prior written consent.
- Minimum Limits: \$1,000,000 per Occurrence; \$2,000,000 General Aggregate; \$2,000,000 Products/Completed Operations Aggregate. The General Aggregate shall apply separately to each project. The required

Project No.

limits may be provided by a combination of General Liability Insurance and Commercial Excess or Umbrella Liability Insurance. If contractor maintains higher limits than the specified minimum limits, CITY requires and shall be entitled to coverage for the higher limits maintained by contractor.

- Any deductible or self-insured retention shall be shown on the Certificate of Insurance. If the deductible or self-insured retention exceeds \$25,000 it must be approved in advance by CITY. Contractor is responsible for any deductible or self-insured retention and shall fund it upon CITY'S written request, regardless of whether Contractor has a claim against the insurance or is named as a party in any action involving CITY.
- Coverage shall be continued for one (1) year after completion of the work.
- CITY shall be endorsed as an additional insured for liability arising out of ongoing and completed operations by or on behalf of the contractor. CITY shall continue to be an additional insured for completed operations for (1) year after completion of the work.
- The policy definition of "insured contract" shall include assumptions of liability arising out of both ongoing operations and the products-completed operations hazard ("f" definition of insured contract in ISO form CG 00 01, or equivalent).
- The insurance provided to the additional insureds shall be primary to, and non-contributory with, any insurance or self-insurance program maintained by them.
- The policy shall cover inter-insured suits and include a "Separation of Insureds" or "severability" clause which treats each insured separately.
- The policy shall be endorsed to include a written waiver of the insurer's right to subrogate against all persons or entities that are, or are required to be, additional insureds.
- The policy shall not contain a Contractors' Warranty or other similar language which eliminates or restricts insurance because of a subcontractor's failure to carry specific insurance or to supply evidence of such insurance.

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- Required Evidence of Coverage:
  1. Copy of the additional insured endorsement or policy language granting additional insured status;
  2. Copy of the endorsement or policy language indicating that coverage applicable to the additional insureds is primary and non-contributory;
  3. Properly completed Certificate of Insurance; and
  4. Completed and signed Agent/Broker Questionnaire with supporting documentation as required.

C. Automobile Liability Insurance

- Minimum Limit: \$1,000,000 combined single limit per accident.
- Coverage shall apply to all owned, hired and non-owned vehicles.
- CITY shall qualify as an insured.
- Required Evidence of Coverage:
  1. Copy of the endorsement or policy language indicating that CITY is an insured; and
  2. Properly completed Certificate of Insurance.

D. Contractors Pollution Liability Insurance

- Minimum Limits: \$1,000,000 per Pollution Incident; \$1,000,000 Aggregate;
- Coverage shall apply to pollution incidents at or from any location at which Contractor is performing work under this agreement.
- Any deductible or self-insured retention shall be shown on the Certificate of Insurance. If the deductible or self-insured retention exceeds \$25,000 it shall be approved in advance by CITY. Contractor is responsible for any deductible or self-insured retention and shall fund it upon CITY written request, regardless of whether Contractor has a claim against the insurance or is named as a party in any action involving CITY.
- CITY shall be endorsed as an additional insured for liability arising out of ongoing and completed operations by or on behalf of the Contractor. Additional insured status shall continue for one (1) year after completion of

Project No.

the work.

- The insurance provided to the additional insureds shall apply on a primary and non-contributory basis with respect to any insurance or self-insurance program maintained by them.
- If the insurance is on a Claims-Made basis, the retroactive date shall be no later than the commencement of work.
- The insurance shall be continued for one (1) year after completion of the work. If the insurance is on a Claims-Made basis, the continuation coverage may be provided by: (a) renewal of the existing policy; (b) an extended reporting period endorsement; or (c) replacement insurance with a retroactive date no later than the commencement of the work.
- Required Evidence of Coverage:
  1. Copy of the additional insured endorsement or policy language granting additional insured status;
  2. Copy of the endorsement or policy language indicating that coverage for the additional insureds is primary and non-contributory;
  3. Properly completed Certificate of Insurance.

E. Standards for Insurance Companies

- Insurers, other than the California State Compensation Insurance Fund, shall have an A.M. Best's rating of at least A:VII.

F. Documentation

- The Certificate of Insurance shall include the following reference: the construction of the street improvements of Crowther Ave and surroundings.
- The name and address for Additional Insured endorsements and Certificates of Insurance is: City of Placentia

Project No.

- Contractor shall provide immediate written notice if: (1) any of the required insurance policies is terminated; (2) the limits of any of the required policies are reduced; or (3) the deductible or self-insured retention is increased.
- Current Evidence of Coverage shall be provided for the entire required period of insurance.
- Upon written request, certified copies of required insurance policies shall be provided within thirty (30) days.

#### **EXHIBIT D**

#### **CERTIFICATES OF INSURANCE AND ENDORSEMENTS**

Project No.

**EXHIBIT E**  
**CLAIMS PROCEDURE**

**SUMMARY OF PUBLIC CONTRACT CODE § 9204**

The following procedure will apply to any claims by the Contractor on the City:

A “claim” is a separate demand on the City by a contractor on a public works project and sent by registered mail or certified mail with return receipt requested, for one or more of the following:

- A time extension, including relief from penalties for delay
- Payment by the City of money damages under the terms of the contract
- Payment of an amount that is disputed by the City

Initial Review

The claim must be supported by appropriate documentation. The City has 45 days within which to review the claim and provide the contractor with a written statement identifying the disputed and undisputed portions of the claim. If the City does not issue a written statement, the claim is deemed rejected in its entirety. The City will pay any undisputed portion of the claim within 60 days of issuing the statement.

Meet & Confer

If the contractor disputes the City’s written response, or if the City does not issue one, the contractor may request in writing an informal conference to meet and confer for possible settlement of the claim. The City will schedule the meet and confer conference within 30 days of this request and provide a written statement identifying the remaining disputed and undisputed portions of the claim within 10 business days of the meet and confer. The City will pay the undisputed portion within 60 days of issuing this statement.

Mediation

With respect to any disputed portion remaining after the meet and confer, the City and contractor will submit the matter to nonbinding mediation, agree to a mediator within 10 business days after issuing the written statement, and share mediation costs equally. If mediation is unsuccessful, then the terms of the public works agreement and applicable law will govern resolution of the dispute.

Miscellaneous Provisions

Amounts not paid by the City in a timely manner bear interest at 7% per annum. Subcontractors may submit claims via this procedure through the general contractor. The City and contractor may waive the requirement to mediate, but cannot otherwise waive these claim procedures.

2288 North Batavia Street  
Orange, CA 92865



Phone: 714-685-3462  
Fax: 714-685-3474

**Submitted To:** City Of Placentia  
**Address:** 401 E. Chapman Avenue  
Placentia, CA 92870  
**Project Name:** Crowther Grind And Overlay  
**Project Location:** 505 W Crowther Ave, Placentia, CA

**Contact:** Kevin Koura  
**Phone:** (714) 993-8117  
**Fax:**  
**Bid Number:** 36608  
**Bid Date:** 7/10/2023

Line #	Item Description	Quantity	Unit	Unit Price	Total Price
100	Lower Manhole / Valve Prior To Cold Plane	24.00	EACH	\$650.00	\$15,600.00
101	Cold Plane 2" Asphalt	59,110.00	SF	\$0.70	\$41,377.00
102	Pave 2" ARHM Overlay	59,110.00	SF	\$2.10	\$124,131.00
103	Cold Mix Temp AC Ramp At Work Limits, Manholes, Water Valves, And Vaults For Vehicular Traffic	1.00	LS	\$6,850.00	\$6,850.00
104	Raise Manholes To Grade One Time, Pour Collar, And Patch Asphalt	12.00	EACH	\$1,590.00	\$19,080.00
105	Raise Water Valves To Grade One Time, Pour Collar, And Patch Asphalt	12.00	EACH	\$1,220.00	\$14,640.00
106	Replace Striping Within Limits Of New Pave	1.00	LS	\$8,671.00	\$8,671.00
107	Replace Traffic Loops Within Limits Of New Pave	10.00	EACH	\$1,760.00	\$17,600.00
108	Traffic Control	1.00	LS	\$6,250.00	\$6,250.00
109	Engineered Traffic Control Plans	1.00	LS	\$4,416.00	\$4,416.00
110	Temporary Construction Water Meter	1.00	LS	\$1,250.00	\$1,250.00
<b>Total Price for above Items:</b>				<b>\$259,865.00</b>	<b>\$259,865.00</b>
<b>Total Bid Price:</b>				<b>\$259,865.00</b>	<b>\$259,865.00</b>

- Notes:**
- Proposal For Grind And Overlay On W. Crowther Avenue Per Emailed Exhibit Dated 03/21/2023. Includes Goetz & Evelyn Per Email Dated 06/13/23.
  - Proposal Includes (1) Mobilization. Additional Mobilizations Will Be Priced At \$13,700.
  - Proposal Excludes Trench And Existing Asphalt Repair.
  - Proposal Excludes Redwood Header Where No Curb Present. Grind And Overlay To Terminate Inside Of Sign Limits.
  - Proposal Excludes Petromat/Fabric Removal. Asphalt With Petromat/Fabric Will Be Subject To Additional Fees.
  - Material Pricing Is Good Through 07/31/2023. Any Increases Past This Date Will Be Passed On.

**Payment Terms:**

**ACCEPTED:**

The above prices, specifications and conditions are satisfactory and are hereby accepted.

**Buyer:** \_\_\_\_\_

**Signature:** \_\_\_\_\_

**Date of Acceptance:** \_\_\_\_\_

**CONFIRMED:**

**Mark Company Asphalt and Concrete**

**Authorized Signature:** \_\_\_\_\_

**Estimator:** Tyler Huddleston  
(714) 685-3462 ext 102





## ADDITIONAL REMARKS SCHEDULE

AGENCY HUB International Insurance Services Inc.	License # 0757776	NAMED INSURED Santa Ana Creek Development Co. dba: Mark Company 2288 & 2290 North Batavia Street Orange, CA 92865
POLICY NUMBER SEE PAGE 1		
CARRIER SEE PAGE 1	NAIC CODE SEE P 1	EFFECTIVE DATE: SEE PAGE 1

## ADDITIONAL REMARKS

THIS ADDITIONAL REMARKS FORM IS A SCHEDULE TO ACORD FORM,  
FORM NUMBER: ACORD 25 FORM TITLE: Certificate of Liability Insurance

**Cancellation:**

Should the policy(ies) be cancelled before the expiration date, Hub International Insurance Services Inc. (Hub), independent of any rights which may be afforded within the policies to the certificate holder named below, will provide to such certificate holder notice of such cancellation within thirty (30) days of the cancellation date, except in the event the cancellation is due to non-payment of premium, in which case Hub will provide to such certificate holder notice of such cancellation within ten (10) days of the cancellation date.

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

**ADDITIONAL INSURED – OWNERS, LESSEES OR CONTRACTORS – COMPLETED OPERATIONS**

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART  
PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE PART

**SCHEDULE**

Name Of Additional Insured Person(s) Or Organization(s)	Location And Description Of Completed Operations
WHERE REQUIRED BY WRITTEN CONTRACT, BUT ONLY WHEN THE CONTRACT SPECIFIES COVERAGE FOR COMPLETED OPERATIONS	ALL LOCATIONS WHERE REQUIRED BY WRITTEN CONTRACT
Information required to complete this Schedule, if not shown above, will be shown in the Declarations.	

**A. Section II – Who Is An Insured** is amended to include as an additional insured the person(s) or organization(s) shown in the Schedule, but only with respect to liability for "bodily injury" or "property damage" caused, in whole or in part, by "your work" at the location designated and described in the Schedule of this endorsement performed for that additional insured and included in the "products-completed operations hazard".

However:

1. The insurance afforded to such additional insured only applies to the extent permitted by law; and
2. If coverage provided to the additional insured is required by a contract or agreement, the insurance afforded to such additional insured will not be broader than that which you are required by the contract or agreement to provide for such additional insured.

**B.** With respect to the insurance afforded to these additional insureds, the following is added to **Section III – Limits Of Insurance:**

If coverage provided to the additional insured is required by a contract or agreement, the most we will pay on behalf of the additional insured is the amount of insurance:

1. Required by the contract or agreement; or
  2. Available under the applicable Limits of Insurance shown in the Declarations;
- whichever is less.

This endorsement shall not increase the applicable Limits of Insurance shown in the Declarations.

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

**ADDITIONAL INSURED – STATE OR GOVERNMENTAL  
AGENCY OR SUBDIVISION OR POLITICAL  
SUBDIVISION – PERMITS OR AUTHORIZATIONS**

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

**SCHEDULE**

**State Or Governmental Agency Or Subdivision Or Political Subdivision:**

Where required by written contract or permit.

Information required to complete this Schedule, if not shown above, will be shown in the Declarations.

**A. Section II – Who Is An Insured** is amended to include as an additional insured any state or governmental agency or subdivision or political subdivision shown in the Schedule, subject to the following provisions:

- 1. This insurance applies only with respect to operations performed by you or on your behalf for which the state or governmental agency or subdivision or political subdivision has issued a permit or authorization.

However:

- a. The insurance afforded to such additional insured only applies to the extent permitted by law; and
- b. If coverage provided to the additional insured is required by a contract or agreement, the insurance afforded to such additional insured will not be broader than that which you are required by the contract or agreement to provide for such additional insured.

2. This insurance does not apply to:

- a. "Bodily injury", "property damage" or "personal and advertising injury" arising out of operations performed for the federal government, state or municipality; or
- b. "Bodily injury" or "property damage" included within the "products-completed operations hazard".

**B. With respect to the insurance afforded to these additional insureds, the following is added to Section III – Limits Of Insurance:**

If coverage provided to the additional insured is required by a contract or agreement, the most we will pay on behalf of the additional insured is the amount of insurance:

- 1. Required by the contract or agreement; or
  - 2. Available under the applicable limits of insurance;
- whichever is less.

This endorsement shall not increase the applicable limits of insurance.

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## **PRIMARY INSURANCE FOR SCHEDULED ADDITIONAL INSURED**

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

### **SCHEDULE**

**Additional Insured:**  
**WHERE REQUIRED BY WRITTEN CONTRACT.**

**Location Of Covered Operations:**  
**ALL LOCATIONS**

(If no entry appears above, information required to complete this endorsement will be shown in the Declarations as applicable to this endorsement.)

With respect only to the Additional Insured and at the Location Of Covered Operations shown in the Schedule, the following is added to **SECTION IV – COMMERCIAL GENERAL LIABILITY CONDITIONS**, Paragraph **4. Other Insurance** and supersedes any provision to the contrary:

#### **Primary And Noncontributory Insurance**

This insurance is primary to and will not seek contribution from any other insurance available to the Additional Insured with respect to the Location Of Covered Operations shown in the Schedule under this policy provided that:

- (1) The Additional Insured is a named insured under such other insurance; and
- (2) You have agreed in writing in a contract or agreement that this insurance would be primary and would not seek contribution from any other insurance available to the Additional Insured.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

## DESIGNATED CONSTRUCTION PROJECT(S) GENERAL AGGREGATE LIMIT

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

### SCHEDULE

**Designated Construction Project(s):**

All of your designated construction projects where required by written contract

Information required to complete this Schedule, if not shown above, will be shown in the Declarations.

- A.** For all sums which the insured becomes legally obligated to pay as damages caused by "occurrences" under Section I – Coverage **A**, and for all medical expenses caused by accidents under Section I – Coverage **C**, which can be attributed only to ongoing operations at a single designated construction project shown in the Schedule above:
1. A separate Designated Construction Project General Aggregate Limit applies to each designated construction project, and that limit is equal to the amount of the General Aggregate Limit shown in the Declarations.
  2. The Designated Construction Project General Aggregate Limit is the most we will pay for the sum of all damages under Coverage **A**, except damages because of "bodily injury" or "property damage" included in the "products-completed operations hazard", and for medical expenses under Coverage **C** regardless of the number of:
    - a. Insureds;
    - b. Claims made or "suits" brought; or
    - c. Persons or organizations making claims or bringing "suits".
  3. Any payments made under Coverage **A** for damages or under Coverage **C** for medical expenses shall reduce the Designated Construction Project General Aggregate Limit for that designated construction project. Such payments shall not reduce the General Aggregate Limit shown in the Declarations nor shall they reduce any other Designated Construction Project General Aggregate Limit for any other designated construction project shown in the Schedule above.
  4. The limits shown in the Declarations for Each Occurrence, Damage To Premises Rented To You and Medical Expense continue to apply. However, instead of being subject to the General Aggregate Limit shown in the Declarations, such limits will be subject to the applicable Designated Construction Project General Aggregate Limit.

- B. For all sums which the insured becomes legally obligated to pay as damages caused by "occurrences" under Section I – Coverage A, and for all medical expenses caused by accidents under Section I – Coverage C, which cannot be attributed only to ongoing operations at a single designated construction project shown in the Schedule above:
  - 1. Any payments made under Coverage A for damages or under Coverage C for medical expenses shall reduce the amount available under the General Aggregate Limit or the Products-completed Operations Aggregate Limit, whichever is applicable; and
  - 2. Such payments shall not reduce any Designated Construction Project General Aggregate Limit.
- C. When coverage for liability arising out of the "products-completed operations hazard" is provided, any payments for damages because of "bodily injury" or "property damage" included in the "products-completed operations hazard" will reduce the Products-completed Operations Aggregate Limit, and not reduce the General Aggregate Limit nor the Designated Construction Project General Aggregate Limit.
- D. If the applicable designated construction project has been abandoned, delayed, or abandoned and then restarted, or if the authorized contracting parties deviate from plans, blueprints, designs, specifications or timetables, the project will still be deemed to be the same construction project.
- E. The provisions of Section III – Limits Of Insurance not otherwise modified by this endorsement shall continue to apply as stipulated.

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## **COMMERCIAL AUTOMOBILE BROAD FORM ENDORSEMENT**

This endorsement modifies insurance provided under the following:

### **BUSINESS AUTO COVERAGE FORM**

This endorsement modifies the Business Auto Coverage Form.

#### **1. EXTENDED CANCELLATION CONDITION**

Paragraph A.2.b. – CANCELLATION - of the COMMON POLICY CONDITIONS form IL 00 17 is deleted and replaced with the following:

- b. 60 days before the effective date of cancellation if we cancel for any other reason.

#### **2. BROAD FORM INSURED**

##### **A. Subsidiaries and Newly Acquired or Formed Organizations As Insureds**

The Named Insured shown in the Declarations is amended to include:

1. Any legally incorporated subsidiary in which you own more than 50% of the voting stock on the effective date of the Coverage Form. However, the Named Insured does not include any subsidiary that is an "insured" under any other automobile policy or would be an "insured" under such a policy but for its termination or the exhaustion of its Limit of Insurance.
2. Any organization that is acquired or formed by you and over which you maintain majority ownership. However, the Named Insured does not include any newly formed or acquired organization:
  - (a) That is an "insured" under any other automobile policy;
  - (b) That has exhausted its Limit of Insurance under any other policy; or
  - (c) 180 days or more after its acquisition or formation by you, unless you have given us written notice of the acquisition or formation.

Coverage does not apply to "bodily injury" or "property damage" that results from an "accident" that occurred before you formed or acquired the organization.

##### **B. Employees as Insureds**

Paragraph A.1. – WHO IS AN INSURED – of SECTION II – LIABILITY COVERAGE is amended to add the following:

- d. Any "employee" of yours while using a covered "auto" you don't own, hire or

borrow in your business or your personal affairs.

#### **C. Lessors as Insureds**

Paragraph A.1. – WHO IS AN INSURED – of SECTION II – LIABILITY COVERAGE is amended to add the following:

- e. The lessor of a covered "auto" while the "auto" is leased to you under a written agreement if:
  - (1) The agreement requires you to provide direct primary insurance for the lessor; and
  - (2) The "auto" is leased without a driver. Such leased "auto" will be considered a covered "auto" you own and not a covered "auto" you hire.However, the lessor is an "insured" only for "bodily injury" or "property damage" resulting from the acts or omissions by:
  1. You;
  2. Any of your "employees" or agents; or
  3. Any person, except the lessor or any "employee" or agent of the lessor, operating an "auto" with the permission of any of 1. and/or 2. above.

#### **(D.) Persons And Organizations As Insureds Under A Written Insured Contract**

Paragraph A.1 – WHO IS AN INSURED – of SECTION II – LIABILITY COVERAGE is amended to add the following:

- f. Any person or organization with respect to the operation, maintenance or use of a covered "auto", provided that you and such person or organization have agreed under an express provision in a written "insured contract", written agreement or a written permit issued to you by a governmental or public authority to add such person or organization to this policy as an "insured". However, such person or organization is an "insured" only:

- (1) with respect to the operation, maintenance or use of a covered "auto"; and
- (2) for "bodily injury" or "property damage" caused by an "accident" which takes place after:
  - (a) You executed the "insured contract" or written agreement; or
  - (b) The permit has been issued to you.

**3. FELLOW EMPLOYEE COVERAGE**

EXCLUSION B.5. - FELLOW EMPLOYEE – of SECTION II – LIABILITY COVERAGE does not apply.

**4. PHYSICAL DAMAGE – ADDITIONAL TEMPORARY TRANSPORTATION EXPENSE COVERAGE**

Paragraph A.4.a. – TRANSPORTATION EXPENSES – of SECTION III – PHYSICAL DAMAGE COVERAGE is amended to provide a limit of \$50 per day for temporary transportation expense, subject to a maximum limit of \$1,000.

**5. AUTO LOAN/LEASE GAP COVERAGE**

Paragraph A. 4. – COVERAGE EXTENSIONS - of SECTION III – PHYSICAL DAMAGE COVERAGE is amended to add the following:

**c. Unpaid Loan or Lease Amounts**

In the event of a total "loss" to a covered "auto", we will pay any unpaid amount due on the loan or lease for a covered "auto" minus:

1. The amount paid under the Physical Damage Coverage Section of the policy; and
2. Any:
  - a. Overdue loan/lease payments at the time of the "loss";
  - b. Financial penalties imposed under a lease for excessive use, abnormal wear and tear or high mileage;
  - c. Security deposits not returned by the lessor;
  - d. Costs for extended warranties, Credit Life Insurance, Health, Accident or Disability Insurance purchased with the loan or lease; and
  - e. Carry-over balances from previous loans or leases.

We will pay for any unpaid amount due on the loan or lease if caused by:

1. Other than Collision Coverage only if the Declarations indicate that Comprehensive Coverage is provided for any covered "auto";
2. Specified Causes of Loss Coverage only if the Declarations indicate that Specified Causes of Loss Coverage is provided for any covered "auto"; or
3. Collision Coverage only if the Declarations indicate that Collision Coverage is provided for any covered "auto".

**6. RENTAL AGENCY EXPENSE**

Paragraph A. 4. – COVERAGE EXTENSIONS – of SECTION III – PHYSICAL DAMAGE COVERAGE is amended to add the following:

**d. Rental Expense**

We will pay the following expenses that you or any of your "employees" are legally obligated to pay because of a written contract or agreement entered into for use of a rental vehicle in the conduct of your business:

**MAXIMUM WE WILL PAY FOR ANY ONE CONTRACT OR AGREEMENT:**

1. \$2,500 for loss of income incurred by the rental agency during the period of time that vehicle is out of use because of actual damage to, or "loss" of, that vehicle, including income lost due to absence of that vehicle for use as a replacement;
2. \$2,500 for decrease in trade-in value of the rental vehicle because of actual damage to that vehicle arising out of a covered "loss"; and
3. \$2,500 for administrative expenses incurred by the rental agency, as stated in the contract or agreement.
4. \$7,500 maximum total amount for paragraphs 1., 2. and 3. combined.

**7. EXTRA EXPENSE – BROADENED COVERAGE**

Paragraph A.4. – COVERAGE EXTENSIONS – of SECTION III – PHYSICAL DAMAGE COVERAGE is amended to add the following:

**e. Recovery Expense**

We will pay for the expense of returning a stolen covered "auto" to you.

**8. AIRBAG COVERAGE**

Paragraph B.3.a. - EXCLUSIONS – of SECTION III – PHYSICAL DAMAGE COVERAGE does not apply to the accidental or unintended discharge of an airbag. Coverage is excess over any other collectible insurance or warranty specifically designed to provide this coverage.

**9. AUDIO, VISUAL AND DATA ELECTRONIC EQUIPMENT - BROADENED COVERAGE**

Paragraph C.1.b. – LIMIT OF INSURANCE - of SECTION III - PHYSICAL DAMAGE is deleted and replaced with the following:

- b. \$2,000 is the most we will pay for "loss" in any one "accident" to all electronic equipment that reproduces, receives or transmits audio, visual or data signals which, at the time of "loss", is:
  - (1) Permanently installed in or upon the covered "auto" in a housing, opening or other location that is not normally used by the "auto" manufacturer for the installation of such equipment;
  - (2) Removable from a permanently installed housing unit as described in Paragraph 2.a. above or is an integral part of that equipment; or
  - (3) An integral part of such equipment.

**10. GLASS REPAIR – WAIVER OF DEDUCTIBLE**

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## **PRIMARY AND NON-CONTRIBUTORY LIABILITY INSURANCE**

This endorsement modifies insurance provided under the following:

BUSINESS AUTO COVERAGE FORM

With respect to coverage provided by this endorsement, the provisions of the Coverage Form apply unless modified by the endorsement.

This endorsement changes the policy effective on the inception date of the policy unless another date is indicated below.

<p><b>Named Insured:</b> Santa Ana Creek Development Co. dba Mark Company</p> <p><b>Endorsement Effective Date:</b> 12/01/2022</p>
--

### **SCHEDULE**

<p><b>Name(s) Of Person(s) Or Organization(s):</b></p> <p>Where Required By Written Contract.</p>
<p>Information required to complete this Schedule, if not shown above, will be shown in the Declarations.</p>

The following is added to Item 5. – **“Other Insurance”** of Item B. – **“General Conditions”** under Section IV – **“Business Auto Conditions”**:

e. Regardless of the provisions of Paragraph 5.a. through d. above, for any liability arising out of the ownership, maintenance, use, rental, lease, loan, hire or borrowing by an “insured” of a covered “auto” for which an “insured” is contractually obligated to provide primary insurance coverage to a client, this Coverage Form will be primary and non-contributory with respect to the Persons or Organizations in the schedule, regardless of the availability or existence of other collectible insurance under any other Coverage Form or policy that applies on a primary basis.

**Workers' Compensation and Employers' Liability Policy**

Named Insured Santa Ana Creek Development Co. dba: Mark Company	Policy Number 54309584
Policy Period 12/01/2022 to 12/01/2023	Effective Date of Endorsement 12/01/2022
Issued By (Name of Insurance Company) FEDERAL INSURANCE COMPANY	
Insert the policy number. The remainder of the information is to be completed only when this endorsement is issued subsequent to the preparation of the policy.	

**CALIFORNIA WAIVER OF OUR RIGHT TO RECOVER FROM OTHERS ENDORSEMENT**

This endorsement applies only to the insurance provided by the policy because California is shown in Item 3.A. of the Information Page.

We have the right to recover our payments from anyone liable for an injury covered by this policy. We will not enforce our right against the person or organization named in the Schedule, but this waiver applies only with respect to bodily injury arising out of the operations described in the Schedule, where you are required by a written contract to obtain this waiver from us.

You must maintain payroll records accurately segregating the remuneration of your employees while engaged in the work described in the Schedule.

Schedule

1. ( ) Specific Waiver  
Name of person or organization:  
  
( X ) Blanket Waiver  
Any person or organization for whom the Named Insured has agreed by written contract to furnish this waiver.
2. Operations:  
ALL
3. Premium:  
The premium charge for this endorsement shall be 1% percent of the California premium developed on payroll in connection with work performed for the above person(s) or organization(s) arising out of the operations described.
4. Minimum Premium: \$0



# Starr Indemnity & Liability Company

Dallas, TX 1-866-519-2522

## Primary and Non-contributory, Additional Insured and Waiver of Subrogation

**Policy Number:** 1000066364211      **Effective Date:** 12/01/2021 at 12:01 A.M.  
**Named Insured:** Santa Ana Creek Development dba: Mark Company

This endorsement modifies the insurance coverage form(s) listed below that have been purchased by you and evidenced as such on the Declarations page. Please read the endorsement and respective policy(ies) carefully.

Commercial General Liability Coverage Form  
Owners and Contractors Protective Liability Coverage form  
Products/Completed Operations Liability Coverage Form  
Contractors Pollution Liability Coverage Form  
Professional Liability Coverage Form  
Site Pollution Liability Coverage Form

### SCHEDULE

All as required by written, signed or executed contract.

- A. SECTION II - WHO IS AN INSURED** is amended to include as an insured the person or organization shown in the schedule of this endorsement, but only with respect to liability arising out of "your work" for that insured by or for you.
- B.** As respects additional insureds as defined above, this insurance also applies to "bodily injury" or "property damage" arising out of your negligence when the following written contract requirements are applicable:
1. Coverage available under this coverage part shall apply as primary insurance. Any other insurance available to these additional insured's shall apply as excess and not contribute as primary to the insurance afforded by this endorsement.
  2. We waive any right of recovery we may have against these additional insured's because of payments we make for injury or damage arising out of "your work" done under a written contract with the additional insured.
  3. The term insured is used separately and not collectively, but the inclusion of more than one insured shall not increase the limits or coverage provided by this insurance.

Insureds and Agents are advised that certificates of insurance should be used only to provide evidence of insurance in lieu of an actual copy of the applicable insurance policy. Certificates should not be used to amend, expand or otherwise alter the terms of the actual policy.

ALL OTHER TERMS AND CONDITIONS REMAIN UNCHANGED.



**Starr Indemnity & Liability Company**

Dallas, TX 1-866-519-2522

Signed for STARR INDEMNITY & LIABILITY COMPANY

  
Steve Blakey, President

  
Nehemiah E. Ginsburg, General Counsel



# Placentia City Council

## AGENDA REPORT

TO: CITY COUNCIL

VIA: CITY ADMINISTRATOR

FROM: DEPUTY CITY ADMINISTRATOR / PUBLIC SERVICES & INFRASTRUCTURE

DATE: JULY 25, 2023

SUBJECT: **APPROVAL OF PLANS & SPECIFICATIONS AND AWARD OF CONSTRUCTION CONTRACT TO PCN3, INC., FOR PHASE II CONSTRUCTION OF THE PLACENTIA PUBLIC SAFETY CENTER PROJECT NO. 5213**

FISCAL IMPACT:

EXPENSE: \$ 9,888,000	TOTAL CONSTRUCTION CONTRACT AMOUNT
\$ 988,000	TOTAL CONSTRUCTION CONTINGENCY AMOUNT
\$10,876,000	TOTAL AMOUNT

AVAILABLE BUDGET: \$21,616,963 FISCAL YEAR 2023-24 CIP BUDGET

### **SUMMARY:**

The City has broken ground on the Placentia Public Safety Center which is being delivered in two separate project phases. The project was phased in order to advance construction of the new police evidence and storage space ahead of the main building to expedite completion of that portion of the project before the lease expires on the existing rented facility. Phase I construction activities have been completed and the assembly of the Butler Building is underway. Phase II of this project entails construction of the main building where the new 911 emergency communications center will be housed along with a new shooting range, a new EOC/training room along with associated office and workspaces, restrooms and locker rooms.

On March 7, 2023, the City Council rejected all bids received for Phase II of this project and authorized Staff to solicit new bids from prequalified contractors. On April 11, 2023, a total of four (4) contractors submitted bids with the low bid submitted by PCN3, Inc. After a careful review of PCN's bid and references it was determined that PCN3 submitted the lowest responsive, responsible bid. Staff recommends awarding a construction contract in the amount of \$9,888,000 to PCN3, Inc. to complete Phase II of the Placentia Public Safety Center.

### **RECOMMENDATION:**

It is recommended that the City Council take the following actions:

1. Approve the engineered and architectural construction plans & specifications prepared by PBK Architects, Inc., and approve a Public Works Agreement with PCN3 Inc. for the construction of Phase II of the Placentia Public Safety Center in the amount of \$9,888,000; and

**1.j.**  
**July 25, 2023**

2. Reject all other bids received and authorize return of the bid bonds; and
3. Authorize the City Administrator to approve contract change orders up to ten percent (10%) of the contract amount, or \$988,000 for a total construction contract not-to-exceed amount of \$10,876,000; and
4. Adopt Resolution No. R-2023-70, A Resolution of the City Council of the City of Placentia, California authorizing a budget amendment in Fiscal Year 2023-24 in compliance with City Charter of the City of Placentia §§1206 and §§1209 pertaining to appropriations for actual expenditures; and
5. Authorize the City Administrator and/or his designee to execute all agreements in a form approved by the City Attorney.

**STRATEGIC PLAN STATEMENT:**

This item conforms to Strategic Plan Goal 5, Implement Public Infrastructure to Meet Community Needs, and Objective 5.4, Construct the Placentia Public Safety Center.

**DISCUSSION:**

On March 1, 2022, the City Council selected a preferred project alternative for the Placentia Public Safety Center and directed Staff to finalize the construction drawings and bid documents to construct the Placentia Public Safety Center. The new 18,805 square foot facility, which consists of two phases will house the Police Department's evidence and property storage operations (Phase I) as well as a new public safety communications center and emergency operations and training center and shooting range (Phase II). The City currently leases a light industrial/commercial building for property and evidence storage. The new facility will consist of a manufactured steel Butler Building that will be used for property and evidence storage and the main building that includes the shooting range which will be constructed with CMU block. Since the City's lease for its existing property and evidence building is set to expire in December 2023, the project is being phased to allow the construction of the Butler Building to proceed first so that it can be completed prior to the expiration of the City's current lease. Phase I construction has been completed and entailed the demolition, grading, subsurface utility work, and the footings and slab for the Butler Building. Phase II construction entails the construction of the main building and shooting range. On April 11, 2023, the City received four (4) bids to construct Phase II. The following table provides the total bid amounts received from each contractor:

<b>Contractor</b>	<b>Bid Amount</b>
PCN3, INC	\$9,888,000.00
Woodcliff Corporation	\$10,133,000.00
Macro-Z-Technology Company	\$10,778,000.00
AMG & Associates, Inc.	\$10,788,000.00

After a thorough review of the bid proposals received, it was determined that PCN3 submitted the lowest responsive, responsible bid. Both Macro-Z and Woodcliff Corp submitted bid protests; however, after careful review and consideration, Staff determined that the protests were without merit. Based upon PCN3's reference check and submitted bid, Staff recommends awarding a construction contract to PCN3 for Phase II of the Public Safety Center Project.

**FISCAL IMPACT**

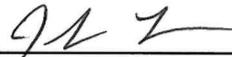
The total construction cost for Phase II of the project amounts to \$10,876,000. This cost consists of the bid amount submitted by PCN3 in the amount of \$9,888,000, and a construction contingency in the amount of \$988,000. Budget Amendment R-2023-70 is presented for the City Council's consideration to allocate the additional funds previously approved by the City Council on July 11<sup>th</sup> as part of the restructuring of the financing package for this project. Accordingly, sufficient funds exist for the recommended actions.

Prepared by:



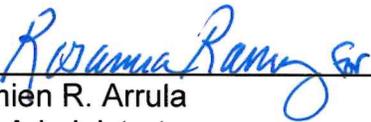
\_\_\_\_\_  
Luis Estevez  
Deputy City Administrator

Reviewed and approved:



\_\_\_\_\_  
Jennifer Lampman  
Director of Finance

Reviewed and approved:



\_\_\_\_\_  
Damien R. Arrula  
City Administrator

**Attachments:**

1. Public Works Agreement with PCN3, Inc.
2. Budget Amendment R-2023-70

**CITY OF PLACENTIA  
PUBLIC WORKS AGREEMENT FOR  
PCN3, INC**

THIS AGREEMENT (herein "Agreement"), is made and entered into this 25<sup>th</sup> day of July, 2023 by and between the CITY OF PLACENTIA, a municipal corporation and charter city, (herein "City") and PCN3, INC. (herein "Contractor"). The parties hereto agree as follows:

**WITNESSETH:**

A. WHEREAS, City requires the construction of Placentia Public Safety Center Project – Phase 2 as set forth more fully in this Agreement.

B. WHEREAS, Contractor represents to City that Contractor is qualified to perform said work and has submitted a proposal to City for the same.

C. WHEREAS, City desires to have Contractor perform said services on the terms and conditions set forth herein.

D. WHEREAS, no official or employee of City has a financial interest, within the provisions of Sections 1090-1092 of the California Government Code, in the subject matter of this Agreement.

NOW, THEREFORE, for and in consideration of the mutual covenants and conditions contained herein and for good and valuable consideration, the receipt and sufficiency of which is acknowledged by both parties, City and Contractor hereby agree as follows:

**1.0 DEFINITIONS**

1.1 Definitions. As used in this Agreement, the following definitions shall be applicable:

- (a) Contractor. Contractor shall mean PCN3, Inc. a California corporation, located at 11082 Winners Circle, Unit B Los Alamitos, CA 90702
- (b) City. City shall mean the City of Placentia, a Municipal Corporation and Charter City, located at 401 E. Chapman, Placentia, California 92870.
- (c) City Council. City Council shall mean the City Council of the City of Placentia.
- (d) Contract Officer shall mean the person designated by the City Administrator or City Engineer of City and shall have the duties set forth in Section 5.2.
- (e) Services. Services shall mean the services to be performed by the Contractor pursuant to this Agreement.

- (f) Satisfactory. Satisfactory shall mean satisfactory to the City Administrator or his/her designee.

## 2.0 SERVICES OF CONTRACTOR

2.1 Scope of Services. In compliance with all terms and conditions of this Agreement, the Contractor shall provide those services specified in the "Scope of Services" attached hereto as Exhibit "A" and incorporated herein by this reference, which services may be referred to herein as the "services" or "work" hereunder. As a material inducement to the City entering into this Agreement, Contractor represents and warrants that Contractor is a provider of first class work and services and Contractor is experienced in performing the work and services contemplated herein and, in light of such status and experience, Contractor covenants that it shall follow the highest professional standards in performing the work and services required hereunder and that all materials will be of good quality, fit for the purpose intended.

2.2 Documents Included in Contract. This contract consists of this Agreement and any Exhibits, which are incorporated herein by this reference. In the event of an inconsistency, the terms of this Agreement shall govern.

2.3 Compliance with Law. All services rendered hereunder shall be provided in accordance with all ordinances, resolutions, statutes, rules, and regulations of the City and any Federal, State or local governmental agency having jurisdiction in effect at the time service is rendered, including but not limited to, the claims procedure set forth in Public Contract Code Section 9204, a summary of which is attached to this agreement as Exhibit "E."

2.4 Licenses, Permits, Fees and Assessments. Contractor shall obtain at its sole cost and expense such licenses, permits and approvals as may be required by law for the performance of the services required by this Agreement, including registration with the Department of Industrial Relations of the State of California as required by Labor Code Section 1725.5 before commencing performance under this Agreement. Contractor shall have the sole obligation to pay for any fees, assessments and taxes, plus applicable penalties and interest, which may be imposed by law and arise from or are necessary for the Contractor's performance of the services required by this Agreement, and shall indemnify, defend and hold harmless City against any such fees, assessments, taxes penalties or interest levied, assessed or imposed against City hereunder. Contractor shall be responsible for all subcontractors' compliance with this Section 2.4.

2.5 Familiarity with Work. By executing this Contract, Contractor warrants that Contractor (a) has thoroughly investigated and considered the scope of services to be performed, (b) has carefully considered how the services should be performed, and (c) fully understands the facilities, difficulties and restrictions attending performance of the services under this Agreement. If the services involve work upon any site, Contractor warrants that Contractor has or will investigate the site and is or will be fully acquainted with the conditions there existing, prior to commencement of services hereunder. Should Contractor discover any latent or unknown conditions, which will materially affect the performance of the services hereunder, Contractor shall immediately inform the City of such fact and shall not proceed except at Contractor's risk until written instructions are received from the Contract Officer.

2.6 Standard of Performance. Contractor, its subcontractors and their employees, in the performance of Contractor's work under this Agreement shall be responsible for exercising the degree of skill and care required by customarily accepted good professional practices and procedures used in the Contractor's field.

Any costs for failure to meet the foregoing standard or to correct otherwise defective work that requires re-performance of the work, shall be borne in total by the Contractor and not by the City. The failure of a project to achieve the performance goals and objectives stated in this Agreement is not a basis for requesting re-performance unless the work conducted by Contractor and/or its subcontractors is deemed by the City to have failed the foregoing standard of performance.

In the event Contractor fails to perform in accordance with the above standard:

1. Contractor will re-perform, at its own expense, any task which was not performed to the reasonable satisfaction of City. Any work re-performed pursuant to this paragraph shall be completed within the time limitations originally set forth for the specific task involved. Contractor shall work any overtime required to meet the deadline for the task at no additional cost to the City;
2. The City shall provide a new schedule for the re-performance of any task pursuant to this paragraph in the event that re-performance of a task within the original time limitations is not feasible; and
3. The City shall have the option to direct Contractor not to re-perform any task which was not performed to the reasonable satisfaction of the City Project Manager pursuant to application of (1) and (2) above. In the event the City directs Contractor not to re-perform a task, the City shall negotiate a reasonable settlement for satisfactory work performed. No previous payment shall be considered a waiver of the City's right to reimbursement.

Nothing contained in this section is intended to limit any of the rights or remedies which the City may have under law.

2.7 Care of Work. The Contractor shall adopt reasonable methods during the life of the Agreement to furnish continuous protection to the work, and the equipment, materials, papers, documents, plans, studies and/or other components thereof to prevent losses or damages, and shall be responsible for all such damages, to persons or property, until acceptance of the work by City, except such losses or damages as may be caused by City's own negligence.

2.8 Further Responsibilities of Parties. Both parties agree to use reasonable care and diligence to perform their respective obligations under this Agreement. Both parties agree to act in good faith to execute all instruments, prepare all documents and take all actions as may be reasonably necessary to carry out the purposes of this Agreement. Unless hereafter specified, neither party shall be responsible for the service of the other. Contractor shall require all subcontractors to comply with the provisions of this agreement.

2.9 Additional Services. City shall have the right at any time during the performance of the services, without invalidating this Agreement, to order extra work beyond that specified in the Scope of Services or make changes by altering, adding to or deducting from said work. No such extra work may be undertaken unless a written change order is first given by the Contract Officer to

the Contractor, incorporating therein any adjustment in (i) the Contract Sum as set forth in Section 3.1, and/or (ii) the time to perform this Agreement, which said adjustments are subject to the written approval of the Contractor. Any increase in compensation of twenty five percent (25%) or less of the Contract Sum, or in the time to perform of one hundred eighty (180) days or less may be approved by the Contract Officer. Any increases, taken either separately or cumulatively, that result in the Contract Sum exceeding \$25,000 must be approved by the City Council. It is expressly understood by Contractor that the provisions of this Section shall not apply to services specifically set forth in the Scope of Services or reasonably contemplated therein. Contractor hereby acknowledges that it accepts the risk that the services to be provided pursuant to the Scope of Services may be more costly or time consuming than Contractor anticipates and that Contractor shall not be entitled to additional compensation therefore.

2.10 Prevailing Wage Laws. Contractor represents and warrants that it is registered with the Department of Industrial Relations pursuant to SB 854 and Labor Code 1725.5. Contractor shall ensure that its subcontractors comply with said requirements. In accordance with Labor Code Section 1770 et seq., the Director of the Department of Industrial Relations of the State of California has ascertained a general prevailing rate of wages, which is the minimum amount, which shall be paid to all workers employed to perform the work pursuant to this Agreement. A copy of the general prevailing wage rate determination is on file in the Office of the City Clerk and is hereby incorporated by reference into this Agreement. In accordance with the provisions of Labor Code Section 1810 et seq., eight (8) hours is the legal working day. Contractor must forfeit to the City Twenty Five Dollars (\$25.00) a day for each worker who works in excess of the minimum working hours when Contractor does not pay overtime. Contractor is required to post a copy of such wage rates at all times at the contract site. The statutory penalties for failure to pay prevailing wage or to comply with State wage and hour laws will be enforced. Contractor also shall comply with State law requirements to maintain payroll records and shall provide for certified records and inspection of records as required by California Labor Code Section 1770 et. seq., including Section 1776. Contractor shall comply with all statutory requirements relating to the employment of apprentices.

### 3.0 COMPENSATION

3.1 Contract Sum. For the services rendered pursuant to this Agreement, the Contractor shall be compensated as specified herein, but not exceeding the maximum contract amount of Nine Million Eight Hundred Eighty Eight Thousand Dollars (\$9,888,000) (herein "Contract Sum"), except as provided in Section 2.9. The Contract Sum shall include the attendance of Contractor at all project meetings reasonably deemed necessary by the City; Contractor shall not be entitled to any additional compensation for attending said meetings.

3.2 Progress Payments. Prior to the first day of the month, during the progress of the work, commencing on the day and month specified in the Agreement, Contractor shall submit to the Contract Officer a complete itemized statement of all labor and materials incorporated into the work during the preceding month and the portion of the contract sum applicable thereto. Upon approval in writing by the Contract Officer, payment shall be made in thirty (30) days. City shall pay Contractor a sum based upon ninety-five percent (95%) of the contract price apportionment of the labor and materials incorporated into the work under the contract during the month covered by said statement. The remaining five percent (5%) thereof shall be retained as performance security. Refer to Section 8.4 of this Agreement for retention of funds.

#### 4.0 PERFORMANCE SCHEDULE

4.1 Time of Essence. Time is of the essence in the performance of this Agreement.

4.2 Schedule of Performance. Contractor shall commence the services pursuant to this Agreement upon receipt of a written notice to proceed and shall perform all services within the time period(s) established in the "Schedule of Performance" attached hereto as Exhibit "B", and incorporated herein by this reference. When requested by the Contractor, extensions to the time period(s) specified in the Scope of Services may be approved in writing by the Contract Officer.

4.3 Force Majeure. The time period(s) specified in the Scope of Services for performance of the services rendered pursuant to this Agreement shall be extended because of any delays due to unforeseeable causes beyond the control and without the fault or negligence of the Contractor, including, but not restricted to, acts of God or of the public enemy, unusually severe weather, fires, earthquakes, floods, epidemics, quarantine restrictions, riots, strikes, freight embargoes, wars, litigation, and/or acts of any governmental agency, including the City, if the Contractor shall within ten (10) days of the commencement of such delay notify the Contract Officer in writing of the causes for the delay. The Contract Officer shall ascertain the facts and the extent of delay, and extend the time for performing the services for the period of the enforced delay when and if in the judgment of the Contract Officer such delay is justified. The Contract Officer's determination shall be final and conclusive upon the parties to this Agreement.

4.4 Term. Unless earlier terminated in accordance with Section 8.9 of this Agreement, this Agreement shall continue in full force and effect until final approval and acceptance of the project by the Contract Officer. Notwithstanding the foregoing, this Agreement shall terminate no later than July 25, 2025, unless the parties mutually agree in writing to extend the term.

#### 5.0 COORDINATION OF WORK

5.1 Representative of Contractor. The following principals of Contractor are hereby designated as being the principals and representatives of Contractor authorized to act in its behalf with respect to the work specified herein and make all decisions in connection therewith:

Brian Abghari, President

It is expressly understood that the experience, knowledge, capability and reputation of the foregoing principals were a substantial inducement for City to enter into this Agreement. Therefore, the foregoing principals shall be responsible during the term of this Agreement for directing all activities of Contractor and devoting sufficient time to personally supervise the services hereunder. For purposes of this Agreement, the foregoing principals may not be replaced nor may their responsibilities be substantially reduced by Contractor without the express written approval of City.

5.2 Contract Officer. The Contract Officer shall be such person as may be designated by the City Administrator or City Engineer of City. It shall be the Contractor's responsibility to assure that the Contract Officer is kept informed of the progress of the performance of the services

and the Contractor shall refer any decisions that must be made by City to the Contract Officer. Unless otherwise specified herein, any approval of City required hereunder shall mean the approval of the Contract Officer. The Contract Officer shall have authority to sign all documents on behalf of the City required hereunder to carry out the terms of this Agreement.

5.3 Prohibition Against Assignment. The experience, knowledge, capability and reputation of Contractor, its principals and employees were a substantial inducement for the City to enter into this Agreement. Neither this Agreement nor any interest herein may be transferred, assigned, conveyed, hypothecated or encumbered voluntarily or by operation of law, whether for the benefit of creditors or otherwise, without the prior written approval of City. Transfers restricted hereunder shall include the transfer to any person or group of persons acting in concert of more than twenty five percent (25%) of the present ownership and/or control of Contractor, taking all transfers into account on a cumulative basis. In the event of any such unapproved transfer, including any bankruptcy proceeding, this Agreement shall be void. No approved transfer shall release the Contractor or any surety of Contractor of any liability hereunder without the express consent of City.

5.4 Independent Contractor. Neither the City nor any of its employees shall have any control over the manner, mode or means by which Contractor, its subcontractors, agents or employees, performs the services required herein, except as otherwise set forth herein. City shall have no voice in the selection, discharge, supervision or control of Contractor's employees, subcontractors, servants, representatives or agents, or in fixing their number, compensation or hours of service. Contractor shall perform all services required herein as an independent contractor of City and shall remain at all times as to City a wholly independent contractor with only such obligations as are consistent with that role. Contractor shall not at any time or in any manner represent that it or any of its subcontractors, agents or employees are agents or employees of City. City shall not in any way or for any purpose become or be deemed to be a partner of Contractor in its business or otherwise or a joint venture or a member of any joint enterprise with Contractor.

5.5 Identity of Persons Performing Work. Contractor represents that it employs or will employ at its own expense all personnel required for the satisfactory performance of any and all tasks and services set forth herein. Contractor represents that the tasks and services required herein will be performed by Contractor or under its direct supervision, and that all personnel engaged in such work shall be fully qualified and shall be authorized and permitted under applicable State and local law to perform such tasks and services.

5.6 Utility Relocation. City is responsible for removal, relocation, or protection of existing main or trunkline utilities to the extent such utilities were not identified in the invitation for bids or specifications. City shall reimburse contractor for any costs incurred in locating, repairing damage not caused by contractor and removing or relocating such unidentified utility facilities, including equipment idled during such work. Contractor shall not be assessed liquidated damages for delay arising from the removal or relocation of such unidentified utility facilities.

5.7 Trenches or Excavations. Pursuant to California Public Contract Code Section 7104, in the event the work included in this Agreement requires excavations more than four (4) feet in depth, the following shall apply.

- (a) Contractor shall promptly, and before the following conditions are disturbed, notify City, in writing, of any: (1) material that Contractor believes may be material that is hazardous waste, as defined in Section

25117 of the Health and Safety Code, that is required to be removed to a Class I, Class II, or Class III disposal site in accordance with provisions of existing law; (2) Subsurface or latent physical conditions at the site different from those indicated; or (3) Unknown physical conditions at the site of any unusual nature, different materially from those ordinarily encountered and generally recognized as inherent in work of the character provided for in the contract.

- (b) City shall promptly investigate the conditions, and if it finds that the conditions do materially so differ, or do involve hazardous waste, and cause a decrease or increase in Contractor's cost of, or the time required for, performance of any part of the work shall issue a change order per Section 2.9 of this Agreement.
- (c) That, in the event that a dispute arises between City and Contractor whether the conditions materially differ, or involve hazardous waste, or cause a decrease or increase in Contractor's cost of, or time required for, performance of any part of the work, Contractor shall not be excused from any scheduled completion date provided for by the contract, but shall proceed with all work to be performed under the contract. Contractor shall retain any and all rights provided either by contract or by law, which pertain to the resolution of disputes and protests between the contracting parties.

## 6.0 INSURANCE, INDEMNIFICATION AND BONDS

6.1 Insurance. The Contractor and all subcontractors, if any, shall procure and maintain, at its sole cost and expense, in a form and content satisfactory to City, during the entire term of this Agreement including any extension thereof, insurance as set forth in Exhibit "C" attached hereto and incorporated herein by this reference.

### **Conditions:**

In accordance with Public Contract Code Section 20170, the insurance of surety companies who provide or issue the policy shall have been admitted to do business in the State of California with a credit rating of A- or better.

This insurance shall not be canceled, limited in scope or coverage or non-renewed until after thirty (30) days prior written notice has been given to the Community Development Director, City of Placentia, 401 E. Chapman Ave., Placentia, California 92870.

Any insurance maintained by the City of Placentia shall apply in excess of and not combined with insurance provided by this policy.

The City of Placentia, its officers, employees, representatives, attorneys, and volunteers shall be named as additional named insureds.

Prior to commencement of any work under this contract, Contractor shall deliver to the City insurance endorsements confirming the existence of the insurance required by this contract, and including the applicable clauses referenced above.

Such endorsements shall be signed by an authorized representative of the insurance company and shall include the signator's company affiliation and title. Should it be deemed necessary by the City, it shall be Contractor's responsibility to see that the City receives documentation, acceptable to the City, which sustains that the individual signing said endorsements is indeed authorized to do so by the insurance company.

If the Contractor fails to maintain the aforementioned insurance, or secure and maintain the aforementioned endorsement, the City may obtain such insurance, and deduct and retain the amount of the premiums for such insurance from any sums due under the agreement. However, procuring of said insurance by the City is an alternative to other remedies the City may have, and is not the exclusive remedy for failure of Contractor to maintain said insurance or secure said endorsement. In addition to any other remedies the City may have upon Contractor's failure to provide and maintain any insurance or policy endorsements to the extent and within the time herein required, the City shall have the right to order Contractor to stop work hereunder, and/or withhold any payment(s) which became due to Contractor hereunder until Contractor demonstrates compliance with the requirements hereof.

Nothing herein contained shall be construed as limiting in any way the extent to which Contractor may be held responsible for payments of damages to persons or property resulting from Contractor's or its subcontractor's performance of the work covered under this agreement.

Each contract between the Contractor and any subcontractor shall require the subcontractor to maintain the same policies of insurance that the Contractor is required to maintain pursuant to this Section 6.1.

6.2 Certificates of Insurance. Contractor shall provide to City certificates of insurance showing the insurance coverages and required endorsements described above, in a form and content approved by City, prior to performing any services under this Agreement. The certificates of insurance and endorsements shall be attached to this Agreement as Exhibit "D", and are incorporated herein by this reference.

6.3 Indemnification. Contractor shall defend, indemnify, hold free and harmless the City of Placentia, its elected and appointed officials, officers, agents and employees, at Contractor's sole expense, from and against any and all actions, suits, claims, damages to persons or property, losses, costs, penalties, obligations, errors, omissions or liabilities, (herein "claims or liabilities") that may be asserted or claimed by any person, firm or entity arising or alleged to arise out of or in connection with the performance of the work, operations or activities of Contractor, its agents, employees, subcontractors, or invitees, provided for herein, or arising or alleged to arise from the negligent acts or omissions of Contractor hereunder, or arising or alleged to arise from Contractor's performance of or failure to perform any term, provision, covenant or condition of this Agreement.

- (a) Contractor will defend any action or actions filed in connection with any of said claims or liabilities and will pay all costs and expenses, including legal costs and attorneys' fees incurred in connection therewith.

- (b) Contractor will promptly pay any judgment rendered against the City, its officers, agents or employees for any such claims or liabilities arising or alleged to arise out of or in connection with Contractor's (or its agents', employees', subcontractors' or invitees') negligent performance of or failure to perform such work, operations or activities hereunder; and Contractor agrees to save and hold the City, its officers, agents, and employees harmless therefrom.
- (c) In the event the City, its officers, agents or employees is made a party to any action or proceeding filed or prosecuted against Contractor for such damages or other claims arising or alleged to arise out of or in connection with the performance of or failure to perform the work, operation or activities of Contractor hereunder, Contractor shall pay to the City, its officers, agents or employees, any and all costs and expenses incurred by the City, its officers, agents or employees in such action or proceeding, including but not limited to, legal costs and attorneys' fees for counsel selected by City.
- (d) Contractor's duty to defend and indemnify as set out in this Section 6.3 shall include any claims, liabilities, obligations, losses, demands, actions, penalties, suits, costs, expenses or damages or injury to persons or property arising or alleged to arise from, in connection with, as a consequence of or pursuant to any state or federal law or regulation regarding hazardous substances, including but not limited to the Federal Insecticide, Fungicide and Rodenticide Act ("FIFRA"), Comprehensive Environmental Response, Compensation and Liability Act of 1980 ("CERCLA"), Resource Conservation and Recovery Act of 1976 ("RCRA"), the Hazardous and Solid Waste Amendments of 1984, the Hazardous Material Transportation Act, the Toxic Substances control Act, the Clean Air Act, the Clean Water Act, the California Hazardous Substance Account Act, the California Hazardous Waste Control Law or the Porter-Cologne Water Quality Control Act, as any of those statutes may be amended from time to time.

Notwithstanding the foregoing, Contractor shall not be liable for the defense or indemnification of the City for claims, actions, complaints or suits arising out of the sole active negligence or willful misconduct of the City.

The Contractor's indemnification obligations pursuant to this Section 6.3 shall survive the termination of this Agreement. Contractor shall require the same indemnification from all subcontractors.

6.4 Labor and Materials and Performance Bonds. Concurrently with execution of this Agreement, Contractor shall deliver to City a labor and materials bond and a performance bond each in the sum of the amount of this Agreement, in the forms provided by the City Clerk, which secures the faithful performance of this Agreement. The bonds shall contain the original notarized signature of an authorized officer of the surety and affixed thereto shall be a certified and current copy of his power of attorney. The bonds shall be unconditional and remain in force during the entire term of the Agreement and shall be null and void only if the Contractor promptly and faithfully performs all terms and conditions of this Agreement.

6.5 Sufficiency of Insurer or Surety. Insurance required by this Agreement shall be satisfactory only if issued by companies qualified to do business in California, rated "A" or better in the most recent edition of Best Rating Guide, The Key Rating Guide or in the Federal Register, and only if they are of a financial category Class VII or better, unless such requirements are waived by the Risk Manager of the City due to unique circumstances. In the event the Senior Management Analyst of City ("Senior Management Analyst") determines that the work or services to be performed under this Agreement creates an increased risk of loss to the City, the Contractor agrees that the minimum limits of the insurance policies required by this Section 6 may be changed accordingly upon receipt of written notice from the Senior Management Analyst; provided that the Contractor shall have the right to appeal a determination of increased coverage by the Senior Management Analyst to the City Council of City within ten (10) days of receipt of notice from the Senior Management Analyst.

6.6 Substitution of Securities. Pursuant to California Public Contract Code Section 22300, substitution of eligible equivalent securities for any monies withheld to ensure performance under the contract for the work to be performed will be permitted at the request and expense of the successful bidder.

## 7.0 RECORDS AND REPORTS

7.1 Reports. Contractor shall periodically prepare and submit to the Contract Officer such reports concerning the performance of the services required by this Agreement as the Contract Officer shall require. Contractor hereby acknowledges that the City is greatly concerned about the cost of work and services to be performed pursuant to this Agreement. For this reason, Contractor agrees that if Contractor becomes aware of any facts, circumstances, techniques, or events that may or will materially increase or decrease the cost of the work or services contemplated herein or, if Contractor is providing design services, the cost of the project being designed, Contractor shall promptly notify the Contract Officer of said fact, circumstance, technique or event and the estimated increased or decreased cost related thereto and, if Contractor is providing design services, the estimated increased or decreased cost estimate for the project being designed.

7.2 Records. Contractor shall keep, and require subcontractors to keep, such books and records (including but not limited to payroll records as required herein) as shall be necessary to perform the services required by this Agreement and enable the Contract Officer to evaluate the performance of such services. The Contract Officer shall have full and free access to such books and records at all times during normal business hours of City, including the right to inspect, copy, audit and make records and transcripts from such records. Such records shall be maintained for a period of three (3) years following completion of the services hereunder, and the City shall have access to such records in the event any audit is required.

7.3 Ownership of Documents. All drawings, specifications, reports, records, documents and other materials prepared by Contractor, its employees, subcontractors and agents in the performance of this Agreement shall be the property of City and shall be delivered to City upon request of the Contract Officer or upon the termination of this Agreement, and Contractor shall have no claim for further employment or additional compensation as a result of the exercise by City of its full rights of ownership of the documents and materials hereunder. Contractor may retain copies of such documents for its own use. Contractor shall have an unrestricted right to use the concepts embodied therein. All subcontractors shall provide for assignment to City of any

documents or materials prepared by them, and in the event Contractor fails to secure such assignment, Contractor shall indemnify City for all damages resulting therefrom.

7.4 Public Records Act Disclosure. Contractor has been advised and is aware that this Agreement and all reports, documents, information and data, including, but not limited to, computer tapes, discs or files furnished or prepared by Contractor, or any of its subcontractors, pursuant to this Agreement and provided to City may be subject to public disclosure as required by the California Public Records Act (California Government Code Section 6250 *et seq.*). Exceptions to public disclosure may be those documents or information that qualify as trade secrets, as that term is defined in the California Government Code Section 6254.7, and of which Contractor informs City of such trade secret. The City will endeavor to maintain as confidential all information obtained by it that is designated as a trade secret. The City shall not, in any way, be liable or responsible for the disclosure of any trade secret including, without limitation, those records so marked if disclosure is deemed to be required by law or by order of the Court.

## 8.0 GENERAL PROVISIONS

8.1 Governing Law. This Agreement shall be construed and interpreted both as to validity and to performance of the parties in accordance with the laws of the State of California. Legal actions concerning any dispute, claim or matter arising out of or in relation to this Agreement shall be instituted in the Superior Court of the County of Orange, State of California, or any other appropriate court in such county, and Contractor covenants and agrees to submit to the personal jurisdiction of such court in the event of such action.

8.2 Representatives. The City Administrator or his or her designee shall be the representative of City for purposes of this Agreement and may issue all consents, approvals, directives and agreements on behalf of the City, called for by this Agreement, except as otherwise expressly provided in this Agreement.

The Principal set forth in Section 5.1 above shall be the representative for Contractor for purposes of this Agreement, and shall be authorized to issue all consents, approvals, directives and agreements on behalf of Contractor called for by this Agreement, except as otherwise expressly provided in this Agreement.

8.3 Disputes. In the event either party fails to perform its obligations hereunder, the nondefaulting party shall provide the defaulting party written notice of such default. The defaulting party shall have ten (10) days to cure the default; provided that, if the default is not reasonably susceptible to being cured within said ten (10) day period, the defaulting party shall have a reasonable time to cure the default, not to exceed a maximum of thirty (30) days, so long as the defaulting party commences to cure such default within ten (10) days of service of such notice and diligently prosecutes the cure to completion; provided further that if the default is an immediate danger to the health, safety and general welfare, the defaulting party shall take such immediate action as may be necessary. Notwithstanding the foregoing, the nondefaulting party may, in its sole and absolute discretion, grant a longer cure period. Should the defaulting party fail to cure the default within the time period provided in this Section, the nondefaulting party shall have the right, in addition to any other rights the nondefaulting party may have at law or in equity, to terminate this Agreement. Compliance with the provisions of this Section 8.3 shall be a condition precedent to bringing any legal action, and such compliance shall not be a waiver of any party's right to take legal action in the event that the dispute is not cured.

8.4 Retention of Funds. Progress payments shall be made in accordance with the provisions of Section 3.2 of this Agreement. In accordance with said section, City shall pay Contractor a sum based upon ninety-five percent (95%) of the contract price apportionment of the labor and materials incorporated into the work under the contract during the month covered by said statement. The remaining five percent (5%) thereof shall be retained as performance security to be paid to the Contractor within sixty (60) days after final acceptance of the work by the City Council, after Contractor shall have furnished City with a release of all undisputed contract amounts if required by City. In the event there are any claims specifically excluded by Contractor from the operation of the release, the City may retain proceeds (per Public Contract Code 7107) of up to 150% of the amount in dispute. City's failure to deduct or withhold shall not affect Contractor's obligations hereunder.

8.5 Waiver. No delay or omission in the exercise of any right or remedy by a nondefaulting party on any default shall impair such right or remedy or be construed as a waiver. A party's consent to or approval of any act by the other party requiring the party's consent or approval shall not be deemed to waive or render unnecessary the other party's consent to or approval of any subsequent act. Any waiver by either party of any default must be in writing and shall not be a waiver of any other default concerning the same or any other provision of this Agreement.

8.6 Rights and Remedies. Rights and Remedies are cumulative except with respect to rights and remedies expressly declared to be exclusive in this Agreement, the rights and remedies of the parties are cumulative and the exercise by either party of one or more of such rights or remedies shall not preclude the exercise by it, at the same or different times, of any other rights or remedies for the same default or any other default by the other party.

8.7 Legal Action. In addition to any other rights or remedies, either party may take legal action, in law or in equity, to cure, correct or remedy any default, to recover damages for any default, to compel specific performance of this Agreement, to obtain declaratory or injunctive relief, or to obtain any other remedy consistent with the purposes of this Agreement.

8.8 Liquidated Damages. Since the determination of actual damages for any delay in performance of this Agreement would be extremely difficult or impractical to determine in the event of a breach of this Agreement, the Contractor and its sureties shall be liable for and shall pay to the City Five Hundred Dollars (\$500) as liquidated damages for each working day of delay in the performance of any service required hereunder, as specified in the Scope of Services (Exhibit A) or Schedule of Performance (Exhibit B). The City may withhold from any monies payable on account of services performed by the Contractor any accrued liquidated damages.

8.9 Termination for Default of Contractor. If termination is due to the failure of the Contractor to fulfill its obligations under this Agreement, Contractor shall vacate any City owned property which Contractor is permitted to occupy hereunder and City may, after compliance with the provisions of Section 8.3, take over the work and prosecute the same to completion by contract or otherwise, and the Contractor shall be liable to the extent that the total cost for completion of the services required hereunder exceeds the compensation herein stipulated (provided that the City shall use reasonable efforts to mitigate such damages), and City may withhold any payments to the Contractor for the purpose of setoff or partial payment of the amounts owed the City as previously stated.

8.10 Notice. Any notice, demand, request, document, consent, approval, or communication either party desires or is required to give to the other party or any other person shall be in writing and shall be deemed to be given when served personally or deposited in the US Mail, prepaid, first-class mail, return receipt requested, addressed as follows:

To City: City of Placentia  
401 E. Chapman Ave  
Placentia, California 92870  
Attn: Luis Estevez, Deputy City Administrator

To Contractor: PCN3, INC  
Brian Abghari  
President  
11082 Winner Circle, Unit B  
Los Alamitos, California 90720

8.11 Non-liability of City Officers and Employees. No officer or employee of the City shall be personally liable to the Contractor, or any successor in interest, in the event of any default or breach by the City or for any amount which may become due to the Contractor or to its successor, or for breach of any obligation of the terms of this Agreement.

8.12 Conflict of Interest. The Contractor warrants that it has not paid or given and will not pay or give any third party any money or other consideration for obtaining this Agreement.

Contractor and its officers, employees, associates and subcontractors, if any, will comply with all conflict of interest statutes of the State of California applicable to Contractor's services under this agreement, including, but not limited to, the Political Reform Act (Government Code Sections 81000, *et seq.*) and Government Code Section 1090. During the term of this Agreement, Contractor and its officers, employees, associates and subcontractor shall not, without the prior written approval of the City Representative, perform work for another person or entity for whom Contractor is not currently performing work that would require Contractor or one of its officers, employees, associates or subcontractors to abstain from a decision under this Agreement pursuant to a conflict of interest statute.

8.13 Covenant Against Discrimination. Contractor covenants that, by and for itself, its heirs, executors, assigns, and all persons claiming under or through them, that there shall be no discrimination against or segregation of, any person or group of persons on account of race, color, creed, religion, sex, marital status, national origin, or ancestry in the performance of this Agreement. To the extent required by law, contractor shall take affirmative action to insure that applicants are employed and that employees are treated during employment without regard to their race, color, creed, religion, sex, marital status, national origin, or ancestry.

8.14 Interpretation. The terms of this Agreement shall be construed in accordance with the meaning of the language used and shall not be construed for or against either party by reason of the authorship of this Agreement or any other rule of construction which might otherwise apply.

8.15 Severability. In the event that any one or more of the phrases, sentences, clauses, paragraphs, or sections contained in this Agreement shall be declared invalid or unenforceable by a valid judgment or decree of a court of competent jurisdiction, such invalidity or unenforceability shall not affect any of the remaining phrases, sentences, clauses, paragraphs, or sections of this Agreement which are hereby declared as severable and shall be interpreted to carry out the intent of the parties hereunder unless the invalid provision is so material that its invalidity deprives either party of the basic benefit of their bargain or renders this Agreement meaningless.

8.16 Hiring of Illegal Aliens Prohibited. Contractor shall not hire or employ any person to perform work within the City of Placentia or allow any person to perform work required under this Agreement unless such person is properly documented and legally entitled to be employed within the United States. Further, Contractor shall comply with the following:

- (a) Unauthorized Aliens. Contractor hereby represents and warrants that it will comply with all of the provisions of the Federal Immigration and Nationality Act, 8 U.S.C.A. §§ 1101, et seq., as amended, and in connection therewith, shall not employ unauthorized aliens as defined therein. Should Contractor so employ such unauthorized aliens for the performance of any work and/or services under this Agreement, and should any liability or sanctions be imposed against City for such use of unauthorized aliens, Contractor hereby agrees to reimburse City for any and all liabilities, actions, suits, claims, demands, losses, costs, judgments, arbitration awards, settlements, damages, demands, orders, or penalties which arise out of or are related to such employment, together with any and all costs, including attorneys' fees, incurred by City.
- (b) E-Verify. If Contractor is not already enrolled in the U.S. Department of Homeland Security's E-Verify program, Contractor shall enroll in the E-Verify program within fifteen (15) days of the effective date of this Agreement to verify the employment authorization of employees assigned to perform work hereunder. Contractor shall verify employment authorization within three (3) days of hiring a new employee to perform work under this Agreement. Information pertaining to the E-Verify program can be found at <http://www.uscis.gov>, or access the registration page at <https://e-verify.uscis.gov/enroll>. Contractor shall certify its registration with E-Verify and provide City its registration number within sixteen days of the effective date of this Agreement. Failure to provide certification will result in withholding payment until full compliance is demonstrated.

8.17 Unfair Business Practices Claims. In entering into a public works contract or a subcontract to supply goods, services or materials pursuant to a public works contract, the contractor or subcontractor offers and agrees to assign to the awarding body all rights, title, and interest in and to all causes of action it may have under Section 4 of the Clayton Act (15 U.S.C. Sec. 15) or under the Cartwright Act (Chapter 2, (commencing with Section 16700) of Part 2 of Division 7 of the Business and Professions Code), arising from purchases of goods, services or materials pursuant to the public works contract or the subcontract. This assignment shall be made and become effective at the time the awarding body renders final payment to the contractor without further acknowledgment by the parties. (Sec. 7103.5, California Public Contract Code).

8.18 Corporate Authority. The persons executing this Agreement on behalf of the parties hereto warrant that (i) such party is duly organized and existing, (ii) they are duly authorized to execute and deliver this Agreement on behalf of said party, (iii) by so executing this Agreement, such party is formally bound to the provisions of this Agreement, and (iv) the entering into this Agreement does not violate any provision of any other Agreement to which said party is bound.

8.19 PERS Eligibility Indemnification. In the event that Contractor or any employee, agent, or subcontractor of Contractor providing services under this Agreement claims or is determined by a court of competent jurisdiction or the California Public Employees Retirement System (PERS) to be eligible for enrollment in PERS as an employee of the City, Contractor shall indemnify, defend, and hold harmless City for the payment of any employee and/or employer contributions for PERS benefits on behalf of Contractor or its employees, agents, or subcontractors, as well as for the payment of any penalties and interest on such contributions, which would otherwise be the responsibility of City.

Notwithstanding any other agency, state or federal policy, rule, regulation, law or ordinance to the contrary, Contractor and any of its employees, agents, and subcontractors providing service under this Agreement shall not qualify for or become entitled to, and hereby agree to waive any claims to, any compensation, benefit, or any incident of employment by City, including but not limited to eligibility to enroll in PERS as an employee of City and entitlement to any contribution to be paid by City for employer contribution and/or employee contributions for PERS benefits.

8.20 Cooperation. In the event any claim or action is brought against City relating to Contractor's performance or services rendered under this Agreement, Contractor shall render any reasonable assistance and cooperation which City might require.

8.21 Legal Responsibilities. The Contractor shall keep itself informed of City, State, and Federal laws, ordinances and regulations, which may in any manner affect the performance of its services pursuant to this Agreement. The Contractor shall at all times observe and comply with all such laws, ordinances and regulations. Neither the City, nor its officers, agents, or employees shall be liable at law or in equity as a result of the Contractor's failure to comply with this section.

8.22 Termination for Convenience. The City may terminate this Agreement without cause for convenience of the City upon giving contractor 30 days prior written notice of termination of the Agreement. Upon receipt of the notice of termination the Contractor shall cease all further work pursuant to the Agreement. Upon such termination by the City the Contractor shall not be entitled to any other remedies, claims, actions, profits, or damages except as provided in this paragraph. Upon the receipt of such notice of termination Contractor shall be entitled to the following compensation:

1. The contract value of the work completed to and including the date of receipt of the notice of termination, less the amount of progress payments received by contractor.

2. Actual move-off costs including labor, rental fees, equipment transportation costs, the costs of maintaining on-site construction office for supervising the mover-off.

3. The cost of materials custom made for this Agreement which cannot be used by the Contractor in the normal course of his business, and which have not been paid for by City in progress payments.

4. All costs shall not include any markups as might otherwise be allowed by any plans or specifications which were a part of the Agreement.

The provisions of this paragraph shall supersede any other provision of the Agreement or any provision of any plans, specification, addendums or other documents which are or may become a part of this Agreement. City and Contractor agree that the provisions of this paragraph are a substantive part of the consideration for this Agreement.

8.23 Responsibility for Errors. Contractor shall be responsible for its work and results under this Agreement. Contractor, when requested, shall furnish clarification and/or explanation as may be required by the City's representative, regarding any services rendered under this Agreement at no additional cost to City. In the event that an error or omission attributable to Contractor occurs, then Contractor shall, at no cost to City, provide all necessary design drawings, estimates and other Contractor professional services necessary to rectify and correct the matter to the sole satisfaction of City and to participate in any meeting required with regard to the correction.

8.24 Order of Precedence. In the event of an inconsistency in this Agreement and any of the attached Exhibits, the terms set forth in this Agreement shall prevail. If, and to the extent this Agreement incorporates by reference any provision of any document, such provision shall be deemed a part of this Agreement. Nevertheless, if there is any conflict among the terms and conditions of this Agreement and those of any such provision or provisions so incorporated by reference, this Agreement shall govern over the document referenced.

8.25 Costs. Each party shall bear its own costs and fees incurred in the preparation and negotiation of this Agreement and in the performance of its obligations hereunder except as expressly provided herein.

8.26 No Third Party Beneficiary Rights. This Agreement is entered into for the sole benefit of City and Contractor and no other parties are intended to be direct or incidental beneficiaries of this Agreement and no third party shall have any right in, under or to this Agreement.

8.27 Headings. Paragraphs and subparagraph headings contained in this Agreement are included solely for convenience and are not intended to modify, explain or to be a full or accurate description of the content thereof and shall not in any way affect the meaning or interpretation of this Agreement.

8.28 Construction. The parties have participated jointly in the negotiation and drafting of this Agreement. In the event an ambiguity or question of intent or interpretation arises with respect to this Agreement, this Agreement shall be construed as if drafted jointly by the parties and in accordance with its fair meaning. There shall be no presumption or burden of proof favoring or disfavoring any party by virtue of the authorship of any of the provisions of this Agreement.

8.29 Counterparts. This Agreement may be executed in one or more counterparts,

Project No. 5213

each of which shall be deemed an original. All counterparts shall be construed together and shall constitute one agreement.

8.30 Funding Source Conditions – Contractor's Obligation. Contractor acknowledges that the City may be paying for the Project by using funds it receives or will receive from various funding sources in the form of grants and/or subsidies, and the like under certain terms and conditions. Contractor acknowledges and agrees that any failure of the Contractor and/or its subcontractors to perform its obligations under the Contract, including, but not limited to, timely submitting accurate reports and records, that in any way results in the City not meeting the terms and conditions placed on the funds by the funding source, or forfeiting its entitlement to or, otherwise, not receiving, the funds, then the Contractor shall be liable to pay the City for the funds not granted to the City on the Project.

8.31 Entire Agreement. This Agreement constitutes the entire agreement between the parties with respect to any matter referenced herein and supersedes any and all other prior writings and oral negotiations. This Agreement may be modified only in writing, and signed by the parties in interest at the time of such modification. The terms of this Agreement shall prevail over any inconsistent provision in any other contract document appurtenant hereto, including exhibits to this Agreement.

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

ATTEST:

CITY OF PLACENTIA,  
A municipal corporation and Charter City

\_\_\_\_\_  
Damien R. Arrula, City Administrator

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

ATTEST:

\_\_\_\_\_  
Robert S. McKinnell, City Clerk

APPROVED AS TO FORM:

CONTRACTOR

\_\_\_\_\_  


Date: 6/9/2023

Signature

\_\_\_\_\_  
Brian Abghari, President  
Name and Title

Project No. 5213

95-4738509

Social Security or Taxpayer ID Number

Christian L. Bettenhausen, City Attorney

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

APPROVED AS TO INSURANCE:

Rosanna Ramirez, Deputy City Administrator

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

APPROVED AS TO CONTENT:

Luis Estevez

7/20/2023

Luis Estevez, Deputy City Administrator

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

DEPARTMENTAL APPROVAL

Luis Estevez

7/20/2023

Luis Estevez, Deputy City Administrator

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

**CITY OF PLACENTIA  
PERFORMANCE BOND**

BOND NUMBER: 602- 30095-1  
BOND PREMIUM: \$71,355.00  
BOND EXECUTED IN TRIPPLICATE  
PREMIUM IS FOR THE CONTRACT TERM  
AND IS SUBJECT TO ADJUSTMENT  
BASED ON FINAL CONTRACT PRICE

KNOW ALL MEN BY THESE PRESENT: That,

WHEREAS, the CITY OF PLACENTIA (hereinafter called the "City") has awarded to PCN3, Inc. , a California corporation (hereinafter "Principal"), an Agreement, dated June 6 , 2023 ("Agreement") whereby Principal agreed to provide construction services including Placentia Public Safety Center Project Phase 2 \_\_\_\_\_;

WHEREAS, the Public Work to be performed by the Principal is more particularly set forth in the Agreement which is incorporated herein by reference and made a part hereof; and

WHEREAS, said Principal is required under the terms of the Agreement to furnish a bond for the faithful performance of the Agreement;

NOW, THEREFORE, we, PCN3, Inc. , as Principal, and United States Fire Insurance Company as Surety, are held and firmly bound unto the City in the sum of Nine Million Eight Hundred Eighty Eight Thousand & 00/100 Dollars (\$ 9,888,000.00 ) this amount being not less than one hundred percent (100%) of the total contract price under Agreement, lawful money of the United States of America for payment of which sum well and truly to be made, we bind ourselves, our heirs, executors, administrators, and successors jointly and severally, firmly by these presents.

THE CONDITION OF THIS OBLIGATION IS SUCH THAT, the obligation shall become null and void if the above-bounded Principal, his or its heirs, executors, administrators, successors, or assigns, shall in all things stand to and abide by well and truly keep and perform all the undertakings, terms, covenants, conditions, and agreements in the said Agreement and any alteration thereof, made as therein provided, all within the time and in the manner therein designated and in all respects according to their true intent and meaning, and shall indemnify and save harmless the City, its officer, agents and employees, as therein stipulated; otherwise it shall be and remain in full force and virtue.

As a part of the obligation secured hereby, and in addition to the face amount specified, costs and reasonable expenses and fees shall be included, including reasonable attorneys' fees, incurred in successfully enforcing the obligation on the bond, all to be taxed as costs and included in any judgment rendered.

The said Surety, for value received, hereby stipulates and agrees that no change, extension of time, alteration or modification of the Agreement, the contract documents or of the work to be performed thereunder, shall in any way affect its obligations on this bond, and it does hereby waive notice of any such change, extensions of time, alteration or modification of Agreement, the contract documents or of the work to be performed thereunder.

Surety's obligation shall be a guarantee of payment and performance and shall not be diminished by any bankruptcy or reorganization in bankruptcy or liquidation or the result of the foregoing or otherwise of Principal. Accordingly, the filing of any petition in bankruptcy or for rearrangement or reorganization or liquidation (or proceedings similar in purpose or effect) of Principal under any federal or state laws ("Insolvency Case") will not toll or delay the date due for payment or performance hereunder as more particularly specified in of the Construction Management Agreement. The City shall be not be required to await the outcome of an Insolvency Case or to enforce any of their respective rights under the Agreement, respectively, prior to obtaining payment in full from Surety. If for any reason payment received by the City in respect of the obligations of the Principal under the Agreement guaranteed pursuant to this bond is rescinded or must be returned or restored by the City, this bond shall be automatically reinstated and shall continue to be in effect as if such payment had not been made.

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Collection of liquidated damages by City due to Principal's failure to timely achieve Substantial Completion shall not limit, modify, or act as an offset or credit against Surety's obligation to arrange for or cause the completion of the Public Work as and when required by the Agreement.

IN WITNESS WHEREOF three (3) identical counterparts of this instrument, each of which shall for all purposes be deemed an original thereof, have been duly executed by the Principal and Surety named herein, on the 6th day of June, 2023, the name and corporate seal of each corporate party being hereto affixed and these presents duly signed by its undersigned representative pursuant to authority of its governing body.

(Seal)

SURETY United States Fire Insurance Company

By

*Terah Lane*

Terah Lane, Attorney-In-Fact

305 Madison Avenue

Morristown, NJ 07960

ADDRESS

APPROVED:  
from all

\_\_\_\_\_  
CITY ATTORNEY

#### INSTRUCTIONS

1. The above bond must be executed by both the Principal and the Surety.
2. If the Principal is a corporation, the bond must be executed in the corporate name and signed by the President or a Vice-President and the Secretary or Assistant Secretary, and the corporate seal affixed. If the Principal is a partnership, all partners must sign it. If the Principal is an individual doing business under a fictitious name, it must be signed by all persons having an interest in the business, and the fictitious name must be signed also. The bond must be notarized by both the Principal and the Surety.
3. The City Attorney of the City of Placentia must approve the bond.
4. The bond, after approval, must be filed with the City Clerk of the City of Placentia.

(Seal)

PRINCIPAL PCN3, Inc.

By

X

*Brian Abgari, President*

X

*Brian Abgari, Secretary*

11082 Winners Circle

Los Alamitos, CA 90720

ADDRESS

Two (2) Notarized Signatures required  
Corporations.

**CALIFORNIA ACKNOWLEDGMENT**

CIVIL CODE § 1189

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California }  
County of Orange

On June 8, 2023 before me, Portia C. Moore, notary public  
Date Here Insert Name and Title of the Officer

personally appeared Brian Abghari  
Name(s) of Signer(s)

who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.



I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Place Notary Seal and/or Stamp Above

Signature [Handwritten Signature]  
Signature of Notary Public

**OPTIONAL**

Completing this information can deter alteration of the document or fraudulent reattachment of this form to an unintended document.

**Description of Attached Document**

Title or Type of Document: City of Placentia Performance Bond

Document Date: June 16, 2023 Number of Pages: \_\_\_\_\_

Signer(s) Other Than Named Above: \_\_\_\_\_

**Capacity(ies) Claimed by Signer(s)**

Signer's Name: Brian Abghari Signer's Name: \_\_\_\_\_

Corporate Officer – Title(s): President & Secretary  Corporate Officer – Title(s): \_\_\_\_\_

Partner –  Limited  General  Partner –  Limited  General

Individual  Attorney in Fact  Individual  Attorney in Fact

Trustee  Guardian or Conservator  Trustee  Guardian or Conservator

Other: \_\_\_\_\_  Other: \_\_\_\_\_

Signer is Representing: \_\_\_\_\_ Signer is Representing: \_\_\_\_\_

CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

CIVIL CODE 1189

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached and not the truthfulness, accuracy, or validity of that document.

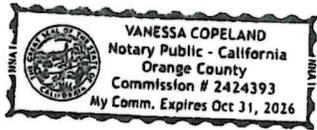
State of California )

County of Orange )

On 6/6/2023 before me, Vanessa Copeland, Notary Public,

personally appeared Terah Lane
Name(s) of Signer(s)

who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.



Place Notary Seal Above

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.
Signature: [Handwritten Signature]
Signature of Notary Public

OPTIONAL

Though the information below is not required by law, it may prove valuable to persons relying on the document and could present fraudulent and reattachment of this form to another document.

Description of Attached Document

Type or Title of Document:

Document Date: Number of Pages:

Signer(s) Other Than Named Above:

Capacity(ies) Claimed by Signer(s)

Signer's Name: Terah Lane

- Individual
Corporate Officer - Title(s):
Partner: Limited General
Attorney in Fact (checked)
Trustee
Guardian or Conservator
Other:

Signer Is Representing:

Capacity(ies) Claimed by Signer(s)

Signer's Name:

- Individual
Corporate Officer - Title(s):
Partner: Limited General
Attorney in Fact
Trustee
Guardian or Conservator
Other:

Signer Is Representing:

**POWER OF ATTORNEY  
UNITED STATES FIRE INSURANCE COMPANY  
PRINCIPAL OFFICE - MORRISTOWN, NEW JERSEY**

01016

**KNOW ALL MEN BY THESE PRESENTS:** That United States Fire Insurance Company, a corporation duly organized and existing under the laws of the state of Delaware, has made, constituted and appointed, and does hereby make, constitute and appoint:

Eric Lowey, Mark Richardson, Vanesa Copeland, Kevin Cathcart, Lisa Pellerito, Terah Lane

each, its true and lawful Attorney(s)-In-Fact, with full power and authority hereby conferred in its name, place and stead, to execute, acknowledge and deliver: Any and all bonds and undertakings of surety and other documents that the ordinary course of surety business may require, and to bind United States Fire Insurance Company thereby as fully and to the same extent as if such bonds or undertakings had been duly executed and acknowledged by the regularly elected officers of United States Fire Insurance Company at its principal office, in amounts or penalties: **Fifty Million Dollars (\$50,000,000)**.

This Power of Attorney limits the act of those named therein to the bonds and undertakings specifically named therein, and they have no authority to bind United States Fire Insurance Company except in the manner and to the extent therein stated.

This Power of Attorney is granted pursuant to Article IV of the By-Laws of United States Fire Insurance Company as now in full force and effect, and consistent with Article III thereof, which Articles provide, in pertinent part:

Article IV, Execution of Instruments - Except as the Board of Directors may authorize by resolution, the Chairman of the Board, President, any Vice-President, any Assistant Vice President, the Secretary, or any Assistant Secretary shall have power on behalf of the Corporation:

(a) to execute, affix the corporate seal manually or by facsimile to, acknowledge, verify and deliver any contracts, obligations, instruments and documents whatsoever in connection with its business including, without limiting the foregoing, any bonds, guarantees, undertakings, recognizances, powers of attorney or revocations of any powers of attorney, stipulations, policies of insurance, deeds, leases, mortgages, releases, satisfactions and agency agreements:

(b) to appoint, in writing, one or more persons for any or all of the purposes mentioned in the preceding paragraph (a), including affixing the seal of the Corporation.

Article III, Officers, Section 3.11, Facsimile Signatures. The signature of any officer authorized by the Corporation to sign any bonds, guarantees, undertakings, recognizances, stipulations, powers of attorney or revocations of any powers of attorney and policies of insurance issued by the Corporation may be printed, facsimile, lithographed or otherwise produced. In addition, if and as authorized by the Board of Directors, dividend warrants or checks, or other numerous instruments similar to one another in form, may be signed by the facsimile signature or signatures, lithographed or otherwise produced, of such officer or officers of the Corporation as from time to time may be authorized to sign such instruments on behalf of the Corporation. The Corporation may continue to use for the purposes herein stated the facsimile signature of any person or persons who shall have been such officer or officers of the Corporation, notwithstanding the fact that he may have ceased to be such at the time when such instruments shall be issued.

**IN WITNESS WHEREOF**, United States Fire Insurance Company has caused these presents to be signed and attested by its appropriate officer and its corporate seal hereunto affixed this 28th day of September, 2021.

**UNITED STATES FIRE INSURANCE COMPANY**

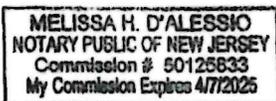


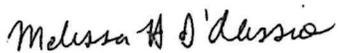
Matthew E. Lubin, President



State of New Jersey }  
County of Morris }

On this 28th day of September, 2021, before me, a Notary public of the State of New Jersey, came the above named officer of United States Fire Insurance Company, to me personally known to be the individual and officer described herein, and acknowledged that he executed the foregoing instrument and affixed the seal of United States Fire Insurance Company thereto by the authority of his office.

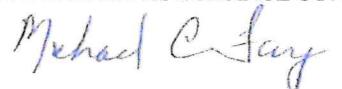


  
Melissa H. D'Alessio (Notary Public)

I, the undersigned officer of United States Fire Insurance Company, a Delaware corporation, do hereby certify that the original Power of Attorney of which the foregoing is a full, true and correct copy is still in force and effect and has not been revoked.

**IN WITNESS WHEREOF**, I have hereunto set my hand and affixed the corporate seal of United States Fire Insurance Company on the 6th day of June 20 23

**UNITED STATES FIRE INSURANCE COMPANY**



Michael C. Fay, Senior Vice President



**LABOR AND MATERIAL PAYMENT BOND  
PUBLIC WORK (CALIFORNIA)**

KNOW ALL MEN BY THESE PRESENT:

WHEREAS, PCN3, Inc., as Principal, has entered into a contract dated June 6, 2023, with the City of Placentia (Obligee) referred to and made a part hereof to perform the following work, to wit: Placentia Public Safety Center Project Phase 2 and all appurtenant work in accordance with PROJECT NO. 5213 which requires Principal to file this bond to secure claims made in relation to the project.

NOW THEREFORE, we, PCN3, Inc., as Principal, and United States Fire Insurance Company, a corporation organized under the laws of Delaware and duly authorized to transact business in the State of California, as Surety, are held firmly bound unto the City of Placentia, as Obligee, and all sub-contractors, laborers, material persons and other persons employed in the performance of the referenced agreement, in the sum of Nine Million Eight Hundred Eighty Eight Thousand & 00/100 Dollars (\$ 9,888,000 .00), lawful money of the United States of America, for the payment whereof well and truly to be made the Principal and Surety bind themselves, their heirs, executors, administrators, successors, and assigns, jointly and severally, firmly by these presents.

If the above bounden PRINCIPAL, his or its heirs, executors, administrators, successors, assigns, or any of his or its sub-contractors, fails to pay for any materials, provisions, provender, or other supplies, or teams, implements or machinery, used in, upon, for or about the performance of the work contracted to be done, or for any work or labor to persons named in Section 9100 or the Civil Code, thereon of any kind, or for amounts due under the Unemployment Insurance Code with respect to such work or labor deducted, withheld and paid over to the Employment Development Department from the wages of employees of the contractor and sub-contractors pursuant to Section 13020 of the Unemployment Insurance Code, that the SURETY on this bond will pay the same, in an amount not exceeding the sum specified in this bond, AND ALSO, in case suit is brought upon this bond, a reasonable attorney's fee, which shall be awarded by the court to the prevailing party in said suit, said attorney's fee to be taxed as costs in said suit and to be included in the judgment herein rendered.

As part of the obligation secured hereby, the SURETY shall not be exonerated or released from the obligation of the bond by any change, alteration, or modification in or of any contract, plans, specifications, or agreement pertaining or relating to any scheme or work of improvement or pertaining or relating to the furnishing of labor, materials, or equipment therefor, nor by any change or modification of any terms of payment or extension of the time for any payment pertaining or relating to any scheme of work of improvement, nor by any rescission or attempted rescission of the contract, agreement or bond, nor by any conditions precedent or subsequent in the bond attempting to limit the right of recovery of claimants otherwise entitled to recover under

any such contract or agreement, or under the bond, nor, where the bond is given for the benefit of claimants, by any fraud practiced by any person other than the claimant seeking to recover on the bond.

This bond shall inure to the benefit of any and all persons, companies and corporations entitled to file claims under the Civil Code so as to give them a right of action in a suit on this bond.

This bond is executed for the purpose of complying with the laws of the State of California and shall inure to the benefit of any of the persons named in Section 9100 of the Civil Code of the State of California.

IN WITNESS THEREOF, we have hereunto set our hands and seals this 6th day of June, 2023.

(Corporate Seal)

PCN3, Inc.

Principal

By

*Brion Abgkari*

Title

*President / secretary*

(Corporate Seal)

United States Fire Insurance Company

Principal

By

*Terah Lane*

Terah Lane, Attorney-In-Fact

Title

APPROVED AS TO FORM:  
/s/ Christian L. Bettenhausen  
City Attorney

**CALIFORNIA ACKNOWLEDGMENT**

CIVIL CODE § 1189

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California }  
County of Orange

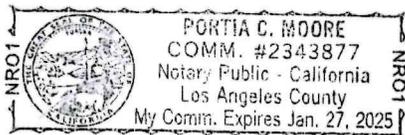
On June 8, 2023 before me, Portia C. Moore, notary public  
Date Here Insert Name and Title of the Officer

personally appeared Brian Abghari  
Name(s) of Signer(s)

who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.



Place Notary Seal and/or Stamp Above

Signature [Handwritten Signature]  
Signature of Notary Public

**OPTIONAL**

Completing this information can deter alteration of the document or fraudulent reattachment of this form to an unintended document.

**Description of Attached Document**

Title or Type of Document: Labor and material Payment Bond Public Work (California)

Document Date: June 6, 2023 Number of Pages: \_\_\_\_\_

Signer(s) Other Than Named Above: \_\_\_\_\_

**Capacity(ies) Claimed by Signer(s)**

Signer's Name: Brian Abghari Signer's Name: \_\_\_\_\_

Corporate Officer – Title(s): President  Corporate Officer – Title(s): \_\_\_\_\_

Partner –  Limited  General  Partner –  Limited  General

Individual  Attorney in Fact  Individual  Attorney in Fact

Trustee  Guardian or Conservator  Trustee  Guardian or Conservator

Other: \_\_\_\_\_  Other: \_\_\_\_\_

Signer is Representing: \_\_\_\_\_ Signer is Representing: \_\_\_\_\_

CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

CIVIL CODE 1189

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached and not the truthfulness, accuracy, or validity of that document.

State of California )

County of Orange )

On 6/6/2023 before me, Vanessa Copeland, Notary Public,

personally appeared Terah Lane

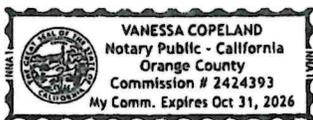
Name(s) of Signer(s)

who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature: [Handwritten Signature] Signature of Notary Public



Place Notary Seal Above

OPTIONAL

Though the information below is not required by law, it may prove valuable to persons relying on the document and could present fraudulent and reattachment of this form to another document.

Description of Attached Document

Type or Title of Document: \_\_\_\_\_

Document Date: \_\_\_\_\_ Number of Pages: \_\_\_\_\_

Signer(s) Other Than Named Above: \_\_\_\_\_

Capacity(ies) Claimed by Signer(s)

Signer's Name: Terah Lane

- Individual
Corporate Officer - Title(s):
Partner: Limited General
Attorney in Fact
Trustee
Guardian or Conservator
Other:

Signer Is Representing: \_\_\_\_\_

Capacity(ies) Claimed by Signer(s)

Signer's Name: \_\_\_\_\_

- Individual
Corporate Officer - Title(s):
Partner: Limited General
Attorney in Fact
Trustee
Guardian or Conservator
Other:

Signer Is Representing: \_\_\_\_\_

**POWER OF ATTORNEY  
UNITED STATES FIRE INSURANCE COMPANY  
PRINCIPAL OFFICE - MORRISTOWN, NEW JERSEY**

01016

**KNOW ALL MEN BY THESE PRESENTS:** That United States Fire Insurance Company, a corporation duly organized and existing under the laws of the state of Delaware, has made, constituted and appointed, and does hereby make, constitute and appoint:

Eric Lowey, Mark Richardson, Vanesa Copeland, Kevin Cathcart, Lisa Pellerito, Terah Lane

each, its true and lawful Attorney(s)-In-Fact, with full power and authority hereby conferred in its name, place and stead, to execute, acknowledge and deliver: Any and all bonds and undertakings of surety and other documents that the ordinary course of surety business may require, and to bind United States Fire Insurance Company thereby as fully and to the same extent as if such bonds or undertakings had been duly executed and acknowledged by the regularly elected officers of United States Fire Insurance Company at its principal office, in amounts or penalties: **Fifty Million Dollars (\$50,000,000)**.

This Power of Attorney limits the act of those named therein to the bonds and undertakings specifically named therein, and they have no authority to bind United States Fire Insurance Company except in the manner and to the extent therein stated.

This Power of Attorney is granted pursuant to Article IV of the By-Laws of United States Fire Insurance Company as now in full force and effect, and consistent with Article III thereof, which Articles provide, in pertinent part:

Article IV, Execution of Instruments - Except as the Board of Directors may authorize by resolution, the Chairman of the Board, President, any Vice-President, any Assistant Vice President, the Secretary, or any Assistant Secretary shall have power on behalf of the Corporation:

(a) to execute, affix the corporate seal manually or by facsimile to, acknowledge, verify and deliver any contracts, obligations, instruments and documents whatsoever in connection with its business including, without limiting the foregoing, any bonds, guarantees, undertakings, recognizances, powers of attorney or revocations of any powers of attorney, stipulations, policies of insurance, deeds, leases, mortgages, releases, satisfactions and agency agreements;

(b) to appoint, in writing, one or more persons for any or all of the purposes mentioned in the preceding paragraph (a), including affixing the seal of the Corporation.

Article III, Officers, Section 3.11, Facsimile Signatures. The signature of any officer authorized by the Corporation to sign any bonds, guarantees, undertakings, recognizances, stipulations, powers of attorney or revocations of any powers of attorney and policies of insurance issued by the Corporation may be printed, facsimile, lithographed or otherwise produced. In addition, if and as authorized by the Board of Directors, dividend warrants or checks, or other numerous instruments similar to one another in form, may be signed by the facsimile signature or signatures, lithographed or otherwise produced, of such officer or officers of the Corporation as from time to time may be authorized to sign such instruments on behalf of the Corporation. The Corporation may continue to use for the purposes herein stated the facsimile signature of any person or persons who shall have been such officer or officers of the Corporation, notwithstanding the fact that he may have ceased to be such at the time when such instruments shall be issued.

**IN WITNESS WHEREOF**, United States Fire Insurance Company has caused these presents to be signed and attested by its appropriate officer and its corporate seal hereunto affixed this 28th day of September, 2021.

**UNITED STATES FIRE INSURANCE COMPANY**



Matthew E. Lubin, President

State of New Jersey }  
County of Morris }

On this 28th day of September, 2021, before me, a Notary public of the State of New Jersey, came the above named officer of United States Fire Insurance Company, to me personally known to be the individual and officer described herein, and acknowledged that he executed the foregoing instrument and affixed the seal of United States Fire Insurance Company thereto by the authority of his office.



Melissa H. D'Alessio (Notary Public)

I, the undersigned officer of United States Fire Insurance Company, a Delaware corporation, do hereby certify that the original Power of Attorney of which the foregoing is a full, true and correct copy is still in force and effect and has not been revoked.

**IN WITNESS WHEREOF**, I have hereunto set my hand and affixed the corporate seal of United States Fire Insurance Company on the 6th day of June 20 23

**UNITED STATES FIRE INSURANCE COMPANY**



Michael C. Fay, Senior Vice President

**SUPPLEMENTAL INFORMATION TO BE COMPLETED BY PRINCIPAL**

If an individual, so state. If a firm or co-partnership, state the firm and give the names of all individual co-partners composing the partnership. If a Corporation, state legal name of corporation; state also the names of the president, secretary, treasurer and manager thereof.

PCN3, Inc.

\_\_\_\_\_  
Brian Abghari is the President, Secretary, treasurer and Manager  
\_\_\_\_\_  
of PCN3, Inc.  
\_\_\_\_\_

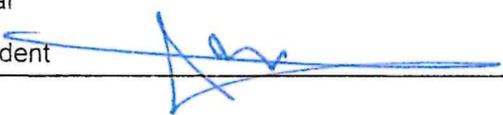
Business Address:

\_\_\_\_\_  
11082 Winners Circle, Unit B, Los Alamitos, CA, 90720  
\_\_\_\_\_

Telephone Number: 562-493-4124  
\_\_\_\_\_

Date: 6/9/2023  
\_\_\_\_\_

Print Name: Brian Abghari  
Principal  
\_\_\_\_\_

Signature: President  
Title \_\_\_\_\_  


**TAX IDENTIFICATION NUMBER**

The Tax Equity and Fiscal Responsibility Act of 1982 requires the payer (City of Placentia) to report to the Internal Revenue Service taxable payments to payees.

You (as a payee) are required by law to provide us with your Taxpayer Identification Number (if an individual or partnership, your Social Security Number). If you do not provide us with your correct identification number, you may be subject to a penalty imposed by the Internal Revenue Service. The payments subject to withholdings may include, but are not limited to, interest, dividends, or other payments the City of Placentia and/or the Placentia Redevelopment Agency made to you. Other payments may include rents, royalties, commissions and fees for service of non-employees.

If you are exempt from income tax, we are still required, by law, to maintain a Tax Identification Number on file. **PLEASE PROVIDE YOUR TAX IDENTIFICATION NUMBER next to the appropriate listing below, sign, date and return to:**

CITY OF PLACENTIA FINANCE DEPARTMENT  
401 E. Chapman  
Placentia, CA 92870

Exempt: Yes \_\_\_ No X Telephone ( 562 ) 493-4124

CORPORATION: 95-4738509

U.S.A. OR ANY AGENCIES THEREOF: n/a

IRS CODE #501 TAX-EXEMPT ORGANIZATION: n/a

A NON-COMMISSIONED CITY OF PLACENTIA EMPLOYEE: n/a

SOLE PROPRIETOR: n/a

A PARTNERSHIP: n/a

OTHER: n/a (Explain)

Signature/Title: President  Date: 6/9/2023

Project No. 5213

**BID GUARANTEE**

**TO THE CITY OF PLACENTIA  
PROJECT NO. \_\_\_\_\_**

As a material inducement to the City to award the contract for Project No. 5213 to PCN3, INC., the undersigned ("Guarantor") has agreed to enter into this guarantee. The Guarantor hereby unconditionally guarantees to the fullest extent allowed by law the following work included in this project: Placentia Public Safety Center ("the work").

**Phase 2**

Guarantor guarantees that the materials and equipment used by itself and its subcontractors will be free from defects and that the work will conform to the plans and specifications. Should any of the materials or equipment prove defective or should the work as a whole, or any part thereof, prove defective for any reason whatsoever (except due to intentional torts by the City), or should the work as a whole or any part thereof fail to operate properly or fail to comply with the plans and specifications, Guarantor will, at the City's sole election: 1) reimburse the City, upon written demand, for all of the City's expenses incurred replacing or restoring any such equipment or materials, including the cost of any work necessary to make such replacement or repairs; or 2) replace any such defective material or equipment and repair said work completely, all without any cost to the City. Guarantor further guarantees that any such repair work will conform to the plans and specifications for the project. This guarantee will remain in effect for five years from the date on which the contracted for work is accepted for use by the City.

Guarantor understands and agrees that the City shall have the unqualified option to make any replacements or repairs itself or to have such replacement, repair, performed by the undersigned. The City shall have no obligation to consult with Guarantor before the City proceeds to perform any repair, replacement, or work itself. If the City elects to have Guarantor perform said repair, replacement, or work, Guarantor agrees that the repair, replacement, or work shall be performed within 15 days after receipt of a written demand from the City.

If the City elects to perform the replacement, repairs itself, Guarantor agrees to make reimbursement payment within 15 days after receipt of a written demand for payment from the City.

If the Guarantor fails or refuses to comply with this guarantee, the City shall be entitled to all costs and expenses, including attorneys and expert fees, reasonably incurred by reason of Guarantor's failure or refusal.

Guarantor

Date: 6/9/2023

Contractor: PCN3, INC.

By:  Brian Abgdayi

Title: President

STATEMENT OF NON COLLUSION BY CONTRACTOR

The undersigned who submits herewith to the City of Placentia a bid or proposal does hereby certify:

- a. That all statements of fact in such bid or proposal are true;
- b. That such bid or proposal was not made in the interest of or on behalf of any undisclosed person, partnership, company, association, organization or corporation;
- c. That such bid or proposal is genuine and not collusive or sham;
- d. That said bidder has not, directly or indirectly by agreement, communication or conference with anyone, attempted to induce action prejudicial to the interest of the City of Placentia or of any other bidder or anyone else interested in the proposed procurement;
- e. Did not, directly or indirectly, collude, conspire, connive or agree with anyone else that said bidder or anyone else would submit a false or sham bid or proposal, or that anyone should refrain from bidding or withdraw his bid or proposal;
- f. Did not in any manner, directly or indirectly seek by agreement, communication or conference with anyone to raise or fix the bid or proposal price of said bidder or of anyone else, or to raise or fix any overhead, profit or cost element of his bid or proposal price, or that of anyone else;
- g. Did not, directly or indirectly, submit his bid or proposal price or any breakdown thereof, or the contents thereof, or divulge information or data relative thereto, to any corporation, partnership, company, association, organization, bid depository, or to any member agent thereof, or to any individual or group of individuals, except to the City of Placentia, or to any person or persons who have a partnership or their financial interest with said bidder in his business.
- h. Did not provide, directly or indirectly to any officer or employee of the City of Placentia any gratuity, entertainment, meals, or anything of value, whatsoever, which could be objectively construed as intending to invoke any form of reciprocation or favorable treatment.
- i. That no officer or principal of the undersigned firm is related to any officer or employee of the city by blood or marriage within the third degree or is employed, either full or part time, by the City of Placentia either currently or within the last two (2) years.
- j. That no officer or principal of the undersigned firm nor any subcontractor to be engaged by the principal has been convicted by a court of competent jurisdiction of any charge of fraud, bribery, collusion, conspiracy or any other act in violation of any state or federal antitrust law in connection with the bidding upon award of, or performance of, any public work contract, with any public entity, within the last three years.

I certify, under penalty of perjury under the laws of the State of California, that the foregoing is true and correct and that this certification was executed:

On 6/9/2023 at Los Alamitos California.

Firm PCN3, INC.

Street 11082 Winners Circle, Unit B

City Los Alamitos State CA Zip 90720

  
(Signature)  
Brian Abghari, President  
(Print Name & Title)

Project No. 5213

EXHIBIT A  
SCOPE OF SERVICES

Project No. 5213

EXHIBIT B  
SCHEDULE OF PERFORMANCE

**EXHIBIT C**  
**INSURANCE REQUIREMENTS**

Contractor shall maintain and shall require all of its subcontractors, consultants, and other agents to maintain the insurance listed below. Any requirement for insurance to be maintained after completion of the work shall survive this agreement.

CITY reserves the right to review any and all of the required insurance policies and/or endorsements, but has no obligation to do so. Failure to demand evidence of full compliance with the insurance requirements set forth in this agreement or failure to identify any insurance deficiency shall not relieve Contractor from, nor be construed or deemed a waiver of, its obligation to maintain the required insurance at all times during the performance of this agreement.

A. Workers Compensation & Employers Liability Insurance

- Workers Compensation insurance with statutory limits as required by the Labor Code of the State of California.
- Employers Liability with limits of \$1,000,000 per Accident; \$1,000,000 Disease per employee; \$1,000,000 Disease per policy.
- The policy shall include a written waiver of the insurer's right to subrogate against CITY.
- Required Evidence Of Coverage:
  1. Subrogation waiver endorsement; and
  2. Properly completed Certificate of Insurance.

B. General Liability Insurance

- Commercial General Liability Insurance no less broad than Insurance Services Office (ISO) form CG 00 01.
- Coverage shall be on a standard occurrence form. Claims-Made forms are not acceptable without prior written consent. Modified, limited or restricted Occurrence forms are not acceptable without prior written consent.
- Minimum Limits: \$1,000,000 per Occurrence; \$2,000,000 General Aggregate; \$2,000,000 Products/Completed Operations Aggregate. The General Aggregate shall apply separately to each project. The required

limits may be provided by a combination of General Liability Insurance and Commercial Excess or Umbrella Liability Insurance. If contractor maintains higher limits than the specified minimum limits, CITY requires and shall be entitled to coverage for the higher limits maintained by contractor.

- Any deductible or self-insured retention shall be shown on the Certificate of Insurance. If the deductible or self-insured retention exceeds \$25,000 it must be approved in advance by CITY. Contractor is responsible for any deductible or self-insured retention and shall fund it upon CITY'S written request, regardless of whether Contractor has a claim against the insurance or is named as a party in any action involving CITY.
- Coverage shall be continued for one (1) year after completion of the work.
- CITY shall be endorsed as an additional insured for liability arising out of ongoing and completed operations by or on behalf of the contractor. CITY shall continue to be an additional insured for completed operations for (1) year after completion of the work.
- The policy definition of "insured contract" shall include assumptions of liability arising out of both ongoing operations and the products-completed operations hazard ("f" definition of insured contract in ISO form CG 00 01, or equivalent).
- The insurance provided to the additional insureds shall be primary to, and non-contributory with, any insurance or self-insurance program maintained by them.
- The policy shall cover inter-insured suits and include a "Separation of Insureds" or "severability" clause which treats each insured separately.
- The policy shall be endorsed to include a written waiver of the insurer's right to subrogate against all persons or entities that are, or are required to be, additional insureds.
- The policy shall not contain a Contractors' Warranty or other similar language which eliminates or restricts insurance because of a subcontractor's failure to carry specific insurance or to supply evidence of such insurance.

- Required Evidence of Coverage:
  1. Copy of the additional insured endorsement or policy language granting additional insured status;
  2. Copy of the endorsement or policy language indicating that coverage applicable to the additional insureds is primary and non-contributory;
  3. Properly completed Certificate of Insurance; and
  4. Completed and signed Agent/Broker Questionnaire with supporting documentation as required.

C. Automobile Liability Insurance

- Minimum Limit: \$1,000,000 combined single limit per accident.
- Coverage shall apply to all owned, hired and non-owned vehicles.
- CITY shall qualify as an insured.
- Required Evidence of Coverage:
  1. Copy of the endorsement or policy language indicating that CITY is an insured; and
  2. Properly completed Certificate of Insurance.

D. Contractors Pollution Liability Insurance

- Minimum Limits: \$1,000,000 per Pollution Incident; \$1,000,000 Aggregate;
- Coverage shall apply to pollution incidents at or from any location at which Contractor is performing work under this agreement.
- Any deductible or self-insured retention shall be shown on the Certificate of Insurance. If the deductible or self-insured retention exceeds \$25,000 it shall be approved in advance by CITY. Contractor is responsible for any deductible or self-insured retention and shall fund it upon CITY written request, regardless of whether Contractor has a claim against the insurance or is named as a party in any action involving CITY.
- CITY shall be endorsed as an additional insured for liability arising out of ongoing and completed operations by or on behalf of the Contractor.

Additional insured status shall continue for one (1) year after completion of the work.

- The insurance provided to the additional insureds shall apply on a primary and non-contributory basis with respect to any insurance or self-insurance program maintained by them.
- If the insurance is on a Claims-Made basis, the retroactive date shall be no later than the commencement of work.
- The insurance shall be continued for one (1) year after completion of the work. If the insurance is on a Claims-Made basis, the continuation coverage may be provided by: (a) renewal of the existing policy; (b) an extended reporting period endorsement; or (c) replacement insurance with a retroactive date no later than the commencement of the work.
- Required Evidence of Coverage:
  1. Copy of the additional insured endorsement or policy language granting additional insured status;
  2. Copy of the endorsement or policy language indicating that coverage for the additional insureds is primary and non-contributory;
  3. Properly completed Certificate of Insurance.

E. Surety Bonds

- Bid bond.
- Performance and payment bonds for the entire contract price.
- The surety must be authorized to issue these bonds in the State of California.

F. Standards for Insurance Companies

- Insurers, other than the California State Compensation Insurance Fund, shall have an A.M. Best's rating of at least A:VII.

G. Documentation

- The Certificate of Insurance shall include the following reference:  
[Placentia Public Safety Center Project, Phase 2 (Project Number 5213)]
- The name and address for Additional Insured endorsements and Certificates of Insurance is: City of Placentia
- Contractor shall provide immediate written notice if: (1) any of the required insurance policies is terminated; (2) the limits of any of the required policies are reduced; or (3) the deductible or self-insured retention is increased.
- Current Evidence of Coverage shall be provided for the entire required period of insurance.
- Upon written request, certified copies of required insurance policies shall be provided within thirty (30) days.

Project No. 5213

EXHIBIT D

CERTIFICATES OF INSURANCE AND ENDORSEMENTS

EXHIBIT E  
CLAIMS PROCEDURE

SUMMARY OF PUBLIC CONTRACT CODE § 9204

The following procedure will apply to any claims by the Contractor on the City:

A "claim" is a separate demand on the City by a contractor on a public works project and sent by registered mail or certified mail with return receipt requested, for one or more of the following:

- A time extension, including relief from penalties for delay
- Payment by the City of money damages under the terms of the contract
- Payment of an amount that is disputed by the City

Initial Review

The claim must be supported by appropriate documentation. The City has 45 days within which to review the claim and provide the contractor with a written statement identifying the disputed and undisputed portions of the claim. If the City does not issue a written statement, the claim is deemed rejected in its entirety. The City will pay any undisputed portion of the claim within 60 days of issuing the statement.

Meet & Confer

If the contractor disputes the City's written response, or if the City does not issue one, the contractor may request in writing an informal conference to meet and confer for possible settlement of the claim. The City will schedule the meet and confer conference within 30 days of this request and provide a written statement identifying the remaining disputed and undisputed portions of the claim within 10 business days of the meet and confer. The City will pay the undisputed portion within 60 days of issuing this statement.

Mediation

With respect to any disputed portion remaining after the meet and confer, the City and contractor will submit the matter to nonbinding mediation, agree to a mediator within 10 business days after issuing the written statement, and share mediation costs equally. If mediation is unsuccessful, then the terms of the public works agreement and applicable law will govern resolution of the dispute.

Miscellaneous Provisions

Amounts not paid by the City in a timely manner bear interest at 7% per annum. Subcontractors may submit claims via this procedure through the general contractor. The City and contractor may waive the requirement to mediate, but cannot otherwise waive these claim procedures.



# CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)

05/30/2023

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

**IMPORTANT:** If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must have ADDITIONAL INSURED provisions or be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

<b>PRODUCER</b> AP Tutton Insurance Services 2913 S Pullman St License #0B89376 Santa Ana CA 92705	<b>CONTACT NAME:</b> Certificate Department <b>PHONE (A/C, No, Ext):</b> (949) 261-5335 <b>E-MAIL ADDRESS:</b>	<b>FAX (A/C, No):</b> (949) 261-1911
	<b>INSURER(S) AFFORDING COVERAGE</b>	
<b>INSURED</b> PCN3, Inc. 11082 Winner Circle #B Los Alamitos CA 90720	<b>INSURER A :</b> Middlesex Insurance Company NAIC # 23434	
	<b>INSURER B :</b> Starstone National Insurance Company 25496	
	<b>INSURER C :</b> Continental Ins Co 35289	
	<b>INSURER D :</b>	
	<b>INSURER E :</b>	
	<b>INSURER F :</b>	

**COVERAGES**

CERTIFICATE NUMBER: 23-24 GL, BA, UMB, XS,

REVISION NUMBER:

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	ADDL SUBR INSD WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS
A	<input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS-MADE <input checked="" type="checkbox"/> OCCUR GEN'L AGGREGATE LIMIT APPLIES PER: <input type="checkbox"/> POLICY <input checked="" type="checkbox"/> PROJECT <input type="checkbox"/> LOC OTHER:		A0144715001	01/13/2023	01/13/2024	EACH OCCURRENCE \$ 1,000,000 DAMAGE TO RENTED PREMISES (Ea occurrence) \$ 500,000 MED EXP (Any one person) \$ 5,000 PERSONAL & ADV INJURY \$ 1,000,000 GENERAL AGGREGATE \$ 3,000,000 PRODUCTS - COMP/OP AGG \$ 2,000,000
A	AUTOMOBILE LIABILITY <input checked="" type="checkbox"/> ANY AUTO <input type="checkbox"/> OWNED AUTOS ONLY <input type="checkbox"/> SCHEDULED AUTOS NON-OWNED AUTOS ONLY <input type="checkbox"/> HIRED AUTOS ONLY		A0144715003	01/13/2023	01/13/2024	COMBINED SINGLE LIMIT (Ea accident) \$ 1,000,000 BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (Per accident) \$ Medical payments \$ 5,000
A	<input checked="" type="checkbox"/> UMBRELLA LIAB <input checked="" type="checkbox"/> OCCUR <input type="checkbox"/> EXCESS LIAB <input type="checkbox"/> CLAIMS-MADE DED RETENTION \$		A0144715002	01/13/2023	01/13/2024	EACH OCCURRENCE \$ 5,000,000 AGGREGATE \$ 5,000,000
B	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) If yes, describe under DESCRIPTION OF OPERATIONS below	Y / N Y / A	T10230890	04/01/2023	04/01/2024	<input checked="" type="checkbox"/> PER STATUTE <input type="checkbox"/> OTHER E.L. EACH ACCIDENT \$ 1,000,000 E.L. DISEASE - EA EMPLOYEE \$ 1,000,000 E.L. DISEASE - POLICY LIMIT \$ 1,000,000
C	Excess Liability Per Occurrence		6080220330	01/13/2023	01/13/2024	Each Occurrence \$5,000,000 Aggregate \$5,000,000

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)

RE: 2999 East La Jolla Ave., Anaheim, CA, 92806  
 City of Placentia is named as additional insured per attached Additional Insured per CG2037.0413 complt ops and CG2010.0413 Premises/contract, Waiver of Subrogation per CG2404.0509, Primary Non Contributory per CG2001.0413. Automobile Additional Insured per CA8904.1014, Primary Non Contributory per CA7601.0615, Waiver of Subrogation per CA0444.1013. Workers Compensation Waiver of Subrogation per WC040306.0484. \$1M/\$2M pollution limit for policy # ENP000989301

**CERTIFICATE HOLDER****CANCELLATION**

City of Placentia 401 E. Chapman Placentia CA 92870	SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.  AUTHORIZED REPRESENTATIVE 
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THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

**ADDITIONAL INSURED - OWNERS, LESSEES OR CONTRACTORS - COMPLETED OPERATIONS**

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART  
PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE PART

**SCHEDULE**

Name Of Additional Insured Person(s) Or Organization(s)	Location And Description Of Completed Operations
Any person or organization you are required to add as an additional insured under a written contract or agreement in effect prior to any accident, injury, loss or damage	All locations and jobs performed that have a written contract, agreement or permit
Information required to complete this Schedule, if not shown above, will be shown in the Declarations.	

A. **Section II - Who Is An Insured** is amended to include as an additional insured the person(s) or organization(s) shown in the Schedule, but only with respect to liability for "bodily injury" or "property damage" caused, in whole or in part, by "your work" at the location designated and described in the Schedule of this endorsement performed for that additional insured and included in the "products-completed operations hazard".

However:

1. The insurance afforded to such additional insured only applies to the extent permitted by law; and
2. If coverage provided to the additional insured is required by a contract or agreement, the insurance afforded to such additional insured will not be broader than that which you are required by the contract or agreement to provide for such additional insured.

B. With respect to the insurance afforded to these additional insureds, the following is added to **Section III - Limits Of Insurance**:

If coverage provided to the additional insured is required by a contract or agreement, the most we will pay on behalf of the additional insured is the amount of insurance:

1. Required by the contract or agreement; or
2. Available under the applicable Limits of Insurance shown in the Declarations;

whichever is less.

This endorsement shall not increase the applicable Limits of Insurance shown in the Declarations.

## WAIVER OF TRANSFER OF RIGHTS OF RECOVERY AGAINST OTHERS TO US

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART  
PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE PART

### SCHEDULE

<p><b>Name Of Person Or Organization:</b></p> <p>Any person or organization from whom you are required to waive your right to recover under a written contract or agreement in effect prior to any loss or damage</p>
<p>Information required to complete this Schedule, if not shown above, will be shown in the Declarations.</p>

The following is added to Paragraph 8. **Transfer Of Rights Of Recovery Against Others To Us** of Section IV - Conditions:

We waive any right of recovery we may have against the person or organization shown in the Schedule above because of payments we make for injury or damage arising out of your ongoing operations or "your work" done under a contract with that person or organization and included in the "products-completed operations hazard". This waiver applies only to the person or organization shown in the Schedule above.

WAIVER OF OUR RIGHT TO RECOVER FROM OTHERS ENDORSEMENT—CALIFORNIA

We have the right to recover our payments from anyone liable for an injury covered by this policy. We will not enforce our right against the person or organization named in the Schedule. (This agreement applies only to the extent that you perform work under a written contract that requires you to obtain this agreement from US.)

You must maintain payroll records accurately segregating the remuneration of your employees while engaged in the work described in the Schedule.

The additional premium for this endorsement shall be \_\_\_\*\_\_\_% of the California workers' compensation premium otherwise due on such remuneration.

Schedule

Person or Organization

Job Description

WHERE YOU ARE REQUIRED BY WRITTEN CONTRACT TO OBTAIN THIS AGREEMENT FROM US, PROVIDED THE CONTRACT IS SIGNED AND DATED PRIOR TO THE DATE OF LOSS TO WHICH THIS WAIVER APPLIES. IN NO INSTANCE SHALL THE PROVISIONS AFFORDED BY THIS ENDORSEMENT BENEFIT ANY COMPANY OPERATING AIRCRAFT FOR HIRE.

\*The premium charge for this endorsement shall be 2% of the premium developed in the State of California, but not less than \$500 policy minimum premium.

This endorsement changes the policy to which it is attached and is effective on the date issued unless otherwise stated.  
(The information below is required only when this endorsement is issued subsequent to preparation of the policy.)

Endorsement Effective	04/01/22	Policy No.	T10220890	Endorsement No.	11
Insured	PCN3, Inc.			Policy Effective Date	04/01/22
Insurance Company	StarStone Naional Insurance Company				

Countersigned By Joseph E. (J.E.) Conner

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

## WAIVER OF TRANSFER OF RIGHTS OF RECOVERY AGAINST OTHERS TO US (WAIVER OF SUBROGATION)

This endorsement modifies insurance provided under the following:

AUTO DEALERS COVERAGE FORM  
BUSINESS AUTO COVERAGE FORM  
MOTOR CARRIER COVERAGE FORM

With respect to coverage provided by this endorsement, the provisions of the Coverage Form apply unless modified by the endorsement.

This endorsement changes the policy effective on the inception date of the policy unless another date is indicated below.

Named Insured: PCN3, Inc.

Endorsement Effective Date: 01/13/2023

### SCHEDULE

Name(s) Of Person(s) Or Organization(s):

Any person or organization from whom you are required to waive your right to recover under a written contract or agreement in effect prior to any loss or damage

Information required to complete this Schedule, if not shown above, will be shown in the Declarations.

The Transfer Of Rights Of Recovery Against Others To Us condition does not apply to the person(s) or organization(s) shown in the Schedule, but only to the extent that subrogation is waived prior to the "accident" or the "loss" under a contract with that person or organization.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

## DESIGNATED INSURED - PRIMARY AND NONCONTRIBUTORY - COVERED AUTOS LIABILITY COVERAGE

This endorsement modifies insurance provided under the following:

BUSINESS AUTO COVERAGE FORM  
MOTOR CARRIER COVERAGE FORM  
AUTO DEALERS COVERAGE FORM

With respect to coverage provided by this endorsement, the provisions of the Coverage Form apply unless modified by this endorsement.

This endorsement identifies person(s) or organization(s) who are "insureds" for Covered Autos Liability Coverage under the Who Is An Insured provision of the Coverage Form.

This endorsement changes the policy effective on the inception date of the policy unless another date is indicated.

**Named Insured:** PCN3, Inc.  
**Endorsement Effective Date:** 01/13/2023

### SCHEDULE

<p><b>Name Of Person(s) Or Organization(s):</b></p> <p>Any person or organization you are required to add as an additional insured under a written contract or agreement in effect prior to any accident, injury, loss or damage</p>
<p>Information required to complete this Schedule, if not shown above, will be shown in the Declarations.</p>

**A.** Each person or organization shown in the Schedule is an "insured" for **Covered Autos Liability Coverage**, but only to the extent that person or organization qualifies as an "insured" under the **Who Is An Insured** provision contained in:

- (1) Paragraph A.1. of **Section II - Covered Autos Liability Coverage** in the Business Auto and Motor Carrier Coverage Forms; or
- (2) Paragraph D.2. of **Section I - Covered Autos Coverages** of the Auto Dealers Coverage Form.

**B. Primary And Noncontributory Insurance**

This insurance is primary to and will not seek contribution from any other auto insurance issued to the person or organization in the schedule under your policy provided that:

- (1) The person or organization is a Named Insured under such other insurance; and
- (2) Prior to the "accident" you have agreed in writing in a contract or agreement that this insurance would be primary and would not seek contribution from any other insurance available to the person or organization.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

## PRIMARY AND NONCONTRIBUTORY - OTHER INSURANCE CONDITION

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART  
PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE PART

The following is added to the **Other Insurance Condition** and supersedes any provision to the contrary:

### **Primary And Noncontributory Insurance**

This insurance is primary to and will not seek contribution from any other insurance available to an additional insured under your policy provided that:

(1) The additional insured is a Named Insured under such other insurance; and

(2) You have agreed in writing in a contract or agreement that this insurance would be primary and would not seek contribution from any other insurance available to the additional insured.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

**ADDITIONAL INSURED - OWNERS, LESSEES OR  
CONTRACTORS - SCHEDULED PERSON OR  
ORGANIZATION**

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

**SCHEDULE**

Name Of Additional Insured Person(s) Or Organization(s)	Location(s) Of Covered Operations
Any person or organization you are required to add as an additional insured under a written contract or agreement in effect prior to any accident, injury, loss or damage	All locations and jobs performed that have a written contract, agreement or permit
Information required to complete this Schedule, if not shown above, will be shown in the Declarations.	

A. Section II - Who Is An Insured is amended to include as an additional insured the person(s) or organization(s) shown in the Schedule, but only with respect to liability for "bodily injury", "property damage" or "personal and advertising injury" caused, in whole or in part, by:

1. Your acts or omissions; or
2. The acts or omissions of those acting on your behalf;

in the performance of your ongoing operations for the additional insured(s) at the location(s) designated above.

However:

1. The insurance afforded to such additional insured only applies to the extent permitted by law; and
2. If coverage provided to the additional insured is required by a contract or agreement, the insurance afforded to such additional insured will not be broader than that which you are required by the contract or agreement to provide for such additional insured.

B. With respect to the insurance afforded to these additional insureds, the following additional exclusions apply:

This insurance does not apply to "bodily injury" or "property damage" occurring after:

1. All work, including materials, parts or equipment furnished in connection with such work, on the project (other than service, maintenance or repairs) to be performed by or on behalf of the additional insured(s) at the location of the covered operations has been completed; or
2. That portion of "your work" out of which the injury or damage arises has been put to its intended use by any person or organization other than another contractor or subcontractor engaged in performing operations for a principal as a part of the same project.

C. With respect to the insurance afforded to these additional insureds, the following is added to **Section III - Limits Of Insurance:**

If coverage provided to the additional insured is required by a contract or agreement, the most we will pay on behalf of the additional insured is the amount of insurance:

1. Required by the contract or agreement; or

2. Available under the applicable Limits of Insurance shown in the Declarations; whichever is less.

This endorsement shall not increase the applicable Limits of Insurance shown in the Declarations.



May 31, 2023

**City of Placentia**  
401 E. Chapman  
Placentia, California 92870

**Re:** Escrow # 2772  
**Project:** Placentia Public Safety Center Project Phase 2  
**Contractor:** PCN3, Inc

An escrow has been reserved for the above referenced project. Please find enclosed (3) copies of the Escrow Agreement executed on behalf of **PCN3, Inc** and **Citizens Business Bank**. Please sign all (3) escrow agreements as indicated and return one original executed document to Citizens Business Bank and forward another original to the Contractor.

Please forward **Certificate of Incumbency or Company Resolution** as verification of designees and their designated powers to approve and sign escrow agreements for security deposits in lieu of retention on behalf of the **City of Placentia**.

Kindly arrange your Finance/Business department to reference **Escrow #2772** on all correspondence and or retention payments and release requests. Please mail all correspondence to the following address:

**Citizens Business Bank**  
**Attn: Specialty Banking Group**  
**505 E. Colorado Blvd**  
**Pasadena, CA 91101**

Best,

*Maria Marquez*

**Maria Marquez** | Business Deposits Service Representative  
Specialty Banking Group  
505 E Colorado Boulevard, Pasadena, CA 91101  
P 626.568.2097 OPX 82097 | F 626.564.6249  
mmarquezpiceno@cbbank.com



**Escrow Agreement for Deposits in Lieu of Retention**

This Escrow Agreement dated 05/31/2023 is made and entered into by and between the City of Placentia hereinafter called "Owner" whose address is 401 E. Chapman, Placentia, California 92870 and PCN3, Inc. hereinafter called "Contractor" whose address is 11082 Winners Circle, Unit B, Los Alamitos, CA 90720 and Citizens Business Bank hereinafter called "Escrow Agent" whose address is 505 E Colorado Blvd. 1st Floor, Pasadena CA 91101.

For the consideration hereinafter set forth, the Owner, Contractor and Escrow Agent agree as follows:

1. Pursuant to section 22300 or 10263 of the Public Contract Code of the State of California (with section 22300 applying to public entities generally, and 10263 applying to state public agencies), Contractor has the option to deposit securities with Escrow Agent as a substitute for retention earnings required to be withheld by Owner pursuant to the Construction Contract entered into between the Owner and Contractor for, Placentia Public Safety Center Project Phase 2 in the amount of \$9,888,000.00, (hereinafter referred to as the "Contract").

Alternatively, on written request of the Contractor, the Owner shall make payments of the retention earnings directly to Escrow Agent. When Contractor deposits the securities as a substitution for Contract earnings, Escrow Agent shall notify the Owner within ten (10) calendar days of deposit. The market value of the securities at the time of the substitution shall be at least equal to the cash amount then required to be withheld as retention under the terms of the Contract between the Owner and Contractor. Securities shall be held in the name of "Owner" and shall designate the Contractor as beneficial owner.

2. The Owner shall make progress payments to the Contractor for such funds which otherwise would be withheld from progress payments pursuant to the Contract provisions, provided that Escrow Agent holds securities in the form and amount specified above.
3. When the Owner makes payments of retention earned directly to Escrow Agent, Escrow Agent shall hold them for the benefit of the Contractor until such time as the escrow created under this contract is terminated. The Contractor may direct the investment of the payments into securities. All terms and conditions of this agreement and the rights and responsibilities of the parties shall be equally applicable and binding when the Owner pays Escrow Agent directly.
4. Contractor shall be responsible for paying all fees for the expenses incurred by Escrow Agent in administrating the Escrow Account and all expenses of the Owner. These expenses and payment terms shall be determined by the Owner, Contractor and Escrow Agent.
5. The interest earned on the securities or Money Market account(s) held in escrow and all interest earned on that interest shall be for the sole account of the Contractor and shall be subject to withdrawal by Contractor at any time and from time to time without notices to the Owner.
6. Contractor shall have the right to withdraw all or any part of the principal in the Escrow Account only by written notice to Escrow Agent accompanied by written Authorization from the Owner to Escrow Agent that owner consents to the withdrawal of the amount sought to be withdrawn by Contractor.
7. The Owner shall have a right to draw upon the securities in the event of default by the Contractor. Upon seven (7) days written notice to Escrow Agent from the Owner of the default, Escrow Agent shall immediately convert the securities to cash and shall distribute the cash as instructed by the Owner.
8. Upon receipt of written notification from the Owner certifying that the Contract is final and complete, and that the Contractor has complied with all requirements and procedures applicable to the Contract, Escrow Agent shall release to Contractor all securities and interest on deposit less escrow fees and charges on the escrow account. The escrow shall be closed immediately upon disbursement of all monies and securities and payment of fees and charges.
9. Escrow Agent shall rely on the written notifications from the Owner and the Contractor pursuant to Sections (5) to (8) inclusive, of this agreement and the Owner and Contractor shall hold Escrow Agent harmless from Escrow Agent's release and disbursement of the securities and interest set forth above.

**Escrow Agreement for Deposits in Lieu of Retention**

10. The names of the persons who are authorized to give written notice or receive written notice on behalf of the Owner and on behalf of the Contractor in connection with the foregoing, and exemplars of their respective signatures are as follows:

<p><b>On behalf of Owner:</b></p> <p>Title: _____</p> <p>Name: _____</p> <p>Signature: _____</p> <p>Address: _____</p> <p>City, State, Zip: _____</p>	<p><b>On behalf of Contractor:</b></p> <p>Title: <u>President</u></p> <p>Name: <u>Brian Abghari</u></p> <p>Signature: _____</p> <p>Address: <u>11082 Winners Circle, Unit B</u></p> <p>City, State, Zip: <u>Los Alamitos, CA 90720</u></p>
<p><b>On behalf of Escrow Agent:</b></p> <p>Title: <u>VP, Specialty Banking Group Service Mgr</u></p> <p>Name: <u>Claudia A Cuadra</u></p> <p>Signature: _____</p> <p>Address: <u>505 E Colorado Blvd., First Floor</u></p> <p>City, State, Zip: <u>Pasadena CA 91101</u></p>	<p><b>Please forward payments to Escrow Agent:</b></p> <p>Title: <u>VP, Specialty Banking Group Service Mgr</u></p> <p>Name: <u>Claudia A Cuadra</u></p> <p>Address: <u>505 E Colorado Blvd., First Floor</u></p> <p>City, State, Zip: <u>Pasadena CA 91101</u></p> <p>Direct Phone: <u>626-568-2096</u></p> <p>Reference Account: <u>6741125402 / Escrow 2772</u></p>

At the time Escrow Account is opened, the Owner and Contractor shall deliver to Escrow Agent a fully executed counterpart of this Agreement.

IN WITNESS WHEREOF, the parties have executed this Agreement by their proper officers on the date set forth above.

<p><b>Owner</b></p> <p>Title: _____</p> <p>Name: _____</p> <p>Signature: _____</p>	<p><b>Contractor</b></p> <p>Title: <u>President</u></p> <p>Name: <u>Brian Abghari</u></p> <p>Signature: _____</p>
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# Request for Taxpayer Identification Number and Certification

**Give Form to the  
requester. Do not  
send to the IRS.**

▶ Go to [www.irs.gov/FormW9](http://www.irs.gov/FormW9) for instructions and the latest information.

Print or type. See Specific Instructions on page 3.	<p>1 Name (as shown on your income tax return). Name is required on this line; do not leave this line blank. <b>PCN3, INC.</b></p> <p>2 Business name/disregarded entity name, if different from above <b>As above</b></p> <p>3 Check appropriate box for federal tax classification of the person whose name is entered on line 1. Check only one of the following seven boxes.</p> <p><input type="checkbox"/> Individual/sole proprietor or single-member LLC    <input type="checkbox"/> C Corporation    <input checked="" type="checkbox"/> S Corporation    <input type="checkbox"/> Partnership    <input type="checkbox"/> Trust/estate</p> <p><input type="checkbox"/> Limited liability company. Enter the tax classification (C=C corporation, S=S corporation, P=Partnership) ▶ _____</p> <p><b>Note:</b> Check the appropriate box in the line above for the tax classification of the single-member owner. Do not check LLC if the LLC is classified as a single-member LLC that is disregarded from the owner unless the owner of the LLC is another LLC that is not disregarded from the owner for U.S. federal tax purposes. Otherwise, a single-member LLC that is disregarded from the owner should check the appropriate box for the tax classification of its owner.</p> <p><input type="checkbox"/> Other (see instructions) ▶ _____</p>	<p>4 Exemptions (codes apply only to certain entities, not individuals; see instructions on page 3):</p> <p>Exempt payee code (if any) _____</p> <p>Exemption from FATCA reporting code (if any) _____</p> <p><small>(Applies to accounts maintained outside the U.S.)</small></p>
	<p>5 Address (number, street, and apt. or suite no.) See instructions. <b>11082 Winners Circle, Unit B</b></p> <p>6 City, state, and ZIP code <b>Los Alamitos, CA, 90720</b></p> <p>7 List account number(s) here (optional)</p>	<p>Requester's name and address (optional)</p>

**Part I Taxpayer Identification Number (TIN)**

Enter your TIN in the appropriate box. The TIN provided must match the name given on line 1 to avoid backup withholding. For individuals, this is generally your social security number (SSN). However, for a resident alien, sole proprietor, or disregarded entity, see the instructions for Part I, later. For other entities, it is your employer identification number (EIN). If you do not have a number, see *How to get a TIN*, later.

**Note:** If the account is in more than one name, see the instructions for line 1. Also see *What Name and Number To Give the Requester* for guidelines on whose number to enter.

<b>Social security number</b>									
				-			-		
<b>or</b>									
<b>Employer identification number</b>									
9	5	-	4	7	3	8	5	0	9

**Part II Certification**

Under penalties of perjury, I certify that:

- The number shown on this form is my correct taxpayer identification number (or I am waiting for a number to be issued to me); and
- I am not subject to backup withholding because: (a) I am exempt from backup withholding, or (b) I have not been notified by the Internal Revenue Service (IRS) that I am subject to backup withholding as a result of a failure to report all interest or dividends, or (c) the IRS has notified me that I am no longer subject to backup withholding; and
- I am a U.S. citizen or other U.S. person (defined below); and
- The FATCA code(s) entered on this form (if any) indicating that I am exempt from FATCA reporting is correct.

**Certification instructions.** You must cross out item 2 above if you have been notified by the IRS that you are currently subject to backup withholding because you have failed to report all interest and dividends on your tax return. For real estate transactions, item 2 does not apply. For mortgage interest paid, acquisition or abandonment of secured property, cancellation of debt, contributions to an individual retirement arrangement (IRA), and generally, payments other than interest and dividends, you are not required to sign the certification, but you must provide your correct TIN. See the instructions for Part II, later.

<b>Sign Here</b>	Signature of U.S. person ▶	Date ▶ <b>6/8/2023</b>
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**General Instructions**

Section references are to the Internal Revenue Code unless otherwise noted.

**Future developments.** For the latest information about developments related to Form W-9 and its instructions, such as legislation enacted after they were published, go to [www.irs.gov/FormW9](http://www.irs.gov/FormW9).

**Purpose of Form**

An individual or entity (Form W-9 requester) who is required to file an information return with the IRS must obtain your correct taxpayer identification number (TIN) which may be your social security number (SSN), individual taxpayer identification number (ITIN), adoption taxpayer identification number (ATIN), or employer identification number (EIN), to report on an information return the amount paid to you, or other amount reportable on an information return. Examples of information returns include, but are not limited to, the following.

- Form 1099-DIV (dividends, including those from stocks or mutual funds)
- Form 1099-MISC (various types of income, prizes, awards, or gross proceeds)
- Form 1099-B (stock or mutual fund sales and certain other transactions by brokers)
- Form 1099-S (proceeds from real estate transactions)
- Form 1099-K (merchant card and third party network transactions)
- Form 1098 (home mortgage interest), 1098-E (student loan interest), 1098-T (tuition)
- Form 1099-C (canceled debt)
- Form 1099-A (acquisition or abandonment of secured property)

Use Form W-9 only if you are a U.S. person (including a resident alien), to provide your correct TIN.

*If you do not return Form W-9 to the requester with a TIN, you might be subject to backup withholding. See What is backup withholding, later.*

# SECTION C

## PROPOSAL

for the

**PLACENTIA PUBLIC SAFETY CENTER PROJECT – PHASE 2  
CITY PROJECT NO. 5203**

in the

**CITY OF PLACENTIA**

**TO THE HONORABLE MAYOR AND MEMBERS OF THE COUNCIL OF PLACENTIA:**

In compliance with the Notice Inviting Sealed Bids, the undersigned hereby proposes and agrees to perform all the work therein described, and to furnish all labor, material, equipment and incident insurance necessary therefor, in accordance with the Scope of Work as described on the Bid Documents and depicted in Appendix I. The undersigned agrees to perform the work therein to the satisfaction of and under the supervision of the City Engineer of the City of PLACENTIA, and to enter into a contract at the following prices. The undersigned agrees to complete the work within Two Hundred Seventy-Nine (279) working days, starting from the date of the Notice to Proceed or liquidated damages of \$3,000 per day will be applied.

BIDDER declares that this proposal is based upon careful examination of the work site, plans, specifications, Instructions to Bidders and all other contract documents. If this proposal is accepted for award, BIDDER agrees to enter into a contract with CITY at the lump sum price set forth in the following Bid Schedule. BIDDER understands that failure to enter into a contract in the manner and time prescribed will result in forfeiture to CITY of the guaranty accompanying this proposal.

BIDDER understands that a bid is required for the entire work, that the estimated quantities set forth in the Bid Schedule are solely for the purpose of comparing bids, and that final compensation under the contract will be based upon the actual quantities of work satisfactorily completed. THE CITY RESERVES THE RIGHT TO DELETE ANY ITEM FROM THE CONTRACT. It is agreed that the unit and/or lump sum prices bid include all appurtenant expenses, taxes, royalties, fees, etc., and will be guaranteed for a period of ninety days from the bid opening date. If at such time the contract is not awarded, the CITY will reject all bids and will re-advertise the project. In the case of discrepancies in the amounts bid, unit prices shall govern over extended amounts, and words shall govern over figures.

If awarded the Contract, the undersigned agrees that in the event of the BIDDER'S default in executing the required contract and filing the necessary bonds and insurance certificates within 10 working days after the date of the CITY'S notice of award of contract to the BIDDER, the proceeds of the security accompanying this bid shall become the property of the CITY and this bid and the acceptance hereof may, at the CITY'S option, be considered null and void.

Accompanying this PDF proposal of bid, find Bid Bond in the amount of \$ 10% of bid amount which said amount is not less than 10% of the aggregate of the total bid price, as required by the Notice

Inviting Sealed Bids, payable to the CITY. (Please insert the words "Cash", "Certified Check", or "Bidder's Bond", as the case may be).

Bidder shall signify receipt of all Addenda here, if any:

<i>Addenda No.</i>	<i>Date Received</i>	<i>Bidder's Signature</i>
1	April 28, 2023	<del>Brion Abalos</del>
2	April 27, 2023	<del>Brion Abalos</del>
3	May 01, 2023	<del>Brion Abalos</del>
4	May 02, 2023	<del>Brion Abalos</del>

PLACENTIA PUBLIC SAFETY CENTER PROJECT - PHASE 2  
CITY PROJECT NO. 5203

BID SCHEDULE

ITEM NO.	ITEMS DESCRIPTION	QUANTITY	UNIT	TOTAL
1.	Phase 2 Improvements, complete in-place, per approved plans and technical specifications, the construction of the main building.	1	LS	\$ 9,888,000. <sup>00</sup>

TOTAL BID PRICE WRITTEN IN FIGURES: \$ 9,888,000.<sup>00</sup>

TOTAL BID PRICE WRITTEN IN WORDS: Nine Million Eight hundred eighty eight thousand dollars.<sup>00</sup>

PREQUALIFIED BIDDER'S NAME AND ADDRESS: PCN3, INC.

11082 Winners Circle, Unit B

Los Alamitos, CA 90702

## LIST OF SUBCONTRACTORS

In accordance with Public Contract Code Section 4104, the Bidder shall set forth the name and business address of each subcontractor who will perform work or render service to the bidder on said contract in an amount in excess of one-half of one percent of the total bid or \$10,000, whichever is greater, and the portion of the work to be done by such subcontractor.

Portion of Work	Name and Address of Subcontractor	State License Number	Class
Plumbing	APS Construction, Inc Riverside, CA	895795	B/C20 C36
Tile	Floored Tile & Stone Fontana, CA	791250	C54
Acoustical Panel Ceilings-	Prime Acoustics Westlake Village, CA	739826	C2
Rebar	Quality Rebar, Inc San Diego, CA 92150	818593	C50
Plastic Laminate	New Star Construction Services Inc - Santa Ana, CA	1037776	C6
Architectural Cabinets			
Paving STRIPING	El Camino Asphalt Paving Corp Orange, CA	799983	C12
Glazing	Platinum Glass Corporation	1098729	C17
Storefront	China, CA		

By submission of this proposal, the Bidder certifies that he is able to and will perform the balance of all work which is not covered in the above subcontractors listing.

## LIST OF SUBCONTRACTORS

In accordance with Public Contract Code Section 4104, the Bidder shall set forth the name and business address of each subcontractor who will perform work or render service to the bidder on said contract in an amount in excess of one-half of one percent of the total bid or \$10,000, whichever is greater, and the portion of the work to be done by such subcontractor.

Portion of Work	Name and Address of Subcontractor	State License Number	Class
- Paint	Competitive Painting, Inc Moreno Valley, CA	1062093	C33
- water repellents	Moreno Valley, CA		
B.A. - Metal Stud Framing & Drywall	Modern Metal Framing & Drywall, Inc Anaheim, CA	1073632	E9/B E2
- clean Agent	FPS Specialists in Fire Systems Brea, CA	592289	C10/1 C16
	Suppression Systems & Pre Action DET/Controls		
- Fire	Qualco Fire Protection, Inc Santa Fe Springs, CA	786012	C16
	Suppression Systems		
- HVAC	New Air Inc Valencia, CA	995201	C20/C36 B
- Low Voltage	MJ WireTech Lawndale, CA	1001060	C7

By submission of this proposal, the Bidder certifies that he is able to and will perform the balance of all work which is not covered in the above subcontractors listing.



## LIST OF SUBCONTRACTORS

In accordance with Public Contract Code Section 4104, the Bidder shall set forth the name and business address of each subcontractor who will perform work or render service to the bidder on said contract in an amount in excess of one-half of one percent of the total bid or \$10,000, whichever is greater, and the portion of the work to be done by such subcontractor.

Portion of Work	Name and Address of Subcontractor	State License Number	Class
- Basaltic Resistant - Gypsum board - metal stud - Cement Plastering	Best Interiors Inc, 7100 E. via Burton St, Anaheim, CA 92806	# 504013	B, C2, C9 C35
CMU	Kretschman & Smith, Inc 6293 Paddy Rd, Riverside, CA 92509	# 467-211	C29
elevator	A-Z Teck 4031 Goodwin Ave, Los Angeles, CA 90039	# 978449	C11
Roofing	Best Contracting services, Inc 19027 S. Hamilton Ave, Gardena, CA 90248	# 456263	B, C17 C20, C39, C43
- flooring - flooring - fence - sheet metal & gate BA	Polygon Builders, Inc 7108 Katella Ave #460, Stanton, CA 90680	# 1014707	B
steel	Trustworks International 1275 E. Franklin Ave, Pomona, CA 91766	# 1018654	C51 / B
sheet metal	United Contractors 334 W. Oak St, San Bernardino, CA 92401	# 416125	C51, C43 C39
Metal Deck	Eckles Construction, Inc 8907 Waverly Ave, Ste 239, Huntington Beach, CA 92647	# 312536	A, B, C51 C90

By submission of this proposal, the Bidder certifies that he is able to and will perform the balance of all work which is not covered in the above subcontractors listing.



NONCOLLUSION AFFIDAVIT  
TO BE EXECUTED BY BIDDER AND SUBMITTED WITH BID

State of California  
ss.  
County of Orange

Brian Abghari, being first duly sworn, deposes and says that he or she is  
President of PCN3, INC. the party making the  
foregoing bid that the bid is not made in the interest of, or on the behalf of, any undisclosed person,  
partnership, company, association, organization, or corporation; that the bid is genuine and not  
collusive or sham; that the bidder has not directly or indirectly induced or solicited any other bidder  
to put in a false or sham bid, and has not directly or indirectly colluded, conspired, connived, or  
agreed with any bidder or anyone else to put in a sham bid, or that anyone shall refrain from  
bidding; that the bidder has not in any manner, directly or indirectly, sought by agreement,  
communication, or conference with anyone to fix the bid price, or that of any other bidder, or to  
secure any advantage against the public body awarding the contract of anyone interested in the  
proposed contract; that all statements contained in the bid are true; and, further, that the bidder has  
not, directly or indirectly, submitted his or her bid price or any breakdown thereof, or the contents  
thereof, or divulged information or data relative thereto, or paid, and will not pay fee to any  
corporation, partnership, company association, organization, bid depository, or to any member or  
agent thereof to effectuate a collusive or sham bid.

PCN3, INC.

Name of Bidder

*Brian Abghari*

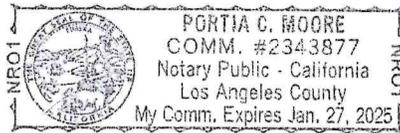
Signature of Bidder

11082 Winners Circle, Unit B  
Los Alamitos, CA 90720

Address of Bidder

Subscribed and sworn to before me this 31<sup>st</sup> day of May, 2023.

NOTARY PUBLIC *[Signature]*



NOTARY SEAL

**CALIFORNIA ACKNOWLEDGMENT**

CIVIL CODE § 1189

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California }  
County of Orange }

On May 3, 2023 before me, Portia C. Moore, notary public  
Date Here Insert Name and Title of the Officer

personally appeared Brian Abghari  
Name(s) of Signer(s)

who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.



Place Notary Seal and/or Stamp Above

Signature [Handwritten Signature]  
Signature of Notary Public

**OPTIONAL**

Completing this information can deter alteration of the document or fraudulent reattachment of this form to an unintended document.

**Description of Attached Document**

Title or Type of Document: Non-Collusion Affidavit

Document Date: May 3, 2023 Number of Pages: \_\_\_\_\_

Signer(s) Other Than Named Above: \_\_\_\_\_

**Capacity(ies) Claimed by Signer(s)**

Signer's Name: Brian Abghari Signer's Name: \_\_\_\_\_

Corporate Officer – Title(s): President  Corporate Officer – Title(s): \_\_\_\_\_

Partner –  Limited  General  Partner –  Limited  General

Individual  Attorney in Fact  Individual  Attorney in Fact

Trustee  Guardian or Conservator  Trustee  Guardian or Conservator

Other: \_\_\_\_\_  Other: \_\_\_\_\_

Signer is Representing: \_\_\_\_\_ Signer is Representing: \_\_\_\_\_

UTILITY AGREEMENT

HONORABLE MAYOR AND CITY COUNCIL  
CITY OF PLACENTIA, CALIFORNIA

The undersigned hereby promises and agrees that in the performance of the work specified in the contract, known as PLACENTIA PUBLIC SAFETY CENTER PROJECT, (I)(we)(it) will employ and utilize only qualified persons, as hereinafter defined, to work in proximity to any electrical secondary or transmission facilities. The term "Qualified Person" is defined in Title 8, California Administrative Code, Section 2700, as follows:

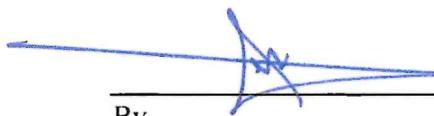
**"Qualified Person:** *A person who, by reason of experience or instruction, is familiar with the operation to be performed and the hazards involved."*

The undersigned also promised and agrees that all such work shall be performed in accordance with all applicable electrical utility company's requirements, Public Utility Commission orders, and State of California Cal-OSHA requirements.

The undersigned further promises and agrees that the provisions herein shall be and are binding upon any subcontractor or subcontractors that may be retained or employed by the undersigned, and that the undersigned shall take steps as are necessary to assure compliance by any said subcontractor or subcontractors with the requirements contained herein.

PCN3, INC.

Contractor

  
By Brian Abghari

President

Title

Date: 5/3/23

**WORKERS COMPENSATION INSURANCE CERTIFICATE**

Pursuant to Section 1861 of the State Labor Code, each contractor to whom a public works contract has been awarded shall sign the following certificate.

I am aware of the provisions of Section 3700 of the Labor Code which require every employer to be insured against liability for worker's compensation or to undertake self-insurance in accordance with the provisions of that code, and I will comply with such provisions before commencing the performance of the work of this contract.

PCN3, INC.  
Contractor

  
Brian Abghari  
By

President  
Title

Date: 5/3/23

**UNDERGROUND SERVICE ALERT  
IDENTIFICATION NUMBER**

(To be completed only by the awarded Contractor prior to excavation)

No excavation will be permitted until this form is completed and returned to the CITY.

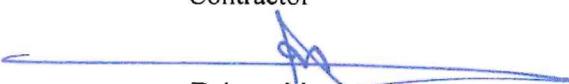
Section 4216/4217 of the Government Code requires a Dig Alert Identification Number be issued before a Permit to Excavate will be valid.

To obtain a Dig Alert Identification Number, call Underground Service Alert at **1-800-422-4133** a minimum of two working days before scheduled excavation.

*Dig Alert Identification Number:* TBA

PCN3, INC.

Contractor

  
Brian Abghari

By

President

Title

Date: 5/3/23

**Note:** *This form is required for every Dig Alert Identification Number issued by U.S.A. during the course of the Work. Additional forms may be obtained from the CITY upon request.*

**DESIGN ENGINEER MAY NOT BID ON  
CONSTRUCTION CONTRACT**

No engineering or architectural firm which has provided design services for a project shall be eligible to bid on the contract to construct the project. The firms ineligible to bid include the prime contractor for design, subcontractors of portions of the design, and affiliates of either. An affiliate is a firm which is subject to the control of the same persons(s), through joint ownership or otherwise.

ACKNOWLEDGED this 3rd day of May, 2023 at

Los Alamitos, CA

  
Authorized Signature Brian Abghari

President  
Position

PCN3, INC.  
Company

## NOTICE OF AFFIRMATIVE ACTION

By submitting a proposal on any job or entering into any contractual agreement with the City of Placentia, the undersigned agrees not to discriminate in employment decisions against any person on account of race, creed, national origin, ethnic background, color, sex, age, or handicap in performing the work required under this proposal.

ACKNOWLEDGED this 3rd day of May, 2023, at Los Alamitos, CA.

  
Brian Abghari  
Authorized Signature

President  
Position

PCN3, INC.  
Company

PLACENTIA PUBLIC SAFETY CENTER PROJECT – PHASE 2  
CITY PROJECT NO. ~~5203~~  
5213

**BIDDER'S BOND**

(To Accompany Contract Proposal)

KNOW ALL MEN BY THESE PRESENTS,

That PCN3, Inc., as PRINCIPAL, and United States Fire Insurance Company, as SURETY, are held and firmly bound unto the City of Placentia in the sum of TEN PERCENT (10%) of the total amount of the bid of said PRINCIPAL, to be paid to the said City or its certain attorney, its successors and assigns; for which payment, well and truly to be made, we bind ourselves, our heirs, executors and administrators, successors or assigns, jointly and severally, firmly by these presents.

In no case shall the liability of said SURETY here under exceed the sum of

\$ Ten Percent (10%) of Total Amount Bid

THE CONDITION OF THIS OBLIGATION IS SUCH THAT,

WHEREAS, said PRINCIPAL has submitted the above-mentioned bid to the City of Placentia for certain construction for which bids are to be submitted via Planet Bids on January 26, 2023, for:

PLACENTIA PUBLIC SAFETY CENTER PROJECT – PHASE 2  
CITY PROJECT NO. ~~5203~~  
5213

NOW, THEREFORE, if the aforesaid PRINCIPAL is awarded the contract and within the time and manner required under the specifications, after the prescribed forms are presented to him for signature, enters into a written consent in the prescribed form in accordance with the bid, and files the two bonds with the City of Placentia, one to guarantee faithful performance and the other to guarantee payment for Labor and Materials as required by law, then this obligation shall be null and void; otherwise, it shall be and remain in full force and effect.

PLACENTIA PUBLIC SAFETY CENTER PROJECT – PHASE 2  
CITY PROJECT NO. 5203  
5213

In the event suit is brought upon this bond by the Obligee and judgment is recovered, said SURETY shall pay all costs incurred by the Obligee in such suit, including a reasonable attorney's fee to be fixed by the Court.

IN WITNESS WHEREOF, we have hereunto set our hands and seals on this  
2nd day of May 2023.

PRINCIPAL PCN3, Inc. BY: <u><i>Brian Abghasi</i></u> <u>President</u> Title	SURETY United States Fire Insurance Company <u><i>Terah Lane</i></u> Terah Lane, Attorney-In-Fact
BY: <u><i>Brian Abghasi</i></u> <u>Secretary</u> Title	305 Madison Avenue, Morristown, NJ 07960 Address
(SEAL)	(SEAL)

**Instructions:** If the Contractor is a corporation, the agreement must be executed in the corporate name and signed by the President or Vice President and the Secretary or Assistant Secretary, and the corporate seal affixed. If the Contractor is an individual doing business under a fictitious name, it must be signed by all persons having an interest in the business, and the fictitious name must be signed also. All bond signatures must be notarized. The standard printed bid bond form of any bonding company approved by the City pursuant to Item 7, "Insurance Policies and Bonds", in the Instructions to Bidders may be used in lieu of the foregoing approved sample bond form provided the security stipulations protecting the City are in any way reduced by use of the surety company's standard printed form.

**BID BOND  
ACKNOWLEDGMENT OF SURETY  
SEE ATTACHED NOTARY ACKNOWLEDGMENT**

STATE OF California )

SS

County of Orange )

On this 3<sup>rd</sup> day of May, 2023, A.D.

Brian Akbari personally appeared before me a

Portia C. Moore, Notary Public  
\_\_\_\_\_  
(Notary Public, Judge or Other Officer)

in and for Orange County, State of California

known to me to be the President of the corporation that executed the foregoing instrument and, upon oath, did depose that he is the officer of said corporation as above designed; that he is acquainted with the seal of said corporate seal of said corporation; that the signatures to said instrument were made by officers of said corporation as indicated after said signatures; and that the said corporation executed the said instrument freely and voluntarily and for the uses and purposes therein mentioned.

[Signature]  
\_\_\_\_\_  
(Notary Public, Judge or Other Officer)



**CALIFORNIA ACKNOWLEDGMENT**

CIVIL CODE § 1189

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

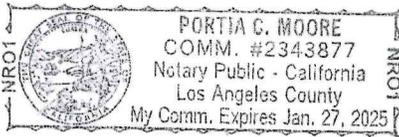
State of California }  
County of Orange }

On May 3, 2023 before me, Portia C. Moore, notary public  
Date Here Insert Name and Title of the Officer  
personally appeared Brian Abghari  
Name(s) of Signer(s)

who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.



Place Notary Seal and/or Stamp Above

Signature [Signature]  
Signature of Notary Public

**OPTIONAL**

Completing this information can deter alteration of the document or fraudulent reattachment of this form to an unintended document.

**Description of Attached Document**

Title or Type of Document: Bid Bond

Document Date: May 2, 2023 Number of Pages: \_\_\_\_\_

Signer(s) Other Than Named Above: \_\_\_\_\_

**Capacity(ies) Claimed by Signer(s)**

Signer's Name: Brian Abghari Signer's Name: \_\_\_\_\_

Corporate Officer – Title(s): President  Corporate Officer – Title(s): \_\_\_\_\_

Partner –  Limited  General  Partner –  Limited  General

Individual  Attorney in Fact  Individual  Attorney in Fact

Trustee  Guardian or Conservator  Trustee  Guardian or Conservator

Other: \_\_\_\_\_  Other: \_\_\_\_\_

Signer is Representing: \_\_\_\_\_ Signer is Representing: \_\_\_\_\_

CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

CIVIL CODE 1189

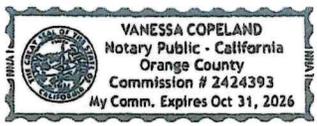
A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached and not the truthfulness, accuracy, or validity of that document.

State of California )
County of Orange )

On 5/2/2023 before me, Vanessa Copeland, Notary Public, personally appeared Terah Lane Name(s) of Signer(s)

who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.



WITNESS my hand and official seal. Signature: [Handwritten Signature] Signature of Notary Public

Place Notary Seal Above

OPTIONAL

Though the information below is not required by law, it may prove valuable to persons relying on the document and could present fraudulent and reattachment of this form to another document.

Description of Attached Document

Type or Title of Document:

Document Date: Number of Pages:

Signer(s) Other Than Named Above:

Capacity(ies) Claimed by Signer(s)

- Signer's Name: Terah Lane
Individual
Corporate Officer - Title(s):
Partner: Limited General
Attorney in Fact
Trustee
Guardian or Conservator
Other:

Capacity(ies) Claimed by Signer(s)

- Signer's Name:
Individual
Corporate Officer - Title(s):
Partner: Limited General
Attorney in Fact
Trustee
Guardian or Conservator
Other:

Signer Is Representing:

Signer Is Representing:

**POWER OF ATTORNEY  
UNITED STATES FIRE INSURANCE COMPANY  
PRINCIPAL OFFICE - MORRISTOWN, NEW JERSEY**

01016

**KNOW ALL MEN BY THESE PRESENTS:** That United States Fire Insurance Company, a corporation duly organized and existing under the laws of the state of Delaware, has made, constituted and appointed, and does hereby make, constitute and appoint:

Eric Lowey, Mark Richardson, Vanesa Copeland, Kevin Cathcart, Lisa Pellerito, Terah Lane

each, its true and lawful Attorney(s)-In-Fact, with full power and authority hereby conferred in its name, place and stead, to execute, acknowledge and deliver: Any and all bonds and undertakings of surety and other documents that the ordinary course of surety business may require, and to bind United States Fire Insurance Company thereby as fully and to the same extent as if such bonds or undertakings had been duly executed and acknowledged by the regularly elected officers of United States Fire Insurance Company at its principal office, in amounts or penalties: **Fifty Million Dollars (\$50,000,000)**.

This Power of Attorney limits the act of those named therein to the bonds and undertakings specifically named therein, and they have no authority to bind United States Fire Insurance Company except in the manner and to the extent therein stated.

This Power of Attorney is granted pursuant to Article IV of the By-Laws of United States Fire Insurance Company as now in full force and effect, and consistent with Article III thereof, which Articles provide, in pertinent part:

Article IV, Execution of Instruments - Except as the Board of Directors may authorize by resolution, the Chairman of the Board, President, any Vice-President, any Assistant Vice President, the Secretary, or any Assistant Secretary shall have power on behalf of the Corporation:

- (a) to execute, affix the corporate seal manually or by facsimile to, acknowledge, verify and deliver any contracts, obligations, instruments and documents whatsoever in connection with its business including, without limiting the foregoing, any bonds, guarantees, undertakings, recognizances, powers of attorney or revocations of any powers of attorney, stipulations, policies of insurance, deeds, leases, mortgages, releases, satisfactions and agency agreements;
- (b) to appoint, in writing, one or more persons for any or all of the purposes mentioned in the preceding paragraph (a), including affixing the seal of the Corporation.

Article III, Officers, Section 3.11, Facsimile Signatures. The signature of any officer authorized by the Corporation to sign any bonds, guarantees, undertakings, recognizances, stipulations, powers of attorney or revocations of any powers of attorney and policies of insurance issued by the Corporation may be printed, facsimile, lithographed or otherwise produced. In addition, if and as authorized by the Board of Directors, dividend warrants or checks, or other numerous instruments similar to one another in form, may be signed by the facsimile signature or signatures, lithographed or otherwise produced, of such officer or officers of the Corporation as from time to time may be authorized to sign such instruments on behalf of the Corporation. The Corporation may continue to use for the purposes herein stated the facsimile signature of any person or persons who shall have been such officer or officers of the Corporation, notwithstanding the fact that he may have ceased to be such at the time when such instruments shall be issued.

**IN WITNESS WHEREOF**, United States Fire Insurance Company has caused these presents to be signed and attested by its appropriate officer and its corporate seal hereunto affixed this 28th day of September, 2021.

**UNITED STATES FIRE INSURANCE COMPANY**

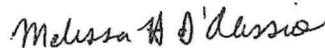
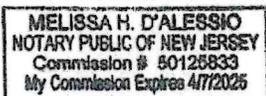


Matthew E. Lubin, President



State of New Jersey }  
County of Morris }

On this 28th day of September, 2021, before me, a Notary public of the State of New Jersey, came the above named officer of United States Fire Insurance Company, to me personally known to be the individual and officer described herein, and acknowledged that he executed the foregoing instrument and affixed the seal of United States Fire Insurance Company thereto by the authority of his office.



Melissa H. D'Alessio (Notary Public)

I, the undersigned officer of United States Fire Insurance Company, a Delaware corporation, do hereby certify that the original Power of Attorney of which the foregoing is a full, true and correct copy is still in force and effect and has not been revoked.

**IN WITNESS WHEREOF**, I have hereunto set my hand and affixed the corporate seal of United States Fire Insurance Company on the 2nd day of May 20 23

**UNITED STATES FIRE INSURANCE COMPANY**



Michael C. Fay, Senior Vice President



The People are the City

**Mayor**  
WARD L. SMITH  
**Mayor Pro Tem**  
JEREMY B. YAMAGUCHI  
**Councilmembers:**  
KEVIN KIRWIN  
RHONDA SHADER  
CHAD P. WANKE



**City Clerk:**  
ROBERT S. MCKINNELL  
**City Treasurer**  
KEVIN A. LARSON  
**City Administrator**  
DAMIEN R. ARRULA

401 East Chapman Avenue – Placentia, California 92870

## Placentia Public Safety Center, Phase 2

### RE-BID ADDENDUM No. 1

Friday, April 28, 2023

#### General

The following changes, omissions, and/or additions to the Project Manual and/or Drawings shall apply to proposals made for and to the execution of the various parts of the work affected thereby, and all other conditions shall remain the same.

Careful note of the Addendum shall be taken by all parties of interest so that the proper allowances may be made in strict accordance with the Addendum, and that all trades shall be fully advised in the performance of the work which will be required of them.

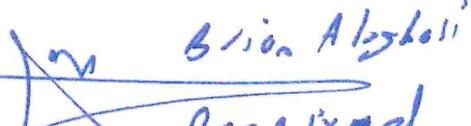
Bidder shall acknowledge receipt of this Addendum in the space provided on the Bid Form. Failure to do so may subject Bidder to disqualification. In case of conflict between Drawings, Project Manual, and this Addendum, this Addendum shall govern, and all other conditions shall remain the same.

1. Please see attached soils report dated 2/4/21. The slab for the main building shall be by this contractor. Only the slab for the Butler building is by the phase 1 contractor.
2. Bid Addendum No. 2 shall provide information for the vendor for the building generator. It has been approved to fabricate. See Bid Addendum No. 2 section 1.06.C. Order as directed. OR approved equal. No known equal for time. Time is of the essence.
3. See attached "Action Target" plans for reference only. These are the target range vendors that the City has retained. Contractor shall be responsible for all coordination efforts.

**END OF BID ADDENDUM NO. 1**

#### Attachments

1. Final Geotechnical Report
2. Action Target Plans

  
Received

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## Placentia Public Safety Center Phase 2

### RE-BID ADDENDUM NUMBER 2

Thursday, April 27, 2023

#### General

The following changes, omissions, and/or additions to the Project Manual and/or Drawings shall apply to proposals made for and to the execution of the various parts of the work affected thereby, and all other conditions shall remain the same.

Careful note of the Addendum shall be taken by all parties of interest so that the proper allowances may be made in strict accordance with the Addendum, and that all trades shall be fully advised in the performance of the work which will be required of them.

Bidder shall acknowledge receipt of this Addendum in the space provided on the Bid Form. Failure to do so may subject Bidder to disqualification.

In case of conflict between Drawings, Project Manual, and this Addendum, this Addendum shall govern, and all other conditions shall remain the same.

#### **PRE- BID RFIs:**

1. In Div.27 13 43, 1.1 Scope of Work, paragraph C it states to provide programming the system as required to integrate the data drops into the network. In Part 2 – Equipment, paragraph N it states LAN Electronics for Data Network: Provided and Installed by the City/Police Department of Manhattan Beach I.T. Department. The programming would be done in the LAN electronic equipment. Can you confirm the City/Police department I.T. Department will be doing all programming of LAN systems?  
**Response: Confirmed. City/Police I.T. Department will perform programming.**
2. Please confirm that disconnect switch shown on Sheet E0.2 Single Line Diagram (feeder MSB-3) for firing range 75KW heater is furnished with the firing range equipment by Action Target. If not, should Phase 2 contractor figure to furnish a 400 amp disconnect switch with 300-amp fuses for this equipment?  
**Response: The firing range make-up air unit is being provided with an integral disconnect switch and VFD, and requires a single point of connection. The supply fan is being provided with a VFD. The contractor is responsible for the power connection to the make-up air unit. The contractor shall provide a disconnect switch for the supply fan and make all required connections to the disconnect switch, Action Target provided VFD and fan. Refer to Sheet E0.2, Single Line Diagram, and Sheet E2.9, Roof Plan, for additional requirements.**
3. Trash enclosure steel gate detail 15 on sheet 2.2 is missing. Please provide.  
**Response: All pedestrian site gates to be per Detail 8/2.1 unless noted otherwise.**
4. Electrical room on A2.2 is N.I.C. Electrical room is still shown on the structural plans S2.1. Please clarify - is the electrical room N.I.C.?  
**Response: Electrical Room between Gridlines A and B and east of Gridline 5 is by others.**

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5. C5 shows 4" thick asphalt paving around the existing material storage bins/storage shed. A1.2 shows concrete sidewalk behind the existing material storage bins/next to the storage shed. Please advise - which is correct?  
**Response: Sheet C5 is correct, provide 4" asphalt over 6" Class 2 aggregate base per note 8 on Sheet C5.**
6. The stair plans reference stainless steel handrails (Note 0517/A6.2). The handrail details show standard steel pipe (16/10.1). Please clarify - stainless steel or standard steel pipe for handrail?  
**Response: Provide standard steel pipe that will be site painted per Section 05 52 00. Delete note 2.4G in that Section regarding stainless steel finish.**
7. Please provide detail for wall Type B6\*C.  
**Response: See attached Detail in this addendum.**
8. Door types D & E call out for 'Spandrel glazing, where occurs' (8.1). Please advise if Spandrel glazing is to be used on the bottom panes for ALL door types D & E. If not, please advise on the location/quantity of Spandrel glazing for door types D & E.  
**Response: There is no spandrel glazing on any Door Types D and E.**
9. Sheet A7.1 Interior Elevations is missing from the drawings, please provide sheet.  
**Response: Sheet A7.1 should be eliminated from the Sheet Index. Sheet 7.1 is not in the scope of this phase.**
10. Please confirm Window # D, K2, and M/M1 are not used. Please confirm Door # 120A, 120B, 126, 127, 129A, and 130 are N.I.C. 4. Please confirm glass in wood doors are by others."  
**Response: Window D, K2 and M1 are not used. Window Type M is used at the Shooting Range at Room 117 per plan. Doors 120A, 120B, 126, 127 and 129A are not in the contract. Door 130 along with 103B are in the contract and the Phase 2 contractor is responsible for Details 2 and 4 on sheet 4.1 which transitions the main building west of Gridline 4 with the Butler Building on the east side of Line 4. All components of doors in this phase which includes, frames, glass, hardware and any other components required for the installation of all doors are to be provided by the Phase 2 Contractor.**
11. Roof Spec 075419 part 2 section 2.1 calls out Tremco Roof or approved equal. We are wanting to bid Sarnafil product. Is this an approved equal? I also took a look at 016100 Product requirements which references Substitution spec 012513 but that spec is not part of the Project Manual. Please advise.  
**Response: The contractor must submit a substitution request of the product he wishes to substitute that meets or exceeds the requirements of the specifications. See attached Section 01 25 13 for the submittal requirements. The project team will review the substitution request made by the contractor awarded the project.**
12. The wall legend on A2.1A shows a pattern for 8' High Kevlar that is not found on the drawing. The description that accompanies the pattern for 8' High Kevlar says to "8' High Kevlar Over MTL Stud Framing Along Entire Length of Wall on Shooting Range RM 218 Side". Room 218 is a breakroom, and not next to the shooting range. Can you clarify this note?  
**Response: Room 218 is incorrect. The correct location for the installation of Kevlar is on the east wall of Room 118.**
13. Please provide sheet A7.1 Interior Elevations. This sheet is missing from the provided drawings.  
**Response: Sheet A7.1 is not in the scope of work for this phase of the project. It should have been omitted from the Sheet Index.**

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14. Section 2.3G of 10 75 00 flagpoles calls for an internal halyard. Section 2.4D, F, and G of 10 75 00 flagpoles has design specifications for an external halyard. Please confirm the intended halyard design (external vs internal) of the flagpole.  
**Response: Provide an internal halyard for the flagpole.**

## PROJECT MANUAL

### 1.01 SECTION 01 25 13- PRODUCT SUBSTITUTION PROCEDURES

- A. PART See attached Product Substitution specification section which has been added to the Contract Documents in its entirety.

### 1.02 SECTION 09 24 00- CEMENT PLASTERING

#### A. PART 3.1 EXECUTION

- i. 3.11 PLASTER APPLICATION SCHEDULE- Omit Item A. Cement Plaster Finish only occurs at exterior horizontal soffit areas as noted on drawings.

### 1.03 SECTION 09 68 13 – TILE CARPETING

#### B. PART 3.1 EXAMINATION

- i. Clarification of Item 3.5 PROTECTION, Item B: Delete the following first paragraph " Change the following carpet color as noted in Item A..."
- ii. Add the following second paragraph that is under 3.5B to Section 2.1 MANUFACTURERS as Item C as follows: "Anti-Static Carpet: Staticworx Grounded Solutions, ANSI, FAA/IEC compliant, Series: ShadowFX SDC, Peaks, Colors Mansfield- main field color, Hay Stack-accent Color. [www.staticworx.com](http://www.staticworx.com) Ph:617-923-2000. Install in Emergency Comm Center Room 212 and Hallway 214 only."

### 1.04 SECTION 11 90 00 – MISCELLANEOUS EQUIPMENT

- A. PART 1 GENERAL: Omit Item D, Mobile Rolling Safety Ladder.

#### B. PART 2 PRODUCTS:

- i. Omit Item D, Mobile Rolling Safety Ladder which will be provided by others.
- ii. Add new Item F- Rooftop Antenna Cable Protection System by Site Pro1 [www.sitepro1.com](http://www.sitepro1.com) . Provide three sections of 22" wide x 10' long SP1595D with metal sleepers per attached Exhibit B drawings. Provide all required connectors and hardware required for roof installation. See revised Roof Plan A4.1, Ref. Note 1165 for locations. Provide Rubber Sleeper pads, Site Pro1 Model no. RP8 at the bottom of all metal sleepers spaced at 32" O.C.

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- iii. Add new Item G- Rooftop Antenna Cable Protection System by Site Pro1 [www.sitepro1.com](http://www.sitepro1.com). Provide four sections of 11" wide x 8' long SP1542D with metal sleepers per attached Exhibit C drawings. Provide all required connectors and hardware required for roof installation. See revised Roof Plan A4.1, Ref. Note 1165 for locations. Provide Rubber Sleeper pads, Site Pro1 Model no. RP8 at the bottom of all metal sleepers spaced at 32" O.C.

#### 1.05 SECTION 26 00 00 – GENERAL ELECTRICAL REQUIREMENTS

- A. Clarification: Contractor to incorporate all ADDENDUM items listed on the second page of this section in the Project Specifications.

#### 1.06 SECTION 26 32 13– EMERGENCY ENGINE GENERATORS

- A. PART 2: PRODUCTS, 2.1.A: Change to read " Basis-of-Design Product: Subject to compliance with requirements, provide MTU Onsite Energy Corporation; 6R0120 DS200".
- B. PART 2: PRODUCTS, 2.8.B: Change to read "Generator Circuit Breaker: Molded-case, thermal-magnetic type; 100 percent rated; complying with UL 489. Quantity (1) 800, adjustable trip circuit breaker, set circuit breaker to trip at 700A, (1) 20A, 100% Rated Breaker for Rypos Active DPF."
- C. Contractor to provide Emergency Generator by Collicutt Energy Services, Inc per the attached approved submittal labeled as Exhibit A in this addendum. Contact Tony Miccolis, 310-245-0292 for pricing. All Bidders shall utilize this vendor. Lead time is critical

#### 1.07 SECTION 26 36 00 – AUTOMATIC TRANSFER SWITCHES

- A. PART 3: OPERATION: 3.05.A: Change to read "The DTTS/BPS shall be rated to close on and withstand the available 65,000 RMS symmetrical short circuit current at the DTTS/BPS terminals with the type of overcurrent protection shown on the plans."

#### 1.08 SECTION 27 13 43 – DATA NETWORK AND NETWORK WIRE/CABLING SYSTEM

- A. Replace this section in its entirety with attached revised section. See red text items for changes.

### ARCHITECTURAL DRAWINGS

Changes have been CLOUDED on attached drawing exhibits and marked with DELTA 2

#### 1.09 ADD NEW SHEET A0.9 FIRE DEPARTMENT ACCESS MASTER PLAN-ATTACHED SHEET

- A. Contractor to comply with Fire Department Notes.
- B. Locations for "No Parking Fire Access Lane" signs noted on site sheet. Signs to be purchased and installed by contractor.
- C. Locations of Knox Boxes noted on site plan as called out in Specification Section 11 90 00.

#### 1.10 CHANGES TO SHEET A4.1 ROOF PLAN-ATTACHED SHEET

- A. Rooftop Antenna Cable Covering System added to roof as noted in Item 1.03B in this Addendum. See Reference Note 1165 on Roof Plan for locations.

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- B. The 3 mechanical units over the 1-story roof between Gridlines 4, 5, A and B have been turned 90 degrees. See attached Structural Drawing S2.1 for revisions to roof steel to accommodate the change to the mechanical units. Please note, the purchase and installation of the mechanical units for the shooting range is by others. Package 2 contractor to construct mechanical curbs and structure and make electrical connections to the units once installed. Contractor to coordinate with the Action Target vendor.
- C. Roof walk-pads have been added to the mechanical units on the low roof of the Shooting Range.
- D. Contractor is responsible for providing the seismic horizontal joint covers noted in Detail 14, 16 and 21 on Sheet 7.1 as called out on the Roof Plan between the main building, Electrical Building and the Butler building that is being constructed by others.

**1.11 CHANGES TO SHEET 2.2 SITE DETAILS- ATTACHED SHEET**

- A. Omit Details 2 and 10, Emergency Generator and Edison Transformer Enclosure which will be constructed by others in an earlier phase of the project.
- B. "No Parking Fire Lane" Detail 15 was added to the sheet.

**1.12 CHANGES TO SHEET 9.2 WALL TYPES- ATTACHED SHEET**

- A. Missing Wall Type B was added to the sheet.
- B. Redundant Wall Type D details were eliminated. The Wall Type that was incorrectly labeled D below the new Wall Type B on new attached sheet has now been labeled Wall Type C. Wall Type D at the bottom of the first column of Details is the correct Wall Type D.

**1.13 CHANGES TO SHEET 8.1 DOOR AND WINDOW SCHEDULE & 8.2 WINDOW/DOOR DETAILS**

- A. Changes to Door Schedule: Add and 18" high x 24" wide louver to the following Doors: 105, 106, 107, 206, 207, and 208. Louver to be located at the bottom half of door as depicted on Door Type A on Sheet 8.1. Door Louvers are per Specifications Section 08 11 13.
- B. Changes to Door Schedule: All doors marked with a "W" designation in the Material column on the Door Schedule are to be Wood Clad Doors per Specification Section 08 14 23.

**STRUCTURAL DRAWINGS**

**1.14 CHANGES TO SHEET S2.1 SECOND FLOOR FRAMING PLAN-ATTACHED SHEET**

- A. See attached Drawing ADD No.2, S2.1 for changes to the Roof Framing Plan above the Shooting Range resulting from the 90-degree turning of the mechanical units. (Note: Mechanical Units to be installed by Action Target Mechanical Contractor)

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## ELECTRICAL DRAWINGS

### 1.15 CHANGES TO SHEET E1.2 ELECTRICAL SITE PLAN- ATTACHED SHEET

- A. See attached revised Electrical Site plan with the added electrical for site lighting fixture and base and gate operator. Contractor to provide and install all electrical items (all required conduit and conductors) not hatched out on the plan.

### 1.16 CHANGES TO SHEET E3.2 ELECTRICAL DETAILS- ATTACHED SHEET

- A. Omit Detail 8/E3.2 Antenna Provisions. Antenna cabling to be run from antenna masts installed by Package 2 contractor along Grid Line 4 per drawing A4.1, Details 4/7.2 and 14/7.2. Antennas that attach to masts and antenna cables to be installed by owner. Contractor to also provide and install cable covering system per Item 1.04B in this Addendum 2. Coordinate installation of cable covering system with owner.
- B. Added Detail 16/E3.2 applies to the Package 2 Scope of Work.
- C. Refer to added Detail 5 - Provide ground bar on the roof and connect to all antenna masts and run a ground wire from the roof ground bar down to the building's ufer ground. The ground wire from the roof ground bar to the building's ufer ground to run concealed in the walls.

**END OF BID ADDENDUM NUMBER 2**

## ATTACHMENTS

Specification Section 01 25 13 Product Substitution (5 pages)  
Specification Section 27 13 43 Data Network Cabling (6 pages)  
Sheet A0.9 Fire Access  
Sheet A4.1 Roof Plan  
Sheet 2.2 Site Details  
Sheet 9.2 Wall Types  
Sheet S2.1 Roof Framing 11x17 sheet size  
Sheet E1.2 Site Electrical  
Sheet E3.2 Electrical Details  
Exhibit A- Approved Generator Submittal (89 pages)

*Bilva Alghori*  
*Received*  
*5/3/23*

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## Placentia Public Safety Center Phase 2

### RE-BID ADDENDUM NUMBER 2

Monday, May 1, 2023

#### General

The following changes, omissions, and/or additions to the Project Manual and/or Drawings shall apply to proposals made for and to the execution of the various parts of the work affected thereby, and all other conditions shall remain the same.

Careful note of the Addendum shall be taken by all parties of interest so that the proper allowances may be made in strict accordance with the Addendum, and that all trades shall be fully advised in the performance of the work which will be required of them.

Bidder shall acknowledge receipt of this Addendum in the space provided on the Bid Form. Failure to do so may subject Bidder to disqualification.

In case of conflict between Drawings, Project Manual, and this Addendum, this Addendum shall govern, and all other conditions shall remain the same.

#### **PRE-BID RFIs;**

1. Sheet C5 - Are the 24X365 Drain boxes in Phase 2 Scope?  
**Response: The boxes are by Phase 1 but concrete swales shall be by Phase 2**
2. Sheet C5 shows existing items (K-Rail, Antenna, etc.) within the area of work. Will these items be removed by others? Do we need to remove and reinstall? Or are we supposed to work around these items?  
**Response: These have been removed. Shall not be replaced.**
3. Please confirm soil import required to balance and rough grade site to be by Phase 1 contractor.  
**Response: Phase 1 shall rough grade only. Final / finish grade by phase 2 contractor.**
4. Please confirm overex and recompaction of building and site to be done by Phase 1 contractor.  
**Response: Yes**

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5. Please confirm retaining wall (Note 13 on C5) is completed by others. Prior to Phase 2 mobilization.  
**Response: Yes, and it is complete.**
6. Please confirm C4 is for reference only. No site demolition under this contract.  
**Response: Correct. No site demo for phase 2**
7. Can you clarify the period of performance?  
**Response: Exhibit "B" of Bid Package. 279 working days = 390 calendar days. This is to ensure all lead item materials and equipment would be ordered and delivered.**
8. Please specify location of (4) HDMI Transmitters for Room 217"  
**Response: (2) at the AV input wall plate and (2) at the flush floor outlet.**
9. Please confirm Conference Room 217 does not require a touch panel for control."  
**Response: Confirmed**
10. Plans: Please mark location of 7" & 10" Wall Mount Touch Panels for rooms 102, 212, 213 & 215".  
**Response: Location of touch panels to be determined by the PD during the shop drawing/product submittal phase**
11. Plans: Are there any data network cabling requirements behind the displays in rooms 217 and 102?"  
**Response: Provide data outlet with single connector at each video monitor.**
12. Sheet E2.6 Which Contractor is responsible for providing and installing the Radio system reflected in Room 212 "R" Symbols?"  
**Response: Owner's radio vendor/installer.**
13. Sheet E2.6 It appears that Room 212 is missing Video Monitors at 2 locations. I see 8 desks and only 6 VM's Please confirm.  
**Response: The six (6) video monitors indicated on plan are not for the workstations, refer to 274100, Part 2, Item 2.04.A.2.c and d. Each workstation receives two (2) desk top mounted monitors per 274100, Part 2, Item 2.04.A.2.e**
14. Sheet E3.3 1/E3.3 Line diagram shows Room 209 AV rack Amplifier feeding Room 102 East/West Speakers. However, 2/E3.3 Line diagram shows those speakers being fed from an amplifier in the AV cabinets in the room? Please clarify  
**Response: Locate the room 102 amplifier in the room 102 AV cabinet.**
15. Sheet E2.5 Will the AV Cabinets in room 102 require POE switches? If yes, provide specs  
**Response: POE switches are at the AV rack**

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16. Sheet E2.5 Room 102 has 2 AV Cabinet locations, plans do not show any Data network drop locations. How many data drops will be needed at the AV Cabinets?  
**Response: Provide one data outlet with two cable drops at the AV cabinet**
17. Sheet 3.3 Room 102 shows 2 Laptops. Are these Laptops CFCI or OFOI?  
**Response: Laptops are OFOI**
18. Sheet 3.3 Room 102 shows (2) AV Cabinets. Please provide AV Cabinet requirements and add to Appendix A  
**Response: Room 102 has one (1) AV cabinet. Refer to 274100, Part 2, Item 2.04.A.1 and Appendix A for equipment requirements.**
19. Fiber Will we need to provide any fiber cabling connecting the 1st Floor MDF 109 to 2nd floor IDF?  
**Response: No. All network/data cables on the second floor will be wired direct to the MDF on the first floor.**
20. Riser Diagram Can you provide a Riser Diagram for section 271343 Scope of Work"  
**Response: No need for riser diagram. There is only one MDF, no IDF, and all station network/data cables are wired direct to the MDF on the first floor.**
21. Sheet E2.5 will 271000 contractor need to provide any UPS/ PDUs in the racks? Or will these be provided by the PD IT?  
**Response: Central UPS provides back-up power to the racks. Refer to Sheet E2.3 Plan #2 and Section 263353**
22. Sheet E2.5 Who is responsible for providing racks and Backup[ batteries in room 141 for Backup batteries?  
**Response: Electrical contractor. Refer to Section 263353**
23. Sheet E1.2 There is no riser diagram, so it is assumed all backbone cabling is existing or provided by others. Please confirm backbone fiber/copper is not required to connect any MDF/IDF's"  
**Response: There is no fiber connection between the new building and the existing buildings on site. Utility company fiber will be brought into the building by the utility company.**
24. Sheet E3.3 The Extron XTP 6400 60-13866-007593 requires 220 power in the AV rack. Please confirm 220 Power will be installed in AV rack by EC  
**Response: EC to provide power to the rack.**
25. Sheet E3.3 The AV Monitor Wall Plate Output for (VM) is shown on sheet E3.3 - 3 as a DTPR HWP 4K 231D, however this is an XTP system. Please confirm the correct part number for these devices are XTP and not the Wall plate version. Per Appendix A we will provide XTP SR HD 4K HDMI Scaling Receiver 60-1524-02"  
**Response: Provide per Appendix A**

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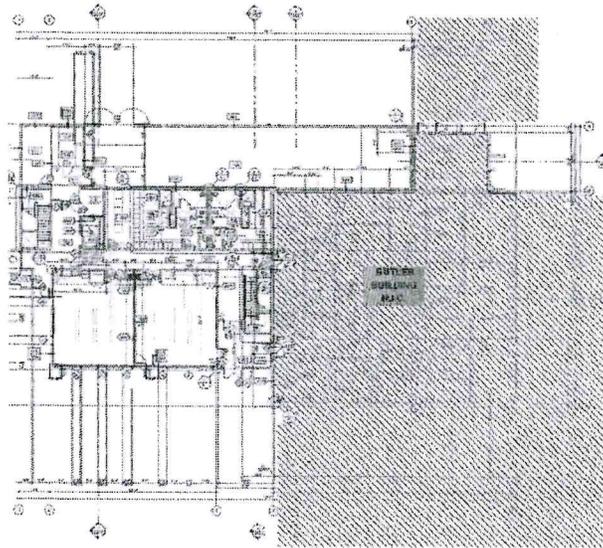
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26. Sheet E3.3 The AV Input (Transmitter) Wall Plate for Laptop is shown on sheet E3.3 - 4 as a DTPT DWP 4K 232D, however this is an XTP system. Please confirm the correct part number for these devices are XTP version. Per Appendix A we will provide XTP T HWP 101 4K HDMI Decorator-Style Transmitter - White 60-1611-13  
**Response: Provide per Appendix A**

27. Appendix A Server Room 209 AV components show Video Output Boards qty: (15) each board contains 4 outputs. This would provide a total of 60 Outputs. Based on the information provided in Appendix A, this system only requires 31 outputs, requiring only 8 Output Boards. Please confirm 8 Output boards is acceptable or if 15 is required. as this will have a significant price impact.  
**Response: Provide fifteen (15)**

**Misc:**

1. The Butler contractor is ordering the electrical equipment that covers both the Butler building and the main building. The Butler TI inc MEP, finishes etc are by the Butler TI contractor. Do not include this scope. It has been "greyed out" in the plans. See below from A2.1A



2. Include the attached Elect Sheets in Addendum 3. All changes are clouded and marked with a Delta 3.

**END OF BID ADDENDUM NUMBER 3**

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**ATTACHMENT**

1. Electrical Plans Sheet – EO..3 – Panel Schedules

  
Received  
Brian Abghori  
5/3/23

The People are the City

**Mayor**  
WARD L. SMITH  
**Mayor Pro Tem**  
JEREMY B. YAMAGUCHI  
**Councilmembers:**  
KEVIN KIRWIN  
RHONDA SHADER  
CHAD P. WANKE



**City Clerk:**  
ROBERT S. MCKINNELL  
**City Treasurer**  
KEVIN A. LARSON  
**City Administrator**  
DAMIEN R. ARRULA

401 East Chapman Avenue – Placentia, California 92870

## Placentia Public Safety Center Phase 2

### RE-BID ADDENDUM NUMBER 4

Tuesday, May 2, 2023

#### General

The following changes, omissions, and/or additions to the Project Manual and/or Drawings shall apply to proposals made for and to the execution of the various parts of the work affected thereby, and all other conditions shall remain the same.

Careful note of the Addendum shall be taken by all parties of interest so that the proper allowances may be made in strict accordance with the Addendum, and that all trades shall be fully advised in the performance of the work which will be required of them.

Bidder shall acknowledge receipt of this Addendum in the space provided on the Bid Form. Failure to do so may subject Bidder to disqualification.

In case of conflict between Drawings, Project Manual, and this Addendum, this Addendum shall govern, and all other conditions shall remain the same.

#### **PRE-BID RFIs;**

1. Please consider extending the bid date.  
**Response: This is not possible.**
2. Can a second pre-bid meeting be held? We would have attended if we had known.  
Thanks!  
**Response: Not at this time.**
3. Please confirm that the city and state will suffice for the address on the Subcontractor Listing.  
**Response: Yes, City and State will suffice.**
4. Since this bid is being submitted electronically in PlanetBids, please advise if we are to complete the subcontractor listing electronically in PlanetBids or if we are to complete the subcontractor listing on the paper bid form and scan it in as part of our bid document package. Completing both would cause large delays on bid day for duplicate work.  
**Response: Subcontractors must be listed on both Planetbids in addition to the City's Subcontractors' list, uploaded on the Planetbids.**
5. Room Finish, Door, and Window Schedule sheet 8.1 lists rooms within the Butler building. Please clarify - are these rooms in the scope or out of scope?

*Mayor*  
WARD L. SMITH  
*Mayor Pro Tem*  
JEREMY B. YAMAGUCHI  
*Councilmembers:*  
KEVIN KIRWIN  
RHONDA SHADER  
CHAD P. WANKE



*City Clerk:*  
ROBERT S. MCKINNELL  
*City Treasurer*  
KEVIN A. LARSON  
*City Administrator*  
DAMIEN R. ARRULA

401 East Chapman Avenue – Placentia, California 92870

**Response: Nothing within the Butler for bidders. The only doors in the project scope that are the ones that are noted on the Floor Plans on Sheets A2.1 and A2.2. there are 2 doors on Gridline 4 that transition into the Butler Building which are Doors 103B, and 130 and those are in the contract as well as the transition details 2 and 4 on Detail Sheet 4.1.**

6. Sheet C5 - Is the trash/debris guard in Phase 2 Scope?  
**Response: Yes.**

7. Please confirm - Phase 1 contractor prepared and submitted plans to the Fire Department per note on C6 (denoted with \*).  
**Response: All underground (to the pad) fire water utilities are by others. This contract requires bringing in the fire line and riser at Room 113. The Fire Protection Systems design for the building is by the phase 2 contractor as design build and will need to be submitted to City Fire Department. You are not just bringing in the fire riser. The riser, distribution of branch lines, heads etc. are within your scope.**

8. SOW - Will there be any requirements for an Area or Refuge (AOR) system on 2nd floor elevator landing? If yes, who will provide and install?  
**Response: Data receptacle has been added in Addendum 2.**

9. SOW - will there be any temp services required for the site by section 271000 contractor or was all the temp services already covered under Phase 1?"  
**Response: Phase 2 contractor will need to take over temp services.**

10. DEMO - Was all DEMO for 270000 Contractor already completed by Phase 1 SOW. Or will there be DEMO requirements in phase 2?"  
**Response: No demo for phase 2**

11. Sheet E0.2 Single Line, Why is half shaded is some of the gear purchased or on site already owner furnished , Contractor installed Sheet E1.2 Site Plan , Is the shaded portion by others?  
**Response: Shaded area indicates work *not* in this bid scope.**

12. What is correct project # for Bid Bond? Please clarify, the project number is 5213 or 5203?  
**Response: The correct project number is 5213.**

**Misc:**

1. Bid Addendum #3 issued 5/1 has "#2" in header by error but does have #3 in footer and file name.

The People are the City

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**City Treasurer**  
KEVIN A. LARSON  
**City Administrator**  
DAMIEN R. ARRULA

401 East Chapman Avenue – Placentia, California 92870

**END OF BID ADDENDUM NUMBER 4**

*Brian Abgler*  
*Received*  
*5/3/23*

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**RESOLUTION NO. R-2023-70**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF PLACENTIA, CALIFORNIA AUTHORIZING A BUDGET AMENDMENT IN FISCAL YEAR 2023-24 IN COMPLIANCE WITH CITY CHARTER OF THE CITY OF PLACENTIA §§ 1206 AND 1209 PERTAINING TO APPROPRIATIONS FOR ACTUAL EXPENDITURES.**

**A. Recitals.**

(i). The adopted budget for the 2023-24 Fiscal Year sets out estimated appropriations for City expenses throughout the year.

(ii). From time to time the adopted budget must be adjusted when precise expenditures are finally determined or when estimated expenditures exceed projected costs allocated.

(iii). City Charter of the City of Placentia § 1206 authorizes the City Council to amend or supplement the budget by motion adopted by the affirmative votes of at least three members to authorize the transfer of unused balances appropriated for one purpose to another purpose, or to appropriate available revenues not included in the budget. All other legal prerequisites to the adoption of this Resolution have occurred.

**B. Resolution.**

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

1. In all respects as set forth in the Recitals, Part A., of this Resolution.

2. The adopted budget for Fiscal Year 2023-24, via Resolution No. R-2023-42, is hereby amended to reflect the following expenditure of funds from the Account specified to the Account specified:

<b>Fund</b>	<b>Description</b>	<b>GL Account</b>	<b>JL Account</b>	<b>Amount</b>	
General Fund (101)	Fund Balance	0010-3001		\$2,600,000	Decrease
General Fund (101)	Public Safety Building	105213-6850	229999	2,600,000	Increase
General Fund (101)	HVAC Replacement	105207-6850	229999	\$1,825,000	Decrease
General Fund (101)	City Hall Solar	105209-6850	229999	\$425,000	Decrease
General Fund (101)	City Hall Roof Replacement	105210-6850	229999	\$400,000	Decrease
General Fund (101)	Public Safety Building	105213-6850	229999	\$2,650,000	Increase

Fund	Description	GL Account	JL Account	Amount	
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Fund	Description	GL Account	JL Account	Amount	
General Fund (101)	Fund Balance	0010-3001		\$2,600,000	Decrease
General Fund (101)	Public Safety Building	105213-6850	229999-6850	2,600,000	Increase
General Fund (101)	HVAC Replacement	105207-6850	229999	\$1,825,000	Decrease
General Fund (101)	City Hall Solar	105209-6850	229999	\$425,000	Decrease
General Fund (101)	City Hall Roof Replacement	105210-6850	229999	\$400,000	Decrease
General Fund (101)	Public Safety Building	105213-6850	229999	\$2,650,000	Increase
Fund	Description	GL Account	JL Account	Amount	

Fund	Description	GL Account	JL Account	Amount	Type
				\$1,000,000	Decrease
		105213-6850	229999-6850	\$1,000,000	Increase
General Fund (101)	Fund Balance	0010-3001		\$630,000	Decrease
	Public Safety Building	105213-6850	229999-6850	\$630,000	Increase
	CalOES Grant			\$250,000	Revenue
	Public Safety Building	105213-6850	229999-6850	\$250,000	Expenditure

3. The Mayor shall sign this resolution, and the City Clerk shall attest and certify to the passage and adoption thereof.

**PASSED, ADOPTED AND APPROVED THIS 25<sup>th</sup> DAY OF JULY 2023.**

\_\_\_\_\_  
Ward L. Smith, Mayor

ATTEST:

\_\_\_\_\_  
Robert S. McKinnell, City Clerk

STATE OF CALIFORNIA  
COUNTY OF ORANGE

I, Robert S. McKinnell, City Clerk of the City of Placentia, do hereby certify that the foregoing resolution was adopted at a regular meeting of the City Council of the City of Placentia held on the 25<sup>h</sup> day of July 2023 by the following vote:

AYES: Councilmembers:  
NOES: Councilmembers:  
ABSENT: Councilmembers:  
ABSTAIN: Councilmembers:

---

Robert S. McKinnell, City Clerk

APPROVED AS TO FORM:

---

Christian L. Bettenhausen, City Attorney



# Placentia City Council

## AGENDA REPORT

TO: CITY COUNCIL

VIA: CITY ADMINISTRATOR

FROM: DEPUTY CITY ADMINISTRATOR / PUBLIC SERVICES & INFRASTRUCTURE

DATE: JULY 25, 2023

SUBJECT: **AMENDMENT NO. 1 TO THE PROFESSIONAL SERVICES AGREEMENT WITH GEOCON WEST INC., FOR GEOTECHNICAL TESTING AND INSPECTION SERVICES FOR THE PLACENTIA PUBLIC SAFETY CENTER**

FISCAL  
IMPACT: EXPENSE: \$ 46,000 AMENDMENT INCREASE  
AVAILABLE  
BUDGET: \$ 5,007,150 FISCAL YEAR 2022-23 CIP BUDGET  
(105213-6850 JL# 229999-6850)

### **SUMMARY:**

A contract to construct the Phase I improvements for the Placentia Public Safety Center was approved by the City Council on January 10, 2023. In addition, the City Council approved a Professional Services Agreement with Geocon West Inc. (Geocon), to provide geotechnical inspections and building pad certification to ensure the new building's foundation is built according to the engineered specifications. Geocon completed the original geotechnical report and soils investigation and provided the design criteria for the new building's foundation. Geocon's work also included compaction testing and grading inspection services to ensure the foundation built meets their design criteria. This phase of the work was undertaken during the winter and this year's excessive rains resulted in a great deal of additional inspection work as the Phase I contractor was required to re-work, re-grade and re-compact much of the building foundation due to oversaturated soils conditions. This resulted in additional inspection hours completed by Geocon. The proposed amendment to this agreement will increase the contract not-to-exceed amount by \$46,000 to cover the cost of the needed additional inspections as well as inspections required for the Phase II building foundation. Geocon submitted a report to the City confirming that the foundation compaction meets their design criteria for the Phase I/Butler Building.

### **RECOMMENDATION:**

It is recommended that the City Council take the following actions:

1. Approve Amendment No. 1 to the Professional Services Agreement with Geocon West, Inc.; and
2. Authorize the City Administrator to execute the agreement amendment in a form approved by the City Attorney.

**1.k.**  
**July 25, 2023**

**STRATEGIC PLAN STATEMENT:**

This item conforms to Strategic Plan Goal 5, Implement Public Infrastructure to Meet Community Needs, and Objective 5.4, Construct the Placentia Public Safety Center.

**DISCUSSION:**

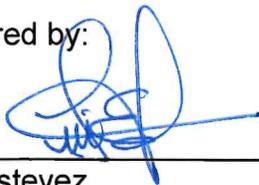
On March 1, 2022, the City Council selected a preferred project alternative for the Placentia Public Safety Center and directed Staff to finalize the construction drawings and bid documents to construct this facility. The new 18,000+ square foot facility will primarily house the Police Department's evidence and property storage operations and shooting range as well as a new public safety communications center and emergency operations and training center. The City currently leases a light industrial/commercial building for property and evidence storage.

On January 10, 2023, the City Council awarded a construction contract for Phase I of the project as well as a Professional Services Agreement with Geocon West, Inc. to provide grading and compaction testing services for the building's foundation. Geocon prepared the original soils investigation report and foundation design criteria used by the engineering team to design the foundation and footings for the new Butler Building. The extensive rains this past winter resulted in oversaturated soils conditions on the project site which required the contractor to re-work, re-grade and re-compact the pad for the building's foundation. This extra work resulted in extra inspection time for the Geocon inspection team which has resulted in a need to increase the contract not-to-exceed amount. Phase I construction activities have been completed and Geocon has certified that the building foundation meets all design criteria. Phase II construction activities are expected to begin shortly and Geocon will need to remobilize to provide the same compaction and grading inspection services for Phase II of the project. The proposed amendment to the agreement will increase the not-to-exceed amount to cover the cost of final inspections completed on Phase I and the remaining inspections needed for Phase II.

**FISCAL IMPACT:**

The total cost for geotechnical inspection and certification services for this project will not exceed \$100,000. The proposed amendment to the agreement will increase the not-to-exceed amount by \$46,000. A total of \$5,007,150 has been budgeted thus far for this project. Accordingly, sufficient funds exist for the recommended actions.

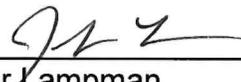
Prepared by:



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Luis Estevez  
Deputy City Administrator

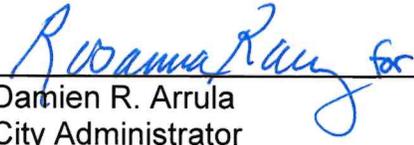
Reviewed and approved:



---

Jennifer Lampman  
Director of Finance

Reviewed and approved:

  
\_\_\_\_\_

Damien R. Arrula  
City Administrator

Attachment:

Amendment No. 1 with Geocon West Inc.

**AMENDMENT NO. 1 TO  
PROFESSIONAL SERVICES AGREEMENT  
PROVISION OF GEOTECHNICAL INSPECTION AND TESTING SERVICES WITH  
GEOCON WEST, INC.**

This Amendment No. 1 (“Amendment”) to Professional Services Agreement is made and entered into effective the 25<sup>TH</sup> day of July, 2023, by and between the CITY OF PLACENTIA, a Charter City and Municipal Corporation (“CITY”), and GEOCON WEST, INC, a California corporation (hereinafter “CONSULTANT”). CITY and CONSULTANT are sometimes hereinafter individually referred to as “Party” and or collectively referred to as the “Parties.”

**A. Recitals.**

(i). CITY and CONSULTANT entered into a Professional Services Agreement (“Agreement”) effective July 25, 2023 through which CONSULTANT has been providing professional services as more fully explained in the Scope of Services attached to the Agreement as Exhibit “A.”

(ii). The Parties now seek to amend the Agreement to increase funding not to exceed up to \$100,000 and term of the agreement to remain the same.

(iii). All legal prerequisites to the making of this Amendment have occurred.

NOW, THEREFORE, in consideration of the mutual covenants and conditions set forth herein, the Parties agree as follows:

**B. Amendment to Agreement.**

1. Section 2.0, Paragraph 2.1 of the Agreement is hereby amended to read as follows:

2.1 Compensation. Consultant shall be paid in accordance with the fee schedule set forth in Exhibit “A”. Consultant’s total compensation shall not exceed One-Hundred Thousand Dollars (\$100,000).

2. Except as specifically modified herein, all of the terms, conditions and provisions of the Agreement shall remain in full force and effect.

3. The Agreement, all amendments together with this Amendment No. 1 and all Exhibits attached thereto, constitutes the entire Agreement between the Parties and supersedes all prior negotiations, arrangements, representations, and understandings, if any, made by or between the Parties with respect to the subject matter hereof. No amendment or other modification of the Agreement, as modified by this Amendment No. 1 shall be binding unless executed in writing by both Parties hereto, or their respective successors, assigns, or grantees.

4. Each of the undersigned represents and warrants that he or she is duly authorized to execute and deliver this Amendment No. 1 and that such execution is binding upon the entity for which he or she is executing this document.

IN WITNESS WHEREOF, the Parties have caused Amendment No. 1 to the Consulting Services Agreement are to be executed as of the day and year first above written.

CONSULTANT

CITY OF PLACENTIA

By: Jelisa Thomas Adams  
Jelisa Thomas Adams  
GE

By: \_\_\_\_\_  
Damien R. Arrula  
City Administrator

ATTEST:

By: \_\_\_\_\_  
Robert S. McKinnell, City Clerk

APPROVED AS TO FORM:

By: \_\_\_\_\_  
Christian L. Bettenhausen, City Attorney



# Placentia City Council

## **AGENDA REPORT**

TO: CITY COUNCIL

VIA: CITY ADMINISTRATOR

FROM: DEPUTY CITY ADMINISTRATOR / PUBLIC SERVICES & INFRASTRUCTURE

DATE: JULY 25, 2023

SUBJECT: **PURCHASE OF TWO (2) PUBLIC WORKS SERVICE TRUCKS**

FISCAL  
IMPACT: EXPENSE: \$85,767.38 TOTAL PURCHASE PRICE  
BUDGET: \$90,000.00 FY 2023-24 CIP BUDGET (799800-6842 JL#24802)

### **SUMMARY:**

There is a need to purchase two (2) replacement Public Works vehicles that were budgeted in the adopted Fiscal Year (FY) 2023-2024 CIP Budget. The Public Works Department has several vehicles that have exceeded their useful service lives and need replacement. The two (2) new proposed vehicles will be replacing two (2) 2002 Ford Rangers. The new vehicles will be utilized for landscaping maintenance, street maintenance, irrigation maintenance, and day-to-day maintenance activities. The selected vehicles for this purchase are two (2) 2023 F-150 regular cab pickup trucks and will be purchased from Fairway Ford and ready to be delivered upon receipt of an approved purchase order from the City. The total cost of the vehicles amounts to \$85,767.38.

### **RECOMMENDATION:**

It is recommended that the City Council take the following actions:

1. Approve the purchase of two (2) 2023 Ford F-150 Regular Cab work trucks from Fairway Ford in the amount of \$85,767.38; and
2. Authorize the City Administrator and/or his designee to issue a purchase order to Fairway Ford for these vehicles and execute all necessary documents, in a form approved by the City Attorney.

### **STRATEGIC PLAN STATEMENT:**

There is no specific strategic planning goal or objective associated with this agenda item.

### **DISCUSSION:**

Staff evaluated the selected 2023 Ford F-150 Regular Cab trucks to replace older vehicles within the City's fleet. The vehicles have been placed on order by Fairway Ford and should be ready for delivery in late July/early August and ready to be received upon purchase. The purchase of

**1.1.**  
**July 25, 2023**

two (2) Ford F-150s is budgeted in the Fiscal Year 2023-24 vehicle replacement fund under fleet management.

Staff determined the Ford F-150 regular cab pickup truck to be a suitable vehicle for the needs of the Public Works Department due to its ideal size for equipment transport, reliability record, lower maintenance costs, and comfortable ride. Additionally, these vehicles are currently used successfully by other municipal agencies for maintenance work and will be more maneuverable in the narrow alleys throughout Old Town Placentia.

Staff received one (1) suitable competitive bid from Fairway Ford for two (2) 2023 Ford F-150 Regular Cab work trucks in the amount of \$85,767.38. Staff recommends purchasing the selected maintenance vehicles from Fairway Ford as they are the only vendor that can deliver these vehicles within the desired time schedule. Due to supply chain issues, there is a lack of vehicle inventory and a 6-9 month waiting period when ordering a truck from the factory. This action authorizes the purchase of two (2) Public Works maintenance vehicles for use by Public Works Maintenance Staff from Fairway Ford, utilizing funds budgeted in the adopted FY 2023-24 CIP Budget Once received, the vehicles will be added to the City's fleet management list.

**FISCAL IMPACT:**

The funds to purchase this vehicle are allocated in the adopted Fiscal Year 2023-24 CIP budget. The quote for two (2) 2023 Ford F-150 Regular Cab work trucks is from Fairway Ford for \$85,767.38. The current available budget for this purchase is \$90,0000 and therefore sufficient funds exist for the recommend actions.

Prepared by:



\_\_\_\_\_  
Joel Cardenas  
Public Works Superintendent

Reviewed and approved:



\_\_\_\_\_  
Jennifer Lampman  
Director of Finance

Reviewed and approved:



\_\_\_\_\_  
Luis Estevez  
Deputy City Administrator

Reviewed and approved:



\_\_\_\_\_  
Damien R. Arrula  
City Administrator

**Attachment:**

Quote from Fairway Ford

# FAIRWAY

1350 Yorba Linda Boulevard • Placentia • California • 92870  
Tel: 714/578-3800 • Fax: 714/996-5610

QUOTE

DATE

JUNE 28, 2023

CITY OF PLACENTIA  
401 E CHAPMAN AVE  
PLACENTIA CA 92870

YEAR

2023

MAKE

FORD

MODEL

F150 REG CAB

VIN# 1FTMF1CP0PKE92431

<b>PRICE</b>	<b>\$39,885.00</b>
<b>PLACENTIA REBATE</b>	<b>-\$500.00</b>
<b>SALES TAX</b>	<b>\$3,489.94</b>
<b>DMV FEE</b>	<b>\$0.00</b>
<b>TOTAL AMOUNT DUE</b>	<b>\$42,883.69</b>

If you should have any questions regarding this QUOTE please contact Trina Maurer-Fleet Manager

# FAIRWAY

1350 Yorba Linda Boulevard • Placentia • California • 92870  
Tel: 714/570-3800 • Fax: 714/996-5610

QUOTE

DATE

JUNE 28, 2023

CITY OF PLACENTIA  
401 E CHAPMAN AVE  
PLACENTIA CA 92870

YEAR

2023

MAKE

FORD

MODEL

F150 REG CAB

VIN# 1FTMF1CP1PKE92213

<b>PRICE</b>	<b>\$39,885.00</b>
<b>PLACENTIA REBATE</b>	<b>-\$500.00</b>
<b>SALES TAX</b>	<b>\$3,489.94</b>
<b>DMV FEE</b>	<b>\$0.00</b>
<b>TOTAL AMOUNT DUE</b>	<b>\$42,883.69</b>

If you should have any questions regarding this QUOTE please contact Trina Maurer-Fleet Manager



# Placentia City Council

## AGENDA REPORT

TO: CITY COUNCIL

VIA: CITY ADMINISTRATOR

FROM: CHIEF OF POLICE

DATE: JULY 25, 2023

SUBJECT: **AMENDMENT NO. 4 TO THE PROFESSIONAL SERVICES AGREEMENT WITH THE PLACENTIA YORBA LINDA UNIFIED SCHOOL DISTRICT FOR THE PROVISION OF TWO (2) SCHOOL RESOURCE OFFICERS**

FISCAL

IMPACT: REVENUE: \$250,000 (School District reimburses 79% of School Resource Officers Actual Amount)

### **SUMMARY:**

The City of Placentia has had a longstanding contractual agreement with the Placentia-Yorba Linda Unified School District (PYLUSD) where the City provides School Resource Officers at El Dorado and Valencia high schools. PYLUSD reimburses 79% of the actual compensation (salary plus benefits) for two (2) School Resource Officers up to \$250,000 annually. The proposed Amendment No. 4 would extend the contract with PYLUSD by one year.

### **RECOMMENDATION:**

It is recommended that the City Council take the following actions:

1. Approve Amendment No. 4 to the Professional Services Agreement for the Provision of School Resource Officer Services with Placentia-Yorba Linda Unified School District based on a reimbursement formula as specified in the Agreement; and
2. Authorize the City Administrator to execute the necessary documents, in a form approved by the City Attorney.

### **STRATEGIC PLAN STATEMENT:**

This item conforms to Strategic Plan Goal 2, Ensure that Public Safety Continues to be a High Priority, Objective No. 2, Consider sharing of services to other cities.

### **DISCUSSION:**

The City of Placentia provides one School Resource Officer at El Dorado High School and one School Resource Officer at Valencia High School via a contractual relationship with PYLUSD approved on August 15, 2018. Both officers provide support to all Placentia schools, as needed. The program provides crime prevention services directly to students and educates potential

**1.m.**  
**July 25, 2023**

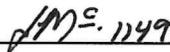
school-age victims in crime prevention and safety. In addition to positively impacting the student population, the program addresses staff, and parental perceptions of school safety.

Under the original Agreement, plus three amendments which adjusted the amount due to salary increases afforded to the two assigned police officers pursuant to their MOU, PYLUSD reimburses 79% of the actual compensation (salary plus benefits) for two School Resource Officers up to \$250,000 annually. The proposed Amendment No. 4 would add one year to the contract with PYLUSD.

**FISCAL IMPACT:**

Amendment No. 4 is for a one-year term, where the cost of the total program to provide two School Resource Officers to the PYLUSD is not-to-exceed \$250,000 per year, based on actual compensation costs. Under the Agreement, PYLUSD reimburses the City 79% of actual amounts.

Submitted by:

  
\_\_\_\_\_  
Teri Knutson  
Management Analyst

Reviewed and approved:

  
\_\_\_\_\_  
Brad Butts  
Chief of Police

Reviewed and approved:

  
\_\_\_\_\_  
Jennifer Lampman  
Finance Director

Reviewed and approved:

  
\_\_\_\_\_  
Damien R. Arrula  
City Administrator

**Attachments:**

1. Amendment No. 4 to Professional Service Agreement for Provision of School Resource Officer Services with PYLUSD
2. Original and three (3) previous Amendments

**AMENDMENT NO. 4 TO  
PROFESSIONAL SERVICES AGREEMENT  
PROVISION OF SCHOOL RESOURCE OFFICER SERVICES WITH PLACENTIA-  
YORBA LINDA UNIFIED SCHOOL DISTRICT (PYLUSD)**

This Amendment No. 4 ('Amendment') to Professional Services Agreement is made and entered into effective the 11th day of July 2023, by and between The CITY OF PLACENTIA, a Municipal Corporation, ("City") and the PLACENTIA-YORBA LINDA UNIFIED SCHOOL DISTRICT, a political subdivision of the State of California, ("District"). CITY and DISTRICT are sometimes hereinafter individually referred to as "Party" and or collectively referred to as the "Parties."

**A. Recitals.**

(i). CITY and DISTRICT entered into a Professional Services Agreement ("Agreement") effective August 15, 2018, through which CITY has been providing School Resource Officer ("SRO") services as more fully explained in the Scope of Services attached to the Agreement as Exhibit "A."

(ii) Effective September 1, 2019, the Parties executed Amendment No. 1, which increased the amount to be paid under the Agreement. The Parties executed Amendment No. 2 effective October 1, 2021, which increased the amount to be paid under the Agreement. The Parties executed Amendment No. 3 effective October 1, 2022, which again changed the amount to be paid under the Agreement.

(iii) The Parties now seek to amend the Agreement to again change the amount to be paid and extend the term of the Agreement.

(iv). All legal prerequisites to the making of this Amendment have occurred.

**B. Amendments.**

1. Paragraph (5) of the Agreement is amended to provide as follows:

DISTRICT agrees to reimburse the CITY for 79% of the annual cost of both SROs in an amount not-to-exceed of \$250,000 for the 2023-2024 School Year. Said amount may be reduced based upon the actual cost incurred by CITY and shall be subject to adjustment in subsequent years as mutually agreed by the parties. Such adjustment in subsequent years shall not exceed the increase in the consumer price index for the Southern California area during the year immediately preceding the proposed adjustment.

2. Except as specifically modified herein, all the terms, conditions and provisions of the Agreement shall remain in full force and effect.

3. The Agreement, all amendments together with this Amendment No. 4, Amendment

No. 1, No. 2, No. 3 and all Exhibits attached thereto, constitutes the entire Agreement between the Parties and supersedes all prior negotiations, arrangements, representations, and understandings, if any, made by or between the Parties with respect to the subject matter hereof. No amendment or other modification of the Agreement, as modified by this Amendment No. 4 shall be binding unless executed in writing by both Parties hereto, or their respective successors, assigns, or grantees.

5. Each of the undersigned represents and warrant that he or she is duly authorized to execute and deliver this Amendment No. 4 and that such execution is binding upon the entity for which he or she is executing this document.

IN WITNESS WHEREOF, the Parties have caused Amendment No. 4 to the Professional Service Agreement are to be executed as of the day and year first above written.

PLACENTIA-YORBA LINDA UNIFIED  
SCHOOL DISTRICT

By:   
David Giordano  
Chief Business Officer



CITY OF PLACENTIA

By: \_\_\_\_\_  
Damien R. Arrula  
City Administrator

ATTEST:

By: \_\_\_\_\_  
Robert S. McKinnell, City Clerk

APPROVED AS TO FORM:

By: \_\_\_\_\_  
Christian L. Bettenhausen, City Attorney

**City of Placentia School Resource Officer  
Compensation FY 2023/2024**

<b>Officer Wagoner</b>			
Hourly Rate			
Step E	<u>Hourly</u>	<u>MONTHLY</u>	<u>ANNUAL</u>
Annual Salary (Hourly Rate * 2080 hours)	\$ 49.75	\$ 8,623.46	\$ 103,481.53
<b>Additional Monthly Pay:</b>	Rate		
Bilingual			
SRO	5.0%	\$ 431.17	\$ 5,174.08
POST - BASIC	2.5%	\$ 215.59	\$ 2,587.04
POST - INTERMEDIATE	4.5%	\$ -	
POST - ADVANCE	7.0%		
PPOA Longevity Pay	4.0%		\$ 4,139.26
RANGE	2.5%		\$ 2,587.04
<b>Monthly Benefits:</b>			
Health (OPT OUT)		\$ 607.75	\$ 7,293.00
Dental		\$ 44.75	\$ 537.00
Optical		\$ 7.82	\$ 93.84
Life		\$ 12.50	\$ 150.00
LTD		\$ 34.82	\$ 417.85
STD		\$ 30.99	\$ 371.84
PERS (Safety - Classic)		\$ 2,665.12	\$ 31,981.38
Medicare		\$ 142.55	\$ 1,710.55
EAP		\$ 3.00	\$ 36.00
<b>Total Salary and Benefits:</b>			
Salary		\$ 9,615.16	\$ 115,381.90
Benefits		\$ 3,406.74	\$ 40,880.91
Payroll Taxes		\$ 142.55	\$ 1,710.55
Total Costs		\$ 13,164.45	\$ 157,973.36

		Full Hourly Rate	Full Annual Rate
PYLUSD Portion	79%	\$ 60.00	\$ 124,798.96
City Portion	21%	\$ 15.95	\$ 33,174.41

<b>Officer Valdez</b>			
Hourly Rate			
Step B	<u>Hourly</u>	<u>MONTHLY</u>	<u>ANNUAL</u>
Annual Salary (Hourly Rate * 2080 hours)	\$ 42.95	\$ 7,445.19	\$ 89,342.27
<b>Additional Monthly Pay:</b>	Rate		
Bilingual			
SRO	5.0%	\$ 372.26	\$ 4,467.11
POST - BASIC	2.5%		
POST - INTERMEDIATE	4.5%		
POST - ADVANCE	7.0%	\$ 521.16	\$ 6,253.96
PPOA Longevity Pay	4.0%		
<b>Monthly Benefits:</b>			
Health (PERS Care)		\$ 735.00	\$ 8,820.00
Dental		\$ 44.75	\$ 537.00
Optical		\$ 7.82	\$ 93.84
Life		\$ 12.50	\$ 150.00
LTD		\$ 34.82	\$ 417.85
STD		\$ 30.99	\$ 371.84
PERS (Safety - PEPPRA)		\$ 1,129.05	\$ 13,548.58
Medicare		\$ 120.91	\$ 1,450.92
EAP		\$ 3.00	\$ 36.00
<b>Total Salary and Benefits:</b>			
Salary		\$ 8,338.61	\$ 100,063.34
Benefits		\$ 1,997.93	\$ 23,975.11
Payroll Taxes		\$ 120.91	\$ 1,450.92
Total Costs		\$ 10,457.45	\$ 125,489.37

		Full Hourly Rate	Full Annual Rate
PYLUSD Portion	79%	\$ 47.66	\$ 99,136.60
City Portion	21%	\$ 12.67	\$ 26,352.77

Total PYLUSD      \$      223,935.56

**TO:** Dr. Michael D. Matthews, Superintendent  
**FROM:** Richard McAlindin, Assistant Superintendent, Executive Services  
**SUBJECT:** **CITY OF PLACENTIA SCHOOL RESOURCE OFFICER AGREEMENT  
AMMENDMENT NUMBER 3**  
**DATE:** August 9, 2022

**BACKGROUND:** The safety of our students while they are at school remains a priority of our community and school district. An effective way to prevent violence on campus, reduce crime, and at the same time foster trust and respect between law enforcement and students, is to assign a law enforcement officer to our district's high schools. The School Resource Office (SRO) is a certified law enforcement officer who is permanently assigned to a school or set of schools. The SRO is trained to perform three roles: law enforcement; law-related counselor; and law-related education teacher, and acts as a comprehensive resource to the assigned school.

**RATIONALE:** The one-year agreement with the City of Placentia provides access to School Resource Officers at El Dorado and Valencia high schools. Both officers would provide support to all Placentia schools as needed. The two agencies will share in the cost of two officers and will collaborate on the specific duties to be performed. This is a unique opportunity to involve the community and law enforcement in expanding crime prevention efforts for students and educating likely school-age victims in crime prevention and safety. We expect the SRO's to positively impact student, staff and parental perceptions of school safety.

**FUNDING:** General funds NTE \$250,000

**BOARD FOCUS AREA:** This board agenda item supports Focus Area 4.0, *Safe and Respectful Environment* - "A safe and respectful environment is essential to student success. We foster a culture that promotes the emotional health, safety, and well-being of students, staff, and parents."

**RECOMMENDATION:** Approve the Agreement Amendment Number 3 between the City of Placentia and the Placentia-Yorba Linda Unified School District for the provision of two School Resource Officers, effective August 10, 2022 through June 30, 2023.

**PREPARED BY:** Richard McAlindin, Assistant Superintendent, Executive Services

**AMENDMENT NO. 3 TO  
PROFESSIONAL SERVICE AGREEMENT  
PROVISION OF SCHOOL RESOURCE OFFICER SERVICES WITH PLACENTIA-  
YORBA LINDA UNIFIED SCHOOL DISTRICT (PYLUSD)**

This Amendment No. 3 (“Amendment”) to Professional Service Agreement is made and entered into effective the 1<sup>st</sup> day of October 2022, by and between the CITY OF PLACENTIA, a Municipal Corporation (“CITY”), and PLACENTIA-YORBA LINDA UNIFIED SCHOOL DISTRICT, a political subdivision fo the State of California (hereinafter “DISTRICT”). CITY and DISTRICT are sometimes hereinafter individually referred to as “Party” and or collectively referred to as the “Parties.”

**A. Recitals.**

(i). CITY and DISTRICT entered into a Professional Services Agreement (“Agreement”) effective August 15, 2018 through which CITY has been providing School Resource Officer (“SRO”) services as more fully explained in the Scope of Servcies attached to the Agreement as Exhibit “A.”

(ii). Effective September 1, 2019 the Parties executed Amendment No. 1, which increased the amount to be paid under the Agreement. The Parties executed Amendment No. 2 effective October 1, 2021 which again changed the amount to be paid under the Agreement.

(iii)The Parties now seek to amend the Agreement to again change the amount to be paid.

(iv). All legal prerequisites to the making of this Amendment have occurred.

NOW, THEREFORE, in consideration of the mutual covenants and conditions set forth herein, the Parties agree as follows:

**B. Amendment to Agreement.**

1. Paragraph (5) of the Agreement is amended to provide as follows:

DISTRICT agrees to reimburse the CITY for 79% of the annual cost of both SROs in the amount of \$250,000 for the 2022-2023 school year. Said amount may be reduced based upon the actual costs incurred by CITY and shall be subject to adjustment in subsequent years as mutually agreed by the Parties. Such adjustment in subsequent years shall not exceed the increase in the consumer price index for the Southern California area during the year immediately preceding the proposed adjustment.

2. Except as specifically modified herein, all of the terms, conditions and provisions of the Agreement shall remain in full force and effect.

4. The Agreement, all amendments together with this Amendment No. 3, Amendment No. 1, No. 2 and all Exhibits attached thereto, constitutes the entire Agreement between the Parties

and supersedes all prior negotiations, arrangements, representations, and understandings, if any, made by or between the Parties with respect to the subject matter hereof. No amendment or other modification of the Agreement, as modified by this Amendment No. 3 shall be binding unless executed in writing by both Parties hereto, or their respective successors, assigns, or grantees.

4. Each of the undersigned represents and warrants that he or she is duly authorized to execute and deliver this Amendment No. 3 and that such execution is binding upon the entity for which he or she is executing this document.

IN WITNESS WHEREOF, the Parties have caused Amendment No. 3 to the Professional Service Agreement are to be executed as of the day and year first above written.

DISTRICT

CITY OF PLACENTIA

By:

PYLUSD

  
David Giordano  
Asst. Supert., Business

By:

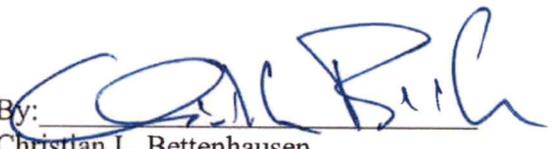
  
Damien Arrula  
City Administrator

ATTEST:

  
Robert S. McKinnell,  
City Clerk

APPROVED AS TO FORM:

By:

  
Christian L. Bettenhausen,  
City Attorney

**City of Placentia School Resource Officer  
Compensation FY 2022/2023**

<b>Officer Hurtado</b>			
Hourly Rate			
Step C	\$ 42.25	<b>MONTHLY</b>	<b>ANNUAL</b>
Annual Salary (Hourly Rate * 2080 hours)	\$ 7,323.09	\$	87,877.10
<b>Additional Monthly Pay:</b>			
	Rate		
Bilingual	\$250/Month	\$ 250.00	\$ 3,000.00
SRO	5%	\$ 366.15	\$ 4,393.86
POST - BASIC	3%	\$ 183.08	\$ 2,196.93
POST - INTERMEDIATE	5%	\$ 329.54	\$ 3,954.47
POST - ADVANCE	7%		
PPOA Longevity Pay	5%		
<b>Monthly Benefits:</b>			
Health (PERS Care)		\$ 735.00	\$ 8,820.00
Dental		\$ 44.75	\$ 537.00
Optical		\$ 7.82	\$ 93.84
Life		\$ 12.50	\$ 150.00
LTD		\$ 34.82	\$ 417.85
STD		\$ 30.99	\$ 371.84
PERS (Safety - PEPPRA)		\$ 1,109.73	\$ 13,316.76
Medicare		\$ 122.55	\$ 1,470.62
EAP		\$ 3.00	\$ 36.00
<b>Total Salary and Benefits:</b>			
Salary		\$ 8,451.86	\$ 101,422.36
Benefits		\$ 1,978.61	\$ 23,743.29
Payroll Taxes		\$ 122.55	\$ 1,470.62
Total Costs		\$ 10,553.02	\$ 126,636.27

		Full Hourly Rate	Full Annual Rate
PYLUSD Portion	79%	\$ 48.10	\$ 100,042.65
City Portion	21%	\$ 12.79	\$ 26,593.62

<b>Officer Valdez</b>			
Hourly Rate			
Step A	\$ 38.03	<b>MONTHLY</b>	<b>ANNUAL</b>
Annual Salary (Hourly Rate * 2080 hours)	\$ 6,591.94	\$	79,103.30
<b>Additional Monthly Pay:</b>			
	Rate		
Bilingual	\$250/Month		
SRO	5%	\$ 329.60	\$ 3,955.17
POST - BASIC	3%		
POST - INTERMEDIATE	5%		
POST - ADVANCE	7%	\$ 461.44	\$ 5,537.23
PPOA Longevity Pay	5%		
<b>Monthly Benefits:</b>			
Health (PERS Care)		\$ 735.00	\$ 8,820.00
Dental		\$ 44.75	\$ 537.00
Optical		\$ 7.82	\$ 93.84
Life		\$ 12.50	\$ 150.00
LTD		\$ 34.82	\$ 417.85
STD		\$ 30.99	\$ 371.84
PERS (Safety - PEPPRA)		\$ 969.38	\$ 11,632.62
Medicare		\$ 107.05	\$ 1,284.64
EAP		\$ 3.00	\$ 36.00
<b>Total Salary and Benefits:</b>			
Salary		\$ 7,382.98	\$ 88,595.70
Benefits		\$ 1,838.26	\$ 22,059.15
Payroll Taxes		\$ 107.05	\$ 1,284.64
Total Costs		\$ 9,328.29	\$ 111,939.48

		Full Hourly Rate	Full Annual Rate
PYLUSD Portion	79%	\$ 42.52	\$ 88,432.19
City Portion	21%	\$ 11.30	\$ 23,507.29

Total PYLUSD      \$      188,474.84

**AMENDMENT NO. 2 TO  
PROFESSIONAL SERVICE AGREEMENT  
PROVISION OF SCHOOL RESOURCE OFFICER SERVICES WITH PLACENTIA-  
YORBA LINDA UNIFIED SCHOOL DISTRICT (PYLUSD)**

This Amendment No. 2 ("Amendment") to Professional Service Agreement is made and entered into effective the 1<sup>st</sup> day of October 2021, by and between the CITY OF PLACENTIA, a Municipal Corporation ("CITY"), and PLACENTIA-YORBA LINDA UNIFIED SCHOOL DISTRICT, a political subdivision of the State of California (hereinafter "DISTRICT"). CITY and DISTRICT are sometimes hereinafter individually referred to as "Party" and or collectively referred to as the "Parties."

**A. Recitals.**

(i). CITY and DISTRICT entered into a Professional Services Agreement ("Agreement") effective August 15, 2018 through which CITY has been providing School Resource Officer ("SRO") services as more fully explained in the Scope of Services attached to the Agreement as Exhibit "A."

(ii). Effective September 1, 2019 the Parties executed Amendment No. 1, which increased the amount to be paid under the Agreement.

(iii) The Parties now seek to amend the Agreement to again change the amount to be paid under the Agreement.

(iv). All legal prerequisites to the making of this Amendment have occurred.

NOW, THEREFORE, in consideration of the mutual covenants and conditions set forth herein, the Parties agree as follows:

**B. Amendment to Agreement.**

1. Paragraph (5) of the Agreement is amended to provide as follows:

DISTRICT agrees to reimburse the CITY for 79% of the annual cost of both SROs in the amount of \$220,000 for the 2021-2022 school year. CITY shall provide the second of two SROs within 6 months of the start of the 2021-2022 school year. Said amount may be reduced based upon the actual costs incurred by CITY and shall be subject to adjustment in subsequent years as mutually agreed by the Parties. Such adjustment in subsequent years shall not exceed the increase in the consumer price index for the Southern California area during the year immediately preceding the proposed adjustment.

2. Except as specifically modified herein, all of the terms, conditions and provisions of the Agreement shall remain in full force and effect.

4. The Agreement, all amendments together with this Amendment No. 2, Amendment No. 1, and all Exhibits attached thereto, constitutes the entire Agreement between the Parties and supersedes all prior negotiations, arrangements, representations, and understandings, if any, made by or between the Parties with respect to the subject matter hereof. No amendment or other modification of the Agreement, as modified by this Amendment No. 2 shall be binding unless executed in writing by both Parties hereto, or their respective successors, assigns, or grantees.

4. Each of the undersigned represents and warrants that he or she is duly authorized to execute and deliver this Amendment No. 2 and that such execution is binding upon the entity for which he or she is executing this document.

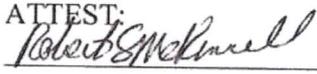
IN WITNESS WHEREOF, the Parties have caused Amendment No. 2 to the Professional Service Agreement are to be executed as of the day and year first above written.

DISTRICT

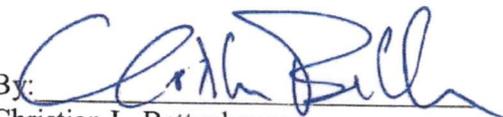
CITY OF PLACENTIA

By:   
PYLUSD David A. Jordan  
 Asst. Supert., Business

By:   
Damien Arrula  
City Administrator

ATTEST:  
  
Robert S. McKinnell,  
City Clerk

APPROVED AS TO FORM:

By:   
Christian L. Bettenhausen,  
City Attorney

**AMENDMENT NO. 1 TO  
PROFESSIONAL SERVICES AGREEMENT  
PROVISION OF SCHOOL RESOURCE OFFICER SERVICES WITH PLACENTIA-  
YORBA LINDA UNIFIED SCHOOL DISTRICT (PYLUSD)**

This Amendment No. 1 ("Amendment") to Professional Services Agreement is made and entered into effective the 1<sup>st</sup> day of September, 2019, by and between the CITY OF PLACENTIA, a Charter City and Municipal Corporation ("CITY"), and PLACENTIA-YORBA LINDA UNIFIED SCHOOL DISTRICT, a Political Subdivision of the State of California ("District"). CITY and CONSULTANT are sometimes hereinafter individually referred to as "Party" and or collectively referred to as the "Parties."

**A. Recitals.**

(i). CITY and CONSULTANT entered into a Professional Services Agreement ("Agreement") effective August 15, 2018 through which CONSULTANT has been providing professional services as more fully explained in the Scope of Services attached to the Agreement as Exhibit "A."

(ii). The Parties now seek to amend the Agreement to increase the amount of the contract.

(iii). All legal prerequisites to the making of this Amendment have occurred.

NOW, THEREFORE, in consideration of the mutual covenants and conditions set forth herein, the Parties agree as follows:

**B. Amendment to Agreement.**

1. Section 5 of the Agreement is hereby amended to read as follows:

District agrees to reimburse City for 79% of the annual cost of both SROs in an amount not to exceed \$246,000. Said may be reduced based upon the actual costs incurred by City and shall be subject to adjustment in subsequent years as mutually agreed upon between the parties. Such adjustment in subsequent years shall not exceed the increase in the consumer price index for Southern California area during the year immediately preceding the proposed adjustment.

2. Except as specifically modified herein, all of the terms, conditions and provisions of the Agreement shall remain in full force and effect.

3. The Agreement, all amendments together with this Amendment No. 1 and all Exhibits attached thereto, constitutes the entire Agreement between the Parties and supersedes all prior negotiations, arrangements, representations, and understandings, if any, made by or between the Parties with respect to the subject matter hereof. No amendment or other modification of the Agreement, as modified by this Amendment No.1 shall be binding unless executed in writing by both Parties hereto, or their respective successors, assigns, or grantees.

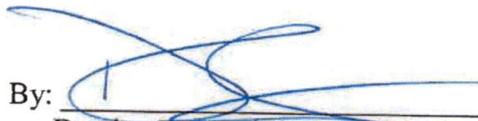
4. Each of the undersigned represents and warrants that he or she is duly authorized to execute and deliver this Amendment No. 1 and that such execution is binding upon the entity for which he or she is executing this document.

IN WITNESS WHEREOF, the Parties have caused Amendment No. 1 to the Consulting Services Agreement are to be executed as of the day and year first above written.

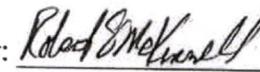
CONSULTANT

By:   
\_\_\_\_\_  
Greg Plutko, Ed. D.  
Superintendent (PYLUSD)

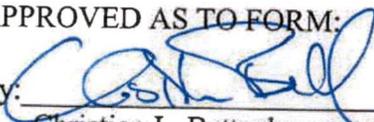
CITY OF PLACENTIA

By:   
\_\_\_\_\_  
Damien R. Arrula/ City Administrator

ATTEST:

By:   
\_\_\_\_\_  
Robert Mckinnell, City Clerk

APPROVED AS TO FORM:

By:   
\_\_\_\_\_  
Christian L. Bettenhausen, City Attorney

CITY OF PLACENTIA AND PLACENTIA-YORBA LINDA  
UNIFIED SCHOOL DISTRICT  
SCHOOL RESOURCE OFFICER AGREEMENT

This Agreement is made and entered into as of August 15, 2018, by and between The CITY OF PLACENTIA, a Charter City and municipal corporation, ("City") and the PLACENTIA-YORBA LINDA UNIFIED SCHOOL DISTRICT, a political subdivision of the State of California, ("District") (collectively the "Parties").

A. Recitals.

(i). In recent years, the Parties have determined that there is a need to place a police officer in both local high schools in order to more effectively deal with police-related issues that are unique to school campuses. It is the intent of this Agreement that Placentia police officers will work on campus, handle crimes that occur on campus, and be utilized for crisis intervention, counseling and mentoring of students.

(ii) The Parties desire to establish an effective mechanism for the provision of such services on District high school sites.

(iii) All legal prerequisites to the making of this Agreement have occurred.

NOW, THEREFORE, in consideration of the mutual covenants and conditions set forth herein it is agreed by and between City and District as follows:

B. Agreement.

1. City and District agree that District shall pay 79% and City shall pay the remaining 21% of the cost of two (2) full-time sworn police officers to be committed to full-time (school year) duties as a School Resource Officer ("SRO") per Schedule "A".

2. The SROs shall be employees of City, and City shall be responsible, in all respects for compensation, training, coordination and management of duties, discipline, and all other matters related to their employment; provided, however, that the individuals employed by City as SRO shall be acceptable to District. The SROs shall comply with all District rules and regulations.

3. City and District agree that the duties of the SRO shall be as follows:

(a). Act as resource person for the schools, students, parents, teachers, school staff and others involved in the welfare and education of youth.

(b). Counsel students and parents.

(c). Assist the school authorities in determining the most appropriate courses of action in cases involving actual violations of law on campus or at-risk youth.

(d). Cooperate with school authorities in finding resources that may assist in helping at-Risk students.

(e). Inspect school facilities for reasonable security precautions, traffic patterns, and vandalism deterrents.

(f). Take reports of criminal offenses that occur on school property and submit them to the Police Department for follow-up. Develop a friendly, non-threatening relationship with students.

(g). Give presentations to students on administration of justice, youth, and the law; rights and responsibilities of students and parents; bicycle, and pedestrian safety, drug abuse, anti-gang messages, and other topics as mutually agreed.

(h). Meet with PTA groups, teacher groups, student body groups, and other interested groups as deemed necessary and appropriate.

(i). Assist in planning and supervising dances, sporting events, and other school activities.

Both parties agree the SROs shall not be responsible for the following:

(1). Discipline of students.

(2). Enforcement of school rules and regulations.

4. The District and City acknowledge and agree that for purposes of sharing pupil record information, the SRO shall be deemed a "school official" consistent with applicable federal and state law and regulations. Pursuant to 34 Code of Federal Regulations (§ 99.31(a)(1)(i)(B)), both parties agree that the SRO, as a school official:

- a) Performs a service or function, as noted in this Agreement, for which the District would otherwise use employees;
- b) Is under the direct control of the District with respect to the use and maintenance of education records;
- c) Is subject to the requirements in § 99.33(a) that the personally identifiable information (PII) from education records may be used only for the purposes for which the disclosure was made, e.g., to promote school safety and the physical security of students, and governing the redisclosure of PII from education records; and
- d) Meets the criteria specified in the District's annual notification of FERPA rights for being a school official with a legitimate educational interest in the education records. That criteria includes the above three points and limits access to pupil records to those pupil records the SRO needs to review in order to fulfill his or her professional responsibility.

In addition, both parties agree that SROs acting as school officials under this Agreement may only use personally identifiable information from pupil records for the purposes for which the

disclosure was made, e.g., to promote school safety and the physical security of the students, in accordance with 34 CFR §§ 99.31(a)(1)(i)(B)(3) and 99.33(a)(2). In addition, SROs under this Agreement are subject to FERPA's redisclosure requirements in 34 CFR § 99.33(a), which means that a SRO who is acting as a "school official" under FERPA may not re-disclose pupil record information from education records to others, including other employees of his or her police department who are not acting as school officials without consent, unless the disclosure fits within one of the exceptions to consent in FERPA such as a subpoena, court order, emergency determined by the District, or directory information if the parent/legal guardian has not opted out.

5. District agrees to reimburse City for 79% of the annual cost of both SROs in an amount not to exceed \$221,000. Said may be reduced based upon the actual costs incurred by City and shall be subject to adjustment in subsequent years as mutually agreed upon between the parties. Such adjustment in subsequent years shall not exceed the increase in the consumer price index for Southern California area during the year immediately preceding the proposed adjustment.

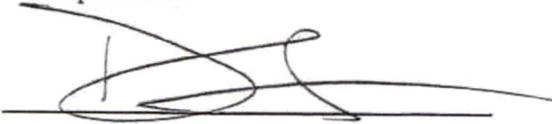
6. District further agrees to make available office space for the SROs at District's schools, including office materials and supplies. Payment to the City by the District pursuant to this Agreement shall be made based upon quarterly invoices for cost incurred, payable October 1, January 1, April 1 and June 30 of each year in which the Agreement is in effect.

7. The City agrees to indemnify and hold District harmless from any and all liabilities, claims, and costs, including reasonable attorneys' fees associated with any claims or demands related to the conduct of the SRO or services provided by him/her pursuant to this Agreement. City shall, however, have no obligation to indemnify and hold District harmless for the negligent or intentional wrongful acts of District's officials, employees, and agents.

8. District hereby agrees to indemnify and hold City harmless from any and all liabilities, claims, and costs, including reasonable attorneys' fees associated with any claims or demands related to the conduct of the SRO or services provided by him/her pursuant to direction of District officials or staff. DISTRICT shall, however, have no obligation to indemnify and hold City harmless for the negligent or intentional wrongful acts of City's officials, employees, and agents.

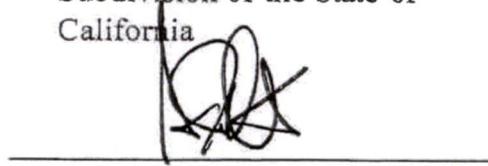
9. This Agreement shall automatically renew annually for an additional period of one (1) year commencing July 1 of the next succeeding year, unless either Party elects to terminate or alter the Agreement as hereafter provided, up to a total of five (5) years. If either Party wishes to terminate this Agreement without cause or alter its renewal terms, the Party desiring the alteration or termination shall notify the other Party in writing sixty (60) days prior to the proposed alteration or termination date.

CITY OF PLACENTIA, A  
Charter City and Municipal  
Corporation



Damien R. Arrula  
City Administrator

PLACENTIA-YORBA LINDA  
UNIFIED SCHOOL  
DISTRICT A Political  
Subdivision of the State of  
California



Greg Plutko, Ed. D.  
Secretary of the Board

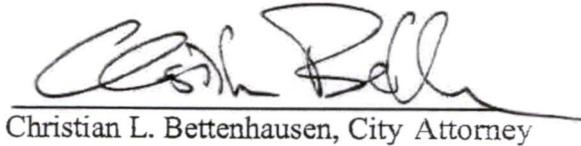
ATTEST:



Patrick J. Melia, City Clerk

8/14/18  
Date of Board Approval

Approved as to form:



Christian L. Bettenhausen, City Attorney



# Placentia City Council

## **AGENDA REPORT**

TO: CITY COUNCIL

VIA: CITY ADMINISTRATOR

FROM: DIRECTOR OF COMMUNITY SERVICES

DATE: JULY 25, 2023

SUBJECT: **RESOLUTION AUTHORIZING THE TEMPORARY SUSPENSION OF REGULATORY ORDINANCE PERTAINING TO THE OPERATION OF THE PLACENTIA ROTARY CLUB COWABUNGA FUNDRAISER EVENT ON SATURDAY, SEPTEMBER 16, 2023 AT KRAEMER MEMORIAL PARK**

FISCAL  
IMPACT: NONE

### **SUMMARY:**

Traditionally, the Placentia Rotary Club (Rotary) has held their annual Cowabunga Fundraiser event at Kraemer Memorial Park. The Cowabunga Fundraiser has been very successful when hosted at Kraemer Memorial Park due to the excellent working relationship between the City of Placentia and the Rotary.

This year, the Rotary is requesting to partner with the City again to plan and implement the Cowabunga Fundraiser event to be held on Saturday, September 16, 2023, from 4:00 p.m. to 9:00 p.m. at Kraemer Memorial Park, located at 201 N. Bradford Ave.

The Event will encompass a large portion of the open park space and include food areas, a beer and wine garden, and a live band performance. The sale and consumption of alcohol on public property and the use of amplified sound requires the temporary suspension of certain City regulatory ordinances.

This item requests the adoption of a resolution temporarily suspending certain regulatory ordinances of the Placentia Municipal Code to allow for music and alcohol to be permitted at the Cowabunga Fundraiser event in collaboration with the Rotary located at Kraemer Memorial Park from 4:00 p.m. to 9:00 p.m. on Saturday, September 16, 2023. Staff supports hosting Cowabunga at Kraemer Memorial Park and recommends approval of the event. Furthermore, the event will follow guidelines as recommended by the Health Department and State Department of Alcohol and Beverages Control (ABC) for the consumption of food and beverages.

**1.n.**  
**July 25, 2023**

**RECOMMENDATION:**

It is recommended that the City Council take the following action:

1. Approve an agreement in a form approved by the City Attorney with the Placentia Rotary Club to host the annual Cowabunga fundraising event at Kraemer Memorial Park and authorize the City Administrator or designee to execute all applicable documents; and
2. Adopt Resolution No. R-2023-71, A Resolution of the City Council of the City of Placentia Authorizing the Temporary Suspension of Regulatory Sections 10.28.010 and 23.76.050 of the Placentia Municipal Code for the operation of the Cowabunga fundraising event on September 16, 2023, from 4:00 p.m. to 9:00 p.m. at Kraemer Memorial Park located at 201 N. Bradford Avenue.

**STRATEGIC PLAN STATEMENT:**

There is no specific strategic planning goal or objective associated with this agenda item.

**DISCUSSION:**

The Placentia Rotary Club has held their Cowabunga event at Kraemer Memorial Park for many years and is again requesting to hold the event in collaboration with the City on Saturday, September 16, 2023. The goal of the Cowabunga event is to raise funds for community activities and programs in Placentia.

The event would occur between the hours of 4:00 p.m. and 9:00 p.m. The fundraising portion of the event will include food and a beer and wine garden. Proposed alcohol sales will be conducted during the event and will require proof of valid identification. It is expected that the event would draw up to four hundred (400) participants.

The attached resolution suspends (for the duration of the event) the Municipal Code sections pertaining to the controlled use of alcohol on public property and to the use of amplified music which may exceed the noise standards during the Cowabunga Fundraiser event. The Rotary shall agree to follow all City guidelines, obtain all necessary permits, and follow associated regulations from the State Department of Alcohol Beverage Control (ABC) and Orange County Health Department (OC Health) for the consumption of food and beverages. City staff supports the implementation of the Cowabunga Fundraiser event as an opportunity to provide families an opportunity to enjoy a community event and further enhance the quality of life in the city.

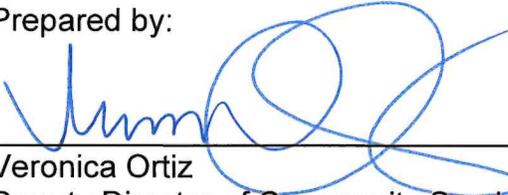
**FISCAL IMPACT:**

Per the City's Facilities Use Policy (Policy No. 815), the Director of Community Services maintains the discretion to waive facility use deposit fees for the benefit of the community programs and events. As identified by the Rotary, all proceeds from the Cowabunga Fundraiser event will support programs in Placentia further enhancing the quality of life of the Placentia community.

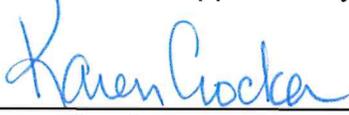
Staff supports the implementation of the event and recommends following Policy No. 815 and waiving the facility use deposit fees.

Given the benefit of this community event, Staff also recommends the City Council approve a fee waiver of the facility use fees and staff fees. A Memorandum of Understanding (MOU) between the City and the Rotary will be required for the implementation of the event. Details of the MOU will include the requirement for the Chamber of Commerce to name the City as additionally insured for use of Kraemer Memorial Park, provide all staff and volunteers for the event, and rent all necessary equipment for the event at their own expense.

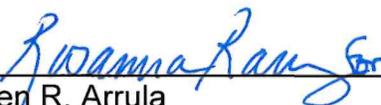
Prepared by:

  
\_\_\_\_\_  
Veronica Ortiz  
Deputy Director of Community Services

Reviewed and approved by:

  
\_\_\_\_\_  
Karen Crocker  
Director of Community Services

Reviewed and approved by:

  
\_\_\_\_\_  
Damien R. Arrula  
City Administrator

Attachments:

1. Resolution R-2023-71
2. Placentia Rotary Club Letter requesting event approval
3. MOU between the City and Rotary Club for the implementation of the event

**RESOLUTION NO. R-2023-71**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF PLACENTIA AUTHORIZING THE TEMPORARY SUSPENSION OF REGULATORY ORDINANCE SECTIONS 23.76.050 AND 10.28.010 OF THE PLACENTIA MUNICIPAL CODE FOR THE OPERATION OF THE COWABUNGA FUNDRAISER EVENT ON SEPTEMBER 16<sup>TH</sup> AT KRAEMER MEMORIAL PARK, 201 N. BRADFORD AVE.**

**A. Recitals.**

(i) The City of Placentia adopted Ordinance No. O-2008-10 which amended Title 1 of the Placentia Municipal Code by adding Chapter 1.14 allowing the City Council the discretion to temporarily suspend specific Ordinances during special events when it has been determined that the public welfare and interest will be served by such suspension.

(ii) The City Council finds that certain events of broad public interest may benefit the City and the City's economy by attracting large numbers of visitors, by generating favorable publicity, and by enhancing a marketable image for the City.

**B. Resolution.**

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

1. In all respects as set forth in the Recitals, Part A., of this Resolution.
2. The City temporarily suspends Placentia Municipal Code Section 23.76.050 relative to use of amplified music which may exceed the noise standards during the Cowabunga Fundraiser event at Kraemer Memorial Park on September 16, 2023 from 4:00 p.m. to 9:00 p.m., 201 N. Bradford Ave.
3. The City temporarily suspends Placentia Municipal Code Section 10.28.010 relative to the controlled use of alcohol in a public place during the Cowabunga Fundraiser event at Kraemer Memorial Park, 201 N. Bradford on September 16, 2023 from 4:00 p.m. to 9:00 p.m.
4. The specified sections of the Placentia Municipal Code (Sections 23.76.050 and 10.28.010) shall remain in full force and effect throughout the remainder of the City.
5. This Resolution shall take effect from and after its date of adoption.

**PASSED, ADOPTED AND APPROVED THIS 25<sup>TH</sup> DAY OF JULY 2023.**

\_\_\_\_\_  
Ward L. Smith, Mayor

ATTEST:

\_\_\_\_\_  
Robert S. McKinnell, City Clerk

STATE OF CALIFORNIA  
COUNTY OF ORANGE

I, Robert McKinnell, City Clerk of the City of Placentia, do hereby certify that the foregoing resolution was adopted at a regular meeting of the City Council of the City of Placentia held on the 25<sup>TH</sup> day of July 2023 by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

\_\_\_\_\_  
Robert S. McKinnell, City Clerk

APPROVED AS TO FORM:

\_\_\_\_\_  
Christian L. Bettenhausen, City Attorney

Dear Members of the Placentia City Council, June 21, 2023

The Rotary Club of Placentia received a charter from Rotary International on December 7, 1936, to form our club, this is our 87th anniversary. During the past 87 years, the club has contributed to the families, children and schools in Placentia.

This year we provided \$17,000.00 in scholarships to graduating seniors, meals for less fortunate families from the Whitten Center area, ♡ Placentia-bags of emergency hygiene products for individuals in situations where they need a hand up, flagpole & flags @ Bradford Park, tree dedication to Bradford Park, pancake breakfast @ Heritage Day, backpacks for the children from LOT 318, the Community Prayer Breakfast, partnering with the Placentia Round Table Women's Club, cookie decorating @ the Whitten Center, a visit with Santa Claus @ the Tamale Festival.

For the past 13 years, our annual fundraiser, Cowabunga, has been held to raise the necessary funds to accomplish these lofty goals. We are hoping the city will consider supporting our efforts to once again conduct this necessary fundraiser on Saturday, September 16, 2023, at Kraemer Memorial Park.

We would plan for 350-400 attendees, there would be food available, beer and wine, a silent auction and a live band. We are all volunteers and all 28 members of the club participates in one manner or another. The timing for this fun event would be 3-8 PM, with set up in the earlier part of the day and clean up beginning by 8:00 PM if not before.

This is a family friendly event and the high school and college members of Rotary, Interact and Rotaract respectively, would be part of the event, as well as local Boy Scout Troop 723, providing set up and clean up.

Thank you for your consideration.

Sincerely,

Kathi Baldwin  
Immediate Past President 2021-2022  
Alice Shiozawa  
Current President 2022-2023  
Turgut Cakiraga  
Incoming President 2023-2024

## **MEMORANDUM OF UNDERSTANDING**

This Memorandum of Understanding ("MOU") is made and entered into this 25<sup>th</sup> day of July 2023 by and between the City of Placentia ("CITY") located at 401 E. Chapman Ave., Placentia, and the Placentia Rotary Club ("ROTARY"), P.O. Box 1331, Placentia, Ca, 92870.

### **RECITALS**

WHEREAS, the CITY and the ROTARY wish to facilitate the Placentia Cowabunga event in the CITY on September 16, 2023; and

WHEREAS the CITY seeks to provide a space for the ROTARY to provide a community event for residents, and

WHEREAS, the CITY is a rightful possessor with a right to transfer use of Kraemer Park (the "Space"), to the ROTARY during the term of this MOU for the Placentia Cowabunga Event

NOW, THEREFORE, the parties hereto agree as follows:

#### **1. TERM**

This MOU shall commence on the Effective Date of July 25, 2023, unless previously terminated as provided herein or otherwise agreed to in writing by the parties.

#### **2. SCOPE OF USE**

CITY hereby grants to the ROTARY, including its officers, employees, agents, contractors and volunteers, clients, invitees, visitors, and other users of the Space, during the term of this MOU, the right to enter onto, access, occupy and use the Space for the duration of the MOU during the hours of use referenced below. Permissible uses of the Space by the ROTARY and the Cowabunga event Participants.

#### **3. SCOPE OF SERVICES**

##### **A. PLACENTIA ROTARY CLUB RESPONSIBILITIES**

1. Designate a ROTARY member to act as the ROTARY representative for all matters related to the EVENT and its participation in the EVENT. Designee will communicate directly with the designated City staff representative
2. Ensure that any food vendors and/or food booths at the event comply with all Orange County Health Care Agency and City Requirements such as having current and valid Health Care Agency Permits and City Business License.
3. Operate the Beer and Wine Garden in compliance with all State and City regulations including obtaining appropriate permits from the Department of Alcoholic Beverage Control (ABC)

4. Obtain Private Security to secure the Beer and Wine Garden area.
5. The ROTARY, at their own expense will provide the participants of the EVENT, the necessary items such as all canopies, tables, chairs, decorations, and other needed equipment to facilitate the EVENT in a uniform and professional business manner per the CITY'S approval (unless otherwise specified below).
6. Coordinate all set up starting no earlier than 8:00 a.m., with the event open to the public from 4:00 p.m. to 9:00 p.m. and clean-up of all EVENT related booths and supplies no later than 11:00 p.m. Any questions regarding set-up procedures to be pre-arranged with City of Placentia staff representative.
7. Coordinate with designated City staff representatives the EVENT layout and submit a scale plot map of the layout to City staff by Thursday, September 7, 2023. EVENT booths cannot obstruct walkways and cannot be placed in parking areas, driveways, or areas with vehicle traffic.
8. Coordinate with designated City of Placentia staff representative arrival times and procedures for EVENT participants including arrival time of vendors, offsite parking for vendors, and parking areas for participants.
9. Ensure all participants of the EVENT are informed of and follow any logistical set-up and egress of the event established by the City.
10. Utilize professional and business-like decorations and signage for the EVENT.
11. Provide CITY a copy of all promotional material for the EVENT.
12. Provide the CITY a parking plan including an alternate parking location
13. Provide comprehensive general liability insurance policy in the amount of one million dollars (\$1,000,000) covering EVENT related activities naming CITY and their respective elected and appointed officials, officers, employees, agents, and representatives as additional insured by endorsement to the policy. Worker's compensation insurance shall be required to be maintained in accordance with state law.
14. To the extent allowable by law, ROTARY shall indemnify, defend, and hold harmless the CITY, its officers, employees, contractors and volunteers from and against any and all liability, loss, damage, expense, costs (including reasonable attorneys' fees) or claims for injury or property damages to the extent arising out of or in connection with Rotary Club of Placentia's acts and/or omissions arising from or related to this MOU, including use of the CITY's property by the ROTARY, the performance of this MOU, but only in proportion to and to the extent such liability, loss, expense, attorneys' fees, or claims for injury and/or damages and/or losses of property, regardless of severity and including death, are caused by or result from the negligent or intentional acts or omissions of the ROTARY, its officers, agents or employees.

15. Be responsible for its independent operation, execution, planning and accounting of the event as a separately governed operation by the ROTARY.
16. This MOU is by and between the CITY and the ROTARY and is not intended, and shall not be construed, to create the relationship of agent, servant, employee, partnership, joint venture, or association as between the CITY and the ROTARY. Each of CITY and the ROTARY understands and agrees to bear the sole responsibility and liability for administering the Workers' Compensation benefits to any person deemed legally entitled to such benefits for injuries arising from or connected with this MOU.

#### **B. CITY'S RESPONSIBILITIES**

1. Provide Space to the ROTARY to host the event.
2. Coordinate with a designated ROTARY representative all arrival and set up information for all EVENT participants.
3. Provide two (2) Community Services Staff and from 8:00 a.m. to 11:00 p.m. to assist with event coordination and monitoring. As well as operate a First Aid Station during the event.
4. Provide one (a) Public Works Staff from 8:00 a.m. to 11:00 p.m. to assist with any specialized maintenance needs at the park such as issues with restrooms, landscape, or irrigation.
5. Assist with advertising for the event through Placentia's Weekly Newsletter and social media. The City will also advertise for the event through the City's website, Placentia Palm Quarterly Newsletter, and with targeted emails if and/or when possible.

#### **4. CONTACT INFORMATION**

Rotary Club of Placentia Designee: Turgut Cakiraga  
President  
P.O. Box 1331  
Placentia, Ca, 92870  
Office: 714-875-5976  
Email: [tcakiraga@gmail.com](mailto:tcakiraga@gmail.com)

CITY Staff Representatives: Karen Crocker, Director of Community Services  
Veronica Ortiz, Deputy Director of Community Services

401 E. Chapman Ave.  
Placentia, CA 92870  
Office: (714) 993-8222  
Fax: (714) 961-0283  
Email: [vortiz@placentia.org](mailto:vortiz@placentia.org)

IN WITNESS WHEREOF, the parties herein have caused this MOU to be executed by and through their respective officers, as of the date last written below.

**CITY OF PLACENTIA**

**PLACENTIA ROTARY CLUB**

\_\_\_\_\_  
Damien Arrula  
City Administrator

*Alice Shiozawa*  
\_\_\_\_\_  
Turgut Cakiraga *ALICE SHIOZAWA*  
President PAST PRESIDENT

\_\_\_\_\_  
Date

*1/20/2023*  
\_\_\_\_\_  
Date

APPROVED AS TO FORM:

\_\_\_\_\_  
Christian Bettenhausen, City Attorney



# Placentia City Council

## **AGENDA REPORT**

TO: CITY COUNCIL

VIA: CITY ADMINISTRATOR

FROM: DEPUTY CITY ADMINISTRATOR/ PUBLIC SERVICES AND INFRASTRUCTURE

DATE: JULY 25, 2023

SUBJECT: **APPROVAL OF LS-1 OPTION E AGREEMENT WITH SOUTHERN CALIFORNIA EDISON**

FISCAL  
IMPACT: ESTIMATED SAVINGS: \$2,356,340 NET AFTER RECOVERY OF INITIAL CAPITAL INVESTMENT OVER 20 YEARS

### **SUMMARY:**

Through the adoption of the City's Five-Year Strategic Plan, City Council directed Staff to research the feasibility of replacing High Pressure Sodium Vapor (HPSV) streetlights that currently exist in the City with the newer Light Emitting Diode (LED) technology. City Council also directed Staff to explore available funding opportunities to minimize the capital expenditures of LED replacement.

There are 3,656 streetlights throughout the City installed along residential, collector, and arterial streets. 3,463 of those lights are owned by Southern California Edison (SCE) and the City pays SCE a monthly facilities fee for each pole in addition to the cost of the electricity and maintenance needed for the lights. These types of streetlights are referred to as LS-1 lights and fall under SCE's LS-1 cost tariff (the remaining 193 fixtures are owned by the City). Staff has been working with SCE on the feasibility of converting eligible streetlights to LED using SCE's LS-1 Option E program. SCE has also agreed under a pilot program to allow the City to attach smart city devices onto a limited number of SCE streetlight poles which will allow the City to deploy various types of smart city applications to the community to enhance service delivery as well as City operations.

### **RECOMMENDATION:**

It is recommended that the City Council take the following actions:

1. Approve the Southern California Edison Company Schedule LS-1 Option E, Energy Efficiency-Light Emitting Diode (LED) Fixture Replacement Rate Agreement; and
2. Authorize the City Administrator and/or his designee to execute the LS-1 Option E Agreement in a form approved by the City Attorney.

**1.o.**  
**July 25, 2023**

**STRATEGIC PLAN STATEMENT:**

This item is consistent with the City Council approved 5-Year Strategic Goal #5 to implement public infrastructure to meet community needs, under Objective #5.5, which is to transition all streetlights to LEDs.

**DISCUSSION:**

There are 3,656 streetlights throughout the City installed along residential, collector, and arterial streets. 3,463 of those lights are owned by Southern California Edison (SCE) and the City pays SCE a monthly facilities fee for each pole in addition to the cost of the electricity and maintenance needed for the light. These types of streetlights are referred to as LS-1 lights and fall under SCE's LS-1 cost tariff (the remaining 193 fixtures are owned by the City). Currently, a High-Pressure Sodium (HPSV) fixture is used on both LS-1 and City-owned streetlights. One of the goals of the City's Five-Year Strategic Plan is to convert all streetlights in the City to LED technology.

Staff has been working with SCE on the feasibility of converting eligible streetlights to LED using SCE's LS-1 Option E program. Since June 1, 2016, SCE has offered the LS-1 Option E tariff rate which is a turn-key program for local governments to replace aging HPSV "cobra head" streetlights with new, more efficient LED streetlights. This tariff facilitates streetlight replacements with local government concurrence and authorization after which SCE manages the implementation from start to finish. Under this program, the City does not pay an upfront cost for the conversion of existing HPSV "cobra-head" fixtures to new, more efficient LED streetlights. SCE absorbs the conversion costs using an incentive program offered by the California Public Utilities Commission (CPUC). Under the program, capital costs are amortized through energy savings over a 20-year period with zero interest.

During additional discussions with SCE, Staff was made aware that the LS-1 Option E program applies only to the conversion of "cobra-head" lights and not decorative style lights. The LS-1 lights with the decorative Mission Bell light fixture are located in medians in all arterial streets of the City. The City is eligible to convert 2,922 "cobra head style" SCE owned lights in Placentia to LED under the LS-1 Option E Program. SCE has agreed to upgrade the decorative Mission Bell lights to LED slowly over time on an individual basis when the existing HPSV light bulbs require replacement.

The LS-1 Option E program requires the City to enter into an agreement with SCE for the conversion. Once the agreement is executed, the City will be placed into a queue while other LS-1 Option E agreements are finalized on a first-come-first served basis. Representatives from SCE have indicated that the current queue is approximately six months until project implementation. During implementation, SCE teams will work during normal business hours for about four weeks to complete the project. Once the project is completed, SCE will begin the process of changing mapping and billing records which often takes several months to complete. SCE will credit Placentia's streetlight billing back to the date of project completion to ensure savings are provided from the time the project was completed.

SCE conducted a rate analysis utilizing current rates and calculated that after implementation, the City Placentia will save \$117,817 annually on the City's street lighting energy bill from SCE. After the 20-year repayment, SCE's calculations indicated that the City would realize a savings of approximately \$171,269 per year, at the current energy unit rate, due to reduced energy consumption. This savings is realized because of the reduced energy demands of LEDs fixture versus the existing HPSV fixtures.

Over 310,000 lights have been replaced by SCE over the last several years in communities across Southern California. The new LED fixtures provide superior optics compared to the older generation HPSV lights, are dark sky compliant, and more effectively place light on the street surface with less light intrusion to residents. The lights also improve 'visual acuity,' allowing drivers, pedestrians, and cyclists to see more clearly and with more detail during the evening hours, providing a safer night environment for our residents. SCE will utilize a standard wattage ratio to match existing lights and conditions on our streets and Staff suggests adopting the standard warm color temperature of 3,000 kelvin across Placentia.

Additionally, SCE has offered the opportunity for the City of Placentia to participate in a Smart Community Technology Attachment (SCTA) demonstration/pilot effort. The pilot is being offered to a limited and defined number of communities to ensure that SCE and the included communities can feel comfortable that attachments on SCE streetlights for SCTA devices can be accomplished safely, and in a way that does not hinder the provision of street lighting or utility services.

Placentia has been included in this pilot program offering and will be allowed to work with SCE to place customer owned SCTA devices on a limited number of poles (number to be determined) but likely not to exceed 10% of the standalone streetlights in the community. Devices will only be allowed on stand-alone streetlights – not on any infrastructure that is supporting or directly tied to distribution infrastructure (wood distribution poles carrying electricity to other customers as an example). The SCTA devices will be powered through a connection to the SCE streetlight and SCE will share the size, weight, and wind-loading requirements for devices to be placed and each device will be placed on either the WTR or TAP rate to account for the energy used and placement of the device. SCE will approve the sites for each device to ensure that the SCTA devices do not replace or interfere with existing SCE devices utilized to control distribution or facilitate metering systems. The devices will be under the ownership, maintenance, and operation of the City. The devices will be placed by a qualified electrical contractor hired by the City with experience in working with street lighting systems.

**FISCAL IMPACT:**

SCE estimates that during the 20-year repayment period, the City will save approximately \$117,817 annually and \$171,269 annually after 20 years. Over the course of the initial 20 years, the City will see a cost reduction of \$2,356,340 in current dollars which is net of the embedded recovery mechanism in the LS-1 Option E tariff.

- Total savings over 20 years – \$3,425,380

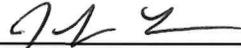
- Total embedded recovery mechanism collection over the initial 20 years - \$1,069,040
- Total net savings after recovery mechanism - \$2,356,340

Prepared by:

Reviewed and approved:



\_\_\_\_\_  
Elsa Y. Robinson  
Senior Management Analyst



\_\_\_\_\_  
Jennifer Lampman  
Director of Finance

Reviewed and approved:



\_\_\_\_\_  
Luis Estevez  
Deputy City Administrator

Reviewed and approved:



\_\_\_\_\_  
Damien R. Arrula  
City Administrator

Attachments:

1. SCE Authorization/Agreement
2. LS-1 Option E Savings Outlook for City of Placentia
3. LS-1 Option E Post 20 Years Savings Outlook for City of Placentia



Southern California Edison  
Rosemead, California (U 338-E)

Original  
Cancelling

Cal. PUC Sheet No. 57074-E  
Cal. PUC Sheet No.

Sheet 1

SCHEDULE LS-1 OPTION E,  
ENERGY EFFICIENCY-LIGHT EMITTING DIODE (LED) FIXTURE REPLACEMENT  
RATE AGREEMENT

Form 14-965

(To be inserted by utility)

Advice 3241-E  
Decision 14-10-046

Issued by

R.O. Nichols  
Senior Vice President

(To be inserted by Cal. PUC)

Date Filed Jun 30, 2015  
Effective Jun 1, 2016  
Resolution \_\_\_\_\_

**SOUTHERN CALIFORNIA EDISON COMPANY  
SCHEDULE LS-1 OPTION E, ENERGY EFFICIENCY-LIGHT EMITTING DIODE (LED)  
FIXTURE REPLACEMENT RATE AGREEMENT**

This Schedule LS-1 Option E, Energy Efficiency-Light Emitting Diode (LED) Fixture Replacement Rate Agreement (Agreement), effective this \_\_\_\_\_ day of \_\_\_\_\_,

\_\_\_\_\_ (Effective Date), is entered into between Southern California Edison Company (SCE) and \_\_\_\_\_, an SCE customer taking service on Schedule LS-1 (Applicant), referred to collectively as "Parties," and individually as "Party." This Agreement provides for SCE, at Applicant's request, to replace the existing street lighting fixtures serving Applicant's premises with Light Emitting Diode (LED) street lighting fixtures to achieve energy efficiency benefits for Applicant, as set forth in Special Condition 14, Option E, Energy Efficiency-Light Emitting Diode (LED) Fixture Replacement, of Schedule LS-1.

The Parties agree as follows:

**1. LED FIXTURES**

SCE shall install, own, operate, and maintain LED Fixtures for Applicant as set forth in Exhibit "A" attached hereto and incorporated herein by this reference. The LED Fixtures provided hereunder shall at all times remain the property of SCE.

**2. LED FIXTURE REPLACEMENT COSTS**

- 2.1 The replacement costs of the LED Fixtures provided hereunder shall be borne by Applicant.
- 2.2 Applicant shall pay the charge for the LED Fixtures Replacement rate, which includes an Energy Efficiency Premium Charge (EEPC) and a Base LED Charge, under Option E of Schedule LS-1. Applicant elects Option E in lieu of an upfront, one-time payment of the replacement costs.
- 2.3 SCE does not guarantee that any energy or bill savings will accrue to Applicant as a result of the LED Fixture replacements.

**3. COMMENCEMENT OF SERVICE**

The Parties agree that SCE has the right to charge Applicant, and Applicant has an obligation to pay SCE, for the charges set forth in Schedule LS-1, Option E, commencing on the date SCE begins serving the LED Fixtures installed pursuant to this Agreement.

**4. TERM AND TERMINATION**

- 4.1 This Agreement shall be effective as of the Effective Date and shall continue for a term of twenty (20) years from the commencement of service as specified in Section 3 above (Term).
- 4.2 Applicant may terminate this Agreement at any time during the Term upon a thirty (30) - day advance written notice, provided that Applicant, prior to or within the 30-day advance notice period, assigns the Agreement to any New Party In (NPI) that owns, rents or leases the premises served by the street lighting fixtures replaced under this Agreement and will take service under Option E of Schedule LS-1 effective as of the date of termination; *otherwise*, Applicant shall pay a one-time termination charge equal to the present value of the balance of the EEPC of Option E over the remaining Term. The present value is determined based on SCE's authorized rate of return on rate base, or discounted rate of 7.90%.

**SOUTHERN CALIFORNIA EDISON COMPANY  
SCHEDULE LS-1 OPTION E, ENERGY EFFICIENCY-LIGHT EMITTING DIODE (LED)  
FIXTURE REPLACEMENT RATE AGREEMENT**

**5. AMENDMENTS; ASSIGNMENTS**

- 5.1 Any changes or amendments to this Agreement must be in writing and must be executed by the Applicant and SCE and, if required, be approved by the California Public Utilities Commission (Commission).
- 5.2 Applicant shall not assign this Agreement without the prior written consent of SCE; provided, however, that Applicant may assign the Agreement pursuant to the terms and conditions of Section 4.2 above, and the NPI must assume all rights and obligations under this Agreement for the remaining Term. Any assignment and assumption shall be in a form acceptable to SCE.

**6. NOTICE**

Any notice either Applicant or SCE may wish to provide the other regarding this Agreement must be in writing. Such notice must be either hand-delivered or sent by U.S. certified or registered mail, postage prepaid, to the person designated to receive notice for the other Party below, or to such other address as either may designate by written notice. Notices delivered by hand shall be deemed effective when delivered. Notices delivered by mail shall be deemed effective when received, as acknowledged by the receipt of the certified or registered mailing.

Applicant:

SCE:

\_\_\_\_\_  
(Name)

\_\_\_\_\_  
(Title)

\_\_\_\_\_  
(Address)

\_\_\_\_\_  
(City, State, Zip)

Business Customer Division

Southern California Edison Company  
2244 Walnut Grove Avenue  
Rosemead, CA 91770

**7. NONWAIVER**

The failure of either Party to enforce any of the terms and conditions or to exercise any right or privilege in this Agreement shall not be construed as a waiver of any such term and conditions or rights or privileges, and the same shall continue and remain enforce and effect as if no such failure to enforce or exercise had occurred.

**8. SEVERABILITY**

In the event that any of the provisions, or portions thereof, of this Agreement are held to be unenforceable or invalid by the Commission, or any court of competent jurisdiction, the validity and enforceability of the remaining provisions or any portion thereof shall not be affected.

**9. APPLICABLE LAWS, RULES, AND REGULATIONS**

This Agreement shall be subject to, and interpreted under the laws, rules, decisions and regulations of the State of California, without regard to its conflict of laws principles, the Commission, and SCE's Commission-approved tariffs.

**SOUTHERN CALIFORNIA EDISON COMPANY  
SCHEDULE LS-1 OPTION E, ENERGY EFFICIENCY-LIGHT EMITTING DIODE (LED)  
FIXTURE REPLACEMENT RATE AGREEMENT**

**10. CALIFORNIA PUBLIC UTILITIES COMMISSION JURISDICTION**

- 10.1 This is a filed form tariff agreement authorized by the Commission for use by SCE. No officer, inspector, solicitor, agent or employee of SCE has any authority to waive, alter, or amend any part of this Agreement except as provided herein or authorized by the Commission. This Agreement is to be used in conjunction with Schedule LS-1 and supplements the terms and conditions of the Applicant's electric service under Schedule LS-1.
- 10.2 This Agreement shall at all times be subject to such changes or modifications by the Commission as said Commission may, from time to time, direct in the exercise of its jurisdiction.
- 10.3 Notwithstanding any other provisions of this Agreement, SCE has the right to unilaterally file with the Commission, pursuant to the Commission's rules and regulations, an application for change in rates, charges, classification, service, or rule or any agreement relating thereto.

**11. ENTIRE AGREEMENT**

This Agreement, including SCE's Commission-approved tariffs, constitutes the complete agreement and understanding between the Applicant and SCE regarding the LED Fixtures replacement costs. Prior agreements, representations, understandings, whether expressed or implied, and communications, oral or written, between the Applicant and SCE shall not be construed to be a part of this Agreement.

**12. AUTHORIZATION SIGNATURE**

In witness whereof, the Parties hereto have caused this Agreement to be signed by their duly authorized representatives.

**APPLICANT**

BY: \_\_\_\_\_  
NAME: \_\_\_\_\_  
TITLE: \_\_\_\_\_  
DATE SIGNED: \_\_\_\_\_

**SOUTHERN CALIFORNIA EDISON COMPANY**

BY: \_\_\_\_\_  
NAME: \_\_\_\_\_  
TITLE: \_\_\_\_\_  
DATE SIGNED: \_\_\_\_\_

**SOUTHERN CALIFORNIA EDISON COMPANY  
EXHIBIT "A"  
SCHEDULE LS-1 OPTION E,  
ENERGY EFFICIENCY-LIGHT EMITTING DIODE (LED) FIXTURE REPLACEMENT**

APPLICANT

\_\_\_\_\_

CUSTOMER ACCOUNT NO.

\_\_\_\_\_

SERVICE ACCOUNT NO.

\_\_\_\_\_

(Additional account numbers/addresses may be attached hereto.)

SERVICE ADDRESS

\_\_\_\_\_

**APPLICANT REQUESTED READY TO SERVE DATE**

ASAP \_\_\_\_\_

SCE READY TO SERVE DATE \_\_\_\_\_

DESCRIPTION OF **LED** FIXTURES/SCOPE OF WORK: SPECIFY HOW MANY STREET LIGHTING  
FIXTURE REPLACEMENTS ARE BEING REQUESTED AND AGREED TO UNDER THIS  
AGREEMENT AND OTHER RELEVANT DETAILS.

W.O. No(s): \_\_\_\_\_

## LS-1 Option E

### Background

- LS-1 Option E encourages local governments and street lighting customers to authorize SCE to replace aging utility owned street lights with new LED fixtures.
- There is no up-front cost customers and SCE manages the project from start to finish. Current wait time is approximately seven months prior to commencing installation.
- Fixture replacements are conducted quickly and safely, with virtually no disruption to local residents. There are no required outages and crews can work curbside safely. In fact, most people don't even know SCE has replaced fixtures on their block until they notice the new street lighting. There are currently more than 310,000 streetlights that have been replaced under this program throughout SCE's service territory.
- The new LED street lights utilize less energy and contribute significantly to the reduction of your community's carbon footprint in addition to lowering cost and energy consumption.

### Technology

- SCE utilizes GE Evolve Roadway Fixtures as the LED replacement technology. The fixtures are reliable, dark sky compliant, and robust in a variety of weather conditions. These lights provide vastly improved "visual acuity", leading to increased night-time visibility and a safer environment for motorists, cyclists, and pedestrians during evening hours.
- The process of implementation is initiated once SCE receives the signed LS-1 Option E authorization and the jurisdiction confirms streetlight preferences (i.e. Warmer 3,000k or a mix of 3000k temperature in residential areas and 4,000k temperatures on main streets and arterials). Once color preference has been confirmed, SCE will order material and begin installation within about seven months.
- Life expectancy for the new technology is expected to be between 12-20 years. The streetlights will be replaced as needed by SCE as part of its routine streetlight maintenance program in the future.

### Cost Recovery

- LS-1 Option E includes a recovery mechanism embedded within the tariff, which recovers the cost of the initial installation and materials over 20 years. Customers see an immediate reduction in street lighting costs after implementation on their energy bill and that savings grows after the initial 20 years. There is no up-front cost required and no interest associated with the recovery mechanism. SCE is happy to provide a savings outlook specific to your community.
- Savings are applied as soon as replacement efforts are completed. SCE credits an account from the date of completion, so that regardless of any billing implementation delays, the jurisdiction will still benefit.

For additional information or to set up a presentation, please contact SCE's Streetlight Projects Manager, John King at [john.king@sce.com](mailto:john.king@sce.com).

**CONFIDENTIAL AND/OR PROPRIETARY INFORMATION OF SOUTHERN CALIFORNIA EDISON  
AND/OR ITS CUSTOMERS OR VENDORS. PUBLIC DISCLOSURE IS RESTRICTED.**

**CUSTOMER NAME** PLACENTIA, CITY OF  
Customer Number: 1004258509

HPSV Lamp Wattage & Monthly kWh		LED Equivalent Wattage & Monthly kWh		Estimated Annual kWh Reduction	Lamp Count	Estimated High Pressure Sodium Vapor (HPSV) Annual Costs	Estimated Light Emitting Diode (LED) Annual Costs	Estimated Annual Savings
50 Watt	20.0 kWh	22 Watt	7.8 kWh	150	1	\$170	\$150	\$20
70 Watt	28.6 kWh	29 Watt	9.5 kWh	523,997	2,282	\$433,580	\$362,838	\$70,742
100 Watt	40.4 kWh	37 Watt	12.9 kWh	84,041	255	\$56,100	\$43,095	\$13,005
150 Watt	66.6 kWh	59 Watt	19.8 kWh	140,920	251	\$73,041	\$48,945	\$24,096
200 Watt	84.9 kWh	76 Watt	26.7 kWh	88,652	127	\$43,307	\$27,940	\$15,367
250 Watt	108.0 kWh	121 Watt	42.3 kWh	1,575	2	\$800	\$536	\$264
310 Watt	132.1 kWh	130 Watt	44.0 kWh	0	0	\$0	\$0	\$0
400 Watt	167.3 kWh	160 Watt	54.3 kWh	5,430	4	\$2,192	\$1,272	\$920
Total				844,765	2,922	\$609,190	\$484,776	\$124,414

Note: The LS-1 Tariffs lists LED Wattages (including driver loss) in 5 watt increments. Monthly energy use is the mid-point range.

This analysis is only a 12 month estimate and the results presented are based on HPSV Lamp Wattage and counts above as of October 2022, LED wattage conversion lamps available at this time, and October 1, 2022 rates. Results are rounded. This analysis excludes the following when applicable: Tap Device Charge, State Tax, Utility Users Tax, and Generation Municipal Surcharge. The analysis does not include costs associated with Incandescent, Mercury Vapor, Low Pressure Sodium Vapor, Metal Halide, or already existing LED Lamps. Actual costs may vary due to factors including but not limited to, rate changes, factor changes, wattage conversion changes, excluded cost components.

This analysis is provided to help you evaluate your current Southern California Edison (SCE) bill and/or compare your projected bills to other SCE rate options. These results are based on your past usage and/or assumptions about your energy usage and cannot be guaranteed by SCE. This rate analysis may not reflect all of the rate options that are available to you as an SCE customer. Your actual bills will vary from this analysis due to changes to your actual usage and assumptions such as operating hours, the equipment you use, kVAR charges, weather patterns, service voltage, firm service levels, taxes, and added facilities charges. Moreover, the rate options used in this analysis are subject to change by the California Public Utilities Commission (CPUC), which would also alter the outcome of this analysis.

If your current rate schedule becomes unavailable — either by action of the CPUC or because you are no longer eligible to be placed on the rate — you will be notified of your rate options. If you do not select a different applicable rate option at that time, you will be placed on a default rate schedule.

**CONFIDENTIAL AND/OR PROPRIETARY INFORMATION OF SOUTHERN CALIFORNIA EDISON AND/OR ITS CUSTOMERS OR VENDORS. PUBLIC DISCLOSURE IS RESTRICTED.**

**CUSTOMER NAME** PLACENTIA, CITY OF  
**Customer Number:** 1004258509

Lamp Wattage	Lamp Count	EEP Per Month*	Estimated Monthly Savings
50 Watt	1	\$1.42	\$1
70 Watt	2,282	\$1.48	\$3,377
100 Watt	255	\$1.55	\$395
150 Watt	251	\$1.67	\$419
200 Watt	127	\$1.93	\$245
250 Watt	2	\$2.26	\$5
400 Watt	4	\$2.88	\$12
<b>Total</b>	<b>2,922</b>		<b>\$4,454</b>

Estimated Additional Monthly Savings After 20 Years: \$4,454  
 Estimated Additional Annual Savings After 20 Years: \$53,452  
 Estimated Annual Savings During 20 Year Repayment: \$117,817  
 Estimated Annual Savings Post 20 Repayment: \$171,269

\*EEP (Energy Energy Efficiency Premium) is based on rate factors effective 10/1/2022

This analysis is provided to help you evaluate your current Southern California Edison (SCE) bill and/or compare your projected bills to other SCE rate options. These results are based on your past usage and/or assumptions about your energy usage and cannot be guaranteed by SCE. This rate analysis may not reflect all of the rate options that are available to you as an SCE customer. Your actual bills will vary from this analysis due to changes to your actual usage and assumptions such as operating hours, the equipment you use, kVAR charges, weather patterns, service voltage, firm service levels, taxes, and added facilities charges. Moreover, the rate options used in this analysis are subject to change by the California Public Utilities Commission (CPUC), which would also alter the outcome of this analysis.

If your current rate schedule becomes unavailable — either by action of the CPUC or because you are no longer eligible to be placed on the rate — you will be notified of your rate options. If you do not select a different applicable rate option at that time, you will be placed on a default rate schedule.



# Placentia City Council

## **AGENDA REPORT**

TO: CITY COUNCIL  
VIA: CITY ADMINISTRATOR  
FROM: DEPUTY CITY ADMINISTRATOR/ PUBLIC SERVICES AND INFRASTRUCTURE  
DATE: JULY 25, 2023  
SUBJECT: **ANNUAL SOLID WASTE HANDLING SERVICES RATE ADJUSTMENT AND RELATED RESOLUTIONS FOR FISCAL YEAR 2023-24**

FISCAL  
IMPACT: NONE

### **SUMMARY:**

In 2010, the City entered into a Franchise Agreement (“Agreement”) with Republic Waste Services of Southern California, LLC (“Republic”) for solid waste collection services. Per the existing Agreement, solid waste rates are to be reviewed annually to determine if any adjustments are warranted based on changes in the Consumer Price Index (“CPI”). Staff and representatives from Republic discuss each year potential adjustments to solid waste rates paid by residents and businesses. The last residential and commercial rate adjustment took effect on July 1, 2022.

On March 13, 2023, Staff presented the proposed annual rate increase to the City Council Sewer, Refuse and Recycling Ad-Hoc Committee who reviewed the rate adjustment analysis and recommended that the rates be presented to the full City Council for its consideration. The required 45-day notice under Prop 218 was mailed to 11,710 record property owners of single-family residence parcels in the City. The notice informed property owners about the proposed rate increases, the scheduled public hearing, and procedures for submitting a written protest (Attachment 5).

This action recommends that the City Council conduct a public hearing to consider a resolution approving the adjusted Solid Waste Handling Services Rates for Fiscal Year (“FY”) 2023-24, to be effective on July 1, 2023; authorize the placement of revised residential rates on the County of Orange tax roll for FY 2023-24; and approve Amendment No. 14 to the Agreement.

### **RECOMMENDATION:**

It is recommended that the City Council take the following actions:

1. Open the Public Hearing concerning the Solid Waste Handling Services, Rate Adjustment and related resolutions for Fiscal Year 2023-24; and
2. Receive the Staff Report, consider all public testimony, ask questions of Staff; and

**2.a.**  
**July 25, 2023**

3. Close the Public Hearing and direct the City Clerk to tabulate the written protests and report the results of the tabulation to the City Council; and
4. Adopt Resolution No. R-2023-64, a Resolution of the City Council of the City of Placentia, California, approving the Amended Fee Schedule for Solid Waste Handling Services for Fiscal Year 2023-24; and
5. Adopt Resolution No. R-2023-65, a Resolution of the City Council of the City of Placentia, California, authorizing and determining residential solid waste handling service charges and directing placement thereof on the Orange County property tax rolls for Fiscal Year 2023-24; and
6. Approve Amendment No. 14 to the Amended, Revised and Restated Agreement for Solid Waste Handling Services between the City of Placentia and Republic Waste Services of Southern California, LLC; and
7. Authorize the City Administrator to execute all the necessary documents, in a form approved by the City Attorney.

### **STRATEGIC PLANNING STATEMENT**

There is no specific strategic planning statement or goal associated with this agenda item.

### **DISCUSSION:**

On July 20, 2010, the City entered into an Agreement with Republic for solid waste and recycling services. Per Section 24.3 of the Agreement, Republic is entitled to request a general annual rate adjustment to account for inflation each year. The agreed upon methodology for making this adjustment is determined by the CPI for the Los Angeles County Area as stated in Section 24.3 of the Agreement. Republic can adjust the rates in July of each year based upon the change in CPI for all Urban Consumers for the 12-month period ending January 31 of each year. Staff and representatives from Republic confer each year to discuss potential adjustments to solid waste rates paid by residents and businesses. The last residential and commercial rate adjustment took place on July 1, 2022. Per the terms of the agreement, the proposed adjustment to residential and commercial rates would be effective July 1, 2023.

### **ALTERNATIVE OPTIONS:**

#### **Proposed Rates for FY 2023-24**

The proposed refuse rates for Fiscal Year ("FY") 2023-24 (Attachment 4) include rate adjustments based upon the following:

- 1) Annual Rate Adjustment per CPI per Section 24.3 of the Agreement
- 2) Increase in the Orange County Landfill Tipping Fees per Section 24.5 of the Agreement

Annual Rate Adjustment per CPI for January 2023

In accordance with the City’s current waste hauling Franchise Agreement with Republic, the company is entitled to request a general annual rate adjustment to account for inflation. The agreed upon methodology for making this adjustment is determined by the CPI for Los Angeles County-Orange County Area as stated in Section 24.3 of the Agreement. Republic can adjust the rates in July of each year based upon the change in CPI for all Urban Consumers for the 12-month period ending January 31 of each year. The change in CPI for the most recent 12-month period was 5.77%.

Orange County Landfill Tipping Fees

Another component of the rate includes landfill “tipping fees”, which are passed through directly to the customer. Beginning in 2010, the County of Orange (“County”) increased the landfill gate tipping fees from \$22.00 per ton to \$31.37 per ton. Per the Waste Disposal Agreement with the County of Orange, the county disposal fee is adjusted each July 1 according to the change in CPI– All Urban Consumers, All Cities for the 12-month period ending October 31 of each year. The change in CPI for the most recent 12-month period was 6.2%. In 2022, the landfill gate tipping fees were increased again to \$38.34 per ton. For FY 2023-24, the County will increase the fee to \$41.31, which represents a 7.75% increase from the FY 2022-23 fees.

Proposed FY 2023-24 Rates

The following two (2) tables provide a summary and breakdown of the proposed single-family residential waste rates for FY 2023-24.

<b>Proposed Residential Waste Rate Summary – FY 2023-24</b>			
<b>Residential Rate</b>	<b>Current Rate</b>	<b>Proposed Rate</b>	<b>Rate Change</b>
Single-Family (Monthly)	\$33.47	\$37.85	\$4.38/month
Single-Family (Annual)	\$401.54	\$454.20	\$52.96/year

<b>Single-Family Residential Rate Breakdown – FY 2023-24</b>	
<b>Rate Component</b>	<b>Monthly Amount</b>
<b>Current Base Service Fee</b>	\$25.42
<b>Green Waste Processing Fee</b>	\$2.25
<b>CPI Adjustment of 7%</b>	\$1.94
<b>Current Landfill Disposal Fee</b>	\$3.38
<b>Landfill Disposal Fee Adjustment of 6.2%</b>	\$0.21
<b>City Refuse &amp; Recycling Coordinator Fee</b>	\$0.28
<b>Total Proposed Rate</b>	<b>\$33.47*</b>

*\*Rounded to nearest hundredth*

The following two (2) tables provide a summary and breakdown of the proposed commercial waste rates for FY 2023-24. This table only reflects the most utilized rates for discussion purposes. Attachment 4 includes the full rate schedule for both residential and commercial refuse services.

<b>Proposed Commercial Waste Rates Summary – FY 2023-24</b>			
<b>Commercial Rate</b>	<b>Current Rate</b>	<b>Proposed Rate</b>	<b>Rate Change</b>
3-Yard Trash Bin	\$198.16	\$210.19	\$12.03/month
3-Yard Recycling Bin	\$169.68	\$179.50	\$9.82/month
2-Yard Organics Bin	\$154.65	\$163.98	\$9.33/month

<b>Proposed Commercial Waste Rate Breakdown – FY 2023-24</b>							
<b>Commercial Rate</b>	<b>Rate Component</b>						
	<b>Current Base Service Fee</b>	<b>CPI Adjustment of 7%</b>	<b>Current Landfill Disposal Fee</b>	<b>Landfill Disposal Fee Adjustment of 6.2%</b>	<b>Organics Recycling Component Adjustment of 0%</b>	<b>City Refuse &amp; Recycling Coordinator Fee</b>	<b>Total Proposed Rate</b>
<b>3-Yard Trash Bin</b>	\$157.19	\$11.00	\$27.06	\$1.69	\$0.00	\$1.22	<b>\$198.16</b>
<b>3-Yard Recycling Bin</b>	\$157.44	\$11.02	N/A	N/A	N/A	\$1.22	<b>\$169.68</b>
<b>2-Yard Organics Bin</b>	\$125.66	\$8.80	\$18.09	\$1.13	\$0.00	\$0.97	<b>\$154.65</b>

**Proposition 218 Procedures**

In addition, to the provisions established in the Franchise Agreement, the City’s ability to adjust rates is governed by Proposition 218. In 1996, California voters approved Proposition 218 which requires a specific process for cities to impose or increase certain types of fees. The provisions of Proposition 218 set forth in Article XIII D of the California Constitution provides that certain types of “Property Related Fees” are subject to a “majority protest” process.

The provisions of Proposition 218 set criteria for property-related fees for refuse, water, and sewer services. The fees must be set so that:

- The revenues generated by the fee do not exceed the cost of service.
- No property owner’s fee exceeds his/her proportionate share of the costs.
- The City does not impose a property-related fee for a service that is not available to the property owner.

Under Proposition 218, the City’s refuse collection fees are considered “Property Related Fees”, since the fees are paid by property owners via the property tax roll. In other cities, refuse collection fees are either billed directly to each customer by the waste hauler or they are collected as part of the water utility bill. Proposition 218, and subsequent legislation AB 1260, defines the process for establishing or adjusting property-based fees. The process requires a notice of the proposed fee be sent to all property owners in the City and 45 days after the notice is sent, a public hearing be conducted by the City Council. During the 45-day period and until

the close of the public hearing, a property owner may protest the fee by submitting a written protest. If more than 50% (fifty percent) of the property owners of record in the City protest the fee, the City Council would be prohibited from enacting the fee change.

On June 9, 2023, the required 45-day notice was mailed to 13,020 record property owners of parcels in the City. The notice informed property owners about the proposed rate increases, the public hearing, and procedures for submitting a written protest (Attachment 5). As of July 20, 2023, the City Clerk had received 3 written protests. A total of 6,511 protests must be received to constitute a majority. If there is no majority protest vote, Staff is recommending that City Council adopt the attached Resolutions and Amendment to the Franchise Agreement if no majority protest vote exists.

**FISCAL IMPACT:**

There is no General Fund fiscal impact associated with the requested action. The cost for providing solid waste services to the City's residents and businesses are covered by the customer rates established by the City's franchised hauler and paid by those receiving the services.

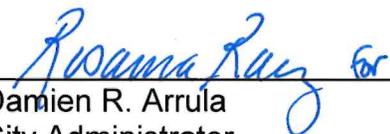
Prepared by:

  
\_\_\_\_\_  
Elsa Robinson  
Senior Management Analyst

Reviewed and approved:

  
\_\_\_\_\_  
Luis Estevez  
Deputy City Administrator

Reviewed and approved:

  
\_\_\_\_\_  
Damien R. Arrula  
City Administrator

**Attachments:**

1. Resolution No. R-2023-64 - Approving Solid Waste Collection Rates for FY 2023-24
2. Resolution No. R-2023-65 - Authorizing Residential Billing on Orange County Tax Roll
3. Amendment No. 14 to Amended, Revised, and Restated Agreement for Solid Waste Handling Services
4. Proposed FY 2023-24 Solid Waste Collection Rate Schedule
5. Proposition 218 Notice of Public Hearing
6. Presentation – Solid Waste Amendment and Rate Increase

## RESOLUTION NO. R-2023-64

### A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF PLACENTIA, CALIFORNIA, APPROVING THE AMENDED FEE SCHEDULE FOR SOLID WASTE HANDLING SERVICES FOR FISCAL YEAR 2023-24

#### A. Recitals

(i). The Legislature of the State of California, by enactment of the California Integrated Waste Management Act of 1989 (“AB 939”), has declared that it is in the public interest to authorize and require local agencies to make adequate provision for the disposal of all solid waste within their jurisdictions.

(ii). Pursuant to California Public Resources Code §40059 (a)(1), the City Council of the City of Placentia (“City Council”) has determined that the public health, safety, and welfare require that an exclusive franchise agreement be awarded to qualified solid waste enterprise for solid waste handling services within the City of Placentia (“City”).

(iv). City and Contractor are mindful of the provisions of the laws governing the safe collection, transport, recycling, and disposal of solid waste, including AB 341, AB 939, AB 1826, AB 1594, SB 1383, the Resource Conservation and Recovery Act (“RCRA”), and the Comprehensive Environmental Response, Compensation, and Liability Act (“CERCLA”), all as may be amended from time to time hereinafter

(v). City desires, among other things, to ensure adequate landfill space remains available to meet the public’s need for the safe handling and disposal of solid waste, and further desires to ensure its citizens do not incur undue costs in safely disposing of solid waste and has entered into that certain waste disposal agreement by and among various Orange County cities, including City, and the County of Orange, relating to the use of County landfills for the disposal of solid waste. Contractor has proposed to provide such services and take such actions as are necessary or desirable to ensure City complies with its obligations pursuant to the County Agreement, as the same may be amended from time to time hereinafter.

(vi). On June 9, 2023, The City mailed the Notice to a total of 11,710 record property owners of parcels to which the proposed rates for single-family residential solid waste collection services would apply, informing them of the July 25, 2023, public hearing.

(viii). On July 25, 2023, the City Clerk informed the City Council that 3 valid written protests were received prior to the public hearing.

(ix). On July 25, 2023, the City Council conducted a public hearing and received 3 valid written protests prior to the closing of the public hearing.

(x). The total number of valid written protests was 3, which is less than 50 percent of the total number of valid written protests that could legally be presented.

(xi). After hearing public testimony, the City Council considered whether to establish potential rate increases for residential and commercial solid waste collection services.

(xii). Based upon the testimony provided at the public hearing, the City Council hereby establishes the solid waste handling service charges for residential and commercial services commencing on July 1, 2023, as set forth in "Exhibit A," attached hereto and incorporated by this reference as though fully set forth herein.

## **B. Resolution**

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

1. In all respects as set forth in the Recitals, Part A., above.
2. Solid waste handling service charges for residential and commercial services commencing on July 1, 2023, as set forth in "Exhibit A," attached hereto and incorporated by this reference as though fully set forth herein.

**APPROVED and ADOPTED this 25<sup>h</sup> day of July 2023**

\_\_\_\_\_  
Ward L. Smith, Mayor

ATTEST:

\_\_\_\_\_  
Robert S. McKinnell, City Clerk

STATE OF CALIFORNIA  
COUNTY OF ORANGE

I, Robert S. McKinnell, City Clerk of the City of Placentia do hereby certify that the foregoing Resolution was adopted at a regular meeting of the City Council held on the 25<sup>TH</sup> day of July 2023 by the following vote:

AYES: Councilmembers:  
NOES: Councilmembers:  
ABSENT: Councilmembers:  
ABSTAIN: Councilmembers:

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Robert S. McKinnell, City Clerk

APPROVED AS TO FORM:

---

Christian L. Bettenhausen, City Attorney

**EXHIBIT A**

Placentia Rate Adjustments Calculation (Effective July 1, 2023)

**CITY OF PLACENTIA EXHIBIT "A"**  
**RATE SUMMARY - EFFECTIVE JULY 1, 2023**

	Service Fee	Landfill Cost	Solid Waste & Recycling Srvcs Coordinator Fee	Adjusted Rate	Current Rate	Change	% Change
<b><u>Residential Rates</u></b>							
Single Family	\$ 33.70	\$ 3.87	\$ 0.29	\$ 37.85	\$ 33.47	\$ 4.38	13.10%
<b><u>Additional Containers</u></b>							
Black "Trash" Container	\$ 6.83	\$ 3.87	N/A	\$ 10.70	\$ 10.05	\$ 0.65	6.50%
Brown "Yard Waste" Container	\$ 5.93	N/A	N/A	\$ 5.93	\$ 5.61	\$ 0.32	5.77%
Green "Recycling" Container	\$ -	N/A	N/A	\$ -	\$ -	\$ -	0.00%
<b><u>Residential Special Services</u></b>							
Residential Roll-Out Service	\$ 14.08	N/A	N/A	\$ 14.08	\$ 13.31	\$ 0.77	5.79%
Extra Dump - All 3 Containers	\$ 29.90	N/A	N/A	\$ 29.90	\$ 28.27	\$ 1.63	5.77%
Exchange of All 3 Containers	\$ 46.24	N/A	N/A	\$ 46.24	\$ 43.72	\$ 2.52	5.76%
Container Replacement - Misuse	\$ 81.80	N/A	N/A	\$ 81.80	\$ 77.34	\$ 4.46	5.77%
<b><u>Residential Bulky-Item Pick-ups</u></b>							
Additional Pick-ups over 3x p/Year	\$ 57.87	N/A	N/A	\$ 57.87	\$ 54.71	\$ 3.16	5.77%
Charge for each item over 10	\$ 8.26	N/A	N/A	\$ 8.26	\$ 7.81	\$ 0.45	5.77%
Additional Fee Gas Recovery	\$ 57.87	N/A	N/A	\$ 57.87	\$ 54.71	\$ 3.16	5.77%
<b><u>Three Yard Containers</u></b>							
3 Days + Dump	\$ 106.98	\$ 6.72	N/A	\$ 113.70	\$ 107.38	\$ 6.32	5.89%
Each Additional Day	\$ 8.75	N/A	N/A	\$ 8.75	\$ 8.27	\$ 0.48	5.80%
<b><u>Commercial Rates</u></b>							
<b>Commercial Barrel (Each)</b>							
1 x p/wk (Max of Three)	\$ 23.77	\$ 7.46	\$ 0.18	\$ 31.40	\$ 29.55	\$ 1.85	6.26%
Each Additional Pick-up Freq.(Max 3 X)	\$ 23.77	\$ 7.46	\$ 0.18	\$ 31.40	\$ 29.55	\$ 1.85	6.26%
<b>Organic Commercial Barrel (Each)</b>							
35G only, 1 x p/wk (Max of Three)	\$ 23.77	\$ 7.46	\$ 0.18	\$ 31.40	\$ 29.55	\$ 1.85	6.26%
Each Additional Pick-up Freq.(Max 3 X)	\$ 23.77	\$ 7.46	\$ 0.16	\$ 31.40	\$ 29.55	\$ 1.85	6.26%
<b>Organic Commercial Barrel (Each)</b>							
64G only, 1 x p/wk (Max of Three)	\$ 54.70	N/A	\$ 0.40	\$ 55.11	\$ 52.10	\$ 3.01	5.78%
Each Additional Pick-up Freq.(Max 3 X)	\$ 54.70	N/A	\$ 0.40	\$ 55.11	\$ 52.10	\$ 3.01	5.78%

**CITY OF PLACENTIA EXHIBIT "A"**  
**RATE SUMMARY - EFFECTIVE JULY 1, 2023**

	Service Fee	Landfill Cost	Solid Waste & Recycling Srvcs Coordinator Fee	Adjusted Rate	Current Rate	Change	% Change
<b>Two Yard Containers</b>							
One Pick-up Only	\$ 142.22	\$ 20.71	\$ 1.05	\$ 163.98	\$ 154.65	\$ 9.33	6.03%
Each Additional Pick-up Freq.(Max 3 X)	\$ 74.27	\$ 20.61	\$ 0.55	\$ 95.43	\$ 89.86	\$ 5.57	6.20%
Non-Scheduled Pick-up	\$ 67.65	\$ 4.84	\$ 0.50	\$ 72.99	\$ 68.92	\$ 4.07	5.91%
<b>Three Yard Containers</b>							
First Pick-up	\$ 177.90	\$ 30.98	\$ 1.31	\$ 210.19	\$ 198.16	\$ 12.03	6.07%
Each Additional Pick-up Freq.	\$ 96.12	\$ 30.85	\$ 0.71	\$ 127.68	\$ 120.16	\$ 7.52	6.26%
Non-Scheduled Pick-up	\$ 83.17	\$ 7.21	\$ 0.61	\$ 90.99	\$ 85.89	\$ 5.10	5.94%
<b>Three Yard Manure Containers</b>							
First Pick-up	\$ 177.90	\$ 46.49	\$ 1.31	\$ 225.70	\$ 212.56	\$ 13.14	6.18%
Each Additional Pick-up Freq.	\$ 96.12	\$ 46.37	\$ 0.71	\$ 143.20	\$ 134.57	\$ 8.63	6.42%
Non-Scheduled Pick-up	\$ 83.17	\$ 7.20	\$ 0.61	\$ 90.98	\$ 85.87	\$ 5.11	5.95%
<b>Three Yard Compactors</b>							
First Pick-up	\$ 219.48	\$ 76.12	\$ 1.62	\$ 297.23	\$ 279.66	\$ 17.57	6.28%
Each Additional Pick-up Freq.	\$ 137.98	\$ 75.97	\$ 1.02	\$ 214.97	\$ 201.91	\$ 13.06	6.47%
Non-Scheduled Pick-up	\$ 126.39	\$ 17.68	\$ 0.93	\$ 145.00	\$ 136.76	\$ 8.24	6.02%
<b>Four Yard Containers</b>							
First Pick-up	\$ 195.69	\$ 41.71	\$ 1.45	\$ 238.84	\$ 225.06	\$ 13.78	6.12%
Each Additional Pick-up Freq.	\$ 105.74	\$ 41.57	\$ 0.78	\$ 148.09	\$ 139.27	\$ 8.82	6.33%
Non-Scheduled Pick-up	\$ 91.48	\$ 9.70	\$ 0.68	\$ 101.86	\$ 96.11	\$ 5.75	5.98%
<b>Six Yard Containers</b>							
First Pick-up	\$ 204.58	\$ 61.71	\$ 1.51	\$ 267.80	\$ 252.10	\$ 15.70	6.23%
Each Additional Pick-up Freq.	\$ 110.54	\$ 61.56	\$ 0.82	\$ 172.92	\$ 162.39	\$ 10.53	6.48%
Non-Scheduled Pick-up	\$ 95.66	\$ 14.32	\$ 0.71	\$ 110.69	\$ 104.38	\$ 6.31	6.04%
<b>Three Yard Construction Bin</b>							
First Pick-up	\$ 231.83	\$ 31.56	\$ 1.71	\$ 265.10	\$ 250.06	\$ 15.04	6.02%
Each Additional Pick-up Freq.	\$ 113.17	\$ 32.51	\$ 0.84	\$ 146.52	\$ 137.95	\$ 8.57	6.21%
Non-Scheduled Pick-up	\$ 83.17	\$ 7.59	\$ 0.61	\$ 91.37	\$ 86.24	\$ 5.13	5.95%

**CITY OF PLACENTIA EXHIBIT "A"**  
**RATE SUMMARY - EFFECTIVE JULY 1, 2023**

	Service Fee	Landfill Cost	Solid Waste & Recycling Svcs Coordinator Fee	Adjusted Rate	Current Rate	Change	% Change
Temp Three Yard Container - Non Profit							
3 Days + Dump	\$ 103.54	\$ 7.63	\$ 0.77	\$ 111.93	\$ 105.68	\$ 6.25	5.92%
Each Additional Day	\$ 8.49	\$ 0.01	\$ 0.06	\$ 8.57	\$ 8.10	\$ 0.47	5.76%
<b>Commercial Recycle Containers</b>							
Three Yard "Recycle" Containers							
First Pick-up	\$ 178.18	N/A	\$ 1.32	\$ 179.50	\$ 169.68	\$ 9.82	5.79%
Each Additional Pick-up Freq.	\$ 96.26	N/A	\$ 0.71	\$ 96.97	\$ 91.67	\$ 5.30	5.78%
Non-Scheduled Pick-up	\$ 83.31	N/A	\$ 0.62	\$ 83.92	\$ 79.33	\$ 4.59	5.78%
Contaminated Bin (Trash)	\$ 178.18	N/A	\$ 1.32	\$ 179.50	\$ 169.68	\$ 9.82	5.79%
<b>Commercial Special Services</b>							
Pull Out Service							
First Pick-up	\$ 70.01	N/A	N/A	\$ 70.01	\$ 66.19	\$ 3.82	5.77%
Each Additional Pick up Freq	\$ 70.01	N/A	N/A	\$ 70.01	\$ 66.19	\$ 3.82	5.77%
Non-Scheduled Pick up	\$ 70.01	N/A	N/A	\$ 70.01	\$ 66.19	\$ 3.82	5.77%
Surcharge - Sunday Service	\$ 16.07	N/A	N/A	\$ 16.07	\$ 15.19	\$ 0.87	5.74%
Bin Exchange after One-Time p/Year	\$ 101.92	N/A	N/A	\$ 101.92	\$ 96.36	\$ 5.56	5.77%
Redelivery of Bin(s) - Non Payment	\$ 103.34	N/A	N/A	\$ 103.34	\$ 97.70	\$ 5.64	5.77%
Locking Latch Bins							
Set-Up Cost	\$ 122.65	N/A	N/A	\$ 122.65	\$ 115.96	\$ 6.70	5.77%
Monthly Maintenance Fee P/tip Freq.	\$ 2.73	N/A	N/A	\$ 2.73	\$ 2.58	\$ 0.15	5.82%
Special Access / Code or Key Fee	\$ 13.59	N/A	N/A	\$ 13.59	\$ 12.85	\$ 0.74	5.76%
Container Steam Cleaning after 1x/Year	\$ 130.91	N/A	N/A	\$ 130.91	\$ 123.77	\$ 7.15	5.77%
Clean-Up/Disposal "Over the Top"	\$ 47.58	N/A	N/A	\$ 47.58	\$ 44.98	\$ 2.59	5.76%

**CITY OF PLACENTIA EXHIBIT "A"**  
**RATE SUMMARY - EFFECTIVE JULY 1, 2023**

	Service Fee	Landfill Cost	Solid Waste & Recycling Svcs Coordinator Fee	Adjusted Rate	Current Rate	Change	% Change
<b><u>Commercial Bulky-Item Pick-ups</u></b>							
Basic Charge - Two Items	\$ 57.87	N/A	N/A	\$ 57.87	\$ 54.71	\$ 3.16	5.77%
Charge for each item over Two	\$ 8.26	N/A	N/A	\$ 8.26	\$ 7.81	\$ 0.45	5.76%
Additional Fee Gas Recovery	\$ 57.87	N/A	N/A	\$ 57.87	\$ 54.71	\$ 3.16	5.77%
Tilt Hopper Monthly Rental	\$ 53.00	N/A	N/A	\$ 53.00	\$ 50.11	\$ 2.89	5.77%
Three Yard Bin Monthly Rental	\$ 67.95	N/A	N/A	\$ 67.95	\$ 64.24	\$ 3.70	5.77%
<b><u>Industrial Rates for Roll-Off Services</u></b>							
<b>Permanent Services</b>							
15-Yard Demo Container	\$ 470.15	\$ 257.04	\$ 3.47	\$ 730.67	\$ 686.28	\$ 44.38	6.47%
15-Yard Demo Container - Clean Inerts	\$ 428.76	N/A	\$ 3.17	\$ 431.93	\$ 408.31	\$ 23.62	5.79%
30-Yard Drop Off Container	\$ 444.49	\$ 214.30	\$ 3.29	\$ 662.08	\$ 622.18	\$ 39.90	6.41%
30-Yard Container - Green Waste	\$ 617.90	N/A	\$ 4.57	\$ 622.47	\$ 588.42	\$ 34.05	5.79%
40-Yard Compactor	\$ 558.42	\$ 299.90	\$ 4.13	\$ 862.44	\$ 810.12	\$ 52.33	6.46%
		N/A					
<b>Temporary Services</b>							
15-Yard Demo Container	\$ 480.16	\$ 257.06	\$ 3.55	\$ 740.77	\$ 695.83	\$ 44.94	6.46%
15-Yard Demo Container - Clean Inerts	\$ 442.82	N/A	\$ 3.27	\$ 446.09	\$ 421.69	\$ 24.40	5.79%
30-Yard Drop Off Container	\$ 466.96	\$ 214.33	\$ 3.45	\$ 684.74	\$ 643.60	\$ 41.14	6.39%
30-Yard Container - Green Waste	\$ 631.97	N/A	\$ 4.67	\$ 636.64	\$ 601.82	\$ 34.82	5.79%
<b>Overweight Surcharge p/ton (Actual weight over 8 tons/load)</b>							
Trash Loads	\$ 22.84	\$ 42.75	\$ 0.17	\$ 65.75	\$ 61.43	\$ 4.33	7.04%
Clean Inerts	\$ 42.18	N/A	\$ 0.31	\$ 42.49	\$ 40.17	\$ 2.33	5.79%
Clean Green Waste	\$ 55.22	N/A	\$ 0.41	\$ 55.63	\$ 52.58	\$ 15.46	38.50%

**CITY OF PLACENTIA EXHIBIT "A"**  
**RATE SUMMARY - EFFECTIVE JULY 1, 2023**

	Service Fee	Landfill Cost	Solid Waste & Recycling Svcs Coordinator Fee	Adjusted Rate	Current Rate	Change	% Change
<b>Industrial Special Services</b>							
Saturday Service - Per Pull	\$ 43.13	N/A	N/A	\$ 43.13	\$ 40.78	\$ 2.36	5.78%
Mandatory Signature Required - Per Pull	\$ 6.80	N/A	N/A	\$ 6.80	\$ 6.43	\$ 0.37	5.76%
Additional Days Temp R/O Per Day	\$ 16.51	N/A	N/A	\$ 16.51	\$ 15.61	\$ 0.90	5.76%
Stand-By Hourly Rate	\$ 103.34	N/A	N/A	\$ 103.34	\$ 97.70	\$ 5.64	5.77%
Relocation/Trip Charge/Dead Run	\$ 67.95	N/A	N/A	\$ 67.95	\$ 64.24	\$ 3.70	5.77%
Packer "Turn-A-Round" Surcharge Per Pull	\$ 13.59	N/A	N/A	\$ 13.59	\$ 12.85	\$ 0.74	5.76%
Heavy-Duty Truck Service - Per Pull	\$ 475.68	N/A	N/A	\$ 475.68	\$ 449.73	\$ 25.95	5.77%
R/O Container Steam Cleaning after 1x/Year	\$ 135.92	N/A	N/A	\$ 135.92	\$ 128.50	\$ 7.42	5.77%
Storage Container Rental / Delivery	\$ 107.37	N/A	N/A	\$ 107.37	\$ 101.51	\$ 5.86	5.77%
Storage Container Return \$10.00 + Per/Mile	\$ 1.49	N/A	N/A	\$ 1.49	\$ 1.41	\$ 0.08	5.59%

CITY OF PLACENTIA  
EXHIBIT "A" BACK-UP

July 1, 2023 ADJUSTED RATES

Jan 2023 over Jan 2022 Annual CPI, using Los Angeles- Long Beach-Anaheim

301.209 Local CPI-U [12 Months Annual 2022]  
318.591 Local CPI-U [12 Months Annual 2023]  
5.77% Local CPI-U Change [Adjustment in (B)]

0.00% Organics Sector Wide PI

\$38.34 Orange County Gate Fee July 2022  
\$41.31 Orange County Gate Fee July 2023  
7.75% Orange County Gate Fee Change [Adjustment in (E)]

	(A) Service Fee	+	(B) Green Waste Processing Rate	+	(C) CPI Adj.	=	(D) Adjusted Service Fee [(A)+(B)]	+	(E) Orange Co. Landfill	+	(F) Landfill Adjustment	=	(G) Adjusted Landfill Cost [(F)+(G)]	+	(H) Solid Waste & Recycling Svcs. Coordinator Fee	+	(I) Total Rate [(D)+(G)+(H)]	+	(J) Total Rate Eff 7-1-23	+	(K) Franchise [15% of ( J )]	+	(L) Administrative [5% of ( J )]	=	(M) Fees Paid to Placentia	Net Percent Rate Change	DOUBLE-CHECK OF RATE CALCULATIONS			
																										(B) Must =	(E) Must =	(J) Must =		
<b>RESIDENTIAL</b>																														
Single Family	\$ 29.61		\$2.25		\$ 1.84		\$ 33.70		\$ 3.59		\$ 0.28		\$ 3.87		\$ 0.29		\$ 37.85		\$ -		\$ 5.68		\$ 1.89		\$ 7.57	6.38%	6.21%	7.75%	20.00%	
<b>Additional Containers</b>																														
Black "Trash" Container	\$ 6.46				\$ 0.37		\$ 6.83		\$ 3.59		\$ 0.28		\$ 3.87				\$ 10.70		\$ -		\$ 1.61		\$ 0.54		\$ 2.14	6.48%	5.77%	7.75%	20.00%	
Brown "Yard Waste" Container	\$ 5.61				\$ 0.32		\$ 5.93		n/a								\$ 5.93		\$ -		\$ 0.89		\$ 0.30		\$ 1.19	5.77%	5.77%	n/a	20.00%	
Green "Recycling" Container	\$ -				\$ -		\$ -		n/a								\$ -		\$ -		\$ -		\$ -		\$ -	0.00%	n/a	n/a	n/a	
<b>Residential Special Services</b>																														
Residential Roll-Out Service	\$ 13.31				\$ 0.77		\$ 14.08		n/a								\$ 14.08		\$ -		\$ 2.11		\$ 0.70		\$ 2.82	5.77%	5.77%	n/a	20.00%	
Extra Dump - All 3 Containers	\$ 28.27				\$ 1.63		\$ 29.90		n/a								\$ 29.90		\$ -		\$ 4.49		\$ 1.50		\$ 5.98	5.77%	5.77%	n/a	20.00%	
Exchange of All 3 Containers	\$ 43.72				\$ 2.52		\$ 46.24		n/a								\$ 46.24		\$ -		\$ 6.94		\$ 2.31		\$ 9.25	5.77%	5.77%	n/a	20.00%	
Container Replacement - Misuse	\$ 77.34				\$ 4.46		\$ 81.80		n/a								\$ 81.80		\$ -		\$ 12.27		\$ 4.09		\$ 16.36	5.77%	5.77%	n/a	20.00%	
<b>Residential Bulky-Item Pick-ups</b>																														
Additional Pick-ups over 3x p/Year	\$ 54.71				\$ 3.16		\$ 57.87		n/a				\$				\$ 57.87		\$ -		\$ 8.68		\$ 2.89		\$ 11.57	5.77%	5.77%	n/a	20.00%	
Charge for each item over 10	\$ 7.81				\$ 0.45		\$ 8.26		n/a								\$ 8.26		\$ -		\$ 1.24		\$ 0.41		\$ 1.65	5.77%	5.77%	n/a	20.00%	
Additional Fee Gas Recovery	\$ 54.71				\$ 3.16		\$ 57.87		n/a								\$ 57.87		\$ -		\$ 8.68		\$ 2.89		\$ 11.57	5.77%	5.77%	n/a	20.00%	
<b>Three Yard Containers</b>																														
3 Days + Dump	\$ 101.14				\$ 5.84		\$ 106.98		\$ 6.24		\$ 0.48		\$ 6.72				\$ 113.70		\$ -		\$ 17.05		\$ 5.68		\$ 22.74	5.89%	5.77%	7.75%	20.00%	
Each Additional Day	\$ 8.27				\$ 0.48		\$ 8.75		n/a								\$ 8.75		\$ -		\$ 1.31		\$ 0.44		\$ 1.75	5.77%	5.77%	n/a	20.00%	

CITY OF PLACENTIA  
EXHIBIT "A" BACK-UP

(A) Service Fee	+	(B) CPI Adj.	=	(C) Adjusted Service Fee	(D) Orange Co. Landfill	+	(E) Landfill Adjustment	=	(F) Adjusted Landfill Cost	(G) Solid Waste & Recycling Svcs. Coordinator Fee Sector PI	+	(H) Total Rate [(C)+(F)+(G)]	+	(I) Organic PI 0.00%	(J) Total Rate Eff 7-1-23	(K) Franchise [15% of (G)]	+	(L) Administrative [5% of (G)]	=	(M) Fees Paid to Placentia	Net Percent Rate Change	DOUBLE-CHECK OF RATE CALCULATIONS		
				[(A)+(B)]					[(D)+(E)]	0.78%											(B) Must =	(E) Must =	(J) Must =	
<b>COMMERCIAL</b>																								
Commercial Barrel (Each)																								
1 x p/wk (Max of Three)	\$	22.47		\$ 1.30	\$ 23.77	\$ 6.92	\$ 0.54	\$ 7.46	\$ 0.18	\$ 31.40	\$ -	\$ 31.40	\$ -	\$ 31.40	\$ 4.71	\$ 1.57	\$ 6.28	6.24%	5.77%	7.75%	20.00%			
Each Additional Pick-up Freq.(Max 3 X)	\$	22.47		\$ 1.30	\$ 23.77	\$ 6.92	\$ 0.54	\$ 7.46	\$ 0.18	\$ 31.40	\$ -	\$ 31.40	\$ -	\$ 31.40	\$ 4.71	\$ 1.57	\$ 6.28	6.24%	5.77%	7.75%	20.00%			
Organic Commercial Barrel (Each)																								
35G only, 1 x p/wk (Max of Three)	\$	22.47		\$ 1.30	\$ 23.77	\$ 6.92	\$ 0.54	\$ 7.46	\$ 0.18	\$ 31.40	\$ -	\$ 31.40	\$ -	\$ 31.40	\$ 4.71	\$ 1.57	\$ 6.28	6.24%	5.77%	7.75%	20.00%			
Each Additional Pick-up Freq.(Max 3 X)	\$	22.47		\$ 1.30	\$ 23.77	\$ 6.92	\$ 0.54	\$ 7.46	\$ 0.18	\$ 31.40	\$ -	\$ 31.40	\$ -	\$ 31.40	\$ 4.71	\$ 1.57	\$ 6.28	6.24%	5.77%	7.75%	20.00%			
Organic Commercial Barrel (Each)																								
64G only, 1 x p/wk (Max of Three)	\$	51.72		\$ 2.98	\$ 54.70			\$ 0.40	\$ 55.11	\$ 0.40	\$ 55.11	\$ -	\$ 55.11	\$ 8.27	\$ 2.76	\$ 11.03	5.77%	5.77%	0.00%	20.00%				
Each Additional Pick-up Freq.(Max 3 X)	\$	51.72		\$ 2.98	\$ 54.70			\$ 0.40	\$ 55.11	\$ 0.40	\$ 55.11	\$ -	\$ 55.11	\$ 8.27	\$ 2.76	\$ 11.03	5.77%	5.77%	0.00%	20.00%				
Two Yard Containers																								
One Pick-up Only	\$	134.46		\$ 7.76	\$ 142.22	\$ 19.22	\$ 1.49	\$ 20.71	\$ 1.05	\$ 163.98	\$ -	\$ 163.98	\$ -	\$ 163.98	\$ 24.60	\$ 8.20	\$ 32.80	6.02%	5.77%	7.75%	20.00%			
Each Additional Pick-up Freq.(Max 3 X)	\$	70.22		\$ 4.05	\$ 74.27	\$ 19.13	\$ 1.48	\$ 20.61	\$ 0.55	\$ 95.43	\$ -	\$ 95.43	\$ -	\$ 95.43	\$ 14.31	\$ 4.77	\$ 19.08	6.19%	5.77%	7.75%	20.00%			
Non-Scheduled Pick-up	\$	63.96		\$ 3.69	\$ 67.65	\$ 4.49	\$ 0.35	\$ 4.84	\$ 0.50	\$ 72.99	\$ -	\$ 72.99	\$ -	\$ 72.99	\$ 10.95	\$ 3.65	\$ 14.60	5.90%	5.77%	7.75%	20.00%			
Three Yard Containers																								
First Pick-up	\$	168.19		\$ 9.71	\$ 177.90	\$ 28.75	\$ 2.23	\$ 30.98	\$ 1.31	\$ 210.19	\$ -	\$ 210.19	\$ -	\$ 210.19	\$ 31.53	\$ 10.51	\$ 42.04	6.06%	5.77%	7.75%	20.00%			
Each Additional Pick-up Freq.	\$	90.88		\$ 5.24	\$ 96.12	\$ 28.63	\$ 2.22	\$ 30.85	\$ 0.71	\$ 127.68	\$ -	\$ 127.68	\$ -	\$ 127.68	\$ 19.15	\$ 6.38	\$ 25.53	6.24%	5.77%	7.75%	20.00%			
Non-Scheduled Pick-up	\$	78.63		\$ 4.54	\$ 83.17	\$ 6.69	\$ 0.52	\$ 7.21	\$ 0.61	\$ 90.99	\$ -	\$ 90.99	\$ -	\$ 90.99	\$ 13.65	\$ 4.55	\$ 18.20	5.93%	5.77%	7.75%	20.00%			
Three Yard Manure Containers																								
First Pick-up	\$	168.19		\$ 9.71	\$ 177.90	\$ 43.15	\$ 3.34	\$ 46.49	\$ 1.31	\$ 225.70	\$ -	\$ 225.70	\$ -	\$ 225.70	\$ 33.86	\$ 11.29	\$ 45.15	6.17%	5.77%	7.75%	20.00%			
Each Additional Pick-up Freq.	\$	90.88		\$ 5.24	\$ 96.12	\$ 43.04	\$ 3.33	\$ 46.37	\$ 0.71	\$ 143.20	\$ -	\$ 143.20	\$ -	\$ 143.20	\$ 21.48	\$ 7.16	\$ 28.64	6.41%	5.77%	7.75%	20.00%			
Non-Scheduled Pick-up	\$	78.63		\$ 4.54	\$ 83.17	\$ 6.68	\$ 0.52	\$ 7.20	\$ 0.61	\$ 90.98	\$ -	\$ 90.98	\$ -	\$ 90.98	\$ 13.65	\$ 4.55	\$ 18.20	5.93%	5.77%	7.75%	20.00%			
Three Yard Compactors																								
First Pick-up	\$	207.51		\$ 11.97	\$ 219.48	\$ 70.65	\$ 5.47	\$ 76.12	\$ 1.62	\$ 297.23	\$ -	\$ 297.23	\$ -	\$ 297.23	\$ 44.58	\$ 14.86	\$ 59.44	6.27%	5.77%	7.75%	20.00%			
Each Additional Pick-up Freq.	\$	130.45		\$ 7.53	\$ 137.98	\$ 70.51	\$ 5.46	\$ 75.97	\$ 1.02	\$ 214.97	\$ -	\$ 214.97	\$ -	\$ 214.97	\$ 32.25	\$ 10.75	\$ 43.00	6.46%	5.77%	7.75%	20.00%			
Non-Scheduled Pick-up	\$	119.49		\$ 6.90	\$ 126.39	\$ 16.41	\$ 1.27	\$ 17.68	\$ 0.93	\$ 145.00	\$ -	\$ 145.00	\$ -	\$ 145.00	\$ 21.75	\$ 7.25	\$ 29.00	6.01%	5.77%	7.75%	20.00%			
Four Yard Containers																								
First Pick-up	\$	185.01		\$ 10.68	\$ 195.69	\$ 38.71	\$ 3.00	\$ 41.71	\$ 1.45	\$ 238.84	\$ -	\$ 238.84	\$ -	\$ 238.84	\$ 35.83	\$ 11.94	\$ 47.77	6.11%	5.77%	7.75%	20.00%			
Each Additional Pick-up Freq.	\$	99.97		\$ 5.77	\$ 105.74	\$ 38.58	\$ 2.99	\$ 41.57	\$ 0.78	\$ 148.09	\$ -	\$ 148.09	\$ -	\$ 148.09	\$ 22.21	\$ 7.40	\$ 29.61	6.32%	5.77%	7.75%	20.00%			
Non-Scheduled Pick-up	\$	86.49		\$ 4.99	\$ 91.48	\$ 9.00	\$ 0.70	\$ 9.70	\$ 0.68	\$ 101.86	\$ -	\$ 101.86	\$ -	\$ 101.86	\$ 15.28	\$ 5.09	\$ 20.37	5.96%	5.77%	7.75%	20.00%			
Six Yard Containers																								
First Pick-up	\$	193.42		\$ 11.16	\$ 204.58	\$ 57.27	\$ 4.44	\$ 61.71	\$ 1.51	\$ 267.80	\$ -	\$ 267.80	\$ -	\$ 267.80	\$ 40.17	\$ 13.39	\$ 53.56	6.22%	5.77%	7.75%	20.00%			
Each Additional Pick-up Freq.	\$	104.51		\$ 6.03	\$ 110.54	\$ 57.13	\$ 4.43	\$ 61.56	\$ 0.82	\$ 172.92	\$ -	\$ 172.92	\$ -	\$ 172.92	\$ 25.94	\$ 8.65	\$ 34.59	6.47%	5.77%	7.75%	20.00%			
Non-Scheduled Pick-up	\$	90.44		\$ 5.22	\$ 95.66	\$ 13.29	\$ 1.03	\$ 14.32	\$ 0.71	\$ 110.69	\$ -	\$ 110.69	\$ -	\$ 110.69	\$ 16.60	\$ 5.53	\$ 22.13	6.02%	5.77%	7.75%	20.00%			

CITY OF PLACENTIA  
EXHIBIT "A" BACK-UP

(A) + Service Fee	(B) = CPI Adj.	(C) Adjusted Service Fee	(D) Orange Co. Landfill	(E) = Landfill Adjustment	(F) Adjusted Landfill Cost	(G) Solid Waste & Recycling Svcs. Coordinator Fee Sector PI 0.78%	(H) Total Rate [(C)+(F)+(G)]	(I) Organic PI 0.00%	(I) Total Rate Eff 7-1-23	(K) Franchise [15% of (G)]	(L) Administrative [5% of (G)]	(M) Fees Paid to Placentia	Net Percent Rate Change	DOUBLE-CHECK OF RATE CALCULATIONS			
		[(A)+(B)]			[(D)+(E)]									Must = (B)	Must = (E)	Must = (J)	
<b>COMMERCIAL</b>																	
Three Yard Construction Bin																	
First Pick-up	\$ 219.18	\$ 12.65	\$ 231.83	\$ 29.29	\$ 2.27	\$ 31.56	\$ 1.71	\$ 265.10	\$ -	\$ 265.10	\$ 39.77	\$ 13.26	\$ 53.03	6.00%	5.77%	7.75%	20.00%
Each Additional Pick-up Freq.	\$ 107.00	\$ 6.17	\$ 113.17	\$ 30.17	\$ 2.34	\$ 32.51	\$ 0.84	\$ 146.52	\$ -	\$ 146.52	\$ 21.98	\$ 7.33	\$ 29.31	6.21%	5.77%	7.75%	20.00%
Non-Scheduled Pick-up	\$ 78.63	\$ 4.54	\$ 83.17	\$ 7.04	\$ 0.55	\$ 7.59	\$ 0.61	\$ 91.37	\$ -	\$ 91.37	\$ 13.71	\$ 4.57	\$ 18.28	5.93%	5.77%	7.75%	20.00%
Temp Three Yard Container - Non Profit 3 Days + Dump	\$ 97.89	\$ 5.65	\$ 103.54	\$ 7.08	\$ 0.55	\$ 7.63	\$ 0.77	\$ 111.93	\$ -	\$ 111.93	\$ 16.79	\$ 5.60	\$ 22.39	5.90%	5.77%	7.75%	20.00%
Each Additional Day	\$ 8.03	\$ 0.46	\$ 8.49	\$ 0.01	\$ -	\$ 0.01	\$ 0.06	\$ 8.57	\$ -	\$ 8.57	\$ 1.28	\$ 0.43	\$ 1.71	5.77%	5.77%	0.00%	20.00%
<b>Commercial Recycle Containers</b>																	
Three Yard "Recycle" Containers																	
First Pick-up	\$ 168.46	\$ 9.72	\$ 178.18	n/a	\$ -	\$ -	\$ 1.32	\$ 179.50	\$ -	\$ 179.50	\$ 26.92	\$ 8.97	\$ 35.89	5.77%	5.77%	0.00%	20.00%
Each Additional Pick-up Freq.	\$ 91.01	\$ 5.25	\$ 96.26	n/a	\$ -	\$ -	\$ 0.71	\$ 96.97	\$ -	\$ 96.97	\$ 14.55	\$ 4.85	\$ 19.40	5.77%	5.77%	0.00%	20.00%
Non-Scheduled Pick-up	\$ 78.76	\$ 4.55	\$ 83.31	n/a	\$ -	\$ -	\$ 0.62	\$ 83.92	\$ -	\$ 83.92	\$ 12.59	\$ 4.20	\$ 16.79	5.77%	5.77%	0.00%	20.00%
Contaminated Bin (Trash)	\$ 168.46	\$ 9.72	\$ 178.18	n/a	\$ -	\$ -	\$ 1.32	\$ 179.50	\$ -	\$ 179.50	\$ 26.92	\$ 8.97	\$ 35.89	5.77%	5.77%	0.00%	20.00%
<b>Commercial Special Services</b>																	
Pull Out Service																	
First Pick-up	\$ 66.19	\$ 3.82	\$ 70.01	n/a	\$ -	\$ -	\$ -	\$ 70.01	\$ -	\$ 70.01	\$ 10.50	\$ 3.50	\$ 14.00	5.77%	5.77%	0.00%	20.00%
Each Additional Pick-up Freq	\$ 66.19	\$ 3.82	\$ 70.01	n/a	\$ -	\$ -	\$ -	\$ 70.01	\$ -	\$ 70.01	\$ 10.50	\$ 3.50	\$ 14.00	5.77%	5.77%	0.00%	20.00%
Non-Scheduled Pick up	\$ 66.19	\$ 3.82	\$ 70.01	n/a	\$ -	\$ -	\$ -	\$ 70.01	\$ -	\$ 70.01	\$ 10.50	\$ 3.50	\$ 14.00	5.77%	5.77%	0.00%	20.00%
Surcharge - Sunday Service	\$ 15.19	\$ 0.88	\$ 16.07	n/a	\$ -	\$ -	\$ -	\$ 16.07	\$ -	\$ 16.07	\$ 2.41	\$ 0.80	\$ 3.21	5.77%	5.77%	0.00%	20.00%
Bin Exchange after One-Time p/Year	\$ 96.36	\$ 5.56	\$ 101.92	n/a	\$ -	\$ -	\$ -	\$ 101.92	\$ -	\$ 101.92	\$ 15.29	\$ 5.10	\$ 20.39	5.77%	5.77%	0.00%	20.00%
Redelivery of Bin(s) - Non Payment	\$ 97.70	\$ 5.64	\$ 103.34	n/a	\$ -	\$ -	\$ -	\$ 103.34	\$ -	\$ 103.34	\$ 15.50	\$ 5.17	\$ 20.67	5.77%	5.77%	0.00%	20.00%
Locking Latch Bins																	
Set-Up Cost	\$ 115.96	\$ 6.69	\$ 122.65	n/a	\$ -	\$ -	\$ -	\$ 122.65	\$ -	\$ 122.65	\$ 18.40	\$ 6.13	\$ 24.53	5.77%	5.77%	0.00%	20.00%
Monthly Maintenance Fee P/tip Freq.	\$ 2.58	\$ 0.15	\$ 2.73	n/a	\$ -	\$ -	\$ -	\$ 2.73	\$ -	\$ 2.73	\$ 0.41	\$ 0.14	\$ 0.55	5.77%	5.77%	0.00%	20.00%
Special Access / Code or Key Fee	\$ 12.85	\$ 0.74	\$ 13.59	n/a	\$ -	\$ -	\$ -	\$ 13.59	\$ -	\$ 13.59	\$ 2.04	\$ 0.68	\$ 2.72	5.77%	5.77%	0.00%	20.00%
Container Steam Cleaning after 1x/Year	\$ 123.77	\$ 7.14	\$ 130.91	n/a	\$ -	\$ -	\$ -	\$ 130.91	\$ -	\$ 130.91	\$ 19.64	\$ 6.55	\$ 26.19	5.77%	5.77%	0.00%	20.00%
Clean-Up/Disposal "Over the Top"	\$ 44.98	\$ 2.60	\$ 47.58	n/a	\$ -	\$ -	\$ -	\$ 47.58	\$ -	\$ 47.58	\$ 7.14	\$ 2.38	\$ 9.52	5.77%	5.77%	0.00%	20.00%
Commercial Bulky-Item Pick-ups																	
Basic Charge - Two Items	\$ 54.71	\$ 3.16	\$ 57.87	n/a	\$ -	\$ -	\$ -	\$ 57.87	\$ -	\$ 57.87	\$ 8.68	\$ 2.89	\$ 11.57	5.77%	5.77%	0.00%	20.00%
Charge for each item over Two	\$ 7.81	\$ 0.45	\$ 8.26	n/a	\$ -	\$ -	\$ -	\$ 8.26	\$ -	\$ 8.26	\$ 1.24	\$ 0.41	\$ 1.65	5.77%	5.77%	0.00%	20.00%
Additional Fee Gas Recovery	\$ 54.71	\$ 3.16	\$ 57.87	n/a	\$ -	\$ -	\$ -	\$ 57.87	\$ -	\$ 57.87	\$ 8.68	\$ 2.89	\$ 11.57	5.77%	5.77%	0.00%	20.00%
Tilt Hopper Monthly Rental	\$ 50.11	\$ 2.89	\$ 53.00	n/a	\$ -	\$ -	\$ -	\$ 53.00	\$ -	\$ 53.00	\$ 7.95	\$ 2.65	\$ 10.60	5.77%	5.77%	0.00%	20.00%
Three Yard Bin Monthly Rental	\$ 64.24	\$ 3.71	\$ 67.95	n/a	\$ -	\$ -	\$ -	\$ 67.95	\$ -	\$ 67.95	\$ 10.19	\$ 3.40	\$ 13.59	5.77%	5.77%	0.00%	20.00%

**CITY OF PLACENTIA  
EXHIBIT "A" BACK-UP**

(A) Service Fee	+	(B) CPI Adj.	=	(C) Adjusted Service Fee	(D) Orange Co. Landfill	+	(E) Landfill Adjustment	=	(F) Adjusted Landfill Cost	+	(G) Solid Waste & Recycling Svcs. Coordinator Fee Sector PI 0.78%	=	(H) Total Rate [(C)+(F)+(G)]	+	(I) Organic PI 0.00%	=	(J) Total Rate EH 7-1-23	(K) Franchise [15% of (G)]	+	(L) Administrative [5% of (G)]	=	(M) Fees Paid to Placentia	Net Percent Rate Change	DOUBLE-CHECK OF RATE CALCULATIONS						
				[(A)+(B)]					[(D)+(E)]															(B) Must =	(E) Must =	(J) Must =				
<b>INDUSTRIAL ROLL-OFF SERVICES</b>																														
<b>Permanent Services</b>																														
15-Yard Demo Container	\$	444.50	\$	25.65	\$	470.15	\$	238.56	\$	18.48	\$	257.04	\$	3.47	\$	730.67	\$	-	\$	730.67	\$	109.60	\$	36.53	\$	146.13	5.77%	5.77%	7.75%	20.00%
15-Yard Demo Container - Clean Inerts	\$	405.37	\$	23.39	\$	428.76	n/a		\$		\$	257.04	\$	3.17	\$	431.93	\$	-	\$	431.93	\$	64.79	\$	21.60	\$	86.39	5.77%	5.77%	0.00%	20.00%
30-Yard Drop Off Container	\$	420.24	\$	24.25	\$	444.49	\$	198.89	\$	15.41	\$	214.30	\$	3.29	\$	662.08	\$	-	\$	662.08	\$	99.31	\$	33.10	\$	132.41	5.77%	5.77%	7.75%	20.00%
30-Yard Container - Green Waste	\$	584.19	\$	33.71	\$	617.90	n/a		\$		\$	214.30	\$	4.57	\$	622.47	\$	-	\$	622.47	\$	93.37	\$	31.12	\$	124.49	5.77%	5.77%	0.00%	20.00%
40-Yard Compactor	\$	527.95	\$	30.47	\$	558.42	\$	278.34	\$	21.56	\$	299.90	\$	4.13	\$	862.44	\$	-	\$	862.44	\$	129.37	\$	43.12	\$	172.49	5.77%	5.77%	7.75%	20.00%
<b>Temporary Services</b>																														
15-Yard Demo Container	\$	453.96	\$	26.20	\$	480.16	\$	238.58	\$	18.48	\$	257.06	\$	3.55	\$	740.77	\$	-	\$	740.77	\$	111.11	\$	37.04	\$	148.15	5.77%	5.77%	7.75%	20.00%
15-Yard Demo Container - Clean Inerts	\$	418.66	\$	24.16	\$	442.82	n/a		\$		\$	257.06	\$	3.27	\$	446.09	\$	-	\$	446.09	\$	66.91	\$	22.30	\$	89.21	5.77%	5.77%	0.00%	20.00%
30-Yard Drop Off Container	\$	441.48	\$	25.48	\$	466.96	\$	198.92	\$	15.41	\$	214.33	\$	3.45	\$	684.74	\$	-	\$	684.74	\$	102.71	\$	34.24	\$	136.95	5.77%	5.77%	7.75%	20.00%
30-Yard Container - Green Waste	\$	597.49	\$	34.48	\$	631.97	n/a		\$		\$	214.33	\$	4.67	\$	636.64	\$	-	\$	636.64	\$	95.50	\$	31.83	\$	127.33	5.77%	5.77%	0.00%	20.00%
Overweight Surcharge p/ton (Actual weight over 8 tons/load)																														
Trash Loads	\$	21.59	\$	1.25	\$	22.84	\$	39.68	\$	3.07	\$	42.75	\$	0.17	\$	65.75	\$	-	\$	65.75	\$	9.86	\$	3.29	\$	13.15	5.77%	5.77%	7.75%	20.00%
Clean Inerts	\$	39.88	\$	2.30	\$	42.18	n/a		\$		\$	42.75	\$	0.31	\$	42.49	\$	-	\$	42.49	\$	6.37	\$	2.12	\$	8.49	5.77%	5.77%	0.00%	20.00%
Clean Green Waste	\$	52.21	\$	3.01	\$	55.22	n/a		\$		\$	42.75	\$	0.41	\$	55.63	\$	-	\$	55.63	\$	8.34	\$	2.78	\$	11.12	5.77%	5.77%	0.00%	20.00%
<b>Industrial Special Services</b>																														
Saturday Service - Per Pull	\$	40.78	\$	2.35	\$	43.13	n/a		\$		\$	43.13	\$		\$	43.13	\$	-	\$	43.13	\$	6.47	\$	2.16	\$	8.63	5.77%	5.77%	0.00%	20.00%
Mandatory Signature Required - Per Pull	\$	6.43	\$	0.37	\$	6.80	n/a		\$		\$	6.80	\$		\$	6.80	\$	-	\$	6.80	\$	1.02	\$	0.34	\$	1.36	5.77%	5.77%	0.00%	20.00%
Additional Days Temp R/O Per Day	\$	15.61	\$	0.90	\$	16.51	n/a		\$		\$	16.51	\$		\$	16.51	\$	-	\$	16.51	\$	2.48	\$	0.83	\$	3.31	5.77%	5.77%	0.00%	20.00%
Stand-By Hourly Rate	\$	97.70	\$	5.64	\$	103.34	n/a		\$		\$	103.34	\$		\$	103.34	\$	-	\$	103.34	\$	15.50	\$	5.17	\$	20.67	5.77%	5.77%	0.00%	20.00%
Relocation/Trip Charge/Dead Run	\$	64.24	\$	3.71	\$	67.95	n/a		\$		\$	67.95	\$		\$	67.95	\$	-	\$	67.95	\$	10.19	\$	3.40	\$	13.59	5.77%	5.77%	0.00%	20.00%
Packer "Turn-A-Round" Surcharge Per Pull	\$	12.85	\$	0.74	\$	13.59	n/a		\$		\$	13.59	\$		\$	13.59	\$	-	\$	13.59	\$	2.04	\$	0.68	\$	2.72	5.77%	5.77%	0.00%	20.00%
Heavy-Duty Truck Service - Per Pull	\$	449.73	\$	25.95	\$	475.68	n/a		\$		\$	475.68	\$		\$	475.68	\$	-	\$	475.68	\$	71.35	\$	23.78	\$	95.13	5.77%	5.77%	0.00%	20.00%
R/O Container Steam Cleaning after 1x/Year	\$	128.50	\$	7.42	\$	135.92	n/a		\$		\$	135.92	\$		\$	135.92	\$	-	\$	135.92	\$	20.39	\$	6.80	\$	27.19	5.77%	5.77%	0.00%	20.00%
Storage Container Rental / Delivery	\$	101.51	\$	5.86	\$	107.37	n/a		\$		\$	107.37	\$		\$	107.37	\$	-	\$	107.37	\$	16.11	\$	5.37	\$	21.48	5.77%	5.77%	0.00%	20.00%
Storage Container Return \$10.00 + Per/Mile	\$	1.41	\$	0.08	\$	1.49	n/a		\$		\$	1.49	\$		\$	1.49	\$	-	\$	1.49	\$	0.22	\$	0.07	\$	0.29	5.77%	5.77%	0.00%	19.00%

**RESOLUTION NO. R-2023-65**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF  
PLACENTIA, CALIFORNIA, AUTHORIZING AND  
DETERMINING RESIDENTIAL SOLID WASTE HANDLING  
SERVICE CHARGES AND DIRECTING PLACEMENT  
THEREOF ON THE ORANGE COUNTY PROPERTY TAX  
ROLLS FOR FISCAL YEAR 2023-24**

**A. Recitals**

(i). Section 8.04.310 of the Placentia Municipal Code provides that the City Council may, by resolution, cause solid waste handling service charges to be collected with the Orange County Property Tax bills.

(ii). The City Council has received and analyzed the proposed refuse collection charges for residential services and has determined appropriate residential solid waste handling service charges to be set for the Fiscal Year 2023-24.

(iii). The City Council has determined that residential solid waste and handling service charges collected via the tax rolls affords the least costly mechanism for the residential taxpayers of the City of Placentia and users of the solid waste handling services.

(iv). All legal prerequisites to the adoption of this Resolution have occurred.

**B. Resolution**

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

1. In all respects as set forth in the Recitals, Part A., above.
2. Solid waste handling service charges for residential and commercial services are set forth in "Exhibit A," attached hereto and incorporated by this reference as though fully set forth herein.
3. Solid waste handling service charges for residential services be placed on the Orange County Property Tax Rolls for the Fiscal Year 2023-24, and such charges be collected in the same manner as the Property Tax.
4. A copy of this Resolution shall forthwith be transmitted by the City Clerk to the Auditor-Controller of the County of Orange.

**APPROVED and ADOPTED this 25<sup>th</sup> day of July 2023.**

\_\_\_\_\_  
Ward L. Smith, Mayor

ATTEST:

\_\_\_\_\_  
Robert S. McKinnell, City Clerk

STATE OF CALIFORNIA  
COUNTY OF ORANGE

I, Robert S. McKinnell, City Clerk of the City of Placentia do hereby certify that the foregoing Resolution was adopted at a regular meeting of the City Council held on the 25<sup>th</sup> day of July 2023 by the following vote:

AYES:	Councilmembers:
NOES:	Councilmembers:
ABSENT:	Councilmembers:
ABSTAIN:	Councilmembers:

\_\_\_\_\_  
Robert S. McKinnell, City Clerk

APPROVED AS TO FORM:

\_\_\_\_\_  
Christian L. Bettenhausen, City Attorney

EXHIBIT A  
Placentia Rate Adjustments Calculation (Effective July 1, 2022)

**CITY OF PLACENTIA EXHIBIT "A"**  
**RATE SUMMARY - EFFECTIVE JULY 1, 2023**

	Service Fee	Landfill Cost	Solid Waste & Recycling Srvcs Coordinator Fee	Adjusted Rate	Current Rate	Change	% Change
<b><u>Residential Rates</u></b>							
Single Family	\$ 33.70	\$ 3.87	\$ 0.29	\$ 37.85	\$ 33.47	\$ 4.38	13.10%
<b><u>Additional Containers</u></b>							
Black "Trash" Container	\$ 6.83	\$ 3.87	N/A	\$ 10.70	\$ 10.05	\$ 0.65	6.50%
Brown "Yard Waste" Container	\$ 5.93	N/A	N/A	\$ 5.93	\$ 5.61	\$ 0.32	5.77%
Green "Recycling" Container	\$ -	N/A	N/A	\$ -	\$ -	\$ -	0.00%
<b><u>Residential Special Services</u></b>							
Residential Roll-Out Service	\$ 14.08	N/A	N/A	\$ 14.08	\$ 13.31	\$ 0.77	5.79%
Extra Dump - All 3 Containers	\$ 29.90	N/A	N/A	\$ 29.90	\$ 28.27	\$ 1.63	5.77%
Exchange of All 3 Containers	\$ 46.24	N/A	N/A	\$ 46.24	\$ 43.72	\$ 2.52	5.76%
Container Replacement - Misuse	\$ 81.80	N/A	N/A	\$ 81.80	\$ 77.34	\$ 4.46	5.77%
<b><u>Residential Bulky-Item Pick-ups</u></b>							
Additional Pick-ups over 3x p/Year	\$ 57.87	N/A	N/A	\$ 57.87	\$ 54.71	\$ 3.16	5.77%
Charge for each item over 10	\$ 8.26	N/A	N/A	\$ 8.26	\$ 7.81	\$ 0.45	5.77%
Additional Fee Gas Recovery	\$ 57.87	N/A	N/A	\$ 57.87	\$ 54.71	\$ 3.16	5.77%
<b><u>Three Yard Containers</u></b>							
3 Days + Dump	\$ 106.98	\$ 6.72	N/A	\$ 113.70	\$ 107.38	\$ 6.32	5.89%
Each Additional Day	\$ 8.75	N/A	N/A	\$ 8.75	\$ 8.27	\$ 0.48	5.80%
<b><u>Commercial Rates</u></b>							
<b>Commercial Barrel (Each)</b>							
1 x p/wk (Max of Three)	\$ 23.77	\$ 7.46	\$ 0.18	\$ 31.40	\$ 29.55	\$ 1.85	6.26%
Each Additional Pick-up Freq.(Max 3 X)	\$ 23.77	\$ 7.46	\$ 0.18	\$ 31.40	\$ 29.55	\$ 1.85	6.26%
<b>Organic Commercial Barrel (Each)</b>							
35G only, 1 x p/wk (Max of Three)	\$ 23.77	\$ 7.46	\$ 0.18	\$ 31.40	\$ 29.55	\$ 1.85	6.26%
Each Additional Pick-up Freq.(Max 3 X)	\$ 23.77	\$ 7.46	\$ 0.16	\$ 31.40	\$ 29.55	\$ 1.85	6.26%
<b>Organic Commercial Barrel (Each)</b>							
64G only, 1 x p/wk (Max of Three)	\$ 54.70	N/A	\$ 0.40	\$ 55.11	\$ 52.10	\$ 3.01	5.78%
Each Additional Pick-up Freq.(Max 3 X)	\$ 54.70	N/A	\$ 0.40	\$ 55.11	\$ 52.10	\$ 3.01	5.78%

**CITY OF PLACENTIA EXHIBIT "A"**  
**RATE SUMMARY - EFFECTIVE JULY 1, 2023**

	Service Fee	Landfill Cost	Solid Waste & Recycling Srvcs Coordinator Fee	Adjusted Rate	Current Rate	Change	% Change
<b>Two Yard Containers</b>							
One Pick-up Only	\$ 142.22	\$ 20.71	\$ 1.05	\$ 163.98	\$ 154.65	\$ 9.33	6.03%
Each Additional Pick-up Freq.(Max 3 X)	\$ 74.27	\$ 20.61	\$ 0.55	\$ 95.43	\$ 89.86	\$ 5.57	6.20%
Non-Scheduled Pick-up	\$ 67.65	\$ 4.84	\$ 0.50	\$ 72.99	\$ 68.92	\$ 4.07	5.91%
<b>Three Yard Containers</b>							
First Pick-up	\$ 177.90	\$ 30.98	\$ 1.31	\$ 210.19	\$ 198.16	\$ 12.03	6.07%
Each Additional Pick-up Freq.	\$ 96.12	\$ 30.85	\$ 0.71	\$ 127.68	\$ 120.16	\$ 7.52	6.26%
Non-Scheduled Pick-up	\$ 83.17	\$ 7.21	\$ 0.61	\$ 90.99	\$ 85.89	\$ 5.10	5.94%
<b>Three Yard Manure Containers</b>							
First Pick-up	\$ 177.90	\$ 46.49	\$ 1.31	\$ 225.70	\$ 212.56	\$ 13.14	6.18%
Each Additional Pick-up Freq.	\$ 96.12	\$ 46.37	\$ 0.71	\$ 143.20	\$ 134.57	\$ 8.63	6.42%
Non-Scheduled Pick-up	\$ 83.17	\$ 7.20	\$ 0.61	\$ 90.98	\$ 85.87	\$ 5.11	5.95%
<b>Three Yard Compactors</b>							
First Pick-up	\$ 219.48	\$ 76.12	\$ 1.62	\$ 297.23	\$ 279.66	\$ 17.57	6.28%
Each Additional Pick-up Freq.	\$ 137.98	\$ 75.97	\$ 1.02	\$ 214.97	\$ 201.91	\$ 13.06	6.47%
Non-Scheduled Pick-up	\$ 126.39	\$ 17.68	\$ 0.93	\$ 145.00	\$ 136.76	\$ 8.24	6.02%
<b>Four Yard Containers</b>							
First Pick-up	\$ 195.69	\$ 41.71	\$ 1.45	\$ 238.84	\$ 225.06	\$ 13.78	6.12%
Each Additional Pick-up Freq.	\$ 105.74	\$ 41.57	\$ 0.78	\$ 148.09	\$ 139.27	\$ 8.82	6.33%
Non-Scheduled Pick-up	\$ 91.48	\$ 9.70	\$ 0.68	\$ 101.86	\$ 96.11	\$ 5.75	5.98%
<b>Six Yard Containers</b>							
First Pick-up	\$ 204.58	\$ 61.71	\$ 1.51	\$ 267.80	\$ 252.10	\$ 15.70	6.23%
Each Additional Pick-up Freq.	\$ 110.54	\$ 61.56	\$ 0.82	\$ 172.92	\$ 162.39	\$ 10.53	6.48%
Non-Scheduled Pick-up	\$ 95.66	\$ 14.32	\$ 0.71	\$ 110.69	\$ 104.38	\$ 6.31	6.04%
<b>Three Yard Construction Bin</b>							
First Pick-up	\$ 231.83	\$ 31.56	\$ 1.71	\$ 265.10	\$ 250.06	\$ 15.04	6.02%
Each Additional Pick-up Freq.	\$ 113.17	\$ 32.51	\$ 0.84	\$ 146.52	\$ 137.95	\$ 8.57	6.21%
Non-Scheduled Pick-up	\$ 83.17	\$ 7.59	\$ 0.61	\$ 91.37	\$ 86.24	\$ 5.13	5.95%

**CITY OF PLACENTIA EXHIBIT "A"**  
**RATE SUMMARY - EFFECTIVE JULY 1, 2023**

	Service Fee	Landfill Cost	Solid Waste & Recycling Srvcs Coordinator Fee	Adjusted Rate	Current Rate	Change	% Change
Temp Three Yard Container - Non Profit							
3 Days + Dump	\$ 103.54	\$ 7.63	\$ 0.77	\$ 111.93	\$ 105.68	\$ 6.25	5.92%
Each Additional Day	\$ 8.49	\$ 0.01	\$ 0.06	\$ 8.57	\$ 8.10	\$ 0.47	5.76%
<b>Commercial Recycle Containers</b>							
Three Yard "Recycle" Containers							
First Pick-up	\$ 178.18	N/A	\$ 1.32	\$ 179.50	\$ 169.68	\$ 9.82	5.79%
Each Additional Pick-up Freq.	\$ 96.26	N/A	\$ 0.71	\$ 96.97	\$ 91.67	\$ 5.30	5.78%
Non-Scheduled Pick-up	\$ 83.31	N/A	\$ 0.62	\$ 83.92	\$ 79.33	\$ 4.59	5.78%
Contaminated Bin (Trash)	\$ 178.18	N/A	\$ 1.32	\$ 179.50	\$ 169.68	\$ 9.82	5.79%
<b>Commercial Special Services</b>							
Pull Out Service							
First Pick-up	\$ 70.01	N/A	N/A	\$ 70.01	\$ 66.19	\$ 3.82	5.77%
Each Additional Pick up Freq	\$ 70.01	N/A	N/A	\$ 70.01	\$ 66.19	\$ 3.82	5.77%
Non-Scheduled Pick up	\$ 70.01	N/A	N/A	\$ 70.01	\$ 66.19	\$ 3.82	5.77%
Surcharge - Sunday Service	\$ 16.07	N/A	N/A	\$ 16.07	\$ 15.19	\$ 0.87	5.74%
Bin Exchange after One-Time p/Year	\$ 101.92	N/A	N/A	\$ 101.92	\$ 96.36	\$ 5.56	5.77%
Redelivery of Bin(s) - Non Payment	\$ 103.34	N/A	N/A	\$ 103.34	\$ 97.70	\$ 5.64	5.77%
Locking Latch Bins							
Set-Up Cost	\$ 122.65	N/A	N/A	\$ 122.65	\$ 115.96	\$ 6.70	5.77%
Monthly Maintenance Fee P/tip Freq.	\$ 2.73	N/A	N/A	\$ 2.73	\$ 2.58	\$ 0.15	5.82%
Special Access / Code or Key Fee	\$ 13.59	N/A	N/A	\$ 13.59	\$ 12.85	\$ 0.74	5.76%
Container Steam Cleaning after 1x/Year	\$ 130.91	N/A	N/A	\$ 130.91	\$ 123.77	\$ 7.15	5.77%
Clean-Up/Disposal "Over the Top"	\$ 47.58	N/A	N/A	\$ 47.58	\$ 44.98	\$ 2.59	5.76%

**CITY OF PLACENTIA EXHIBIT "A"**  
**RATE SUMMARY - EFFECTIVE JULY 1, 2023**

	Service Fee	Landfill Cost	Solid Waste & Recycling Svcs Coordinator Fee	Adjusted Rate	Current Rate	Change	% Change
<b><u>Commercial Bulky-Item Pick-ups</u></b>							
Basic Charge - Two Items	\$ 57.87	N/A	N/A	\$ 57.87	\$ 54.71	\$ 3.16	5.77%
Charge for each item over Two	\$ 8.26	N/A	N/A	\$ 8.26	\$ 7.81	\$ 0.45	5.76%
Additional Fee Gas Recovery	\$ 57.87	N/A	N/A	\$ 57.87	\$ 54.71	\$ 3.16	5.77%
Tilt Hopper Monthly Rental	\$ 53.00	N/A	N/A	\$ 53.00	\$ 50.11	\$ 2.89	5.77%
Three Yard Bin Monthly Rental	\$ 67.95	N/A	N/A	\$ 67.95	\$ 64.24	\$ 3.70	5.77%
<b><u>Industrial Rates for Roll-Off Services</u></b>							
<b>Permanent Services</b>							
15-Yard Demo Container	\$ 470.15	\$ 257.04	\$ 3.47	\$ 730.67	\$ 686.28	\$ 44.38	6.47%
15-Yard Demo Container - Clean Inerts	\$ 428.76	N/A	\$ 3.17	\$ 431.93	\$ 408.31	\$ 23.62	5.79%
30-Yard Drop Off Container	\$ 444.49	\$ 214.30	\$ 3.29	\$ 662.08	\$ 622.18	\$ 39.90	6.41%
30-Yard Container - Green Waste	\$ 617.90	N/A	\$ 4.57	\$ 622.47	\$ 588.42	\$ 34.05	5.79%
40-Yard Compactor	\$ 558.42	\$ 299.90	\$ 4.13	\$ 862.44	\$ 810.12	\$ 52.33	6.46%
		N/A					
<b>Temporary Services</b>							
15-Yard Demo Container	\$ 480.16	\$ 257.06	\$ 3.55	\$ 740.77	\$ 695.83	\$ 44.94	6.46%
15-Yard Demo Container - Clean Inerts	\$ 442.82	N/A	\$ 3.27	\$ 446.09	\$ 421.69	\$ 24.40	5.79%
30-Yard Drop Off Container	\$ 466.96	\$ 214.33	\$ 3.45	\$ 684.74	\$ 643.60	\$ 41.14	6.39%
30-Yard Container - Green Waste	\$ 631.97	N/A	\$ 4.67	\$ 636.64	\$ 601.82	\$ 34.82	5.79%
<b>Overweight Surcharge p/ton (Actual weight over 8 tons/load)</b>							
Trash Loads	\$ 22.84	\$ 42.75	\$ 0.17	\$ 65.75	\$ 61.43	\$ 4.33	7.04%
Clean Inerts	\$ 42.18	N/A	\$ 0.31	\$ 42.49	\$ 40.17	\$ 2.33	5.79%
Clean Green Waste	\$ 55.22	N/A	\$ 0.41	\$ 55.63	\$ 52.58	\$ 15.46	38.50%

**CITY OF PLACENTIA EXHIBIT "A"**  
**RATE SUMMARY - EFFECTIVE JULY 1, 2023**

	Service Fee	Landfill Cost	Solid Waste & Recycling Svcs Coordinator Fee	Adjusted Rate	Current Rate	Change	% Change
<b>Industrial Special Services</b>							
Saturday Service - Per Pull	\$ 43.13	N/A	N/A	\$ 43.13	\$ 40.78	\$ 2.36	5.78%
Mandatory Signature Required - Per Pull	\$ 6.80	N/A	N/A	\$ 6.80	\$ 6.43	\$ 0.37	5.76%
Additional Days Temp R/O Per Day	\$ 16.51	N/A	N/A	\$ 16.51	\$ 15.61	\$ 0.90	5.76%
Stand-By Hourly Rate	\$ 103.34	N/A	N/A	\$ 103.34	\$ 97.70	\$ 5.64	5.77%
Relocation/Trip Charge/Dead Run	\$ 67.95	N/A	N/A	\$ 67.95	\$ 64.24	\$ 3.70	5.77%
Packer "Turn-A-Round" Surcharge Per Pull	\$ 13.59	N/A	N/A	\$ 13.59	\$ 12.85	\$ 0.74	5.76%
Heavy-Duty Truck Service - Per Pull	\$ 475.68	N/A	N/A	\$ 475.68	\$ 449.73	\$ 25.95	5.77%
R/O Container Steam Cleaning after 1x/Year	\$ 135.92	N/A	N/A	\$ 135.92	\$ 128.50	\$ 7.42	5.77%
Storage Container Rental / Delivery	\$ 107.37	N/A	N/A	\$ 107.37	\$ 101.51	\$ 5.86	5.77%
Storage Container Return \$10.00 + Per/Mile	\$ 1.49	N/A	N/A	\$ 1.49	\$ 1.41	\$ 0.08	5.59%



CITY OF PLACENTIA  
EXHIBIT "A" BACK-UP

(A) Service Fee	+	(B) CPI Adj.	=	(C) Adjusted Service Fee	(D) Orange Co. Landfill	+	(E) Landfill Adjustment	=	(F) Adjusted Landfill Cost	(G) Solid Waste & Recycling Svcs. Coordinator Fee Sector PI	+	(H) Total Rate [(C)+(F)+(G)]	+	(I) Organic PI 0.00%	(J) Total Rate Eff 7-1-23	(K) Franchise [15% of (G)]	+	(L) Administrative [5% of (G)]	=	(M) Fees Paid to Placentia	Net Percent Rate Change	DOUBLE-CHECK OF RATE CALCULATIONS		
				[(A)+(B)]					[(D)+(E)]	0.78%											(B) Must =	(E) Must =	(J) Must =	
<b>COMMERCIAL</b>																								
Commercial Barrel (Each)																								
1 x p/wk (Max of Three)	\$	22.47		\$ 1.30	\$ 23.77	\$ 6.92	\$ 0.54	\$ 7.46	\$ 0.18	\$ 31.40	\$ -	\$ 31.40	\$ -	\$ 31.40	\$ 4.71	\$ 1.57	\$ 6.28	6.24%	5.77%	7.75%	20.00%			
Each Additional Pick-up Freq.(Max 3 X)	\$	22.47		\$ 1.30	\$ 23.77	\$ 6.92	\$ 0.54	\$ 7.46	\$ 0.18	\$ 31.40	\$ -	\$ 31.40	\$ -	\$ 31.40	\$ 4.71	\$ 1.57	\$ 6.28	6.24%	5.77%	7.75%	20.00%			
Organic Commercial Barrel (Each)																								
35G only, 1 x p/wk (Max of Three)	\$	22.47		\$ 1.30	\$ 23.77	\$ 6.92	\$ 0.54	\$ 7.46	\$ 0.18	\$ 31.40	\$ -	\$ 31.40	\$ -	\$ 31.40	\$ 4.71	\$ 1.57	\$ 6.28	6.24%	5.77%	7.75%	20.00%			
Each Additional Pick-up Freq.(Max 3 X)	\$	22.47		\$ 1.30	\$ 23.77	\$ 6.92	\$ 0.54	\$ 7.46	\$ 0.18	\$ 31.40	\$ -	\$ 31.40	\$ -	\$ 31.40	\$ 4.71	\$ 1.57	\$ 6.28	6.24%	5.77%	7.75%	20.00%			
Organic Commercial Barrel (Each)																								
84G only, 1 x p/wk (Max of Three)	\$	51.72		\$ 2.98	\$ 54.70				\$ 0.40	\$ 55.11	\$ -	\$ 55.11	\$ -	\$ 55.11	\$ 8.27	\$ 2.76	\$ 11.03	5.77%	5.77%	0.00%	20.00%			
Each Additional Pick-up Freq.(Max 3 X)	\$	51.72		\$ 2.98	\$ 54.70				\$ 0.40	\$ 55.11	\$ -	\$ 55.11	\$ -	\$ 55.11	\$ 8.27	\$ 2.76	\$ 11.03	5.77%	5.77%	0.00%	20.00%			
Two Yard Containers																								
One Pick-up Only	\$	134.46		\$ 7.76	\$ 142.22	\$ 19.22	\$ 1.49	\$ 20.71	\$ 1.05	\$ 163.98	\$ -	\$ 163.98	\$ -	\$ 163.98	\$ 24.60	\$ 8.20	\$ 32.80	6.02%	5.77%	7.75%	20.00%			
Each Additional Pick-up Freq.(Max 3 X)	\$	70.22		\$ 4.05	\$ 74.27	\$ 19.13	\$ 1.48	\$ 20.61	\$ 0.55	\$ 95.43	\$ -	\$ 95.43	\$ -	\$ 95.43	\$ 14.31	\$ 4.77	\$ 19.08	6.19%	5.77%	7.75%	20.00%			
Non-Scheduled Pick-up	\$	63.96		\$ 3.69	\$ 67.65	\$ 4.49	\$ 0.35	\$ 4.84	\$ 0.50	\$ 72.99	\$ -	\$ 72.99	\$ -	\$ 72.99	\$ 10.95	\$ 3.65	\$ 14.60	5.90%	5.77%	7.75%	20.00%			
Three Yard Containers																								
First Pick-up	\$	168.19		\$ 9.71	\$ 177.90	\$ 28.75	\$ 2.23	\$ 30.98	\$ 1.31	\$ 210.19	\$ -	\$ 210.19	\$ -	\$ 210.19	\$ 31.53	\$ 10.51	\$ 42.04	6.06%	5.77%	7.75%	20.00%			
Each Additional Pick-up Freq.	\$	90.88		\$ 5.24	\$ 96.12	\$ 28.63	\$ 2.22	\$ 30.85	\$ 0.71	\$ 127.68	\$ -	\$ 127.68	\$ -	\$ 127.68	\$ 19.15	\$ 6.38	\$ 25.53	6.24%	5.77%	7.75%	20.00%			
Non-Scheduled Pick-up	\$	78.63		\$ 4.54	\$ 83.17	\$ 6.69	\$ 0.52	\$ 7.21	\$ 0.61	\$ 90.99	\$ -	\$ 90.99	\$ -	\$ 90.99	\$ 13.65	\$ 4.55	\$ 18.20	5.93%	5.77%	7.75%	20.00%			
Three Yard Manure Containers																								
First Pick-up	\$	168.19		\$ 9.71	\$ 177.90	\$ 43.15	\$ 3.34	\$ 46.49	\$ 1.31	\$ 225.70	\$ -	\$ 225.70	\$ -	\$ 225.70	\$ 33.86	\$ 11.29	\$ 45.15	6.17%	5.77%	7.75%	20.00%			
Each Additional Pick-up Freq.	\$	90.88		\$ 5.24	\$ 96.12	\$ 43.04	\$ 3.33	\$ 46.37	\$ 0.71	\$ 143.20	\$ -	\$ 143.20	\$ -	\$ 143.20	\$ 21.48	\$ 7.16	\$ 28.64	6.41%	5.77%	7.75%	20.00%			
Non-Scheduled Pick-up	\$	78.63		\$ 4.54	\$ 83.17	\$ 6.68	\$ 0.52	\$ 7.20	\$ 0.61	\$ 90.98	\$ -	\$ 90.98	\$ -	\$ 90.98	\$ 13.65	\$ 4.55	\$ 18.20	5.93%	5.77%	7.75%	20.00%			
Three Yard Compactors																								
First Pick-up	\$	207.51		\$ 11.97	\$ 219.48	\$ 70.65	\$ 5.47	\$ 76.12	\$ 1.62	\$ 297.23	\$ -	\$ 297.23	\$ -	\$ 297.23	\$ 44.58	\$ 14.86	\$ 59.44	6.27%	5.77%	7.75%	20.00%			
Each Additional Pick-up Freq.	\$	130.45		\$ 7.53	\$ 137.98	\$ 70.51	\$ 5.46	\$ 75.97	\$ 1.02	\$ 214.97	\$ -	\$ 214.97	\$ -	\$ 214.97	\$ 32.25	\$ 10.75	\$ 43.00	6.46%	5.77%	7.75%	20.00%			
Non-Scheduled Pick-up	\$	119.49		\$ 6.90	\$ 126.39	\$ 16.41	\$ 1.27	\$ 17.68	\$ 0.93	\$ 145.00	\$ -	\$ 145.00	\$ -	\$ 145.00	\$ 21.75	\$ 7.25	\$ 29.00	6.01%	5.77%	7.75%	20.00%			
Four Yard Containers																								
First Pick-up	\$	185.01		\$ 10.68	\$ 195.69	\$ 38.71	\$ 3.00	\$ 41.71	\$ 1.45	\$ 238.84	\$ -	\$ 238.84	\$ -	\$ 238.84	\$ 35.83	\$ 11.94	\$ 47.77	6.11%	5.77%	7.75%	20.00%			
Each Additional Pick-up Freq.	\$	99.97		\$ 5.77	\$ 105.74	\$ 38.58	\$ 2.99	\$ 41.57	\$ 0.78	\$ 148.09	\$ -	\$ 148.09	\$ -	\$ 148.09	\$ 22.21	\$ 7.40	\$ 29.61	6.32%	5.77%	7.75%	20.00%			
Non-Scheduled Pick-up	\$	86.49		\$ 4.99	\$ 91.48	\$ 9.00	\$ 0.70	\$ 9.70	\$ 0.68	\$ 101.86	\$ -	\$ 101.86	\$ -	\$ 101.86	\$ 15.28	\$ 5.09	\$ 20.37	5.96%	5.77%	7.75%	20.00%			
Six Yard Containers																								
First Pick-up	\$	193.42		\$ 11.16	\$ 204.58	\$ 57.27	\$ 4.44	\$ 61.71	\$ 1.51	\$ 267.80	\$ -	\$ 267.80	\$ -	\$ 267.80	\$ 40.17	\$ 13.39	\$ 53.56	6.22%	5.77%	7.75%	20.00%			
Each Additional Pick-up Freq.	\$	104.51		\$ 6.03	\$ 110.54	\$ 57.13	\$ 4.43	\$ 61.56	\$ 0.82	\$ 172.92	\$ -	\$ 172.92	\$ -	\$ 172.92	\$ 25.94	\$ 8.65	\$ 34.59	6.47%	5.77%	7.75%	20.00%			
Non-Scheduled Pick-up	\$	90.44		\$ 5.22	\$ 95.66	\$ 13.29	\$ 1.03	\$ 14.32	\$ 0.71	\$ 110.69	\$ -	\$ 110.69	\$ -	\$ 110.69	\$ 16.60	\$ 5.53	\$ 22.13	6.02%	5.77%	7.75%	20.00%			

CITY OF PLACENTIA  
EXHIBIT "A" BACK-UP

(A) + Service Fee	(B) = CPI Adj.	(C) Adjusted Service Fee	(D) + Orange Co. Landfill	(E) = Landfill Adjustment	(F) + Adjusted Landfill Cost	(G) + Solid Waste & Recycling Svcs. Coordinator Fee Sector PI 0.78%	(H) + Total Rate [(C)+(F)+(G)]	(I) Organic PI 0.00%	(I) Total Rate Eff 7-1-23	(K) + Franchise [15% of (G)]	(L) + Administrative [5% of (G)]	(M) = Fees Paid to Placentia	Net Percent Rate Change	DOUBLE-CHECK OF RATE CALCULATIONS			
		[(A)+(B)]			[(D)+(E)]									Must = (B)	Must = (E)	Must = (J)	
<b>COMMERCIAL</b>																	
Three Yard Construction Bin																	
First Pick-up	\$ 219.18	\$ 12.65	\$ 231.83	\$ 29.29	\$ 2.27	\$ 31.56	\$ 1.71	\$ 265.10	\$ -	\$ 265.10	\$ 39.77	\$ 13.26	\$ 53.03	6.00%	5.77%	7.75%	20.00%
Each Additional Pick-up Freq.	\$ 107.00	\$ 6.17	\$ 113.17	\$ 30.17	\$ 2.34	\$ 32.51	\$ 0.84	\$ 146.52	\$ -	\$ 146.52	\$ 21.98	\$ 7.33	\$ 29.31	6.21%	5.77%	7.75%	20.00%
Non-Scheduled Pick-up	\$ 78.63	\$ 4.54	\$ 83.17	\$ 7.04	\$ 0.55	\$ 7.59	\$ 0.61	\$ 91.37	\$ -	\$ 91.37	\$ 13.71	\$ 4.57	\$ 18.28	5.93%	5.77%	7.75%	20.00%
Temp Three Yard Container - Non Profit 3 Days + Dump	\$ 97.89	\$ 5.65	\$ 103.54	\$ 7.08	\$ 0.55	\$ 7.63	\$ 0.77	\$ 111.93	\$ -	\$ 111.93	\$ 16.79	\$ 5.60	\$ 22.39	5.90%	5.77%	7.75%	20.00%
Each Additional Day	\$ 8.03	\$ 0.46	\$ 8.49	\$ 0.01	\$ -	\$ 0.01	\$ 0.06	\$ 8.57	\$ -	\$ 8.57	\$ 1.28	\$ 0.43	\$ 1.71	5.77%	5.77%	0.00%	20.00%
<b>Commercial Recycle Containers</b>																	
Three Yard "Recycle" Containers																	
First Pick-up	\$ 168.46	\$ 9.72	\$ 178.18	n/a	\$ -	\$ -	\$ 1.32	\$ 179.50	\$ -	\$ 179.50	\$ 26.92	\$ 8.97	\$ 35.89	5.77%	5.77%	0.00%	20.00%
Each Additional Pick-up Freq.	\$ 91.01	\$ 5.25	\$ 96.26	n/a	\$ -	\$ -	\$ 0.71	\$ 96.97	\$ -	\$ 96.97	\$ 14.55	\$ 4.85	\$ 19.40	5.77%	5.77%	0.00%	20.00%
Non-Scheduled Pick-up	\$ 78.76	\$ 4.55	\$ 83.31	n/a	\$ -	\$ -	\$ 0.62	\$ 83.92	\$ -	\$ 83.92	\$ 12.59	\$ 4.20	\$ 16.79	5.77%	5.77%	0.00%	20.00%
Contaminated Bin (Trash)	\$ 168.46	\$ 9.72	\$ 178.18	n/a	\$ -	\$ -	\$ 1.32	\$ 179.50	\$ -	\$ 179.50	\$ 26.92	\$ 8.97	\$ 35.89	5.77%	5.77%	0.00%	20.00%
<b>Commercial Special Services</b>																	
Pull Out Service																	
First Pick-up	\$ 66.19	\$ 3.82	\$ 70.01	n/a	\$ -	\$ -	\$ -	\$ 70.01	\$ -	\$ 70.01	\$ 10.50	\$ 3.50	\$ 14.00	5.77%	5.77%	0.00%	20.00%
Each Additional Pick-up Freq	\$ 66.19	\$ 3.82	\$ 70.01	n/a	\$ -	\$ -	\$ -	\$ 70.01	\$ -	\$ 70.01	\$ 10.50	\$ 3.50	\$ 14.00	5.77%	5.77%	0.00%	20.00%
Non-Scheduled Pick up	\$ 66.19	\$ 3.82	\$ 70.01	n/a	\$ -	\$ -	\$ -	\$ 70.01	\$ -	\$ 70.01	\$ 10.50	\$ 3.50	\$ 14.00	5.77%	5.77%	0.00%	20.00%
Surcharge - Sunday Service	\$ 15.19	\$ 0.88	\$ 16.07	n/a	\$ -	\$ -	\$ -	\$ 16.07	\$ -	\$ 16.07	\$ 2.41	\$ 0.80	\$ 3.21	5.77%	5.77%	0.00%	20.00%
Bin Exchange after One-Time p/Year	\$ 96.36	\$ 5.56	\$ 101.92	n/a	\$ -	\$ -	\$ -	\$ 101.92	\$ -	\$ 101.92	\$ 15.29	\$ 5.10	\$ 20.39	5.77%	5.77%	0.00%	20.00%
Redelivery of Bin(s) - Non Payment	\$ 97.70	\$ 5.64	\$ 103.34	n/a	\$ -	\$ -	\$ -	\$ 103.34	\$ -	\$ 103.34	\$ 15.50	\$ 5.17	\$ 20.67	5.77%	5.77%	0.00%	20.00%
Locking Latch Bins																	
Set-Up Cost	\$ 115.96	\$ 6.69	\$ 122.65	n/a	\$ -	\$ -	\$ -	\$ 122.65	\$ -	\$ 122.65	\$ 18.40	\$ 6.13	\$ 24.53	5.77%	5.77%	0.00%	20.00%
Monthly Maintenance Fee P/tip Freq.	\$ 2.58	\$ 0.15	\$ 2.73	n/a	\$ -	\$ -	\$ -	\$ 2.73	\$ -	\$ 2.73	\$ 0.41	\$ 0.14	\$ 0.55	5.77%	5.77%	0.00%	20.00%
Special Access / Code or Key Fee	\$ 12.85	\$ 0.74	\$ 13.59	n/a	\$ -	\$ -	\$ -	\$ 13.59	\$ -	\$ 13.59	\$ 2.04	\$ 0.68	\$ 2.72	5.77%	5.77%	0.00%	20.00%
Container Steam Cleaning after 1x/Year	\$ 123.77	\$ 7.14	\$ 130.91	n/a	\$ -	\$ -	\$ -	\$ 130.91	\$ -	\$ 130.91	\$ 19.64	\$ 6.55	\$ 26.19	5.77%	5.77%	0.00%	20.00%
Clean-Up/Disposal "Over the Top"	\$ 44.98	\$ 2.60	\$ 47.58	n/a	\$ -	\$ -	\$ -	\$ 47.58	\$ -	\$ 47.58	\$ 7.14	\$ 2.38	\$ 9.52	5.77%	5.77%	0.00%	20.00%
Commercial Bulky-Item Pick-ups																	
Basic Charge - Two Items	\$ 54.71	\$ 3.16	\$ 57.87	n/a	\$ -	\$ -	\$ -	\$ 57.87	\$ -	\$ 57.87	\$ 8.68	\$ 2.89	\$ 11.57	5.77%	5.77%	0.00%	20.00%
Charge for each item over Two	\$ 7.81	\$ 0.45	\$ 8.26	n/a	\$ -	\$ -	\$ -	\$ 8.26	\$ -	\$ 8.26	\$ 1.24	\$ 0.41	\$ 1.65	5.77%	5.77%	0.00%	20.00%
Additional Fee Gas Recovery	\$ 54.71	\$ 3.16	\$ 57.87	n/a	\$ -	\$ -	\$ -	\$ 57.87	\$ -	\$ 57.87	\$ 8.68	\$ 2.89	\$ 11.57	5.77%	5.77%	0.00%	20.00%
Tilt Hopper Monthly Rental	\$ 50.11	\$ 2.89	\$ 53.00	n/a	\$ -	\$ -	\$ -	\$ 53.00	\$ -	\$ 53.00	\$ 7.95	\$ 2.65	\$ 10.60	5.77%	5.77%	0.00%	20.00%
Three Yard Bin Monthly Rental	\$ 64.24	\$ 3.71	\$ 67.95	n/a	\$ -	\$ -	\$ -	\$ 67.95	\$ -	\$ 67.95	\$ 10.19	\$ 3.40	\$ 13.59	5.77%	5.77%	0.00%	20.00%

**CITY OF PLACENTIA  
EXHIBIT "A" BACK-UP**

(A) Service Fee	+	(B) CPI Adj.	=	(C) Adjusted Service Fee	(D) Orange Co. Landfill	+	(E) Landfill Adjustment	=	(F) Adjusted Landfill Cost	+	(G) Solid Waste & Recycling Svcs. Coordinator Fee Sector PI 0.78%	=	(H) Total Rate [(C)+(F)+(G)]	+	(I) Organic PI 0.00%	=	(I) Total Rate EH 7-1-23	(K) Franchise [15% of (G)]	+	(L) Administrative [5% of (G)]	=	(M) Fees Paid to Placentia	Net Percent Rate Change	DOUBLE-CHECK OF RATE CALCULATIONS						
				[(A)+(B)]					[(D)+(E)]														(B) Must =	(E) Must =	(J) Must =					
<b>INDUSTRIAL ROLL-OFF SERVICES</b>																														
<b>Permanent Services</b>																														
15-Yard Demo Container	\$	444.50	\$	25.65	\$	470.15	\$	238.56	\$	18.48	\$	257.04	\$	3.47	\$	730.67	\$	-	\$	730.67	\$	109.60	\$	36.53	\$	146.13	5.77%	5.77%	7.75%	20.00%
15-Yard Demo Container - Clean Inerts	\$	405.37	\$	23.39	\$	428.76	n/a		\$		\$	3.17	\$	3.17	\$	431.93	\$	-	\$	431.93	\$	64.79	\$	21.60	\$	86.39	5.77%	5.77%	0.00%	20.00%
30-Yard Drop Off Container	\$	420.24	\$	24.25	\$	444.49	\$	198.89	\$	15.41	\$	214.30	\$	3.29	\$	662.08	\$	-	\$	662.08	\$	99.31	\$	33.10	\$	132.41	5.77%	5.77%	7.75%	20.00%
30-Yard Container - Green Waste	\$	584.19	\$	33.71	\$	617.90	n/a		\$		\$	4.57	\$	4.57	\$	622.47	\$	-	\$	622.47	\$	93.37	\$	31.12	\$	124.49	5.77%	5.77%	0.00%	20.00%
40-Yard Compactor	\$	527.95	\$	30.47	\$	558.42	\$	278.34	\$	21.56	\$	299.90	\$	4.13	\$	862.44	\$	-	\$	862.44	\$	129.37	\$	43.12	\$	172.49	5.77%	5.77%	7.75%	20.00%
<b>Temporary Services</b>																														
15-Yard Demo Container	\$	453.96	\$	26.20	\$	480.16	\$	238.58	\$	18.48	\$	257.06	\$	3.55	\$	740.77	\$	-	\$	740.77	\$	111.11	\$	37.04	\$	148.15	5.77%	5.77%	7.75%	20.00%
15-Yard Demo Container - Clean Inerts	\$	418.66	\$	24.16	\$	442.82	n/a		\$		\$	3.27	\$	3.27	\$	446.09	\$	-	\$	446.09	\$	66.91	\$	22.30	\$	89.21	5.77%	5.77%	0.00%	20.00%
30-Yard Drop Off Container	\$	441.48	\$	25.48	\$	466.96	\$	198.92	\$	15.41	\$	214.33	\$	3.45	\$	684.74	\$	-	\$	684.74	\$	102.71	\$	34.24	\$	136.95	5.77%	5.77%	7.75%	20.00%
30-Yard Container - Green Waste	\$	597.49	\$	34.48	\$	631.97	n/a		\$		\$	4.67	\$	4.67	\$	636.64	\$	-	\$	636.64	\$	95.50	\$	31.83	\$	127.33	5.77%	5.77%	0.00%	20.00%
Overweight Surcharge p/ton (Actual weight over 8 tons/load)																														
Trash Loads	\$	21.59	\$	1.25	\$	22.84	\$	39.68	\$	3.07	\$	42.75	\$	0.17	\$	65.75	\$	-	\$	65.75	\$	9.86	\$	3.29	\$	13.15	5.77%	5.77%	7.75%	20.00%
Clean Inerts	\$	39.88	\$	2.30	\$	42.18	n/a		\$		\$	0.31	\$	0.31	\$	42.49	\$	-	\$	42.49	\$	6.37	\$	2.12	\$	8.49	5.77%	5.77%	0.00%	20.00%
Clean Green Waste	\$	52.21	\$	3.01	\$	55.22	n/a		\$		\$	0.41	\$	0.41	\$	55.63	\$	-	\$	55.63	\$	8.34	\$	2.78	\$	11.12	5.77%	5.77%	0.00%	20.00%
<b>Industrial Special Services</b>																														
Saturday Service - Per Pull	\$	40.78	\$	2.35	\$	43.13	n/a		\$		\$	43.13	\$	-	\$	43.13	\$	-	\$	43.13	\$	6.47	\$	2.16	\$	8.63	5.77%	5.77%	0.00%	20.00%
Mandatory Signature Required - Per Pull	\$	6.43	\$	0.37	\$	6.80	n/a		\$		\$	6.80	\$	-	\$	6.80	\$	-	\$	6.80	\$	1.02	\$	0.34	\$	1.36	5.77%	5.77%	0.00%	20.00%
Additional Days Temp R/O Per Day	\$	15.61	\$	0.90	\$	16.51	n/a		\$		\$	16.51	\$	-	\$	16.51	\$	-	\$	16.51	\$	2.48	\$	0.83	\$	3.31	5.77%	5.77%	0.00%	20.00%
Stand-By Hourly Rate	\$	97.70	\$	5.64	\$	103.34	n/a		\$		\$	103.34	\$	-	\$	103.34	\$	-	\$	103.34	\$	15.50	\$	5.17	\$	20.67	5.77%	5.77%	0.00%	20.00%
Relocation/Trip Charge/Dead Run	\$	64.24	\$	3.71	\$	67.95	n/a		\$		\$	67.95	\$	-	\$	67.95	\$	-	\$	67.95	\$	10.19	\$	3.40	\$	13.59	5.77%	5.77%	0.00%	20.00%
Packer "Turn-A-Round" Surcharge Per Pull	\$	12.85	\$	0.74	\$	13.59	n/a		\$		\$	13.59	\$	-	\$	13.59	\$	-	\$	13.59	\$	2.04	\$	0.68	\$	2.72	5.77%	5.77%	0.00%	20.00%
Heavy-Duty Truck Service - Per Pull	\$	449.73	\$	25.95	\$	475.68	n/a		\$		\$	475.68	\$	-	\$	475.68	\$	-	\$	475.68	\$	71.35	\$	23.78	\$	95.13	5.77%	5.77%	0.00%	20.00%
R/O Container Steam Cleaning after 1x/Year	\$	128.50	\$	7.42	\$	135.92	n/a		\$		\$	135.92	\$	-	\$	135.92	\$	-	\$	135.92	\$	20.39	\$	6.80	\$	27.19	5.77%	5.77%	0.00%	20.00%
Storage Container Rental / Delivery	\$	101.51	\$	5.86	\$	107.37	n/a		\$		\$	107.37	\$	-	\$	107.37	\$	-	\$	107.37	\$	16.11	\$	5.37	\$	21.48	5.77%	5.77%	0.00%	20.00%
Storage Container Return \$10.00 + Per/Mile	\$	1.41	\$	0.08	\$	1.49	n/a		\$		\$	1.49	\$	-	\$	1.49	\$	-	\$	1.49	\$	0.22	\$	0.07	\$	0.29	5.77%	5.77%	0.00%	19.00%

**AMENDMENT NO. 14 TO  
AMENDED, REVISED AND RESTATED AGREEMENT FOR SOLID WASTE  
SERVICES BETWEEN  
THE CITY OF PLACENTIA AND  
REPUBLIC WASTE SERVICES OF SOUTHERN CALIFORNIA, LLC**

This Amendment No. 14 (the “Amendment”) is made and entered into effective the 1<sup>st</sup> day of July 2023, by and between the City of Placentia, a Charter City and Municipal Corporation (“City”), and Republic Waste Services of Southern California, LLC, a wholly owned subsidiary of Republic Services, Inc., a Delaware Limited Liability Company, dba Placentia Disposal for Solid Waste Handling Services (hereinafter “Contractor”). City and Contractor are sometimes hereinafter individually referred to as “Party” and or collectively referred to as the “Parties.”

**A. Recitals.**

(i) Effective July 20, 2010, City and Contractor entered into the “Amended, Revised and Restated Agreement” (the “Agreement”).

(ii) The Agreement has been revised thirteen times previously, the most recent revision being the Amendment No. 13, which became effective July 1, 2022.

(iii). City and Contractor have determined that this Amendment is required to adjust the solid waste collection rates per the terms of the Agreement in connection with solid waste handling services for City’s residents and commercial, industrial and municipal entities and agencies within the City.

(vi) All legal prerequisites to the making of this Amendment have occurred.

NOW, THEREFORE, in consideration of the mutual covenants and conditions set forth herein, the Parties Agree as follows:

**B. Agreement Amendment**

1. *Recitals Incorporated.* In all respects as set forth in the Recitals, Part A., above, the Recitals are incorporated into the Agreement.

2. Contractor shall continue to provide solid waste handling services for City’s residents and commercial, industrial and municipal entities and agencies within the City in accordance with the Agreement.

3. *Exhibit A Rates Revised.* Exhibit “A” of the Agreement hereby is amended to reflect the rates and charges permitted to be charged by Contractor during Fiscal Year 2023-24 as set forth in Exhibit “A” hereto captioned “City of Placentia Rate Summary – Effective July 1, 2023.”

4. *Terms Remain in Effect.* Except as specifically modified herein, all of the remaining terms, conditions and provisions of the Agreement shall remain in full force and effect.

5. *Merger.* The Agreement, all amendments together with this Amendment No.14 and all Exhibits attached thereto, constitutes the entire Agreement between the Parties and supersedes all prior negotiations, arrangements, representations, and understandings, if any, made by or between the Parties with respect to the subject matter hereof. No amendment or other modification of the Agreement, as modified by this Amendment No. 14 shall be binding unless executed in writing by both Parties hereto, or their respective successors, assigns, or grantees.

6. *Authority to Sign.* Each of the undersigned represents and warrants that he or she is duly authorized to execute and deliver this Amendment No. 14 and that such execution is binding upon the entity for which he or she is executing this document.

IN WITNESS WHEREOF, the Parties have caused Amendment No. 14 to the Agreement are to be executed as of the day and year first above written.

CONTRACTOR:

CITY OF PLACENTIA

By: \_\_\_\_\_  
German Hernandez, General Manager

By: \_\_\_\_\_  
Damien R. Arrula, City Administrator

ATTEST:

By: \_\_\_\_\_  
Robert S. McKinnell, City Clerk

APPROVED AS TO FORM:

By: \_\_\_\_\_  
Christian L. Bettenhausen, City Attorney

**CITY OF PLACENTIA EXHIBIT "A"**  
**RATE SUMMARY - EFFECTIVE JULY 1, 2023**

	Service Fee	Landfill Cost	Solid Waste & Recycling Srvcs Coordinator Fee	Adjusted Rate	Current Rate	Change	% Change
<b><u>Residential Rates</u></b>							
Single Family	\$ 33.70	\$ 3.87	\$ 0.29	\$ 37.85	\$ 33.47	\$ 4.38	13.10%
<b><u>Additional Containers</u></b>							
Black "Trash" Container	\$ 6.83	\$ 3.87	N/A	\$ 10.70	\$ 10.05	\$ 0.65	6.50%
Brown "Yard Waste" Container	\$ 5.93	N/A	N/A	\$ 5.93	\$ 5.61	\$ 0.32	5.77%
Green "Recycling" Container	\$ -	N/A	N/A	\$ -	\$ -	\$ -	0.00%
<b><u>Residential Special Services</u></b>							
Residential Roll-Out Service	\$ 14.08	N/A	N/A	\$ 14.08	\$ 13.31	\$ 0.77	5.79%
Extra Dump - All 3 Containers	\$ 29.90	N/A	N/A	\$ 29.90	\$ 28.27	\$ 1.63	5.77%
Exchange of All 3 Containers	\$ 46.24	N/A	N/A	\$ 46.24	\$ 43.72	\$ 2.52	5.76%
Container Replacement - Misuse	\$ 81.80	N/A	N/A	\$ 81.80	\$ 77.34	\$ 4.46	5.77%
<b><u>Residential Bulky-Item Pick-ups</u></b>							
Additional Pick-ups over 3x p/Year	\$ 57.87	N/A	N/A	\$ 57.87	\$ 54.71	\$ 3.16	5.77%
Charge for each item over 10	\$ 8.26	N/A	N/A	\$ 8.26	\$ 7.81	\$ 0.45	5.77%
Additional Fee Gas Recovery	\$ 57.87	N/A	N/A	\$ 57.87	\$ 54.71	\$ 3.16	5.77%
<b><u>Three Yard Containers</u></b>							
3 Days + Dump	\$ 106.98	\$ 6.72	N/A	\$ 113.70	\$ 107.38	\$ 6.32	5.89%
Each Additional Day	\$ 8.75	N/A	N/A	\$ 8.75	\$ 8.27	\$ 0.48	5.80%
<b><u>Commercial Rates</u></b>							
<b>Commercial Barrel (Each)</b>							
1 x p/wk (Max of Three)	\$ 23.77	\$ 7.46	\$ 0.18	\$ 31.40	\$ 29.55	\$ 1.85	6.26%
Each Additional Pick-up Freq.(Max 3 X)	\$ 23.77	\$ 7.46	\$ 0.18	\$ 31.40	\$ 29.55	\$ 1.85	6.26%
<b>Organic Commercial Barrel (Each)</b>							
35G only, 1 x p/wk (Max of Three)	\$ 23.77	\$ 7.46	\$ 0.18	\$ 31.40	\$ 29.55	\$ 1.85	6.26%
Each Additional Pick-up Freq.(Max 3 X)	\$ 23.77	\$ 7.46	\$ 0.16	\$ 31.40	\$ 29.55	\$ 1.85	6.26%
<b>Organic Commercial Barrel (Each)</b>							
64G only, 1 x p/wk (Max of Three)	\$ 54.70	N/A	\$ 0.40	\$ 55.11	\$ 52.10	\$ 3.01	5.78%
Each Additional Pick-up Freq.(Max 3 X)	\$ 54.70	N/A	\$ 0.40	\$ 55.11	\$ 52.10	\$ 3.01	5.78%

**CITY OF PLACENTIA EXHIBIT "A"**  
**RATE SUMMARY - EFFECTIVE JULY 1, 2023**

	Service Fee	Landfill Cost	Solid Waste & Recycling Srvcs Coordinator Fee	Adjusted Rate	Current Rate	Change	% Change
<b>Two Yard Containers</b>							
One Pick-up Only	\$ 142.22	\$ 20.71	\$ 1.05	\$ 163.98	\$ 154.65	\$ 9.33	6.03%
Each Additional Pick-up Freq.(Max 3 X)	\$ 74.27	\$ 20.61	\$ 0.55	\$ 95.43	\$ 89.86	\$ 5.57	6.20%
Non-Scheduled Pick-up	\$ 67.65	\$ 4.84	\$ 0.50	\$ 72.99	\$ 68.92	\$ 4.07	5.91%
<b>Three Yard Containers</b>							
First Pick-up	\$ 177.90	\$ 30.98	\$ 1.31	\$ 210.19	\$ 198.16	\$ 12.03	6.07%
Each Additional Pick-up Freq.	\$ 96.12	\$ 30.85	\$ 0.71	\$ 127.68	\$ 120.16	\$ 7.52	6.26%
Non-Scheduled Pick-up	\$ 83.17	\$ 7.21	\$ 0.61	\$ 90.99	\$ 85.89	\$ 5.10	5.94%
<b>Three Yard Manure Containers</b>							
First Pick-up	\$ 177.90	\$ 46.49	\$ 1.31	\$ 225.70	\$ 212.56	\$ 13.14	6.18%
Each Additional Pick-up Freq.	\$ 96.12	\$ 46.37	\$ 0.71	\$ 143.20	\$ 134.57	\$ 8.63	6.42%
Non-Scheduled Pick-up	\$ 83.17	\$ 7.20	\$ 0.61	\$ 90.98	\$ 85.87	\$ 5.11	5.95%
<b>Three Yard Compactors</b>							
First Pick-up	\$ 219.48	\$ 76.12	\$ 1.62	\$ 297.23	\$ 279.66	\$ 17.57	6.28%
Each Additional Pick-up Freq.	\$ 137.98	\$ 75.97	\$ 1.02	\$ 214.97	\$ 201.91	\$ 13.06	6.47%
Non-Scheduled Pick-up	\$ 126.39	\$ 17.68	\$ 0.93	\$ 145.00	\$ 136.76	\$ 8.24	6.02%
<b>Four Yard Containers</b>							
First Pick-up	\$ 195.69	\$ 41.71	\$ 1.45	\$ 238.84	\$ 225.06	\$ 13.78	6.12%
Each Additional Pick-up Freq.	\$ 105.74	\$ 41.57	\$ 0.78	\$ 148.09	\$ 139.27	\$ 8.82	6.33%
Non-Scheduled Pick-up	\$ 91.48	\$ 9.70	\$ 0.68	\$ 101.86	\$ 96.11	\$ 5.75	5.98%
<b>Six Yard Containers</b>							
First Pick-up	\$ 204.58	\$ 61.71	\$ 1.51	\$ 267.80	\$ 252.10	\$ 15.70	6.23%
Each Additional Pick-up Freq.	\$ 110.54	\$ 61.56	\$ 0.82	\$ 172.92	\$ 162.39	\$ 10.53	6.48%
Non-Scheduled Pick-up	\$ 95.66	\$ 14.32	\$ 0.71	\$ 110.69	\$ 104.38	\$ 6.31	6.04%
<b>Three Yard Construction Bin</b>							
First Pick-up	\$ 231.83	\$ 31.56	\$ 1.71	\$ 265.10	\$ 250.06	\$ 15.04	6.02%
Each Additional Pick-up Freq.	\$ 113.17	\$ 32.51	\$ 0.84	\$ 146.52	\$ 137.95	\$ 8.57	6.21%
Non-Scheduled Pick-up	\$ 83.17	\$ 7.59	\$ 0.61	\$ 91.37	\$ 86.24	\$ 5.13	5.95%

**CITY OF PLACENTIA EXHIBIT "A"**  
**RATE SUMMARY - EFFECTIVE JULY 1, 2023**

	Service Fee	Landfill Cost	Solid Waste & Recycling Svcs Coordinator Fee	Adjusted Rate	Current Rate	Change	% Change
Temp Three Yard Container - Non Profit							
3 Days + Dump	\$ 103.54	\$ 7.63	\$ 0.77	\$ 111.93	\$ 105.68	\$ 6.25	5.92%
Each Additional Day	\$ 8.49	\$ 0.01	\$ 0.06	\$ 8.57	\$ 8.10	\$ 0.47	5.76%
<b>Commercial Recycle Containers</b>							
Three Yard "Recycle" Containers							
First Pick-up	\$ 178.18	N/A	\$ 1.32	\$ 179.50	\$ 169.68	\$ 9.82	5.79%
Each Additional Pick-up Freq.	\$ 96.26	N/A	\$ 0.71	\$ 96.97	\$ 91.67	\$ 5.30	5.78%
Non-Scheduled Pick-up	\$ 83.31	N/A	\$ 0.62	\$ 83.92	\$ 79.33	\$ 4.59	5.78%
Contaminated Bin (Trash)	\$ 178.18	N/A	\$ 1.32	\$ 179.50	\$ 169.68	\$ 9.82	5.79%
<b>Commercial Special Services</b>							
Pull Out Service							
First Pick-up	\$ 70.01	N/A	N/A	\$ 70.01	\$ 66.19	\$ 3.82	5.77%
Each Additional Pick up Freq	\$ 70.01	N/A	N/A	\$ 70.01	\$ 66.19	\$ 3.82	5.77%
Non-Scheduled Pick up	\$ 70.01	N/A	N/A	\$ 70.01	\$ 66.19	\$ 3.82	5.77%
Surcharge - Sunday Service	\$ 16.07	N/A	N/A	\$ 16.07	\$ 15.19	\$ 0.87	5.74%
Bin Exchange after One-Time p/Year	\$ 101.92	N/A	N/A	\$ 101.92	\$ 96.36	\$ 5.56	5.77%
Redelivery of Bin(s) - Non Payment	\$ 103.34	N/A	N/A	\$ 103.34	\$ 97.70	\$ 5.64	5.77%
Locking Latch Bins							
Set-Up Cost	\$ 122.65	N/A	N/A	\$ 122.65	\$ 115.96	\$ 6.70	5.77%
Monthly Maintenance Fee P/tip Freq.	\$ 2.73	N/A	N/A	\$ 2.73	\$ 2.58	\$ 0.15	5.82%
Special Access / Code or Key Fee	\$ 13.59	N/A	N/A	\$ 13.59	\$ 12.85	\$ 0.74	5.76%
Container Steam Cleaning after 1x/Year	\$ 130.91	N/A	N/A	\$ 130.91	\$ 123.77	\$ 7.15	5.77%
Clean-Up/Disposal "Over the Top"	\$ 47.58	N/A	N/A	\$ 47.58	\$ 44.98	\$ 2.59	5.76%

**CITY OF PLACENTIA EXHIBIT "A"**  
**RATE SUMMARY - EFFECTIVE JULY 1, 2023**

	Service Fee	Landfill Cost	Solid Waste & Recycling Svcs Coordinator Fee	Adjusted Rate	Current Rate	Change	% Change
<b><u>Commercial Bulky-Item Pick-ups</u></b>							
Basic Charge - Two Items	\$ 57.87	N/A	N/A	\$ 57.87	\$ 54.71	\$ 3.16	5.77%
Charge for each item over Two	\$ 8.26	N/A	N/A	\$ 8.26	\$ 7.81	\$ 0.45	5.76%
Additional Fee Gas Recovery	\$ 57.87	N/A	N/A	\$ 57.87	\$ 54.71	\$ 3.16	5.77%
Tilt Hopper Monthly Rental	\$ 53.00	N/A	N/A	\$ 53.00	\$ 50.11	\$ 2.89	5.77%
Three Yard Bin Monthly Rental	\$ 67.95	N/A	N/A	\$ 67.95	\$ 64.24	\$ 3.70	5.77%
<b><u>Industrial Rates for Roll-Off Services</u></b>							
<b>Permanent Services</b>							
15-Yard Demo Container	\$ 470.15	\$ 257.04	\$ 3.47	\$ 730.67	\$ 686.28	\$ 44.38	6.47%
15-Yard Demo Container - Clean Inerts	\$ 428.76	N/A	\$ 3.17	\$ 431.93	\$ 408.31	\$ 23.62	5.79%
30-Yard Drop Off Container	\$ 444.49	\$ 214.30	\$ 3.29	\$ 662.08	\$ 622.18	\$ 39.90	6.41%
30-Yard Container - Green Waste	\$ 617.90	N/A	\$ 4.57	\$ 622.47	\$ 588.42	\$ 34.05	5.79%
40-Yard Compactor	\$ 558.42	\$ 299.90	\$ 4.13	\$ 862.44	\$ 810.12	\$ 52.33	6.46%
		N/A					
<b>Temporary Services</b>							
15-Yard Demo Container	\$ 480.16	\$ 257.06	\$ 3.55	\$ 740.77	\$ 695.83	\$ 44.94	6.46%
15-Yard Demo Container - Clean Inerts	\$ 442.82	N/A	\$ 3.27	\$ 446.09	\$ 421.69	\$ 24.40	5.79%
30-Yard Drop Off Container	\$ 466.96	\$ 214.33	\$ 3.45	\$ 684.74	\$ 643.60	\$ 41.14	6.39%
30-Yard Container - Green Waste	\$ 631.97	N/A	\$ 4.67	\$ 636.64	\$ 601.82	\$ 34.82	5.79%
<b>Overweight Surcharge p/ton (Actual weight over 8 tons/load)</b>							
Trash Loads	\$ 22.84	\$ 42.75	\$ 0.17	\$ 65.75	\$ 61.43	\$ 4.33	7.04%
Clean Inerts	\$ 42.18	N/A	\$ 0.31	\$ 42.49	\$ 40.17	\$ 2.33	5.79%
Clean Green Waste	\$ 55.22	N/A	\$ 0.41	\$ 55.63	\$ 52.58	\$ 15.46	38.50%

**CITY OF PLACENTIA EXHIBIT "A"**  
**RATE SUMMARY - EFFECTIVE JULY 1, 2023**

	Service Fee	Landfill Cost	Solid Waste & Recycling Svcs Coordinator Fee	Adjusted Rate	Current Rate	Change	% Change
<b>Industrial Special Services</b>							
Saturday Service - Per Pull	\$ 43.13	N/A	N/A	\$ 43.13	\$ 40.78	\$ 2.36	5.78%
Mandatory Signature Required - Per Pull	\$ 6.80	N/A	N/A	\$ 6.80	\$ 6.43	\$ 0.37	5.76%
Additional Days Temp R/O Per Day	\$ 16.51	N/A	N/A	\$ 16.51	\$ 15.61	\$ 0.90	5.76%
Stand-By Hourly Rate	\$ 103.34	N/A	N/A	\$ 103.34	\$ 97.70	\$ 5.64	5.77%
Relocation/Trip Charge/Dead Run	\$ 67.95	N/A	N/A	\$ 67.95	\$ 64.24	\$ 3.70	5.77%
Packer "Turn-A-Round" Surcharge Per Pull	\$ 13.59	N/A	N/A	\$ 13.59	\$ 12.85	\$ 0.74	5.76%
Heavy-Duty Truck Service - Per Pull	\$ 475.68	N/A	N/A	\$ 475.68	\$ 449.73	\$ 25.95	5.77%
R/O Container Steam Cleaning after 1x/Year	\$ 135.92	N/A	N/A	\$ 135.92	\$ 128.50	\$ 7.42	5.77%
Storage Container Rental / Delivery	\$ 107.37	N/A	N/A	\$ 107.37	\$ 101.51	\$ 5.86	5.77%
Storage Container Return \$10.00 + Per/Mile	\$ 1.49	N/A	N/A	\$ 1.49	\$ 1.41	\$ 0.08	5.59%

CITY OF PLACENTIA  
EXHIBIT "A" BACK-UP

July 1, 2023 ADJUSTED RATES

Jan 2023 over Jan 2022 Annual CPI, using Los Angeles- Long Beach-Anaheim

301.209 Local CPI-U [12 Months Annual 2022]  
318.591 Local CPI-U [12 Months Annual 2023]  
5.77% Local CPI-U Change [Adjustment in (B)]

0.00% Organics Sector Wide PI

\$38.34 Orange County Gate Fee July 2022  
\$41.31 Orange County Gate Fee July 2023  
7.75% Orange County Gate Fee Change [Adjustment in (E)]

	(A) Service Fee	+	(B) Green Waste Processing Rate	+	(C) CPI Adj.	=	(D) Adjusted Service Fee [(A)+(B)]	+	(E) Orange Co. Landfill	+	(F) Landfill Adjustment	=	(G) Adjusted Landfill Cost [(F)+(G)]	+	(H) Solid Waste & Recycling Svcs. Coordinator Fee	+	(I) Total Rate [(D)+(G)+(H)]	+	(J) Total Rate Eff 7-1-23	+	(K) Franchise [15% of ( J )]	+	(L) Administrative [5% of ( J )]	=	(M) Fees Paid to Placentia	Net Percent Rate Change	DOUBLE-CHECK OF RATE CALCULATIONS		
																										(B) Must =	(E) Must =	(J) Must =	
<b>RESIDENTIAL</b>																													
Single Family	\$ 29.61		\$2.25		\$ 1.84		\$ 33.70		\$ 3.59		\$ 0.28		\$ 3.87		\$ 0.29		\$ 37.85		\$ 37.85		\$ 5.68		\$ 1.89		\$ 7.57	6.38%	6.21%	7.75%	20.00%
<b>Additional Containers</b>																													
Black "Trash" Container	\$ 6.46				\$ 0.37		\$ 6.83		\$ 3.59		\$ 0.28		\$ 3.87				\$ 10.70		\$ 10.70		\$ 1.61		\$ 0.54		\$ 2.14	6.48%	5.77%	7.75%	20.00%
Brown "Yard Waste" Container	\$ 5.61				\$ 0.32		\$ 5.93		n/a								\$ 5.93		\$ 5.93		\$ 0.89		\$ 0.30		\$ 1.19	5.77%	5.77%	n/a	20.00%
Green "Recycling" Container	\$ -				\$ -		\$ -		n/a								\$ -		\$ -		\$ -		\$ -		\$ -	0.00%	n/a	n/a	n/a
<b>Residential Special Services</b>																													
Residential Roll-Out Service	\$ 13.31				\$ 0.77		\$ 14.08		n/a								\$ 14.08		\$ 14.08		\$ 2.11		\$ 0.70		\$ 2.82	5.77%	5.77%	n/a	20.00%
Extra Dump - All 3 Containers	\$ 28.27				\$ 1.63		\$ 29.90		n/a								\$ 29.90		\$ 29.90		\$ 4.49		\$ 1.50		\$ 5.98	5.77%	5.77%	n/a	20.00%
Exchange of All 3 Containers	\$ 43.72				\$ 2.52		\$ 46.24		n/a								\$ 46.24		\$ 46.24		\$ 6.94		\$ 2.31		\$ 9.25	5.77%	5.77%	n/a	20.00%
Container Replacement - Misuse	\$ 77.34				\$ 4.46		\$ 81.80		n/a								\$ 81.80		\$ 81.80		\$ 12.27		\$ 4.09		\$ 16.36	5.77%	5.77%	n/a	20.00%
<b>Residential Bulky-Item Pick-ups</b>																													
Additional Pick-ups over 3x p/Year	\$ 54.71				\$ 3.16		\$ 57.87		n/a				\$ 57.87				\$ 57.87		\$ 57.87		\$ 8.68		\$ 2.89		\$ 11.57	5.77%	5.77%	n/a	20.00%
Charge for each item over 10	\$ 7.81				\$ 0.45		\$ 8.26		n/a				\$ 8.26				\$ 8.26		\$ 8.26		\$ 1.24		\$ 0.41		\$ 1.65	5.77%	5.77%	n/a	20.00%
Additional Fee Gas Recovery	\$ 54.71				\$ 3.16		\$ 57.87		n/a				\$ 57.87				\$ 57.87		\$ 57.87		\$ 8.68		\$ 2.89		\$ 11.57	5.77%	5.77%	n/a	20.00%
<b>Three Yard Containers</b>																													
3 Days + Dump	\$ 101.14				\$ 5.84		\$ 106.98		\$ 6.24		\$ 0.48		\$ 6.72				\$ 113.70		\$ 113.70		\$ 17.05		\$ 5.68		\$ 22.74	5.89%	5.77%	7.75%	20.00%
Each Additional Day	\$ 8.27				\$ 0.48		\$ 8.75		n/a								\$ 8.75		\$ 8.75		\$ 1.31		\$ 0.44		\$ 1.75	5.77%	5.77%	n/a	20.00%

CITY OF PLACENTIA  
EXHIBIT "A" BACK-UP

(A) Service Fee	+	(B) CPI Adj.	=	(C) Adjusted Service Fee	(D) Orange Co. Landfill	+	(E) Landfill Adjustment	=	(F) Adjusted Landfill Cost	(G) Solid Waste & Recycling Svcs. Coordinator Fee Sector PI	+	(H) Total Rate [(C)+(F)+(G)]	+	(I) Organic PI 0.00%	(J) Total Rate Eff 7-1-23	(K) Franchise [15% of (G)]	+	(L) Administrative [5% of (G)]	=	(M) Fees Paid to Placentia	Net Percent Rate Change	DOUBLE-CHECK OF RATE CALCULATIONS		
				[(A)+(B)]					[(D)+(E)]	0.78%											(B) Must =	(E) Must =	(J) Must =	
<b>COMMERCIAL</b>																								
Commercial Barrel (Each)																								
1 x p/wk (Max of Three)	\$	22.47		\$ 1.30	\$ 23.77	\$ 6.92	\$ 0.54	\$ 7.46	\$ 0.18	\$ 31.40	\$ -	\$ 31.40	\$ -	\$ 31.40	\$ 4.71	\$ 1.57	\$ 6.28	6.24%	5.77%	7.75%	20.00%			
Each Additional Pick-up Freq.(Max 3 X)	\$	22.47		\$ 1.30	\$ 23.77	\$ 6.92	\$ 0.54	\$ 7.46	\$ 0.18	\$ 31.40	\$ -	\$ 31.40	\$ -	\$ 31.40	\$ 4.71	\$ 1.57	\$ 6.28	6.24%	5.77%	7.75%	20.00%			
Organic Commercial Barrel (Each)																								
35G only, 1 x p/wk (Max of Three)	\$	22.47		\$ 1.30	\$ 23.77	\$ 6.92	\$ 0.54	\$ 7.46	\$ 0.18	\$ 31.40	\$ -	\$ 31.40	\$ -	\$ 31.40	\$ 4.71	\$ 1.57	\$ 6.28	6.24%	5.77%	7.75%	20.00%			
Each Additional Pick-up Freq.(Max 3 X)	\$	22.47		\$ 1.30	\$ 23.77	\$ 6.92	\$ 0.54	\$ 7.46	\$ 0.18	\$ 31.40	\$ -	\$ 31.40	\$ -	\$ 31.40	\$ 4.71	\$ 1.57	\$ 6.28	6.24%	5.77%	7.75%	20.00%			
Organic Commercial Barrel (Each)																								
64G only, 1 x p/wk (Max of Three)	\$	51.72		\$ 2.98	\$ 54.70			\$ 0.40	\$ 55.11	\$ 0.40	\$ 55.11	\$ -	\$ 55.11	\$ 8.27	\$ 2.76	\$ 11.03	5.77%	5.77%	0.00%	20.00%				
Each Additional Pick-up Freq.(Max 3 X)	\$	51.72		\$ 2.98	\$ 54.70			\$ 0.40	\$ 55.11	\$ 0.40	\$ 55.11	\$ -	\$ 55.11	\$ 8.27	\$ 2.76	\$ 11.03	5.77%	5.77%	0.00%	20.00%				
Two Yard Containers																								
One Pick-up Only	\$	134.46		\$ 7.76	\$ 142.22	\$ 19.22	\$ 1.49	\$ 20.71	\$ 1.05	\$ 163.98	\$ -	\$ 163.98	\$ -	\$ 163.98	\$ 24.60	\$ 8.20	\$ 32.80	6.02%	5.77%	7.75%	20.00%			
Each Additional Pick-up Freq.(Max 3 X)	\$	70.22		\$ 4.05	\$ 74.27	\$ 19.13	\$ 1.48	\$ 20.61	\$ 0.55	\$ 95.43	\$ -	\$ 95.43	\$ -	\$ 95.43	\$ 14.31	\$ 4.77	\$ 19.08	6.19%	5.77%	7.75%	20.00%			
Non-Scheduled Pick-up	\$	63.96		\$ 3.69	\$ 67.65	\$ 4.49	\$ 0.35	\$ 4.84	\$ 0.50	\$ 72.99	\$ -	\$ 72.99	\$ -	\$ 72.99	\$ 10.95	\$ 3.65	\$ 14.60	5.90%	5.77%	7.75%	20.00%			
Three Yard Containers																								
First Pick-up	\$	168.19		\$ 9.71	\$ 177.90	\$ 28.75	\$ 2.23	\$ 30.98	\$ 1.31	\$ 210.19	\$ -	\$ 210.19	\$ -	\$ 210.19	\$ 31.53	\$ 10.51	\$ 42.04	6.06%	5.77%	7.75%	20.00%			
Each Additional Pick-up Freq.	\$	90.88		\$ 5.24	\$ 96.12	\$ 28.63	\$ 2.22	\$ 30.85	\$ 0.71	\$ 127.68	\$ -	\$ 127.68	\$ -	\$ 127.68	\$ 19.15	\$ 6.38	\$ 25.53	6.24%	5.77%	7.75%	20.00%			
Non-Scheduled Pick-up	\$	78.63		\$ 4.54	\$ 83.17	\$ 6.69	\$ 0.52	\$ 7.21	\$ 0.61	\$ 90.99	\$ -	\$ 90.99	\$ -	\$ 90.99	\$ 13.65	\$ 4.55	\$ 18.20	5.93%	5.77%	7.75%	20.00%			
Three Yard Manure Containers																								
First Pick-up	\$	168.19		\$ 9.71	\$ 177.90	\$ 43.15	\$ 3.34	\$ 46.49	\$ 1.31	\$ 225.70	\$ -	\$ 225.70	\$ -	\$ 225.70	\$ 33.86	\$ 11.29	\$ 45.15	6.17%	5.77%	7.75%	20.00%			
Each Additional Pick-up Freq.	\$	90.88		\$ 5.24	\$ 96.12	\$ 43.04	\$ 3.33	\$ 46.37	\$ 0.71	\$ 143.20	\$ -	\$ 143.20	\$ -	\$ 143.20	\$ 21.48	\$ 7.16	\$ 28.64	6.41%	5.77%	7.75%	20.00%			
Non-Scheduled Pick-up	\$	78.63		\$ 4.54	\$ 83.17	\$ 6.68	\$ 0.52	\$ 7.20	\$ 0.61	\$ 90.98	\$ -	\$ 90.98	\$ -	\$ 90.98	\$ 13.65	\$ 4.55	\$ 18.20	5.93%	5.77%	7.75%	20.00%			
Three Yard Compactors																								
First Pick-up	\$	207.51		\$ 11.97	\$ 219.48	\$ 70.65	\$ 5.47	\$ 76.12	\$ 1.62	\$ 297.23	\$ -	\$ 297.23	\$ -	\$ 297.23	\$ 44.58	\$ 14.86	\$ 59.44	6.27%	5.77%	7.75%	20.00%			
Each Additional Pick-up Freq.	\$	130.45		\$ 7.53	\$ 137.98	\$ 70.51	\$ 5.46	\$ 75.97	\$ 1.02	\$ 214.97	\$ -	\$ 214.97	\$ -	\$ 214.97	\$ 32.25	\$ 10.75	\$ 43.00	6.46%	5.77%	7.75%	20.00%			
Non-Scheduled Pick-up	\$	119.49		\$ 6.90	\$ 126.39	\$ 16.41	\$ 1.27	\$ 17.68	\$ 0.93	\$ 145.00	\$ -	\$ 145.00	\$ -	\$ 145.00	\$ 21.75	\$ 7.25	\$ 29.00	6.01%	5.77%	7.75%	20.00%			
Four Yard Containers																								
First Pick-up	\$	185.01		\$ 10.68	\$ 195.69	\$ 38.71	\$ 3.00	\$ 41.71	\$ 1.45	\$ 238.84	\$ -	\$ 238.84	\$ -	\$ 238.84	\$ 35.83	\$ 11.94	\$ 47.77	6.11%	5.77%	7.75%	20.00%			
Each Additional Pick-up Freq.	\$	99.97		\$ 5.77	\$ 105.74	\$ 38.58	\$ 2.99	\$ 41.57	\$ 0.78	\$ 148.09	\$ -	\$ 148.09	\$ -	\$ 148.09	\$ 22.21	\$ 7.40	\$ 29.61	6.32%	5.77%	7.75%	20.00%			
Non-Scheduled Pick-up	\$	86.49		\$ 4.99	\$ 91.48	\$ 9.00	\$ 0.70	\$ 9.70	\$ 0.68	\$ 101.86	\$ -	\$ 101.86	\$ -	\$ 101.86	\$ 15.28	\$ 5.09	\$ 20.37	5.96%	5.77%	7.75%	20.00%			
Six Yard Containers																								
First Pick-up	\$	193.42		\$ 11.16	\$ 204.58	\$ 57.27	\$ 4.44	\$ 61.71	\$ 1.51	\$ 267.80	\$ -	\$ 267.80	\$ -	\$ 267.80	\$ 40.17	\$ 13.39	\$ 53.56	6.22%	5.77%	7.75%	20.00%			
Each Additional Pick-up Freq.	\$	104.51		\$ 6.03	\$ 110.54	\$ 57.13	\$ 4.43	\$ 61.56	\$ 0.82	\$ 172.92	\$ -	\$ 172.92	\$ -	\$ 172.92	\$ 25.94	\$ 8.65	\$ 34.59	6.47%	5.77%	7.75%	20.00%			
Non-Scheduled Pick-up	\$	90.44		\$ 5.22	\$ 95.66	\$ 13.29	\$ 1.03	\$ 14.32	\$ 0.71	\$ 110.69	\$ -	\$ 110.69	\$ -	\$ 110.69	\$ 16.60	\$ 5.53	\$ 22.13	6.02%	5.77%	7.75%	20.00%			

CITY OF PLACENTIA  
EXHIBIT "A" BACK-UP

(A) + Service Fee	(B) = CPI Adj.	(C) Adjusted Service Fee	(D) Orange Co. Landfill	(E) = Landfill Adjustment	(F) Adjusted Landfill Cost	(G) Solid Waste & Recycling Svcs. Coordinator Fee Sector PI 0.78%	(H) Total Rate [(C)+(F)+(G)]	(I) Organic PI 0.00%	(I) Total Rate Eff 7-1-23	(K) Franchise [15% of (G)]	(L) Administrative [5% of (G)]	(M) Fees Paid to Placentia	Net Percent Rate Change	DOUBLE-CHECK OF RATE CALCULATIONS			
		[(A)+(B)]			[(D)+(E)]									Must = (B)	Must = (E)	Must = (J)	
<b>COMMERCIAL</b>																	
Three Yard Construction Bin																	
First Pick-up	\$ 219.18	\$ 12.65	\$ 231.83	\$ 29.29	\$ 2.27	\$ 31.56	\$ 1.71	\$ 265.10	\$ -	\$ 265.10	\$ 39.77	\$ 13.26	\$ 53.03	6.00%	5.77%	7.75%	20.00%
Each Additional Pick-up Freq.	\$ 107.00	\$ 6.17	\$ 113.17	\$ 30.17	\$ 2.34	\$ 32.51	\$ 0.84	\$ 146.52	\$ -	\$ 146.52	\$ 21.98	\$ 7.33	\$ 29.31	6.21%	5.77%	7.75%	20.00%
Non-Scheduled Pick-up	\$ 78.63	\$ 4.54	\$ 83.17	\$ 7.04	\$ 0.55	\$ 7.59	\$ 0.61	\$ 91.37	\$ -	\$ 91.37	\$ 13.71	\$ 4.57	\$ 18.28	5.93%	5.77%	7.75%	20.00%
Temp Three Yard Container - Non Profit 3 Days + Dump	\$ 97.89	\$ 5.65	\$ 103.54	\$ 7.08	\$ 0.55	\$ 7.63	\$ 0.77	\$ 111.93	\$ -	\$ 111.93	\$ 16.79	\$ 5.60	\$ 22.39	5.90%	5.77%	7.75%	20.00%
Each Additional Day	\$ 8.03	\$ 0.46	\$ 8.49	\$ 0.01	\$ -	\$ 0.01	\$ 0.06	\$ 8.57	\$ -	\$ 8.57	\$ 1.28	\$ 0.43	\$ 1.71	5.77%	5.77%	0.00%	20.00%
<b>Commercial Recycle Containers</b>																	
Three Yard "Recycle" Containers																	
First Pick-up	\$ 168.46	\$ 9.72	\$ 178.18	n/a	\$ -	\$ -	\$ 1.32	\$ 179.50	\$ -	\$ 179.50	\$ 26.92	\$ 8.97	\$ 35.89	5.77%	5.77%	0.00%	20.00%
Each Additional Pick-up Freq.	\$ 91.01	\$ 5.25	\$ 96.26	n/a	\$ -	\$ -	\$ 0.71	\$ 96.97	\$ -	\$ 96.97	\$ 14.55	\$ 4.85	\$ 19.40	5.77%	5.77%	0.00%	20.00%
Non-Scheduled Pick-up	\$ 78.76	\$ 4.55	\$ 83.31	n/a	\$ -	\$ -	\$ 0.62	\$ 83.92	\$ -	\$ 83.92	\$ 12.59	\$ 4.20	\$ 16.79	5.77%	5.77%	0.00%	20.00%
Contaminated Bin (Trash)	\$ 168.46	\$ 9.72	\$ 178.18	n/a	\$ -	\$ -	\$ 1.32	\$ 179.50	\$ -	\$ 179.50	\$ 26.92	\$ 8.97	\$ 35.89	5.77%	5.77%	0.00%	20.00%
<b>Commercial Special Services</b>																	
Pull Out Service																	
First Pick-up	\$ 66.19	\$ 3.82	\$ 70.01	n/a	\$ -	\$ -	\$ -	\$ 70.01	\$ -	\$ 70.01	\$ 10.50	\$ 3.50	\$ 14.00	5.77%	5.77%	0.00%	20.00%
Each Additional Pick-up Freq	\$ 66.19	\$ 3.82	\$ 70.01	n/a	\$ -	\$ -	\$ -	\$ 70.01	\$ -	\$ 70.01	\$ 10.50	\$ 3.50	\$ 14.00	5.77%	5.77%	0.00%	20.00%
Non-Scheduled Pick up	\$ 66.19	\$ 3.82	\$ 70.01	n/a	\$ -	\$ -	\$ -	\$ 70.01	\$ -	\$ 70.01	\$ 10.50	\$ 3.50	\$ 14.00	5.77%	5.77%	0.00%	20.00%
Surcharge - Sunday Service	\$ 15.19	\$ 0.88	\$ 16.07	n/a	\$ -	\$ -	\$ -	\$ 16.07	\$ -	\$ 16.07	\$ 2.41	\$ 0.80	\$ 3.21	5.77%	5.77%	0.00%	20.00%
Bin Exchange after One-Time p/Year	\$ 96.36	\$ 5.56	\$ 101.92	n/a	\$ -	\$ -	\$ -	\$ 101.92	\$ -	\$ 101.92	\$ 15.29	\$ 5.10	\$ 20.39	5.77%	5.77%	0.00%	20.00%
Redelivery of Bin(s) - Non Payment	\$ 97.70	\$ 5.64	\$ 103.34	n/a	\$ -	\$ -	\$ -	\$ 103.34	\$ -	\$ 103.34	\$ 15.50	\$ 5.17	\$ 20.67	5.77%	5.77%	0.00%	20.00%
Locking Latch Bins																	
Set-Up Cost	\$ 115.96	\$ 6.69	\$ 122.65	n/a	\$ -	\$ -	\$ -	\$ 122.65	\$ -	\$ 122.65	\$ 18.40	\$ 6.13	\$ 24.53	5.77%	5.77%	0.00%	20.00%
Monthly Maintenance Fee P/tip Freq.	\$ 2.58	\$ 0.15	\$ 2.73	n/a	\$ -	\$ -	\$ -	\$ 2.73	\$ -	\$ 2.73	\$ 0.41	\$ 0.14	\$ 0.55	5.77%	5.77%	0.00%	20.00%
Special Access / Code or Key Fee	\$ 12.85	\$ 0.74	\$ 13.59	n/a	\$ -	\$ -	\$ -	\$ 13.59	\$ -	\$ 13.59	\$ 2.04	\$ 0.68	\$ 2.72	5.77%	5.77%	0.00%	20.00%
Container Steam Cleaning after 1x/Year	\$ 123.77	\$ 7.14	\$ 130.91	n/a	\$ -	\$ -	\$ -	\$ 130.91	\$ -	\$ 130.91	\$ 19.64	\$ 6.55	\$ 26.19	5.77%	5.77%	0.00%	20.00%
Clean-Up/Disposal "Over the Top"	\$ 44.98	\$ 2.60	\$ 47.58	n/a	\$ -	\$ -	\$ -	\$ 47.58	\$ -	\$ 47.58	\$ 7.14	\$ 2.38	\$ 9.52	5.77%	5.77%	0.00%	20.00%
Commercial Bulky-Item Pick-ups																	
Basic Charge - Two Items	\$ 54.71	\$ 3.16	\$ 57.87	n/a	\$ -	\$ -	\$ -	\$ 57.87	\$ -	\$ 57.87	\$ 8.68	\$ 2.89	\$ 11.57	5.77%	5.77%	0.00%	20.00%
Charge for each item over Two	\$ 7.81	\$ 0.45	\$ 8.26	n/a	\$ -	\$ -	\$ -	\$ 8.26	\$ -	\$ 8.26	\$ 1.24	\$ 0.41	\$ 1.65	5.77%	5.77%	0.00%	20.00%
Additional Fee Gas Recovery	\$ 54.71	\$ 3.16	\$ 57.87	n/a	\$ -	\$ -	\$ -	\$ 57.87	\$ -	\$ 57.87	\$ 8.68	\$ 2.89	\$ 11.57	5.77%	5.77%	0.00%	20.00%
Tilt Hopper Monthly Rental	\$ 50.11	\$ 2.89	\$ 53.00	n/a	\$ -	\$ -	\$ -	\$ 53.00	\$ -	\$ 53.00	\$ 7.95	\$ 2.65	\$ 10.60	5.77%	5.77%	0.00%	20.00%
Three Yard Bin Monthly Rental	\$ 64.24	\$ 3.71	\$ 67.95	n/a	\$ -	\$ -	\$ -	\$ 67.95	\$ -	\$ 67.95	\$ 10.19	\$ 3.40	\$ 13.59	5.77%	5.77%	0.00%	20.00%

**CITY OF PLACENTIA  
EXHIBIT "A" BACK-UP**

(A) Service Fee	+	(B) CPI Adj.	=	(C) Adjusted Service Fee	(D) Orange Co. Landfill	+	(E) Landfill Adjustment	=	(F) Adjusted Landfill Cost	+	(G) Solid Waste & Recycling Svcs. Coordinator Fee Sector PI 0.78%	=	(H) Total Rate [(C)+(F)+(G)]	+	(I) Organic PI 0.00%	=	(I) Total Rate EH 7-1-23	(K) Franchise [15% of (G)]	+	(L) Administrative [5% of (G)]	=	(M) Fees Paid to Placentia	Net Percent Rate Change	DOUBLE-CHECK OF RATE CALCULATIONS							
				[(A)+(B)]					[(D)+(E)]														(B) Must =	(E) Must =	(J) Must =						
<b>INDUSTRIAL ROLL-OFF SERVICES</b>																															
<b>Permanent Services</b>																															
15-Yard Demo Container	\$	444.50	\$	25.65	\$	470.15	\$	238.56	\$	18.48	\$	257.04	\$	3.47	\$	730.67	\$	-	\$	730.67	\$	109.60	\$	36.53	\$	146.13	5.77%	5.77%	7.75%	20.00%	
15-Yard Demo Container - Clean Inerts	\$	405.37	\$	23.39	\$	428.76	n/a							\$	3.17	\$	431.93	\$	-	\$	431.93	\$	64.79	\$	21.60	\$	86.39	5.77%	5.77%	0.00%	20.00%
30-Yard Drop Off Container	\$	420.24	\$	24.25	\$	444.49	\$	198.89	\$	15.41	\$	214.30	\$	3.29	\$	662.08	\$	-	\$	662.08	\$	99.31	\$	33.10	\$	132.41	5.77%	5.77%	7.75%	20.00%	
30-Yard Container - Green Waste	\$	584.19	\$	33.71	\$	617.90	n/a							\$	4.57	\$	622.47	\$	-	\$	622.47	\$	93.37	\$	31.12	\$	124.49	5.77%	5.77%	0.00%	20.00%
40-Yard Compactor	\$	527.95	\$	30.47	\$	558.42	\$	278.34	\$	21.56	\$	299.90	\$	4.13	\$	862.44	\$	-	\$	862.44	\$	129.37	\$	43.12	\$	172.49	5.77%	5.77%	7.75%	20.00%	
<b>Temporary Services</b>																															
15-Yard Demo Container	\$	453.96	\$	26.20	\$	480.16	\$	238.58	\$	18.48	\$	257.06	\$	3.55	\$	740.77	\$	-	\$	740.77	\$	111.11	\$	37.04	\$	148.15	5.77%	5.77%	7.75%	20.00%	
15-Yard Demo Container - Clean Inerts	\$	418.66	\$	24.16	\$	442.82	n/a							\$	3.27	\$	446.09	\$	-	\$	446.09	\$	66.91	\$	22.30	\$	89.21	5.77%	5.77%	0.00%	20.00%
30-Yard Drop Off Container	\$	441.48	\$	25.48	\$	466.96	\$	198.92	\$	15.41	\$	214.33	\$	3.45	\$	684.74	\$	-	\$	684.74	\$	102.71	\$	34.24	\$	136.95	5.77%	5.77%	7.75%	20.00%	
30-Yard Container - Green Waste	\$	597.49	\$	34.48	\$	631.97	n/a							\$	4.67	\$	636.64	\$	-	\$	636.64	\$	95.50	\$	31.83	\$	127.33	5.77%	5.77%	0.00%	20.00%
Overweight Surcharge p/ton (Actual weight over 8 tons/load)																															
Trash Loads	\$	21.59	\$	1.25	\$	22.84	\$	39.68	\$	3.07	\$	42.75	\$	0.17	\$	65.75	\$	-	\$	65.75	\$	9.86	\$	3.29	\$	13.15	5.77%	5.77%	7.75%	20.00%	
Clean Inerts	\$	39.88	\$	2.30	\$	42.18	n/a							\$	0.31	\$	42.49	\$	-	\$	42.49	\$	6.37	\$	2.12	\$	8.49	5.77%	5.77%	0.00%	20.00%
Clean Green Waste	\$	52.21	\$	3.01	\$	55.22	n/a							\$	0.41	\$	55.63	\$	-	\$	55.63	\$	8.34	\$	2.78	\$	11.12	5.77%	5.77%	0.00%	20.00%
<b>Industrial Special Services</b>																															
Saturday Service - Per Pull	\$	40.78	\$	2.35	\$	43.13	n/a							\$	43.13	\$	-	\$	43.13	\$	6.47	\$	2.16	\$	8.63	5.77%	5.77%	0.00%	20.00%		
Mandatory Signature Required - Per Pull	\$	6.43	\$	0.37	\$	6.80	n/a							\$	6.80	\$	-	\$	6.80	\$	1.02	\$	0.34	\$	1.36	5.77%	5.77%	0.00%	20.00%		
Additional Days Temp R/O Per Day	\$	15.61	\$	0.90	\$	16.51	n/a							\$	16.51	\$	-	\$	16.51	\$	2.48	\$	0.83	\$	3.31	5.77%	5.77%	0.00%	20.00%		
Stand-By Hourly Rate	\$	97.70	\$	5.64	\$	103.34	n/a							\$	103.34	\$	-	\$	103.34	\$	15.50	\$	5.17	\$	20.67	5.77%	5.77%	0.00%	20.00%		
Relocation/Trip Charge/Dead Run	\$	64.24	\$	3.71	\$	67.95	n/a							\$	67.95	\$	-	\$	67.95	\$	10.19	\$	3.40	\$	13.59	5.77%	5.77%	0.00%	20.00%		
Packer "Turn-A-Round" Surcharge Per Pull	\$	12.85	\$	0.74	\$	13.59	n/a							\$	13.59	\$	-	\$	13.59	\$	2.04	\$	0.68	\$	2.72	5.77%	5.77%	0.00%	20.00%		
Heavy-Duty Truck Service - Per Pull	\$	449.73	\$	25.95	\$	475.68	n/a							\$	475.68	\$	-	\$	475.68	\$	71.35	\$	23.78	\$	95.13	5.77%	5.77%	0.00%	20.00%		
R/O Container Steam Cleaning after 1x/Year	\$	128.50	\$	7.42	\$	135.92	n/a							\$	135.92	\$	-	\$	135.92	\$	20.39	\$	6.80	\$	27.19	5.77%	5.77%	0.00%	20.00%		
Storage Container Rental / Delivery	\$	101.51	\$	5.86	\$	107.37	n/a							\$	107.37	\$	-	\$	107.37	\$	16.11	\$	5.37	\$	21.48	5.77%	5.77%	0.00%	20.00%		
Storage Container Return \$10.00 + Per/Mile	\$	1.41	\$	0.08	\$	1.49	n/a							\$	1.49	\$	-	\$	1.49	\$	0.22	\$	0.07	\$	0.29	5.77%	5.77%	0.00%	19.00%		



City of Placentia  
 401 East Chapman Avenue  
 Placentia, CA 92870

PRESORTED STD.  
 US POSTAGE  
**PAID**  
 PERMIT #26  
 ANAHEIM, CA

**CITY OF PLACENTIA**  
**NOTICE OF PUBLIC HEARING FOR**  
**PROPOSED SOLID WASTE COLLECTION RATES**

**NOTICE IS HEREBY GIVEN** that on **Tuesday, July 25, 2023 at 7:00 p.m.**, or as soon thereafter as the matter may be heard, the City Council of the City of Placentia will hold a Public Hearing in the Council Chambers of the Placentia City Hall located at 401 E. Chapman Avenue to consider the proposed City’s solid waste collection rates for Fiscal Year (FY) 2023-24, with a proposed effective date of July 1, 2023.

**BASIS FOR RATE INCREASES**

The proposed rates for FY 2023-24 are based upon the City’s existing refuse collection franchise agreement with Republic Services (Franchise Agreement). The Franchise Agreement allows for increases to solid waste collection rates each July 1st in proportion to the increase or decrease in the cost of living as determined by the percentage change in the Consumer Price Index (CPI) for All Urban Consumers in the Los Angeles-Long Beach-Anaheim, CA area for the twelve (12) month period ending on January 31<sup>st</sup>. Rate adjustments under the Franchise Agreement are also allowed due to changes in other operational costs in providing solid waste collection services. In addition, the County of Orange Landfill Gate Tipping fee is adjusted annually as determined by the Waste Disposal Agreement between the County of Orange and the City.

**SUMMARY OF PROPOSED RATES FOR FY 2023-24**

The proposed rates for FY 2023-24 are inclusive of the change in CPI for the 12 month period ending on January 31<sup>st</sup> which was 5.77% and a 7.75% increase in the County of Orange (County) Landfill Gate Tipping Fee. For FY 2023-24, the County will increase the landfill gate tipping fee to \$41.31, which represents a 7.75% increase from FY 2022-23 rate of \$38.34. The tables below compare the current rates for typical residential and commercial services with the proposed FY 2023-24 solid waste collection service rates.

<b>Proposed Residential Waste Rate Summary – FY 2023-24</b>			
<b>Residential Rate</b>	<b>Current Rate</b>	<b>Proposed Rate</b>	<b>Rate Change</b>
Single-Family (Monthly)	\$33.47	\$37.85	\$4.38/month
Single-Family (Annual)	\$401.64	\$454.20	\$52.96/year

*Note: Single-family residential services are billed as a special assessment on the property tax roll.*

## Proposed Commercial Waste Rates Summary – FY 2023-24

Commercial Rate	Current Rate	Proposed Rate	Rate Change
3-Yard Trash Bin	\$198.16	\$210.19	\$12.03/month
3-Yard Recycling Bin	\$169.68	\$179.50	\$9.82/month
2-Yard Organics Bin	\$154.65	\$163.98	\$9.33/month
64-Gallon Organics Cart	\$52.10	\$55.11	\$3.01/month

Note: Rates are for commercial services for a single bin serviced once a week, billed monthly

Additional information and the full proposed rate schedule can be viewed online at the City's website at: <http://placentia.org/solidwasterates>.

### REASON FOR PUBLIC HEARING

The City Council will hold a public hearing on the above date and time to consider increasing rates for residential and commercial solid waste collection services. In 1996, California voters approved Proposition 218, which establishes a specific process for cities to impose or increase certain types of fees. Proposition 218 provides that certain "Property Related" rates are subject to a noticed public hearing and "majority protest" process.

This notice is being provided to you pursuant to Section 6 of Article XIID of the California Constitution (Proposition 218) and Section 53755 of the Government Code which require that notification be sent 45 days in advance of the public hearing, to the address to which the City customarily provides the refuse collection service, or the known mailing address of the property owner, for each identified parcel upon which any new or increased refuse rate or charge is being proposed. You are being provided with this notice 45 days in advance of the public hearing as the identified owner of real property in the City of Placentia subject to the proposed solid waste and recycling rates. As a property owner, you have a right to submit a written protest to the proposed rate change.

### WRITTEN PROTEST PROCEDURES

Any property owner whose property will be subject to the imposition of the proposed solid waste service fees and any tenant directly responsible for the payment of such fees (i.e., a customer of record) may submit a written protest to the proposed changes; provided, however, that only one protest will be counted per identified parcel. Written protests may be submitted by mail or in person to the **City Clerk's Office at 401 East Chapman Avenue, Placentia, CA 92870** or at the Public Hearing (date and time noted above), provided they are received prior to the conclusion of the public comment portion of the Public Hearing. **Any protest submitted via e-mail or other electronic means will not be accepted.** Any written protest must (1) state that the identified property owner is in opposition to the proposed solid waste service charges; (2) provide the location of the identified parcel (by assessor's parcel number, street address, or customer account); (3) provide written evidence (example: current copy of City Services Bill) that the person is the property owner, if the person was not shown on County of Orange's last equalized assessment roll as the property owner; and (4) include the name and signature of the property owner submitting the protest.

If written protests against the proposed increases are not presented by a majority of identified parcels upon which the proposed rates are to be imposed, the City Council will be authorized to adopt the proposed rates. If adopted, the proposed solid waste collections rates will be effective July 1, 2023. Please note that each property will be counted as a single vote, regardless of the number of owners. If there are two record owners, both must sign the written protest. If there are more than two owners, the protest must be signed by a majority of the owners. Multiple protests returned for a single property will be disallowed and the City Clerk will only accept one protest per property. Email, fax, telephone, or oral protests of any kind will not be counted. Mailed protests received after the close of the public hearing will not be counted, even if they were postmarked earlier.

The City Council meeting agenda and staff report for the Public Hearing will be available 72 hours prior to the regular meeting of Tuesday, July 25, 2023 on the City's website at: <http://placentia.org/citycouncilagenda>. If you have questions regarding this notice or how it may impact your property, please contact the Public Works Department at (714) 993-8148, Monday through Thursday from 7:30 a.m. to 6:00 p.m.

**EN ESPAÑOL:** Para recibir una copia de este aviso en español sobre cambios propuestos a las tarifas de la colección de basura, llame al (714) 993-8148, de lunes a jueves de 7:30 a.m. a 6:00 p.m.



# *City of Placentia*

## Public Hearing: Solid Waste Handling Services Rate Adjustment for Fiscal Year 2023-24

City Council  
July 25, 2023

# Proposed Rate Changes for Fiscal Year (FY) 2023-24

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1. CPI Adjustment of 5.77%
  - a. Section 24.3 of the Agreement
    1. CPI – Los Angeles Region for January 2023 was 5.77%
  
2. Orange County Landfill Tipping Fees Adjustment of 7.75%
  - a. Section 24.5 of the Agreement & Wasted Disposal Agreement with County
    1. CPI Los Angeles Region for October 2022 was 7.75%



# Summary of Proposed Solid Waste Collection Rates

## Residential Rates

	Current Monthly Rate	Proposed Monthly Rate	Current Annual Assessment Rate	Proposed Annual Assessment Rate	Rate Change per Month/Year
<b>Single-Family Residential Rate</b>	\$33.47	\$37.85	\$401.64	\$454.20	\$4.38/\$52.56 (13.10%)

## Commercial Rates (Includes Multi-family & Industrial Rates)

Rate	Current Monthly Rate	Proposed Monthly Rate	Rate Change per Month
<b>3-Yard Trash Container</b>	\$198.16	\$210.19	\$12.03 (6.07%)
<b>3-Yard Recycle Container</b>	\$169.68	\$179.50	\$9.82 (5.79%)
<b>2-Yard Organics Container</b>	\$154.65	\$163.98	\$9.33 (6.03%)
<b>64-gallon Organics Cart</b>	\$52.10	\$55.11	\$3.01 (5.78%)



# Public Hearing Notice & Process

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- Proposition 218 requirements
  - 45-day public hearing notice
  - Majority protest (50% + 1) by ratepayers precludes adoption of proposed rate increase
  - Mailed out public hearing notices mailed out to residential property owners (ratepayers)
  - City Clerk received three (3) protest letters; Final tally at conclusion of public hearing



# Recommended Actions

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1. Open the Public Hearing
2. Receive Staff Report & Public Testimony
3. Close the Public Hearing and direct the City Clerk to tabulate the written protests and report the results of the tabulation to the City Council
4. If no majority protest exists, Adopt Resolution No. R-2023-64 and R-2023-65 and Amendment No.14 setting the adjusted waste hauling rates for FY 2023-24



# Questions & Comments





# Placentia City Council

## AGENDA REPORT

TO: CITY COUNCIL AND PLACENTIA PUBLIC FINANCING AUTHORITY

VIA: CITY ADMINISTRATOR

FROM: DEPUTY CITY ADMINISTRATOR / PUBLIC SERVICES & INFRASTRUCTURE

DATE: JULY 25, 2023

SUBJECT: **A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF PLACENTIA APPROVING THE ISSUANCE BY THE PLACENTIA PUBLIC FINANCING AUTHORITY OF NOT TO EXCEED \$10 MILLION OF PLACENTIA PUBLIC FINANCING AUTHORITY LEASE REVENUE BONDS (PUBLIC SAFETY CENTER PROJECT) SERIES 2023A; APPROVING THE EXECUTION AND DELIVERY OF RELATED DOCUMENTS IN CONNECTION WITH THE OFFERING AND SALE OF SUCH BONDS; AND AUTHORIZING OTHER MATTERS RELATED THERETO**

**A RESOLUTION OF THE GOVERNING BOARD OF THE PLACENTIA PUBLIC FINANCING AUTHORITY AUTHORIZING THE ISSUANCE OF NOT TO EXCEED \$10 MILLION OF PLACENTIA PUBLIC FINANCING AUTHORITY LEASE REVENUE BONDS (PUBLIC SAFETY CENTER PROJECT) SERIES 2023A; AND APPROVING THE EXECUTION AND DELIVERY OF RELATED DOCUMENTS IN CONNECTION WITH THE OFFERING AND SALE OF SUCH BONDS; AND AUTHORIZING OTHER MATTERS RELATED THERETO**

FISCAL  
IMPACT: EXPENSE: LEASE PAYMENTS ON LEASE REVENUE BONDS IN LIEU OF RENTAL PAYMENTS FOR CURRENT LEASED FACILITY

### **SUMMARY:**

On March 1, 2022, the City Council selected a preferred project alternative for the proposed Placentia Public Safety Center and directed Staff to complete the architectural and engineering design for the project. On July 11, 2023, the City Council approved a revised project funding structure because of project costs exceeding original estimates due to inflation-related increases in construction costs. As part of that action the City Council authorized Staff and the City's bond consultant team to structure a lease revenue bond package for the purpose of issuing debt to raise the necessary funds to fully fund Phase II construction of the new facility. The proposed lease revenue bond structure authorizes the issuance of debt for a not-to-exceed amount of \$10 million at a true interest cost not-to-exceed 5.5% for a period of 30 years.

**2.b.**  
**July 25, 2023**

**RECOMMENDATION:**

It is recommended that the City Council take the following actions:

1. Open the Public Hearing concerning the sale of Lease Revenue Bonds to fund the construction of the Placentia Public Safety Center; and
2. Receive the Staff Report, consider all public testimony, ask questions of Staff; and
3. Close the Public Hearing; and
4. Adopt Resolution R-2023-72 authorizing the issuance of bonds by the Placentia Public Financing Authority in an amount not-to-exceed \$10 million, approving the form of the Indenture, Site Lease, Lease Agreement, Preliminary Official Statement, Bond Purchase Agreement and Continuing Disclosure Agreement; and
5. Authorize the City Administrator to execute all the necessary documents, in a form approved by the City Attorney.

It is recommended that the Placentia Public Financing Authority take the following actions:

1. Adopt Resolution PPFA-2023-02 authorizing the issuance of bonds by the Placentia Public Financing Authority in an amount not to exceed \$10 million and approving the form of the Indenture, Site Lease, Lease Agreement, Preliminary Official Statement, Bond Purchase Agreement and, Assignment Agreement; and
2. Authorize the Executive Director to execute all the necessary documents, in a form approved by the Authority's Counsel.

**STRATEGIC PLANNING STATEMENT:**

This agenda item conforms to Strategic Planning Goal and Objective 5.4, Construct the Placentia Public Safety Center.

**DISCUSSION:**

**Lease Revenue Bond Issuance**

In October 2020, Council directed Staff to develop a plan for the replacement of the current Police Evidence Facility that is currently being leased by the City. The lease for the facility is expiring in December 2023, requiring the City to find or construct an alternate facility. Lease Revenue Bonds (LRB) are a common and widely accepted financing tool in California used to acquire project financing. LRBs utilize a lease/lease-back structure of certain City assets. Staff is proposing certain City assets to be the leased assets for the proposed LRBs, primarily the new Placentia Public Safety Center itself. However, State law prohibits the City from making lease payments prior to the facility being completed. To avoid using bond proceeds to fund interest payments due during construction, the proposed structure would lease other City assets such as City Hall and

the City Yard during the construction period. Once the City issues a Certificate of Occupancy for the new facility, the other assets will be released from the lease and the lease for the remainder of the term of the LRBs will only be for the new Public Safety Center.

The City will lease the assets to the Placentia Public Financing Authority (“PPFA”). The PPFA will then lease the assets back to the City. The City pledges each year it will budget and appropriate lease payments to the PPFA. In turn, the PPFA will pay debt service on the Bonds. The estimated valuation of the City’s Assets will need to meet or exceed the amount of the Bond issuance.

The list of proposed City assets that could be pledged is referenced below. The Public Safety Center will be pledged once construction has been completed and the building is occupied. A final determination on which City assets will be pledged during construction will occur before the LRBs are priced and sold.

<u>ASSET</u>	<u>ESTIMATED VALUE</u>
Public Safety Facility	\$21.6 million (project budget)
City Corporate Yard & Facilities	\$14.1 million
City Hall	\$14.2 million

The LRBs will be sized to fund the “gap” in the construction fund that is not funded by other City resources, as indicated in the following table:

<b>Option</b>	<b>Construction Fund</b>	<b>Estimated Costs of Issuance</b>	<b>Estimated Total Bond Issue Proceeds</b>	<b>Estimated Average Annual Debt Service</b>	<b>Total Principal and Interest (30 years)</b>
1	\$9,289,804	\$447,848	\$9,737,652	\$581,342	\$17,690,872

The City has received a “AA-” bond rating on the LRBs from Standard & Poor’s. The bond rating is based primarily on the strength of the City’s General Fund. The assigned rating on the Bonds of AA- reflects S&P criteria of rating “leases” at “1-notch” below the City’s Issuer Credit Rating, which reflects S&P’s opinion of the strength of the City’s General Fund. The City’s Issuer Credit Rating has been recently upgraded and is now AA, which is among the highest ratings in California.

Due the strength of the City’s credit, the LRBs will not require bond insurance, nor does the City have to fund a debt service reserve fund to enhance the credit of the LRB. Purchasing a bond insurance policy remains an option and the City will only purchase a bond insurance policy if it results in reduced debt service costs over the life of the LRBs.

The current estimated Bond issuance amount is \$9,737,652, with a not to exceed amount of \$10 million as set forth in the Resolution. The “not-to-exceed” amount is recommended to provide the Financing Team the flexibility to react to changes in market conditions. As an example, if interest rates are slightly higher on the day of bond sale, that would increase the bond par amount.

The forms of financing documents to issue Lease Revenue Bonds are attached and include:

- Preliminary Official Statement: Offering document used for marketing of the LRBs
- Indenture: Defines the terms of the Bonds and responsibilities of the Trustee
- Site Lease: Establishes and defines the terms of the site lease from the City to the Authority
- Lease Agreement: Establishes and defines the terms of the lease from the Authority to the City
- Assignment Agreement: The Authority assigns the right to receive lease payments to the Trustee
- Continuing Disclosure Agreement: Agreement to file annual reports and disclose material events
- Bond Purchase Agreement: Agreement among the Underwriter, the Authority and the City defining the terms and conditions of the Underwriter's purchase of the Bonds.

**FISCAL IMPACT:**

In accordance with Government Code Section 5852.1, the following information has been obtained and disclosed to the City Council prior to the issuance of the LRBs: (i) the estimated true interest cost of the Bonds (being the rate necessary to discount the amounts payable on the respective principal and interest payment dates to the purchase price received for the Bonds) is 4.5%; (ii) the estimated finance charge of the Bonds (being the sum of all fees and charges paid to third parties, including underwriter's discount and a bond insurance premium) is \$447,848; (iii) the estimated proceeds of the Bonds expected to be received (net of proceeds for finance charges to be paid from the principal amount of the Bonds and any reserves or capitalized interest paid or funded with Bonds) is \$9,289,804; and (iv) the estimated total payment amount of the Bonds (being the sum of debt service plus finance to be paid to final maturity, plus any financing costs not paid from proceeds of the Bonds) is \$17,690,872. This information is based on good-faith estimates provided by the City's municipal advisor and bond underwriter.

Prepared by:

*Luis Estevez*

\_\_\_\_\_  
Luis Estevez  
Deputy City Administrator

Reviewed and approved:

*Jennifer Lampman*

\_\_\_\_\_  
Jennifer Lampman  
Director of Finance

Reviewed and approved:

*Damien R. Arrula Sr*  
\_\_\_\_\_  
Damien R. Arrula  
City Administrator

Attachments:

1. City Resolution R-2023-72
2. Authority Resolution No. PPFA-2023-02
3. Preliminary Official Statement
4. Bond Purchase Agreement
5. Continuing Disclosure Agreement
6. Assignment Agreement
7. Lease Agreement
8. Site Lease
9. Indenture

RESOLUTION NO. R-2023-72

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF PLACENTIA APPROVING THE ISSUANCE BY THE PLACENTIA PUBLIC FINANCING AUTHORITY OF NOT TO EXCEED \$10,000,000 OF PLACENTIA PUBLIC FINANCING AUTHORITY LEASE REVENUE BONDS (PUBLIC SAFETY CENTER PROJECT) SERIES 2023A; APPROVING THE EXECUTION AND DELIVERY OF RELATED DOCUMENTS IN CONNECTION WITH THE OFFERING AND SALE OF SUCH BONDS; AND AUTHORIZING OTHER MATTERS RELATED THERETO

WHEREAS, the Placentia Public Financing Authority (the “Authority”) was established for the purpose of carrying out the intent of the State Legislature as set forth in Article 4 of the Joint Powers Act, namely the financing of public capital improvements, and working capital whenever there are significant public benefits for taking such actions; and

WHEREAS, the City of Placentia (the “City”) desires to finance the construction, acquisition and equipping of a public safety center (the “Project”); and

WHEREAS, in order to provide funds to finance the Project and other related costs, the City desires that the Authority issue its Lease Revenue Bonds (Public Safety Center Project) Series 2023A (the “Series 2023A Bonds”); and

WHEREAS, Senate Bill 450 (Chapter 625 of the 2017-2018 Session of the California Legislature) (“SB 450”) requires that the City obtain from an underwriter, financial advisor or private lender and disclose, prior to authorization of the issuance of bonds with a term of greater than 13 months, good faith estimates of the following information in a meeting open to the public: (a) the true interest cost of the bonds, (b) the sum of all fees and charges paid to third parties with respect to the bonds, (c) the amount of proceeds of the bonds expected to be received net of the fees and charges paid to third parties and any reserves or capitalized interest paid or funded with proceeds of the bonds, and (d) the sum total of all debt service payments on the bonds calculated to the final maturity of the bonds plus the fees and charges paid to third parties not paid with the proceeds of the bonds; and

WHEREAS, in compliance with SB 450, the City has obtained from its municipal advisors and the underwriter the required good faith estimates and such estimates are disclosed and set forth in the staff report related to this item; and

WHEREAS, as required by Section 6586.5 of the California Government Code, the City has caused the publication of a notice of a public hearing on the financing of the Project once at least five days prior to the hearing in a newspaper of general circulation in the City; and

WHEREAS, the City held a public hearing at which all interested persons were provided the opportunity to speak on the subject of financing the Project; and

WHEREAS, there have been presented to this meeting the proposed forms of the following documents:

- (a) the Indenture;
- (b) the Site Lease;
- (c) the Lease Agreement;
- (d) the Preliminary Official Statement;
- (e) the Bond Purchase Agreement; and
- (f) the Continuing Disclosure Agreement;

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

SECTION 1. Findings and Determinations. The City hereby specifically finds and declares that the actions authorized hereby constitute and are with respect to public affairs of the City and that the statements, findings and determinations of the City set forth above are true and correct and that the issuance of the Series 2023A Bonds by the Authority will result in the following public benefits (i) demonstrable savings in effective interest rate, bond preparation, bond underwriting, or bond issuance costs (ii) significant reductions in effective user charges levied by the City, and (iii) more efficient delivery of local agency services to residential and commercial development.

SECTION 2. Approval of Issuance of Series 2023A Bonds by the Authority. The issuance of the Series 2023A Bonds by the Authority on the terms and conditions set forth in, and subject to the limitations specified in, the Indenture and this Resolution, is hereby approved; provided, however, that (i) the aggregate principal amount of Series 2023A Bonds shall not exceed \$10,000,000, (ii) the maturity of the Series 2023A Bonds shall not exceed October 1, 2053 and (iii) true interest cost of the Series 2023A Bonds shall not exceed 5.5%.

SECTION 3. Approval of Indenture. The form of Indenture presented at this meeting is hereby approved, and the City's Mayor, Mayor Pro Tem, City Administrator or Finance Director, or his or her designee (each, an "Authorized Officer") are each hereby authorized and directed, for and in the name of and on behalf of the City, to execute, acknowledge and deliver the Indenture in substantially the form presented at this meeting with such changes therein as the officer executing the same may approve, such approval to be conclusively evidenced by the execution and delivery thereof, including with respect to whether and what type(s) of credit enhancement supports the Bonds, or by other factors, as determined by the Authorized Officers in consultation with the City's financial and legal consultants as being in the best interests of the City.

SECTION 4. Approval of Site Lease. The form of Site Lease presented at this meeting is hereby approved and each Authorized Officer is hereby authorized and directed, for and in the name of and on behalf of the City, to execute, acknowledge and deliver the Site Lease

in substantially the form presented at this meeting with such changes therein as the Authorized Officer executing the same may approve, such approval to be conclusively evidenced by the execution and delivery thereof.

SECTION 5. Approval of Lease Agreement. The form of Lease Agreement presented at this meeting is hereby approved and each Authorized Officer is hereby authorized and directed, for and in the name of and on behalf of the City, to execute, acknowledge and deliver the Lease Agreement in substantially the form presented at this meeting with such changes therein as the Authorized Officer executing the same may approve, such approval to be conclusively evidenced by the execution and delivery thereof.

SECTION 6. Approval of Bond Purchase Agreement. The City is hereby authorized to enter into the Bond Purchase Agreement and each Authorized Officer is hereby authorized and directed to execute and deliver the Bond Purchase Agreement on behalf of the City, in substantially the form presented to this meeting, with such changes therein, deletions therefrom and additions thereto as the Authorized Officer shall approve in consultation with the City's financial and legal consultants, which approval shall be conclusively evidenced by the execution and delivery thereof; provided, that the underwriting discount payable by the City pursuant to the Bond Purchase Agreement shall not exceed 1.0% of the aggregate principal amount of the Series 2023A Bonds.

SECTION 7. Approval of Official Statement. The Preliminary Official Statement is hereby approved and the same may be used and is hereby authorized to be used and distributed in the market by the underwriter incident to the marketing of the Series 2023A Bonds. Each Authorized Officer is hereby authorized to (a) make such changes in such form of the Preliminary Official Statement as such officer, in consultation with the City's financial and legal consultants and the Underwriter, shall determine to be appropriate, and (b) on behalf of the City, to deem such Preliminary Official Statement "final" pursuant to Rule 15c2-12 under the Securities Exchange Act of 1934 (the "Rule"). Each Authorized Officer is authorized and directed to prepare a final Official Statement, with such additional information as may be permitted to be excluded from the Preliminary Official Statement pursuant to the Rule, which final Official Statement shall be executed and delivered in the name and on behalf of the City by an Authorized Officer, and such Authorized Officer is authorized and directed to prepare, execute and deliver in the name and on behalf of the City any supplemental filings related to such final Official Statement.

SECTION 8. Approval of Continuing Disclosure Agreement. The form of Continuing Disclosure Agreement presented at this meeting is hereby approved and each Authorized Officer is hereby authorized and directed, for and in the name of and on behalf of the City, to execute, acknowledge and deliver the Continuing Disclosure Agreement in substantially the form presented at this meeting with such changes therein as the Authorized Officer executing the same may approve, such approval to be conclusively evidenced by the execution and delivery thereof.

SECTION 9. Approval of Financing Team. The City has requested the Authority to issue the Series 2023A Bonds for the purpose of financing the Project as described herein, and in connection therewith the City hereby approves (i) Kosmont Financial Services Inc. to provide municipal advisory services, (ii) Nixon Peabody LLP to provide bond and disclosure counsel

services, (iii) Samuel A. Ramirez & Co., Inc. to provide underwriting services, and (iv) U.S. Bank Trust Company, National Association to provide trustee services.

SECTION 10. Other Acts. The officers and staff of the City are hereby authorized and directed, jointly and severally, to do any and all things, to execute and deliver any and all documents, which in consultation with the City Attorney or with bond counsel, they may deem necessary or advisable in order to effectuate the purposes of this Resolution, and any and all such actions previously taken by such officers or staff members are hereby ratified and confirmed. Any one of the Authorized Officers is hereby authorized and directed, for and in the name of and on behalf of the City, to evaluate and select one or more municipal bond insurers for all or any portion of the Series 2023A Bonds and to execute and deliver such contracts and agreements with such bond insurers as may be approved by the Authorized Officer executing the same, subject to the provisions of this Resolution, such approval to be conclusively evidenced by such execution and delivery.

SECTION 11. Effective Date. This Resolution shall take effect upon adoption.

PASSED and ADOPTED this 25th day of July, 2023.

---

WARD L. SMITH, MAYOR

**ATTEST:**

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ROBERT S. MCKINNELL, CITY CLERK

STATE OF CALIFORNIA  
COUNTY OF ORANGE

I, Robert S. McKinnell, City Clerk of the City of Placentia do hereby certify that the foregoing Resolution was adopted at a regular meeting of the City Council held on the 25<sup>th</sup> day of July 2023, by the following vote:

AYES:	Councilmembers:	None
NOES:	Councilmembers:	None
ABSENT:	Councilmembers:	None
ABSTAIN:	Councilmembers:	None

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Robert S. McKinnell, City Clerk

APPROVED AS TO FORM:

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Christian L. Bettenhausen, City Attorney

RESOLUTION NO. PPFA-02

A RESOLUTION OF THE GOVERNING BOARD OF THE PLACENTIA PUBLIC FINANCING AUTHORITY AUTHORIZING THE ISSUANCE OF NOT TO EXCEED \$10,000,000 OF PLACENTIA PUBLIC FINANCING AUTHORITY LEASE REVENUE BONDS (PUBLIC SAFETY CENTER PROJECT) SERIES 2023A AND; APPROVING THE EXECUTION AND DELIVERY OF RELATED DOCUMENTS IN CONNECTION WITH THE OFFERING AND SALE OF SUCH BONDS; AND AUTHORIZING OTHER MATTERS RELATED THERETO

WHEREAS, the Placentia Public Financing Authority (the “Authority”) was established for the purpose of carrying out the intent of the State Legislature as set forth in Article 4 of the Joint Powers Act, namely the financing of public capital improvements, and working capital whenever there are significant public benefits for taking such actions; and

WHEREAS, the City of Placentia (the “City”) desires to finance the construction, acquisition and equipping of a public safety center (the “Project”); and

WHEREAS, in order to provide funds to finance the Project and other related costs, the City desires that the Authority issue its Lease Revenue Bonds (Public Safety Center Project) Series 2023A (the “Series 2023A Bonds”); and

WHEREAS, Senate Bill 450 (Chapter 625 of the 2017-2018 Session of the California Legislature) (“SB 450”) requires that the Authority obtain from an underwriter, financial advisor or private lender and disclose, prior to authorization of the issuance of bonds with a term of greater than 13 months, good faith estimates of the following information in a meeting open to the public: (a) the true interest cost of the bonds, (b) the sum of all fees and charges paid to third parties with respect to the bonds, (c) the amount of proceeds of the bonds expected to be received net of the fees and charges paid to third parties and any reserves or capitalized interest paid or funded with proceeds of the bonds, and (d) the sum total of all debt service payments on the bonds calculated to the final maturity of the bonds plus the fees and charges paid to third parties not paid with the proceeds of the bonds; and

WHEREAS, in compliance with SB 450, the Authority has obtained from its municipal advisors and the underwriter the required good faith estimates and such estimates are disclosed and set forth in the staff report related to this item; and

WHEREAS, there have been presented to this meeting the proposed forms of the following documents:

- (a) the Indenture;
- (b) the Site Lease;

- (c) the Lease Agreement;
- (d) the Preliminary Official Statement;
- (e) the Bond Purchase Agreement; and
- (f) the Assignment Agreement;

NOW, THEREFORE, BE IT RESOLVED, DETERMINED AND ORDERED BY THE CITY OF PLACENTIA PUBLIC FINANCING AUTHORITY AS FOLLOWS:

SECTION 1. Approval of Issuance of Series 2023A Bonds by the Authority. The issuance of the Series 2023A Bonds by the Authority on the terms and conditions set forth in, and subject to the limitations specified in, the Indenture and this Resolution, is hereby approved; provided, however, that (i) the aggregate principal amount of Series 2023A Bonds shall not exceed \$10,000,000, (ii) the maturity of the Series 2023A Bonds shall not exceed October 1, 2053, and (iii) the true interest cost of the Series 2023A Bonds shall not exceed 5.5%.

SECTION 2. Approval of Indenture. The form of Indenture presented at this meeting is hereby approved and the Chair, Vice-Chair, the City Administrator of the City who is hereby designated Executive Director, the Treasurer and the Controller or their respective designated representatives (each an “Authorized Officer”) are hereby authorized and directed, for and in the name of and on behalf of the Authority, to execute, acknowledge and deliver the Indenture in substantially the form presented at this meeting with such changes therein as the officers executing the same may approve, such approval to be conclusively evidenced by the execution and delivery thereof.

SECTION 3. Approval of Site Lease. The form of Site Lease presented at this meeting is hereby approved and each Authorized Officer is hereby authorized and directed, for and in the name of and on behalf of the Authority, to execute, acknowledge and deliver the Site Lease in substantially the form presented at this meeting with such changes therein as the Authorized Officer executing the same may approve, such approval to be conclusively evidenced by the execution and delivery thereof.

SECTION 4. Approval of Lease Agreement. The form of Lease Agreement presented at this meeting is hereby approved and each Authorized Officer is hereby authorized and directed, for and in the name of and on behalf of the Authority, to execute, acknowledge and deliver the Lease Agreement in substantially the form presented at this meeting with such changes therein as the Authorized Officer executing the same may approve, such approval to be conclusively evidenced by the execution and delivery thereof.

SECTION 5. Approval of Bond Purchase Agreement. The Authority is hereby authorized to enter into the Bond Purchase Agreement and each Authorized Officer is hereby authorized and directed to execute and deliver the Bond Purchase Agreement on behalf of the Authority, in substantially the form presented to this meeting, with such changes therein, deletions therefrom and additions thereto as the Authorized Officer shall approve in consultation with the Authority’s financial and legal consultants, which approval shall be conclusively evidenced by the execution and delivery thereof; provided, that the underwriting discount payable pursuant to the Bond

Purchase Contract shall not exceed 1.0% of the aggregate principal amount of the Series 2023A Bonds.

SECTION 6. Approval of Assignment Agreement. The form of Assignment Agreement presented at this meeting is hereby approved and each Authorized Officer is hereby authorized and directed, for and in the name of and on behalf of the Authority, to execute, acknowledge and deliver the Assignment Agreement in substantially the form presented at this meeting with such changes therein as the Authorized Officer executing the same may approve, such approval to be conclusively evidenced by the execution and delivery thereof.

SECTION 7. Approval of Official Statement. The Preliminary Official Statement is hereby approved and the same may be used and is hereby authorized to be used and distributed in the market by the Underwriter incident to the marketing of the Series 2023A Bonds. Each Authorized Officer is hereby authorized to (a) make such changes in such form of the Preliminary Official Statement as such officer, in consultation with the Authority's financial and legal consultants and the Underwriter, shall determine to be appropriate, and (b) on behalf of the Authority, to deem such Preliminary Official Statement "final" pursuant to Rule 15c2-12 under the Securities Exchange Act of 1934 (the "Rule"). Each Authorized Officer is authorized and directed to prepare a final Official Statement, with such additional information as may be permitted to be excluded from the Preliminary Official Statement pursuant to the Rule, which final Official Statement shall be executed and delivered in the name and on behalf of the Authority by an Authorized Officer, and such Authorized Officer is authorized and directed to prepare, execute and deliver in the name and on behalf of the Authority any supplemental filings related to such final Official Statement.

SECTION 8. Other Acts. The officers and staff of the Authority are hereby authorized and directed, jointly and severally, to do any and all things, to execute and deliver any and all documents, which in consultation with Authority Counsel and with bond counsel, they may deem necessary or advisable in order to effectuate the purposes of this Resolution, and any and all such actions previously taken by such officers or staff members are hereby ratified and confirmed. Any one of the Authorized Officers is hereby authorized and directed, for and in the name of and on behalf of the Authority, to evaluate and select one or more municipal bond insurers for all or any portion of the Series 2023A Bonds and to execute and deliver such contracts and agreements with such bond insurers as may be approved by the Authorized Officer executing the same, subject to the provisions of this Resolution, such approval to be conclusively evidenced by such execution and delivery.

SECTION 9. Effective Date. This Resolution shall take effect upon adoption.

PASSED and ADOPTED this 25th day of July, 2023.

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WARD L. SMITH, CHAIR

**ATTEST:**

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ROBERT S. MCKINNEL, SECRETARY

STATE OF CALIFORNIA  
COUNTY OF ORANGE

I, Robert S. McKinnell, Secretary of the Placentia Public Financing Authority of The City of Placentia, California, do hereby certify that the foregoing Resolution, was duly passed, approved, and adopted by the Placentia Public Financing Authority, approved and signed by the Chair and attested by the Secretary, all at the regular meeting of the said Placentia Public Financing Authority held on the 25<sup>th</sup> day of July 2023, and the same was passed and adopted by the following vote:

AYES: Councilmembers: None  
NOES: Councilmembers: None  
ABSENT: Councilmembers: None  
ABSTAIN: Councilmembers: None

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Robert S. McKinnell, Secretary

APPROVED AS TO FORM:

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Christian L. Bettenhausen, Agency Attorney

**PRELIMINARY OFFICIAL STATEMENT DATED \_\_\_\_\_, 2023****NEW ISSUE - BOOK-ENTRY ONLY****INSURED RATING: S&P: “[ ]”  
UNDERLYING RATING: S&P: “[ ]”****(See “CONCLUDING INFORMATION - Rating on the Bonds” herein)**

*In the opinion of Nixon Peabody LLP, Bond Counsel, under existing law and assuming compliance with the tax covenants described herein, and the accuracy of certain representations and certifications made by the Authority and the City described herein, interest on the Bonds is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986, as amended (the “Code”). Bond Counsel, is also of the opinion that interest on the Bonds is not treated as a preference item in calculating the alternative minimum tax imposed under the Code. Bond Counsel is further of the opinion that interest on the Bonds is exempt from personal income taxes of the State of California (“State”) under present law. See “TAX MATTERS” herein regarding certain other tax consequences.*

\$ \_\_\_\_\_ \*

**PLACENTIA PUBLIC FINANCING AUTHORITY  
LEASE REVENUE BONDS  
(PUBLIC SAFETY CENTER PROJECT)  
SERIES 2023A  
[(BANK QUALIFIED)]**

**Dated: Date of Delivery****Due: As shown on the inside front cover page**

The Placentia Public Financing Authority Lease Revenue Bonds (Public Safety Center Project) Series 2023A [(Bank Qualified)] (the “Bonds”) are being issued to finance, along with other available funds of the City, the construction and equipping of an approximately 18,805 square foot public safety center, to purchase a municipal bond insurance policy and a debt serve reserve surety policy for the Bonds and to pay the costs incurred in connection with the issuance of the Bonds. The Bonds are payable from the revenues pledged under the Indenture, as defined herein, consisting primarily of base rental payments (the “Base Rental Payments”) to be made by the City of Placentia (the “City”) to the Placentia Public Financing Authority (the “Authority”) as rental for certain City-owned property (the “Leased Property”) pursuant to a Lease Agreement, as defined herein, and from certain funds held under the Indenture and insurance or condemnation awards. The City is required under the Lease Agreement to make Base Rental Payments in each fiscal year in consideration of the use and possession of the Leased Property from any source of available funds in an amount sufficient to pay the annual principal and interest due with respect to the Bonds, subject to abatement, as described herein. See “SOURCES OF PAYMENT FOR THE BONDS” and “RISK FACTORS” herein.

Interest on the Bonds is payable semiannually on [June] 1 and [December] 1 of each year, commencing [December 1, 2023], until maturity or earlier redemption. See “THE BONDS — General Provisions” and “THE BONDS — Redemption” herein.

**THE BONDS ARE LIMITED OBLIGATIONS OF THE AUTHORITY PAYABLE SOLELY FROM AND SECURED BY A PLEDGE OF REVENUES AND CERTAIN FUNDS AND ACCOUNTS HELD UNDER THE INDENTURE. THE AUTHORITY HAS NO TAXING POWER. THE OBLIGATION OF THE CITY TO PAY BASE RENTAL PAYMENTS AND ADDITIONAL PAYMENTS DOES NOT CONSTITUTE AN OBLIGATION FOR WHICH THE CITY IS OBLIGATED TO LEVY OR PLEDGE ANY FORM OF TAXATION OR FOR WHICH THE CITY HAS LEVIED OR PLEDGED ANY FORM OF TAXATION. THE BONDS AND THE OBLIGATION OF THE CITY TO PAY BASE RENTAL PAYMENTS AND ADDITIONAL PAYMENTS DOES NOT CONSTITUTE A DEBT OF THE CITY, THE STATE OR OF ANY POLITICAL SUBDIVISION THEREOF WITHIN THE MEANING OF ANY CONSTITUTIONAL OR STATUTORY DEBT LIMITATION OR RESTRICTION.**

**The scheduled payment of principal and interest on a portion, or all, of the Bonds (such maturities insured to be specified in the final Official Statement) when due will be guaranteed under a municipal bond insurance policy (the “Policy”) to be issued concurrently with the delivery of the Bonds by [INSURER (“\_\_\_”)]. See “BOND INSURANCE” herein.**

**The Indenture establishes the Reserve Fund which will serve as security for the applicable payments payable by the Authority under the Indenture with respect to the Bonds. Concurrently with the delivery of the Bonds, a municipal bond debt service reserve insurance policy relating to the Bonds will be issued by [INSURER] (the “Reserve Policy”) which the Trustee will credit to the respective reserve fund.**

**[INSURER LOGO]**

This is a Preliminary Official Statement and the information contained herein is subject to change, completion and amendment without notice. Under no circumstances will this Preliminary Official Statement constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of the securities offered hereby by any person, in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of such jurisdiction. A definitive Official Statement with respect to the securities offered hereby will be made available.

The cover page contains certain information for quick reference only. It is not a summary of the issue. Potential investors must read the entire Official Statement to obtain information essential to the making of an informed investment decision. See “RISK FACTORS” herein for a discussion of special risk factors that should be considered in evaluating the investment quality of the Bonds.

The Bonds are offered, when, as and if issued, subject to the approval as to their legality by Nixon Peabody LLP, Los Angeles, California, Bond Counsel. Certain legal matters will be passed on for the City and the Authority by the City Attorney, and by Nixon Peabody LLP, Los Angeles, California, as Disclosure Counsel. Certain legal matters will be passed on for the Underwriter by its counsel, Kutak Rock LLP, Irvine, California. It is anticipated that the Bonds, in book-entry form, will be available for delivery on or about \_\_\_\_\_, 2023 through the facilities of The Depository Trust Company (see “APPENDIX E — THE BOOK-ENTRY SYSTEM” herein).

**Ramirez & Co., Inc.**

*The date of the Official Statement is \_\_\_\_\_, 2023.*

\$ \_\_\_\_\_ \*

**PLACENTIA PUBLIC FINANCING AUTHORITY  
LEASE REVENUE BONDS  
(PUBLIC SAFETY CENTER PROJECT)  
SERIES 2023A  
[(BANK QUALIFIED)]**

**MATURITY SCHEDULE**

\$ \_\_\_\_\_ Serial Bonds

**(Base CUSIP®† 72588R)**

<b>Maturity Date [June] 1</b>	<b>Principal Amount</b>	<b>Interest Rate</b>	<b>Reoffering Yield</b>	<b>Reoffering Price</b>	<b>CUSIP®†</b>
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\$ \_\_\_\_\_ % Term Bonds maturing [June] 1, 20\_\_\_\_, Yield \_\_\_\_\_%, Price \_\_\_\_\_ CUSIP®† \_\_\_\_\_

\$ \_\_\_\_\_ % Term Bonds maturing [June] 1, 20\_\_\_\_, Yield \_\_\_\_\_%, Price \_\_\_\_\_ CUSIP®† \_\_\_\_\_

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\* Preliminary, subject to change.

† CUSIP® is a registered trademark of the American Bankers Association. CUSIP data herein is provided by CUSIP Global Services, managed by FactSet Research Systems Inc. on behalf of the American Bankers Association. CUSIP numbers have been assigned by an independent company not affiliated with the Authority, the City, the Underwriter or the Municipal Advisor and are included solely for the convenience of the holders of the Bonds. None of the Authority, the City, the Underwriter or the Municipal Advisor is responsible for the selection or use of these CUSIP numbers, and no representation is made as to their correctness on the Bonds or as indicated above. The CUSIP number for a specific maturity is subject to being changed after the execution and delivery of the Bonds as a result of various subsequent actions including, but not limited to, a refunding in whole or in part of such maturity or as a result of the procurement of secondary market portfolio insurance or other similar enhancement by investors that is applicable to all or a portion of certain maturities of the Bonds.

## GENERAL INFORMATION ABOUT THIS OFFICIAL STATEMENT

**Use of Official Statement.** This Official Statement is submitted in connection with the offer and sale of the Bonds referred to herein and may not be reproduced or used, in whole or in part, for any other purpose. This Official Statement is not to be construed as a contract with the purchasers of the Bonds.

**Effective Date.** This Official Statement speaks only as of its date, and the information and expressions of opinion contained in this Official Statement are subject to change without notice. Neither the delivery of this Official Statement nor any sale of the Bonds will, under any circumstances, create any implication that there has been no change in the affairs of the City or any other parties described in this Official Statement.

**No Offering May be Made Except by This Official Statement.** No dealer, broker, salesperson or other person has been authorized by the Authority or the City to give any information or to make any representations in connection with the offer or sale of the Bonds other than those contained herein and if given or made, such other information or representation must not be relied upon as having been authorized by the Authority, the City, the Municipal Advisor or the Underwriter. This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy nor shall there be any sale of the Bonds by a person in any jurisdiction in which it is unlawful for such person to make such an offer, solicitation or sale.

**Preparation of This Official Statement.** The information contained in this Official Statement has been obtained from sources that are believed to be reliable. The information and expressions of opinions herein are subject to change without notice and neither the delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the City since the date hereof. This Official Statement is submitted in connection with the sale of the Bonds referred to herein and may not be reproduced or used, in whole or in part, for any other purpose, unless authorized in writing by the City. All summaries of the Bonds, the Lease Agreement, the Indenture or other documents, are made subject to the provisions of such documents and do not purport to be complete statements of any or all of such provisions. Reference is hereby made to such documents on file with the City Clerk for further information. See “INTRODUCTION — Summaries Not Definitive.”

The Underwriter has provided the following sentence for inclusion in this Official Statement: The Underwriter has reviewed the information in this Official Statement in accordance with, and as part of, its responsibilities to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Underwriter does not guarantee the accuracy or completeness of such information.

**Bonds are Exempt From Securities Laws Registration.** The issuance, sale and delivery of the Bonds has not been registered under the Securities Act of 1933, as amended, or the Securities Exchange Act of 1934, as amended, in reliance upon exemptions for the execution, sale and delivery of municipal securities provided under Section 3(a)(2) of the Securities Act of 1933 and Section 3(a)(12) of the Securities Exchange Act of 1934.

**Estimates and Forecasts.** When used in this Official Statement and in any continuing disclosure by the City, any press release and any oral statement made with the approval of an authorized officer of the City or any other entity described or referenced herein, the words or phrases “will likely result,” “are expected to,” “will continue,” “is anticipated,” “estimate,” “project,” “forecast,” “expect,” “intend” and similar expressions identify “forward-looking statements” within the meaning of the Private Securities Litigation Reform Act of 1995. Such statements are subject to risks and uncertainties that could cause actual results to differ materially from those contemplated in such forward-looking statements. Any forecast is subject to such uncertainties. Inevitably, some assumptions used to develop the forecasts will not be realized and unanticipated events and circumstances may occur. Therefore, there are likely to be differences between forecasts and actual results, and those differences may be material.

**Stabilization of and Changes to Offering Prices.** In connection with this offering, the Underwriter may overallocate or effect transactions which stabilize or maintain the market price of the Bonds at a level above that which might otherwise prevail in the open market. Such stabilizing, if commenced, may be discontinued at any time. The Underwriter may offer and sell the Bonds to certain dealers and others at prices lower than the public offering prices set forth on the inside front cover page hereof and said public offering prices may be changed from time to time by the Underwriter.

**City Website.** The City maintains a website. The information on such website is not part of this Official Statement and is not intended to be relied on by investors with respect to the Bonds unless specifically set forth or incorporated herein.

**CITY OF PLACENTIA, CALIFORNIA**

**CITY COUNCIL MEMBERS**

Ward L. Smith, *Mayor*  
Jeremy B. Yamaguchi, *Mayor Pro Tem*  
Rhonda Shader, *Councilmember*  
Chad P. Wanke, *Councilmember*  
Kevin Kirwin, *Councilmember*

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**CITY STAFF**

Damien R. Arrula, *City Administrator*  
Luis Estevez, *Deputy City Administrator*  
Jennifer Lampman, *Director of Finance*  
Christian L. Bettenhausen, *City Attorney*

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**PROFESSIONAL SERVICES**

**Bond Counsel and Disclosure Counsel**

Nixon Peabody LLP  
Los Angeles, California

**Municipal Advisor**

Kosmont Financial Services  
Manhattan Beach, California

**Trustee**

U.S. Bank Trust Company, National Association  
Los Angeles, California

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# OFFICIAL STATEMENT

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## PLACENTIA PUBLIC FINANCING AUTHORITY LEASE REVENUE BONDS (PUBLIC SAFETY CENTER PROJECT) SERIES 2023A [(BANK QUALIFIED)]

This Official Statement which includes the cover page and appendices (the “Official Statement”), is provided to furnish certain information concerning the sale of the Placentia Public Financing Authority (the “Authority”) Lease Revenue Bonds (Public Safety Center Project), Series 2023A [(Bank Qualified)] (the “Bonds”), in the aggregate principal amount of \$ \_\_\_\_\_\*.

### INTRODUCTION

*This Introduction contains only a brief description of this issue and does not purport to be complete. This Introduction is subject in all respects to more complete information in the entire Official Statement and the offering of the Bonds to potential investors is made only by means of the entire Official Statement and the documents summarized herein. Potential investors must read the entire Official Statement to obtain information essential to the making of an informed investment decision (see “RISK FACTORS” herein). For definitions of certain capitalized terms used herein and not otherwise defined, and the terms relating to the Bonds, see the summary included in “APPENDIX A — SUMMARY OF THE PRINCIPAL LEGAL DOCUMENTS” herein.*

### The City and the Authority

The City of Placentia (the “City”) was incorporated in 1926 as a general law city, adopted a charter form of government in 1965 and operates under the council-administrator form of government. The City encompasses approximately 6.7 square miles and is located in northern Orange County, adjacent to the cities of Brea, Fullerton, Anaheim and Yorba Linda. The City provides a full range of municipal services, which include public safety (police, fire and paramedic), streets, sanitation, refuse collection, parks and recreation, planning and zoning, and housing and community development (see “CITY OF PLACENTIA” herein).

The Authority is a joint exercise of powers authority organized and existing under and by virtue of the Joint Exercise of Powers Act, constituting Articles 1 through 4 (commencing with Section 6500) of Chapter 5, Division 7, Title 1 of the Government Code of the State of California (the “Joint Powers Act”). The City and the former Placentia Redevelopment Agency formed the Authority by the execution of a joint exercise of powers agreement (“JPA Agreement”) on July 1, 1996. The Successor Agency to the Placentia Redevelopment Agency (the “Successor Agency”) succeeded the former Placentia Redevelopment Agency in 2012. The City, the Successor Agency and the Industrial/Commercial Development Authority of the City of Placentia (the “Development Authority”) approved an amendment to the JPA Agreement dated as of October 20, 2020 which removed the Successor Agency as member of the Authority and a party to the JPA

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\* Preliminary; subject to change.

Agreement and added the Development Authority as a member of the Authority and a party to the JPA Agreement.

Under the JPA Agreement, the Authority is authorized to provide funds to acquire or construct and to refinance public capital improvements, and to refinance obligations of its members issued for such purposes, through the issuance of bonds in accordance with the Joint Powers Act.

The Authority is governed by a five-member Board which consists of all members of the City Council. The Mayor serves as the Chair of the Authority. The City Administrator acts as the Executive Director, the City Clerk acts as the Secretary, the City Treasurer acts as the Treasurer and the City's Director of Finance acts as the Controller of the Authority.

## **Purpose**

The Bonds are being issued to finance, along with other available funds of the City, the construction and equipping of an approximately 18,805 square foot public safety center, to purchase a municipal bond insurance policy and debt service reserve surety policy for the Bonds and pay the costs of issuing the Bonds. See "THE FINANCING PLAN" herein.

## **Security and Sources of Repayment**

The Bonds are secured under an Indenture, dated as of [August] 1, 2023, (the "Indenture"), by and among the Authority, the City and U.S. Bank Trust Company, National Association, Los Angeles, California, as trustee (the "Trustee") (see "APPENDIX A — SUMMARY OF THE PRINCIPAL LEGAL DOCUMENTS" herein).

The Bonds are payable from the revenues pledged under the Indenture. Under the Indenture, "Revenues" includes all base rental payments (the "Base Rental Payments") to be made by the City to the Authority as the rental for real property and improvements thereon (the "Leased Property") pursuant to the Lease Agreement, and all other benefits, charges, income, proceeds, profits, receipts, rents and revenues derived by the Authority from the operation or use of the Leased Property, including interest or profits from the investment of money in any account or fund pursuant to the Indenture. The Bonds are also payable from net proceeds of insurance or condemnation awards with respect to the Leased Property. See "THE LEASED PROPERTY" herein.

Pursuant to a Site Lease, dated as of [August] 1, 2023 (the "Site Lease"), by and between the Authority and the City, the City has leased the Leased Property to the Authority. The Authority has leased the Leased Property back to the City under the Lease Agreement, dated as of [August] 1, 2023, by and between the City and the Authority (the "Lease Agreement"). The Base Rental Payments are to be made by the City pursuant to the Lease Agreement.

Under the Lease Agreement and, subject to abatement, the City is required to make the Base Rental Payments from legally available funds in amounts calculated to be sufficient to pay principal of and interest on the Bonds when due. The City has covenanted in the Lease Agreement to take such actions as may be necessary to include all Base Rental Payments in its annual budgets and to make the necessary annual appropriations for all such Base Rental Payments subject to complete or partial abatement of such Base Rental Payments resulting from a taking of the Leased Property (either in whole or in part) under the powers of eminent domain or resulting from damage or loss of all or any portion of the Leased Property. Pursuant to the Assignment Agreement between the Authority and the Trustee dated as of [August] 1, 2023 (the "Assignment Agreement") the Authority will grant, transfer and assign to the Trustee: (i) all the Authority's rights to receive the Base Rental Payments under and pursuant to the Lease Agreement, (ii) the right to take

all actions under the Lease Agreement, (iii) the right of access more particularly described in the Lease Agreement, and (iv) any and all other rights and remedies of the Authority in the Lease Agreement as lessor thereunder, provided that so long as no default in payment of Base Rental Payments under the Lease Agreement shall have occurred or be continuing, the Authority shall have and may exercise all rights of the Authority under the Lease Agreement other than the right to receive the Base Rental Payments.

For a summary of the Indenture, the Lease Agreement and the Site Lease, see “APPENDIX A — SUMMARY OF THE PRINCIPAL LEGAL DOCUMENTS” herein. Certain capitalized terms used in this Official Statement and not otherwise defined have the meanings given them in “APPENDIX A.”

In general, the City is required under the Lease Agreement to pay to the Authority specified amounts for use and possession of the Leased Property which amounts are calculated to be sufficient in both time and amount to pay, when due, the principal of and interest on the Bonds. The City is also required to pay any taxes and assessments levied on the Leased Property and all costs of maintenance and repair of the Leased Property. Except for the Authority’s right, title and interest in and to the Base Rental Payments and otherwise to the Lease Agreement which have been assigned to the Trustee, no funds or properties of the Authority or the City are pledged to or otherwise liable for the Bonds or any other obligations of the Authority (see “RISK FACTORS” herein).

## **Limited Obligation**

THE BONDS ARE SPECIAL OBLIGATIONS OF THE AUTHORITY, PAYABLE SOLELY FROM REVENUES AND THE OTHER ASSETS PLEDGED THEREFOR UNDER THE INDENTURE. NEITHER THE FAITH AND CREDIT NOR THE TAXING POWER OF THE AUTHORITY, THE CITY OR THE STATE OF CALIFORNIA (“STATE”), OR ANY POLITICAL SUBDIVISION THEREOF, IS PLEDGED TO THE PAYMENT OF THE BONDS. THE AUTHORITY HAS NO TAXING POWER.

THE OBLIGATION OF THE CITY TO PAY BASE RENTAL PAYMENTS AND ADDITIONAL PAYMENTS DOES NOT CONSTITUTE AN OBLIGATION FOR WHICH THE CITY IS OBLIGATED TO LEVY OR PLEDGE ANY FORM OF TAXATION OR FOR WHICH THE CITY HAS PLEDGED ANY FORM OF TAXATION. THE BONDS AND THE OBLIGATION OF THE CITY TO PAY BASE RENTAL PAYMENTS AND ADDITIONAL PAYMENTS DOES NOT CONSTITUTE A DEBT OF THE CITY, THE STATE OR OF ANY POLITICAL SUBDIVISION THEREOF WITHIN THE MEANING OF ANY CONSTITUTIONAL OR STATUTORY DEBT LIMITATION OR RESTRICTION.

[THE SCHEDULED PAYMENT OF PRINCIPAL AND INTEREST ON A PORTION, OR ALL, OF THE BONDS (SUCH MATURITIES INSURED TO BE SPECIFIED IN THE FINAL OFFICIAL STATEMENT) WHEN DUE WILL BE GUARANTEED UNDER MUNICIPAL BOND INSURANCE POLICIES (THE “POLICY”) TO BE ISSUED CONCURRENTLY WITH THE DELIVERY OF THE BONDS BY [INSURER]. SEE “BOND INSURANCE” HEREIN.]

## **Legal Matters**

All legal proceedings in connection with the issuance of the Bonds are subject to the approving opinion of Nixon Peabody LLP, Los Angeles, California, as Bond Counsel. Such opinion, and certain tax consequences incident to the ownership of the Bonds are described more fully under the heading “TAX MATTERS” herein. Certain legal matters will be passed on for the City and the Authority by Nixon Peabody LLP, Los Angeles, California as Disclosure Counsel, and by Jones & Mayer, Fullerton, California, as City Attorney and General Counsel to the Authority. Certain legal matters will be passed on for the Underwriter by its Counsel, Kutak Rock LLP, Irvine, California.

## Offering of the Bonds

**Authority for Issuance and Delivery.** The Bonds are to be issued in accordance with applicable provisions of the California Government Code, the Indenture and by Resolution PPFA-2023-\_\_\_ of the Authority adopted on [July 25], 2023.

**Offering and Delivery of the Bonds.** The Bonds are offered, when, as and if issued, subject to the approval as to their legality by Nixon Peabody LLP, Los Angeles, California, Bond Counsel. It is anticipated that the Bonds, in book-entry form, will be available for delivery on or about [August \_\_], 2023 through the facilities of The Depository Trust Company (“DTC”). See “APPENDIX E — THE BOOK-ENTRY SYSTEM.”

## Summaries Not Definitive

The summaries and references contained herein with respect to the Indenture, the Site Lease, the Lease Agreement, the Assignment Agreement, the Bonds and other statutes or documents do not purport to be comprehensive or definitive and are qualified by reference to each such document or statute, and references to the Bonds are qualified in their entirety by reference to the form thereof included in the Indenture. Copies of these documents may be obtained after delivery of the Bonds at the trust office of the Trustee, U.S. Bank Trust Company National Association, Los Angeles, California or from the City at 401 East Chapman Avenue, Placentia, California 92870.

## THE FINANCING PLAN

The proceeds of the Bonds are expected to be used to finance, along with other available funds of the City, the construction and equipping of a public safety center to be located on the City owned site at 2999 E. La Jolla Street, Anaheim, CA 92806. The public safety center is expected to comprise of a two-story, 18,805 square foot building with a ground-level indoor shooting range and an engineered prefabricated building to house property and evidence collected by the City’s police department. A new 911 emergency communications center will be constructed on the second floor of the building. The building will also include a training/conference center, staff office space and outdoor storage units for City departments.

The public safety center is expected to be completed in the summer of 2024 and the total project cost is estimated to be \$[20,555,017]. In addition to proceeds from the Bonds, the City expects to contribute \$[11,130,000] for the construction of the public safety center. See “— Estimated Sources and Uses of Funds.”

## Estimated Sources and Uses of Funds

Under the provisions of the Indenture, the Trustee will receive the proceeds from the sale of the Bonds and will apply them as follows:

<u>Sources:</u>	
Principal Amount of Bonds	\$
Plus/Less Original Issue Premium/Discount	_____
Total Sources	=====
 <u>Uses:</u>	
Construction Fund	
Costs of Issuance Fund <sup>(1)</sup>	_____
Total	=====

<sup>(1)</sup> Expenses include Underwriter's Discount and fees and expenses of Bond Counsel, Municipal Advisor, the City Attorney, Disclosure Counsel and Trustee, [premium for the Policy and the Reserve Policy], rating fees, costs of printing the Official Statement, title insurance and other costs of issuance of the Bonds.

## THE LEASED PROPERTY

The Leased Property consists of (i) the City's corporate yard of approximately eleven acres, consisting of the main administrative building, a service garage, storage facilities, fuel dispensing station and miscellaneous appurtenant improvements, and (ii) the City Hall, which consists of a single story, concrete building of approximately 38,000 square feet located on a 3.7 acre site. The City Hall was built in 1974 and houses the main administrative functions of the City, as well as the City's police department. It is part of the City's Civic Center complex which includes the City's library. Upon completion of the public safety center and the issuance of a certificate of occupancy, the Leased Property will consist solely of the public safety center and the site on which the public safety center is located, which is within the City's corporate yard.

The City has estimated the value of the Leased Property prior to the completion of the public safety center, excluding all improvements, to be not less than \$[\_\_\_\_\_], based upon the highest and best use value of such Property. A copy of the valuation and supporting documentation is on file with the City's Director of Finance. The estimated value of the Leased Property upon the completion of the public safety center is expected to be \$\_\_\_\_\_.

The Leased Property is not subject to a mortgage or a deed of trust.

The City, with the assistance of Kosmont Realty, a real estate advisory services company, has determined the estimated value of the Leased Property shown above. Pursuant to the Lease Agreement, the City and the Authority will agree and determine that the Base Rental Payments required to be made under the Lease Agreement represents the fair rental value of the Leased Property. The estimated values are provided for informational purposes only. The Leased Property will not be subject to a deed of trust securing the Base Rental Payments and the Trustee has no remedy of foreclosure relating to the Leased Property, although the Authority may repossess and relet the Leased Property upon an event of default under the terms of the Lease Agreement. See "RISK FACTORS — Limited Recourse on Default; No Acceleration" herein.

As described in “RISK FACTORS — Limited Recourse on Default; No Acceleration,” the Lease Agreement permits the Trustee to take possession of and release the Leased Property in the event of a default by the City under the Lease.

**Substitution or Removal of Property.** Under the terms of the Lease Agreement, the City may substitute other real property and/or improvements for existing Leased Property and/or remove real property (including undivided interests therein) and/or improvements from the definition of the Leased Property, or any portion thereof provided that certain conditions set forth in the Lease Agreement are met. See “APPENDIX A — SUMMARY OF THE PRINCIPAL LEGAL DOCUMENTS — THE LEASED PROPERTY — Substitution or Removal of Leased Property.”

## THE BONDS

### General Provisions

The Bonds shall be issued in fully registered form without coupons in denominations of \$5,000 or any integral multiple thereof. The Bonds shall bear interest from their date of delivery and such interest shall be computed on the basis of a 360-day year of twelve 30-day months. Interest on the Bonds will be paid semiannually on [June] 1 and [December] 1 (each, an “Interest Payment Date”) of each year, commencing [December 1, 2023].

The interest on the Bonds will be paid in lawful money of the United States. The interest on the Bonds shall be payable on each Interest Payment Date by check sent by first class mail by the Trustee to the Owners of the Bonds as of the Record Date for such Interest Payment Date at their addresses shown on the books required to be kept by the Trustee pursuant to the provisions of the Indenture. The principal and premium, if any, of the Bonds shall be payable upon presentation and surrender thereof on maturity or on redemption prior thereto at the Principal Corporate Trust Office of the Trustee. The term “Record Date,” as defined in the Indenture, means the close of business on the 15<sup>th</sup> day of the month preceding any Interest Payment Date, whether or not such day is a Business Day.

The Owner of \$1,000,000 or more in aggregate principal amount of the Bonds may request in writing that the Trustee pay the interest on the Bonds by wire transfer to an account in the United States of America and the Trustee shall comply with such request for all Interest Payment Dates following the 15th day after receipt of such request.

**Book-Entry System.** DTC will act as securities depository for the Bonds. The Bonds will be issued as fully registered securities registered in the name of Cede & Co. as nominee for DTC or such other name as may be requested by an authorized representative of DTC. Interest on and principal of the Bonds will be payable when due by wire of the Trustee to DTC which will in turn remit such interest and principal to participants in DTC’s book-entry only system, which will in turn remit such interest and principal to Beneficial Owners (as defined herein) of the Bonds (see “APPENDIX E — THE BOOK-ENTRY SYSTEM” herein). As long as DTC is the registered owner of the Bonds and DTC’s book-entry method is used for the Bonds, the Trustee will send any notices to Bond Owners only to DTC.

### Redemption

**Optional Redemption.** The Bonds maturing on or after [June] 1, 20\_\_ are subject to optional redemption prior to maturity on or after [June] 1, 20\_\_ at the option of the City, in whole, or in part, on any date, at a redemption price equal to the principal amount of the Bonds to be redeemed, plus accrued but unpaid interest to the redemption date, without premium.

**Mandatory Sinking Fund Redemption.** The Bonds maturing on [June] 1, 20\_\_ and [June] 1, 20\_\_ (the “Term Bonds”) are subject to mandatory redemption on [June] 1 in each year shown below until maturity, from Mandatory Sinking Account Payments (as defined in the Indenture) made by the Authority, at a redemption price equal to the principal amount thereof to be redeemed together with accrued interest thereon to the redemption date, without premium, in the aggregate respective principal amounts and on the respective dates as set forth in the following tables; provided, however, that in lieu of redemption thereof, such Term Bonds may be purchased by the Authority and tendered to the Trustee.

**Term Bonds Maturing on [June] 1, 20\_\_**

<b>Sinking Fund Redemption Date ([June] 1)</b>	<b>Principal Amount to be Redeemed or Purchased</b>
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\*

\_\_\_\_\_  
\* Maturity.

**Term Bonds Maturing on [June] 1, 20\_\_**

<b>Sinking Fund Redemption Date ([June] 1)</b>	<b>Principal Amount to be Redeemed or Purchased</b>
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\*

\_\_\_\_\_  
\* Final maturity.

If some but not all of the Term Bonds have been redeemed pursuant to extraordinary or optional redemptions, the total amount of Mandatory Sinking Account Payments to be made subsequent to such redemption shall be reduced in an amount equal to the principal amount of the Term Bonds so redeemed by reducing each such future Mandatory Sinking Account Payment on a pro rata basis (as nearly as practicable) in integral multiples of \$5,000, as shall be designated pursuant to written notice filed by Authority with the Trustee.

**Extraordinary Redemption From Condemnation Award or Insurance Proceeds.** To the extent permitted or required by the Indenture, the Bonds are subject to redemption on any date prior to their respective maturity dates, as a whole, or in part, at the written direction of the City, from the net proceeds of any insurance or condemnation award with respect to the Leased Property or portions thereof, at a redemption price equal to the principal amount of the Bonds plus accrued interest thereon to the date fixed for redemption, without premium.

**Notice of Redemption; Rescission.** Notice of redemption shall be mailed by first class mail by the Trustee, on behalf and at the expense of the City, not less than 30 nor more than 60 days prior to the redemption date to the respective Owners of Bonds designated for redemption at their addresses appearing on the bond registration books of the Trustee and, unless otherwise instructed by the Authority, provided by the Trustee to the Municipal Securities Rulemaking Board. Each notice of redemption shall state the date of such notice,

the Bonds to be redeemed, the Series and date of issue of such Bonds, the redemption date, the redemption price, the place or places of redemption (including the name and appropriate address or addresses), the CUSIP number (if any) of the maturity or maturities, and, if less than all of any such maturity are to be redeemed, the distinctive certificate numbers of the Bonds of such maturity to be redeemed and, in the case of Bonds to be redeemed in part only, the respective portions of the principal amount thereof to be redeemed. Each such notice of optional redemption shall also state that such redemption may be rescinded by the City and that, unless such redemption is so rescinded, and provided that on said date funds are available for payment in full of the Bonds then called for redemption, on said date there will become due and payable on each of such Bonds the redemption price thereof or of said specified portion of the principal amount thereof in the case of a Bond to be redeemed in part only, together with interest accrued thereon to the redemption date, and that from and after such redemption date interest thereon shall cease to accrue, and shall require that such Bonds be then surrendered at the address or addresses of the Trustee specified in the redemption notice.

Failure by the Trustee to give notice of redemption pursuant to Indenture to any one or more of the information services or securities depositories, or the insufficiency of any such notice shall not affect the sufficiency of the proceedings for redemption. The failure of any Owner to receive any redemption notice mailed to such Owner and any defect in the notice so mailed shall not affect the sufficiency of the proceedings for redemption.

The City has the right to rescind any optional redemption by written notice to the Trustee on or prior to the date fixed for redemption. Any notice of redemption shall be canceled and annulled if for any reason funds are not available on the date fixed for redemption for the payment in full of the Bonds then called for redemption, and such cancellation shall not constitute an Event of Default under the Indenture. The Trustee shall mail notice of such rescission of redemption in the same manner as the original notice of redemption was sent.

**Partial Redemption of Bonds.** Whenever less than all the Outstanding Bonds maturing on any one date are called for redemption at any one time, the Trustee shall select the Bonds to be redeemed, from the Outstanding Bonds maturing on such date not previously selected for redemption, by lot in any manner which the Trustee deems appropriate.

**Effect of Redemption.** If notice of redemption has been duly given as set forth in the Indenture and moneys for the payment of the redemption price of the Bonds to be redeemed are held by the Trustee, then on the redemption date designated in such notice, the Bonds so called for redemption shall become payable at the redemption price specified in such notice; and from and after the date so designated interest on the Bonds so called for redemption shall cease to accrue, such Bonds shall cease to be entitled to any benefit or security under the Indenture and the Owners of such Bonds shall have no rights in respect thereof except to receive payment of the redemption price represented thereby. The Trustee shall, upon surrender for payment of any of the Bonds to be redeemed, pay such Bonds at the redemption price thereof.

**Scheduled Debt Service on the Bonds**

The following is a schedule of Base Rental Payments and therefore the total scheduled debt service on the Bonds, assuming no early redemption of Bonds prior to maturity, except for mandatory sinking fund redemption.

<u>Period Ending</u>	<u>Principal</u>	<u>Interest</u>	<u>Semi-Annual Total</u>	<u>Annual Total</u>
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Total

_____	_____	_____	_____	_____
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## **No Additional Bonds**

No additional bonds, notes or other indebtedness will be issued or incurred payable from the Revenues in whole or in part. However, the City may issue other obligations against its revenues in the future. See “RISK FACTORS — The Base Rental Payments.”

## **BOND INSURANCE**

[TO COME]

## **SOURCES OF PAYMENT FOR THE BONDS**

### **Pledge of Revenues**

Under the Indenture, the City will irrevocably pledge and transfer to the Trustee, for the benefit of the Owners, all of its right, title and interest in and to all amounts on deposit from time to time in the funds and accounts established under the Indenture, subject to the provisions thereof permitting the disbursement thereof for or to the purposes and on the conditions and terms set forth therein, and in and to the Revenues (as defined below), which shall be used for the punctual payment of the interest and principal of the Bonds. The Revenues shall not be used for any other purpose while any of the Bonds remain Outstanding.

It is the intent of the parties to the Indenture that the Authority shall not have any right, title, in or to the Revenues. In the event, however, that it should be determined that the Authority has any right, title or interest in or to the Revenues, then the Authority irrevocably pledges and transfers to the Trustee, for the benefit of the Owners, all of such right, title and interest, which shall be used for the punctual payment of the interest and principal of the Bonds. These pledges shall constitute a first and exclusive lien on the funds established under the Indenture and the Revenues in accordance with the terms thereof.

Under the Indenture, “Revenues” includes all Base Rental Payments pursuant to the Lease Agreement, and all other benefits, charges, income, proceeds, profits, receipts, rents and revenues derived by the Authority from the operation or use of the Leased Property, including interest or profits from the investment of money in any account or fund pursuant to the Indenture. See “RISK FACTORS” and “APPENDIX A.” The City will covenant in the Lease Agreement to take such action as may be necessary to include all Base Rental Payments and Additional Payments due under the Lease Agreement in its annual budgets and to make the necessary annual appropriations therefor, subject to abatement as provided in the Lease Agreement.

The Authority, pursuant to the Assignment Agreement, will unconditionally grant, transfer and assign to the Trustee without recourse (i) all its rights to receive the Base Rental Payments under and pursuant to the Lease Agreement, (ii) the right to take all actions under the Lease Agreement, (iii) the right of access more particularly described in the Lease Agreement, and (iv) any and all other rights and remedies of the Authority in the Lease Agreement as lessor thereunder; *provided*, that so long as no default in payment of Base Rental Payments under the Lease Agreement shall have occurred or be continuing, the Authority shall have and may exercise all rights of the Authority under the Lease Agreement other than the right to receive the Base Rental Payments (which rights to receive have been assigned to the Trustee). The City will pay Base Rental Payments directly to the Trustee, as assignee of the Authority. See “ — Base Rental Payments” below.

THE BONDS ARE SPECIAL OBLIGATIONS OF THE AUTHORITY, PAYABLE SOLELY FROM REVENUES AND THE OTHER ASSETS PLEDGED THEREFOR UNDER THE INDENTURE. NEITHER THE FAITH AND CREDIT NOR THE TAXING POWER OF THE AUTHORITY, THE CITY

OR THE STATE, OR ANY POLITICAL SUBDIVISION THEREOF, IS PLEDGED TO THE PAYMENT OF THE BONDS. THE AUTHORITY HAS NO TAXING POWER.

## **Base Rental Payments**

The City will agree under the Lease Agreement to pay to the Trustee, as assignee of the Authority, the Base Rental Payments no later than the five days prior to each Interest Payment Date (the “Base Rental Payment Date”) on which such Base Rental Payment is due. All Base Rental Payments received by the Trustee will be deposited by the Trustee in the Revenue Fund to be established under the Indenture (the “Revenue Fund”). Such payments of Base Rental Payments will be paid or payable by the City for and in consideration of the right of the use and possession of, and the continued quiet use and enjoyment of, the Leased Property.

Base Rental Payments for each 12 month period ending [June] 1 (each, a “Lease Year”) or portion thereof during the term of the Lease Agreement shall constitute, together with the Additional Payments, the total amount due for such Lease Year or portion thereof and shall be paid or payable by the City for and in consideration of the right of the use and possession of, and the continued quiet use and enjoyment of, the Leased Property. Pursuant to the Indenture, on each Interest Payment Date, the Trustee will transfer amounts in the Revenue Fund as are necessary to provide for the payment of the interest on the Bonds and on each Principal Payment Date, the Trustee will transfer amounts in the Revenue Fund as are necessary to provide for the payment of principal of the Bonds.

The City will covenant in the Lease Agreement to take such action as may be necessary to include all Base Rental Payments and Additional Payments in its operating budget for each fiscal year and to make all necessary appropriations for such Base Rental Payments and Additional Payments, subject to abatement as provided in the Lease Agreement.

THE OBLIGATION OF THE CITY TO MAKE THE BASE RENTAL PAYMENTS AND TO PAY ADDITIONAL PAYMENTS DOES NOT CONSTITUTE A DEBT OF THE CITY OR THE STATE OR OF ANY POLITICAL SUBDIVISION THEREOF WITHIN THE MEANING OF ANY CONSTITUTIONAL OR STATUTORY DEBT LIMIT OR RESTRICTION, AND DOES NOT CONSTITUTE AN OBLIGATION FOR WHICH THE CITY IS OBLIGATED TO LEVY OR PLEDGE ANY FORM OF TAXATION OR FOR WHICH THE CITY HAS LEVIED OR PLEDGED ANY FORM OF TAXATION.

## **Additional Payments**

The Lease Agreement requires the City to pay to the Authority or the Trustee, as Additional Payments thereunder, in addition to the Base Rental Payments, such amounts as shall be required for the payment of all costs and expenses incurred in connection with the execution, performance or enforcement of the Lease Agreement or the assignment thereof, the Indenture, or the respective interests in the Leased Property and the lease of the Leased Property by the Authority to the City thereunder, including but not limited to all fees, costs and expenses and all administrative costs of the Authority relating to the Leased Property. Such fees and costs include, without limitation, salaries and wages of employees, overhead, insurance premiums, taxes and assessments (if any), expenses, compensation and indemnification of the Trustee (to the extent not paid or otherwise provided for out of the proceeds of the sale of the Bonds), fees of auditors, accountants, attorneys or engineers, insurance premiums, and all other reasonable and necessary administrative costs of the Authority or charges required to be paid by it to comply with the terms of the Bonds or the Indenture.

Additional Payments will be billed to the City by the appropriate party from time to time, together with a statement certifying that the amount billed has been incurred or paid for one or more of the items

constituting Additional Payments, or that such amount is then so payable for such items. Amounts so billed shall be paid by the City within 60 days after receipt of a bill by the City for such amounts.

## **Abatement**

Base Rental Payments and Additional Payments are paid by the City in each Lease Year or portion thereof for and in consideration of the right of the use and possession of, and the continued quiet use and enjoyment of, the Leased Property. During any period in which, by reason of material damage, destruction, title defect, or condemnation, there is substantial interference with the use and possession by the City of any portion of the Leased Property, Base Rental Payments due under the Lease Agreement with respect to the Leased Property shall be abated to the extent that the annual fair rental value of the portion of the Leased Property in respect of which there is no substantial interference is less than the annual Base Rental Payments, in which case rental payments shall be abated only by an amount equal to the difference.

In the event the City assigns, transfers or subleases any or all of the Leased Property or other rights under the Lease Agreement, as permitted by the Lease Agreement, for purposes of determining the annual fair rental value available to pay Base Rental Payments, annual fair rental value of the Leased Property shall first be allocated to the Lease Agreement. The City waives the benefits of California Civil Code Sections 1932(2) and 1933(4) and any and all other rights to terminate the Lease Agreement by virtue of any such interference and the Lease Agreement shall continue in full force and effect.

Abatement shall continue for the period commencing with the date of such damage, destruction, title defect or condemnation and ending with the substantial completion of the work of repair or replacement of the portions of the Leased Property so damaged, destroyed, defective or condemned.

Notwithstanding the foregoing, to the extent there are (a) amounts held by the Trustee in the Revenue Fund, (b) amounts received in respect of rental interruption insurance and (c) amounts, if any, otherwise legally available to the Trustee for payments in respect of the Bonds, Base Rental Payments and Additional Payments will not be abated as provided above but, rather, will be payable by the City as a special obligation payable solely from said funds and accounts.

**Any abatement of rental payments pursuant to the Lease Agreement is not considered an Event of Default as defined in the Lease Agreement.**

See “APPENDIX A — SUMMARY OF THE PRINCIPAL LEGAL DOCUMENTS — RENTAL PAYMENTS — Rental Abatement.”

## **Insurance Relating to the Property**

The Lease Agreement requires the City to maintain general public liability and property damage insurance on the Leased Property in an amount at least equal to the lesser of the replacement value of the insured buildings and the aggregate principal amount of the Base Rental Payments outstanding. Such insurance must, as nearly as practicable, cover loss or damage by all “special form” perils. Earthquake insurance will only be carried if available from reputable insurers at a reasonable cost as determined by the Finance Director of the City, therefore, damage from earthquakes may not be covered in future years. The City is also required to maintain rental interruption insurance covering loss of the use of any part of the Leased Property in an amount equal to the maximum Base Rental Payments due during any immediately succeeding 24-month period. If required by applicable California law, the City shall carry worker’s compensation insurance covering all employees on, in, near or about the Leased Property. The Lease Agreement also requires the City to insure title to the Leased Property in an amount not less than the initial principal amount of the Bonds.

If prior to the termination of the term of the Lease Agreement (a) the Leased Property or any portion thereof is destroyed (in whole or in part) or is damaged by fire or other casualty; or (b) title to, or the temporary use of, the Leased Property or any portion thereof or the estate of the City or the Authority in the Leased Property or any portion thereof is defective or shall be taken under the exercise of the power of eminent domain by any governmental body or by any person or firm or Authority acting under governmental authority, then the City and the Authority will cause the net proceeds of any insurance claim or condemnation award to be applied to the prompt repair, restoration, modification, improvement or replacement of the damaged, destroyed, defective or condemned portion of the Leased Property, and any balance of the net proceeds remaining after such work has been completed shall be paid to the City; *provided*, that the City, at its option and provided the proceeds of insurance or condemnation award together with any other moneys then available for the purpose are at least sufficient to prepay the aggregate annual amounts of principal and interest components of the Base Rental Payments due under the Lease Agreement attributable to the portion of the Leased Property so destroyed, damaged, defective or condemned (determined by reference to the proportion which the annual fair rental value of the destroyed, damaged, defective or condemned portion thereof bears to the annual fair rental value of the Leased Property), may elect not to repair, reconstruct or replace the damaged, destroyed, defective or condemned portion of the Leased Property and thereupon shall cause said proceeds to be used for the redemption of Outstanding Bonds pursuant to the provisions of the Indenture (see “THE BONDS — Redemption — Extraordinary Redemption From Condemnation Award or Insurance Proceeds”). Notwithstanding any other provision in the Lease Agreement, the City shall only prepay less than all of the principal component of the then-remaining Base Rental Payments if the annual fair rental value of the Leased Property after such damage, destruction, title defect or condemnation is at least equal to the aggregate annual amount of the principal and interest components of the Base Rental Payments not being prepaid.

In the event that the proceeds, if any, of said insurance or condemnation award are insufficient either to (i) repair, rebuild or replace the Leased Property so that the fair rental value of the Leased Property would be at least equal to the Base Rental Payments or (ii) to redeem all the Outstanding Bonds, both as provided in the preceding paragraph, then the City may, in its sole discretion, budget and appropriate an amount necessary to effect such repair, rebuilding or replacement or prepayment; *provided* that the failure of the City to so budget and/or appropriate shall not be a breach of or default under the Lease Agreement.

**If there are not sufficient insurance proceeds to complete repair of the Leased Property, the Lease Payment schedule will be proportionally reduced in accordance with the Lease Agreement. Such reduced Lease Payments may not be sufficient to pay principal and interest with respect to the Bonds. Such reduction would not constitute a default under either the Indenture or the Lease Agreement.**

## **Substitution or Removal of Property**

Under the terms of the Lease Agreement, the City may substitute other real property and/or improvements for existing Leased Property and/or remove real property (including undivided interests therein) and/or improvements from the definition of the Leased Property, or any portion thereof provided that certain conditions set forth in the Lease Agreement are met. See “APPENDIX A — SUMMARY OF THE PRINCIPAL LEGAL DOCUMENTS — THE LEASED PROPERTY — Substitution or Removal of Leased Property.”

## **Action on Default**

If the City defaults on its obligations to make Base Rental Payments with respect to any of the Leased Property, the Trustee, as assignee of the Authority, shall have the option (i) without terminating the related Lease Agreement, to collect each installment of rent as it becomes due regardless of whether or not the City

has abandoned such Leased Property, or to exercise any and all rights of re-entry upon and to release the Leased Property, or (ii) to terminate the related Lease Agreement and release such Leased Property. The City shall remain liable, if such Leased Property are not relet, to pay the full amount of the rent to the end of the term of the related Lease Agreement or, in the event that such Leased Property are relet, to pay any deficiency in rent that results therefrom. In the event of a default, there is no available remedy of acceleration of Base Rental Payments which have not become due and payable under the Lease Agreement. The City will only be liable for Base Rental Payments on an annual basis, and the Trustee may be required to seek a separate judgment in each fiscal year for that fiscal year's defaulted Base Rental Payments. In the event that the Trustee elects to terminate the Lease Agreement, such Leased Property may be relet for the remaining term of the Lease Agreement.

It is uncertain what remedies will be practically available to the Trustee in the event of a default, and the enforcement of any remedies may prove both expensive and time-consuming. Due to the nature of the Leased Property, no assurance can be given that the Trustee will be able to relet the Leased Property so as to provide rental income sufficient to make principal and interest payments on the Bonds in a timely manner, and the Trustee is not empowered to sell the Leased Property for the benefit of the Owners of the Bonds. Any suit for money damages would be subject to limitations on legal remedies against cities in California, including a limitation on enforcement of judgments against funds needed to serve the public welfare and interest.

For a description of the events of default and permitted remedies of the Trustee (as assignee of the Authority) contained in the Lease Agreement and the Indenture, see "APPENDIX A — SUMMARY OF THE PRINCIPAL LEGAL DOCUMENTS — MAINTENANCE; TAXES; INSURANCE AND OTHER CHARGES — Insurance."

## **Bond Insurance**

[To Come]

## **Reserve Fund**

A Reserve Fund will be established under the Indenture for the Bonds in an amount equal to the Reserve Requirement. The "Reserve Requirement" means as of any calculation date in a Bond Year, an amount equal to the least of (i) ten percent (10%) of the sale proceeds (within the meaning of section 148 of the Internal Revenue Code (the "Code")) of the Bonds, (ii) 125% of average annual debt service on the Bonds for that and every succeeding Bond Year, or (iii) Maximum Annual Debt Service, provided, however, the Reserve Requirement on any calculation date shall not be greater than the Reserve Requirement amount on the Closing Date. On the Closing Date, the Reserve Requirement has been calculated as \$[\_\_\_\_\_].

The Indenture provides that the Authority may deposit a "Qualified Reserve Fund Credit Instrument" in the Reserve Fund to satisfy the Reserve Requirement (see "APPENDIX A — SUMMARY OF THE PRINCIPAL LEGAL DOCUMENTS — INDENTURE — DEFINITIONS."

Concurrently with the closing of the Bonds, the Trustee shall credit the Reserve Policy, a Qualified Reserve Fund Credit Instrument, in the amount of \$[\_\_\_\_\_] to the Reserve Fund.

On or before each Interest Payment Date, the Trustee shall deposit in the Reserve Fund such amount as may be necessary to maintain a balance therein equal to the Reserve Requirement. No deposit shall be made in the Reserve Fund so long as there shall be on deposit therein an amount equal to the Reserve Requirement. The investments in the Reserve Fund will be valued at their initial cost and there is no requirement to value such investments at their market value or to add moneys to the Reserve Fund should

the market value of the investments therein be at any time less than the Reserve Requirement. All moneys in the Reserve Fund (or available to be drawn from a Qualified Reserve Fund Credit Instrument as defined in the Indenture) shall be used and withdrawn by the Trustee solely for the purpose of replenishing the Interest Fund or the Principal Fund in such order, in the event of any deficiency at any time in either of such accounts, or for the purpose of paying the interest on or principal of or redemption premiums, if any, on the Bonds in the event that no other money of the Authority is lawfully available therefor. All moneys in the Reserve Fund (or available to be drawn from a Qualified Reserve Fund Credit Instrument) in excess of the Reserve Requirement will be applied as a credit against the next following Base Rental Payment or may be applied to the retirement of all Bonds then Outstanding as directed in a Request by the City.

In any case where the Reserve Fund is funded with a combination of cash and a Qualified Reserve Fund Credit Instrument, the Trustee shall deplete all cash balances before drawing on the Qualified Reserve Fund Credit Instrument. With regard to replenishment, any available moneys provided by the Authority or the City shall be used first to reinstate the Qualified Reserve Fund Credit Instrument and second, to replenish the cash in the Reserve Fund. In the event the Qualified Reserve Fund Credit Instrument is drawn upon, the Authority shall make payment of interest on amounts advanced under the Qualified Reserve Fund Credit Instrument after making any payments pursuant to this provision of the Indenture.

## **CITY OF PLACENTIA**

### **General Information**

The City of Placentia covers 6.7 square miles in northern Orange County. The City is 24 miles southeast of Los Angeles and 22 miles northeast of Long Beach. Placentia's proximity to the junction of the Riverside and Orange freeways provides easy access to all points of the region. The City is bordered by the neighboring communities of Brea, Fullerton, Anaheim and Yorba Linda.

### **General Organization**

The City of Placentia is a charter city and was incorporated in 1926 and adopted a charter form of government in 1965. The City has a Council/ Administrator form of government. The City Council is composed of five members elected by district to four-year terms. The positions of City Clerk and City Treasurer are also elected positions. The City Council appoints the City Administrator who is responsible for the day-to-day administration of City business and the coordination of all departments of the City. The City Council also appoints the City Attorney. As of May 8, 2023, the City employed a staff of 168 full-time employees under the direction of the City Administrator and 7 elected or appointed positions.

The current members of the City Council, the expiration dates of their terms and key administrative personnel are set forth below.

### CITY COUNCIL

<u>Council Member</u>	<u>Term Expires</u>
Ward Smith, <i>Mayor</i>	December 2024
Jeremy B. Yamaguchi, <i>Mayor Pro Tem</i>	December 2024
Rhonda Shader, <i>Councilmember</i>	December 2024
Chad P. Wanke, <i>Councilmember</i>	December 2026
Kevin Kirwin, <i>Councilmember</i>	December 2026

### CHIEF ADMINISTRATIVE PERSONNEL

Damien R. Arrula, *City Administrator*  
Luis Estevez, *Deputy City Administrator*  
Jennifer Lampman, *Director of Finance*  
Christian L. Bettenhausen, *City Attorney*

## Governmental Services

The City is a full service City including a Police Department, Fire & Life Safety Department, Public Works Department, Development Services Department and Community Services Department. The Public Works Department is responsible for engineering, street maintenance, building maintenance, vehicle maintenance and park maintenance. The Development Services Department is responsible for planning, building inspection and redevelopment. The Community Services Department is responsible for recreational activities, cultural events and public assistance. Fire services were previously contracted with the Orange County Fire Authority, but the City organized its own Fire & Life Safety Department to provide these services beginning July 1, 2020. Refuse collection is franchised to a private hauler.

## Transportation

Highway 57, the Orange Freeway, passes through the City and provides a major north-south link to the surrounding area. Highway 91, the Riverside Freeway, provides access to southern Los Angeles County and the eastern communities of Riverside County.

In 2016, the Orange County Transportation Authority approved the funding and cooperative agreement for the construction of the newest Metrolink Station in Placentia. This station will be the 13th station serving the 91 Metrolink line, which runs from Los Angeles Union Station to downtown Riverside. The Placentia Metrolink station will be the closest station in proximity to the California State University at Fullerton campus and will provide passengers with an alternative to the Fullerton Metrolink station.

John Wayne-Orange County Airport is 14 miles south of the City, Los Angeles International Airport is approximately 36 miles to the west and Ontario International Airport is approximately 27 miles to the northeast.

## Population

The following table provides population growth for Placentia and Orange County between 2019 and 2023.

**TABLE NO. 1  
CHANGE IN POPULATION  
PLACENTIA AND ORANGE COUNTY  
2019 – 2023**

<b>January 1 Year</b>	<b>Placentia</b>		<b>Orange County</b>	
	<b>Population</b>	<b>Percentage Change</b>	<b>Population</b>	<b>Percentage Change</b>
2019	51,871		3,185,378	
2020	51,569	(0.58%)	3,180,491	(0.15%)
2021	51,488	(0.16)	3,167,783	(0.40)
2022	51,327	(0.31)	3,151,946	(0.50)
2023	52,507	2.30	3,137,164	(0.47)

Source: State of California, Department of Finance, “E-4 Population Estimates for Cities, Counties and the State, 2011-2020, with 2010 Census Benchmark” released May 7, 2021 and “E-4 Population Estimates for Cities, Counties and the State, 2021-2023, with 2020 Census Benchmark” released May 1, 2023.

## Median Household Income

The most recent available median household income information for the City, the County and the United States is summarized in the following table.

**TABLE NO. 2  
MEDIAN HOUSEHOLD INCOME  
CITY OF PLACENTIA, ORANGE COUNTY AND UNITED STATES  
[2017 – 2022]**

<b>Year</b>	<b>Placentia</b>	<b>Orange County</b>	<b>United States</b>
2017	88,501	81,851	57,652
2018	89,690	85,398	60,293
2019	102,212	95,934	65,712
2020	100,707	94,441	64,994
2021	103,041	100,485	69,021
[2022]	[ ]	[ ]	[ ]

Source: U.S. Census, American Community Survey.

## Employment and Industry

Civilian labor force, employment and unemployment statistics for the City, the County, the State and the nation for the years 2018 through 2022 are shown in the following table. As a result of the COVID-19 pandemic (referred to herein as “COVID-19” or “Pandemic”), unemployment rates increased from March 2020, with some recovery in 2021. Unemployment rates at the end of fiscal year 2021-22 have returned to pre-Pandemic levels at 3.2%, 3.2%, 4.2% and 3.6% for the City, County, State and Country, respectively.

**TABLE NO. 3  
CIVILIAN LABOR FORCE, EMPLOYMENT AND UNEMPLOYMENT  
ANNUAL AVERAGES**

<u>Year</u>	<u>Civilian Labor Force</u>	<u>Employment</u>	<u>Unemployment</u>	<u>Unemployment Rate</u>
<u>2018</u>				
City of Placentia	25,800	25,000	800	3.0%
Orange County	1,616,144	1,568,273	47,871	3.0
California	19,289,500	18,469,900	819,600	4.2
United States	162,075,000	155,761,000	6,314,000	3.9
<u>2019</u>				
City of Placentia	25,700	24,900	800	2.9%
Orange County	1,616,766	1,571,261	45,505	2.8
California	19,413,200	18,617,900	795,300	4.1
United States	163,539,000	157,538,000	6,001,000	3.7
<u>2020</u>				
City of Placentia	25,100	22,800	2,200	8.8%
Orange County	1,566,866	1,426,971	139,895	8.9
California	18,971,600	17,047,600	1,924,000	10.1
United States	160,742,000	147,795,000	12,947,000	8.1
<u>2021</u>				
City of Placentia	24,900	23,500	1,400	5.8%
Orange County	1,560,697	1,467,342	93,355	6.0
California	18,973,400	17,586,300	1,387,100	7.3
United States	161,204,000	152,581,000	8,623,000	5.3
<u>2022</u>				
City of Placentia	25,500	24,700	800	3.2%
Orange County	1,590,882	1,540,561	50,321	3.2
California	19,252,000	18,440,900	811,100	4.2
United States	164,287,000	158,291,000	5,996,000	3.6

Note: The unemployment rate is calculated using unrounded data. Data may not add due to rounding.

Source: State of California Employment Development Department and United States Bureau of Labor Statistics.

The City is located in the Anaheim-Santa Ana-Irvine Metropolitan Division (the “Metropolitan Division”). Wage and salary workers by industry for each of the years 2018 through 2022 in the Metropolitan Division

is presented in Table No. 4 below. The data below is shown annually for the month of July, and for 2020 and 2021, reflects the declines as a result of the Pandemic.

The industry sectors with the largest declines as a result of the shelter in place orders are Leisure and Hospitality, Manufacturing and Service Producing.

**TABLE NO. 4**  
**ANAHEIM-SANTA ANA-IRVINE METROPOLITAN DIVISION**  
**WAGE AND SALARY WORKERS BY INDUSTRY<sup>(1)</sup>**  
**(in thousands)**

<u>Industry</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
Government	161.2	162.5	156.1	155.7	160.2
Other Services	51.4	52.0	44.1	47.5	52.7
Leisure and Hospitality	222.6	227.7	161.8	180.4	217.7
Private Education and Health Services	225.2	233.1	225.8	237.3	249.5
Professional and Business Services	317.3	328.4	309.2	321.7	332.5
Finance and Insurance	79.3	77.7	77.7	78.1	74.0
Transportation, Warehousing and Utilities	29.2	29.5	29.6	31.1	33.7
Service Producing					
Retail Trade	152.6	150.6	137.6	143.4	146.0
Wholesale Trade	79.8	79.4	74.9	75.6	76.9
Manufacturing					
Nondurable Goods	42.2	41.3	37.7	38.3	39.2
Durable Goods	118.6	118.8	112.4	111.4	116.1
Goods Producing					
Construction	105.9	106.1	101.3	102.2	106.2
Mining and Logging	.5	.5	.4	.4	.3
Total Nonfarm	<u>1,651.8</u>	<u>1,673.4</u>	<u>1,530.8</u>	<u>1,585.9</u>	<u>1,670.0</u>
Total Farm	<u>2.0</u>	<u>1.9</u>	<u>1.9</u>	<u>2.0</u>	<u>1.6</u>
Total (all industries)	<u><u>1,653.8</u></u>	<u><u>1,675.3</u></u>	<u><u>1,532.7</u></u>	<u><u>1,587.9</u></u>	<u><u>1,671.5</u></u>

<sup>(1)</sup> Annually, as of April 24, 2023.

Source: State of California Employment Development Department, Labor Market Information Division, "Industry Employment & Labor Force - by month March 2021 Benchmark."

**TABLE NO. 5  
PRINCIPAL EMPLOYERS**

The principal employers operating within the City and their respective number of employees as of June 30, 2022 are as follows:

<u>Name of Company</u>	<u>Employment</u>
Placentia-Yorba Linda Unified School District	3,200
Blackburn Daewoo	500
Interface Rehab Overview	456
Placentia-Linda Hospital	435
Hartwell	375

Source: City of Placentia.

### Commercial Activity

The following table compares taxable transactions by type of business for the City for the years 2017 through 2021.

**TABLE NO. 6  
TAXABLE TRANSACTIONS BY TYPE OF BUSINESS  
(in thousands)  
2017 – 2021**

	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
Apparel Stores <sup>1</sup>	-	-	-	-	\$21,114
General Merchandise	\$7,178	\$7,440	\$ 7,649	\$ 8,208	7,907
Food Stores	17,102	17,530	18,363	20,539	19,152
Eating and Drinking Places	85,373	83,083	87,912	77,897	101,361
Building Materials	60,664	68,803	74,767	69,616	89,608
Auto Dealers and Supplies	104,963	82,789	72,781	71,301	99,240
Service Stations	68,101	74,924	73,200	49,981	72,505
Other Retail Stores	74,578	75,597	76,411	65,702	62,668
All Other Outlets	234,501	245,115	268,067	269,831	278,458
Total	<u>\$652,460</u>	<u>\$655,281</u>	<u>\$679,150</u>	<u>\$633,075</u>	<u>\$730,899</u>

<sup>1</sup> The category "Apparel Stores" was added in the fiscal year ending June 30, 2022 Annual Comprehensive Financial Report.

Source: City of Placentia Annual Comprehensive Financial Report for fiscal year ending June 30, 2022.

See "FINANCIAL INFORMATION — Local Taxes" herein for a further discussion of City sales tax.

### Building Activity

The City issues building permits for new construction (both residential and commercial), remodels, additions, renovations and a variety of other improvements.

The following table provides the building permits issued by the City of Placentia for the five Fiscal Years 2017-18 through 2021-22.

**TABLE NO. 7  
BUILDING ACTIVITY  
2017-18 through 2021-22**

<u>Year</u>	<u>Number of Permits Issued</u>
2017-18	1,347
2018-19	1,263
2019-20	1,407
2020-21	1,346
2021-22	1,425

Source: City of Placentia Annual Comprehensive Financial Report for fiscal year ending June 30, 2022.

## FINANCIAL INFORMATION

### Financial Policies

**Budget- and Reserve-Related Policies.** The City Council has adopted the following financial policies as a primary guide for the preparation of the City’s annual budget:

- In order to comply with City Charter Section 1203, which requires submission of a proposed budget to the City Council at least 35 days prior to the first day of the fiscal year, the Director of Finance shall publish, by February of each year, a schedule of budget preparation activities, entitled “Budget Calendar for (year)”.
- To ensure that future General Fund budgets promote fiscal sustainability:
  - All General Fund budgets should be structurally balanced, such that ongoing revenues equal or exceed ongoing expenditures.
  - The Contingency Reserve and one-time revenues should be used only for one-time expenditures. Ongoing expenditures should be funded only from ongoing revenues.
  - A mid-year budget review shall be conducted each year to verify projections and recommend adjustments as necessary so that the budget remains balanced.
  - Conservative budget planning shall be utilized to identify potential problems and solutions.
  - Careful, five- and ten-year budget projections shall also be developed and updated to keep the budget in check and to determine continued fiscal sustainability.
- A General Fund Reserve Policy is established to maintain a stable revenue structure while providing for the orderly provision of services to the citizens of Placentia, and to assist with maintaining a positive credit rating and to meet seasonal cash flow shortfalls, economic downturns, or a local disaster. It shall be the policy of the City Council of the City of Placentia:
  1. To establish a target of and build towards a minimum Contingency Reserve balance in the General Fund of 25% of the General Fund operating expenditures. The reserve goal shall

be reviewed by the City Council at least once per year during the normal city budgeting cycle to determine if the reserve goal needs to be redefined. The City Council may also adjust the reserve goal as needed at times other than the budget cycle. Such a change, however, must be made as a regular agenda item and cannot be made as part of the consent calendar.

- a. The Contingency Reserve Balance shall be available only as a temporary revenue source.
  - b. Any use of the Contingency Reserve Balance shall require the approval of the City Council by means of approved appropriations. Any such appropriation must be approved as a regular agenda item and not as part of the consent calendar.
  - c. Whenever the Contingency Reserve Balance falls below the Reserve Goal, the City Council shall place a priority on restoring the Contingency Reserve Balance.
  - d. If the City Council approves the use of any portion of the Contingency Reserve Balance which results in the Contingency Reserve Balance falling below the Reserve Goal level, the City Council shall approve at the same time a plan to replenish the Contingency Reserve Balance to the Reserve Goal within a reasonable time period.
  - e. Each fiscal year as a part of the budget process, a multi-year proforma of the General Fund identifying the annual adjustment to the Contingency Reserve Balance shall be presented to members of the community for an independent citizen review and later presented to City Council. The pro forma forecast shall be for a period of no less than five (5) years beyond the current fiscal year being budgeted and the “Forecast” and shall form the basis of determining whether the expected level of General Fund’s Contingency Reserve Balance satisfies the Reserve Goal for the entire duration of the Forecast.
2. To commit certain new unrestricted revenues to various reserves to be used for specific purposes.

**New Ongoing Revenues:**

- a. “New Ongoing Revenues” are defined as a new general tax, an increase in the rate of an existing general tax, a new lease of City property or other new, clearly identifiable unrestricted revenue source not previously included in the City’s budget at the time of adoption of this policy, which generates at least \$100,000 per year in revenue and is expected to continue for at least a period of 20 years.
- b. Beginning in Fiscal Year 2023-24, revenues generated from New Ongoing Revenues will be allocated as follows, until such time as the General Fund Contingency Reserve reaches the 25% target level:

<u>Reserve</u>	<u>Amount</u>
Infrastructure, Vehicles, and Equipment Reserve	40%
Post-Employment Benefits Sustainability	10%
Employee Recruitment and Retention Reserve	30%
General Fund Contingency Reserve	20%

- c. When the General Fund Contingency Reserve has reached its 25% target level, revenues generated from New Ongoing Revenues will be allocated as follows:

<u>Reserve</u>	<u>Amount</u>
Infrastructure, Vehicles, and Equipment Reserve	50%
Post-Employment Benefits Sustainability	10%
Employee Recruitment and Retention Reserve	30%
General Fund Contingency Reserve	10%

- d. New Ongoing Revenues deposited into the above reserve accounts may be appropriated for ongoing or one-time expenditures.

**New One-time Revenues:**

- a. New One-time Revenues are defined as either: (1) unrestricted revenue from new one-time events (for example, property sales, etc.) of at least \$100,000 (excluding recapturing of lost funds); (2) a new, clearly identifiable unrestricted revenue source of at least \$100,000 per year and not previously included in the City’s budget at the time of adoption of this policy, which is expected to continue for a period of less than 20 years; or (3) unanticipated positive General Fund budget variances of any amount (i.e., positive changes in General Fund financial position greater than final budgeted amounts).
- b. Beginning in Fiscal Year 2018-19, revenues generated from New One-time Revenues will be allocated as follows, until such time as the General Fund Contingency Reserve reaches the 25% target level:

<u>Reserve</u>	<u>Amount</u>
Infrastructure, Vehicles, and Equipment Reserve	40%
Post-Employment Benefits Sustainability	10%
General Fund Contingency Reserve	50%

- c. When the General Fund Contingency Reserve has reached its 25% target level, revenues generated from New One-time Revenues will be allocated as follows:

<u>Reserve</u>	<u>Amount</u>
Infrastructure, Vehicles, and Equipment Reserve	80%
Post-Employment Benefits Sustainability	20%

- d. New One-time Revenues deposited into the above reserve accounts may only be spent on one-time expenditures.

**Purpose of Reserves:**

- a. Infrastructure, Vehicles, and Equipment Reserve: This reserve will be utilized to fund capital improvement projects that improve public roads and adjacent rights-of-way infrastructure, parks and public facilities, and vehicle and major equipment replacement.
- b. Post-Employment Benefits Sustainability Reserve: This reserve is for the purpose of making post-employment benefits (e.g., pension and retiree health benefits)

sustainable, by setting aside funds to address unfunded liabilities, to reduce the impact of cost increases on the operating budget and to fund these programs based on sound actuarial methods.

- c. Employee Recruitment and Retention Reserve: This reserve serves multiple purposes. It is for the purpose of ensuring that City employees are compensated at levels comparable to employees in similar positions in cities similar to Placentia, to encourage employee retention and to stay competitive with other cities for hiring talented individuals. Part of employee retention is ensuring that the City is adequately staffed so this reserve may also be used to increase staffing levels based on the future growth of the City or to improve efficiency. This reserve may also be used to restore service levels for all City programs cut during the preparation of the 2018-19 budget, using the 2017-18 budget as a baseline.

#### **Use of Reserves:**

- a. The City Administrator may request from the City Council the ability to utilize the reserves in this section for their specified purposes, as part of the annual budget process or at any other time during the fiscal year.
- b. Any use of the reserves shall require the majority approval of the City Council by means of approved appropriations.

#### **Accounting and Reporting of New Ongoing Revenues and Reserve Accounts:**

- a. New Ongoing Revenues and each reserve account shall be accounted for in separate funds for budgeting purposes.
  - b. Reports shall be prepared at the time of budget adoption, as part of the mid-year budget review and at fiscal year-end that demonstrate compliance with this policy and indicate the portions of each reserve account balance that can be spent on one-time expenditures and ongoing expenditures.
  - c. New Ongoing Revenues and New One-time Revenues shall be included as General Fund revenues, and all reserve accounts shall be reported as committed fund balances of the General Fund in the City's Annual Comprehensive Financial Report.
3. Any future bond covenants shall be written to be compliant with this General Fund Reserve Policy.
  4. The City established an independent Citizens Oversight Committee (the "Committee") in connection with the voter-approval of 1% sales tax measure in 2018 which constitutes, a new ongoing revenue for purposes of the reserve policy described above. The Committee reviews and reports on all related expenditure plans and financial reports to ensure spending is consistent with reserve policy.
- Capital Improvement Program. The City's Capital Improvement Program ("CIP") document outlines project delivery timelines and funding schedules over a seven-year planning horizon. As part of the planning process, budget-level cost estimates for capital improvements are identified, and projects are prioritized based on available funding sources and community needs. The City leverages outside funding sources such as Federal and State grant funds as well

as other non-General Fund revenues to fund capital improvements to the greatest extent possible. Projects are re-prioritized and funded when these outside funds are made available for that purpose.

The CIP is reviewed yearly, during which time the City's needs are re-prioritized and the City's financial capacity to fund capital improvements are re-evaluated. Thus, the CIP is a dynamic planning tool that provides the City flexibility in how and when capital improvements and investments in the City's infrastructure are made. Its overall goal is to provide a thoughtful approach to preserving and enhancing the quality of life for the entire community. The CIP priorities are segregated into the following components:

- Assure Safe Right of Way, Parks and Facilities
- Preventative Maintenance and Facility Improvements
- Replace or Upgrade Outdated or Inadequate Facilities or Equipment
- Implement Master Planned Facilities or Upgrades
- Future Projects

**Debt and Liability-Related Policies.** These Financial Policies include:

Debt Management Policy – The City Council formally established the City's Debt Management Policy on July 18, 2017. This policy includes guidelines for the issuance of debt, including the types of debt that may be issued, responsibilities for debt management activities, maintenance of appropriate internal controls, post issuance compliance, and other related issues.

Continuing Disclosure Compliance Policy – The City Council formally established the City's Continuing Disclosure Compliance Policy on October 20, 2020. This policy identifies the staff member of the City with the responsibility for reviewing all reporting requirements for all bond issues, being familiar with the listed events that require notice, and preparing and timely filing of reports and notices.

**Other Financial Policies.**

Investment Policy – The City's current Investment Policy was most recently approved on July 19, 2022. The Investment Policy imposes certain restrictions on the City's investment management that consistent with those authorized under State law.

Internal Control Policies – The City's internal control policies identify those with responsibility for ensuring the effectiveness of policies and procedures designed to implement internal controls. These policies cover a range of financial operations including operations of City bank accounts, wire transfer of funds, credit card use, check stock storage and security, daily reconciliation for credit card terminals, cash handling procedures and a fictitious vendors policy.

## **Budgetary Process and Administration**

The City prepares its budgets on the basis of estimated revenues and expenditures and, accordingly, the budget amounts included in the financial statements are presented on a basis substantially consistent with generally accepted accounting principles. Encumbrance accounting is utilized during the fiscal year, whereby purchase orders, contracts and other commitments are recorded in order to control appropriations. However, at fiscal year-end, all appropriations lapse. Accordingly, encumbrances are canceled and generally are re-appropriated as part of the following year's budget. Encumbrances are not included in reported expenditures.

Annual budgets are adopted for the General Fund, Special Revenue Funds, Debt Service Funds, and Capital Projects Funds. The City Council approves total budgeted appropriations and any amendments to appropriations throughout the year.

The Finance Director, upon approval of the City Administrator, may authorize transfers of funds from one object to another, within operating departments.

City Administrator approval is required for transfers from one department to another department within the same fund.

## **Comparative General Fund Revenues and Expenditures**

The City's General Fund Budget includes programs which are provided on a largely city-wide basis. The programs and services are financed primarily by the City's share of property taxes, sales tax, and charges for services provided.

### **Budget and Actual Comparisons**

The General Fund actual results for Fiscal Years 2019-20 and 2020-21 along with Fiscal Year 2021-22 Budget and actual results and the Fiscal Year 2022-23 Budget is shown in Table No. 8.

### **General Fund Revenues**

The General Fund revenues in Table No. 8 that follows are categorized as:

- Taxes, detailed in "Table No. 13 - General Fund Tax Revenues by Source," include general property tax (including property tax in-lieu of motor vehicle license fees), sales tax, utility users' tax, transient occupancy tax, franchise tax (cable, gas, telephone), real property transfer tax and other taxes;
- Intergovernmental mainly consist of federal, State and local grants;
- Licenses and Permits include building permits, business license permits, and plan check fees;
- Fines and Forfeitures are derived from the collection of penalties for vehicle code violations, parking code violations and other administrative citations;
- Investment earnings;
- Charges for Services are generally known as user fees that are charged for a variety of services provided to the general public, including plan checking, engineering, recreation fees, special police fees, and code enforcement fees;
- Leases and Rents include facilities rental and cell tower lease revenue as well as lease payments from the Successor Agency relating to the City's 2003 Certificates of Participation (which were refunded in 2022);
- Miscellaneous Revenues consist of revenues such as sale of property, collections from advertising, unclaimed money and contributions and donations; and

- Transfers in, generally from the Gas Tax Fund, the Supplemental Law Enforcement Fund, Community Development Block Grant Fund and other funds to reimburse for qualifying expenditures in the General Fund.

The largest components of Fiscal Year 2022-23 General Fund budgeted revenues are property tax (40%), sales tax (19%), other revenues (18%), Measure U transfers into the General Fund (8%), utility users' tax (5%) and franchise fees (4%).

### **General Fund Expenditures**

The General Fund expenditures in Table No. 8 that follows are categorized by governmental function. Each function generally includes salaries and benefits, materials and supplies, and contractual services.

Salaries and Benefits include direct personnel costs, benefits, health insurance costs and workers' compensation and unemployment insurance costs. Materials and supplies include non-personnel operating costs. Contractual services include contracts for professional and general services.

Public safety expenditures represent approximately 43% of the total budgeted General Fund budgeted expenditures for Fiscal Year 2022-23. The City established its Fire & Life Safety Department in Fiscal Year 2020-21. The department provides 24-hour emergency response to a wide variety of critical situations, including fires, medical emergencies, accidents, and miscellaneous public assistance requests. The City eliminated its contract for such services with the Orange County Fire Authority ("Fire Authority") as of July 1, 2020 and the City has enjoyed significant savings as a result. There were some overlapping costs in Fiscal Year 2019-20 in preparation for transfer of services.

**TABLE NO. 8  
GENERAL FUND REVENUES AND EXPENDITURES  
FOR FISCAL YEAR ENDING JUNE 30**

	<b>Budget 2022</b>	<b>2022</b>	<b>Budget 2023</b>	<b>Budget 2024</b>
<b>Revenues:</b>				
Taxes	\$34,168,100	\$41,621,461	\$37,191,624	\$35,848,523
Intergovernmental	265,000	952,389	1,140,000	312,000
Licenses and permits	874,900	2,440,102	2,455,000	2,802,000
Fines and forfeitures	444,200	503,302	355,000	452,500
Investment earnings (losses)	-	(323,152)	-	-
Charges for services	1,278,200	1,263,215	1,305,400	1,514,000
Leases and rents	-	1,422,831	-	-
Contributions	-	-	-	-
Miscellaneous	2,285,700	785,684	1,920,200	2,454,000
Total revenues	39,316,100	48,665,832	44,367,224	43,383,023
<b>Expenditures:</b>				
<b>Current:</b>				
General government	11,991,300	12,055,475	13,534,021	14,531,090
Public safety	16,081,300	15,441,982	16,883,593	18,116,117
Public works	4,158,300	3,514,281	4,449,440	4,795,070
Community development	1,351,000	1,482,732	1,835,200	1,571,100
Community services	2,357,100	2,289,940	2,646,380	2,947,452
Capital outlay	529,400	5,034,753	863,746	4,264,280
Debt service	5,177,100	2,271,085	5,179,250	6,021,200
Total expenditures	41,645,500	42,090,248	45,391,630	52,246,309
Revenues over (under) expenditures	(2,329,400)	6,575,584	(1,024,406)	(8,863,286)
<b>Other Financing Sources (Uses):</b>				
Transfers in	3,746,300	102,947	1,115,744	6,418,395
Transfers out	(53,000)	(3,444,522)	(37,500)	(36,214)
Proceeds from sale of property	-	-	-	-
Proceeds from capital lease	-	-	-	-
Issuance of Debt	-	2,189,027	-	-
Payment to Refunding Bond Escrow Agent	-	(2,069,027)	-	-
Total other financing sources (uses)	3,693,300	(3,221,575)	1,078,244	6,382,181
Net change in fund balances	1,363,900	3,354,009	53,838	(2,481,105)
<b>Fund balances:</b>				
Beginning of year	16,929,162	20,230,471	20,445,146	21,425,994
End of year	18,293,062	23,584,480	20,498,984	18,944,889
<b>Fund balances:</b>				
Nonspendable	2,209,112	2,521,767	3,262,084	2,128,711
Restricted	522,982	2,024	556,084	-
Committed	6,499,328	-	-	-
Unassigned (deficit)	9,061,639	21,060,689	6,849,833	16,816,178
Total	\$18,293,062	\$23,584,480	\$20,498,984	\$18,944,889

Source: City of Placentia.

## Ad Valorem Property Taxes

Taxes are levied for each fiscal year on taxable real and personal property which is situated in the City as of the preceding January 1. For assessment and collection purposes, property is classified either as “secured” or “unsecured,” and is listed accordingly on separate parts of the assessment roll. The “secured roll” is that part of the assessment roll containing State assessed property and real property having a tax lien which is sufficient, in the opinion of the assessor, to secure payment of the taxes. Other property is assessed on the “unsecured roll.”

Property taxes on the secured roll are due in two installments, on November 1 and February 1 of the fiscal year. If unpaid, such taxes become delinquent on December 10 and April 10, respectively, and a 10% penalty attaches to any delinquent payment in addition to a \$20 cost on the second installment. On July 1 of each fiscal year any property which is delinquent will become defaulted. Such property may thereafter be redeemed by payment of the delinquent taxes and the delinquency penalty, plus a redemption penalty of 1½% per month to the time of redemption, together with any other charges permitted by law. If taxes are unpaid for a period of five years or more, the property is subject to sale by the County Tax Collector. The exclusive means of enforcing the payment of delinquent taxes with respect to property on the secured roll is the sale of the property securing the taxes for the amount of taxes which are delinquent.

Property taxes on the unsecured roll become delinquent, if unpaid on August 31. A 10% penalty attaches to delinquent taxes on property on the unsecured roll, and an additional penalty of 1½% per month begins to accrue on November 1 of the fiscal year. The County has four ways of collecting delinquent unsecured personal property taxes: (1) a civil action against the taxpayer; (2) filing a certificate in the office of the County Clerk specifying certain facts in order to obtain a judgment lien on certain property of the taxpayer; (3) filing a certificate of delinquency for record in the County Recorder's Office, in order to obtain a lien on certain property of the taxpayer; and (4) seizure and sale of personal property, improvements or possessory interests belonging or assessed to the assessee.

**Taxable Property and Assessed Valuation.** Set forth in Table No. 9 are historical assessed valuations for taxable property within the City. Article XIII A of the California Constitution prescribes the method for determining the full cash value of real property and the maximum ad valorem tax on real property. The full cash value, once established, is subject to annual adjustment to reflect inflation at a rate not to exceed 2% or a reduction in the California Consumer Price Index. There may also be declines in valuations if the California Consumer Price Index is negative.

Proposition 8 provides for the assessment of real property at the lesser of its originally determined (base year) full cash value compounded annually by the inflation factor, or its full cash value as of the lien date, taking into account reductions in value due to damage, destruction, obsolescence or other factors causing a decline in market value. Reductions based on Proposition 8 do not establish new base year values, and the property may be reassessed as of the following lien date up to the lower of the then-current fair market value or the factored base year value. The City experienced a small Proposition 8 reduction in property values at the start of the recession in 2008. Assessed value remained level for a period and pre-recession assessed value was achieved by 2012. Assessed values have continued to increase each year thereafter. See "RISK FACTORS — Constitutional Limitation on Taxes and Expenditures — Article XIII A" and "— Proposition 8 Adjustments" herein.

**TABLE NO. 9**  
**GROSS ASSESSED VALUE OF ALL TAXABLE PROPERTY**  
**(in thousands)**

<u>Fiscal Year</u>	<u>Assessed Value</u>	<u>% Change</u>
2013-14	\$5,206,770	
2014-15	5,515,584	5.9%
2015-16	5,877,006	6.6%
2016-17	6,135,107	4.4%
2017-18	6,443,173	5.0%
2018-19	6,775,240	5.2%
2019-20	7,053,115	4.2%
2020-21	7,352,050	4.2%
2021-22	7,561,131	2.8%
2022-23	8,129,792	7.5%

Source: City of Placentia

**Proposition 19.** Voters in November 2020 approved a Statewide ballot (“Proposition 19”) that amends Article XIII A to: (i) expand special rules that give property tax savings to homeowners who are over the age of 55, severely disabled, or whose property has been impacted by wildfire or natural disaster, when they buy a different home; (ii) narrow existing special rules for inherited properties; and (iii) dedicate most of the potential new State revenue generated from Proposition 19 toward fire protection. The City is unable to predict how it would affect the relationship of the assessed value between land use types (i.e., residential versus commercial) in the City in future years or what other impacts Proposition 19 might have on the local economy or the City’s financial condition in future years.

**Largest Taxpayers.** The principal property taxpayers for Fiscal Year 2021-22 are as shown in Table No. 10. The City does not anticipate any material changes to this list for Fiscal Year 2022-23.

**TABLE NO. 10**  
**LARGEST PROPERTY TAXPAYERS**  
**FOR FISCAL YEAR ENDING JUNE 30, 2022**  
(in thousands)

<u>Taxpayer</u>	<u>Assessed Valuation</u>	<u>Percent of Total</u>
Fairfield Placentia Place LLC	\$112,754	1.49%
Placentia 422	60,612	.80
Villa Angelina Apartment Fund LTD	57,955	.77
MG Union Place Apartments LLC	47,445	.63
Placentia-Linda Hospital Inc.	40,374	.53
Sedona-Placentia Owner LLC	39,650	.52
NMC Placentia LLC	37,553	.50
Reef Imperial Rose Inc.	31,639	.42
Donahue Schriber Realty Group	29,428	.39
Arlon Graphics LLC	28,897	.38
<b>Total</b>	<b>\$486,307</b>	<b>6.43%</b>

Source: City of Placentia Annual Comprehensive Financial Report for fiscal year ending June 30, 2022.

**Property Tax Collections.** Property tax levies and collections for the City for the last five fiscal years are set forth in Table No. 11. The amount of the levy of property tax revenue that can be allocated to the City depends upon the actual collections of taxes within the City. Substantial delinquencies in the payment of property taxes could impair the timely receipt by the City of property tax revenues.

**TABLE NO. 11**  
**SECURED TAX LEVIES AND COLLECTIONS**

<u>Fiscal Year Ended June 30</u>	<u>Total Tax Levy for Fiscal Year</u>	<u>Collections within the Fiscal Year of the Levy</u>	
		<u>Amount</u>	<u>Percentage of Levy</u>
2018	\$13,471,679	\$13,421,607	99.63%
2019	14,144,498	14,244,954	100.71%
2020	14,623,234	14,675,128	100.35%
2021	15,211,067	15,384,500	101.14%
2022	15,734,335	15,777,022	100.27

Source: City of Placentia Annual Comprehensive Financial Report for fiscal year ending June 30, 2022.

**Redevelopment - Related Property Tax Considerations.** The California Redevelopment Law (Part 1 of Division 24 of the Health and Safety Code of the State) authorized the redevelopment agency of any city or county to receive an allocation of tax revenues resulting from increases in assessed values of properties within designated redevelopment project areas (the “incremental value”) occurring after the year the project area was formed. In effect, local taxing authorities, such as the City, realized tax revenues only on the assessed value of such property at the time the redevelopment project was created for the duration of such redevelopment project. Although Assembly Bill No. 26 (“AB X1 26”), enacted on June 29, 2011 as Chapter

5 of Statutes of 2011, statutorily dissolved redevelopment agencies as of February 1, 2012, the enforceable obligations of dissolved redevelopment agencies continue to be paid from property taxes derived from such incremental value until the enforceable obligations are paid in full in accordance with Parts 1.8 (commencing with Section 34161) and 1.85 (commencing with Section 34170) of Division 24 of the California Health and Safety Code (as such statutory provisions may be amended from time to time the “Dissolution Act”).

Under the Dissolution Act, taxing entities within redevelopment projects, such as the City, are to receive distributions (in proportion to such taxing entity’s share of property tax revenues in the tax rate area for the applicable fiscal year) of residual amounts of property taxes attributable to incremental value of the redevelopment projects on each June 1 and January 2, after payment of: (i) tax sharing obligations established previously pursuant to the Community Redevelopment Law, (ii) enforceable obligations of the successor agency to the former redevelopment agency, and (iii) an administrative cost allowance to such successor agency. As enforceable obligations of the former redevelopment agency and its successor agency are paid and retired, residual amounts of property tax revenues attributable to redevelopment project area incremental value are expected to increase over time.

The table below summarizes the distributions received by the City of its share of residual amounts of property taxes derived from its redevelopment project from Fiscal Year 2016-17 to 2021-22. These amounts are included in property tax revenues in Table No. 13.

**TABLE NO. 12  
CITY SHARE OF RESIDUAL PROPERTY TAXES**

<u>Fiscal Year</u>	<u>Residual Property Taxes</u>
2016-17	\$154,678
2017-18	15,889
2018-19	188,399
2019-20	119,858
2020-21	208,716
2021-22	171,153

Source: Orange County Auditor-Controller.

**Enhanced Infrastructure Financing District.** The City formed its Enhanced Infrastructure Financing District (“EIFD”) in 2019 in partnership with the County. The EIFD boundaries encompass just over 300 acres of land, representing approximately 7% of the City. The EIFD includes the City’s Old Town Placentia Revitalization Plan area, the proposed Metrolink station and the City’s Transit-oriented Development Packing House District. Similar to the former redevelopment tax allocation process, the EIFD will receive an allocation of the City’s share and the County’s share of tax revenues resulting from increases in assessed values of properties within the EIFD (the “incremental value”) occurring after the year the EIFD is formed. The City limited the contribution to the EIFD to approximately 50% of the City’s incremental property tax revenues generated in the EIFD. The City’s General Fund will receive the remaining approximate 50% of incremental property tax revenues generated by incremental value of property in the EIFD. The County has also limited its contribution to the EIFD to approximately 50% of the County’s incremental property tax revenues generated in the EIFD. The majority of new development in the City is expected to occur in the EIFD. **[Discuss proposed amendment to EIFD]**

**Property Taxes in Lieu of Motor Vehicle License Fees.** The motor vehicle license fee (“VLF”) is an annual fee on the ownership of a registered vehicle in California. The City received a portion of VLF collected state-wide, until State budget changes altered the payment from a distribution of VLF to a payment

of property taxes in lieu of VLF. The total amount budgeted for Fiscal Year 2022-23 is approximately \$6.0 million and is shown in Table No. 13 as “Property tax in lieu of VLF.”

## Local Taxes

In addition to ad valorem taxes on real property, the City receives the following non-real estate local taxes (see “RISK FACTORS — Constitutional Limitation on Taxes and Expenditures — Proposition 218” herein):

**Sales and Use Taxes.** Sales tax is collected and distributed by the California Department of Tax and Fee Administration (“CDTFA” - formerly the State Board of Equalization). Each local jurisdiction receives an amount equal to 1% of taxable sales within their jurisdiction.

**Measure U.** On November 6, 2018, voters in the City approved “Measure U,” the levy of an additional 1% sales tax, commencing April 1, 2019.

**Proposition 172.** The City also receives a portion of a permanent statewide  $\frac{1}{2}$  cent sales tax approved by voters in 1993 by Proposition 172. Sales tax generated by this increase is recorded in the General Fund and used to offset certain expenses for public safety. These amounts are included in the sales tax revenues shown in Table No. 13.

**Utility Users’ Tax.** The City levies a utility users’ tax, which was approved by voters in 1970 and is restricted for capital equipment replacement, special capital projects or general City operations support. A current tax rate of 3.5% applies to electricity, water, and gas services. Until 2018, these revenues were recorded in a separate Utility Users’ Tax Fund and transferred during the year to the General Fund. Beginning in 2019, these revenues are recorded in the General Fund.

**Franchise Taxes.** The City levies franchise fees on its utility, trash collection and cable television franchises by agreement.

**Transient Occupancy Tax.** The City levies a transient occupancy tax on hotel and motel bills. The City’s current transient occupancy tax ordinance provides for a rate of 10%. The rate was last modified by ordinance adopted in 1985.

**Property Transfer Tax.** This is the documentary stamp tax which is assessed for recordation of real property transfers.

There is no time limit established for the collection of the utility users’ tax, Measure U sales tax, franchise tax, or transient occupancy tax. See “RISK FACTORS — Constitutional Limitation on Taxes and Expenditures - Proposition 218” herein.

**Business License Tax.** Business license tax is collected based on gross receipts. The business license tax is approximately \$1.02 million in Fiscal Year 2021-22. The City includes business license tax in “Licenses and Permits” for the purposes of its audited financial statements, and such amounts are not included in Table No. 13.

A history of actual tax revenue by source are shown for Fiscal Years 2017-18 through 2021-22, together with the budget for Fiscal Year 2022-23 and 2023-24 in Table No. 13.

**TABLE NO. 13  
GENERAL FUND TAX REVENUES BY SOURCE**

	Actual					Budget	Budget
	2018	2019	2020	2021	2022	2023	2024
General Property Tax	\$ 9,709,857	\$10,389,889	\$10,666,292	\$11,218,098	\$11,843,166	\$12,365,432	\$13,183,023
Property Tax in Lieu of VLF	4,813,706	5,087,698	5,314,516	5,534,014	5,708,260	6,072,651	6,395,000
Total Property Tax	14,523,563	15,477,587	15,980,808	16,752,112	17,191,426	18,438,083	19,578,023
Sales Tax	6,948,279	6,757,698	6,861,920	7,409,742	8,491,412	8,975,000	9,175,000
Sales Tax -Measure U	–	1,426,966	6,278,995	7,702,915	8,756,568	8,850,000	9,200,000
Transient Occupancy Tax	968,396	961,796	767,421	674,854	1,385,271	1,425,000	1,475,000
Utility User Tax	2,544,637	2,461,438	2,362,270	2,502,705	2,689,314	2,550,000	2,550,000
Franchise Tax	2,270,265	2,340,329	-	-	2,650,604	2,709,000	2,735,000
Property Transfer Tax	224,818	205,369	188,358	312,328	450,575	415,000	330,000
Other Taxes	62,395	40,075	91,405	35,624	6,291	5,140	5,500
Total	\$27,542,353	\$29,671,258	\$34,888,961	\$37,856,465	\$41,621,461	\$43,367,223	\$45,048,523

Source: City of Placentia.

## Employee Relations and Collective Bargaining

City employees are represented by four bargaining units. The largest unit is the Placentia City Employees’ Association which represents approximately 40% of all City employees. Most City employees are covered by negotiated agreements. Executive Management and Mid Management groups are unrepresented. The City is in negotiations with the bargaining units. Terms under the respective Memoranda of Understanding will continue to be observed during negotiations of new contracts.

<u>Bargaining Unit</u>	<u>Expiration Date of Memorandum of Understanding</u>
Placentia City Employees’ Association	June 30, 2023
Placentia Police Officers Association	June 30, 2023
Placentia Police Management Association	June 30, 2023
Placentia Fire Fighter’s Association	June 30, 2023

## Retirement Plans

### Lease Revenue Bonds, Series 2020A

In August 2020, CalPERS notified the City as to the amount of the currently unamortized, unfunded accrued actuarial liability (the “Unfunded Liability”) for each of the City’s Miscellaneous Plan (the “Miscellaneous Plan”), and Safety Police Plan (the “Safety Plan”) based on the actuarial valuation reports as of June 30, 2019 (the “2019 CalPERS Reports”), which is the most recent actuarial valuation routinely performed by CalPERS.

On November 12, 2020, the Authority issued its Lease Revenue Bonds, Series 2020A (Federally Taxable) (the “Series 2020A Bonds”) to fund 100% of the City’s Unfunded Liability for the Miscellaneous Plan and Safety Plan. Upon the issuance of the Series 2020A Bonds, the City paid \$43,777,218 to CalPERS for deposit to the CalPERS Payment Fund. This amount represents the June 30, 2019 Unfunded Liability for the Miscellaneous Plan and Safety Plan shown in the 2019 CalPERS Reports, rolled forward to November 12, 2020 and taking into account payments made during Fiscal Year 2019-20 and Fiscal Year 2020-21. The

City also paid the \$1,932,562 remaining monthly Unfunded Liability payments due for the Miscellaneous Plan and Safety Plan for the balance of Fiscal Year 2020-21.

As a result, the City projects average annual savings of approximately \$500,000 per year for the next 25 years and City Council has decided to deposit 50% of those savings into a pension trust.

The information provided below does not reflect the payment of the Unfunded Liability with the Series 2020A Bonds.

### **Defined Benefit Plan**

*This caption contains certain information relating to CalPERS. The information is primarily derived from information produced by CalPERS, its independent accountants and its actuaries. Neither the City nor the Underwriter has independently verified the information provided by CalPERS and neither makes any representations nor expresses any opinion as to the accuracy of the information provided by CalPERS.*

*The comprehensive annual financial reports of CalPERS are available on its Internet website at [www.calpers.ca.gov](http://www.calpers.ca.gov). The CalPERS website also contains CalPERS' most recent actuarial valuation reports and other information concerning benefits and other matters. The textual reference to such Internet website is provided for convenience only. None of the information on such Internet website is incorporated by reference herein. Neither the City nor the Underwriter can guarantee the accuracy of such information. Actuarial assessments are "forward-looking" statements that reflect the judgment of the fiduciaries of the pension plans, and are based upon a variety of assumptions, one or more of which may not materialize or be changed in the future.*

**Plan Description.** The City provides retirement benefits, disability benefits, periodic cost-of-living adjustments, and death benefits to plan members and beneficiaries (the "Plans"). The Plans are part of CalPERS, an agent multiple-employer plan administered by CalPERS, which acts as a common investment and administrative agent for participating public employers within the State. Benefit provisions are established by State statute and by City resolution covering separate employee bargaining groups. The Plans as described herein cover two separate employee groups - Miscellaneous and Public Safety.

**California Public Employees' Pension Reform Act of 2013.** On September 12, 2012, the Governor signed into law the California Public Employees' Pension Reform Act of 2013 ("PEPRA"), which made changes to CalPERS Plans, most substantially affecting new employees hired after January 1, 2013 (the "Implementation Date"). For non-safety CalPERS participants hired after the Implementation Date, PEPRA changed the normal retirement age by increasing the eligibility for the 2% age factor from age 55 to 62 and increased the eligibility requirement for the maximum age factor of 2.5% to age 67.

PEPRA also: (i) requires all new participants enrolled in CalPERS after the Implementation Date to contribute at least 50% of the total annual normal cost of their pension benefit each year as determined by an actuary to a maximum of 8% of salary, (ii) requires CalPERS to determine the final compensation amount for employees based upon the highest annual compensation earnable averaged over a consecutive 36-month period as the basis for calculating retirement benefits for new participants enrolled after the Implementation Date, and (iii) caps "pensionable compensation" for new participants enrolled after the Implementation Date at 100% of the federal Social Security contribution and benefit base for members participating in Social Security or 120% for members not participating in Social Security, while excluding previously allowed forms of compensation under the formula such as payments for unused vacation, annual leave, personal leave, sick leave, or compensatory time off.

**Benefit Tiers.** In 2011 the City established two tiers of benefits for employees in the Miscellaneous Plan, based on date of hire (“Tier 1” and “Tier 2”). Benefits were reduced for Tier 2 employees hired on or after January 1, 2011.

Due to PEPRA, the City added a benefit tier in each employee group for employees subject to PEPRA (“PEPRA Tier”). Ultimately, PEPRA is expected to reduce the City’s long-term pension obligation as existing employees retire and new employees are hired to replace them. The table below details the benefit provisions for each plan for the year ended June 30, 2022.

	<u>Miscellaneous Tier 1</u>	<u>Miscellaneous Tier 2</u>	<u>Miscellaneous PEPRA</u>	<u>Safety</u>	<u>Safety PEPRA</u>
Benefit formula	2.0% @ 55	2.0% @ 60	2.0% @ 62	3.0% @ 50	2.7% @ 57
Benefit vesting schedule	5 years service	5 years service	5 years service	5 years service	5 years service
Benefit payments	monthly for life	monthly for life	monthly for life	monthly for life	monthly for life
Retirement age	55	60	62	50	50-57
Monthly benefits, as a % of eligible compensation	2.0%	2.0%	2.0%	3.0%	2.7%
Required employee contribution rate	7.000%	7.000%	6.750%	9.000%	13.000%
Required employer contribution rate	10.880%	9.130%	7.590%	23.710%	13.130%

Source: City of Placentia Annual Comprehensive Financial Report for fiscal year ending June 30, 2022.

**Funding Policy.** Active members in the Plans are required to contribute a percent of their annual covered salary as shown in the charts above. All employees pay their own employee contributions towards retirement.

**Employees Covered.** At the June 30, 2020 measurement date, the following employees were covered by the benefit terms for each plan:

	<u>Miscellaneous Tier 1</u>	<u>Miscellaneous Tier 2</u>	<u>Miscellaneous PEPRA</u>	<u>Safety</u>	<u>Safety PEPRA</u>
Active employees	23	9	61	22	29
Transferred employees	52	13	36	19	10
Separated employees	31	2	32	10	6
Retired employees and beneficiaries	180	-	2	119	-
Total	286	24	131	170	45

Source: City of Placentia Annual Comprehensive Financial Report for fiscal year ending June 30, 2022.

The Safety Plan as of June 30, 2018 includes both the Police Safety employees and former Fire Safety employees. The City joined the Fire Authority in 1995 to provide for mutual fire protection, prevention, and suppression services and related and incidental services including, but not limited to, emergency medical and transport services, hazardous materials regulation, as well as providing facilities and personnel for such services. At that time, all City fire personnel were no longer City employees and the Safety Plan with respect to such personnel was closed, although the City’s obligation to provide for a portion of fire

personnel retirement cost continued. In 2019, the City negotiated with CalPERS to remove the remaining liability for such fire personnel from the Safety Plan and agreed to a separate repayment schedule for that amount (the “Fire Repayment Plan”).

As described herein, the City terminated its contract with the Fire Authority and hired personnel to staff its newly-created Fire & Life Safety Department (“Fire Department”). Employees serving the Fire Department are not included in the Safety Plan. The retirement benefits contributed for Employees serving the Fire Department are described below under “Defined Contribution Plan.”

**Funding Policy.** Active members in the Plans are required to contribute a percent of their annual covered salary as shown in the chart below. All employees pay their own employee contributions towards retirement.

**Actuarial Methods and Assumptions Used to Determine Total Pension Liability.** The total pension liabilities in the June 30, 2019 actuarial valuations, were determined using the following actuarial assumptions:

Valuation Date	June 30, 2019
Measurement Date	June 30, 2020
Actuarial Cost Method	Entry-Age Normal Cost Method
Actuarial Assumptions:	
Discount Rate	7.15%
Inflation	2.50%
Projected Salary Increase	Varies by Entry Age and Service
Mortality	Derived using CalPERS’ Membership Data for all Funds
Post-retirement benefit increase	Contract COLA up to 2.5% until Purchasing Power Protection Allowance Floor on Purchasing Power applies, 2.5% thereafter

The probabilities of mortality are based on the 2017 CalPERS experience study (“Experience Study”) for the period 1997 to 2015. Pre-retirement and post-retirement mortality rates include 15 years of projected mortality improvement using 90% of Scale MP-2016 published by the Society of Actuaries. Further details of the Experience Study can be found on the CalPERS website under Forms and Publications.

**Changes in Actuarial Assumptions.** Changes in actuarial assumptions generally take two years to affect the City’s contribution rate due to the time required by CalPERS to calculate and implement the change. For example, a change made effective July 1, 2018 is reflected in the City’s contribution rates (normal cost or unfunded liability) for Fiscal Year 2020-21.

The CalPERS Board of Administration has made numerous changes that are reflected in the calculation of the pension liability and the annual contribution toward the unfunded pension liability. The most significant change was a reduction over a period of years to reduce the discount rate from 7.5% to 7.0%. The reduced rate was fully reflected in the CalPERS June 30, 2018 actuarial valuation.

Other assumption changes include a reduction in the payroll growth and inflation and, beginning with the June 30, 2019 calculation, changing the amortization of investment gains or losses to 20 years from 30 years. CalPERS’ Chief Actuary stated that the revised approach provides a single measure of funded status and unfunded liabilities, less rate volatility in extreme years, a faster path to full funding and more transparency to employers about future contribution rates. These changes accelerate the repayment of unfunded liabilities (including CalPERS’ Fiscal Year 2009 market losses) of the City’s Plans in the near term.

In 2015, the CalPERS Board of Administration also adopted a funding risk mitigation policy intended to incrementally lower its discount rate. The funding risk mitigation policy was revised in 2017 and the CalPERS Board of Administration suspended implementation of the policy until Fiscal Year 2020-21. The City anticipates the policy will result in a lowering of the discount rate but cannot guarantee when the discount rate will be lowered and at what rate. More information about the funding risk mitigation policy can be accessed through CalPERS' web site at the following website address: <https://www.calpers.ca.gov/docs/funding-risk-mitigation-policy.pdf>. The reference to this Internet website is provided for reference and convenience only. The information contained within the website may not be current, has not been reviewed by the City and is not incorporated in this Official Statement by reference.

Table No. 14 shows the CalPERS impact of the actuarial assumption changes on the City's pension costs.

**Contribution Rates.** The contribution requirements of Plan members and the City are established by CalPERS. CalPERS modified the calculation of the contribution rates beginning in Fiscal Year 2017-18. CalPERS now represents only the employer's normal cost as a percentage of payroll and includes a dollar amount for the amortization of the unfunded actuarial liability (UAL). Shown in Table No. 14 are the actual or CalPERS projections of the normal cost and amortization of the UAL for the City.

**TABLE NO. 14  
PROJECTED EMPLOYER RETIREMENT CONTRIBUTIONS**

<u>Fiscal Year</u>	<u>Miscellaneous</u>		<u>Safety<sup>(3)</sup></u>	
	<u>Normal Cost<sup>(1)</sup></u>	<u>Amortize UAL</u>	<u>Normal Cost<sup>(1)</sup></u>	<u>Amortize UAL</u>
2023-24	12.5%	\$0	27.1%	\$0
2024-25 <sup>(2)</sup>	12.5	0	27.1	0
2025-26 <sup>(2)</sup>	12.5	0	27.1	0
2026-27 <sup>(2)</sup>	12.5	0	27.1	0
2027-28 <sup>(2)</sup>	12.5	0	27.1	0
2028-29 <sup>(2)</sup>	12.5	0	27.1	0

<sup>(1)</sup> For Tier 1 employees, does not reflect lower PEPRA rates (7.68% for Miscellaneous PEPRA Plan and 13.75% for Safety PEPRA Plan in 2023-24).

<sup>(2)</sup> Projected by CalPERS based on various assumptions as of the June 30, 2021 actuarial valuation.

<sup>(3)</sup> Excludes former Fire Safety employees.

Source: California Public Employees' Retirement System Miscellaneous Plan of the City of Placentia Annual Valuation Report as of June 30, 2021 and the Safety Police Plan of the City of Placentia Annual Valuation Report as of June 30, 2021.

The remaining payments under the Fire Repayment Plan are as follows: **[Confirm/Update]**

<u>Fiscal Year</u>	<u>Payment</u>
2022-23	\$379,968
2023-24	379,968
2024-25	348,304

**Pension Liabilities.** The City's net pension liability for the Plans is measured as the total pension liability, less the pension plan's fiduciary net position. The City's changes in net pension liability for the Plans between June 30, 2017 and June 30, 2021 was as follows:

**TABLE NO. 15**  
**CHANGES IN NET PENSION LIABILITY BY PLAN**  
**MISCELLANEOUS PLAN**

Measurement period, year ended	<u>6/30/2021</u>	<u>6/30/2020</u>	<u>6/30/2019</u>	<u>6/30/2018</u>	<u>6/30/2017</u>
Plan's proportion of the net pension liability	(0.45585%)	0.38926%	0.14843%	0.14479%	0.14212%
Plan's proportionate share of the net pension liability	(\$8,655,720)	\$16,419,169	\$15,209,436	\$13,952,246	\$14,094,828
Plan's covered payroll	\$4,587,533	\$4,453,916	\$ 4,324,190	\$ 4,198,243	\$ 4,075,964
Plan's proportionate share of the net pension liability as a percentage of covered payroll	(188.68%)	368.65%	351.73%	332.34%	345.80%
Plan's fiduciary net position	\$67,193,906	\$42,161,022	\$41,142,220	\$40,682,189	\$39,816,871
Plan's fiduciary net position as a percentage of the total pension liability	114.79%	71.97%	73.01%	74.46%	73.86%
Plan's proportionate share of aggregate employer contributions	\$2,642,842	\$1,383,994	\$ 1,139,534	\$ 932,993	\$ 785,438

Source: City of Placentia Annual Comprehensive Financial Report for fiscal year ending June 30, 2022.

**TABLE NO. 16**  
**CHANGES IN NET PENSION LIABILITY BY PLAN**  
**SAFETY PLAN**

Measurement period, year ended	<u>6/30/2021</u>	<u>6/30/2020</u>	<u>6/30/2019</u>	<u>6/30/2018</u>	<u>6/30/2017</u>
Plan's proportion of the net pension liability	(0.41630%)	0.44230%	0.26351%	0.27222%	0.27240%
Plan's proportionate share of the net pension liability	(\$14,609,905)	\$29,467,303	\$27,002,144	\$26,231,540	\$27,017,047
Plan's covered payroll	\$4,381,633	\$4,254,013	\$ 4,130,110	\$ 4,009,816	\$ 3,893,025
Plan's proportionate share of the net pension liability as a percentage of covered payroll	0.00%	692.69%	653.79%	654.18%	693.99%
Plan's fiduciary net position	\$113,454,370	\$69,454,497	\$69,358,418	\$65,913,238	\$62,459,293
Plan's fiduciary net position as a percentage of the total pension liability	114.78%	70.21%	71.99%	71.53%	69.81%
Plan's proportionate share of aggregate employer contributions	\$6,061,344	\$2,517,884	\$ 2,108,590	\$ 3,034,432	\$ 2,753,462

Source: City of Placentia Annual Comprehensive Financial Report for fiscal year ending June 30, 2022.

**Sensitivity of the Net Pension Liability to Changes in the Discount Rate.** The following presents the City's net pension liability at June 30, 2022, calculated using the discount rate of 7.15%, as well as what the City's net pension liability would be if it were calculated using a discount rate that is 1% lower or 1% higher than the current rate:

	<u>Miscellaneous Plan</u> <u>Net Pension Liability</u>	<u>Safety Plan</u> <u>Net Pension Liability</u>	<u>Total</u>
Net Pension Liability 1% Decrease in Discount Rate	(\$926,869)	(\$1,304,587)	(\$2,231,456)
Net Pension Liability at June 30, 2022 Discount Rate	(8,655,720)	(14,609,905)	(23,265,625)
Net Pension Liability 1% Increase in Discount Rate	(15,045,048)	(25,538,580)	(40,583,628)

Source: City of Placentia Annual Comprehensive Financial Report for fiscal year ending June 30, 2022.

See Note 8 of the City's Annual Comprehensive Financial Report included in "APPENDIX B" for further information about the Plan.

**Fire UAL Payoff Loan.** On May 5, 2020 the City approved a payment plan to Cal PERS to pay off the \$1,878,760 unfunded accrued liability (UAL) on the termination of the City’s Safety-Fire category of the City’s contract with CalPERS. The payment plan is for a period of 5 years with an interest rate of 1.95%. Payments of \$31,664 are payable monthly through May 2025.

**Defined Contribution Plan**

The City has adopted a 401(a) defined contribution plan through Independent City/County Management Association Retirement Corporation (ICMA-RC) for newly-hired Fire personnel effective January 1, 2020 (the “401(a) Plan”). This alternative retirement benefit is in lieu of a CalPERS retirement plan otherwise provided to City employees. The 401(a) Plan highlights are:

- Only provided to sworn full-time fire personnel
- Employees are eligible to participate upon employment without any waiting period
- City will contribute 10% of base earnings on behalf of each participant
- Earnings do not include any overtime, bonuses or additional pay incentives

The City’s payroll for employees covered by the 401(a) Plan for the year ended June 30, 2022, was \$2,659,736. Total employee contributions paid by the City amounted to \$187,311 or 7.04% of covered payroll and of total payroll. As of June 30, 2022, the 401(a) Plan had 26 participants and the market value of the 401(a) Plan amounted to \$16,035,262.

**Other Postemployment Benefits**

**Plan Description.** The City provides single employer postemployment defined benefits (known as “other postemployment benefits” or “OPEB”) to retired employees in the form of a contribution towards their health insurance premiums under the CalPERS health plan which provides health insurance benefits to eligible retirees in accordance with various labor agreements (the “OPEB Plan”).

All employees hired prior to November 21, 1995 are in Tier I and become eligible for these benefits as long as they are 50 years of age or older and have worked for the City a minimum of five years and elect a service retirement from the City. The health benefits for Tier I retirees include medical, dental, optical, and life. These benefits are considered to be vested for Tier I employees. The City pays the same contribution for these benefits to Tier I employees as is paid to active employees. Vision benefits are also provided to Tier I employees who retired after September 30, 1990. The life insurance is available to Tier I retirees until they reach age of 70.

All employees hired on or after November 21, 1995 are Tier II. The City pays the minimum required medical insurance contribution established by CalPERS for Tier II employees.

At June 30, 2020, the most recent valuation date, the following current and former employees were covered by the benefit terms under the Plan:

Active plan members	168
Retirees	148
Total	316

**Total OPEB Liability.** The City's total OPEB liability was measured as of June 30, 2020. The total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of June 30, 2020. The total OPEB liability at June 30, 2022 was \$24,910,487.

**Contributions.** The obligation of the City to contribute to the plan is established and may be amended by the City Council. The City Council has established a policy of funding the actuarially determined contribution (ADC) on a pay as you go basis. For the fiscal year ended June 30, 2022, the City's average contribution rate was 8.16% of covered payroll. Employees are not required to contribute to the plan.

On November 16, 2021, the City Council approved an updated Memorandum of Understanding ("MOU") with the Placentia City Employees Association ("PCEA"). The MOU capped the City's medical contributions at the 2021 contribution levels for active employees and retirees eligible under the 1995 Insurance Benefits Agreement with PCEA. The City Council also approved an updated MOU with the Placentia Police Management Association ("PPMA") which included the addition of the Fire Battalion Chiefs thereby creating the Placentia Police and Fire Management Association ("PPFMA"). The MOU capped the City's medical contributions at the 2021 contribution levels for active employees and retirees eligible under the 1995 Insurance Benefits Agreement with PPMA. On November 16, 2021, the City Council approved benefits for unrepresented employees that included caps on medical contributions at the 2019 rates for active employees and retirees. On December 7, 2021, the City Council approved an updated MOU with the Placentia Police Officers Association ("PPOA"). The MOU capped the City's medical contributions at the 2021 contribution levels for active employees and retirees eligible under the 1995 Insurance Benefits agreement with PPOA. On December 6, 2022 the City Council approved the first MOU with the Placentia Firefighters' Association. The MOU capped the City's medical contributions at the 2022 levels for active employees.

**Funded Status and Funding Progress.** The net OPEB liability as of June 30, 2019, June 30, 2020 and June 30, 2021 is calculated as shown below. The schedule of funding progress, included in the required supplementary information section of the City's Annual Comprehensive Financial Report, will present multi-year trend information about whether the actuarial value of plan assets (if any) is increasing or decreasing over time relative to the actuarial accrued liability for the benefits.

**TABLE NO. 17  
CHANGES IN NET OPEB LIABILITY**

Measurement period, year ending:	<u>6/30/2021</u>	<u>6/30/2020</u>	<u>6/30/2019</u>
<b>Total OPEB liability</b>			
Service cost	\$532,568	\$359,454	\$542,976
Interest	691,435	919,735	1,092,405
Changes of benefit terms	-	-	-
Differences between expected and actual experience	(4,989,665)	-	(2,606,242)
Changes of assumptions	(1,506,167)	4,699,117	332,593
Benefit payments, including refunds of member contributions	<u>(1,143,510)</u>	<u>(1,142,314)</u>	<u>(1,112,888)</u>
<b>Net change in total OPEB liability</b>	(6,415,339)	4,835,992	(1,751,156)
<b>Total OPEB liability - beginning</b>	<u>31,325,826</u>	<u>26,489,834</u>	<u>28,240,990</u>
<b>Total OPEB liability - ending (a)</b>	<u><u>\$24,910,487</u></u>	<u><u>\$31,325,826</u></u>	<u><u>\$26,489,834</u></u>
<b>OPEB fiduciary net position</b>			
Contributions - employer	\$1,132,073	\$1,146,160	\$1,142,314
Net investment income	-	-	-
Benefit payments, including refunds of member contributions	(1,132,073)	(1,146,160)	(1,142,314)
Administrative expense	-	-	-
<b>Net change in plan fiduciary net position</b>	-	-	-
<b>Plan fiduciary net position - beginning</b>	-	-	-
<b>Plan fiduciary net position - ending (b)</b>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Plan net OPEB liability - ending (a) - (b)</b>	<u><u>\$24,910,487</u></u>	<u><u>\$31,325,826</u></u>	<u><u>\$26,489,189</u></u>
<b>Plan fiduciary net position as a percentage of the total OPEB liability</b>	0.00%	0.00%	0.00%
<b>Covered payroll</b>	\$17,448,843	\$13,993,405	\$12,286,189
<b>Plan net OPEB liability as a percentage of covered payroll</b>	143%	224%	216%

Source: City of Placentia Annual Comprehensive Financial Report for fiscal year ending June 30, 2022.

**Actuarial Methods and Assumptions.** Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the health care cost trend. Amounts determined regarding the funded status of the plan and the Actuarially Required Contribution of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future.

In the June 30, 2020 actuarial valuation, the entry age normal actuarial cost method was used to value liabilities. Under the entry age normal cost method, an average age at hire and average retirement age are determined for eligible employees. The actuarial assumptions included (1) a 2.21% discount rate and (2) inflation of 2.50%.

## Risk Management

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The City participates in municipal agency risk pools for its property, workers' compensation, and excess liability coverage.

**General Liability.** The City is a member of the Public Agency Risk Sharing Authority of California (“PARSAC”), a joint powers authority, which provides joint protection programs for public entities covering automobile, general liability, errors and omission losses, workers’ compensation, and property claims. Under the program, the City has a \$100,000 retention limits similar to a deductible with the PARSAC being responsible for losses above that amount up to \$1 million.

The PARSAC has additional coverage of \$34 million in excess of its \$1 million retention limit affiliated risk management authorities. The PARSAC also provides \$1 billion aggregate per occurrence property coverage to its members with such coverage provided by purchased insurance.

**Worker’s Compensation.** The City is a member of the Local Agency Workers’ Compensation Excess (the “LAWCX”), a joint powers authority, which provides joint protection programs for public entities covering worker’s compensation claims. Under the program, the City has a \$250,000 retention limits similar to a deductible with the LAWCX being responsible for losses above that amount up to \$4.7 million. The City has purchased excess coverage for Workers’ Compensation excess of \$5 million.

**Other Insurance.** The City has Crime Bond Insurance coverage as a member of PARSAC under Alliant Crime Insurance Program (the “ACIP”) excess of \$2,500 up to \$1 million. This insurance includes coverage for faithful performance of duty, forgery or alteration, inside premises theft of money and securities, inside premises robbery and safe burglary other property, outside the premises, computer fraud, funds transfer fraud, and money orders and counterfeit paper currency fraud.

A reconciliation of changes in aggregates for claims filed in the current and prior fiscal years are as follows:

**Worker’s Compensation**

<b>Fiscal Year</b>	<b>Beginning</b>	<b>Claims and</b>	<b>Claims</b>	<b>Ending</b>
<b>Ending</b>	<b>Balance</b>	<b>Changes</b>	<b>Payments</b>	<b>Balance</b>
<b>June 30</b>	<b>Balance</b>	<b>Changes</b>	<b>Payments</b>	<b>Balance</b>
2018-19	\$1,927,153	\$944,772	\$(663,980)	\$2,207,945
2019-20	2,207,945	153,342	(385,700)	1,975,587
2020-21	1,975,587	2,157,487	(697,901)	3,435,173
2021-22	3,435,173	1,034,044	(762,874)	3,706,343

**General Liability**

<b>Fiscal Year</b>	<b>Beginning</b>	<b>Claims and</b>	<b>Claims</b>	<b>Ending</b>
<b>Ending</b>	<b>Balance</b>	<b>Changes</b>	<b>Payments</b>	<b>Balance</b>
<b>June 30</b>	<b>Balance</b>	<b>Changes</b>	<b>Payments</b>	<b>Balance</b>
2018-19	\$69,015	\$19,428	\$(64,542)	\$23,901
2019-20	23,901	264,501	(28,745)	259,657
2020-21	259,657	230,514	(54,841)	435,330
2021-22	435,330	272,173	601,365	1,308,868

Source: City of Placentia Annual Comprehensive Financial Report for the year ending June 30, 2022.

There have been no significant changes to insurance coverage as compared to last year and the City has not experienced settlements in excess of insurance coverage during the past three years.

## City Investment Policy and Portfolio

The City administers a pooled investment program, except for those funds which are managed separately by trustees appointed under bond indentures. This program enables the City to combine available cash from all funds and to invest cash that exceeds current needs. Under the City's most current investment policy adopted by the City Council on July 19, 2022, and in accordance with the Government Code, the City may invest in the following types of investments subject to certain limitations on maturity and amount:

California Local Agency Bonds	California Local Agency Obligations
State Obligations	U.S. Treasury Obligations
Federal Agencies Securities	Banker's Acceptances
Commercial Paper	Negotiable Certificates of Deposits
Federally Insured Time Deposits	Repurchase Agreements
Local Agency Investment Fund (LAIF)	Medium Term Notes
Money Market Funds	Passbook Savings/Demand Deposits
Orange County Investment Pool	Joint Powers Authority Pools (JPA)

As of June 30, 2022, the fair value of the City Treasurer's investment portfolio (including cash) was \$35.9 million. The diversification of the City Treasurer's investment portfolio assets as of such date is shown in the following table.

<u>Type of Investment</u>	<u>% of Combined Portfolio</u>
LAIF	0.04%
Money Market Mutual Funds	0.06
Negotiable Certificates of Deposit <sup>(1)</sup>	2.54
U.S. Treasury Securities <sup>(1)</sup>	74.74
Federal Agency Securities <sup>(1)</sup>	2.59
Held by Fiscal Agent:	
Money Market Mutual Funds	20.03
	<u>100.00%</u>

<sup>(1)</sup> Pricing based on institutional bond quotes – evaluations based on various market and industry inputs.

Source: City of Placentia Annual Comprehensive Financial Report for the year ending June 30, 2022.

[As of \_\_\_\_\_, 20% of bonds mature within 1-6 months and 80% of bonds mature within 1-5 years.][Confirm/Update]

## Obligations of the City

In addition to the OPEB liability, compensated absences and claims payable, the City had the following outstanding obligations as of June 30, 2022 that are payable from the City's general fund.

<u>Obligation</u>	<u>Original Issue</u>	<u>June 30, 2022 Amount Outstanding</u>	<u>Final Maturity</u>
2022 Lease Private Placement	\$2,189,027.38	\$2,189,027	2027
2020A Lease Revenue Bonds	52,950,000.00	51,890,000	2045
Capital Lease – Radios <sup>(1)</sup>	1,319,360.00	664,014	2027
Capital Lease - Fire Trucks <sup>(1)</sup>	3,400,000.00	2,785,389	2030
Capital Lease - Fire Trucks <sup>(1)</sup>	1,795,000.00	1,460,450	2030
Fire Repayment Plan <sup>(2)</sup>	1,808,760.00	1,076,463	2025
Other Leases Payable	Various	656,703	2026

<sup>(1)</sup> The annual payment for the radio equipment is approximately \$167,500, and the combined annual payments for the fire trucks are approximately \$422,000, commencing in Fiscal Year 2020-21.

<sup>(2)</sup> See “Retirement Plans” above. The annual payment is approximately \$380,000 commencing in Fiscal Year 2020-21.  
Source: City of Placentia.

## Financial Statements

The City’s accounting policies conform to generally accepted accounting principles and reporting standards set forth by the State Controller. The audited financial statements also conform to the principles and standards for public financial reporting established by the National Council of Government Accounting and the Governmental Accounting Standards Board (“GASB”).

**Basis of Accounting and Financial Statement Presentation.** The government-wide financial statements are reported using the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures are recorded only when payment is due.

The City retained the firm of CliftonLarsonAllen LLP, Irvine, California, to examine the general purpose financial statements of the City as of and for the Fiscal Year ended June 30, 2022. The Table Nos. 19 and 20 summarize the audited Balance Sheet and audited Statement of Revenues, Expenditures and Changes in Fund Balance of the City’s General Fund for Fiscal Years 2017-18 through 2021-22.

See “APPENDIX B” hereto for the audited financial statements for the Fiscal Year ended June 30, 2022. The City has not requested, and the auditor has not provided, any review or update of such statements in connection with the inclusion in this Official Statement.

**GASB Statement No. 54 Fund Balance Reserves.** GASB No. 54 establishes fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in governmental funds.

The initial distinction that is made in reporting fund balance information is identifying amounts that are considered nonspendable, which are amounts that cannot be spent because they are either (a) not spendable

in form or (b) legally or contractually required to be maintained intact. GASB No. 54 also provides for additional classification as “restricted,” “committed,” “assigned,” and “unassigned” based on the relative strength of the constraints that control how specific amounts can be spent.

Pursuant to the City’s Reserve Policy (see “Financial Policies” above), the City designates certain of the sales tax generated by Measure U as “Committed” fund balance for specific purposes.

The table below shows General Fund fund balances as of June 30, 2022. The City has estimated the fund balances for June 30, 2022 and June 30, 2023 and can be found in Table No. 8 above under the caption “General Fund Revenues and Expenditures.”

Non-Spendable:	
Inventory	\$173,020
Prepaid Items	95,891
Loans Receivable	<u>2,252,856</u>
Total Non-Spendable	2,521,767
Restricted:	
Debt Service	2,024
Committed:	
Measure U - Infrastructure	4,035,815
Measure U – OPEB	770,595
Metrolink Station	<u>9,049,313</u>
Total Committed	13,855,723
Unassigned	<u>21,060,689</u>
Total Fund Balance	\$37,440,203

Source: City of Placentia Annual Comprehensive Financial Report for fiscal year ending June 30, 2022.

**GASB Statements Regarding Pension and OPEB Liabilities.** GASB has issued various statements relating to the reporting of pension and other post-retirement benefit liabilities and expense, and most recently, new accounting and financial reporting requirements for OPEB plans. The required reporting of net pension liability was incorporated into the City’s financial statements for the Fiscal Year ending June 30, 2015 and the required reporting of net OPEB liability was incorporated into the City’s financial statements for the Fiscal Year ending June 30, 2018. The audited financial statements of the City for the Fiscal Year ended June 30, 2022 included in “APPENDIX B” contain additional information about the retirement plan liabilities and the OPEB liability.

See Note 1 in the City’s audited financial statements attached in “APPENDIX B” for a discussion of additional accounting changes.

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**TABLE NO. 19**  
**GENERAL FUND BALANCE SHEET**  
**As of June 30**

	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
<b>ASSETS</b>					
Cash and investments	\$ 2,264,185	\$ 2,976,618	\$6,813,870	\$14,701,605	\$26,088,314
Receivables:					
Accounts	222,950	717,450	3,388,436	253,961	228,067
Taxes	1,880,509	3,085,095	3,176,169	3,646,695	4,222,000
Grants	116,458	6,249	-	-	-
Accrued interest	29,246	62,163	50,120	13,867	210,518
Loans and notes	4,934,104	4,624,306	3,950,040	3,462,484	2,634,732
Leases	-	-	-	-	20,743,281
Prepaid items	-	41,868	16,300	93,658	95,891
Due from other funds	409,780	1,313,088	858,052	1,371,540	2,620,039
Inventories	20,322	40,121	60,855	97,075	173,020
Restricted assets:					
Cash and investments with fiscal agents	1,019,010	571,396	555,258	556,084	2,024
<b>Total assets</b>	<u>\$10,896,564</u>	<u>\$13,438,354</u>	<u>\$18,869,550</u>	<u>\$24,196,969</u>	<u>\$57,017,886</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>					
Liabilities:					
Accounts payable	\$765,337	\$1,014,894	\$2,490,566	\$2,012,903	\$1,743,077
Accrued Payroll and Benefits	-	-	-	-	1,029,247
Deposits Payable	-	-	-	-	1,207,237
Retentions Payable	-	-	-	-	41,668
Accrued liabilities	469,772	511,212	731,842	885,312	-
Due to other governments	186	186	186	190	-
Due to other funds	34,130	-	-	-	-
Advances from other funds	-	-	-	-	-
Unearned revenue	-	1,719	-	6,483	8,185,730
<b>Total liabilities</b>	<u>1,269,425</u>	<u>1,528,011</u>	<u>3,222,594</u>	<u>2,904,888</u>	<u>12,206,959</u>
<b>Deferred Inflows of resources:</b>					
Leases	-	-	-	-	20,771,263
Unavailable revenues	1,599,592	1,561,106	1,680,505	1,061,610	455,184
<b>Total deferred inflows of resources</b>	<u>\$ 1,599,592</u>	<u>\$ 1,561,106</u>	<u>\$ 1,680,505</u>	<u>\$ 1,061,610</u>	<u>\$21,226,447</u>
<b>Fund balances:</b>					
Nonspendable	4,954,426	4,706,295	3,734,003	3,346,897	2,521,767
Restricted	1,019,010	571,396	555,258	556,084	2,024
Committed	3,400,000	4,528,259	5,810,898	6,433,605	13,855,723
Assigned	-	-	-	-	-
Unassigned (deficit)	(1,345,889)	543,287	3,866,292	9,893,885	7,204,966
<b>Total fund balances</b>	<u>8,027,547</u>	<u>10,349,237</u>	<u>13,966,451</u>	<u>20,230,471</u>	<u>23,584,480</u>
<b>Total liabilities, deferred inflows of resources and fund balances</b>	<u>\$10,896,564</u>	<u>\$13,438,354</u>	<u>\$18,869,550</u>	<u>\$24,196,969</u>	<u>\$57,017,886</u>

Source: City of Placentia Annual Comprehensive Financial Reports.

**TABLE NO. 20**  
**GENERAL FUND**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**For the year ended June 30**

	2018	2019	2020	2021	2022
<b>Revenues:</b>					
Taxes	\$27,542,353	\$29,671,258	\$34,830,127	\$37,858,390	\$41,621,461
Intergovernmental	252,963	353,354	701,864	9,743	952,389
Licenses and permits	1,701,878	1,922,689	2,453,827	2,827,761	2,440,102
Fines & forfeitures	562,390	438,581	418,752	290,534	503,302
Investment earnings	31,161	164,724	170,567	(28,258)	(323,152)
Charges for services	1,284,507	1,070,821	885,206	879,298	1,263,215
Leases and rents	1,255,240	1,230,532	1,211,622	1,079,979	1,422,831
Contributions from Successor Agency	-	-	19,000	30,000	-
Miscellaneous	708,662	944,874	866,076	460,006	785,684
<b>Total revenues</b>	<u>33,339,154</u>	<u>35,796,833</u>	<u>41,557,041</u>	<u>43,407,453</u>	<u>48,665,832</u>
<b>Expenditures:</b>					
Current:					
General government	7,977,778	7,823,758	8,298,766	10,911,110	12,055,475
Public safety	18,493,951	17,861,015	21,399,386	14,899,543	15,441,982
Public works	3,272,875	3,435,887	3,980,719	3,430,456	3,514,281
Community development	823,895	997,888	1,198,254	1,215,937	1,482,732
Community services	1,398,588	1,343,251	1,537,369	1,437,912	2,289,940
Capital outlay	334,139	719,324	7,271,232	3,811,664	5,034,753
Debt service:					
Principal retirement	1,320,000	1,545,000	582,614	1,270,240	1,320,810
Payment to refunding bond escrow agent	-	-	-	-	488,521
Interest and fiscal charges	427,530	293,723	206,426	391,808	343,759
Debt issuance costs	-	-	-	-	117,995
<b>Total expenditures</b>	<u>34,048,756</u>	<u>34,019,846</u>	<u>44,474,766</u>	<u>37,368,670</u>	<u>42,090,248</u>
Revenues over (under) expenditures	<u>(709,602)</u>	<u>1,776,987</u>	<u>(2,917,725)</u>	<u>6,038,783</u>	<u>6,575,584</u>
<b>Other financing sources (uses):</b>					
Issuance of Debt	-	-	-	-	2,189,027
Payment to refunding bond escrow agent	-	-	-	-	(2,069,027)
Issuance of capital lease	-	-	-	976,899	-
Transfers in	1,217,225	714,708	1,039,700	725,096	102,947
Transfers out	(554,103)	(246,098)	(270,300)	(1,476,758)	(3,444,522)
Transfer from Successor Agency	-	76,093	-	-	-
Proceeds from sale of property	-	-	1,547,438	-	-
Proceeds from capital lease	-	-	4,218,101	-	-
<b>Total other financing sources (uses)</b>	<u>663,122</u>	<u>544,703</u>	<u>6,534,939</u>	<u>225,237</u>	<u>(3,221,575)</u>
<b>Net change in fund balances</b>	<u>(46,480)</u>	<u>2,321,690</u>	<u>3,617,214</u>	<u>6,264,020</u>	<u>3,354,009</u>
<b>Fund balances:</b>					
Beginning of year, as restated	<u>8,074,027</u>	<u>8,027,547</u>	<u>10,349,237</u>	<u>13,966,451</u>	<u>20,230,471</u>
End of year	<u>\$ 8,027,547</u>	<u>\$10,349,237</u>	<u>\$13,966,451</u>	<u>\$20,230,471</u>	<u>\$23,584,480</u>

Source: City of Placentia Annual Comprehensive Financial Reports.

## RISK FACTORS

*The purchase of the Bonds involves investment risk. If a risk factor materializes to a sufficient degree, it could delay or prevent payment of principal of and/or interest on the Bonds. Such risk factors include, but are not limited to, the following matters and should be considered, along with other information in this Official Statement, by potential investors.*

### **The Base Rental Payments**

**Base Rental Payments are Limited Obligations of the City.** The Base Rental Payments and other payments due under the Lease Agreement (including a proportionate share of the costs of improvement, repair and maintenance of the Leased Property and taxes, other governmental charges and assessments levied against the Leased Property) are not secured by any pledge of taxes or other revenues of the City but are payable from yearly appropriations of any funds lawfully available to the City. In the event the City's revenue sources are less than its total obligations, the City could choose to fund other services before paying Base Rental Payments and other payments due under the Lease Agreement. The same result could occur if, because of State Constitutional limits on expenditures, the City is not permitted to appropriate and spend all of its available revenues (see "Constitutional Limitation on Taxes and Expenditures" below). To the extent these types of events or other events adversely affecting the funds available to the City occur in any year, the funds available to pay Base Rental Payments may be decreased.

The City has entered into other obligations which constitute additional charges against its revenues and may enter into additional obligations in the future. To the extent that additional obligations are incurred by the City, the funds available to the City to pay Base Rental Payments may be decreased (see "FINANCIAL INFORMATION — Obligations of the City" herein).

**Abatement.** In the event of substantial interference with the City's right to use and occupy any portion of the Leased Property by reason of damage to, or destruction or condemnation of the Leased Property, or any defects in title to the Leased Property, Base Rental Payments will be subject to abatement. See "SOURCES OF PAYMENT FOR THE BONDS — Abatement." In the event that such portion of the Leased Property, if damaged or destroyed could not be replaced during the period of time in which proceeds of the City's rental interruption insurance will be available in lieu of Base Rental Payments, plus the period for which funds are available from (a) amounts held by the Trustee in the Revenue Bond, and (b) amounts, if any, otherwise legally available to the Trustee for payments in respect of the Bonds under the Indenture, there could be insufficient funds to make payments to Owners in full.

The Lease Agreement requires casualty insurance on the Leased Property in an amount equal to the lesser of the outstanding principal amount of the Base Rental Payments outstanding, or the replacement cost of the structures located on the Leased Property. Therefore, due to the nature of the Leased Property and limited structures located thereon, there is a minimal amount of casualty insurance currently in place with respect to the Leased Property.

If damage, destruction, title defect or eminent domain proceedings with respect to the Leased Property results in abatement of the Base Rental Payments related to such Leased Property and if such abated Base Rental Payments, if any, together with moneys from rental interruption or use and occupancy insurance (in the event of any insured loss due to damage or destruction) and eminent domain proceeds, if any, are insufficient to make all payments of principal and interest with respect to the Bonds during the period that the Leased Property is being replaced, repaired or reconstructed, then all or a portion of such payments of principal and interest may not be made. Under the Lease Agreement and the Indenture, no remedy is available to the Owners for nonpayment under such circumstances.

Notwithstanding the provisions of the Lease Agreement and the Indenture specifying the extent of abatement of Base Rental Payments and the application of other funds in the event of the City's failure to have use and occupancy of the Leased Property, such provisions may be superseded by operation of law, and, in such event, the resulting Base Rental Payments of the City may not be sufficient to pay all of the remaining principal and interest represented by the Bonds.

**Insurance.** The Lease Agreement obligates the City to obtain and keep in force rental interruption insurance in an amount equal to maximum annual Base Rental Payments due during any immediately succeeding 24-month period (see "APPENDIX A — SUMMARY OF THE PRINCIPAL LEGAL DOCUMENTS — LEASE AGREEMENT — MAINTENANCE; TAXES; INSURANCE AND OTHER CHARGES — Insurance" herein). The Lease Agreement requires property insurance against loss or damage to all of the buildings situated on the Leased Property and owned by the City, in an amount at least equal to the lesser of the replacement value of the insured buildings and the aggregate principal amount of the Base Rental Payments outstanding. The City makes no representation as to the ability of any insurer to fulfill its obligations under any insurance policy provided for in the Lease Agreement. In the event the Leased Property is partially or completely damaged or destroyed due to any uninsured or underinsured event, it is likely that Base Rental Payments will be partially or completely abated. If any Leased Property so damaged or destroyed is not repaired or replaced within the period during which the proceeds of rental interruption insurance are available, any such abatement could prevent the City from timely paying Base Rental Payments.

**Discovery of a Hazardous Substance That Would Limit the Beneficial Use of the Leased Property.** In general, the owners and lessees of a parcel may be required by law to remedy conditions of the property relating to releases or threatened releases of hazardous substances. The federal Comprehensive Environmental Response, Compensation and Liability Act of 1980 sometimes referred to as CERCLA or the Superfund Act, is the most well-known and widely applicable of these laws but California laws with regard to hazardous substances are also stringent and similar. Under many of these laws, the owner (or lessee) is obligated to remedy a hazardous substance condition of property whether or not the owner (or lessee) had any involvement in creating or handling the hazardous substance. The effect, therefore, should the Leased Property be affected by a hazardous substance, might be to limit the beneficial use of the Leased Property upon discovery and during remediation. The City is not aware of any such condition on the Leased Property.

## **Natural Hazards**

**General.** The City, like all southern California communities, may be subject to unpredictable seismic activity, fires or floods. In the event of a severe earthquake, fire, flood or other natural disaster, there may be significant damage to both property and infrastructure in the City.

**Seismic Considerations.** Southern California is a seismically active area. Potentially active faults are located adjacent to the City; however, there are no Alquist-Priolo Earthquake Fault Zones ("AP Zone") within the city limits. According to the Safety Element of the City's General Plan, although the City does not lie within an AP Zone, seismic risk is still considered high because of the proximity to other active AP faulting in the region. Major faults that have potential to impact the City are (1) the Yorba Linda seismic source zone, a group of faults approximately 0.3 miles northeast of the City which can produce a magnitude 6.4 earthquake, (2) the Puente Hills Thrust Fault that extends approximately 26 miles between downtown Los Angeles and northern Orange County and is considered capable of generating a magnitude 7.1 earthquake, (3) the Peralta Hills Thrust, about 3 mile southeast of the center of the City and the closest known active fault to the City, where the length of the fault zone suggests that a maximum earthquake of about 6.0 to 6.5 is capable of occurring, (4) the Whittier Fault, part of the Whittier-Elsinore fault system that extends from the Los Angeles basin to Mexico, located about 3.8 mile north of the center of the City

and could be capable of generating a magnitude 6 to 7.2 earthquake, (5) the Newport-Inglewood Structural Zone, located approximately 14.6 miles southwest of the City and considered capable of producing earthquakes with a magnitude of up to 7.4, (6) the Sierra Madre Fault, part of a set of north-dipping reverse faults extending between Santa Barbara Channel east to Chino Basin, located about 17 miles north of the City and considered capable of producing earthquakes with a magnitude of up to 8.0, (7) the San Jacinto Fault system, which is highly seismically active and has been the source of several historical fault ruptures associated with the earthquake magnitudes in the range of 6 to 7, is located about 34 miles northeast of the City and considered capable of producing earthquakes with a magnitude of up to 7.5, (8) the San Andreas Fault system, located approximately 36 miles northerly of the City and considered capable of producing earthquakes with a magnitude of up to 7.9, and (9) the Norwalk Fault located approximately 4.5 miles west-northwest of the City but not classified as an active AP fault by the California Geological Survey.

Although ground rupture is not considered to be a major concern for the City, it is still likely that the City will be subject to some moderate to severe seismic shaking. [There are some areas of the City with high liquefaction potential, but none of the Leased Property are located in an area designated with potential for liquefaction.][**Confirm**]

A major earthquake could cause widespread destruction and significant loss of life in a populated area such as the City. If an earthquake were to substantially damage or destroy taxable property within the City, a reduction in taxable values of property in the City and a reduction in revenues available to the General Fund to pay Base Rental Payments would be likely to occur.

**Flooding.** Flooding hazards may be considered in two categories: natural flooding and dam inundation. [Most of the City, including the Leased Property, is not within the limits of a 100-year storm plain.][**Confirm**] In the event of a 500-year storm, a portion of City would be flooded, primarily around the southern and western borders of the City. Flood inundation resulting from dam failure of Prado Dam or Carbon Canyon Dam is a potential hazard for the City. Inundation from Prado Dam would affect the very southern portions of the City. Inundation from Carbon Canyon would affect the majority of the City generally west of Rose Drive/Tustin Avenue. If such a flood were to substantially damage or destroy taxable property within the City, a reduction in taxable values of property in the City and a reduction in revenues available to the General Fund to pay debt service on the Bonds would be likely to occur.

**Fire Hazards.** [As of 2019, the City is approaching “build-out” conditions with approximately 98 percent of developable land developed or in the process of developing. Approximately 54.5 acres, or 1.3 percent, of the City’s total acreage is vacant.][**Update/Confirm**] Placentia is surrounded by other build-out cities and is not adjacent to wildland areas; therefore, the risk of Wildland-Urban Interface fires is relatively nonexistent. However, in recent years, wildfires have caused extensive damage throughout the State. Certain of these fires have burned thousands of acres and in some cases destroyed thousands of homes. In some instances, entire neighborhoods have been destroyed. There can be no assurances that future wildfires will not affect the property located in the City. Property damage due to wildfire could result in a significant decrease in the market value of property in the City and in the ability or willingness of property owners to pay property taxes when due.

The City has adopted a Natural Hazards Mitigation Plan. This plan includes a hazard analysis for earthquake, flood, landslide and fire risk, and is required to comply with Federal Emergency Management Agency requirements for disaster relief funding.

If such events described above occur, the City’s emergency response to such an event may add unanticipated expenditures to the General Fund budget, some or all of which may not be reimbursed by federal or state disaster funding, and, if reimbursed, may not be received by the City in a timely manner. This could lead to reduced ability by the City to make Base Rental Payments.

## Cybersecurity

The City, like many other public and private entities, relies on computer and other digital networks and systems to conduct its operations and finances. As a recipient and provider of personal, private or other electronic sensitive information, the City is potentially subject to multiple cyber threats including, but not limited to, hacking, viruses, malware, ransomware and other attacks on computer and other sensitive digital networks and systems. Entities or individuals may attempt to gain unauthorized access to the City's systems for the purposes of misappropriating assets or information or causing operational disruption or damage.

The City has never had a major cyber breach that resulted in a financial loss. The City provides training to its staff on phishing and safe browsing and how to avoid potential cyber threats. However, no assurances can be given that the security and operational control measures of the City will be successful in guarding against any and each cyber threat or breach. Although the City maintains insurance coverage for cyber security losses should a successful breach ever occur, the cost of any such disruption or remedying damage caused by future attacks could be substantial and in excess of such insurance coverage. The City has recently started looking into updating the insurance coverage for cybersecurity and currently has a supplemental insurance plan in place.

## State Budget

**State Budget.** Information regarding the State Budget is regularly available at various State-maintained websites. The 2023-24 Proposed State Budget defined and described below may be found at the website of the Department of Finance, [www.dof.ca.gov](http://www.dof.ca.gov), under the heading "California Budget." Additionally, an impartial analysis of the State's Budgets is posted by the California Legislative Analyst's Office (the "LAO") at [www.lao.ca.gov](http://www.lao.ca.gov). The information referred to is prepared by the respective State agency maintaining each website and not by the City, and the City, the Underwriter and the Municipal Advisor take no responsibility for the continued accuracy of the internet addresses or for the accuracy, completeness or timeliness of information posted there, and such information is not incorporated herein by these references.

According to the State Constitution, the Governor of the State (the "Governor") is required to propose a budget to the State Legislature (the "Legislature") by no later than January 10 of each year, and a final budget must be adopted by the vote of each house of the Legislature no later than June 15. The State budget becomes law upon the signature of the Governor, who may veto specific items of expenditure.

Prior to Fiscal Year 2010-11, the State budget had to be adopted by a two-thirds vote of each house of the Legislature. However, in November 2010, the voters of the State passed Proposition 25, which reduced the vote required to adopt a budget to a majority vote of each house and which provided that there would be no appropriation from the current budget or future budget to pay any salary or reimbursement for travel or living expenses for members of the Legislature for the period during which the budget was presented late to the Governor.

**Fiscal Year 2023-24 Proposed State Budget.** On January 10, 2023, Governor Newsom released his proposed fiscal year 2023-24 State budget (the "2023-24 Proposed State Budget"), which projects general fund revenues at \$208 billion in fiscal year 2022-23 and \$210 billion in fiscal year 2023-24. The 2023-24 Proposed State Budget describes these revenues as significantly lower than previously anticipated, mainly due to declines in withholding and capital gains taxes. The 2023-24 Proposed State Budget forecasts State General Fund revenues to be \$29.5 billion lower than was projected in the 2022-23 State Budget, resulting in an estimated budget gap of \$22.5 billion in the 2023-24 fiscal year. The 2023-24 Proposed State Budget

plans to close the projected shortfall using a number of tools including funding delays, reductions, funding shifts, and limited revenue generation and borrowing.

The State is projected to end fiscal year 2022-23 with a reserve balance of approximately \$39.6 billion, comprised of approximately \$17.2 billion in the Special Fund for Economic Uncertainties (the “SFEU”) and approximately \$21.4 billion in the Budget Stabilization Account (the “BSA”). Fiscal year 2023-24 is expected to end with a reserve balance of approximately \$35.6 billion, comprised of approximately \$3.8 billion in the SFEU and approximately \$22.4 billion in the BSA. The BSA is now at its constitutional maximum (10% of General Fund revenues) requiring \$951 million to be dedicated for infrastructure investments in fiscal year 2023-24. The 2023-24 Proposed State Budget reflects a payment of \$365 million into the Public School System Stabilization Account (the “PSSSA”), for a total revised balance of more than \$8.5 billion at the end of fiscal year 2022-23.

The 2023-24 Proposed State Budget supports various education, safety, health, business and climate change initiatives. The 2023-24 Proposed State Budget accelerates the pay down of the State’s retirement liabilities as required by Proposition 2, with \$1.9 billion in additional payments required in fiscal year 2023-24 and approximately \$5.3 billion projected to be paid over the next three years.

Although the 2023-24 Proposed State Budget revenue outlook is substantially different than seen in the last two years, the 2023-24 Proposed State Budget recognizes that by using the bulk of the recent surplus to boost the State’s budget reserves and pay down prior debts, by focusing on one-time and near-term spending instead of costly long-term obligations, and by tying or “triggering” a handful of new ongoing programs to sufficient revenue availability in fiscal year 2024-25, the State does not have to propose the kind of deep reductions to priority programs that marked the budget shortfalls over the past two decades. It will, however, require the State to delay or forego some spending in the near term.

No prediction can be made by the City as to whether the State will encounter budgetary problems in future fiscal years, and if it were to do so, it is not clear what measures would be taken by the State to balance its budget, as required by law. In addition, the City cannot predict the final outcome of future State budget negotiations, the impact that such budgets will have on City finances and operations or what actions will be taken in the future by the Legislature and the Governor to deal with changing State revenues and expenditures.

### **Fiscal Year 2023-24 May Revised State Budget.**

On May 12, 2023, Governor Gavin Newsom released his May Revision to the 2023-24 Proposed State Budget (the “2023-24 May Revised State Budget”). The 2023-24 May Revised State Budget projects a revenue shortfall, after transfers and adjustments, of \$9.3 billion in addition to the \$22.5 billion shortfall already projected in the 2023-24 Proposed State Budget. The additional revenue shortfall results in part from higher-than-expected inflation rates, lower-than-expected tax receipts, and federal and State tax filing deadline delays for taxpayers in winter-storm effected counties. When combined with, and accounting for slight adjustments to the \$22.5 billion shortfall in the 2023-24 Proposed State Budget, the 2023-24 May Revised State Budget projects a \$31.5 billion shortfall.

The 2023-24 May Revised State Budget reflects \$37.2 billion in total budgetary reserves and does not project a need to draw on any of the State’s reserves as a solution to the budget problem except for a portion of the Safety Net Reserve (the “Safety Net Reserve”). The reserve levels in the 2023-24 May Revised State Budget includes \$22.3 billion in the BSA, which fulfills the constitutional maximum mandatory deposit limit of 10% of General Fund tax proceeds, \$10.7 billion in the PSSSA, \$450 million in the Safety Net Reserve (net of a

\$450 million dollar draw), and \$3.8 billion in the SFEU. As the BSA balance is at its constitutional maximum amount, a total of \$2.3 billion must be dedicated for infrastructure investments in Fiscal Year 2023-24.

The 2023-24 May Revised State Budget addresses the projected additional \$9.3 billion budget shortfall through several solutions to be considered in addition to those already included in the 2023-24 Proposed State Budget, including:

- **Spending Reductions and Pullbacks**—Reduction of an additional \$1.1 billion in spending across the State’s 2021-22 through 2023-24 fiscal years. Combined with the 2023-24 Proposed State Budget’s \$5.7 billion in reductions and pullbacks and a \$57 million adjustment, the 2023-24 May Revised State Budget includes total solutions in this category of \$6.7 billion. Generally, the reductions in the 2023-24 May Revised State Budget reflect reversions of unused funds, rather than cuts to programs. For example, \$200 million in unallocated Middle Class Tax Refunds, \$149.4 million in unused funds for the Utility Arrearages Program, and \$280 million of unspent funds for the 2021-22 fiscal year for CalWORKs county administration and services will revert to the General Fund.
- **Delayed Spending**—Delays an additional \$695 million across the multi-year budget period without reducing the total amount of funding through the same period. Combined with the 2023-24 Proposed State Budget delays of \$7.4 billion, \$8.1 billion in spending delays is spread across the multi-year. Major items in this category in the 2023-24 May Revised State Budget include: \$295 million moved into the out-years for the Foreclosure Intervention Housing Prevention Program (while maintaining \$205 million in the current year and budget year).
- **Fund Shifts**—Includes \$3.3 billion in shifts of spending commitments from the General Fund to other funds. Combined with the 2023-24 Proposed State Budget fund shifts of \$4.3 billion and a \$90 million adjustment, there is a total of \$7.5 billion in shifts to other funds. Major items in this category in the 2023-24 May Revised State Budget include \$1.1 billion in climate related investments shifted to a climate bond, \$635 million of Zero Emission Vehicle investments shifted to Greenhouse Gas Reduction Fund, and \$1.1 billion for student housing projects shifted to bonds.
- **Revenue/Borrowing**—Includes \$3.7 billion in revenue and borrowing, which consist primarily of an additional \$2.5 billion from the Managed Care Organization tax and \$1.2 billion in additional borrowing from special funds. Combined with the 2023-24 Proposed State Budget amount of \$1.2 billion, there is a total of \$4.9 billion in new revenue or borrowing.
- **Safety Net Reserve Withdrawal**—Includes the withdrawal of \$450 million from the Safety Net Reserve. This represents half of the funds available in the reserve, leaving a balance of \$450 million if subsequently needed.

The Governor notes in the 2023-24 May Revised State Budget that the State faces additional risks to its finances that could result from the economic fallout from a debt limit impasse if Congress is unable to meet raise the federal debt limit, continued inflation and interest rate growth, uncertainty in the financial system caused by the failures of regional banks, and the difficulty in projecting tax revenues due to the tax returns from most counties in the State not being due until October. While the 2023-24 May Revised State Budget does not project a recession, should risks be realized and a moderate recession occur, revenue declines below the 2023-24 May Revised State Budget forecast could be significant. The 2023-24 May Revised State Budget recognizes that the magnitude of the revenue loss would depend upon the depth and duration of a recession,

as well as its relative impacts on higher-income individuals. Based on a moderate recession scenario in fiscal year 2023-24, revenues could decrease by \$40 billion in fiscal year 2023-24 alone, largely driven by losses in personal income tax and revenue declines relative to the 2023-24 May Revised State Budget forecast could reach an additional \$100 billion through fiscal year 2026-27.

There can be no assurance that actions taken by the State to address its financial condition will not materially adversely affect the financial condition of the City. Current and future State budgets will be affected by national and State economic conditions and other factors over which the City has no control.

**State Legislative Shifts of Property Tax Allocation.** From time to time, the State has realigned certain property tax revenue to deal with its budget problems. Since 1992-93, the State has required that local agencies including cities remit a portion of property taxes received to augment school funding. These funds are deposited in each county's Education Revenue Augmentation Fund ("ERAF"). These property taxes (approximately 17.5%) are permanently excluded from the City's property tax revenues.

On July 24, 2009, the Legislature approved amendments to the 2009-10 Budget to close its anticipated \$26.3 billion budget shortfall. The approved amendments included borrowing from local governments by withholding of the equivalent of 8% of Fiscal Year 2008-09 property related tax revenues from cities' and counties' property tax collections under provisions of Proposition 1A (approved by the voters in 2004), which the State was required to repay with interest within three years. The first (and to date, only) shift occurred in Fiscal Year 2009-10. Fiscal Year 2012-13 was the first year that another shift was allowable, but the State has not implemented another borrowing yet.

On March 2, 2004, voters approved a bond initiative formally known as the "California Economic Recovery Act." This act authorized the issuance of \$15 billion in bonds to finance the Fiscal Year 2002-03 and Fiscal Year 2003-04 State budget deficits, which would be payable from a fund to be established by the redirection of tax revenues through the "Triple Flip." Under the "Triple Flip," one-quarter of local governments' 1% share of the sales tax imposed on taxable transactions within their jurisdiction were redirected to the State. In an effort to eliminate the adverse impact of the sales tax revenue redirection on local government, the legislation provided for property taxes in the ERAF to be redirected to local government. Because the ERAF moneys were previously earmarked for schools, the legislation provided for schools to receive other state general fund revenues. The swap of sales taxes for property taxes terminated once the deficit financing bonds were repaid in September 2015. The City treated the Triple Flip property tax revenue as sales tax in its financial statements.

The City also received a portion of Department of Motor Vehicles license fees ("VLF") collected statewide. Several years ago, the State-wide VLF was reduced by approximately two-thirds. However, the State continued to remit to cities and counties the same amount that those local agencies would have received if the VLF had not been reduced, known as the "VLF backfill." The State VLF backfill was phased out and as of 2011-12 all of the VLF is now received through an in lieu payment from State property tax revenues.

There can be no assurance the State will not take similar actions such as those described above or additional actions to address its financial condition and such actions may materially adversely affect the financial condition of the City. Current and future State budgets will be affected by national and State economic conditions and other factors over which the City has no control, including, and particularly, the Pandemic.

## **Limited Recourse on Default; No Acceleration**

If an event of default occurs and is continuing under the Lease Agreement, there is no remedy of acceleration of any Base Rental Payments which have not come due and payable in accordance with the

Lease Agreement. The City will continue to be liable for Base Rental Payments as they become due and payable in accordance with the Lease Agreement if the Trustee does not terminate the Lease Agreement, and the Trustee would be required to seek a separate judgment each year for that year's defaulted Base Rental Payments. Any such suit for money damages would be subject to limitations on legal remedies against cities in California, including a limitation on enforcement of judgments against funds or property needed to serve the public welfare and interest. In addition, the enforcement of any remedies provided in the Lease Agreement and the Indenture could prove both expensive and time-consuming.

The Lease Agreement permits the Trustee to take possession of and release the Leased Property in the event of a default by the City under the Lease Agreement. Even if the Trustee could readily release the Leased Property, the rents may not be sufficient to enable it to pay principal of and interest on the Bonds in full when due. Any such releasing of the Leased Property would be subject to existing encumbrances thereon. In addition, no assurances can be given that a court would permit the Authority or the Trustee to exercise the remedies which are granted under the Lease Agreement to re-enter and relet the Leased Property. See "THE LEASED PROPERTY" herein.

## **Enforcement of Remedies**

The enforcement of any remedies provided in the Lease Agreement and the Indenture could prove both expensive and time consuming. The rights and remedies provided in the Lease Agreement and the Indenture may be limited by and are subject to the limitations on legal remedies against cities, including State constitutional limits on expenditures, and limitations on the enforcement of judgments against funds needed to serve the public welfare and interest; by federal bankruptcy laws, as now or hereafter enacted; applicable bankruptcy, insolvency, reorganization, moratorium, or similar laws relating to or affecting the enforcement of creditors' rights generally, now or hereafter in effect (see "Bankruptcy" below); equity principles which may limit the specific enforcement under State law of certain remedies; the exercise by the United States of America of the powers delegated to it by the Constitution; the reasonable and necessary exercise, in certain exceptional situations, of the police powers inherent in the sovereignty of the State and its governmental bodies in the interest of serving a significant and legitimate public purpose; and the limitations on remedies against municipal entities in the State. Bankruptcy proceedings or the exercise of powers by the federal or State government, if initiated, could subject the Owners of the Bonds to judicial discretion and interpretation of their rights in bankruptcy or otherwise, and consequently may entail risks of delay, limitation or modification of their rights.

The legal opinions to be delivered concurrently with the delivery of the Bonds (including Bond Counsel's legal opinion) will be qualified, as to the enforceability of the Bonds, the Indenture, the Site Lease, the Lease Agreement, the Assignment Agreement and other related documents, by bankruptcy, insolvency, reorganization, moratorium, arrangement, fraudulent conveyance and other laws relating to or affecting creditors' rights, to the application of equitable principles, to the exercise of judicial discretion in appropriate cases, and to the limitation on legal remedies against cities and counties in the State. See "Bankruptcy" below.

## **Bankruptcy**

In addition to the limitations on remedies contained in the Indenture and the Lease Agreement, the rights and remedies in the Lease Agreement may be limited and are subject to the provisions of federal bankruptcy laws, as now or hereafter enacted, and to other laws or equitable principles that may affect the enforcement of creditors' rights.

Under Chapter 9 of the Bankruptcy Code (Title 11, United States Code) (the "Bankruptcy Code"), which governs bankruptcy proceedings of public entities such as the City, no involuntary bankruptcy petition may

be filed against a public entity. However, upon satisfaction of certain prerequisite conditions, a voluntary bankruptcy petition may be filed by the City. The filing of a bankruptcy petition results in a stay against enforcement of certain remedies under agreements to which the bankrupt entity is a party. A bankruptcy filing by the City could thus limit remedies under the Lease Agreement. A bankruptcy debtor may choose to assume or reject executory contracts and leases, such as the Lease Agreement. However, a debtor may not assume or reject executory contracts to loan money or to make a financial accommodation, such as the Indenture. In the event of rejection of a lease by debtor lessee, the leased property is returned to the lessor and the lessor has a claim for a limited amount of the resulting damages.

Under the Indenture, the Trustee holds a security interest in the revenues in the funds pledged thereunder, including Base Rental Payments, for the benefit of the Owners of the Bonds, but such security interest arises only when the Base Rental Payments are actually received by the Trustee following payment by the City.

The Leased Property itself is not subject to a security interest, mortgage or any other lien in favor of the Trustee for the benefit of the Owners of the Bonds. In the event of a bankruptcy filed by the City and the subsequent rejection of the Lease Agreement by the City, the Trustee is entitled to recover possession of the Leased Property, although as discussed above no assurances can be given that a Court would permit such action to be taken by the Trustee due to the essential governmental purposes served by the Leased Property. In addition, the Trustee would have a claim for damages against the City, although such claim would constitute a secured claim only to the extent of revenues in the possession of the Trustee; the balance of such claim would be unsecured.

Such a bankruptcy could adversely affect the payments under the Indenture. Among the adverse effects might be: (i) the application of the automatic stay provisions of the Bankruptcy Code, which, until relief is granted, would prevent collection of payments from the City or the commencement of any judicial or other action for the purpose of recovering or collecting a claim against the City and could prevent the Trustee from making payments from funds in its possession; (ii) the avoidance of preferential transfers occurring during the relevant period prior to the filing of a bankruptcy petition; (iii) the existence of unsecured or secured debt which may have priority of payment superior to that of the Owners of the Bonds; and (iv) the possibility of the adoption of a plan (the "Plan of Adjustment") for the adjustment of the City's debt without the consent of the Trustee or all of the Owners of the Bonds, which Plan of Adjustment may restructure, delay, compromise or reduce the amount of any claim of the Owners of the Bonds if the Bankruptcy Court finds that the Plan of Adjustment is fair and equitable and in the best interests of creditors.

In a bankruptcy of the City, if a material unpaid liability is owed to CalPERS or any other pension system (collectively the "Pension Systems") on the filing date, or accrues thereafter, such circumstances could create additional uncertainty as to the City's ability to make Base Rental Payments. Given that municipal pension systems in California are usually administered pursuant to state constitutional provisions and, as applicable, other state and/or city law, the Pension Systems may take the position, among other possible arguments, that their claims enjoy a higher priority than all other claims, that Pension Systems have the right to enforce payment by injunction or other proceedings outside of a City bankruptcy case, and that Pension System claims cannot be the subject of adjustment or other impairment under the Bankruptcy Code because that would purportedly constitute a violation of state statutory, constitutional and/or municipal law. It is uncertain how a bankruptcy judge in a City bankruptcy would rule on these matters. In addition, this area of law is presently very unsettled as issues of pension underfunding claim priority, pension contribution enforcement, and related bankruptcy plan treatment of such claims (among other pension-related matters) have been the subject of litigation in the Chapter 9 cases of several California municipalities, including the Cities of Stockton and San Bernardino.

The Authority is a public agency and, like the City, is not subject to the involuntary procedures of the Bankruptcy Code. The Authority may also seek voluntary protection under Chapter 9 of the Bankruptcy

Code. In the event the Authority were to become a debtor under the Bankruptcy Code, the Authority would be entitled to all of the protective provisions of the Bankruptcy Code as applicable in a Chapter 9 proceeding. Such a bankruptcy could adversely affect the payments under the Indenture. Among the adverse effects might be: (i) the application of the automatic stay provisions of the Bankruptcy Code, which, until relief is granted, would prevent collection of payments from the Authority or the commencement of any judicial or other action for the purpose of recovering or collecting a claim against the Authority; (ii) the avoidance of preferential transfers occurring during the relevant period prior to the filing of a bankruptcy petition; (iii) the existence of unsecured or court-approved secured debt which may have priority of payment superior to that of the Owners of the Bonds; and (iv) the possibility of the adoption of a plan for the adjustment of the Authority's debt without the consent of the Trustee or all of the Owners of the Bonds, which plan may restructure, delay, compromise or reduce the amount of any claim of the Owners of the Bonds if the Bankruptcy Court finds that the Plan is fair and equitable. In a bankruptcy the Authority could challenge the assignment of the Site Lease and the Lease Agreement, and the Trustee and/or the Owners of the Bonds could be required to litigate these issues to protect their interests.

## **Risks Related to COVID-19**

The outbreak of a respiratory disease caused by a new strain of coronavirus ("COVID-19"), was declared a global pandemic by the World Health Organization in March 2020. Since the onset of the pandemic, California Governor Gavin Newsom and other federal, state and local officials have issued numerous restrictions and warnings, and have taken and continue to take, various actions, including executive orders and the passage of laws and regulations, on a wide array of topics, to slow the spread of COVID-19 and to address the ongoing public health and economic consequences of the pandemic. The Authority cannot predict the scope or duration of preventative or mitigating actions taken by federal, state and local officials in response to COVID-19, which continue to evolve in response to the conditions of the virus, or any future pandemic, epidemic or outbreak of a contagious disease.

As part of its budget process, the U.S. Department of the Treasury allocated \$9,083,054 of the American Rescue Plan Act ("ARPA") funds to the City. Allocations to the City started in July 2021 when the City received \$4,541,527 in the first tranche. The City received the second tranche of \$4,541,527 in ARPA funding in July of 2022. Additionally, the City received \$636,000 in funding from the State Coronavirus Relief Fund, which was established through the CARES Act and anticipates an additional \$400,000 from FEMA. Although the City anticipates the reimbursements due from FEMA, the timing of the receipt is unknown. These revenues are to be used to reimburse emergency response expenditures associated with the City's COVID-19 response.

## **Constitutional Limitation on Taxes and Expenditures**

**State Initiative Measures Generally.** Under the California Constitution, the power of initiative is reserved to the voters for the purpose of enacting statutes and constitutional amendments. Voters have exercised this power through the adoption of Proposition 13 ("Article XIII A") and similar measures, such as Propositions 22 and 26 approved in the general election held on November 2, 2010.

Any such initiative may affect the collection of fees, taxes and other types of revenue by local agencies such as the City. Subject to overriding federal constitutional principles, such collection may be materially and adversely affected by voter-approved initiatives, possibly to the extent of creating cash-flow problems in the payment of outstanding obligations such as the Lease Agreement.

**Article XIII A.** On June 6, 1978, State voters approved Proposition 13, which added Article XIII A to the State Constitution. Article XIII A, as amended, limits the amount of any ad valorem tax on real property to 1% of the full cash value thereof, except that additional ad valorem property taxes may be levied to pay

debt service: (i) on indebtedness approved by the voters prior to December 1, 1978; (ii) on bonded indebtedness approved by a two-thirds vote on or after December 1, 1978, for the acquisition or improvement of real property; or (iii) bonded indebtedness incurred by a school district, community college district, or county office of education for the construction, reconstruction, rehabilitation, or replacement of school facilities, including the furnishing and equipping of school facilities or the acquisition or lease of real property for school facilities, approved by 55% of the voters voting on the proposition. Article XIII A defines full cash value to mean “the county assessor’s valuation of real property as shown on the 1975-76 tax bill under “full cash value,” or thereafter, the appraised value of real property when purchased, newly constructed, or a change in ownership has occurred after the 1975 assessment.” This full cash value may be increased at a rate not to exceed 2% per year to account for inflation.

Article XIII A has subsequently been amended to permit reduction of the “full cash value” base in the event of declining property values caused by damage, destruction or other factors, including a general economic downturn, to provide that there would be no increase in the “full cash value” base in the event of reconstruction of property damaged or destroyed in a disaster, and in other minor or technical ways.

**Legislation Implementing Article XIII A.** Legislation has been enacted and amended a number of times since 1978 to implement Article XIII A. Under current law, local agencies are no longer permitted to levy directly any property tax (except to pay voter-approved indebtedness). The 1% property tax is automatically levied by counties and distributed according to a formula among taxing agencies.

Increases in assessed valuation resulting from reappraisals of property due to new construction, change in ownership or from the 2% annual adjustment are allocated among the various jurisdictions in the “taxing area” based upon their respective “situs.” Any such allocation made to a local agency continues as part of its allocation in future years.

All taxable property is shown at full cash value on the tax rolls. Consequently, the tax rate is expressed as \$1 per \$100 of taxable value. All taxable property value included in this Official Statement is shown at 100 percent of taxable value (unless noted differently) and all tax rates reflect the \$1 per \$100 of taxable value.

**Property Tax Base Transfer (Proposition 19).** At the November 2020 Statewide election, “Proposition 19” was approved by the electorate. Proposition 19 amended California Constitution Article XIII A to permit eligible homeowners to transfer tax assessments anywhere in the State, narrow existing special rules for inherited properties, and broaden the scope of triggers for reassessment of properties. Any additional revenues and net savings resulting from Proposition 19 will be allocated to fire protection services and reimbursing local governments for taxation-related changes. The City cannot make any assurance as to what effect the implementation of Proposition 19 will have on City revenues or assessed valuation of real property in the City.

**Proposition 8 Adjustments.** Proposition 8, approved in 1978, provides for the assessment of real property at the lesser of its originally determined (base year) full cash value compounded annually by the inflation factor, or its full cash value as of the lien date, taking into account reductions in value due to damage, destruction, obsolescence or other factors causing a decline in market value. Reductions based on Proposition 8 do not establish new base year values, and the property may be reassessed as of the following lien date up to the lower of the then-current fair market value or the factored base year value. The State Board of Equalization has approved this reassessment formula and such formula has been used by county assessors statewide. The City experienced Proposition 8 reductions in property values between 2009 and 2011. The COVID-19 impact on the economy may impact future property values and cause an increase in Proposition 8 reductions in future years. See “FINANCIAL INFORMATION— Ad Valorem Property Taxes — Taxable Property and Assessed Valuation” herein.

**Article XIII B.** On November 6, 1979, California voters approved Proposition 4, or the Gann Initiative, which added Article XIII B to the California Constitution. Article XIII B limits the annual appropriations of the State and any city, county, city and county, school district, authority or other political subdivision of the State. The “base year” for establishing such appropriations limit is the 1978-79 Fiscal Year, and the limit is to be adjusted annually to reflect changes in population, consumer prices and certain increases in the cost of services provided by public agencies.

Appropriations subject to Article XIII B include generally the proceeds of taxes levied by or for the entity and the proceeds of certain State subventions, refunds of taxes, benefit payments from retirement, unemployment insurance and disability insurance funds. “Proceeds of taxes” include, but are not limited to, all tax revenues, certain State subventions, and the proceeds to an entity of government, from (1) regulatory licenses, user charges and user fees, to the extent that such charges and fees exceed the costs reasonably borne in providing the regulation, product or service, and (2) the investment of tax revenues. Article XIII B includes a requirement that if an entity’s revenues in any year exceed the amounts permitted to be spent, the excess would have to be returned by revising tax rates or fee schedules within the next two subsequent fiscal years.

In the June 1990 election, the voters approved Proposition 111 amending the method of calculation of State and local appropriations limits. Proposition 111 made several changes to Article XIII B. First, the term “change in the cost of living” was redefined as the change in the California per capita personal income (“CPCPI”) for the preceding year. Previously, the lower of the CPCPI or the United States Consumer Price Index was used. Second, the appropriations limit for the fiscal year was recomputed by adjusting the 1986-87 limit by the CPCPI for the three subsequent years. Third and lastly, Proposition 111 excluded appropriations for “qualified capital outlay for Fiscal Year 1990-91 as defined by the legislature” from proceeds of taxes.

Section 7910 of the Government Code requires the City to adopt a formal appropriations limit for each fiscal year. The City’s appropriations limit for 2018-19 is \$307,052,768. The City’s appropriations subject to the limit for 2018-19 are \$154,045,587. Based on this, the appropriations limit is not expected to have any impact on the ability of the City to continue to budget and appropriate the Base Rental Payments as required by the Lease.

**Proposition 62.** Proposition 62 was a statutory initiative adopted in the November 1986 general election. Proposition 62 added Sections 53720 to 53730, inclusive, to the California Government Code. It confirmed the distinction between a general tax and special tax, established by the State Supreme Court in 1982 in *City and County of San Francisco v. Farrell*, by defining a general tax as one imposed for general governmental purposes and a special tax as one imposed for specific purposes. Proposition 62 further provided that no local government or district may impose (i) a general tax without prior approval of the electorate by majority vote or (ii) a special tax without such prior approval by two-thirds vote. It further provided that if any such tax is imposed without such prior written approval, the amount thereof must be withheld from the levying entity’s allocation of annual property taxes for each year that the tax is collected. By its terms, Proposition 62 applies only to general and special taxes imposed on or after August 1, 1985. Proposition 62 was generally upheld in *Santa Clara County Local Transportation Authority v. Guardino*, a California Supreme Court decision filed September 28, 1995.

**Proposition 218.** On November 5, 1996, California voters approved Proposition 218 – Voter Approval for Local Government Taxes – Limitation on Fees, Assessments, and Charges – Initiative Constitutional Amendment. Proposition 218 added Articles XIII C and XIII D to the California Constitution, imposing certain vote requirements and other limitations on the imposition of new or increased taxes, assessments and property-related fees and charges. Proposition 218 states that all taxes imposed by local governments shall be deemed to be either general taxes or special taxes. Special purpose districts, including school

districts, have no power to levy general taxes. No local government may impose, extend or increase any general tax unless and until such tax is submitted to the electorate and approved by a majority vote. No local government may impose, extend or increase any special tax unless and until such tax is submitted to the electorate and approved by a two-thirds vote.

Proposition 218 also provides that no tax, assessment, fee or charge shall be assessed by any agency upon any parcel of property or upon any person as an incident of property ownership except: (i) the ad valorem property tax imposed pursuant to Article XIII and Article XIII A of the California Constitution, (ii) any special tax receiving a two-thirds vote pursuant to Section 4 of Article XIII A the California Constitution, and (iii) assessments, fees, and charges for property related services as provided in Article XIII D. Proposition 218 added voter requirements for assessments and fees and charges imposed as an incident of property ownership, other than fees and charges for sewer, water, and refuse collection services. In addition, all assessments and fees and charges imposed as an incident of property ownership, including sewer, water, and refuse collection services, are subjected to various additional procedures, such as hearings and stricter and more individualized benefit requirements and findings. The effect of such provisions will presumably be to increase the difficulty a local agency will have in imposing, increasing or extending such assessments, fees and charges.

Proposition 218 also extended the initiative power to reducing or repealing any local taxes, assessments, fees and charges. This extension of the initiative power is not limited to taxes imposed on or after November 6, 1996, the effective date of Proposition 218, and could result in retroactive repeal or reduction in any existing taxes, assessments, fees and charges, subject to overriding federal constitutional principles relating to the impairment of contracts.

Proposition 218 provides that, effective July 1, 1997, fees that are charged “as an incident of property ownership” may not “exceed the funds required to provide the property related services” and may only be charged for services that are “immediately available to the owner of the property.”

The City levies a franchise tax on its cable television, telephone and gas utility franchises. This tax has not been submitted for approval by voters. See “FINANCIAL INFORMATION — Local Taxes” herein for a discussion of these taxes. The City has a street lighting district formed in 1981 and a landscape maintenance formed in 1982 that levy assessments for street lighting and landscape maintenance, which are used to offset certain General Fund expenses. These assessments have not been submitted for approval by voters.

The City does not expect the application of Proposition 218 will have a material adverse impact on its ability to pay Base Rental Payments.

**Voter-Approved Taxes.** Placentia levies a utility users’ tax. The utility users’ tax was first levied pursuant to an ordinance of the City Council adopted in 1970. The City levies a transient occupancy tax on hotel and motel bills. In November 2018, voters approved a general one cent sales tax to be levied and collected on behalf of the City, by majority vote of 63%.

There is no time limit established for the collection of the utility users’ tax, the transient occupancy tax or the sales tax.

The City has formed community facilities districts which levy special taxes to pay for certain services. These special taxes are used to offset certain General Fund expenses. The community facilities districts comply with Proposition 218.

**Proposition 1A.** Proposition 1A, proposed by the Legislature in connection with the 2004-05 Budget Act and approved by the voters in November 2004, restricts State authority to reduce major local tax revenues

such as the tax shifts permitted to take place in Fiscal Years 2004-05 and 2005-06. Proposition 1A provides that the State may not reduce any local sales tax rate, limit existing local government authority to levy a sales tax rate or change the allocation of local sales tax revenues, subject to certain exceptions. Proposition 1A generally prohibits the State from shifting to schools or community colleges any share of property tax revenues allocated to local governments for any fiscal year, as set forth under the laws in effect as of November 3, 2004. Any change in the allocation of property tax revenues among local governments within a county must be approved by two-thirds of both houses of the Legislature.

Proposition 1A provides, however, that beginning in Fiscal Year 2008-09, the State may shift to schools and community colleges up to 8% of local government property tax revenues, which amount must be repaid, with interest, within three years, if the Governor proclaims that the shift is needed due to a severe state financial hardship, the shift is approved by two-thirds of both houses and certain other conditions are met. Such a shift may not occur more than twice in any 10-year period. The State may also approve voluntary exchanges of local sales tax and property tax revenues among local governments within a county.

For Fiscal Year 2009-10, 8% of the City's property tax revenues were diverted to the State as a result of a Proposition 1A suspension.

Proposition 1A also provides that if the State reduces the vehicle license fee rate below 0.65% of vehicle value, the State must provide local governments with equal replacement revenues. Further, Proposition 1A requires the State to suspend State mandates affecting cities, counties and special districts, excepting mandates relating to employee rights, schools or community colleges, in any year that the State does not fully reimburse local governments for their costs to comply with such mandates.

**Proposition 22.** On November 2, 2010, voters in the State approved Proposition 22. Proposition 22, known as the "Local Taxpayer, Public Safety, and Transportation Protection Act of 2010," eliminates or reduces the State's authority to (i) temporarily shift property taxes from cities, counties and special districts to schools, (ii) use vehicle license fee revenues to reimburse local governments for State-mandated costs (the State will have to use other revenues to reimburse local governments), (iii) redirect property tax increment from redevelopment agencies to any other local government, (iv) use State fuel tax revenues to pay debt service on State transportation bonds, or (v) borrow or change the distribution of State fuel tax revenues.

**Proposition 26.** On November 2, 2010, voters in the State also approved Proposition 26. Proposition 26 amends Article XIII C of the State Constitution to expand the definition of "tax" to include "any levy, charge, or exaction of any kind imposed by a local government" except the following: (1) a charge imposed for a specific benefit conferred or privilege granted directly to the payor that is not provided to those not charged, and which does not exceed the reasonable costs to the local government of conferring the benefit or granting the privilege; (2) a charge imposed for a specific government service or product provided directly to the payor that is not provided to those not charged, and which does not exceed the reasonable costs to the local government of providing the service or product; (3) a charge imposed for the reasonable regulatory costs to a local government for issuing licenses and permits, performing investigations, inspections, and audits, enforcing agricultural marketing orders, and the administrative enforcement and adjudication thereof; (4) a charge imposed for entrance to or use of local government property, or the purchase, rental, or lease of local government property; (5) a fine, penalty, or other monetary charge imposed by the judicial branch of government or a local government, as a result of a violation of law; (6) a charge imposed as a condition of property development; and (7) assessments and property-related fees imposed in accordance with the provisions of Article XIID. Proposition 26 provides that the local government bears the burden of proving by a preponderance of the evidence that a levy, charge, or other exaction is not a tax, that the amount is no more than necessary to cover the reasonable costs of the governmental activity, and that the manner in which those costs are allocated to a payor bear a fair or reasonable relationship to the payor's burdens on, or benefits received from, the governmental activity. The

City does not expect the provisions of Proposition 26 to materially impede its ability to pay Base Rental Payments when due.

### **Taxpayer Protection and Government Accountability Act Initiative**

On February 1, 2023, the California Secretary of State announced that a ballot initiative, designated as Initiative 1935 and known as the “Taxpayer Protection and Government Accountability Act,” had received the required number of signatures to appear on the November 5, 2024 ballot.

If approved by a majority of voters casting a ballot at the November 5, 2024 Statewide election, Initiative 1935 would make numerous significant changes to Articles XIII, XIII A, XIII C and XIII D of the California Constitution to further limit the authority of local governments, and electors via the initiative process, to adopt and impose taxes and fees. See the caption “— Constitutional Limitations on Taxes and Expenditures.” The full text of Initiative 1935 may be viewed at the website of the California Attorney General.

The City cannot predict whether Initiative 1935 will be approved by a majority of voters casting a ballot at the November 5, 2024 Statewide election. If Initiative 1935 is approved, the City cannot provide any assurances as to the effect of the implementation or judicial interpretations of Initiative 1935 on the finances of the State or the City.

**Future Initiatives.** From time to time other initiative measures could be adopted, limiting or otherwise affecting the ability of the City to increase revenues and appropriations.

### **Early Redemption Risk**

Early payment of the Base Rental Payments and early redemption of the Bonds may occur in whole or in part without premium from the net proceeds of insurance or condemnation award with respect to the Leased Property or portions thereof. See “THE BONDS — Redemption — Extraordinary Redemption from Condemnation Award or Insurance Proceeds.”

### **Secondary Market Risk**

There can be no assurance that there will be a secondary market for purchase or sale of the Bonds, and from time to time there may be no market for them, depending upon prevailing market conditions, the financial condition or market position of firms who may make the secondary market and the financial condition of the City.

### **Substitution or Removal of Property**

The Lease Agreement provides that, upon the satisfaction of the other conditions specified therein, the City may substitute other real property and/or improvements for existing Leased Property and/or remove real property (including undivided interests therein) and/or improvements from the definition of the Leased Property. The Lease Agreement requires (a) that any project which will comprise the Leased Property after such a substitution or removal, in each lease year during the remaining term of the Lease Agreement must have an annual fair rental value at least equal to the maximum annual Base Rental Payments payable under the Lease Agreement attributable to the Leased Property prior to the substitution or removal, as determined by the City on the basis of commercially reasonable evidence of the annual fair rental value of the Lease Property after the substitution or removal and (b) that the useful life of the Leased Property after substitution or removal equals or exceeds the remaining term of the Lease Agreement. Such a substitution or removal

could have an adverse impact on the security for the Bonds, particularly if an event requiring abatement of Base Rental Payments were to occur subsequent to such substitution or removal.

## **Loss of Tax Exemption**

As discussed under the heading “TAX MATTERS,” the interest on the Bonds could become includable in gross income for purposes of federal income taxation retroactive to the date of delivery of such Bonds as a result of acts or omissions of the Authority or the City in violation of their respective covenants in the Indenture, the Lease Agreement and the Tax Certificate. Should such an event of taxability occur, the Bonds would not be subject to a special redemption and would remain Outstanding until maturity or until redeemed under the redemption provisions contained in the Indenture.

# **LEGAL MATTERS**

## **Enforceability of Remedies**

The remedies available to the Trustee and the Owners of the Bonds upon an event of default under the Indenture, the Lease Agreement, the Site Lease, or any other document described herein are in many respects dependent upon regulatory and judicial actions which are often subject to discretion and delay. Under existing law and judicial decisions, the remedies provided for under such documents may not be readily available or may be limited. In the case of any bankruptcy proceeding involving the City, the rights of the Owners could be modified at the direction of the court. The various legal opinions to be delivered concurrently with the delivery of the Bonds will be qualified to the extent that the enforceability of certain legal rights related to the Indenture, the Lease Agreement, the Site Lease and other pertinent documents is subject to limitations imposed by bankruptcy, reorganization, insolvency or other similar laws affecting the rights of creditors generally and by equitable remedies and proceedings generally.

## **Approval of Legal Proceedings**

Nixon Peabody LLP, Los Angeles, California, as Bond Counsel, will render an opinion with respect to the validity and enforceability of the Indenture and the Lease Agreement, and as to the validity of the Bonds. See “APPENDIX D” hereto for the proposed form of Bond Counsel’s opinion.

The Authority and the City have no knowledge of any fact or other information which would indicate that the Indenture, the Lease Agreement, the Site Lease or the Bonds are not enforceable against the Authority and the City, as applicable, except to the extent such enforcement is limited by principles of equity, by state and federal laws relating to bankruptcy, reorganization, moratorium or creditors’ rights generally and by limitations on legal remedies against municipalities in the State.

Certain legal matters will be passed on for the City and the Authority by Nixon Peabody LLP, Los Angeles, California, as Disclosure Counsel and by the City Attorney. Certain legal matters will be passed on for the Underwriter by its Counsel, Kutak Rock LLP, Irvine, California. Fees payable to Disclosure Counsel and Underwriter’s Counsel are contingent upon the sale and delivery of the Bonds.

## **Absence of Litigation**

The Authority and the City will each furnish a certificate dated as of the date of delivery of the Bonds that there is not now known to be pending or threatened any litigation restraining or enjoining the execution or delivery of the Indenture, the Lease Agreement or the sale or delivery of the Bonds or in any manner

questioning the proceedings and authority under which the Indenture, the Site Lease and the Lease Agreement are to be executed or delivered or the Bonds are to be delivered or affecting the validity thereof.

There exist lawsuits and claims against the City that are incidental to the ordinary course of the City's operations. In the view of the City's management and City Attorney, there is no litigation, present or pending against the City, that will individually or in the aggregate impair the City's ability to make Base Rental Payments when due.

## TAX MATTERS

**Federal Income Taxes.** The Internal Revenue Code of 1986, as amended (the "Code"), imposes certain requirements that must be met subsequent to the issuance and delivery of the Bonds for interest thereon to be and remain excluded from gross income for Federal income tax purposes. Noncompliance with such requirements could cause the interest on the Bonds to be included in gross income for Federal income tax purposes retroactive to the date of issue of the Bonds. Pursuant to the Resolution and a Tax Certificate as to Arbitrage and the Provisions of Sections 103 and 141-150 of the Internal Revenue Code of 1986 (the "Tax Certificate"), the City and the Authority have covenanted to comply with the applicable requirements of the Code in order to maintain the exclusion of the interest on the Bonds from gross income for Federal income tax purposes pursuant to Section 103 of the Code. In addition, the City and the Authority have made certain representations and certifications in the Resolution, the financing agreements and the Tax Certificate. Bond Counsel will not independently verify the accuracy of those representations and certifications.

In the opinion of Nixon Peabody LLP, Bond Counsel, under existing law and assuming compliance with the aforementioned covenant, and the accuracy of certain representations and certifications made by the City and the Authority described above, interest on the Bonds is excluded from gross income for Federal income tax purposes under Section 103 of the Code. Bond Counsel, is also of the opinion that such interest is not treated as a preference item in calculating the alternative minimum tax imposed under the Code. For taxable years beginning after December 31, 2022, interest on the Bonds will be taken into account in computing the alternative minimum tax imposed on certain corporations under the Code to the extent that such interest is included in the "adjusted financial statement income" of such corporations.

**State Taxes.** Nixon Peabody LLP, Bond Counsel, is also of the opinion that interest on the Bonds is exempt from personal income taxes of the State of California under present law. Nixon Peabody LLP, Bond Counsel expresses no opinion as to other State or local tax consequences arising with respect to the Bonds nor as to the taxability of the Bonds or the income therefrom under the laws of any state other than the State of California.

**Original Issue Discount.** Bond Counsel, is further of the opinion that the excess of the principal amount of a maturity of the Bonds over its issue price (i.e., the first price at which price a substantial amount of such maturity of the Bonds was sold to the public, excluding bond houses, brokers or similar persons or organizations acting in the capacity of underwriters or wholesalers) (each, a "Discount Bond" and collectively the "Discount Bonds") constitutes original issue discount which is excluded from gross income for federal income tax purposes to the same extent as interest on the Bonds. Further, such original issue discount accrues actuarially on a constant interest rate basis over the term of each Discount Bond and the basis of each Discount Bond acquired at such issue price by an initial purchaser thereof will be increased by the amount of such accrued original issue discount. The accrual of original issue discount may be taken into account as an increase in the amount of tax-exempt income for purposes of determining various other tax consequences of owning the Discount Bonds, even though there will not be a corresponding cash payment. Owners of the Discount Bonds are advised that they should consult with their own advisors with respect to the state and local tax consequences of owning such Discount Bonds.

**Original Issue Premium.** Bonds sold at prices in excess of their principal amounts are “Premium Bonds”. An initial purchaser with an initial adjusted basis in a Premium Bond in excess of its principal amount will have amortizable bond premium which offsets the amount of tax-exempt interest and is not deductible from gross income for federal income tax purposes. The amount of amortizable bond premium for a taxable year is determined actuarially on a constant interest rate basis over the term of each Premium Bond based on the purchaser’s yield to maturity (or, in the case of Premium Bonds callable prior to their maturity, over the period to the call date, based on the purchaser’s yield to the call date and giving effect to any call premium). For purposes of determining gain or loss on the sale or other disposition of a Premium Bond, an initial purchaser who acquires such obligation with an amortizable bond premium is required to decrease such purchaser’s adjusted basis in such Premium Bond annually by the amount of amortizable bond premium for the taxable year. The amortization of bond premium may be taken into account as a reduction in the amount of tax-exempt income for purposes of determining various other tax consequences of owning such Bonds. Owners of the Premium Bonds are advised that they should consult with their own advisors with respect to the state and local tax consequences of owning such Premium Bonds.

**Ancillary Tax Matters.** Ownership of the Bonds may result in other federal tax consequences to certain taxpayers, including, without limitation, certain S corporations, foreign corporations with branches in the United States, property and casualty insurance companies, individuals receiving Social Security or Railroad Retirement benefits, individuals seeking to claim the earned income credit, and taxpayers (including banks, thrift institutions, and other financial institutions) who may be deemed to have incurred or continued indebtedness to purchase or to carry the Bonds. Prospective investors are advised to consult their own tax advisors regarding these rules.

Interest paid on tax-exempt obligations such as the Bonds is subject to information reporting to the Internal Revenue Service (the “IRS”) in a manner similar to interest paid on taxable obligations. In addition, interest on the Bonds may be subject to backup withholding if such interest is paid to a registered owner that (a) fails to provide certain identifying information (such as the registered owner’s taxpayer identification number) in the manner required by the IRS, or (b) has been identified by the IRS as being subject to backup withholding.

Nixon Peabody LLP, Bond Counsel, is not rendering any opinion as to any Federal tax matters other than those described in its opinion attached as part of APPENDIX D. Prospective investors, particularly those who may be subject to special rules described above, are advised to consult their own tax advisors regarding the federal tax consequences of owning and disposing of the Bonds, as well as any tax consequences arising under the laws of any state or other taxing jurisdiction.

**Changes in Law and Post Issuance Events.** Legislative or administrative actions and court decisions, at either the federal or state level, could have an adverse impact on the potential benefits of the exclusion from gross income of the interest on the Bonds for Federal or state income tax purposes, and thus on the value or marketability of the Bonds. This could result from changes to Federal or state income tax rates, changes in the structure of Federal or state income taxes (including replacement with another type of tax), repeal of the exclusion of the interest on the Bonds from gross income for Federal or state income tax purposes, or otherwise. It is not possible to predict whether any legislative or administrative actions or court decisions having an adverse impact on the federal or state income tax treatment of holders of the Bonds may occur. Prospective purchasers of the Bonds should consult their own tax advisors regarding the impact of any changes in law on the Bonds.

Nixon Peabody LLP, Bond Counsel, has not undertaken to advise in the future whether any events after the date of issuance and delivery of the Bonds may affect the tax status of interest on the Bonds. Nixon Peabody LLP, Bond Counsel, expresses no opinion as to any Federal, state or local tax law consequences with respect

to the Bonds, or the interest thereon, if any action is taken with respect to the Bonds or the proceeds thereof upon the advice or approval of other counsel.

## CONCLUDING INFORMATION

### Rating on the Bonds

In connection with the issuance and delivery of the Bonds, S&P Global Ratings (“S&P”) is expected to assign its municipal bond rating of “[ ]” to the Bonds with the understanding that, upon delivery of the Bonds, policies insuring the payment when due of the principal of and interest on each series of Bonds will be issued by [INSURER]. S&P has assigned an underlying credit rating of “[ ]” to the Bonds. Such rating reflects only the views of S&P and any desired explanation of the significance of such rating should be obtained from S&P. Generally, a rating agency bases its rating on the information and materials furnished to it and on investigations, studies and assumptions of its own.

Except as otherwise required in the Continuing Disclosure Agreement, the City undertakes no responsibility either to bring to the attention of the owners of any Bonds any downward revision or withdrawal of any rating obtained or to oppose any such revision or withdrawal. There is no assurance such rating will continue for any given period of time or that such rating will not be revised downward or withdrawn entirely by S&P, if in the judgment of S&P, circumstances so warrant. Any such downward revision or withdrawal of such rating may have an adverse effect on the market price of the Bonds. A rating is not a recommendation to buy, sell or hold securities and may be subject to revision or withdrawal at any time.

### Underwriting

The Bonds are being sold at an aggregate purchase price of \$ \_\_\_\_\_ (representing the aggregate principal amount of the Bonds, [plus/less an original issue premium/discount of \$ \_\_\_\_\_,] less an underwriting discount of \$ \_\_\_\_\_) pursuant to a bond purchase agreement (“Bond Purchase Agreement”) entered into among the Authority, the City and Ramirez & Co., Inc. (the “Underwriter”).

The expenses associated with the issuance of the Bonds are being paid by the Authority from proceeds of the Bonds. The right of the Underwriter to receive compensation in connection with the Bonds is contingent upon the issuance and delivery by the Authority, and the purchase by the Underwriter, of the Bonds. The Bond Purchase Agreement provides that the Underwriter will purchase all of the Bonds if any are purchased and that the obligation of the Underwriter to accept and pay for the Bonds is subject to certain terms and conditions set forth therein, including the approval by counsel of certain legal matters.

The Underwriter will initially offer the Bonds for sale at the prices and yields set forth on the inside cover pages of this Official Statement. Such prices or yields may subsequently change. The Underwriter reserves the right to join with dealers and other investment banking firms in offering the Bonds for sale and may offer to sell Bonds to dealers at prices lower than the initial offering prices.

### [Bank Qualified]

[The City does not expect to issue any additional tax-exempt obligations, other than the Bonds, in the calendar year commencing January 1, 2023, that exceed the aggregate of \$10,000,000. On the basis of this expectation, the City has designated the Bonds as qualified tax-exempt obligations under and for the purposes of Section 265(b)(3) of the Code.]

## **The Municipal Advisor**

The material contained in this Official Statement was prepared by the Authority and the City with the assistance of Kosmont Financial Services (the “Municipal Advisor”) who advised the Authority and the City as to the financial structure and certain other financial matters relating to the Bonds. The information set forth herein received from sources other than the City has been obtained by the Authority from sources which are believed to be reliable, but such information is not guaranteed by Municipal Advisor as to accuracy or completeness, nor has it been independently verified. Fees paid to the Municipal Advisor are contingent upon the sale and delivery of the Bonds.

## **Continuing Disclosure**

The City will provide annually certain financial information and data relating to the City by not later than March 31 in each year commencing March 31, 2023 (the “Annual Report”), and to provide notices of the occurrence of certain other enumerated events in accordance with Rule 15c2-12 of the Securities Exchange Act of 1934 as amended (the “Rule”). Kosmont Financial Services will act as Dissemination Agent. The specific nature of the information to be contained in the Annual Report or the notices of enumerated events and certain other terms of the continuing disclosure obligation are found in the form of the City’s Continuing Disclosure Agreement attached in “APPENDIX C - FORM OF CONTINUING DISCLOSURE AGREEMENT.”

[In the past five years, the City was late 139 days in filing certain financial information or operating data (calculation of surplus funds) required to be filed on November 1, 2017 with respect to the \$4,390,000 Placentia Public Financing Authority 2009 Lease Revenue Bonds (Working Capital Financing).][**To be updated as needed**]

The City has adopted a Continuing Disclosure Compliance Policy. See “FINANCIAL INFORMATION — Financial Policies — Debt and Liability-Related Policies.”

## **Additional Information**

The summaries and references contained herein with respect to the Indenture, the Site Lease, the Lease Agreement, the Bonds, statutes and other documents, do not purport to be comprehensive or definitive and are qualified by reference to each such document or statute and references to the Bonds are qualified in their entirety by reference to the form hereof included in the Indenture. Copies of the Indenture, the Site Lease and the Lease Agreement may be obtained after delivery of the Bonds from the City at 401 East Chapman Avenue, Placentia, California 92870.

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## References

Any statements in this Official Statement involving matters of opinion, whether or not expressly so stated, are intended as such and not as representations of fact. This Official Statement is not to be construed as a contract or agreement between the Authority and the purchasers or Owners of any of the Bonds.

## Execution

The execution of this Official Statement by the Executive Director of the Authority and the City Administrator of the City has been duly authorized by the Authority and by the City, respectively.

### **PLACENTIA PUBLIC FINANCING AUTHORITY**

By: \_\_\_\_\_  
Executive Director

### **CITY OF PLACENTIA**

By: \_\_\_\_\_  
City Administrator

## APPENDIX A

### SUMMARY OF THE PRINCIPAL LEGAL DOCUMENTS

*The following summary discussion of selected provisions of the Indenture and the Lease Agreement are made subject to all of the provisions of such documents. This summary discussion does not purport to be a complete statement of said provisions and prospective purchasers of the Bonds are referred to the complete texts of said documents, copies of which are available upon request sent to the Trustee.*

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**APPENDIX B**  
**CITY AUDITED FINANCIAL STATEMENTS**

**APPENDIX C**  
**FORM OF CONTINUING DISCLOSURE AGREEMENT**

**APPENDIX D**

**PROPOSED FORM OF BOND COUNSEL OPINION**

*Upon issuance of the Bonds, Nixon Peabody LLP, Bond Counsel to the Authority, proposes to render its final approving opinion with respect to the Bonds in substantially the following form:*

[Date of Delivery]

Placentia Public Financing Authority  
Placentia, California

City of Placentia  
Placentia, California

§ \_\_\_\_\_  
**PLACENTIA PUBLIC FINANCING AUTHORITY  
LEASE REVENUE BONDS  
(PUBLIC SAFETY CENTER PROJECT)  
SERIES 2023A  
[(BANK QUALIFIED)]**

Ladies and Gentlemen:

We have acted as Bond Counsel to the Placentia Public Financing Authority (the “Authority”) in connection with the issuance of \$ \_\_\_\_\_ aggregate principal amount of its Lease Revenue Bonds (Public Safety Center Project) Series 2023A [(Bank Qualified)] (the “Bonds”), issued pursuant to an Indenture, dated as of [August] 1, 2023 (the “Indenture”), by and among the Authority, the City of Placentia (the “City”) and U.S. Bank Trust Company, National Association, as trustee (the “Trustee”). Capitalized terms used but not defined herein shall have the meaning ascribed to such term as set forth in the Indenture.

As Bond Counsel, we have examined copies, certified to us as being true and complete, of the Indenture, the Lease Agreement, dated as of [August] 1, 2023 (the “Lease”), between the City and the Authority, the Site Lease, dated as of [August] 1, 2023, (the “Site Lease”), between the Authority and the City, the Assignment Agreement, dated as of [August] 1, 2023 (the “Assignment Agreement”), between the Authority and the Trustee, the Tax Certificate, dated the date hereof (the “Tax Certificate”), opinions of counsel to the Authority, the City and the Trustee, certificates of the Authority, the City, the Trustee and others, and such other documents, opinions and matters to the extent we deemed necessary to render the opinions set forth herein. We have not undertaken to verify independently the accuracy of the factual matters represented, warranted or certified therein, and we have assumed the genuineness of all signatures thereto. The Lease, the Site Lease, the Indenture and the Assignment Agreement are collectively referred to herein as the “Legal Documents.”

We have, with your approval, assumed that all items submitted to us as originals are authentic and that all items submitted as copies conform to the originals.

On the basis of such examination, our reliance upon the assumptions contained herein and our consideration of such questions of law as we considered relevant, and subject to the limitations and qualifications in this opinion, we are of the opinion that:

1. The Bonds constitute the valid and binding limited obligations of the Authority.
2. The Indenture has been duly executed and delivered by, and, assuming due authorization, execution and delivery by the other parties thereto, constitutes the legally valid and binding obligation of, the Authority, enforceable in accordance with its terms. The Indenture establishes a valid lien on and a pledge of the Revenues (as defined in the Indenture) for the security of the Bonds. Enforcement thereof may be limited by bankruptcy, insolvency, reorganization, moratorium or similar laws or equitable principles affecting the enforcement of creditors' rights generally, the exercise of judicial discretion, the application of equitable principles if equitable remedies are sought and limitations on remedies against counties in the State of California.
3. The Lease, the Site Lease and the Assignment Agreement have been duly executed and delivered by, and, assuming due authorization, execution and delivery by the other parties thereto, constitute the legally valid and binding obligations of, the City (except with respect to the Assignment Agreement) and the Authority, enforceable in accordance with their terms. Enforcement thereof may be limited by bankruptcy, insolvency, reorganization, moratorium or similar laws or equitable principles affecting the enforcement of creditors' rights generally, the exercise of judicial discretion, the application of equitable principles if equitable remedies are sought and limitations on remedies against counties in the State of California.
4. The Internal Revenue Code of 1986 (the "Code") sets forth certain requirements which must be met subsequent to the issuance and delivery of the Bonds for interest thereon to be and remain excluded from gross income for federal income tax purposes. Noncompliance with such requirements could cause the interest on the Bonds to be included in gross income for federal income tax purposes retroactive to the date of issue of the Bonds. Pursuant to the Indenture, the Lease, and the Tax Certificate, the Authority and the City, as applicable, have covenanted to comply with the applicable requirements of the Code in order to maintain the exclusion of the interest on the Bonds from gross income for federal income tax purposes pursuant to Section 103 of the Code. In addition, the Authority and the City, as applicable, have made certain representations and certifications in the Indenture, the Lease, and the Tax Certificate. We have not independently verified the accuracy of those certifications and representations.

Under existing law, assuming compliance with the tax covenants described herein and the accuracy of the aforementioned representations and certifications, interest on the Bonds (including any original issue discount properly allocable thereto) is excluded from gross income for federal income tax purposes under Section 103 of the Code. We are also of the opinion that such interest is not treated as a preference item in calculating the alternative minimum tax imposed under the Code. For taxable years beginning after December 31, 2022, interest on the Bonds will be taken into account in computing the alternative minimum tax imposed on certain corporations under the Code to the extent that such interest is included in the "adjusted financial statement income" of such corporations.

5. Interest on the Bonds is exempt from personal income taxes of the State of California under present state law.

The opinions set forth in paragraphs 1, 2 and 3 above are subject to (a) applicable bankruptcy, insolvency, reorganization, moratorium or similar laws relating to or affecting creditors' rights generally (including, without limitation, fraudulent conveyance laws), (b) the effect of general principles of equity, including, without limitation, concepts of materiality, reasonableness, good faith and fair dealing and the possible unavailability of specific performance or injunctive relief, regardless of whether considered in a proceeding in equity or at law, and (c) the limitations on legal remedies

against government entities in the State of California. We express no opinion with respect to any indemnification, contribution, choice of law, choice of forum or waiver provisions contained in the Legal Documents, and we express no opinion on the laws of any jurisdiction other than the State of California and the United States of America.

Except as stated in paragraphs 4 and 5, we express no opinion as to any other federal, state or local tax consequences of the ownership or disposition of, or the amount, accrual or receipt of interest on, the Bonds. Furthermore, we express no opinion as to any federal, state or local tax law consequences with respect to the Bonds, or the interest thereon, if any action is taken with respect to the Bonds or the proceeds thereof upon the advice or approval of other counsel.

No opinion is expressed herein on the accuracy, completeness or sufficiency of any offering material relating to the Bonds. This opinion is expressly limited to the matters set forth above and we render no opinion, whether by implication or otherwise, as to any other matters.

We do not undertake to advise you of any subsequent events or developments which might affect the statements contained herein. Our engagement with respect to this matter has ended as of the date hereof, and we disclaim any obligation to update this letter.

Respectfully submitted,

## APPENDIX E

### THE BOOK-ENTRY SYSTEM

*The following information has been provided by DTC for use in securities offering documents, and the Authority and the City take no responsibility for the accuracy or completeness thereof. Neither the Authority nor the City can give or does give any assurances that DTC, DTC Direct Participants or DTC Indirect Participants will distribute to the Beneficial Owners either (a) payments of interest, principal or premium, if any, with respect to the Bonds or (b) certificates representing ownership interest in or other confirmation of ownership interest in the Bonds, or that they will so do on a timely basis or that DTC, DTC Direct Participants or DTC Indirect Participants will act in the manner described in this Official Statement. The current “Rules” applicable to DTC are on file with the Securities and Exchange Commission and the current “Procedures” of DTC to be followed in dealing with DTC Participants are on file with DTC.*

1. The Depository Trust Company (“DTC”), New York, New York, will act as securities depository for the Bonds. The Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC’s partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Bond certificate will be issued for each issue of the Bonds, each in the aggregate principal amount of such issue, and will be deposited with DTC. If, however, the aggregate principal amount of any issue exceeds \$500 million, one certificate will be issued with respect to each \$500 million of principal amount, and an additional certificate will be issued with respect to any remaining principal amount of such issue.

2. DTC, the world’s largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a “banking organization” within the meaning of the New York Banking Law, a member of the Federal Reserve System, a “clearing corporation” within the meaning of the New York Uniform Commercial Code, and a “clearing agency” registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC’s participants (“Direct Participants”) deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants’ accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation (“DTCC”). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly (“Indirect Participants”). DTC has an S&P Global Ratings rating of AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at [www.dtcc.com](http://www.dtcc.com). The information on such website is not incorporated herein.

3. Purchases of Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Bonds on DTC’s records. The ownership interest of each actual purchaser of each Bond (“Beneficial Owner”) is in turn to be recorded on the Direct and Indirect Participants’ records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as

periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in the Bonds, except in the event that use of the book-entry system for the Bonds is discontinued.

4. To facilitate subsequent transfers, all Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

5. Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. None of the Authority, the City or the Trustee will have any responsibility or obligation to such Direct Participants and Indirect Participants or the persons for whom they act as nominees with respect to the Bonds. Beneficial Owners of Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Bonds, such as redemptions, tenders, defaults, and proposed amendments to the Indenture and the Facility Lease. For example, Beneficial Owners of Bonds may wish to ascertain that the nominee holding the Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.

6. Redemption notices shall be sent to DTC. If less than all of the Bonds within a maturity are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such maturity to be redeemed.

7. Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to the Bonds unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the Authority as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

8. Principal and interest payments with respect to the Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the Trustee, on payable dates in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, the Authority, the City or the Trustee, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal and interest to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Authority, the City or the Trustee, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

9. DTC may discontinue providing its services as depository with respect to the Bonds at any time by giving reasonable notice to the Authority or the Trustee. Under such circumstances, in the event that a successor depository is not obtained, Bond certificates are required to be printed and delivered.

10. The Authority may decide to discontinue use of the system of book-entry transfers through DTC (or a successor securities depository). In that event, Bond certificates will be printed and delivered.

11. The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that the Authority and the City believe to be reliable, but the Authority and the City take no responsibility for the accuracy thereof.

The foregoing description of the procedures and record keeping with respect to beneficial ownership interests in the Bonds, payment of principal of and interest and other payments with respect to the Bonds to Direct Participants, Indirect Participants or Beneficial Owners, confirmation and transfer of beneficial ownership interest in such Bonds and other related transactions by and between DTC, the Direct Participants, the Indirect Participants and the Beneficial Owners is based solely on information provided by DTC. Accordingly, no representations can be made concerning these matters and neither the Direct Participants, the Indirect Participants nor the Beneficial Owners should rely on the foregoing information with respect to such matters but should instead confirm the same with DTC or the Participants, as the case may be.

In the event that the book-entry system is discontinued as described above, the requirements of the Indenture will apply.

THE TRUSTEE, AS LONG AS A BOOK-ENTRY ONLY SYSTEM IS USED FOR THE BONDS, WILL SEND ANY NOTICE OF REDEMPTION OR OTHER NOTICES TO OWNERS TO ONLY DTC. ANY FAILURE OF DTC TO ADVISE ANY DTC PARTICIPANT, OR OF ANY DTC PARTICIPANT TO NOTIFY ANY BENEFICIAL OWNER, OF ANY NOTICE AND ITS CONTENT OR EFFECT WILL NOT AFFECT THE VALIDITY OR SUFFICIENCY OF THE PROCEEDINGS RELATING TO THE REDEMPTION OF THE BONDS CALLED FOR REDEMPTION OR OF ANY OTHER ACTION PREMISED ON SUCH NOTICE.

**APPENDIX F**  
**SPECIMEN MUNICIPAL BOND INSURANCE POLICY**  
**[TBD]**

§ \_\_\_\_\_  
**PLACENTIA PUBLIC FINANCING AUTHORITY  
LEASE REVENUE BONDS  
(PUBLIC SAFETY CENTER PROJECT)  
SERIES 2022A**

**BOND PURCHASE AGREEMENT**

\_\_\_\_\_, 2022

Placentia Public Financing Authority  
401 East Chapman Avenue  
Placentia, California 928702

City of Placentia  
401 East Chapman Avenue  
Placentia, California 928702

Ladies and Gentlemen:

Samuel A. Ramirez & Co., Inc. (the “**Underwriter**”), hereby offers to enter into this Bond Purchase Agreement with you, the City of Placentia (the “**City**”) and the Placentia Public Financing Authority (the “**Authority**”), for the purchase by the Underwriter and the delivery by you of the Authority’s Lease Revenue Bonds (Public Safety Center Project) Series 2022A (the “**Bonds**”). The Bonds are being issued to finance the construction, acquisition and equipping of a public safety center, to fund a reserve account for the Bonds and to pay the costs incurred in connection with the issuance of the Bonds. This offer is made subject to acceptance by you prior to 11:59 p.m., Los Angeles time, on the date hereof. Upon such acceptance, this Bond Purchase Agreement shall be in full force and effect in accordance with its terms and shall be binding upon you and the Underwriter.

**1. Purchase and Sale.** Upon the terms and conditions and upon the basis of the representations, warranties and agreements hereinafter set forth, the Underwriter agrees to purchase from the Authority all (but not less than all) of the \$ \_\_\_\_\_ aggregate principal amount of the Bonds.

The purchase price for the Bonds shall be \$ \_\_\_\_\_ (being the principal amount of the Bonds, plus original issue premium in the amount of \$ \_\_\_\_\_ and less an Underwriter’s discount in the amount of \$ \_\_\_\_\_).

The Bonds will be dated the date of delivery thereof and will have the maturities and bear interest at the rates set forth on Exhibit A hereto. The Bonds will be subject to redemption as set forth in the Indenture and Official Statement herein described. The Bonds will be issued in book-entry form only. It is anticipated that CUSIP identification numbers will be inserted on the Bonds, but neither the failure to provide such numbers nor any error with respect thereto shall constitute a cause for failure or refusal by the Underwriter to accept delivery of the Bonds in accordance with the terms of this Bond Purchase Agreement.

**2. Authorizing Instruments and Law.** The Bonds shall be issued pursuant to the provisions of a resolution (the “**Resolution**”) adopted by the Authority on \_\_\_\_\_, 2022 authorizing the issuance of the Bonds and the Marks-Roos Local Bond Pooling Act of 1985, constituting Section 6584, *et seq.* of the California Government Code (the “**JPA Act**”). The Bonds are issued pursuant to an Indenture, dated as of December 1, 2022 (the “**Indenture**”), among the Authority, the City and U.S. Bank National Association, as trustee (the “**Trustee**”), and shall be as described in the Indenture.

The Bonds are limited obligations of the Authority payable primarily from and secured by certain base rental payments (the “**Base Rental Payments**”) to be paid by the City pursuant to a Lease Agreement, dated as of December 1, 2022, between the City and the Authority (the “**Lease**”), for certain real property and the improvements thereon (the “**Leased Property**”).

**3. Offering the Bonds.** The Underwriter agrees to offer all the Bonds to the public initially at the prices (or yields) set forth on the cover pages of the Official Statement of the Authority pertaining to the Bonds, dated \_\_\_\_\_, 2022 (the Official Statement, together with all appendices thereto, and with such changes therein and supplements thereto as are consented to in writing by the Authority, the City, the Underwriter or its legal counsel in accordance with the provisions of Sections 6(j) and 7(j) hereof or otherwise consented to by the Underwriter pursuant to Section 10(b)(v), are herein called the “**Official Statement**”). Subsequent to the initial public offering of the Bonds, the Underwriter reserves the right to change the public offering prices (or yields) as they deem necessary in connection with the marketing of the Bonds. The Bonds may be offered and sold to certain dealers at prices lower than such initial public offering prices. “Public Offering” shall include an offering to a number of institutional investors or registered investment companies, regardless of the number of such investors to which the Bonds are sold.

The City and the Authority acknowledge and agree that (i) the purchase and sale of the Bonds pursuant to this Bond Purchase Agreement is an arm’s-length commercial transaction between the City, the Authority and the Underwriter, and that the Underwriter has financial and other interests that differ from those of the City and the Authority, (ii) in connection with such transaction the Underwriter is not acting as a municipal advisor, financial advisor or fiduciary to the City and the Authority or any other person or entity and have not assumed a fiduciary responsibility in favor of the City or the Authority with respect to the offering of the Bonds or the process leading thereto (whether or not the Underwriter has advised or is currently advising the City or the Authority on other matters), (iii) the only contractual obligations the Underwriter has to the City and the Authority with respect to the transaction contemplated hereby expressly are set forth in this Bond Purchase Agreement, except as otherwise provided by applicable rules and regulations of the SEC or the rules of the Municipal Securities Rulemaking Board (the “**MSRB**”) and (iv) the City and the Authority have consulted with their own legal and other professional advisors to the extent they deemed appropriate in connection with the offering of the Bonds. The City and the Authority acknowledge that they have previously provided the Underwriter with an acknowledgement of receipt of the required Underwriter disclosure under Rule G-17 of the MSRB relating to disclosures concerning the Underwriter’s role in the transaction, disclosures concerning the Underwriter’s compensation, conflict disclosures, if any, and disclosures concerning complex municipal securities financing, if any.

**4. Delivery of Official Statement.** If requested by the Underwriter, the Authority shall deliver to the Underwriter two (2) copies of the Official Statement manually executed on behalf of the Authority and the City. The Authority shall also deliver copies of the Official Statement in such

quantities as the Underwriter may reasonably request in order to enable the Underwriter to distribute a single copy of each Official Statement to any potential customer of the Underwriter requesting an Official Statement during the time period beginning when the Official Statement becomes available and ending on the End Date (defined below). The Authority shall deliver these copies to the Underwriter within seven (7) business days after the execution of this Bond Purchase Agreement and in sufficient time to accompany or precede any sales confirmation that requests payment from any customer of the Underwriter. The Authority and the Underwriter hereby agree that the end of the underwriting period shall be the date of Closing (as defined below) unless the Underwriter informs the Authority in writing of a different end of the underwriting period.

“End Date” as used herein is that date which is the earlier of:

(a) twenty-five (25) days after the end of the underwriting period, as defined in SEC Rule 15c2-12 originally adopted by the Securities and Exchange Commission on June 28, 1989, as amended (“**Rule 15c2-12**”); or

(b) the time when the Official Statement becomes available from the MSRB, but in no event less than twenty-five (25) days after the underwriting period (as defined in Rule 15c2-12) ends.

The Underwriter acknowledges that the “End Date” will be the date of Closing unless the Underwriter otherwise notifies the Authority and the City in writing that the Underwriter still owns some or all of the Bonds.

The Authority and the City have authorized the use of the Official Statement in connection with the public offering of the Bonds. The Authority and the City also have consented to the use by the Underwriter prior to the date hereof of the Preliminary Official Statement dated \_\_\_\_\_, 2022, relating to the Bonds in connection with the public offering of the Bonds, (which, together with all appendices thereto, is herein called the “**Preliminary Official Statement**”). Authorized officers of the City and the Authority have certified to the Underwriter that such Preliminary Official Statement was deemed to be final as of its date for purposes of Rule 15c2-12, with the exception of certain final pricing and related information referred to in Rule 15c2-12. The Underwriter has distributed a copy of each Preliminary Official Statement to potential customers on request.

**5. The Closing.** At 9:00 A.M., California time, on \_\_\_\_\_, 2022, or at such other time or on such earlier or later business day as shall have been mutually agreed upon by the Authority, the City and the Underwriter, the Authority, upon receipt of the purchase price thereof, will deliver (i) the Bonds in book-entry form through the facilities of The Depository Trust Company (“**DTC**”), and (ii) the closing documents hereinafter mentioned at the offices of Nixon Peabody LLP, Los Angeles, California (“**Bond Counsel**”), or another place to be mutually agreed upon by the Authority, the City and the Underwriter. The Underwriter will accept such delivery from the Authority. The Underwriter will pay the purchase price of the Bonds as set forth in Section 1 hereof by wire transfer of immediately available funds. This payment and delivery, together with the delivery of the aforementioned documents, is herein called the “**Closing**.”

**6. City Representations, Warranties and Covenants.** The City represents, warrants and covenants to the Underwriter that:

(a) The City is a charter city organized and operating pursuant to the laws of the State of California (the “**State**”) with power and authority to enter into and perform its duties under the Lease, the Continuing Disclosure Agreement, dated the date of Closing (the “**Continuing Disclosure Agreement**”), the Indenture, the Site Lease, dated as of December 1, 2022 (the “**Site Lease**”), between the City and the Authority, the Official Statement and this Bond Purchase Agreement (collectively, the “**City Documents**”).

(b) To the best knowledge of the City, neither the approval, execution and delivery of the City Documents, and compliance with the provisions on the City’s part contained therein, nor the consummation of any other of the transactions herein and therein contemplated, nor the fulfillment of the terms hereof and thereof, materially conflicts with or constitutes a material breach of or default under nor materially contravenes any law, administrative regulation, judgment, decree, loan agreement, indenture, bond, note, resolution, agreement or other instrument to which the City is a party or is otherwise subject, nor does any such execution, delivery, adoption or compliance result in a security interest or encumbrance of any nature whatsoever upon any of the properties or assets of the City under the terms of any such law, administrative regulation, judgment, decree, loan agreement, indenture, bond, note, resolution, agreement or other instrument, except as provided by the City Documents.

(c) The City Documents have been duly authorized, executed and delivered by the City, and, assuming due authorization, execution and delivery by the other parties thereto, constitute legal, valid and binding agreements of the City enforceable in accordance with their respective terms, except as the enforcement thereof may be limited by bankruptcy, insolvency, moratorium, reorganization, fraudulent conveyance or other laws affecting the enforcement of creditors’ rights generally, and by the application of equitable principles if sought, by the exercise of judicial discretion, and by the limitations on legal remedies imposed on actions against cities in the State.

(d) Except as may be required under blue sky or other securities laws of any state, there is no material consent, approval, authorization or other order of, or filing with, or certification by, any regulatory agency having jurisdiction over the City required for the execution and delivery of the Bonds or the consummation by the City of the other transactions contemplated by the Official Statement and this Bond Purchase Agreement.

(e) To the best of the knowledge of the City, there is, and on the Closing there will be, no action, suit, proceeding or investigation at law or in equity before or by any court or governmental agency or body pending (notice of which has been received by the City) or threatened against the City to restrain or enjoin the delivery of any of the Bonds, or the payments to be made pursuant to the Lease, or in any way contesting or affecting the validity of the City Documents or the Bonds or the authority of the City to approve this Bond Purchase Agreement, or enter into the City Documents or contesting the powers of the City to enter into or perform its obligations under any of the foregoing or in any way contesting the powers of the City in connection with any action contemplated by this Bond Purchase Agreement or to restrain or enjoin the execution, sale and delivery of the Bonds, contesting the completeness or accuracy of the Preliminary Official Statement as of its date or the Official Statement or any supplement or amendment thereto wherein an unfavorable decision, ruling or finding would materially adversely affect the validity or enforceability of the City Documents to be executed by it or asserting that the Preliminary Official Statement as of its date or the Official Statement contained any untrue statement of a material fact or omitted to state any material fact required to be stated therein or necessary to make the statements

therein, in light of all the circumstances under which they were made, not misleading, or, except as described in the Preliminary Official Statement and the Official Statement, nor is there any basis for any such action, suit, proceeding or investigation.

(f) The Preliminary Official Statement provided to the Underwriter has been deemed final by the City, as required by Rule 15c2-12. As of the date thereof and at all times subsequent thereto up to and including the Closing, the information relating to the City, the Bonds, the Leased Property and the City Documents contained in the Official Statement was and will be materially complete for its intended purposes. The information relating to the City, the Bonds, the Leased Property and the City Documents contained in the Official Statement as of the date hereof is true and correct in all material respects and such information does not contain any untrue or misleading statement of a material fact or omit to state any material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading in any material respect.

(g) The City agrees to cooperate with the Underwriter in endeavoring to qualify the Bonds for offering and sale under the securities or blue sky laws of such jurisdictions of the United States as the Underwriter may request; provided, however, that the City will not be required to execute a special or general consent to service of process in any jurisdiction in which it is not now so subject or to qualify to do business as a foreign corporation in any jurisdiction where it is not so qualified. The Underwriter shall be responsible for all costs relating to such qualification of the Bonds under blue sky or similar laws.

(h) By official action of the City prior to or concurrently with the execution hereof, the City has duly approved the distribution of the Official Statement, and has duly authorized and approved the execution and delivery of, and the performance by the City of the obligations on its part contained in the City Documents and the consummation by it of all other transactions contemplated by the Official Statement and this Bond Purchase Agreement.

(i) To the best knowledge of the City, it is not in any material respect in breach of or default under any material applicable law or administrative regulation of the State or the United States or any material applicable judgment or decree or any loan agreement, indenture, bond, note, resolution, agreement or other instrument to which the City is a party or is otherwise subject and in connection with which the City is obligated to make payments from its own funds, and no event has occurred and is continuing which, with the passage of time or the giving of notice, or both, would constitute a default or an event of default under any such instrument the consequence of which could materially and adversely affect the performance of the City under the City Documents.

(j) If between the date of this Bond Purchase Agreement and the End Date an event occurs, of which the City has knowledge, which might or would cause the information relating to the City, the City's finances, the Leased Property, or the City's functions, duties and responsibilities contained in the Official Statement, as then supplemented or amended, to contain an untrue statement of a material fact or to omit to state a material fact required to be stated therein or necessary to make such information therein, in the light of the circumstances under which it was presented, not misleading in any material respect, the City will notify the Underwriter, and if, in the opinion of the Underwriter, the City or their respective legal counsel, such event requires the preparation and publication of a supplement or amendment to the Official Statement, the City will cooperate with the Underwriter in the preparation of an amendment or supplement to the Official

Statement in a form and in a manner approved by the Underwriter, provided all expenses thereby incurred will be paid for by the City.

(k) If the information relating to the Leased Property, the City, its functions, duties and responsibilities contained in the Official Statement is amended or supplemented pursuant to the immediately preceding subparagraph, at the time of each supplement or amendment thereto and (unless subsequently again supplemented or amended pursuant to such subparagraph) at all times subsequent thereto up to and including the date of the Closing, the portions of the Official Statement so supplemented or amended (including any financial and statistical data contained therein) will not contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make such information therein, in the light of the circumstances under which it was presented, not misleading in any material respect.

(l) The City covenants that it will comply with all tax covenants relating to it in the City Documents and the Tax Certificate.

(m) Any certificate signed by a duly authorized official of the City and delivered to the Underwriter shall be deemed a representation and warranty by the City to the Underwriter as to the statements made therein.

(n) As of the time of acceptance hereof and as of the Closing, the City does not and will not have outstanding any indebtedness which is payable from the City's general fund except as disclosed in the Official Statement.

(o) Between the date of this Bond Purchase Agreement and the date of Closing, the City will not, except as disclosed in the Official Statement, offer or issue any certificates, notes or other obligations for borrowed money, or, other than in the normal course of its operations, incur any material liabilities, direct or contingent, secured by or payable from the City's general fund.

(p) The City will undertake, pursuant to the Continuing Disclosure Agreement, to provide or cause to be provided annual financial reports and notices of certain events; a description of this undertaking is set forth in the Official Statement. Except as disclosed in the Preliminary Official Statement and Official Statement, the City and its related entities have not failed to comply in any material respect with a continuing disclosure undertaking under Rule 15c2-12 during the previous five years.

(q) The financial statements of, and other financial information regarding the City in the Official Statement fairly present the financial position and results of the operations of the City as of the dates and for the periods therein set forth and the audited financial statements have been prepared in accordance with generally accepted accounting principles applicable to cities.

**7. Authority Representations, Warranties and Covenants.** The Authority represents, warrants and covenants to the City and the Underwriter that:

(a) The Authority is a joint powers authority, duly organized and existing under the Constitution (the "**Constitution**") and laws of the State, including the JPA Act, with full right, power and authority to enter into, execute and deliver the Authority Documents (defined below) and to perform its obligations hereunder.

(b) By all necessary official action, the Authority has duly authorized and approved the execution and delivery of, and the performance by the Authority of the obligations on its part contained in the Bond Purchase Agreement, the Bonds, the Indenture, the Lease, the Site Lease, and the Assignment Agreement, dated as of December 1, 2022 (the “**Assignment Agreement**”), between the Authority and the Trustee (collectively, the “**Authority Documents**”), and has approved the use by the Underwriter of the Preliminary Official Statement, and the Official Statement and, as of the date hereof, such authorizations and approvals are in full force and effect and have not been amended, modified or rescinded. When executed and delivered by the parties hereto, the Authority Documents will constitute the legally valid and binding obligations of the Authority enforceable upon the Authority in accordance with their respective 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, to the exercise of judicial discretion and to the limitations on legal remedies against joint powers authorities in California. The Authority has complied and will at the Closing, be in compliance in all respects, with the terms of the Authority Documents.

(c) The Bonds, when issued in accordance with the Indenture, will be valid and binding limited obligations of the Authority, entitled to the benefits of the Indenture and enforceable in accordance with their terms, except as enforcement may be limited by bankruptcy, insolvency, reorganization, moratorium or similar laws or equitable principles relating to or limiting creditors’ rights generally, to the exercise of judicial discretion and to the limitations on legal remedies against joint powers authorities in California.

(d) As of the time of acceptance hereof and as of the time of the Closing, except as otherwise disclosed in the Official Statement, to the best knowledge of the Authority, the Authority is not and will not be in any material respect in breach of or in default under any law or administrative rule or regulation of the State or the United States, or any applicable judgment or decree or any trust agreement, loan agreement, bond, note, resolution, ordinance, agreement or other instrument to which the Authority is a party or is otherwise subject, and no event has occurred and is continuing which, with the passage of time or the giving of notice, or both, would constitute a default or event of default under any such instrument which breach, default or event could have an adverse effect on the Authority’s ability to perform its obligations under the Authority Documents; and, as of such times, except as disclosed in the Official Statement, the authorization, execution and delivery of the Authority Documents and compliance by the Authority with the provisions thereof 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 Authority is subject, or by which it or any of its properties is 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 under the terms of any such law, regulation or instrument except as provided in the Authority Documents.

(e) As of the time of acceptance hereof and the Closing, except as disclosed in the Official Statement, there is no action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, government agency, public board or body, pending (notice of which has been received by the Authority), or to the best knowledge of the Authority threatened against the Authority in any material respect:

(i) affecting the existence of the Authority or the titles of the officers of the Authority to their respective offices;

(ii) affecting, contesting or seeking to prohibit, restrain or enjoin the issuance or delivery of any of the Bonds, or the payment or collection of any amounts pledged or to be pledged to pay the principal of and interest on the Bonds, or in any way contesting or affecting the validity of the Authority Documents or the consummation of the transactions on the part of the Authority contemplated thereby, or contesting the exclusion of the interest on the Bonds from Federal or State taxation, as applicable, or contesting the powers of the Authority or its authority to enter into the Lease and to pledge the Base Rental Payments for repayment of the Bonds;

(iii) which may result in any material adverse change relating to the financial condition of the Authority;

(iv) contesting the completeness or accuracy of the Preliminary Official Statement as of its date or the Official Statement or any supplement or amendment thereto or asserting that the Preliminary Official Statement as of its date or the Official Statement contained any untrue statement of a material fact or omitted to state any material fact required to be stated therein or necessary to make the statements therein, in light of all the circumstances under which they were made, not misleading; or

(v) challenging the ability of the Authority to sell the Bonds to the Underwriter.

(f) The Authority will furnish such information, execute such instruments and take such other action in cooperation with the Underwriter as the Underwriter may reasonably request in order to qualify the Bonds for offer and sale under the blue sky laws or other securities laws and regulations of such states and other jurisdictions of the United States as the Underwriter may designate and will use its best efforts to continue such qualification in effect so long as required for distribution of the Bonds; *provided however*, that in no event shall the Authority be required to take any action which would subject it to general or unlimited service of process in any jurisdiction in which it is not now so subject.

(g) Any certificate signed by a duly authorized officer of the Authority and delivered to the Underwriter shall be deemed to be a representation and warranty by the Authority to the Underwriter as to the statements made therein.

(h) As of the time of acceptance hereof and as of the date of Closing, except as otherwise disclosed in the Official Statement, the Authority has complied with the filing requirements of the JPA Act.

(i) The Authority will advise the Underwriter promptly of any proposal to amend or supplement the Official Statement from the delivery of the Official Statement to the End Date and will not effect or consent to any such amendment or supplement without prior consultation with the Underwriter. The Authority will advise the Underwriter promptly of the institution of any proceedings known to it by any governmental agency prohibiting or otherwise affecting the use of the Official Statement in connection with the offering, sale or distribution of the Bonds.

(j) Substantially all the proceeds from the sale of the Bonds (after deducting the expenses of issuance and sale of the Bonds paid for from such proceeds) will be used as set forth in the Indenture and as described in the Official Statement, and the Authority will not take or omit to take any action which action or omission will in any way cause the proceeds from the sale of the Bonds to be applied in a manner contrary to that provided in the Indenture and the Lease, as amended from time to time.

(k) For a period beginning on the date hereof and continuing until the End Date, (a) the Authority will not adopt any amendment of, or supplement to, the Official Statement without prior consultation with the Underwriter and Kutak Rock LLP, counsel to the Underwriter (“**Underwriter’s Counsel**”) and (b) if any event relating to or affecting the Authority shall occur as a result of which it is necessary, in the opinion of the Underwriter and Underwriter’s Counsel, to amend or supplement the Official Statement in order to make the Official Statement not misleading in the light of the circumstances existing at the time it is delivered to a purchaser of the Bonds, the Authority will forthwith cause the City to prepare and furnish to the Underwriter a reasonable number of copies of an amendment of, or supplement to, the Official Statement (in form and substance satisfactory to Underwriter’s Counsel) which will amend or supplement the Official Statement so that it will not contain an untrue statement of a material fact or omit to state a material fact necessary in order to make the statements therein, in the light of the circumstances existing at the time the Official Statement is delivered to a purchaser of the Bonds, not misleading.

## **8. Establishment of Issue Price.**

(a) The Underwriter agrees to assist the Authority in establishing the issue price of the Bonds and shall execute and deliver to the Authority at Closing an “issue price” or similar certificate, together with the supporting pricing wires or equivalent communications, substantially in the form attached hereto as Exhibit B, with such modifications as may be appropriate or necessary, in the reasonable judgment of the Underwriter, the Authority and Bond Counsel, to accurately reflect, as applicable, the sales price or prices or the initial offering price or prices to the public of the Bonds.

(b) Except as otherwise set forth in Exhibit A attached hereto, the Authority will treat the first price at which 10% of each maturity of the Bonds (the “**10% test**”) is sold to the public as the issue price of that maturity. At or promptly after the execution of this Bond Purchase Agreement, the Underwriter shall report to the Authority the price or prices at which it has sold to the public each maturity of Bonds. If at that time the 10% test has not been satisfied as to any maturity of the Bonds, the Underwriter agrees to promptly report to the Authority the prices at which it sells the unsold Bonds of that maturity to the public. That reporting obligation shall continue, whether or not the Closing Date has occurred, until either (i) the Underwriter has sold all Bonds of that maturity or (ii) the 10% test has been satisfied as to the Bonds of that maturity, provided that, the Underwriter’s reporting obligation after the Closing Date may be at reasonable periodic intervals or otherwise upon request of the Authority or Bond Counsel. For purposes of this Section, if Bonds mature on the same date but have different interest rates, each separate CUSIP number within that maturity will be treated as a separate maturity of the Bonds.

(c) The Underwriter confirms that it has offered the Bonds to the public on or before the date of this Bond Purchase Agreement at the offering price or prices (the “**initial offering price**”), or at the corresponding yield or yields, set forth in Exhibit A attached hereto, except as otherwise set forth therein. Exhibit A also sets forth, as of the date of this Bond Purchase Agreement, the maturities, if any, of the Bonds for which the Underwriter represents that (i) the 10% test has

been satisfied (assuming orders are confirmed by the close of the business day immediately following the date of this Bond Purchase Agreement) and (ii) the 10% test has not been satisfied and for which the Authority and the Underwriter agree that the restrictions set forth in the next sentence shall apply, which will allow the Authority to treat the initial offering price to the public of each such maturity as of the sale date as the issue price of that maturity (the “**hold-the-offering-price rule**”). So long as the hold-the-offering-price rule remains applicable to any maturity of the Bonds, the Underwriter will neither offer nor sell unsold Bonds of that maturity to any person at a price that is higher than the initial offering price to the public during the period starting on the sale date and ending on the earlier of the following:

- (A) the close of the fifth (5th) business day after the sale date; or
- (B) the date on which the Underwriter has sold at least 10% of that maturity of the Bonds to the public at a price that is no higher than the initial offering price to the public.

The Underwriter will advise the Authority promptly after the close of the fifth (5th) business day after the sale date whether it has sold 10% of that maturity of the Bonds to the public at a price that is no higher than the initial offering price to the public.

(d) The Underwriter confirms that:

(i) any selling group agreement and any third-party distribution agreement relating to the initial sale of the Bonds to the public, together with the related pricing wires, contains or will contain language obligating each dealer who is a member of the selling group and each broker-dealer that is a party to such third-party distribution agreement, as applicable:

(A)(i) to report the prices at which it sells to the public the unsold Bonds of each maturity allocated to it, whether or not the Closing Date has occurred, until either all Bonds of that maturity allocated to it have been sold or it is notified by the Underwriter that the 10% test has been satisfied as to the Bonds of that maturity, provided that, the reporting obligation after the Closing Date may be at reasonable periodic intervals or otherwise upon request of the Underwriter and (ii) to comply with the hold-the-offering-price rule, if applicable, if and for so long as directed by the Underwriter,

(B) to promptly notify the Underwriter of any sales of Bonds that, to its knowledge, are made to a purchaser who is a related party to an underwriter participating in the initial sale of the Bonds to the public (each such term being used as defined below), and

(C) to acknowledge that, unless otherwise advised by the dealer or broker-dealer, the Underwriter shall assume that each order submitted by the dealer or broker-dealer is a sale to the public.

(ii) any selling group agreement relating to the initial sale of the Bonds to the public, together with the related pricing wires, contains or will contain language obligating each dealer that is a party to a third-party distribution agreement to be employed in connection with the initial sale of the Bonds to the public to require each broker-dealer that is a party to such third-party distribution agreement to (A) report the prices at which it sells to the public the unsold Bonds of each maturity allocated to it, whether or not the Closing Date has occurred, until either all Bonds of that maturity allocated to it

have been sold or it is notified by the Underwriter or the dealer that the 10% test has been satisfied as to the Bonds of that maturity, provided that, the reporting obligation after the Closing Date may be at reasonable periodic intervals or otherwise upon request of the Underwriter or the dealer, and (B) comply with the hold-the-offering-price rule, if applicable, if and for so long as directed by the Underwriter or the dealer and as set forth in the related pricing wires.

(e) The Authority acknowledges that, in making the representation set forth in this section, the Underwriter will rely on (i) in the event a selling group has been created in connection with the initial sale of the Bonds to the public, the agreement of each dealer who is a member of the selling group to comply with the requirements for establishing issue price of the Bonds, including, but not limited to, its agreement to comply with the hold-the-offering-price rule, if applicable to the Bonds, as set forth in a selling group agreement and the related pricing wires, and (ii) in the event that a third-party distribution agreement was employed in connection with the initial sale of the Bonds to the public, the agreement of each broker-dealer that is a party to such agreement to comply with the requirements for establishing issue price of the Bonds, including, but not limited to, its agreement to comply with the hold-the-offering-price rule, if applicable to the Bonds, as set forth in the third-party distribution agreement and the related pricing wires. The Authority further acknowledges that the Underwriter shall not be liable for the failure of any dealer who is a member of a selling group, or of any broker-dealer that is a party to a third-party distribution agreement, to comply with its corresponding agreement to comply with the requirements for establishing issue price of the Bonds, including, but not limited to, its agreement to comply with the hold-the-offering-price rule, if applicable to the Bonds.

(f) The Underwriter acknowledges that sales of any Bonds to any person that is a related party to an underwriter participating in the initial sale of the Bonds to the public (each such term being used as defined below) shall not constitute sales to the public for purposes of this section. Further, for purposes of this section:

a. “public” means any person other than an underwriter or a related party;

b. “underwriter” means (A) any person that agrees pursuant to a written contract with the Authority (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Bonds to the public and (B) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (A) to participate in the initial sale of the Bonds to the public (including a member of a selling group or a party to a third-party distribution agreement participating in the initial sale of the Bonds to the public);

c. a purchaser of any of the Bonds is a “related party” to an underwriter if the underwriter and the purchaser are subject, directly or indirectly, to (A) more than 50% common ownership of the voting power or the total value of their stock, if both entities are corporations (including direct ownership by one corporation of another), (B) more than 50% common ownership of their capital interests or profits interests, if both entities are partnerships (including direct ownership by one partnership of another), or (C) more than 50% common ownership of the value of the outstanding stock of the corporation or the capital interests or profit interests of the partnership, as applicable, if one entity is a corporation and the other entity is a partnership (including direct ownership of the applicable stock or interests by one entity of the other); and

d. “sale date” means the date of execution of this Bond Purchase Agreement by all parties.

**9. Closing Conditions.** The Underwriter has entered into this Bond Purchase Agreement in reliance upon the representations, warranties and covenants herein and the performance by the Authority and the City of their respective obligations hereunder, both as of the date hereof and as of the date of the Closing. The Underwriter’s obligations hereunder are and shall be subject to the following additional conditions:

(a) Bring-Down Representation. The representations, warranties and covenants of the Authority and the City contained herein shall be true and correct at the date hereof and at the time of the Closing, as if made on the date of the Closing.

(b) Executed Agreements and Performance Thereunder. At the time of the Closing:

(i) the City Documents and the Authority Documents shall be in full force and effect, and shall not have been amended, modified or supplemented except with the prior written consent of the Underwriter;

(ii) there shall be in full force and effect such resolutions (the “**Authorizing Resolutions**”) as, in the opinion of Bond Counsel, shall be necessary in connection with the transactions on the part of the Authority and the City contemplated by the City Documents and the Authority Documents;

(iii) the Authority shall perform or have performed its obligations required or specified in the Authority Documents to be performed at or prior to Closing;

(iv) the City shall perform or have performed its obligations required as specified in the City Documents to be performed at or prior to Closing; and

(v) the Official Statement shall not have been supplemented or amended, except pursuant to Paragraph 6(j) or 7(i), or as otherwise may have been agreed to in writing by the Underwriter.

(c) No Default. At the time of the Closing, no default shall have occurred or be existing under the Authority Documents or the City Documents and neither the Authority nor the City shall be in default in the payment of principal or interest on any of its bonded indebtedness or other obligations payable from the City’s general fund which default shall adversely impact the ability of the Authority to make payments on the Bonds or the City to make payments pursuant to the Lease.

(d) Termination Events. The Underwriter shall have the right to terminate this Bond Purchase Agreement, without liability therefor, by written notification to the Authority and the City if at any time at or prior to the Closing the market price or marketability of the Bonds, or the ability of the Underwriter to enforce contracts for the sale of the Bonds, shall have been materially adversely affected in the reasonable judgment of the Underwriter (evidenced by a written notice to the City and the Authority terminating the obligation of the Underwriter to accept delivery of and pay for the Bonds) by reason of any of the following:

(i) an amendment to the Constitution of the United States or by any legislation in or by the Congress of the United States or by the State, or the amendment of legislation pending as of the date of the Authority Documents or the City Documents in the Congress of the United States, or the recommendation to Congress or endorsement for passage (by press release, other form of notice or otherwise) of legislation by the President of the United States, the Treasury Department of the United States, the Internal Revenue Service or the Chairman or ranking minority member of the Committee on Finance of the United States Senate or the Committee on Ways and Means of the United States House of Representatives, or the proposal for consideration of legislation by either such Committee, or the presentment of legislation for consideration as an option by either such Committee, or by the staff of the Joint Committee on Taxation of the Congress of the United States, or the favorable reporting for passage of legislation to either House of the Congress of the United States by a Committee of such House to which such legislation has been referred for consideration, or any decision of any Federal or State court or any ruling or regulation (final, temporary or proposed) or official statement on behalf of the United States Treasury Department, the Internal Revenue Service or other Federal or State authority materially adversely affecting the Federal or State tax status of the Authority or the City, or the interest on bonds or notes or obligations of the general character of the Bonds; or

(ii) any legislation, ordinance, rule or regulation shall be introduced in, or be enacted by any governmental body, department or agency of the States or a decision by any court of competent jurisdiction within the State or any court of the United States shall be rendered which, in the reasonable opinion of the Underwriter, materially adversely affects the market price of the Bonds; or

(iii) legislation shall be enacted by the Congress of the United States, or a decision by a court of the United States shall be rendered, or a stop order, ruling, regulation or official statement by, or on behalf of, the Securities and Exchange Commission or any other governmental agency having jurisdiction of the subject matter shall be issued or made to the effect that the issuance, offering or sale of obligations of the general character of the Bonds, or the issuance, offering or sale of the Bonds, including all underlying obligations, as contemplated hereby or by the Official Statement, is in violation or would be in violation of, or that obligations of the general character of the Bonds, or the Bonds, are not exempt from registration under, any provision of the federal securities laws, including the Securities Act of 1933, as amended and as then in effect, or that the Indenture needs to be qualified under the Trust Indenture Act of 1939, as amended and as then in effect; or

(iv) the New York Stock Exchange or other national securities exchange, or any governmental or regulatory authority, shall impose, as to the Bonds or obligations of the general character of the Bonds, any material restrictions not now in force, or increase materially those now in force, with respect to the extension of credit by, or the charge to the net capital requirements of the Underwriter; or

(v) a general banking moratorium shall have been established by federal or State authorities; or

(vi) there shall have occurred (i) an outbreak or escalation of hostilities or the declaration by the United States of a national emergency or war or (ii) any other calamity or crisis in the financial markets of the United States or elsewhere or the escalation of such calamity or crisis; or

(vii) the commencement of any action, suit or proceeding described in Paragraphs 6(e) or 7(e) hereof; or

(viii) a general suspension of trading on the New York Stock Exchange or other major exchange shall be in force, or minimum or maximum prices for trading shall have been fixed and be in force, or maximum ranges for prices for securities shall have been required and be in force on any such exchange, whether by virtue of determination by that exchange or by order of the Securities and Exchange Commission or any other governmental authority having jurisdiction; or

(ix) any event occurring or information becoming known which, in the reasonable judgment of the Underwriter, makes untrue or incorrect in any material respect any statement or information contained in the Preliminary Official Statement or in the Official Statement or has the effect that the Preliminary Official Statement or the Official Statement contains any untrue statement of a material fact or omits to state a material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading; or

(x) any rating of the Bonds or other obligations of the City shall have been downgraded, suspended or withdrawn or placed on negative outlook or negative watch by a national rating service, which, in the Underwriter's reasonable opinion, materially adversely affects the marketability or market price of the Bonds or the ability of the Underwriter to enforce contracts for the sale of the Bonds; or

(xi) any proceeding shall be pending or threatened by the Securities and Exchange Commission against the Authority or the City; or

(xii) any fact or event shall exist or have existed that requires or has required an amendment of or supplement to the Official Statement in which the market price or marketability of the Bonds, or the ability of the Underwriter to enforce contracts for the sale of the Bonds, shall have been materially adversely affected in the reasonable judgment of the Underwriter; or

(xiii) there shall have occurred any materially adverse change in the affairs or financial condition of the Authority or the City; or

(xiv) a material disruption in securities settlement, payment or clearance services affecting the Bonds shall have occurred; or

(xv) the marketability of the Bonds or the market price thereof, in the opinion of the Underwriter, has been materially and adversely affected by disruptive events, occurrences or conditions in the securities or debt markets; or

(xvi) a decision by a court of the United States shall be rendered, or a stop order, release, regulation or no-action letter by or on behalf of the SEC or any other governmental agency having jurisdiction of the subject matter shall have been issued or made, to the effect that the issuance, offering or sale of the Bonds, including the underlying obligations as contemplated by this Bond Purchase Agreement or by the Official Statement, or any document relating to the issuance, offering or sale of the Bonds, is or would be in violation of any provision of the federal securities laws at the Closing Date, including the Securities Act, the Exchange Act and the Trust Indenture Act.

(e) Closing Documents. At or prior to the Closing, the Underwriter shall receive with respect to the Bonds (unless the context otherwise indicates) the following documents:

(1) Bond Opinion. The approving opinions of Bond Counsel dated the date of Closing and substantially in the forms included as APPENDIX D to the Official Statement and a reliance letter(s) thereon dated the date of Closing addressed to the Underwriter and the Trustee.

(2) Supplemental Opinion. A supplemental opinion of Bond Counsel dated the date of Closing, addressed to the Underwriter, to the effect that:

(A) the statements on the cover of the Official Statement and in the Official Statement under the captions “INTRODUCTION,” “THE BONDS,” “THE LEASED PROPERTY,” “SOURCES OF PAYMENT FOR THE BONDS,” and “TAX MATTERS,” and in “APPENDIX A – SUMMARY OF THE PRINCIPAL LEGAL DOCUMENTS” and “APPENDIX D – PROPOSED FORM OF BOND COUNSEL OPINION,” excluding any material that may be treated as included under such captions and appendices by any cross-reference, insofar as such statements expressly summarize provisions of the Bonds, the Lease, the Site Lease, the Indenture, and Bond Counsel’s final opinion concerning certain federal tax matters relating to the Bonds, are accurate in all material respects as of the date of Closing; provided, that Bond Counsel need not express any opinion with respect to any financial or statistical data contained therein or with respect to DTC or the book-entry system in which the Bonds are initially delivered;

(B) The Lease, the Site Lease, the Assignment Agreement, the Continuing Disclosure Agreement and this Bond Purchase Agreement have been duly authorized, executed and delivered by the City and the Authority, as applicable, and are valid, legal and binding agreements of the City and the Authority enforceable in accordance with their terms, except that the rights and obligations under the Lease, the Site Lease, the Assignment Agreement, the Continuing Disclosure Agreement and this Bond Purchase Agreement are subject to bankruptcy, insolvency, reorganization, moratorium, fraudulent conveyance and other similar laws affecting creditors’ rights, to the application of equitable principles if equitable remedies are sought, to the exercise of judicial discretion in appropriate cases and to limitations on legal remedies against public agencies in the State, and provided that no opinion is expressed with respect to any indemnification or contribution provisions contained therein.

(C) The Bonds are not subject to the registration requirements of the Securities Act of 1933, as amended, and the Indenture is exempt from qualification under the Trust Indenture Act of 1939, as amended.

(3) Negative Assurance Letter of Disclosure Counsel. A letter of Nixon Peabody LLP, Disclosure Counsel to the Authority and the City, dated the date of Closing and addressed to the Authority, the City, and the Underwriter to the effect that based upon their participation in the preparation of the Official Statement as Disclosure Counsel to the Authority and without having undertaken to determine independently the accuracy or completeness of the contents in the Official Statement, such counsel has no reason to believe that the Preliminary Official Statement (except for the completion of pricing information and any other matters or terms of the Bonds relating thereto) as of its date or as of the date of this Purchase Agreement or the Official Statement as of its date or as of the date of the Closing (except that no opinion need be expressed as to any financial, statistical, economic, engineering or demographic data or forecasts, numbers, charts,

tables, graphs, maps, estimates, projections, assumptions or expressions of opinion, any information about feasibility, valuation, appraisals, assessed values, market absorption, real estate, ownership, environmental or archaeological matters, Appendices A, B, C, D, or E thereto, or any information about book-entry, The Depository Trust Company, debt service requirements or tax exemption included or referred to therein, which may be expressly excluded from the scope of the opinions), contains any untrue statement of a material fact or omits to state any material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading.

(4) Municipal Advisor Certificate. A certificate of Kosmont Financial Services, Inc. (“KFS”), dated the Closing Date and addressed to the Authority, the City and the Underwriter, to the effect that (i) KFS has reviewed the Preliminary Official Statement and the Official Statement and (ii) no information has come to its attention which would lead it to believe that the information contained in the Preliminary Official Statement, as of its date and as of the date of this Purchase Agreement and the Official Statement, as of its date and the Closing Date, is not true or correct in all material respects, or that the Preliminary Official Statement, as of its date and as of the date of this Purchase Agreement and the Official Statement, as of its date and the Closing Date contains any untrue statement of a material fact or omits to state a material fact where necessary to make a statement not misleading.

(5) Opinion of City Attorney. An opinion of the City Attorney, dated the date of the Closing and addressed to the Authority, the Trustee and the Underwriter, to the effect that:

(A) the City is a charter city duly organized and validly existing under the Constitution and laws of the State of California;

(B) the resolution of the City approving and authorizing the execution and delivery of the City Documents and approving and authorizing the issuance of the Bonds and the delivery of the Official Statement and other actions of the City was duly adopted at a meeting of the governing body of the City which 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, and the resolution is now in full force and effect and has not been amended or superseded in any way;

(C) the City Documents have been duly authorized, executed and delivered by the City, and (assuming due execution and delivery by parties other than the City) are valid, legal and binding agreements of the City enforceable in accordance with their terms, except that the rights and obligations under the City Documents are subject to bankruptcy, insolvency, reorganization, moratorium, fraudulent conveyance and other similar laws affecting creditors’ rights, to the application of equitable principles if equitable remedies are sought, to the exercise of judicial discretion in appropriate cases and to limitations on legal remedies against public agencies in the State;

(D) the authorization, execution and delivery of the Bonds, the Official Statement, and the City Documents by the City and compliance with the provisions thereof by the City of its obligations thereunder, will not conflict with, or constitute a breach or default under, in any material respect, any law, administrative regulation, court decree, resolution, ordinance or other agreement to which the City is subject or by which it is bound; and

(E) there is no action, suit, proceeding, inquiry or investigation at law or in equity before or by any court or public body pending with respect to which the City has

been served or, to such counsel's knowledge, threatened against or affecting the City, except as may be disclosed in the Official Statement, which would materially adversely impact the City's ability to complete the transactions contemplated by the City Documents, the Official Statement or any other document or certificate related to such transactions, restrain or enjoin the collection of Base Rental Payments with respect to the Lease, or in any way contesting or affecting the validity of the Bonds, the Official Statement or the City Documents.

(6) Authority Counsel Opinion. An opinion of counsel to the Authority, dated the date of the Closing and addressed to the City, the Trustee and the Underwriter, to the effect that:

(A) the Authority is a joint exercise of powers authority organized and existing under the laws of the State of California;

(B) the resolution of the Authority approving and authorizing the execution and delivery of the Authority Documents, the Bonds and the Official Statement and other actions of the Authority was duly adopted at a meeting of the governing body of the Authority which 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, and the resolution is now in full force and effect and has not been amended or superseded in any way;

(C) the Authority Documents have been duly authorized, executed and delivered by the Authority, and (assuming due execution and delivery by parties other than the Authority) are valid, legal and binding agreements of the Authority enforceable in accordance with their terms, except that the rights and obligations under the Authority Documents are subject to bankruptcy, insolvency, reorganization, moratorium, fraudulent conveyance and other similar laws affecting creditors' rights, to the application of equitable principles if equitable remedies are sought, to the exercise of judicial discretion in appropriate cases and to limitations on legal remedies against public agencies in the State;

(D) there is no action, suit, proceeding, inquiry or investigation at law or in equity before or by any court or public body pending with respect to which the Authority has been served or, to the such counsel's knowledge, threatened against or affecting the Authority, except as may be disclosed in the Official Statement, which would materially adversely impact the Authority's ability to complete the transactions contemplated by the Authority Documents, the Official Statement or any other document or certificate related to such transactions, restrain or enjoin the collection of Base Rental Payments with respect to the Lease, or in any way contesting or affecting the validity of the Bonds, the Official Statement, the Authority Documents or the transactions described in and contemplated thereby wherein an unfavorable decision, ruling or finding would materially adversely affect the validity and enforceability of the Bonds or the Authority Documents or in which a final adverse decision could materially adversely affect the operations of the Authority; and

(E) the execution and delivery of the Authority Documents and the issuance of the Bonds and compliance with the provisions thereof, do not and will not in any material respect conflict with or constitute on the part of the Authority a breach of or default under any agreement or other instrument to which the Authority is a party or by which it is bound or any existing law, regulation, court order or consent decree to which the Authority is subject, which

breach or default has or may have a material adverse effect on the ability of the Authority to perform its obligations under the Authority Documents.

(7) Underwriter's Counsel Opinion. An opinion of Underwriter's Counsel, dated the date of the Closing addressed to the Underwriter, in such form as may be acceptable to the Underwriter.

(8) City Certificate. A certificate, dated the date of Closing, signed by a duly authorized official of the City satisfactory in form and substance to the Underwriter to the effect that: (a) the representations, warranties and covenants of the City contained in this Bond Purchase Agreement are true and correct in all material respects on and as of the date of the Closing as if made on the date of the Closing; (b) the City has complied with all agreements, covenants and conditions to be complied with by the City at or prior to the Closing under the City Documents; (c) to the best of such official's knowledge, no event affecting the City has occurred since the date of the Official Statement which either makes untrue or incorrect in any material respect as of the Closing the statements or information contained in the Official Statement or is not reflected in the Official Statement but should be reflected therein in order to make the statements and information therein, in the light of the circumstances under which they were made, not misleading in any material respect.

(9) Authority Certificate. A certificate of the Authority, dated the date of the Closing, signed on behalf of the Authority by the Chair or other duly authorized officer of the Authority to the effect that (a) the representations, warranties and covenants of the Authority contained herein and in the Authority Documents are true and correct in all material respects on and as of the date of the Closing as if made on the date of the Closing; (b) the Authority has complied with all agreements, covenants and conditions to be complied with by the Authority at or prior to the Closing under the Authority Documents and (c) to the best of such official's knowledge, no event affecting the Authority has occurred since the date of the Official Statement which has not been disclosed therein or in any supplement or amendment thereto which event should be disclosed in the Official Statement in order to make the statements therein, in the light of the circumstances under which they were made, not misleading.

(10) Trustee's Certificate. A certificate of the Trustee, dated the Closing Date, in form and substance acceptable to the Authority, Bond Counsel, the Underwriter and Underwriter's Counsel.

(11) Trustee Incumbency Certificate. A certified copy of a certificate of an officer of the Trustee certifying as to the incumbency, signature and signing authority of the officers who have executed and delivered the Indenture and agreed to accept the duties of Trustee under the Indenture.

(12) Trustee Counsel's Opinion. An opinion, dated the date of the Closing addressed to the Authority, the City and the Underwriter, of the Trustee's Counsel, in form and content satisfactory to the Authority, Bond Counsel, the Underwriter and Underwriter's Counsel.

(13) Title Policy. A copy of a CLTA or ALTA title insurance policy in an amount equal to the principal amount of the Bonds, insuring the City's leasehold interest in the Leased Property, subject only to Permitted Encumbrances (as defined in the Lease) or such other acceptable encumbrances.

(14) Transcripts. Two CD transcripts of the proceedings prepared by Bond Counsel relating to the authorization and issuance of the Bonds will be delivered in due course after the Closing.

(15) Official Statement. The Official Statement and each supplement or amendment, if any, thereto, executed on behalf of the Authority by a duly authorized officer of each.

(16) Documents. An original executed or certified copy of each of the Authority Documents, the City Documents and the Joint Exercise of Powers Agreement (the “**JPA Agreement**”), dated as of July 1, 1996, between the City and the former Placentia Redevelopment Agency and any amendments thereto.

(17) City Resolution. Certified copy by the City Clerk, of each resolution of the City relating to the City Documents, the actions contemplated thereby, provided that such resolutions may be contained in the transcripts.

(18) Authority Resolution. Certified copy by the Secretary or Assistant Secretary of the Authority, of each resolution of the Authority relating to the Authority Documents, the Bonds and the transactions contemplated thereby, provided that such resolutions may be contained in the transcripts.

(19) IRS Form 8038-G. Evidence that the federal tax information form 8038 G has been prepared for filing.

(20) Tax Certificate. A Tax Certificate in a form satisfactory to Bond Counsel.

(21) Rating. Evidence as of the Closing satisfactory to the Underwriter that the Bonds have received the rating set forth in the Official Statement and that such rating has not been reduced or withdrawn.

(22) CDIAC Statement. A copy of the Notice of Final Sale required to be delivered to the California Debt and Investment Advisory Commission pursuant to section 53583 of the Government Code and section 8855(g) of the Government Code.

(23) Additional Documents. Such additional certificates, instruments and other documents as the Underwriter and Bond Counsel may reasonably deem necessary.

If the Authority or the City shall be unable to satisfy the conditions contained in this Bond Purchase Agreement, or if the obligations of the Underwriter shall be terminated for any reason permitted by this Bond Purchase Agreement, this Bond Purchase Agreement may be terminated by the Underwriter, and none of the Underwriter, the Authority or the City shall be under further obligation hereunder.

**10. Expenses.** Except as otherwise provided in this Section, the Underwriter shall be under no obligation to pay, and the Authority or the City shall pay or cause to be paid, the expenses incident to the performance of the obligations of the Authority and the City hereunder including but not limited to:

- (a) the costs of the preparation and printing, or other reproduction (for distribution on or prior to the date hereof) of the City Documents and the Authority Documents and the cost of preparing, printing, issuing and delivering the Bonds;
- (b) the fees and disbursements of any counsel, municipal advisors, accountants, or other experts or consultants retained by the Authority or the City;
- (c) the fees and disbursements of Bond Counsel and Disclosure Counsel;
- (d) the cost of preparation and printing the Preliminary Official Statement and any supplements and amendments thereto and the cost of preparation and printing of the Official Statement, including a reasonable number of copies thereof for distribution by the Underwriter; and
- (e) charges of rating agencies for the rating of the Bonds.

The Underwriter shall pay all expenses incurred by the Underwriter in connection with the public offering and distribution of the Bonds including, but not limited to: (i) the fees and disbursements of Underwriter's Counsel; and (ii) all out-of-pocket disbursements and expenses incurred by the Underwriter in connection with the offering and distribution of the Bonds (including other expenses, fees of the California Debt and Investment Advisory Commission, CUSIP Service Bureau fees, and any other fees and expenses), except as otherwise provided in the preceding paragraph or otherwise agreed to by the Underwriter, the Authority and the City in writing. Any meals in connection with or adjacent to meetings, rating agency presentations, pricing activities or other transaction-related activities shall be considered an expense of the transaction and included in the expense component of the Underwriter's discount.

**11. Notice.** Any notice or other communication to be given to the Underwriter may be given by delivering the same to Samuel A. Ramirez & Co., Inc., 633 West Fifth Street, Suite 2693, Los Angeles, California 90071, Attention: Public Finance. Any notice or other communication to be given to the Authority or the City pursuant to this Bond Purchase Agreement may be given by delivering the same in writing to such entity, at the addresses set forth on the cover page hereof.

**12. Entire Agreement.** This Bond Purchase Agreement, when accepted by the Authority and the City, shall constitute the entire agreement among the Authority, the City and the Underwriter and is made solely for the benefit of the Authority, the City and the Underwriter (including the successors or assigns of any Underwriter). Except as provided in Section 16 below, no other person shall acquire or have any right hereunder by virtue hereof, except as provided herein. All the Authority's and the City's representations, warranties and agreements in this Bond Purchase Agreement shall remain operative and in full force and effect, regardless of any investigation made by or on behalf of the Underwriter, until the earlier of (a) delivery of and payment for the Bonds hereunder, and (b) any termination of this Bond Purchase Agreement.

**13. Definitions.** Terms not otherwise defined herein shall have the same meaning as when used in the Indenture or the Lease.

**14. Severability.** In case any one or more of the provisions contained herein shall for any reason be held to be invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect any other provision hereof.

**15. State of California Law Governs.** The validity, interpretation and performance of the Authority Documents shall be governed by the laws of the State.

**16. No Assignment.** The rights and obligations created by this Bond Purchase Agreement shall not be subject to assignment by the Underwriter, the Authority or the City without the prior written consent of the other parties hereto.

**17. Counterparts.** This Bond Purchase 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.

**SAMUEL A. RAMIREZ & CO., INC.**

By: \_\_\_\_\_  
Authorized Officer

The foregoing is hereby agreed to and accepted as of the date first above written:

**PLACENTIA PUBLIC FINANCING AUTHORITY**

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

Time of Execution: \_\_\_\_\_ p.m. California time

**CITY OF PLACENTIA**

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

Time of Execution: \_\_\_\_\_ p.m. California time

**[EXECUTION PAGE OF BOND PURCHASE AGREEMENT]**

**EXHIBIT A**

**MATURITY SCHEDULE**

**\$ \_\_\_\_\_**  
**PLACENTIA PUBLIC FINANCING AUTHORITY**  
**LEASE REVENUE BONDS**  
**(PUBLIC SAFETY CENTER PROJECT)**  
**SERIES 2022A**

**MATURITY SCHEDULE**

<u>Maturity (June 1)</u>	<u>Principal Amount</u>	<u>Interest Rate</u>	<u>Yield</u>	<u>Price</u>	<u>10% Test Satisfied*</u>	<u>10% Test Not Satisfied</u>	<u>Subject to Hold-The- Offering- Price Rule (<i>marked if used</i>)</u>
2023							
2024							
2025							
2026							
2027							
2028							
2029							
2030							
2031							
2032							
2033							
2034							
2035							
2036							
2037							
2038							
2039							
2040							
2041							
20__ <sup>(T)</sup>							

<sup>(T)</sup> Term Bond.

<sup>(C)</sup> Priced to optional call at [par] on June 1, 20\_\_.

\* At the time of execution of this Purchase Agreement and assuming orders are confirmed by the close of the business day immediately following the date of this Purchase Agreement.

**EXHIBIT B**

**\$ \_\_\_\_\_**  
**PLACENTIA PUBLIC FINANCING AUTHORITY**  
**LEASE REVENUE BONDS**  
**(PUBLIC SAFETY CENTER PROJECT)**  
**SERIES 2022A**

**FORM OF ISSUE PRICE CERTIFICATE**

[TO COME FROM BOND COUNSEL]

## CONTINUING DISCLOSURE AGREEMENT

This Continuing Disclosure Agreement (this “Disclosure Agreement”) is executed and delivered by the City of Placentia (the “City”) and Kosmont Transactions Services, Inc., as dissemination agent (the “Dissemination Agent”), in connection with the issuance of \$ \_\_\_\_\_ Placentia Public Financing Authority Lease Revenue Bonds (Public Safety Center Project) Series 2023A (the “Bonds”). The Bonds are being issued pursuant to an Indenture, dated as of August 1, 2023 (the “Indenture”), among the Placentia Public Financing Authority (the “Authority”), the City and U.S. Bank Trust Company, National Association, as trustee. Pursuant to the Indenture, the City and the Dissemination Agent covenant and agree as follows:

Section 1. Purpose of the Disclosure Agreement. This Disclosure Agreement is being executed and delivered by the City for the benefit of the Beneficial Owners of the Bonds and to assist the Participating Underwriter in complying with the Rule (as defined herein).

Section 2. Definitions. In addition to the definitions set forth in the Indenture, which apply to any capitalized term used in this Disclosure Agreement unless otherwise defined in this Section, the following capitalized terms shall have the following meanings:

“Annual Report” shall mean any Annual Report provided by the City pursuant to, and as described in, Sections 3 and 4 of this Disclosure Agreement.

“Audited Financial Statements” means the audited financial results of the City for the applicable Fiscal Year.

“Beneficial Owner” shall mean any person which (a) has the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, any Bonds (including persons holding Bonds through nominees, depositories or other intermediaries), or (b) is treated as the owner of any Bonds for federal income tax purposes.

“Business Day” shall mean a day, other than (a) Saturday or Sunday and (c) a day on which the New York Stock Exchange is authorized or obligated by law or executive order to be closed.

“Disclosure Representative” shall mean the designee of the City designated to act as the Disclosure Representative, or such other person as the City shall designate in writing to the Dissemination Agent from time to time.

“Dissemination Agent” means an entity selected and retained by the City, or any successor thereto selected by the City. The initial Dissemination Agent shall be Kosmont Transactions Services, Inc.

“EMMA” shall mean the Municipal Securities Rulemaking Board’s Electronic Municipal Market Access System for Municipal Securities disclosures, maintained on the internet at <http://emma.msrb.org>.

“Listed Events” shall mean any of the events listed in Section 5(a) of this Disclosure Agreement.

“MSRB” shall mean the Municipal Securities Rulemaking Board established pursuant to Section 15B(b)(1) of the Securities Exchange Act of 1934 or any other entity designated or authorized by the SEC to receive reports pursuant to the Rule. Until otherwise designated by the MSRB or the SEC, filings with the MSRB are to be made through the EMMA website of the MSRB, currently located at <http://emma.msrb.org>.

“Participating Underwriter” shall mean any original underwriter of the Bonds required to comply with the Rule in connection with offering of the Bonds.

“Repository” shall mean, until otherwise designated by the SEC, EMMA.

“Rule” shall mean Rule 15c2-12 adopted by the SEC under the Securities Exchange Act of 1934, as amended from time to time.

“State” shall mean the State of California.

“SEC” shall mean the U.S. Securities and Exchange Commission.

### Section 3. Provision of Annual Reports.

(a) The City shall, or shall cause the Dissemination Agent to, not later than March 31 in each year, commencing March 31, 2024, provide to the Repository an Annual Report which is consistent with the requirements of Section 4 of this Disclosure Agreement. The Annual Report may be submitted as a single document or as separate documents comprising a package, and may include by reference other information as provided in Section 4 of this Disclosure Agreement. If the City’s fiscal year changes, it shall give notice of such change in the same manner as for a Listed Event under Section 5.

(b) Not later than ten Business Days prior to the date specified in subsection (a) for providing the Annual Report to the Repository, the City shall provide the Annual Report to the Dissemination Agent (if other than the City). The City shall provide, or cause the preparer of the Annual Report to provide, a written certificate with each Annual Report furnished to the Dissemination Agent to the effect that such Annual Report constitutes the Annual Report required to be furnished to it hereunder. The Dissemination Agent may conclusively rely upon such certification and shall have no duty or obligation to review such Annual Report.

(c) If the City is unable to provide to the Repository an Annual Report by the date required in subsection (a), the City in a timely manner shall send, or shall cause the Dissemination Agent to send, a notice to the Repository or to the MSRB, in substantially the form attached as Exhibit A.

(d) The Dissemination Agent shall:

- (i) determine the electronic filing address of, and then-current procedures for submitting Annual Reports to, the MSRB each year prior to the date for providing the Annual Report; and
- (ii) file a report with the City certifying that the Annual Report has been provided to the MSRB pursuant to this Disclosure Agreement, and stating the date it was provided.

Section 4. Content of Annual Reports. The Annual Report shall contain or include by reference the following:

(a) The Audited Financial Statements of the City for the prior Fiscal Year, prepared in accordance with generally accepted accounting principles as promulgated to apply to governmental entities from time to time by the Governmental Accounting Standards Board. If the Audited Financial Statements are not available by the time the Annual Report is required to be filed pursuant to Section 3(a), the Annual Report shall contain unaudited financial statements in a format similar to the financial statements contained

in the final Official Statement, dated \_\_\_\_\_, 2023 relating to the Bonds (the “Official Statement”) and the Audited Financial Statements shall be filed in the same manner as the Annual Report when such Audited Financial Statements become available.

(b) Updated information for the prior Fiscal Year (unless otherwise noted) set forth in the following tables in the Official Statement:

Table No. 8 – General Fund Revenues and Expenditures

Table No. 9 – Gross Assessed Value of All Taxable Property (for the then current Fiscal Year)

Table No. 10 – Largest Property Taxpayers

Table No. 11 – Secured Tax Levies and Collections

Table No. 13 – General Fund Tax Revenues by Source

Table No. 19 – General Fund Balance Sheet

Table No. 20 – Statement of Revenues, Expenditures and Changes in Fund Balance

Any or all of the items listed above may be included by specific reference to other documents, including official statements of debt issues of the City or related public entities, which have been submitted to the Repository or the SEC. If the document included by reference is a final official statement, it must be available from the Municipal Securities Rulemaking Board. The City shall clearly identify each such other document so included by reference.

Section 5. Reporting of Listed Events. The City shall give, or cause to be given, notice of the occurrence of any of the following events with respect to the Bonds in a timely manner not more than ten (10) Business Days after the event:

- (1) principal and interest payment delinquencies;
- (2) non-payment related defaults, if material;
- (3) unscheduled draws on debt service reserves reflecting financial difficulties;
- (4) unscheduled draws on credit enhancements reflecting financial difficulties;
- (5) substitution of credit or liquidity providers, or their failure to perform;
- (6) adverse tax opinions, the issuance by the Internal Revenue Service of a proposed or final determination of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax- status of the Bonds, or other material events affecting the tax status of the Bonds;
- (7) modifications to the rights of Bond holders, if material;
- (8) bond calls, if material, and tender offers;
- (9) defeasances;

- (10) release, substitution or sale of property securing repayment of the Bonds, if material;
- (11) rating changes;
- (12) bankruptcy, insolvency, receivership or similar event of the City;

For these purposes, any event described in the immediately preceding paragraph (12) is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent, or similar officer for the City in a proceeding under the United States Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the City, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement, or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the City.

- (13) consummation of a merger, consolidation or acquisition involving the City or the sale of all or substantially all of the assets of the City, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;
- (14) appointment of a successor or additional trustee or the change of the name of a trustee, if material;
- (15) incurrence of a financial obligation of the City, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation of the City, any of which affect Bond holders, if material; and
- (16) default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a financial obligation of the City, any of which reflect financial difficulties.

The term financial obligation means a (i) debt obligation; (ii) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (3) guarantee of (i) or (ii). The term financial obligation shall not include municipal securities as to which a final official statement has been provided to the MSRB consistent with the Rule.

Section 6. Filings with the MSRB. All information, operating data, financial statements, notices and other documents provided to the MSRB in accordance with this Disclosure Agreement shall be provided in an electronic format prescribed by the MSRB and shall be accompanied by identifying information as prescribed by the MSRB.

Section 7. Termination of Reporting Obligation. The City's obligations under this Disclosure Agreement shall terminate upon the legal defeasance, prior redemption or payment in full of all of the Bonds. If such termination occurs prior to the final maturity of the Bonds, the City shall give notice of such termination in the same manner as for a Listed Event under Section 5.

Section 8. Dissemination Agent. The City may, from time to time, appoint or engage a Dissemination Agent to assist it in carrying out its obligations under this Disclosure Agreement, and may

discharge any such Dissemination Agent, with or without appointing a successor Dissemination Agent. The Dissemination Agent may resign by providing thirty (30) days written notice to the City.

Section 9. Amendment; Waiver. Notwithstanding any other provision of this Disclosure Agreement, the City may amend this Disclosure Agreement, and any provision of this Disclosure Agreement may be waived, if the City has received an opinion of counsel knowledgeable in federal securities laws to the effect that such amendment or waiver would not, in and of itself, cause the undertakings herein to violate the Rule if such amendment or waiver had been effective on the date hereof but taking into account any subsequent change in or official interpretation of the Rule.

Section 10. Additional Information. Nothing in this Disclosure Agreement shall be deemed to prevent the City from disseminating any other information, using the means of dissemination set forth in this Disclosure Agreement or any other means of communication, or including any other information in any Annual Report or notice of occurrence of a Listed Event, in addition to that which is required by this Disclosure Agreement. If the City chooses to include any information in any Annual Report or notice of occurrence of a Listed Event in addition to that which is specifically required by this Disclosure Agreement, the City shall have no obligation under this Disclosure Agreement to update such information or include it in any future Annual Report or notice of occurrence of a Listed Event.

Section 11. Default. In the event of a failure of the City to comply with any provision of this Disclosure Agreement, any Owner or Beneficial Owner of the Bonds may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the City to comply with its obligations under this Disclosure Agreement. A default under this Disclosure Agreement shall not be deemed an Event of Default under the Indenture, and the sole remedy under this Disclosure Agreement in the event of any failure of the City or the Dissemination Agent to comply with this Disclosure Agreement shall be an action to compel performance.

Section 12. Duties, Immunities and Liabilities of Dissemination Agent. The Dissemination Agent shall have only such duties as are specifically set forth in this Disclosure Agreement, and the City agrees to indemnify and save the Dissemination Agent, its officers, directors, employees and agents, harmless against any loss, expense and liabilities which they may incur arising out of or in the exercise or performance of their respective powers and duties hereunder, including the costs and expenses (including attorneys' fees) of defending against any claim of liability, but excluding liabilities due to the Dissemination Agent's negligence or willful misconduct. The Dissemination Agent shall be paid compensation by the City for its services provided hereunder in accordance with its schedule of fees as amended from time to time, and all expenses, legal fees and advances made or incurred by the Dissemination Agent in the performance of its duties hereunder. The Dissemination Agent shall have no duty or obligation to review any information provided to it hereunder and shall not be deemed to be acting in any fiduciary capacity for the City, the Authority, the Trustee, the Holders, or any other party. The obligations of the City under this Section shall survive resignation or removal of the Dissemination Agent and payment of the Bonds.

Section 13. Notices. Any notices or communications herein required or permitted to be given shall be in writing and shall be delivered in such manner and to such addresses as are specified in the Indenture.

Section 14. Beneficiaries. This Disclosure Agreement shall inure solely to the benefit of the City, the Dissemination Agent, the Participating Underwriter and the Owners from time to time of the Bonds, and shall create no rights in any other person or entity.

Date: \_\_\_\_\_, 2023

**CITY OF PLACENTIA**

By: \_\_\_\_\_  
City Administrator

**KOSMONT FINANCIAL SERVICES INC.**

By: \_\_\_\_\_  
Authorized Officer

**EXHIBIT A**

**NOTICE TO MUNICIPAL SECURITIES RULEMAKING BOARD  
OF FAILURE TO FILE ANNUAL REPORT**

NOTICE TO REPOSITORY OF FAILURE TO FILE ANNUAL REPORT

Name of Obligated Party: City of Placentia (the “City”)

Name of Issue: \$\_\_\_\_\_ Placentia Public Financing Authority Lease Revenue Bonds  
(Public Safety Center Project) Series 2023A

Date of Issuance: \_\_\_\_\_, 2023

NOTICE IS HEREBY GIVEN that the City has not provided an Annual Report with respect to the above-captioned Bonds as required by the Continuing Disclosure Agreement, dated \_\_\_\_\_, 2023, between the City and Kosmont Transactions Services, Inc. The City anticipates that the Annual Report will be filed by [date].

Dated: \_\_\_\_\_, 20\_\_

KOSMONT TRANSACTIONS SERVICES,  
INC.,  
as Dissemination Agent

cc: City of Placentia

Recording Requested By And )  
When Recorded Mail To: )  
 )  
Nixon Peabody LLP )  
300 South Grand Avenue, Suite 4100 )  
Los Angeles, California 90071 )  
Attention: Danny Kim, Esq. )

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(Space above for Recorder's Use)

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This document is recorded for the benefit of the City of Placentia and the recording is fee-exempt under Section 6103 of the California Government Code and the recording is exempt under Section 27383 of the California Government Code and Section 11928 of the California Revenue and Taxation Code.

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**ASSIGNMENT AGREEMENT**

**by and between**

**PLACENTIA PUBLIC FINANCING AUTHORITY,  
as Assignor**

**and**

**U.S. BANK TRUST COMPANY, NATIONAL ASSOCIATION,  
as Trustee and Assignee**

**relating to the**

**\$ \_\_\_\_\_  
Placentia Public Financing Authority  
Lease Revenue Bonds (Public Safety Center Project) Series 2023A**

**Dated as of August 1, 2023**

## ASSIGNMENT AGREEMENT

This Assignment Agreement (the “Assignment Agreement”), executed and entered into as of August 1, 2023, by and between the Placentia Public Financing Authority (the “Authority”), a joint powers authority duly organized and existing under and pursuant to California Government Code Sections 6500 *et seq.* and U.S. Bank Trust Company, National Association (the “Trustee”), a national banking association existing under and by virtue of the laws of the United States of America, as trustee under the Indenture (as hereinafter defined);

### WITNESSETH:

**WHEREAS**, the Authority and the City of Placentia (the “City”) have executed and entered into the Lease Agreement (the “Lease Agreement”), dated as of August 1, 2023 (which is recorded concurrently herewith), pursuant to which the Authority has leased that certain real property, as more particularly described in the Lease Agreement (the “Leased Property”) to the City, as described in Exhibit A attached hereto and incorporated herein; and

**WHEREAS**, under and pursuant to the Lease Agreement, the City is obligated to make rental payments to the Authority for the lease of the Leased Property to it; and

**WHEREAS**, the Authority desires to assign without recourse all its rights to receive the Base Rental Payments (as defined in the Lease Agreement) and certain other payments scheduled to be paid by the City under and pursuant to the Lease Agreement to the Trustee; and

**WHEREAS**, in consideration of such assignment and the execution and entering into of an Indenture (the “Indenture”), dated as of August 1, 2023, among the Trustee, the City and the Authority, the Authority will issue its Lease Revenue Bonds (Public Safety Center Project) Series 2023A in the aggregate principal amount of \$ \_\_\_\_\_; and

**WHEREAS**, all acts, conditions and things required by law to exist, to have happened and to have been performed precedent to and in connection with the execution and entering into of this Assignment Agreement do exist, have happened and have been performed in regular and due time, form and manner as required by law, and the parties hereto are now duly authorized to execute and enter into this Assignment Agreement;

**NOW, THEREFORE**, IN CONSIDERATION OF THE PREMISES AND OF THE MUTUAL AGREEMENTS AND COVENANTS CONTAINED HEREIN AND FOR OTHER VALUABLE CONSIDERATION, THE PARTIES HERETO DO HEREBY AGREE AS FOLLOWS:

**SECTION 1. Assignment.** The Authority, for good and valuable consideration, the receipt of which is hereby acknowledged, does hereby unconditionally grant, transfer and assign to the Trustee without recourse (i) all its rights to receive the Base Rental Payments (as defined in the Lease Agreement) under and pursuant to the Lease Agreement, (ii) the right to take all actions under the Lease Agreement, (iii) the right of access more particularly described in the Lease Agreement, and (iv) any and all other rights and remedies of the Authority in the Lease Agreement as lessor thereunder; *provided*, that so long as no default in payment of Base Rental Payments under the Lease Agreement shall have occurred or be continuing, the Authority shall

have and may exercise all rights of the Authority under the Lease Agreement other than the right to receive the Base Rental Payments.

**SECTION 2. Acceptance.** The Trustee hereby accepts the foregoing assignment for the benefit of the owners of the Bonds, as defined in the Indenture, subject to the conditions and terms of the Indenture, and all such Base Rental Payments shall be applied and all such rights so assigned shall be exercised by the Trustee as provided in the Indenture.

**SECTION 3. Conditions.** This Assignment Agreement shall confer no rights and shall impose no obligations upon the Trustee beyond those expressly provided in the Indenture.

**SECTION 4. California Law.** This Assignment Agreement shall be governed by and construed and interpreted in accordance with the laws of the State of California.

**SECTION 5. Severability.** If any agreement, condition, covenant or term hereof or any application hereof should be held by a court of competent jurisdiction to be invalid, void or unenforceable, in whole or in part, all agreements, conditions, covenants and terms hereof and all applications thereof not held invalid, void or unenforceable shall continue in full force and effect and shall in no way be affected, impaired or invalidated thereby.

**SECTION 6. Execution in Counterparts.** This Assignment Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original, but all of which together shall constitute one and the same Assignment Agreement.

[This space intentionally left blank]

**IN WITNESS WHEREOF**, the parties hereto have executed and entered into this Assignment Agreement by their officers thereunto duly authorized as of the day and year first above written.

PLACENTIA PUBLIC FINANCING  
AUTHORITY

By: \_\_\_\_\_  
Executive Director

U.S. BANK TRUST COMPANY,  
NATIONAL ASSOCIATION, as Trustee

By: \_\_\_\_\_  
Authorized Signatory

**EXHIBIT A**

**DESCRIPTION OF LEASED PROPERTY**

THE LAND REFERRED TO HEREIN BELOW IS SITUATED IN THE CITY OF PLACENTIA, IN THE COUNTY OF ORANGE, STATE OF CALIFORNIA, AND IS DESCRIBED AS FOLLOWS:

PRIOR TO ISSUANCE OF A CERTIFICATE OF OCCUPANCY PURSUANT TO THE LEASE AGREEMENT

SUBSEQUENT TO ISSUANCE OF A CERTIFICATE OF OCCUPANCY PURSUANT TO THE LEASE AGREEMENT





RECORDING REQUESTED BY

AND WHEN RECORDED MAIL TO:

Nixon Peabody LLP  
300 South Grand Avenue, Suite 4100  
Los Angeles, California 90071  
Attention: Danny Kim, Esq.

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(Space above for Recorder's use)

This document is recorded for the benefit of the City of Placentia and the recording is fee-exempt under Section 6103 of the California Government Code and the recording is exempt under Section 27383 of the California Government Code and Section 11928 of the California Revenue and Taxation Code.

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**LEASE AGREEMENT**

**by and between the**

**PLACENTIA PUBLIC FINANCING AUTHORITY,  
as Lessor**

**and the**

**CITY OF PLACENTIA,  
as Lessee**

**relating to the**

**\$ \_\_\_\_\_**

**Placentia Public Financing Authority  
Lease Revenue Bonds (Public Safety Center Project) Series 2023A**

**Dated as of August 1, 2023**

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## LEASE AGREEMENT

This Lease Agreement (this “Lease Agreement”), executed and entered into as of August 1, 2023, by and between the PLACENTIA PUBLIC FINANCING AUTHORITY, a joint powers authority duly organized and existing under and by virtue of the laws of the State of California (the “Authority”), as lessor, and the CITY OF PLACENTIA, a charter city duly organized and existing under the Constitution and laws of the State of California (the “City”), as lessee;

### WITNESSETH:

WHEREAS, concurrently with the execution of this Lease Agreement, the City and the Authority are entering into a Site Lease (the “Site Lease”), dated as of August 1, 2023 (which is recorded concurrently herewith), whereby the Authority will lease certain real property and the improvements thereon or to be located thereon from the City, more particularly described in Exhibit A attached hereto (the “Real Property”), (such Real Property and the improvements thereon being collectively referred to herein as the “Leased Property”);

WHEREAS, the City will then sublease the Leased Property back from the Authority pursuant to this Lease Agreement;

WHEREAS, concurrently with the execution of this Lease Agreement the Authority, the City and U.S. Bank National Association, as trustee (the “Trustee”), are entering into an Indenture, dated as of August 1, 2023 (the “Indenture”);

WHEREAS, the Authority will issue its Lease Revenue Bonds (Public Safety Center Project) Series 2023A (the “Bonds”), in the aggregate principal amount of \$ \_\_\_\_\_;

WHEREAS, the Bonds will be secured by the payments to be made by the City pursuant to this Lease Agreement;

WHEREAS, the City is authorized by law to sublease the Leased Property and the Leased Property is necessary and proper for public purposes; and

WHEREAS, all acts, conditions and things required by law to exist, to have happened and to have been performed precedent to and in connection with the execution and entering into of this Lease Agreement do exist, have happened and have been performed in regular and due time, form and manner as required by law, and the parties hereto are now duly authorized to execute and enter into this Lease Agreement;

NOW, THEREFORE, IN CONSIDERATION OF THE PREMISES AND OF THE MUTUAL AGREEMENTS AND COVENANTS CONTAINED HEREIN AND FOR OTHER VALUABLE CONSIDERATION, THE PARTIES HERETO DO HEREBY AGREE AS FOLLOWS:

## ARTICLE I

### DEFINITIONS

**Section 1.01 Definitions.** Unless the context otherwise requires, the terms defined in this Section shall for all purposes hereof and of any amendment hereof have the meanings defined herein, the following definitions to be equally applicable to both the singular and plural forms of any of the terms defined herein. All other capitalized terms used herein without definition shall have the meanings as set forth in the Indenture.

#### Additional Payments

“Additional Payments” means all amounts payable by the City pursuant to Section 5.01(b) hereof.

#### Base Rental Payment Date

The term “Base Rental Payment Date” means the date five days preceding each Interest Payment Date.

#### Base Rental Payments

“Base Rental Payments” means all amounts payable by the City as Base Rental pursuant to Section 5.01(a) hereof.

#### Expiry Date

“Expiry Date” means June 1, 20\_\_.

#### Insurance Consultant

“Insurance Consultant” means an individual or firm retained by the City as an independent insurance consultant, experienced in the field of risk management.

#### Leased Property

“Leased Property” means the Real Property and the improvements thereon (as the same may be changed from time to time by Removal or Substitution).

#### Lease Year

The term “Lease Year” means the period from each June 2 to and including the following June 1 during the term hereof; provided that the final Lease Year shall terminate on the Expiry Date.

#### Net Proceeds

The term “Net Proceeds” means any insurance or eminent domain award (including any proceeds of sale to a governmental entity under threat of the exercise of eminent domain powers),

paid with respect to the Leased Property, to the extent remaining after payment therefrom of all expenses incurred in the collection thereof.

### Permitted Encumbrances

“Permitted Encumbrances” means, as of any particular time: (i) liens for general *ad valorem* taxes and assessments, if any, not then delinquent, or which the City may, pursuant to Section 6.02, permit to remain unpaid; (ii) the Assignment Agreement, as it may be amended from time to time; (iii) this Lease Agreement, as it may be amended from time to time; (iv) the Site Lease, as it may be amended from time to time; (v) the Indenture, as it may be amended from time to time; (vi) any right or claim of any mechanic, laborer, materialman, supplier or vendor filed or perfected in the manner prescribed by law; (vii) easements, rights of way, mineral rights, drilling rights and other rights, reservations, covenants, conditions or restrictions which exist of record as of the date of recordation of the Lease Agreement in the office of the County Recorder of the County of Orange; and (viii) easements, rights of way, mineral rights, drilling rights and other rights, reservations, covenants, conditions or restrictions, all of a non-monetary nature, established following the date of recordation of this Lease Agreement and to which the Authority and the City consent in writing and certify to the Trustee will not materially impair the ownership interests of the Authority or use of the Facilities by the City.

### Real Property

“Real Property” means the real property described in Exhibit A hereto.

### Removal

“Removal” means the release of all or a portion of the Leased Property from the leasehold hereof and of the Site Lease as provided in Section 2.06.

### Site Lease

“Site Lease” means that certain Site Lease, executed and entered into as of August 1, 2023 (which is recorded concurrently herewith), by and between the City and the Authority, as originally executed and entered into and as it may from time to time be amended in accordance herewith and therewith.

### Substitution

“Substitution” means the release of all or a portion of the Leased Property from the leasehold hereof and of the Site Lease, and the lease of substituted real property and improvements hereunder and under the Site Lease as provided in Section 2.06.

The singular form of any word used herein, including the terms defined in this Section 1.01, shall include the plural, and vice versa, unless the context otherwise requires. The use herein of a pronoun of any gender shall include correlative words of the other genders. All references herein to “Sections” and other subdivisions hereof are to the corresponding Sections or subdivisions of this Lease Agreement as originally executed; and the words “herein,” “hereof,”

“hereunder” and other words of similar import refer to this Lease Agreement as a whole and not to any particular Section or subdivision hereof.

## ARTICLE II

### THE LEASED PROPERTY

**Section 2.01 Lease of the Leased Property.** The Authority hereby leases to the City, and the City hereby rents and hires from the Authority, the Leased Property, together with the right of access, ingress, and egress across Property A of the Leased Property after a certificate of occupancy has been issued for a public safety building located thereon, on the conditions and terms hereinafter set forth. The City hereby agrees and covenants that during the term hereof, except as hereinafter provided, it will use the Leased Property for public purposes so as to afford the public the benefits contemplated hereby and so as to permit the Authority to carry out its agreements and covenants contained herein and in the Indenture, and the City hereby further agrees and covenants that during the term hereof that it will not abandon or vacate the Leased Property.

**Section 2.02 Quiet Enjoyment.** The parties hereto mutually covenant that the City, so long as it observes and performs the agreements, conditions, covenants and terms required to be observed or performed by it contained herein and is not in default hereunder, shall at all times during the term hereof peaceably and quietly have, hold and enjoy the Leased Property without suit, trouble or hindrance from the Authority.

**Section 2.03 Right of Entry and Inspection.** The Authority shall have the right to enter the Leased Property and inspect the Leased Property during reasonable business hours (and in emergencies at all times) for any purpose connected with the Authority’s rights or obligations hereunder and for all other lawful purposes.

**Section 2.04 Prohibition Against Encumbrance or Sale.** The City and the Authority will not create or suffer to be created any mortgage, pledge, lien, charge or encumbrance upon the Leased Property, except Permitted Encumbrances. The City and the Authority will not sell or otherwise dispose of the Leased Property or any property essential to the proper operation of the Leased Property, except as otherwise provided herein. Notwithstanding anything to the contrary herein contained, the City may assign, transfer or sublease any and all of the Leased Property or its other rights hereunder, *provided* that (a) the rights of any assignee, transferee or sublessee shall be subordinate to all rights of the Authority hereunder, (b) no such assignment, transfer or sublease shall relieve the City of any of its obligations hereunder, (c) the assignment, transfer or sublease shall not result in a breach of any covenant of the City contained in any other Section hereof, (d) any such assignment, transfer or sublease shall by its terms expressly provide that the fair rental value of the Leased Property for all purposes shall be first allocated to this Lease Agreement, as the same may be amended from time to time before or after any such assignment, transfer or sublease and (e) no such assignment, transfer or sublease shall confer upon the parties thereto any remedy which allows reentry upon the Leased Property unless concurrently with granting such remedy the same shall be also granted hereunder by an amendment to this Lease Agreement which shall in all instances be prior to and superior to any such assignment, transfer or sublease.

**Section 2.05 Liens.** In the event the City shall at any time during the term hereof cause any improvements to the Leased Property to be constructed or materials to be supplied in or upon or attached to the Leased Property, the City shall pay or cause to be paid when due all sums of money that may become due or purporting to be due for any labor, services, materials, supplies or equipment furnished or alleged to have been furnished to or for the City in, upon, about or relating to the Leased Property and shall keep the Leased Property free of any and all liens against the Leased Property or the Authority's interest therein. In the event any such lien attaches to or is filed against the Leased Property or the Authority's interest therein, and the enforcement thereof is not stayed or if so stayed such stay thereafter expires, the City shall cause each such lien to be fully discharged and released at the time the performance of any obligation secured by any such lien matures or becomes due. If any such lien shall be reduced to final judgment and such judgment or any process as may be issued for the enforcement thereof is not promptly stayed, or if so stayed and such stay thereafter expires, the City shall forthwith pay and discharge or cause to be paid and discharged such judgment. The City shall, to the maximum extent permitted by law, indemnify and hold the Authority and its assignee and its directors, officers and employees harmless from, and defend each of them against, any claim, demand, loss, damage, liability or expense (including attorneys' fees) as a result of any such lien or claim of lien against the Leased Property or the Authority's interest therein.

**Section 2.06 Substitution or Removal of Leased Property.**

(a) The City may amend this Lease Agreement and the Site Lease to substitute other real property and/or improvements (the "Substituted Property") for existing Leased Property and/or to remove real property (including undivided interests therein) and/or improvements from the definition of Leased Property, and upon compliance with all of the conditions set forth in subsection (b) below. After a substitution or removal, the part of the Leased Property for which the substitution or removal has been effected shall be released from the leasehold hereunder and under the Site Lease.

(b) Except for the removal described in Section 2.06(c) below, no substitution or removal shall take place hereunder until the City delivers to the Authority and the Trustee the following:

(1) A Certificate of the City containing a description of all or part of the Leased Property to be released and, in the event of a substitution, a description of the Substituted Property to be substituted in its place;

(2) A Certificate of the City (A) stating that the annual fair rental value of the Leased Property after a substitution or removal, in each year during the remaining term of this Lease Agreement, is at least equal to the maximum annual Base Rental Payments payable hereunder attributable to the Leased Property prior to said substitution or removal, as determined by the City on the basis of commercially reasonable evidence of the fair rental value of the Leased Property after said substitution or removal; and (B) demonstrating that the useful life of the Leased Property after substitution or removal equals or exceeds the remaining term of this Lease Agreement;

(3) An Opinion of Counsel addressed to the City, the Authority and the Trustee to the effect that the amendments hereto and to the Site Lease contemplating substitution or removal have been duly authorized, executed and delivered and constitute the valid and binding obligations of the City and the Authority enforceable in accordance with their terms;

(4) (A) In the event of a Substitution, a policy of title insurance in an amount equal to the same proportion of the principal amount as the principal portion of the Base Rental Payments for the Substituted Property bears to the total principal portion of the Base Rental Payments payable hereunder, insuring the City's leasehold interest in the Substituted Property (except any portion thereof which is not real property) subject only to Permitted Encumbrances, together with an endorsement thereto making said policy payable to the Trustee for the benefit of the Owners of the Bonds, and (B) in the event of a partial Removal, evidence that the title insurance in effect immediately prior thereto is not affected;

(5) In the event of a Substitution, an opinion of the City Attorney of the City to the effect that the exceptions, if any, contained in the title insurance policy referred to in (4) above do not interfere with the beneficial use and occupancy of the Substituted Property described in such policy by the City for the purposes of leasing or using the Substituted Property; and

(6) Evidence that the City has complied with the covenants contained in clauses (1) and (2) of Section 6.03 hereof with respect to the Substituted Property.

(c) Upon the issuance of a certificate of occupancy for the public safety center being constructed at the City's corporate yard located at 2999 E. La Jolla Avenue, Anaheim, California 92806, the Real Property shall automatically be modified as set forth in Exhibit A.

### ARTICLE III

#### TERM OF THE LEASE AGREEMENT

**Section 3.01 Commencement of the Lease Agreement.** The effective date of this Lease Agreement is the Closing Date, and the term of this Lease Agreement shall expire on the later of (i) the Expiry Date; (ii) the date the last Base Rental Payment is made under the provisions hereof; or (iii) the date of discharge of all of the Bonds pursuant to Article X of the Indenture. Notwithstanding the foregoing, the term of this Lease Agreement shall automatically be extended for a period of ten (10) years, if, on the Expiry Date, the Base Rental Payments have not been fully paid or prepaid and any Additional Payment have not paid in full, and shall terminate on the date when the Base Rental Payments and Additional Payments have been fully paid or prepaid in accordance with the terms hereof.

## ARTICLE IV

### USE OF PROCEEDS

**Section 4.01 Use of Proceeds.** The parties hereto agree that the proceeds of the Bonds will be used to finance the Project and to pay costs of issuance of the Bonds, as more fully set forth in the Indenture.

## ARTICLE V

### RENTAL PAYMENTS

**Section 5.01 Rental Payments.** The City agrees to pay to the Authority, its successors or assigns, without deduction or offset of any kind, as rental for the use and occupancy of the Leased Property, the following amounts at the following times:

(a) **Base Rental.** Subject to the immediately following sentence, the City shall pay to the Authority rental hereunder as Base Rental Payments for the use and occupancy of the Leased Property for each Lease Year or portion thereof, at the times and in the amounts set forth in the Base Rental Payment Schedule attached hereto as Exhibit B, and made a part hereof.

The interest components of the Base Rental Payments shall be paid by the City as and constitute interest paid on the principal components of the Base Rental Payments to be paid by the City hereunder. The obligation to make the Base Rental Payments set forth on Exhibit B attached hereto shall commence as of the Closing Date.

If the term of this Lease Agreement shall have been extended pursuant to Section 3.01 hereof, Base Rental Payment installments shall continue to be payable on the Base Rental Payment Dates, continuing to and including the date of termination of this Lease Agreement. Upon such extension of this Lease Agreement, the City shall deliver to the Trustee a Certificate setting forth the extended rental payment schedule, which schedule shall establish the Base Rental Payments at an amount sufficient to pay all unpaid principal and interest on the Bonds.

(b) **Additional Payments.** The City shall also pay in addition to the Base Rental Payments, to the Authority or the Trustee, as hereinafter provided, such amounts (“Additional Payments”) in each year as shall be required for the payment of all costs and expenses incurred in connection with the execution, performance or enforcement of this Lease Agreement or the assignment hereof, the Indenture, or the respective interests in the Leased Property and the lease of the Leased Property by the Authority to the City hereunder, including but not limited to all fees, costs and expenses and all administrative costs of the Authority relating to the Leased Property including, without limiting the generality of the foregoing, salaries and wages of employees, overhead, insurance premiums, taxes and assessments (if any), rebate payments, expenses, compensation and indemnification of the Trustee (to the extent not paid or otherwise provided for out of the proceeds of the sale of the Bonds), fees of auditors, accountants, attorneys or engineers,

insurance premiums, and all other reasonable and necessary administrative costs of the Authority or charges required to be paid by it to comply with the terms of the Bonds or the Indenture.

Such Additional Payments shall be billed to the City by the Authority or the Trustee from time to time. Amounts so billed shall be paid by the City within sixty (60) days after receipt of the bill by the City.

Any taxes levied against the Authority with respect to the Leased Property, the fees of the Trustee, and any other expenses directly attributable to the Leased Property shall be included in the Additional Payments payable hereunder. Any taxes levied against the Authority with respect to real property other than the Leased Property, the fees of any trustee or paying agent under any resolution securing bonds of the Authority or any Indenture other than the Indenture, and any other expenses directly attributable to any facilities other than the Leased Property shall not be included in the administrative costs of the Leased Property and shall not be paid from the Additional Payments payable hereunder. Any expenses of the Authority not directly attributable to any particular project of the Authority shall be equitably allocated among all such projects, including the Leased Property, in accordance with sound accounting practice. In the event of any question or dispute as to such allocation, the written opinion of an independent firm of certified public accountants, employed by the Authority to consider the question and render an opinion thereon, shall be final and conclusive determination as to such allocation. The Trustee may conclusively rely upon a Certificate of the Authority in making any determination that costs are payable as Additional Payments hereunder, and shall not be required to make any investigation as to whether or not the items so requested to be paid are expenses of operation of the Leased Property.

(c) Consideration.

(i) Such payments of Base Rental Payments for each Lease Year or portion thereof during the term of this Lease Agreement shall constitute, together with the Additional Payments, the total amount due for such Lease Year or portion thereof and shall be paid or payable by the City for and in consideration of the right of the use and possession of, and the continued quiet use and enjoyment of, the Leased Property. On the Closing Date, the City shall deliver a certificate to the Authority and the Trustee, which shall set forth the annual fair rental value of the Leased Property. The parties hereto have agreed and determined that the annual fair rental value of the Leased Property is not less than the maximum Base Rental Payments payable hereunder in any year. In making such determinations of annual fair rental value, consideration has been given to a variety of factors including the replacement costs of the existing improvements on the Leased Property, other obligations of the parties under this Lease Agreement, the uses and purposes which may be served by the improvements on the Leased Property and the benefits therefrom which will accrue to the City and the general public.

(ii) Notwithstanding anything to the contrary herein contained, this Lease Agreement may not be amended in a manner such that the sum of Base

Rental Payments, including Base Rental Payments payable pursuant to such amendment, in any year is in excess of the annual fair rental value of the Leased Property and other land and improvements leased to the City hereunder.

(d) Payment; Credit. Each installment of Base Rental Payments payable hereunder shall be paid in lawful money of the United States of America to or upon the order of the Authority at the corporate trust office of the Trustee in Los Angeles, California, or such other place as the Authority shall designate. Any such installment of rental accruing hereunder which shall not be paid when due shall remain due and payable until received by the Trustee. Notwithstanding any dispute between the City and the Authority, the City shall make all rental payments when due, without deduction or offset of any kind, and shall not withhold any rental payments pending the final resolution of any such dispute. In the event of a determination that the City was not liable for said rental payments or any portion thereof, said payments or excess of payments, as the case may be, shall, at the option of the City, be credited against subsequent rental payments due hereunder or be refunded at the time of such determination. Amounts required to be deposited by the City with the Trustee pursuant to this Section 5.01(d) on any date shall be reduced to the extent of available amounts on deposit on such date in the Revenue Fund, the Interest Fund or the Principal Fund. Any payment scheduled to be made on a date which is not a Business Day shall be made on the next succeeding Business Day.

**Section 5.02 Annual Budgets; Reporting Requirements.** The City covenants to take such action as may be necessary to include all Base Rental Payments and Additional Payments due under this Lease Agreement in its operating budget for each fiscal year commencing after the date hereof (an "Operating Budget") and to make all necessary appropriations for such Base Rental Payments and Additional Payments.

**Section 5.03 Application of Rental Payments.** All Base Rental Payments received shall be applied first to the interest components of the Base Rental Payments due hereunder, then to the principal components (including any prepayment premium components) of the Base Rental Payments due hereunder and thereafter to all Additional Payments due hereunder, but no such application of any payments which are less than the total rental due and owing shall be deemed a waiver of any default hereunder.

**Section 5.04 Rental Abatement.** Except to the extent of (a) amounts held by the Trustee in the Revenue Fund, (b) amounts received in respect of rental interruption insurance, and (c) amounts, if any, otherwise legally available to the Trustee for payments in respect of the Bonds, during any period in which, by reason of material damage, destruction, title defect, or condemnation, there is substantial interference with the use and possession by the City of any portion of the Leased Property, Based Rental Payments due hereunder with respect to the Leased Property shall be abated to the extent that the annual fair rental value of the portion of the Leased Property in respect of which there is no substantial interference is less than the annual Base Rental Payments, in which case Base Rental Payments shall be abated only by an amount equal to the difference. In the event the City shall assign, transfer or sublease any or all of the Leased Property or other rights hereunder, as permitted by Section 2.04 hereof, for purposes of determining the annual fair rental value available to pay Base Rental Payments, annual fair rental value of the Leased Property shall first be allocated to this Lease Agreement as provided in clause (d) of Section

2.04 hereof. Any abatement of Base Rental Payments pursuant to this Section shall not be considered an Event of Default as defined in Article X hereof. The City waives the benefits of Civil Code Sections 1932(2) and 1933(4) and any and all other rights to terminate this Lease Agreement by virtue of any such interference and this Lease Agreement shall continue in full force and effect. Such abatement shall continue for the period commencing with the date of such damage, destruction, title defect or condemnation and ending with the substantial completion of the work of repair or replacement of the portions of the Leased Property so damaged, destroyed, defective or condemned.

In the event that rental is abated, in whole or in part, pursuant to this Section due to damage, destruction, title defect or condemnation of any part of the Leased Property and the City is unable to repair, replace or rebuild the Leased Property from the proceeds of insurance, if any, the City agrees to apply for and to use its best efforts to obtain any appropriate state and/or federal disaster relief in order to obtain funds to repair, replace or rebuild the Leased Property.

**Section 5.05 Prepayment of Rental Payments.** The City may prepay, from eminent domain proceeds or net insurance proceeds received by it pursuant to Section 7.01 hereof, all or any portion of the components of Base Rental Payments payable hereunder relating to any portion of the Leased Property then unpaid, in whole on any date, or in part on any date in integral multiples of an Authorized Denomination so that the aggregate annual amounts of principal components of Base Rental Payments payable under this Lease Agreement represented by the Bonds which shall be payable after such prepayment date shall each be in an integral multiple of an Authorized Denomination and shall be as nearly proportional as practicable to the aggregate annual amounts of principal components of Base Rental Payments payable under this Lease Agreement represented by the Bonds.

The City may prepay, from any source of available moneys pursuant to Section 4.01(b) of the Indenture, all or any part (in an integral multiple of an Authorized Denomination) of the principal components of Base Rental Payments payable under this Lease Agreement then unpaid so that the aggregate annual amounts of principal components of Base Rental Payments under this Lease Agreement which shall be payable after such prepayment date shall be as nearly proportional as practicable to the aggregate annual amounts of principal components represented by the Bonds unpaid prior to the prepayment date, at a prepayment amount equal to the principal component prepaid plus accrued interest thereon to the date of prepayment plus any applicable premium.

Before making any prepayment pursuant to this Section, at least 45 days before the prepayment date the City shall give written notice to the Authority and the Trustee describing such event, specifying the order of Principal Payment Dates and specifying the date on which the prepayment will be made, which date shall be not less than 30 nor more than 60 days from the date such written notice is given to the Authority and the Trustee.

**Section 5.06 Obligation to Make Rental Payments.** The agreements and covenants on the part of the City contained herein shall be deemed to be and shall be construed to be duties imposed by law and it shall be the duty of each and every public official of the City to take such action and do such things as are required by law in the performance of the official duty

of such officials to enable the City to carry out and perform the agreements and covenants contained herein agreed to be carried out and performed by the City.

THE OBLIGATION OF THE CITY TO MAKE BASE RENTAL PAYMENTS AND TO PAY ADDITIONAL PAYMENTS DOES NOT CONSTITUTE AN OBLIGATION OF THE CITY FOR WHICH THE CITY IS OBLIGATED TO LEVY OR PLEDGE ANY FORM OF TAXATION OR FOR WHICH THE CITY HAS LEVIED OR PLEDGED ANY FORM OF TAXATION. NEITHER THE BONDS NOR THE OBLIGATION TO MAKE BASE RENTAL PAYMENTS AND TO PAY ADDITIONAL PAYMENTS CONSTITUTES AN INDEBTEDNESS OF THE CITY, THE STATE OF CALIFORNIA OR ANY POLITICAL SUBDIVISION THEREOF WITHIN THE MEANING OF ANY CONSTITUTIONAL OR STATUTORY DEBT LIMITATION OR RESTRICTION.

## ARTICLE VI

### MAINTENANCE; TAXES; INSURANCE AND OTHER CHARGES

**Section 6.01 Maintenance of the Leased Property by the City.** The City agrees that, at all times during the term hereof, it will, at its own cost and expense, maintain, preserve and keep the Leased Property and every portion thereof in good repair, working order and condition and that it will from time to time make or cause to be made all necessary and proper repairs, replacements and renewals. The Authority shall have no responsibility in any of these matters or for the making of additions or improvements to the Leased Property.

**Section 6.02 Taxes, Other Governmental Charges and Utility Charges.** The parties hereto contemplate that the Leased Property will be used for public purposes by the City and, therefore, that the Leased Property will be exempt from all taxes presently assessed and levied with respect to real and personal property, respectively. In the event that the use, possession or acquisition by the City or the Authority of the Leased Property is found to be subject to taxation in any form, the City will pay during the term hereof, as the same respectively become due, all taxes and governmental charges of any kind whatsoever that may at any time be lawfully assessed or levied against or with respect to the Leased Property and any other property acquired by the City in substitution for, as a renewal or replacement of, or a modification, improvement or addition to, the Leased Property, as well as all gas, water, steam, electricity, heat, power, air conditioning, telephone, utility and other charges incurred in the operation, maintenance, use, occupancy and upkeep of the Leased Property; *provided*, that with respect to any governmental charges or taxes that may lawfully be paid in installments over a period of years, the City shall be obligated to pay only such installments as are accrued during such time as this Lease Agreement is in effect.

**Section 6.03 Insurance.** The City shall secure and maintain or cause to be secured and maintained at all time with insurers of recognized responsibility all coverage on the Leased Property required by this Section 6.03. Such insurance shall consist of:

- (1) standard commercial general liability insurance policy or policies or other comparable coverage form in protection of the City and its respective members, officers, agents, employees and assigns. Said policy or policies will provide for

indemnification of said parties against direct or contingent loss or liability for damages for bodily and personal injury, death or property damage occasioned by reason of the operation of the Leased Property should the City be legally liable. Such policy or policies must provide coverage with limits and subject to such deductibles as the City will deem adequate and prudent, and in all events in form and amount (including any deductibles). Such insurance may be maintained as part of or in conjunction with any other insurance coverage carried by the City (including, a self-insurance program), and may be maintained in whole or in part in the form of the participation by the City in a joint powers authority or other program providing pooled insurance. The City will apply the proceeds of such liability insurance toward extinguishment or satisfaction of the liability with respect to which such proceeds have been paid.

(2) property insurance against loss or damage to all of the buildings situated on the Leased Property and owned by the City, in an amount at least equal to the lesser of the replacement value of the insured buildings and the aggregate principal amount of the Base Rental Payments outstanding. Such insurance must, as nearly as practicable, cover loss or damage by all “special form” perils. Earthquake insurance will only be carried if available from reputable insurers at a reasonable cost as determined by the Finance Director of the City. Such insurance may be maintained as part of or in conjunction with any other insurance coverage carried by the City (including, a self-insurance program), and may be maintained in whole or in part in the form of the participation by the City in a joint powers authority or other program providing pooled insurance. The City will apply the Net Proceeds of such insurance as provided in Section 7.01.

(3) So long as any Bonds are Outstanding, rental interruption or use and occupancy insurance to cover loss, total or partial, of the use of the Leased Property and the improvements situated thereon as a result of any of the hazards covered in the insurance required by Section 6.03(2), in an amount at least equal to the maximum Base Rental Payments coming due and payable during any immediately succeeding 24 month period. Such insurance may be maintained as part of or in conjunction with any other insurance coverage carried by the City, and may be maintained in whole or in part in the form of the participation by the City in a joint powers authority or other program providing pooled insurance; provided that such rental interruption insurance shall not be self-insured by the City. The City will apply the Net Proceeds of such insurance towards the payment of the Base Rental Payments allocable to the insured improvements as the same become due and payable.

(4) If required by applicable California law, the City shall carry worker’s compensation insurance covering all employees on, in, near or about the Leased Property and, upon request, shall furnish to the Authority certificates evidencing such coverage throughout the Term of this Lease Agreement. Such insurance may be maintained as part of or in conjunction with any other insurance coverage carried by the City (including a self-insurance program), and may be maintained in whole or in part in the form of the participation by the City in a joint powers authority or other program providing pooled insurance

All insurance policies (or riders) required by this Section 6.03 and provided by third party insurance carriers shall be taken out and maintained with responsible insurance companies organized under the laws of one of the states of the United States and qualified to do business in the State, and shall contain a provision that the insurer shall not cancel or revise coverage thereunder without giving written notice to the insured parties at least ten (10) days before the cancellation or revision becomes effective. Each insurance policy or rider required by Sections 6.03 (1), 6.03(2) and 6.03(3) and provided by third party insurance carriers shall name the City as an insured party. Prior to the Closing Date, the City will provide policies (and riders and endorsements, if applicable) evidencing any such insurance procured by it, or a certificate or certificates of the respective insurers stating that such insurance is in full force and effect. Before the expiration of any such policy (or rider), the City will furnish to the Trustee evidence that the policy has been renewed or replaced by another policy conforming to the provisions of this Article VI unless such insurance is no longer obtainable, in which event the City shall notify the Trustee of such fact.

**Section 6.04 Advances.** In the event the City shall fail to maintain the full insurance coverage required hereby or shall fail to keep the Leased Property in good repair and operating condition, the Authority may (but shall be under no obligation to) purchase the required policies of insurance and pay the premiums on the same or may make such repairs or replacements as are necessary and provide for payment thereof; and all amounts so advanced therefor by the Authority shall become Additional Payments, which amounts the City agrees to pay within 30 days of a written request therefor, together with interest thereon at the maximum rate allowed by law.

**Section 6.05 Title Insurance.** The City covenants and agrees to deliver or cause to be delivered to the Trustee on the Closing Date a CLTA or ALTA leasehold owner's policy or policies, or a commitment for such policy or policies, with respect to the Leased Property with liability in the aggregate amount of the principal component of all Base Rental Payments payable hereunder. Such policy or policies, when issued, shall name the Trustee as the insured and shall insure the leasehold estate of the City in the Leased Property subject only to such exceptions as do not materially affect the City's right to the use and occupancy of the Leased Property.

## ARTICLE VII

### DAMAGE, DESTRUCTION, TITLE DEFECT AND CONDEMNATION

**Section 7.01 Damage, Destruction, Title Defect and Condemnation; Use of Net Proceeds.** If prior to the termination of the term hereof (a) the Leased Property or any portion thereof is destroyed (in whole or in part) or is damaged by fire or other casualty; or (b) title to, or the temporary use of, the Leased Property or any portion thereof or the estate of the City or the Authority in the Leased Property or any portion thereof is defective or shall be taken under the exercise of the power of eminent domain by any governmental body or by any person or firm or Authority acting under governmental authority, then the City and the Authority will cause the net proceeds of any insurance claim or condemnation award to be applied to the prompt repair, restoration, modification, improvement or replacement of the damaged, destroyed, defective or condemned portion of the Leased Property, and any balance of the net proceeds remaining after such work has been completed shall be paid to the City; *provided*, that the City, at its option and

provided the proceeds of such insurance or condemnation award together with any other moneys then available for the purpose are at least sufficient to prepay the aggregate annual amounts of principal and interest components of the Base Rental Payments due hereunder attributable to the portion of the Leased Property so destroyed, damaged, defective or condemned (determined by reference to the proportion which the annual fair rental value of the destroyed, damaged, defective or condemned portion thereof bears to the annual fair rental value of the Leased Property), may elect not to repair, reconstruct or replace the damaged, destroyed, defective or condemned portion of the Leased Property and thereupon shall cause said proceeds to be used for the redemption of Outstanding Bonds pursuant to the provisions of Section 4.01(a) of the Indenture. Notwithstanding any other provision herein, the City shall only prepay less than all of the principal component of the then-remaining Base Rental Payments if the annual fair rental value of the Leased Property after such damage, destruction, title defect or condemnation is at least equal to the aggregate annual amount of the principal and interest components of the Base Rental Payments not being prepaid.

In the event that the proceeds, if any, of said insurance or condemnation award are insufficient either to (i) repair, rebuild or replace the Leased Property so that the fair rental value of the Leased Property would be at least equal to the Base Rental Payments or (ii) to redeem all the Outstanding Bonds, both as provided in the preceding paragraph, then the City may, in its sole discretion, budget and appropriate an amount necessary to effect such repair, rebuilding or replacement or prepayment; *provided* that the failure of the City to so budget and/or appropriate shall not be a breach of or default under this Lease Agreement.

## ARTICLE VIII

### **DISCLAIMER OF WARRANTIES; VENDOR'S WARRANTIES; USE OF THE LEASED PROPERTY**

**Section 8.01 Disclaimer of Warranties.** NEITHER THE TRUSTEE NOR THE AUTHORITY MAKES ANY AGREEMENT, WARRANTY OR REPRESENTATION, EITHER EXPRESS OR IMPLIED, AS TO THE VALUE, DESIGN, CONDITION, MERCHANTABILITY OR FITNESS FOR PARTICULAR PURPOSE OR FITNESS FOR USE OF THE LEASED PROPERTY, OR WARRANTY WITH RESPECT THERETO. THE CITY ACKNOWLEDGES THAT NEITHER THE TRUSTEE NOR THE AUTHORITY IS A MANUFACTURER OF ANY PORTION OF THE LEASED PROPERTY OR A DEALER THEREIN, THAT THE CITY LEASES THE LEASED PROPERTY AS-IS, IT BEING AGREED THAT ALL OF THE AFOREMENTIONED RISKS ARE TO BE BORNE BY THE CITY. In no event shall the Authority or the Trustee be liable for any incidental, indirect, special or consequential damage in connection with or arising out of this Lease Agreement or the existence, furnishing, functioning or the City's use of the Leased Property as provided hereby.

**Section 8.02 Use of the Leased Property; Improvements.** The City will not use, operate or maintain the Leased Property improperly, carelessly, in violation of any applicable law or in a manner contrary to that contemplated hereby. The City shall provide all permits and licenses, if any, necessary for the use of the Leased Property. In addition, the City agrees to comply in all respects (including, without limitation, with respect to the use, maintenance and operation of each portion of the Leased Property) with all laws of the jurisdictions in which its operations involving any portion of the Leased Property may extend and any legislative, executive,

administrative or judicial body exercising any power or jurisdiction over the Leased Property; *provided*, that the City may contest in good faith the validity or application of any such law or rule in any reasonable manner which does not, in the opinion of the City adversely affect the estate of the Authority in and to the Leased Property or its interest or rights hereunder.

## ARTICLE IX

### ASSIGNMENT AND INDEMNIFICATION

**Section 9.01 Assignment by Authority.** The parties understand that certain of the rights of the Authority hereunder and under the Site Lease will be assigned to the Trustee pursuant to the Assignment Agreement, and accordingly the City agrees to make all payments due hereunder to the Trustee, notwithstanding any claim, defense, setoff or counterclaim whatsoever (whether arising from a breach hereof or otherwise) that the City may from time to time have against the Authority. The City agrees to execute all documents, including notices of assignment and chattel mortgages or financing statements, which may be reasonably requested by the Authority or the Trustee to protect their interests in the Leased Property during the term hereof.

**Section 9.02 Assignment by City.** This Lease Agreement and the interest of the City in the Leased Property may not be assigned or encumbered by the City except as permitted by Section 2.04 hereof.

**Section 9.03 Indemnification.** The City shall, to the full extent then permitted by law, indemnify, protect, hold harmless, save and keep harmless the Authority and its directors, officers and employees from and against any and all liability, obligations, losses, claims and damages whatsoever, regardless of the cause thereof, and expenses in connection therewith, including, without limitation, counsel fees and expenses, penalties and interest arising out of or as the result of the issuance of the Bonds, the entering into of this Lease Agreement, the acquisition, construction, installation and use of the Leased Property and each portion thereof or any accident in connection with the operation, use, condition or possession of the Leased Property or any portion thereof resulting in damage to property or injury to or death to any person including, without limitation, any claim alleging latent and other defects, whether or not discoverable by the City or the Authority; any claim arising out of the use, presence, storage, disposal or release of any Hazardous Substances on or about the Leased Property; any claim for patent, trademark or copyright infringement; and any claim arising out of strict liability in tort. The indemnification arising under this Section 9.03 shall continue in full force and effect notwithstanding the full payment of all obligations hereunder or the termination hereof for any reason. The City and the Authority mutually agree to promptly give notice to each other of any claim or liability hereby indemnified against following the learning thereof by such party.

## ARTICLE X

### DEFAULT

#### **Section 10.01 Default.**

(a) The following events shall be “Events of Default” under this Lease Agreement and the terms “Event of Default” and “Default” shall mean, whenever they are used in this Lease Agreement, any one or more of the following events:

(1) The City shall fail to deposit with the Trustee any Base Rental Payment required to be so deposited by the close of business on the day such deposit is required pursuant to Section 5.01(a) hereof, provided, that the failure to deposit any Base Rental Payments abated pursuant to Section 5.04 hereof shall not constitute an Event of Default;

(2) The City shall fail to pay any item of Additional Payments when the same shall become due and payable pursuant to Section 5.01(b) hereof; or

(3) The City shall breach any other terms, covenants or conditions contained herein or in the Indenture, and shall fail to remedy any such breach with all reasonable dispatch within a period of 30 days after written notice thereof from the Authority to the City; *provided, however*, that if the failure stated in the notice cannot be corrected within such period, then the Authority shall not unreasonably withhold its consent to an extension of such time if corrective action is instituted by the City within such period and is diligently pursued until the default is corrected.

(b) Upon the happening of any of the Events of Default specified in Section 10.01(a) or (d) hereof, it shall be lawful for the Authority or its assignee, subject to the terms of this Lease Agreement, to exercise any and all remedies available or granted to it pursuant to law or hereunder; provided, however, that notwithstanding anything herein or in the Indenture to the contrary, there shall be no right under any circumstances to accelerate the Base Rental Payments or otherwise declare any Base Rental Payments not then in default to be immediately due and payable. After the occurrence of an event of default hereunder, the City will surrender possession of the Leased Property to the Authority, if requested to do so by the Authority, or by the Trustee or the Owners in accordance with the provisions of the Indenture.

(1) No Termination: Repossession and Reletting on Behalf of City. In the event the Authority does not elect to terminate this Lease Agreement in the manner hereinafter provided for in subparagraph (2) hereof, the Authority with the consent of the City, which consent is irrevocably given, may repossess the Leased Property and relet them for the account of the City, in which event the City’s obligation will continue to accrue from year to year in accordance with the Lease and the City will continue to receive the value of the use of the Leased Property from year to year in the form of credits against its obligation to pay Base Rental Payments. The obligations of the City shall remain the same as prior to such default to pay Base Rental Payments whether the Authority re-enters or not. The City agrees to and shall remain liable for the payment of all Base Rental Payments

and the performance of all conditions contained herein and shall reimburse the Authority for any deficiency arising out of the reletting of the Leased Property, or, in the event the Authority is unable to relet the Leased Property, then for the full amount of all Base Rental Payments to the end of the term of this Lease Agreement, but said Base Rental Payments and/or deficiency shall be payable only at the same time and in the same manner as provided above for the payment of Base Rental Payments hereunder, notwithstanding such repossession by the Authority or any suit, brought by the Authority for the purpose of effecting such repossession of the Leased Property or the exercise of any other remedy by the Authority. The City hereby irrevocably appoints the Authority as the agent and attorney-in-fact of the City to repossess and relet the Leased Property in the event of default by the City in the performance of any covenants contained herein to be performed by the City and to remove (any removal to be done with reasonable prudence) all personal property connected to or made a part of the Leased Property, to place such property in storage or other suitable place in the City of Placentia, for the account of and at the expense of the City, and the City hereby exempts and agrees to save harmless the Authority from any costs, loss or damage whatsoever arising or occasioned by any such repossession and reletting of the Leased Property. The City hereby waives any and all claims for damages caused or which may be caused by the Authority in repossessing the Leased Property as provided herein and all claims for damages that may result from the destruction of or the injury to the Leased Property and all claims for damage to or loss of any property belonging to the City that may be in or upon the Leased Property.

The City agrees that the terms of this Lease Agreement constitute full and sufficient notice of the right of the Authority to relet the Leased Property in the event of such repossession without effecting a surrender of this Lease Agreement, and further agrees that no acts of the Authority in effecting such reletting shall constitute a surrender or termination of this Lease Agreement irrespective of the term for which such reletting is made or the terms and conditions of such reletting or otherwise, but that, on the contrary, in the event of such default by the City the right to terminate this Lease Agreement shall vest in the Authority to be effected in the sole and exclusive manner provided for in subparagraph (2) below. The City further waives the right to any rental obtained by the Authority in excess of the Base Rental Payments and hereby conveys and releases such excess to the Authority as compensation to the Authority for its services in reletting the Leased Property. In the event that the liability of the City under this subsection is held to constitute indebtedness or liability in any year exceeding the income and revenue provided for such year, the Authority, or the Trustee or the Owners as assignees of the Authority, shall not exercise the remedies provided in this subsection.

(2) Termination: Repossession and Reletting. In the event of the termination of this Lease Agreement by the Authority at its option and in the manner hereinafter provided on account of default by the City (and notwithstanding any repossession of the Leased Property by the Authority in any manner whatsoever or the sale or reletting of the Leased Property), the City nevertheless agrees to pay to the Authority all costs, losses or damages, but not Base Rental Payments, howsoever arising or occurring payable at the same time and in the same manner as is provided herein in the case of payment of Base Rental Payments. Any proceeds of the reletting or other disposition of the Leased Property or the sale of the improvements located on the Leased Property by the

Authority shall, after payment of the fees and expenses of the Trustee and other Additional Payments, be deposited into the Revenue Fund and be applied in accordance with the provisions of the Indenture. Any surplus received by the Authority from such sale or reletting shall be the absolute property of the Authority and the City shall have no right thereto, nor shall the City be entitled to any credit in the event of a surplus in the rentals received by the Authority for the Leased Property. Neither notice to pay rent or to deliver up possession of the Leased Property given pursuant to law nor any proceeding taken by the Authority to recover possession of the Leased Property shall by itself operate to terminate this Lease Agreement, and no termination of this Lease Agreement on account of default by the City shall be or become effective by operation of law, or otherwise, unless and until the Authority shall have given written notice to the City of the election on the part of the Authority to terminate this Lease Agreement. The City covenants and agrees that no surrender of the Leased Property or of the remainder of the term hereof or any termination of this Lease Agreement shall be valid in any manner or for any purpose whatsoever unless stated or accepted by the Authority by such written notice. No such termination shall be effected whether by operation of law or acts of the parties hereto, except only in the manner herein expressly provided.

(c) The Authority expressly waives the right to receive any amount from the City pursuant to Section 1951.2(a)(3) of the California Civil Code.

(d) In addition to any Event of Default resulting from breach by the City of any agreement, condition, covenant or term hereof, if the City's interest herein or any part thereof assigned, sublet or transferred without the written consent of the Authority (except as otherwise permitted by Section 2.04 hereof), either voluntarily or by operation of law; or the City or any assignee shall file any petition or institute any proceedings under any act or acts, state or federal, dealing with or relating to the subject of bankruptcy or insolvency or under any amendment of such act or acts, either as a bankrupt or as an insolvent or as a debtor or in any similar capacity, wherein or whereby the City asks or seeks or prays to be adjudicated a bankrupt, or is to be discharged from any or all of its debts or obligations, or offers to its creditors to effect a composition or extension of time to pay its debts, or asks, seeks or prays for a reorganization or to effect a plan of reorganization or for a readjustment of its debts or for any other similar relief, or if the City shall make a general or any assignment for the benefit of its creditors; or the City shall abandon or vacate the Leased Property or any portion thereof (except as permitted by Section 2.04 hereof); then in each and every such case the City shall be deemed to be in default hereunder.

(e) Neither the City nor the Authority shall be in default in the performance of any of its obligations hereunder (except for the obligation to make Base Rental Payments pursuant to Section 5.01 hereof) unless and until it shall have failed to perform such obligation within 30 days after notice by the City of the Authority, as the case may be, to the other party properly specifying wherein it has failed to perform such obligation.

(f) The City and Authority and its successors and assigns shall honor the exclusive rights of the City to use the Leased Property.

## ARTICLE XI

### MISCELLANEOUS

**Section 11.01 Notices.** All written notices to be given hereunder shall be given by first class mail to the party entitled thereto at its address set forth below, or at such other address as such party may provide to the other parties in writing from time to time, namely:

If to the Authority:

Placentia Public Financing Authority  
401 E. Chapman Avenue  
Placentia, California 92870  
Attention: Executive Director

If to the City:

City of Placentia  
401 E. Chapman Avenue  
Placentia, California 92870  
Attention: City Administrator

If to the Trustee:

U.S. Bank National Association  
633 West 5<sup>th</sup> Street, 24<sup>th</sup> Floor  
Los Angeles, California 90071  
Attention: Global Corporate Trust

**Section 11.02 Binding Effect.** This Lease Agreement shall inure to the benefit of and shall be binding upon the Authority and the City and their respective successors and assigns.

**Section 11.03 Trustee as Third Party Beneficiary.** To the extent that this Lease Agreement confers upon or gives or grants the Trustee any right, remedy or claim under or by reason of this Lease Agreement, the Trustee is hereby explicitly recognized as being a third-party beneficiary hereunder and may enforce any such right, remedy or claim conferred, given or granted hereunder.

**Section 11.04 Net Lease.** It is the purpose and intent of the Authority and the City that Base Rental Payments hereunder shall be absolutely net to the Authority so that this Lease Agreement shall yield to the Authority the Base Rental Payments, free of any charges, assessments or impositions of any kind charged, assessed or imposed on or against the Leased Property, and without counterclaim, deduction, defense, deferment or set-off by the City except as herein specifically otherwise provided. The Authority shall not be expected or required to pay any such charge, assessment or imposition, or be under any obligation or liability hereunder except as herein expressly set forth, and all costs, expenses and obligations of any kind relating to the maintenance and operation of the Leased Property which may arise or become due during the term of this Lease

Agreement shall be paid by the City. This Lease Agreement shall be deemed and construed to be a "Triple-Net Lease."

**Section 11.05 Amendments.** This Lease Agreement may be amended in writing as may be mutually agreed by the Authority and the City, subject to the written consent of the Trustee; *provided*, that no such amendment which materially adversely affects the rights of the Owners shall be effective unless it shall have been consented to by the Owners of more than 50% in principal amount of the Bonds Outstanding, and *provided further*, that no such amendment shall (a) extend the payment date of any Base Rental Payment, or reduce the interest, principal or prepayment premium component of any Base Rental Payment, without the prior written consent of the Owner of each Bond so affected, or (b) reduce the percentage of the principal amount of the Bonds Outstanding the consent of the Owners of which is required for the execution of any amendment hereof.

This Lease Agreement and the rights and obligations of the Authority and the City hereunder may also be amended or supplemented at any time by an amendment hereof or supplement hereto which shall become binding upon execution without the written consents of any Owners, and only to the extent permitted by law and only for any one or more of the following purposes:

(a) to add to the agreements, conditions, covenants and terms required by the Authority or the City to be observed or performed herein and other agreements, conditions, covenants and terms thereafter to be observed or performed by the Authority or the City, or to surrender any right or power reserved herein to or conferred herein on the Authority or the City, and which in either case shall not materially adversely affect the interests of the Owners;

(b) to make such provisions for the purpose of curing any ambiguity or of correcting, curing or supplementing any defective provision contained herein or in regard to questions arising hereunder which the Authority or the City may deem desirable or necessary and not inconsistent herewith, and which shall not materially adversely affect the interests of the Owners;

(c) to effect a substitution or removal in accordance with Section 2.06 hereof; or

(d) to make any other addition, amendment or deletion which does not materially adversely affect the interests of the Owners.

**Section 11.06 Discharge of City.** Upon the payment of all Base Rental Payments and Additional Payments payable hereunder, all of the obligations of the City hereunder shall thereupon cease, terminate and become void and shall be discharged and satisfied; *provided, however*, if any Outstanding Bonds shall be deemed to have been paid by virtue of a deposit of Base Rental Payments hereunder pursuant to Section 10.01(b) of the Indenture, then the obligation of the City hereunder to make Base Rental Payments hereunder shall continue in full force and effect until the Outstanding Bonds so deemed paid have in fact been paid, but such payments shall be made solely and exclusively from moneys and securities deposited with the Trustee as

contemplated by Section 10.01(b) of the Indenture, and that shall be the sole source of satisfaction of the City's obligation to make Base Rental Payments. The time period for giving notice by the City to the Authority and the Trustee specified in the third paragraph of Section 5.05 hereof shall not apply incident to the payment to the Owners of all Outstanding Bonds in accordance with Section 10.01, including Section 10.01(b), of the Indenture.

**Section 11.07 Partial Invalidity.** If any one or more of the agreements, conditions, covenants or terms hereof shall to any extent be declared invalid, unenforceable, void or voidable for any reason whatsoever by a court of competent jurisdiction, the finding or order or decree of which becomes final, none of the remaining agreements, conditions, covenants or terms hereof shall be affected thereby, and each provision of this Lease Agreement shall be valid and enforceable to the fullest extent permitted by law.

**Section 11.08 California Law.** This Lease Agreement shall be governed by and construed and interpreted in accordance with the laws of the State of California.

**Section 11.09 Headings.** All section headings contained herein are for convenience of reference only and are not intended to define or limit the scope of any provision hereof.

**Section 11.10 Execution.** This Lease Agreement may be executed and entered into in several counterparts, each of which shall be deemed an original, and all of which shall constitute but one and the same instrument.

IN WITNESS WHEREOF, the parties hereto have executed and entered into this Lease Agreement by their officers thereunto duly authorized as of the day and year first written above.

PLACENTIA PUBLIC FINANCING  
AUTHORITY

By: \_\_\_\_\_  
Executive Director

CITY OF PLACENTIA

By: \_\_\_\_\_  
City Administrator

**EXHIBIT A**

**DESCRIPTION OF LEASED PROPERTY**

THE LAND REFERRED TO HEREIN BELOW IS SITUATED IN THE CITY OF PLACENTIA, IN THE COUNTY OF ORANGE, STATE OF CALIFORNIA, AND IS DESCRIBED AS FOLLOWS:

PRIOR TO ISSUANCE OF A CERTIFICATE OF OCCUPANCY FOR A PUBLIC SAFETY BUILDING LOCATED THEREON (“PROPERTY A”)

[TO COME]

SUBSEQUENT TO ISSUANCE OF A CERTIFICATE OF OCCUPANCY FOR A PUBLIC SAFETY BUILDING LOCATED THEREON (“PROPERTY B”)

[TO COME]

**EXHIBIT B**

**BASE RENTAL PAYMENTS SCHEDULE**

<u>Interest Payment Date*</u>	<u>Principal Component of Base Rental Payment</u>	<u>Interest Component of Base Rental Payment</u>	<u>Total</u>
12/01/2023			
06/01/2024			
12/01/2024			
06/01/2025			
12/01/2025			
06/01/2026			
12/01/2026			
06/01/2027			
12/01/2027			
06/01/2028			
12/01/2028			
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06/01/2038			
12/01/2038			
06/01/2039			
12/01/2039			
06/01/2040			
12/01/2040			
06/01/2041			

\* Due on each Base Rental Payment Date or that date five days preceding each Interest Payment Date.

Interest Payment Date*	Principal Component of Base Rental Payment	Interest Component of Base Rental Payment	Total
12/01/2041			
06/01/2042			
12/01/2042			
06/01/2043			
12/01/2043			
06/01/2044			
12/01/2044			
06/01/2045			
12/01/2045			
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06/01/2049			
12/01/2049			
06/01/2050			
12/01/2050			
06/01/2051			
12/01/2051			
06/01/2052			
12/01/2052			
06/01/2053			
Total			

**CERTIFICATE OF ACCEPTANCE**

This is to certify that the interest in real property conveyed by the Lease Agreement, dated as of August 1, 2023, by and between the Placentia Public Financing Authority (the “Authority”) and the City of Placentia (the “City”), from the Authority to the City, is hereby accepted by the undersigned on behalf of the City pursuant to authority conferred by resolution of the City Council of the City adopted on \_\_\_\_\_, 2023, and the City consents to recordation thereof by its duly authorized officer.

Dated as of \_\_\_\_\_, 2023

CITY OF PLACENTIA

By: \_\_\_\_\_  
City Administrator







RECORDING REQUESTED BY

AND WHEN RECORDED MAIL TO:

Nixon Peabody LLP  
300 South Grand Avenue, Suite 4100  
Los Angeles, California 90071  
Attention: Danny Kim, Esq.

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(Space above for Recorder's use)

This document is recorded for the benefit of the City of Placentia and the recording is fee-exempt under Section 6103 of the California Government Code and the recording is exempt under Section 27383 of the California Government Code and Section 11928 of the California Revenue and Taxation Code.

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**SITE LEASE**

**by and between the**

**CITY OF PLACENTIA,  
as Lessor**

**and the**

**PLACENTIA PUBLIC FINANCING AUTHORITY,  
as Lessee**

**relating to the**

**\$ \_\_\_\_\_**

**Placentia Public Financing Authority  
Lease Revenue Bonds (Public Safety Center Project) Series 2023A**

**DATED AS OF AUGUST 1, 2023**

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## SITE LEASE

This Site Lease (this “Site Lease”), dated as of August 1, 2023, by and between the CITY OF PLACENTIA, a charter city of the State of California (the “City”), as lessor, and the PLACENTIA PUBLIC FINANCING AUTHORITY, a joint powers authority duly organized and existing under and by virtue of the laws of the State of California (the “Authority”), as lessee;

### W I T N E S S E T H:

WHEREAS, concurrently with the execution of this Site Lease, the Authority and the City are entering into a Lease Agreement (the “Lease Agreement”), dated as of August 1, 2023 (which is recorded concurrently herewith), whereby the Authority will lease certain real property to the City, more particularly described in Exhibit A attached hereto (the “Real Property,” and such Real Property, together with the improvements thereon or to be located thereon, being collectively referred to herein as the “Leased Property”); and

WHEREAS, concurrently with the execution of this Site Lease, the Authority, the City and U.S. Bank Trust Company, National Association, as trustee (the “Trustee”), are entering into an Indenture, dated as of August 1, 2023 (the “Indenture”);

WHEREAS, the Authority will issue its Lease Revenue Bonds (Public Safety Center Project) Series 2023A (the “Series 2023A Bonds”), in the aggregate principal amount of \$ \_\_\_\_\_;

WHEREAS, the Series 2023A Bonds will be secured by the payments to be made by the City pursuant to the Lease Agreement;

WHEREAS, the City is authorized by law to lease the Leased Property and the Leased Property is necessary and proper for public purposes; and

WHEREAS, all acts, conditions and things required by law to exist, to have happened and to have been performed precedent to and in connection with the execution and entering into of this Site Lease do exist, have happened and have been performed in regular and due time, form and manner as required by law, and the parties hereto are now duly authorized to execute and enter into this Site Lease;

NOW, THEREFORE, IN CONSIDERATION OF THE PREMISES AND OF THE MUTUAL AGREEMENTS AND COVENANTS CONTAINED HEREIN AND FOR OTHER VALUABLE CONSIDERATION, THE PARTIES HERETO DO HEREBY AGREE AS FOLLOWS:

**Section 1. Leased Property.** The City hereby leases to the Authority and the Authority hereby rents and hires from the City, the Leased Property, together with the right of access, ingress and egress across Property A of the Leased Property after a certificate of occupancy has been issued for a public safety building located thereon, on the terms and conditions hereinafter set forth. Capitalized terms used herein and not otherwise defined shall have the meanings given such terms pursuant to the Lease Agreement.

**Section 2. Term.**

(a) The term hereof will commence on \_\_\_\_\_, 2023 and shall end on the Expiry Date, unless such term is sooner terminated or is extended as hereinafter provided herein and in the Lease Agreement. If prior to the Expiry Date all Base Rental Payments under the Lease Agreement shall have been paid, or provision therefor has been made in accordance with Article X of the Indenture, the term hereof shall end simultaneously therewith.

(b) If the Lease Agreement is extended beyond the Expiry Date pursuant to the terms thereof, this Site Lease shall also be extended to the day following the date of termination of the Lease Agreement.

**Section 3. Rent.** The Authority shall pay to the City an advance rent equal to the proceeds of the Series 2023A Bonds, which, together with the execution and delivery of the Lease Agreement, shall constitute full consideration for this Site Lease over its term. The Authority hereby waives any right that it may have under the laws of the State of California to receive a rebate of such rent in full or in part in the event there is a substantial interference with the use and right of possession by the Authority of the Leased Property or portion thereof as a result of material damage, destruction or condemnation.

**Section 4. Purpose.** The Authority shall use the Leased Property solely for the purpose of subleasing the same to the City; *provided*, that in the event of default by the City under the Lease Agreement, the Authority may exercise the remedies provided in the Lease Agreement.

**Section 5. Owner in Fee.** The City covenants that it is the owner of the Leased Property free and clear of all liens, claims or encumbrances which affect marketability.

**Section 6. Assignments and Leases.** Unless the City shall be in default under the Lease Agreement, the Authority may not, without the prior written consent of the City, assign its rights hereunder or sublet the Leased Property except that the City expressly approves and consents to the assignment and transfer of the Authority's right, title and interest in this Site Lease to the Trustee pursuant to the Assignment Agreement (which is recorded concurrently herewith).

**Section 7. Right of Entry.** The City reserves the right for any of its duly authorized representatives to enter upon the Leased Property at any reasonable time to inspect the same or to make any repairs, improvements or changes necessary for the preservation thereof.

**Section 8. Termination.** The Authority agrees, upon the termination hereof, to quit and surrender the Leased Property in the same good order and condition as the same was in at the time of commencement of the terms hereunder, reasonable wear and tear excepted, and agrees that any permanent improvements to the Leased Property at the time of the termination hereof shall remain thereon and title thereto shall vest in the City.

**Section 9. Default.** In the event the Authority shall be in default in the performance of any obligation on its part to be performed under the terms hereof, which default continues for thirty (30) days following notice and demand for correction thereof to the Authority, the City may exercise any and all remedies granted by law, except that no merger of this Site Lease and of the Lease Agreement shall be deemed to occur as a result thereof; *provided*, that so long as

the Bonds executed and delivered pursuant to the Indenture are Outstanding, the City shall have no power to terminate this Site Lease by reason of any default on the part of the Authority, if such termination would affect or impair any assignment of the Lease Agreement then in effect between the Authority and the Trustee that authenticates and delivers the Bonds.

**Section 10. Quiet Enjoyment.** The Authority at all times during the term hereof shall peaceably and quietly have, hold and enjoy the Leased Property.

**Section 11. Waiver of Personal Liability.** All liabilities hereunder on the part of the Authority shall be solely corporate liabilities of the Authority, and the City hereby releases each and every director, officer and employee of the Authority of and from any personal or individual liability hereunder. No director, officer or employee of the Authority shall at any time or under any circumstances be individually or personally liable hereunder for anything done or omitted to be done by the Authority hereunder.

**Section 12. Eminent Domain.** In the event the whole or any portion of the Leased Property is taken by eminent domain proceedings, the interest of the Authority shall be recognized and is hereby determined to be the amount of the then unpaid Base Rental Payments payable under the Lease Agreement, and the amount of the unpaid Additional Rental due under the Lease Agreement, and the balance of the award, if any, shall be paid to the City.

**Section 13. Amendments.** This Site Lease may be amended for the purpose of affecting a Substitution or Removal, as further described in the Lease Agreement.

**Section 14. Partial Invalidity.** If any one or more of the agreements, conditions, covenants or terms hereof shall to any extent be declared invalid, unenforceable, void or voidable for any reason whatsoever by a court of competent jurisdiction, the finding or order or decree of which becomes final, none of the remaining agreements, conditions, covenants or terms hereof shall be affected thereby, and each provision of this Site Lease shall be valid and enforceable to the fullest extent permitted by law.

**Section 15. Notices.** All written notices to be given shall be given by first class mail to the party entitled thereto as its address set forth below, or at such other address as such party may provide to the other parties in writing from time to time, namely:

If to the City:

City of Placentia  
401 E. Chapman Avenue  
Placentia, California 92870  
Attention: City Administrator

If to the Authority:

Placentia Public Financing Authority  
401 E. Chapman Avenue  
Placentia, California 92870  
Attention: Executive Director

**Section 16. Section Headings.** All section headings contained herein are for convenience of reference only and are not intended to define or limit scope of any provision hereof.

**Section 17. Counterparts.** This Site Lease may be executed in any number of counterparts, each of which, when so executed and delivered, shall be an original, but such counterparts shall together constitute one and the same instrument.

**Section 18. Governing Law.** This Site Lease is made in the State of California under the Constitution and laws of the State of California and is to be so construed.

[This space intentionally left blank]

IN WITNESS WHEREOF, the parties hereto have executed and entered into this Site Lease by their officers thereunder duly authorized as of the day and year first above written.

CITY OF PLACENTIA

By: \_\_\_\_\_  
City Administrator

PLACENTIA PUBLIC FINANCING AUTHORITY

By: \_\_\_\_\_  
Executive Director

**EXHIBIT A**

**DESCRIPTION OF THE LEASED PROPERTY**

THE LAND REFERRED TO HEREIN BELOW IS SITUATED IN THE CITY OF PLACENTIA, IN THE COUNTY OF ORANGE, STATE OF CALIFORNIA, AND IS DESCRIBED AS FOLLOWS:

PRIOR TO ISSUANCE OF A CERTIFICATE OF OCCUPANCY FOR A PUBLIC SAFETY BUILDING LOCATED THEREON (“PROPERTY A”)

[TO COME]

SUBSEQUENT TO ISSUANCE OF A CERTIFICATE OF OCCUPANCY FOR A PUBLIC SAFETY BUILDING LOCATED THEREON (“PROPERTY B”)

[TO COME]





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**INDENTURE**

**by and among**

**U.S. BANK TRUST COMPANY, NATIONAL ASSOCIATION  
as Trustee,**

**THE CITY OF PLACENTIA**

**and**

**PLACENTIA PUBLIC FINANCING AUTHORITY**

**Dated as of August 1, 2023**

**relating to the**

**\$ \_\_\_\_\_**

**Placentia Public Financing Authority  
Lease Revenue Bonds (Public Safety Center Project) Series 2023A**

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## INDENTURE

This INDENTURE, made and entered into and dated as of August 1, 2023, by and among U.S. BANK TRUST COMPANY, NATIONAL ASSOCIATION, a national banking association duly organized and existing under and by virtue of the laws of the United States of America (the “Trustee”), the CITY OF PLACENTIA, a charter city duly organized and existing under the laws of the State of California (the “City”), and PLACENTIA PUBLIC FINANCING AUTHORITY, a joint powers authority duly organized and existing under and by virtue of the laws of the State of California (the “Authority”);

### WITNESSETH:

WHEREAS, the City and the Authority have executed and entered into a Site Lease (the “Site Lease”) dated as of August 1, 2023, whereby the City has agreed to lease to the Authority the real property more particularly described in Exhibit A attached hereto (the “Real Property”), which together with the improvements thereon is referred to as the “Leased Property”;

WHEREAS, the City and the Authority have executed and entered into a Lease Agreement (the “Lease Agreement”) dated as of August 1, 2023, whereby the City has agreed to sublease back the Leased Property from the Authority;

WHEREAS, under and pursuant to the Lease Agreement, the City is obligated to make rental payments to the Authority;

WHEREAS, the Authority has assigned without recourse all its rights to receive the Base Rental Payments scheduled to be paid by the City under and pursuant to the Lease Agreement, and certain other rights to the Trustee pursuant to the Assignment Agreement (the “Assignment Agreement”) executed and entered into as of August 1, 2023;

WHEREAS, in consideration of the assignments pursuant to the Assignment Agreement and the execution and delivery of this Indenture, the Authority has agreed to issue its Lease Revenue Bonds (Public Safety Center Project) Series 2023A (the “Bonds”);

WHEREAS, all acts, conditions and things required by law to exist, to have happened and to have been performed precedent to and in connection with the execution and entering into of this Indenture do exist, have happened and have been performed in regular and due time, form and manner as required by law, and the parties hereto are now duly authorized to execute and enter into this Indenture;

NOW, THEREFORE, IN CONSIDERATION OF THE PREMISES AND OF THE MUTUAL AGREEMENTS AND COVENANTS CONTAINED HEREIN AND FOR OTHER VALUABLE CONSIDERATION, THE PARTIES DO HEREBY AGREE AS FOLLOWS:

## ARTICLE I.

### DEFINITIONS; EQUAL SECURITY

**Section 1.01 Definitions.** Unless the context otherwise requires, the terms defined in this Section shall for all purposes hereof and of any amendment hereof or supplement hereto and of the Bonds and of any certificate, opinion, request or other document mentioned herein or therein have the meanings defined herein, the following definitions to be equally applicable to both the singular and plural forms of any of the terms defined herein:

#### Additional Payments

The term “Additional Payments” means the additional payments payable by the City under and pursuant to Section 5.01(b) of the Lease Agreement.

#### Annual Debt Service

The term “Annual Debt Service” means, for any Fiscal Year, the sum of (1) the interest payable on all Outstanding Bonds in such Fiscal Year, assuming that all Outstanding Serial Bonds are retired as scheduled and that all Outstanding Term Bonds are redeemed or paid from sinking fund payments as scheduled (except to the extent that such interest is to be paid from the proceeds of the sale of any Bonds), (2) the principal amount of all Outstanding Serial Bonds maturing by their terms in such Fiscal Year, and (3) the principal amount of all Outstanding Term Bonds required to be redeemed or paid in such Fiscal Year (together with the redemption premiums, if any, thereon).

#### Assignment Agreement

The term “Assignment Agreement” means that certain Assignment Agreement, dated as of August 1, 2023, by and between the Authority and the Trustee, as it may from time to time be amended.

#### Authority

The term “Authority” means the Placentia Public Financing Authority, a joint powers authority duly organized and existing under and by virtue of the laws of the State of California.

#### Authorized Denominations

The term “Authorized Denominations” means \$5,000 or any integral multiple thereof.

#### Average Annual Debt Service

The term “Average Annual Debt Service” means an amount equal to the average of the Annual Debt Service for all Bond Years, including the Bond Year in which the calculation is made.

### Base Rental Payments

The term “Base Rental Payments” means the aggregate base rental payments with interest components and principal components payable by the City under and pursuant to Section 5.01(a) of the Lease Agreement in the amounts and at the times set forth in Exhibit B thereof.

### Beneficial Owner

The term “Beneficial Owner” shall have the same meaning as the term “Holder” set forth in the Continuing Disclosure Agreement.

### Bond Purchase Agreement

The term “Bond Purchase Agreement” means that certain Bond Purchase Agreement, dated \_\_\_\_\_, 2023, by and among the Underwriter, the Authority and the City relating to the Bonds.

### Bonds; Serial Bonds; Term Bonds

The term “Bonds” means the Placentia Public Financing Authority Lease Revenue Bonds (Public Safety Center Project) Series 2023A.

The term “Serial Bonds” means Bonds for which no sinking fund payments are provided.

The term “Term Bonds” means Bonds which are payable on or before their specified maturity dates from sinking fund payments established for that purpose and calculated to retire such Bonds on or before their specified maturity dates.

### Bond Year

The term “Bond Year” means the twelve-month period ending on \_\_\_\_\_ 1 of each year to which reference is made.

### Business Day

The term “Business Day” means a day other than (i) Saturday or Sunday or (ii) a day on which banking institutions in Los Angeles, California, New York, New York, or the city or cities in which the principal corporate trust office of the Trustee are closed or (iii) a day on which the New York Stock Exchange is closed. If the date for making any payment or the last date for performance of any act or the exercising of any right, as provided in this Indenture, shall not be a Business Day, such payment may be made or act performed or right exercised on the next succeeding Business Day, with the same force and effect as if done on the nominal date provided in this Indenture, and, unless otherwise specifically provided in this Indenture, no interest shall accrue for the period from and after such nominal date.

Certificate, Statement, Written Request or Requisition of the Authority or the City

“Certificate,” “Statement,” “Written Request” and “Requisition” of the Authority or of the City means, respectively, a written certificate, statement, request or requisition signed in the name of the Authority by its Chair, Executive Director, Treasurer, Controller or any other person designated and authorized to sign for the Authority in writing to the Trustee, and with respect to the City means its Mayor, City Administrator, Treasurer or such other person as may be designated and authorized to sign for the City in writing to the Trustee. Any such instrument and supporting opinions or representations, if any, may, but need not, be combined in a single instrument with any other instrument, opinion or representation, and the two or more so combined shall be read and construed as a single instrument. If and to the extent required by Section 12.06, each such instrument shall include the statements provided for in Section 12.06.

Certificate of Completion

“Certificate of Completion” means a Certificate of the City filed with the Trustee, stating that construction of a Project has been substantially completed and that all Construction Costs have been paid or provided for.

City

The term “City” means the City of Placentia, a charter city duly organized and existing under the Constitution and laws of the State of California.

Closing Date

The term “Closing Date” means \_\_\_\_\_, 2023.

Code

The term “Code” means the Internal Revenue Code of 1986, as amended.

Construction Costs

“Construction Costs” means all costs of constructing a Project, including, but not limited to:

(1) all costs which the Authority or the City shall be required to pay to a manufacturer, vendor or contractor or any other person under the terms of any contract or contracts for the construction, installation or improvement of a Project;

(2) obligations of the Authority, the City or others incurred for labor and materials (including obligations payable to the Authority, the City or others for actual out-of-pocket expenses of the Authority, the City or others) in connection with the construction, installation or improvements of a Project, including reimbursement to the Authority, the City or others for all advances and payments made in connection with a Project prior to or after delivery of the Bonds;

(3) the costs of performance or other bonds and any and all types of insurance that may be necessary or appropriate to have in effect during the course of construction, installation or improvement of a Project;

(4) all costs of engineering and architectural services, including the actual out-of-pocket costs of the Authority or the City for test borings, surveys, estimates, plans and specifications and preliminary investigations therefor, development fees and sales commissions, and for supervising construction, installation and improvement, as well as for the performance of all other duties required by or consequent to the proper construction, installation or improvement of a Project; and

(5) any sums required to reimburse the Authority or the City for advances made by the Authority or the City for any of the above items or for any other costs incurred and for work done by the Authority or the City which are properly chargeable to the construction, installation or improvement of a Project.

#### Construction Fund

“Construction Fund” means the fund by that name established pursuant to Section 3.03 hereof.

#### Continuing Disclosure Agreement

The term “Continuing Disclosure Agreement” means collectively, the Continuing Disclosure Agreement executed by the City at the time of the initial issuance of the Bonds, as originally executed and as such Continuing Disclosure Agreement may be amended from time to time in accordance with the terms thereof.

#### Costs of Issuance Fund

The term “Costs of Issuance Fund” means the fund by that name established in accordance with Section 3.04 hereof.

#### Costs of Issuance

The term “Costs of Issuance” means all the costs of executing and delivering the Bonds, including, but not limited to, all printing and document preparation expenses in connection with this Indenture, the Lease Agreement, the Site Lease, the Assignment Agreement, the Bonds and the preliminary official statement and final official statement pertaining to the Bonds; rating agency fees; financial advisor fees; verification agent fees; bidding agent fees; title insurance fees; CUSIP Service Bureau charges; market study fees; legal fees and expenses of counsel with respect to the Lease Agreement of the Leased Property; any computer and other expenses incurred in connection with the Bonds; the fees and expenses of the Trustee, including fees and expenses of their respective counsel; and other fees and expenses incurred in connection with the execution of the Bonds, to the extent such fees and expenses are approved by the City.

## Defeasance Securities

The term “Defeasance Securities” means any of the following:

- (1) Cash (insured at all times by the Federal Deposit Insurance Corporation);
- (2) Obligations of, or obligations guaranteed as to principal and interest by, the U.S. or any agency or instrumentality thereof, when such obligations are backed by the full faith and credit of the U.S. including:
  - U.S. Treasury obligations;
  - All direct or fully guaranteed obligations
  - Farmers Home Administration
  - General Services Administration
  - Guaranteed Title XI financing
  - Government National Mortgage Association (GNMA); and
  - State and Local Government Series; and
- (3) Obligations described in paragraph (7) of the definition of Permitted Investments.

## DTC

The term “DTC” means The Depository Trust Company, New York, New York, a limited-purpose trust company organized under the laws of the State of New York, and its successors as securities depository for the Bonds including any such successor appointed pursuant to Section 2.07 hereof.

## Event of Default

The term “Event of Default” means any occurrence or event specified in and defined by Section 7.01 hereof.

## Fiscal Year

The term “Fiscal Year” means the fiscal year of the City which, as of the date hereof, is the period from July 1 to and including the following June 30.

## Hazardous Substances

The term “Hazardous Substances” means any substances, pollutants, wastes and contaminants now or hereafter included in such (or similar term) term under any federal state or local statute, ordinance, code or regulation now existing or hereafter enacted or amended.

Indenture

The term “Indenture” means this Indenture by and among the Trustee, the City and the Authority, dated as of August 1, 2023, as originally executed and as it may from time to time be amended or supplemented in accordance herewith.

Insurance Proceeds and Condemnation Awards Fund

The term “Insurance Proceeds and Condemnation Awards Fund” means the fund by that name established in accordance with Section 5.03 hereof.

Interest Fund

The term “Interest Fund” means the Interest Fund within the Revenue Fund established in accordance with Section 5.01(a) hereof.

Interest Payment Date

The term “Interest Payment Date” means \_\_\_\_\_ 1 and \_\_\_\_\_ 1 of each year, commencing on \_\_\_\_\_ 1, 2023.

Interest Period

The term “Interest Period” means each period from and including one Interest Payment Date to but excluding the next following Interest Payment Date, except that the initial Interest Period will be the period from and including the date of the initial delivery of the Bonds to but excluding \_\_\_\_\_ 1, 2023.

Joint Powers Agreement

“Joint Powers Agreement” means the Joint Exercise of Powers Agreement by and between the City and the Placentia Redevelopment Agency, dated July 1, 1996, as amended by the Amendment to Joint Exercise of Powers Agreement, dated as of October 20, 2020, by and among the City, the Successor Agency to the Placentia Redevelopment Agency and the Industrial/Commercial Development Authority of the City of Placentia, and as it may from time to time be amended or supplemented pursuant to the provisions hereof and thereof.

Lease Agreement

The term “Lease Agreement” means that certain Lease Agreement, dated as of August 1, 2023, with respect to the Leased Property, by and between the City, as sublessee, and the Authority, as sublessor, as originally executed and as it may be amended from time to time.

Leased Property

The term “Leased Property” means the real property and all the improvements thereon or to be located thereon described in Exhibit A attached hereto, and Exhibit A in the Site

Lease and in the Lease Agreement (as the same may be changed from time to time by Removal or Substitution, as defined in the Lease Agreement).

### Mandatory Sinking Account Payment

The term “Mandatory Sinking Account Payment” means the principal amount of any Bond required to be paid on each Mandatory Sinking Account Payment Date pursuant to the terms of this Indenture or any Supplemental Indenture.

### Mandatory Sinking Account Payment Date

The term “Mandatory Sinking Account Payment Date,” means \_\_\_\_\_ 1 of each year pursuant to this Indenture or any Supplemental Indenture.

### Maximum Annual Debt Service

The term “Maximum Annual Debt Service” means an amount equal to the largest Annual Debt Service for all future Bond Years beginning in the Bond Year in which the calculation is made.

### MSRB

The term “MSRB” shall mean the Municipal Securities Rulemaking Board or any other entity designated or authorized by the Securities and Exchange Commission to receive reports pursuant to the Rule. Until otherwise designated by the MSRB or the Securities and Exchange Commission, filings with the MSRB are to be made through the Electronic Municipal Market Access (EMMA) website of the MSRB, currently located at <http://emma.msrb.org>.

### Opinion of Counsel

The term “Opinion of Counsel” means a written opinion of counsel of recognized national standing in the field of law relating to municipal bonds, appointed and paid by the City.

### Outstanding

The term “Outstanding” when used as of any particular time with reference to Bonds, means all Bonds, including, but not limited to, the Bonds as described in Section 10.01(b) hereof, except:

- (1) Bonds previously canceled by the Trustee or delivered to the Trustee for cancellation;
- (2) Bonds which pursuant to Section 9.02 hereof are not deemed outstanding;
- (3) Bonds paid or deemed to have been paid within the meaning of Section 10.01 hereof; and
- (4) Bonds in lieu of or in substitution for which other Bonds shall have been executed and delivered by the Trustee pursuant to Section 2.10 hereof.

## Owner

The term “Owner” means any person who shall be the registered owner of any Outstanding Bond as indicated in the registration books of the Trustee.

## Permitted Investments

The term “Permitted Investments” means any of the following to the extent then permitted by applicable laws and any investment policies of the City:

- (1) Defeasance Securities;
- (2) Obligations of any of the following federal agencies which obligations represent the full faith and credit of the United States of America, including:
  - Export-Import Bank;
  - Rural Economic Community Development Administration;
  - U.S. Maritime Administration;
  - Small Business Administration;
  - U.S. Department of Housing & Urban Development (PHAs);
  - Federal Housing Administration; and
  - Federal Financing Bank.
- (3) Direct obligations of any of the following federal agencies which obligations are not fully guaranteed by the full faith and credit of the United States of America:
  - Senior debt obligations issued by the Federal National Mortgage Association (FNMA) or Federal Home Loan Mortgage Corporation (FHLMC);
  - Obligations of the Resolution Funding Corporation (REFCORP);
  - Senior debt obligations of the Federal Home Loan Bank System; and
  - Senior debt obligations of other Government Sponsored Agencies.
- (4) U.S. dollar denominated deposit accounts, federal funds and bankers’ acceptances with domestic commercial banks which have a rating on their short term certificates of deposit on the date of purchase of “A-1” or “A-1+” by S&P and maturing not more than 360 calendar days after the date of purchase. (Ratings on holding companies are not considered as the rating of the bank).
- (5) Commercial paper which is rated at the time of purchase in the single highest classification, “A-1” or better by S&P and which matures not more than 270 calendar days after the date of purchase.
- (6) Investments in a money market fund rated “AAAm” or “AAAm-G” or better by S&P.

- (7) Pre-refunded Municipal Obligations defined as follows: any bonds or other obligations of any state of the United States of America or of any agency, instrumentality or local governmental unit of any such state which are not callable at the option of the obligor prior to maturity or as to which irrevocable instructions have been given by the obligor to call on the date specified in the notice; and
  - (A) which are rated, based on an irrevocable escrow account or fund (the “escrow”), in the highest rating category of S&P or any successors thereto; or
  - (B) (i) which are fully secured as to principal and interest and redemption premium, if any, by an escrow consisting only of cash or obligations described in clause (2) of the definition of “Defeasance Securities” contained in this Indenture, which escrow may be applied only to the payment of such principal of and interest and redemption premium, if any, on such bonds or other obligations on the maturity date or dates thereof or the specified redemption date or dates pursuant to such irrevocable instructions, as appropriate, and (ii) which escrow is sufficient, as verified by a nationally recognized independent certified public accountant, to pay principal of and interest and redemption premium, if any, on the bonds or other obligations described in this paragraph on the maturity date or dates specified in the irrevocable instructions referred to above, as appropriate;
- (8) Municipal Obligations rated in the top two rating categories or higher by S&P.
- (9) Investment Agreements with entities rated at the time of entry into the agreement in the top three rating categories or higher by S&P (supported, as may be required, by appropriate opinions of counsel);
- (10) Any investment authorized by California Government Code Section 53601;
- (11) The Local Agency Investment Fund or similar pooled fund operated by or on behalf of the State of California and which is authorized to accept investments of moneys held in any of the funds or accounts established pursuant to this Indenture; and
- (12) Senior obligations of (a) International Bank for Reconstruction and Development (“IBRD” or “World Bank”); (b) International Financing Corporation (“IFC”) and (c) Inter-American Development Bank (“IADB”).

Any references to long-term rating categories in this definition of “Permitted Investments” shall not take into account any plus or minus sign or numerical modifiers.

### Principal Corporate Trust Office

The term “Principal Corporate Trust Office” means the corporate trust office of the Trustee at the address set forth in Section 12.12 hereof, except for purposes of payment, registration, transfer, exchange and surrender of Bonds, means the corporate trust operations office of the Trustee in St. Paul, Minnesota, or such other office specified by the Trustee.

### Principal Fund

The term “Principal Fund” means the Principal Fund within the Revenue Fund established in accordance with Section 5.01(a) hereof.

### Principal Payment

The term “Principal Payment” means the principal amount of Bonds required to be paid on each Principal Payment Date.

### Principal Payment Date

The term “Principal Payment Date” means \_\_\_\_\_ 1 of each year, commencing on the Principal Payment Date or Dates set forth in Section 2.03 hereof.

### Project

The term “Project” means, to the extent identified by the City as such, the public facilities to be constructed, acquired and equipped with the proceeds of the Bonds.

### Qualified Reserve Fund Credit Instrument

The term “Qualified Reserve Fund Credit Instrument” means an irrevocable standby or direct-pay letter of credit or surety bond issued by a commercial bank or insurance company and deposited with the Trustee pursuant to Section 5.02(c), provided that all of the following requirements are met: (i) at the time of issuance of such letter of credit or surety bond, the long-term credit rating of such commercial bank or insurance company is “AA” or “Aa2” by S&P or Moody’s, respectively, or higher, and, if rated by A.M. Best & Company, a minimum rating of “A;” (ii) such letter of credit or surety bond has a term which ends no earlier than the last Interest Payment Date of the Bonds; (iii) such letter of credit or surety bond has a stated amount at least equal to the portion of the Reserve Requirement with respect to which funds are proposed to be released pursuant to Section 5.02(c); and (iv) the Trustee is authorized pursuant to the terms of such letter of credit or surety bond to draw thereunder amounts necessary to carry out the purposes specified in Section 5.02(c), including the replenishment of the Interest Fund or the Principal Fund.

### Rebate Requirement

The term “Rebate Requirement” means the Rebate Requirement as defined in the Tax Certificate.

### Record Date

The term “Record Date” means the close of business on the 15<sup>th</sup> day of the month preceding any Interest Payment Date, whether or not such day is a Business Day.

### Redemption Fund

The term “Redemption Fund” means the fund by that name established in accordance with Section 5.02(d) hereof.

### Rental Payments

The term “Rental Payments” means, collectively, the Base Rental Payments and the Additional Payments.

### Representation Letter

The term “Representation Letter” means the Letter of Representations from the City and the Trustee to DTC, or any successor securities depository for the Bonds, in which the City and the Trustee make certain representations with respect to the Bonds, the payment with respect thereto and delivery of notices with respect thereto.

### Reserve Fund

The term “Reserve Fund” shall have the meaning given to such term in Section 5.02(c) hereof.

### Reserve Requirement

The term “Reserve Requirement” means as of any calculation date in a Bond Year, an amount equal to the least of (i) ten percent (10%) of the sale proceeds (within the meaning of section 148 of the Code) of the Bonds, (ii) 125% of average annual debt service on the Bonds for that and every succeeding Bond Year, or (iii) Maximum Annual Debt Service. Provided, however, the Reserve Requirement on any calculation date shall not be greater than the Reserve Requirement amount on the Closing Date.

### Revenue Fund

The term “Revenue Fund” shall have the meaning given to such term in Section 5.01(a).

### Revenues

The term “Revenues” means all Base Rental Payments pursuant to the Lease Agreement, and all other benefits, charges, income, proceeds, profits, receipts, rents and revenues derived by the Authority from the operation or use of the Leased Property, including interest or profits from the investment of money in any account or fund pursuant to Section 12.09.

## S&P

“S&P” means S&P Global Ratings, its successors and their assigns, or, if such corporation shall be dissolved or liquidated or shall no longer perform the functions of a securities rating agency, any other nationally recognized securities rating agency designated by the City by notice in writing to the Authority and the Trustee.

## Site Lease

The term “Site Lease” means that certain Site Lease, dated as of August 1, 2023, with respect to the Leased Property, by and between the City, as lessor, and the Authority, as lessee, as originally executed and as it may be amended from time to time.

## Supplemental Indenture

The term “Supplemental Indenture” means an agreement amending or supplementing the terms hereof entered into pursuant to the terms hereof.

## Surplus Subaccount

The term “Surplus Subaccount” means the account by that name established in accordance with Section 3.03 hereof.

## Tax Certificate

The term “Tax Certificate” means that Tax and Nonarbitrage Certificate executed at the time of execution and delivery of the Bonds relating to the requirements of Section 148 of the Code, as such Tax and Nonarbitrage Certificate may be amended or supplemented.

## Trustee

The term “Trustee” means U.S. Bank Trust Company, National Association, a national banking association duly organized and existing under and by virtue of the laws of the United States of America and having a corporate trust office located at Los Angeles, California, or any other bank or trust company which may at any time be substituted in its place as provided in Section 8.02 hereof.

## Underwriter

The term “Underwriter” means Samuel A. Ramirez & Co., Inc.

**Section 1.02 Interpretation.** (a) In this Indenture, unless the context otherwise requires:

(i) The terms “hereby,” “hereof,” “hereto,” “herein,” “hereunder” and any similar terms, as used in this Indenture, refer to this Indenture, and the term “hereafter” shall mean after, and the term “heretofore” shall mean before, the date of this Indenture;

(ii) Words of the masculine gender shall mean and include correlative words of the feminine and neuter genders and words importing the singular number shall mean and include the plural number and vice versa;

(iii) Words importing persons shall include firms, associations, partnerships (including limited partnerships), trusts, corporations and other legal entities, including public bodies, as well as natural persons; and

(iv) Any headings preceding the text of the several Articles and Sections of this Indenture, and any table of contents or marginal notes appended to copies hereof, shall be solely for convenience of reference and shall not constitute a part of this Indenture, nor shall they affect its meaning, construction or effect.

(b) Whenever in this Indenture the City, the Authority or the Trustee is named or referred to, it shall include, and shall be deemed to include, its respective successors and assigns whether so expressed or not. All of the covenants, stipulations, obligations and agreements by or on behalf of, and other provisions for the benefit of, the City, the Authority or the Trustee contained in this Indenture shall bind and inure to the benefit of such respective successors and assigns and shall bind and inure to the benefit of any officer, board, commission, authority, agency or instrumentality to whom or to which there shall be transferred by or in accordance with law any right, power or duty of the City or of its successors or assigns, the possession of which is necessary or appropriate in order to comply with any such covenants, stipulations, obligations, agreements or other provisions of this Indenture.

(c) Nothing in this Indenture expressed or implied is intended or shall be construed to confer upon, or to give to, any person other than the City, the Authority, the Trustee and the Owners of the Bonds, any right, remedy or claim under or by reason of this Indenture or any covenant, condition or stipulation hereof. All of the covenants, stipulations, promises and agreements in this Indenture contained by or on behalf of the City shall be for the sole benefit of the City, the Authority, the Trustee (including its agents) and the Owners.

**Section 1.03 Equal Security.** In consideration of the acceptance of the Bonds by the Owners, this Indenture shall be deemed to be and shall constitute a contract between the Trustee and the Owners to secure the full and final payment of the principal of, premium, if any, and interest on the Bonds which may be executed and delivered hereunder, subject to each of the agreements, conditions, covenants and terms contained herein; and all agreements, conditions, covenants and terms contained herein required to be observed or performed by or on behalf of the Trustee shall be for the equal and proportionate benefit, protection and security of all Owners without distinction, preference or priority as to security or otherwise of any Bonds over any other Bonds by reason of the number or date thereof or the time of execution or delivery thereof or for any cause whatsoever, except as expressly provided herein or therein.

## ARTICLE II.

### TERMS AND CONDITIONS OF BONDS

**Section 2.01 Authorization of Bonds.** The Authority has reviewed all proceedings heretofore taken relative to the authorization of the Bonds and has found, as a result of such review, and hereby finds and determines that all acts, conditions and things required by law to exist, to have happened and to have been performed precedent to and in the issuance of the Bonds do exist, have happened and have been performed in due time, form and manner as required by law, and that the Authority is now duly authorized to issue the Bonds in the form and manner provided herein, and that the Bonds shall be entitled to the benefit, protection and security of the provisions hereof.

**Section 2.02 Terms of Bonds.** The Bonds authorized to be issued by the Authority under and subject to the terms of this Indenture shall be designated “Placentia Public Financing Authority Lease Revenue Bonds (Public Safety Center Project) Series 2023A,” in the aggregate principal amount of \$ \_\_\_\_\_; and shall be executed and delivered in the form of fully registered Bonds, without coupons, in Authorized Denominations and shall be payable in lawful money of the United States of America.

The Bonds shall be dated their date of delivery. Each Bond shall bear interest from the Interest Payment Date to which interest has been paid or duly provided for next preceding its date of authentication, unless such date of authentication shall be (i) prior to the close of business on May 15, 2023, in which case such Bond shall bear interest from its date of delivery, (ii) subsequent to a Record Date but before the related Interest Payment Date, in which case such Bond shall bear interest from such Interest Payment Date, or (iii) an Interest Payment Date to which interest has been paid in full or duly provided for, in which case such Bond shall bear interest from such date of authentication; *provided, however*, that if, as shown by the records of the Trustee, interest shall be in default, each Bond shall bear interest from the last Interest Payment Date to which such interest has been paid in full or duly provided for.

**Section 2.03 Payment Dates of Bonds; Interest.**

(a) ***Method and Place of Payment.*** The principal of the Bonds shall be payable, subject to prior redemption, on each Principal Payment Date, as the case may be, in each of the years and in the amounts and with the rate of interest components set forth in the following table:

<u>Payment Date</u> (_____ 1)	<u>Principal Amount</u>	<u>Rate of Interest</u>
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\* Term Bonds.

The interest on the Bonds shall be payable on each Interest Payment Date by check sent by first class mail by the Trustee to the respective Owners of the Bonds as of the Record Date for such Interest Payment Date at their addresses shown on the books required to be kept by the Trustee pursuant to the provisions of Section 2.08 hereof. Payments of defaulted interest on any Bond shall be paid by check to the Owner as of a special record date to be fixed by the Trustee, notice of which special record date shall be given to the Owner of the Bond not less than ten days prior thereto. The principal and premium, if any, of the Bonds shall be payable upon presentation and surrender thereof on maturity or on redemption prior thereto at the Principal Corporate Trust Office of the Trustee.

The Owner of \$1,000,000 or more in aggregate principal amount of the Bonds may request in writing that the Trustee pay the interest on the Bonds by wire transfer to an account in the United States of America and the Trustee shall comply with such request for all Interest Payment Dates following the 15th day after receipt of such request.

(c) ***Principal and Interest Payments.*** The principal of the Bonds shall be payable on the Principal Payment Dates indicated in subsection (a) above and the interest on the Bonds shall be payable on each Interest Payment Date. Interest shall be computed on the basis of a 360-day year of twelve 30-day months.

**Section 2.04 Form of Bonds.** The Bonds and the assignment to appear thereon shall be in substantially the forms, respectively, of Exhibit B hereto, with necessary or appropriate insertions, omissions and variations as permitted or required hereby.

**Section 2.05 Execution of Bonds.** The Chair or the Executive Director of the Authority is hereby authorized and directed to execute each of the Bonds on behalf of the Authority and the

Secretary of the Authority is hereby authorized and directed to countersign each of the Bonds on behalf of the Authority. The signatures of such Chair, Executive Director and Secretary may be by printed, lithographed or engraved by facsimile reproduction. In case any officer whose signature appears on the Bonds shall cease to be such officer before the delivery of the Bonds to the purchaser thereof, such signature shall nevertheless be valid and sufficient for all purposes as if such officer had remained in office until such delivery of the Bonds.

Only those Bonds bearing thereon a certificate of authentication and registration in substantially the form set forth in Exhibit B hereto, executed manually and dated by the Trustee, shall be entitled to any benefit, protection or security hereunder or be valid or obligatory for any purpose, and such certificate of the Trustee shall be conclusive evidence that the Bonds so authenticated and registered have been duly authorized, executed, issued and delivered hereunder and are entitled to the benefit, protection and security hereof.

**Section 2.06 Transfer and Payment of Bonds; Exchange of Bonds.** All Bonds may be presented for transfer by the Owner thereof, in person or by his attorney duly authorized in writing, at the Principal Corporate Trust Office of the Trustee, on the books required to be kept by the Trustee pursuant to the provisions of Section 2.08 hereof, upon surrender of such Bonds for cancellation accompanied by delivery of a duly executed written instrument of transfer in a form acceptable to the Trustee. The Trustee may treat the Owner of any Bond as the absolute owner of such Bond for all purposes, whether or not such Bond shall be overdue, and the Trustee shall not be affected by any knowledge or notice to the contrary; and payment of the principal of, premium, if any, and interest on such Bond shall be made only to such Owner, which payments shall be valid and effectual to satisfy and discharge the liability of by such Bond to the extent of the sum or sums so paid.

Whenever any Bond or Bonds shall be surrendered for transfer, the Trustee shall execute and deliver a new Bond or Bonds in the same principal amount in Authorized Denominations. The Trustee shall require the payment by any Owner requesting such transfer of any tax or other governmental charge required to be paid with respect to such transfer.

Bonds may be presented for exchange at the Principal Corporate Trust Office of the Trustee, for a like aggregate principal amount of Bonds of other Authorized Denominations. The Trustee shall require the payment by the Owner requesting such exchange of any tax or other governmental charge required to be paid with respect to such exchange.

The Trustee shall not be required to transfer or exchange any Bond during the period in which the Trustee is selecting Bonds for redemption, nor shall the Trustee be required to transfer or exchange any Bond or portion thereof selected for redemption from and after the date of mailing the notice of redemption thereof.

**Section 2.07 Book-Entry Bonds.** Notwithstanding any provision of this Indenture to the contrary, the transfer provisions of Section 2.06 hereof do not apply if the ownership of the Bonds is in book-entry form.

(a) Except as provided in subparagraph (d) of this Section 2.07, the registered Owner of all of the Bonds shall be DTC, and the Bonds shall be registered in the name of Cede &

Co., as nominee for DTC. Notwithstanding anything to the contrary contained in this Indenture, payment of interest with respect to any Bond registered as of each Record Date in the name of Cede & Co. shall be made by wire transfer of same-day funds to the account of Cede & Co. on the Interest Payment Date for the Bonds at the address indicated on the Record Date or special record date for Cede & Co. in the Bond registration books required to be kept by the Trustee pursuant to the provisions of Section 2.08 hereof or as otherwise provided in the Representation Letter.

(b) The Bonds shall be initially executed and delivered in the form of separate single fully registered Bonds in the amount of each separate stated maturity of the Bonds. Upon initial execution and delivery, the ownership of such Bonds shall be registered in the Bond registration books required to be kept by the Trustee pursuant to the provisions of Section 2.08 hereof in the name of Cede & Co., as nominee of DTC. The Trustee and the City shall treat DTC (or its nominee) as the sole and exclusive Owner of the Bonds registered in its name for the purposes of payment of the principal, premium, if any, or interest with respect to the Bonds, selecting the Bonds or portions thereof to be redeemed, giving any notice permitted or required to be given to Owners under this Indenture, registering the transfer of Bonds, obtaining any consent or other action to be taken by Owners and for all other purposes whatsoever, and neither the Trustee nor the City shall be affected by any notice to the contrary. Neither the Trustee nor the City shall have any responsibility or obligation to any person claiming a beneficial ownership interest in the Bonds under or through DTC, or any other person which is not shown on the Bond registration books required to be kept by the Trustee pursuant to the provisions of Section 2.08 hereof as being an Owner, with respect to (i) the accuracy of any records maintained by DTC; (ii) the payment by DTC of any amount of the principal, premium, if any, or interest on the Bonds; (iii) any notice which is permitted or required to be given to Owners under this Indenture or the selection by DTC of any person to receive payment in the event of a partial redemption of the Bonds; or (iv) any consent given or other action taken by DTC as Owner. The Trustee shall pay all principal, premium, if any, and interest on the Bonds only to DTC, and all such payments shall be valid and effective to fully satisfy and discharge the City's obligations with respect to the principal, premium, if any, and interest on the Bonds to the extent of the sum or sums so paid. Except under the conditions of (d) below, no person other than DTC shall receive an executed Bond representing the right to receive principal, premium, if any and interest pursuant to this Indenture. Upon delivery by DTC to the Trustee of written notice to the effect that DTC has determined to substitute a new nominee in place of Cede & Co., and subject to the provisions herein with respect to Record Dates, the term "Cede & Co." in this Indenture shall refer to such new nominee of DTC.

(c) In order to qualify the Bonds for DTC's book-entry system, the City and the Trustee, if required by DTC, will execute, countersign and deliver to DTC the Representation Letter. The execution and delivery of the Representation Letter shall not in any way limit the provisions of this Section 2.07 or in any other way impose upon the Trustee, the City or the Authority any obligation whatsoever with respect to persons having interests in the Bonds other than the Owners, as shown on the Bond registration books required to be kept by the Trustee pursuant to the provisions of Section 2.08 hereof.

(d) In the event (i) DTC, including any successor as securities depository for the Bonds, determines not to continue to act as securities depository for the Bonds, or (ii) the City determines that the incumbent securities depository shall no longer so act and delivers a written certificate to the Trustee to that effect, then the City will discontinue the book-entry system with

the incumbent securities depository for the Bonds. If the City determines to replace the incumbent securities depository for the Bonds with another qualified securities depository, the City shall prepare or direct the preparation of a new single, separate fully registered Bond for the aggregate outstanding principal amount of Bonds of each maturity, registered in the name of such successor or substitute qualified securities depository, or its nominee, or make such other arrangement acceptable to the City, the Trustee and the successor securities depository for the Bonds as are not inconsistent with the terms of this Indenture. If the City fails to identify another qualified successor securities depository for the Bonds to replace the incumbent securities depository, then the Bonds shall no longer be restricted to being registered in the Bond registration books required to be kept by the Trustee pursuant to the provisions of Section 2.08 hereof in the name of the incumbent securities depository or its nominee, but shall be registered in whatever name or names the incumbent securities depository for the Bonds, or its nominee, shall designate. In such event the Trustee shall execute and deliver a sufficient quantity of Bonds as to carry out the transfers and exchanges provided in this Section and Sections 2.06 and 2.10 hereof. All such Bonds shall be in fully registered form in denominations authorized by this Indenture.

(e) Notwithstanding any other provision of this Indenture to the contrary, so long as any Bond is registered in the name of DTC, or its nominee, all payments with respect to the principal, premium, if any, and interest on such Bond and all notices with respect to such Bonds shall be made and given, respectively, as provided in the Representation Letter.

(f) In connection with any notice or other communication to be provided to Owners pursuant to this Indenture by the City or the Trustee with respect to any consent or other action to be taken by Owner, the City or the Trustee, as the case may be, shall establish a record date for such consent or other action and give DTC notice of such record date not less than 15 calendar days in advance of such record date to the extent possible.

**Section 2.08 Bond Registration Books.** The Trustee will keep sufficient books for the registration and transfer of the Bonds, which books shall be available for inspection by the Authority and the City at reasonable hours and under reasonable conditions, upon reasonable notice; and upon presentation for such purpose the Trustee shall, under such reasonable regulations as it may prescribe, register or transfer the Bonds on such books as hereinabove provided. The Trustee will, upon written request, make copies of the foregoing available to any Owner of at least five percent in aggregate principal amount of Outstanding Bonds or his agent duly authorized in writing.

**Section 2.09 Temporary Bonds.** The Bonds may be initially delivered in temporary form exchangeable for definitive Bonds when ready for delivery, which temporary Bonds shall be printed, lithographed or typewritten, shall be of such denominations as may be determined by the Trustee, shall be in fully registered form and shall contain such reference to any of the provisions hereof as may be appropriate. Every temporary Bond shall be authenticated and delivered by the Trustee upon the same conditions and terms and in substantially the same manner as definitive Bonds. If the Trustee authenticates and delivers temporary Bonds, it will authenticate definitive Bonds without delay, and thereupon the temporary Bonds may be surrendered at the Principal Corporate Trust Office of the Trustee, in exchange for such definitive Bonds, and until so exchanged such temporary Bonds shall be entitled to the same benefits hereunder as definitive Bonds executed and delivered hereunder.

**Section 2.10 Bonds Mutilated, Lost, Destroyed or Stolen.** If any Bond shall become mutilated, the Trustee, at the expense of the Owner thereof, shall authenticate and deliver a new Bond of like tenor, payment date in exchange and substitution for the Bond so mutilated, but only upon surrender to the Trustee of the Bond so mutilated. Every mutilated Bond so surrendered to the Trustee shall be canceled by it. If any Bond shall be lost, destroyed or stolen, evidence of such loss, destruction or theft may be submitted to the Trustee, and if such evidence is satisfactory to the Trustee and indemnity satisfactory to the Trustee shall be given, the Trustee, at the expense of the Owner thereof, shall authenticate and deliver a new Bond of like tenor, numbered as the Trustee shall determine, in lieu of and in substitution for the Bond so lost, destroyed or stolen. The Trustee shall require payment of a sum not exceeding the actual cost of preparing each new Bond authenticated and delivered by it under this Section and of the expenses which may be incurred by it under this Section. Any Bond authenticated and delivered under the provisions of this Section in lieu of any Bond alleged to be lost, destroyed or stolen shall be equally and proportionately entitled to the benefits hereof with all other Bonds secured hereby, and the Trustee shall not be required to treat both the original Bond and any replacement Bond as being Outstanding for the purpose of determining the amount of Bonds which may be executed and delivered hereunder or for the purpose of determining any percentage of Bonds Outstanding hereunder, but both the original and replacement Bond shall be treated as one and the same. Notwithstanding any other provision of this Section, in lieu of authenticating and delivering a new Bond for a Bond which has been lost, destroyed or stolen and which has matured or will mature within 30 days after the Trustee has received all required indemnity and payments on account of a lost, destroyed or stolen Bond, the Trustee may make payment of such Bond to the Owner thereof on or after the maturity date.

**Section 2.11 No Additional Obligations.** The City, the Authority and the Trustee covenant that no additional bonds, notes or other indebtedness shall be issued or incurred which are payable out of the Revenues in whole or in part.

### ARTICLE III.

#### PROCEEDS OF BONDS

**Section 3.01 Delivery of Bonds.** The Trustee is hereby authorized to authenticate and deliver the Bonds to the Underwriter pursuant to the Bond Purchase Agreement upon receipt of a Written Request of the Authority and upon receipt of the proceeds of sale thereof.

**Section 3.02 Deposit of Proceeds of Bonds and Other Moneys.** The proceeds received from the sale of the Bonds in the amount of \$\_\_\_\_\_ (consisting of the par amount of the Bonds of \$\_\_\_\_\_, [plus/less original issue premium/discount of \$\_\_\_\_\_] and less an Underwriter's discount of \$\_\_\_\_\_), shall be transferred for deposit by the Trustee to the following respective funds:

(a) The Trustee shall deposit the amount of \$\_\_\_\_\_ in the Costs of Issuance Fund;

(b) The Trustee shall deposit the amount of \$\_\_\_\_\_ in the Reserve Fund;  
and

(c) The Trustee shall deposit the amount of \$ \_\_\_\_\_ in the Construction Fund.

To facilitate any transfers to or for the benefit of the City required in this Section 3.02, the Trustee may, in its discretion open a temporary fund or account on its records which shall be closed upon completion of such transfers.

**Section 3.03 Construction Fund.** The Construction Fund is to be established and maintained by the Trustee to fund Construction Costs, as follows:

(a) The Trustee shall hold the moneys in the Construction Fund and shall disburse such moneys therefrom to pay Construction Costs. Such disbursements shall be made from time to time upon receipt of a Written Request of the City on behalf of the Authority (in the form as set forth in Exhibit C hereto) which:

(i) states with respect to each disbursement to be made: (A) the requisition number, (B) the name and address of the person, firm or authority to whom payment is due, (C) the amount to be disbursed, and (D) that each obligation therein has been properly incurred, is a Construction Cost and is a proper charge against the Construction Fund and has not been the basis of any previous disbursement;

(ii) specifies in reasonable detail the nature of the obligation;

(iii) is accompanied by a bill or statement of account for each obligation.

(b) If at any time there are insufficient moneys in the Costs of Issuance Fund to disburse moneys in accordance with Section 3.04 hereof, the Trustee shall disburse from the Construction Fund, subject to this Section 3.03, such additional amounts as are necessary to pay such Costs of Issuance.

Upon the delivery to the Trustee of a Certificate of Completion, the Trustee shall transfer any remaining balance of money in the Construction Fund, first, to the Rebate Fund to the extent the amount on deposit therein is less than the Rebate Requirement, and then the remainder to a separate subaccount within the Principal Fund, which the Trustee shall establish and hold in trust, and which shall be entitled the "Surplus Subaccount." After such transfer, if any, the Trustee shall close the Construction Fund. The moneys in the Surplus Subaccount shall be applied (unless some other application of such moneys would not, in the opinion of Bond Counsel, adversely affect the tax-exempt status of interest on the Bonds) as directed in writing by the City to pay principal on the Bonds as such principal becomes due and payable, in annual amounts which bear the same ratio to the principal amount of such Bonds maturing in such year that the amount deposited in the Surplus Subaccount bears to the original principal amount of such Bonds. Notwithstanding Section 6.09 hereof, the moneys in the Surplus Subaccount shall be invested at a yield no higher than the yield on the Bonds (unless, in the opinion of Bond Counsel, investment at a higher yield would not adversely affect the status of interest on Bonds), and all such investment income shall be deposited in the Surplus Subaccount and expended or reinvested as provided above.

**Section 3.04 Costs of Issuance Fund.** There is hereby established in trust a special fund designated as the "Costs of Issuance Fund" which shall be held by the Trustee and which shall be

kept separate and apart from all other funds held by the Trustee. The moneys in the Costs of Issuance Fund shall be applied to the payment of Costs of Issuance of the Bonds, upon a Written Request of the City on behalf of the Authority (in the form as set forth in Exhibit C hereto). All payments from the Costs of Issuance Fund shall be reflected in the Trustee’s regular accounting statements. On or before 6 months after the issuance of the Bonds, the Trustee shall transfer any amounts then remaining in the Costs of Issuance Fund to the Revenue Fund and the Costs of Issuance Fund shall be closed.

**ARTICLE IV.**

**REDEMPTION OF BONDS**

**Section 4.01 Terms of Redemption.** The Bonds shall be subject to redemption prior to their respective maturity dates as set forth in subsections (a) and (b) hereof.

(a) ***Extraordinary Redemption.*** To the extent permitted or required by Section 5.03 or 5.04 hereof, the Bonds are subject to redemption on any date prior to their respective maturity dates, as a whole, or in part, at the written direction of the City, from the net proceeds of any insurance or condemnation award with respect to the Leased Property or portions thereof, at a redemption price equal to the principal amount of the Bonds plus accrued interest thereon to the date fixed for redemption, without premium.

(b) ***Optional Redemption.*** The Bonds maturing on or after \_\_\_\_\_ 1, 2032 are subject to optional redemption prior to maturity on or after \_\_\_\_\_ 1, 2031 at the option of the City, in whole, or in part, on any date, at a redemption price equal to the principal amount of the Bonds to be redeemed, plus accrued but unpaid interest to the redemption date, without premium.

(c) ***Mandatory Sinking Fund Redemption.*** The Bonds maturing on \_\_\_\_\_ 1, 20\_\_ and \_\_\_\_\_ 1, 20\_\_ (the “Term Bonds”) are subject to mandatory redemption on \_\_\_\_\_ 1 in each year shown below until maturity, from Mandatory Sinking Account Payments made by the Authority, at a redemption price equal to the principal amount thereof to be redeemed together with accrued interest thereon to the redemption date, without premium, in the aggregate respective principal amounts and on the respective dates as set forth in the following table; provided, however, that in lieu of redemption thereof, such Term Bonds may be purchased by the Authority and tendered to the Trustee.

Term Bonds maturing on _____ 1, 20__	
Sinking Fund Redemption Date (_____ 1)	Principal Amount to be Redeemed or Purchased
_____	_____

\* Maturity.

Term Bonds maturing on \_\_\_\_\_ 1, 20\_\_

Sinking Fund  
Redemption Date  
(\_\_\_\_\_ 1)

Principal Amount to be  
Redeemed or  
Purchased

\_\_\_\_\_  
\* Maturity.

If some but not all of the Term Bonds have been redeemed pursuant to extraordinary or optional redemptions, the total amount of Mandatory Sinking Account Payments to be made subsequent to such redemption shall be reduced in an amount equal to the principal amount of the Term Bonds so redeemed by reducing each such future Mandatory Sinking Account Payments on a pro rata basis (as nearly as practicable) in integral multiples of \$5,000, as shall be designated pursuant to written notice filed by Authority with the Trustee.

**Section 4.02 Notice of Redemption.** Notice of redemption shall be mailed by first class mail by the Trustee, on behalf and at the expense of the City, not less than 30 nor more than 60 days prior to the redemption date to the respective Owners of Bonds designated for redemption at their addresses appearing on the bond registration books of the Trustee and, unless otherwise instructed by the Authority, provided by the Trustee to the MSRB. Each notice of redemption shall state the date of such notice, the Bonds to be redeemed and date of issue of such Bonds, the redemption date, the redemption price, the place or places of redemption (including the name and appropriate address or addresses), the CUSIP number (if any) of the maturity or maturities, and, if less than all of any such maturity are to be redeemed, the distinctive certificate numbers of the Bonds of such maturity to be redeemed and, in the case of Bonds to be redeemed in part only, the respective portions of the principal amount thereof to be redeemed. Each such notice of optional redemption shall also state that such redemption may be rescinded by the City and that, unless such redemption is so rescinded, and provided that on said date funds are available for payment in full of the Bonds then called for redemption, on said date there will become due and payable on each of such Bonds the redemption price thereof or of said specified portion of the principal amount thereof in the case of a Bond to be redeemed in part only, together with interest accrued thereon to the redemption date, and that from and after such redemption date interest thereon shall cease to accrue, and shall require that such Bonds be then surrendered at the address or addresses of the Trustee specified in the redemption notice.

Failure by the Trustee to give notice pursuant to this Section to any one or more of the information services or securities depositories, or the insufficiency of any such notice shall not affect the sufficiency of the proceedings for redemption. The failure of any Owner to receive any redemption notice mailed to such Owner and any defect in the notice so mailed shall not affect the sufficiency of the proceedings for redemption.

The City shall have the right to rescind any optional redemption by written notice to the Trustee on or prior to the date fixed for redemption. Any notice of optional redemption shall be canceled and annulled if for any reason funds are not available on the date fixed for redemption for the payment in full of the Bonds then called for redemption, and such cancellation shall not constitute an Event of Default hereunder. The Trustee shall mail notice of such rescission of redemption in the same manner as the original notice of redemption was sent.

**Section 4.03 Partial Redemption of Bonds.** Upon surrender of any Bond redeemed in part only, the Trustee shall execute and deliver to the Owner thereof a new Bond or Bonds representing the unpaid principal amount of the Bond surrendered.

Whenever less than all the Outstanding Bonds maturing on any one date are called for redemption at any one time, the Trustee shall select the Bonds to be redeemed, from the Outstanding Bonds maturing on such date not previously selected for redemption, by lot in any manner which the Trustee deems appropriate.

**Section 4.04 Effect of Redemption.** If notice of redemption has been duly given as aforesaid and moneys for the payment of the redemption price of the Bonds to be redeemed are held by the Trustee, then on the redemption date designated in such notice the Bonds so called for redemption shall become payable at the redemption price specified in such notice; and from and after the date so designated interest on the Bonds so called for redemption shall cease to accrue, such Bonds shall cease to be entitled to any benefit or security hereunder and the Owners of such Bonds shall have no rights in respect thereof except to receive payment of the redemption price represented thereby. The Trustee shall, upon surrender for payment of any of the Bonds to be redeemed, pay such Bonds at the redemption price thereof.

All Bonds redeemed pursuant to the provisions of this Article shall be canceled by the Trustee and shall not be redelivered.

## ARTICLE V.

### REVENUES

**Section 5.01 Pledge of Revenues; Revenue Fund.**

(a) There is hereby established a special fund designated as the “Revenue Fund” which shall be held by the Trustee and which shall be kept separate and apart from all other funds and moneys held by the Trustee. Within the Revenue Fund, the Trustee shall establish and maintain a separate fund designated the “Interest Fund” and a separate fund designated the “Principal Fund.” The Authority and the City hereby irrevocably pledge and transfer to the Trustee, for the benefit of the Owners, all of its right, title and interest in and to all amounts on deposit from time to time in the funds and accounts established hereunder, subject to the provisions

hereof permitting the disbursement thereof for or to the purposes and on the conditions and terms set forth herein, and in and to the Revenues, which shall be used for the punctual payment of the interest and principal of the Bonds and the Revenues shall not be used for any other purpose while any of the Bonds remain Outstanding. It is the intent of the parties hereto that the Authority shall not have any right, title, in or to the Revenues. In the event, however, that it should be determined that the Authority has any right, title or interest in or to the Revenues, then the Authority hereby irrevocably pledges and transfers to the Trustee, for the benefit of the Owners, all of such right, title and interest, which shall be used for the punctual payment of the interest and principal of the Bonds. These pledges shall constitute a first and exclusive lien on the funds established hereunder and the Revenues in accordance with the terms hereof.

(b) All Revenues shall be paid directly by the City to the Trustee, and if received by the Authority at any time shall be deposited by the Authority, as the case may be, with the Trustee within one Business Day after the receipt thereof. All Revenues, the proceeds of rental interruption insurance and liquidated damages, if any, shall be deposited by the Trustee in the Revenue Fund and all amounts on deposit therein shall be held in trust by the Trustee, which fund the Trustee hereby agrees to establish and maintain for the benefit of the Owners until all required Revenues are paid in full pursuant to the Lease Agreement or until such date as the Bonds are no longer Outstanding; *provided, however*, and notwithstanding the foregoing, if the Trustee receives Revenues in an amount in excess of the amount necessary to pay the amount due and owing on the next Interest Payment Date, Principal Payment Date or Mandatory Sinking Account Payment Date, as the case may be, after giving effect to the funds then on deposit in the Revenue Fund not needed for any other purpose hereunder, then amounts in the Revenue Fund not needed to make such payments may be utilized by the Trustee, as directed in writing by the City, for any other purpose.

**Section 5.02 Deposit of Revenues.** Except as otherwise provided in this Section, the Trustee shall deposit the amounts in the Revenue Fund at the time and in the priority and manner hereinafter provided in the following respective funds, each of which the Trustee hereby agrees to establish and maintain until all required Revenues are paid in full pursuant to the Lease Agreement or until such date as the Bonds are no longer Outstanding, and the moneys in each of such funds shall be disbursed only for the purposes and uses hereinafter authorized.

(a) ***Interest Fund.*** The Trustee, on or before each Interest Payment Date, shall transfer from the Revenue Fund to the Interest Fund an amount equal to the interest on the Bonds coming due on such Interest Payment Date. Moneys in the Interest Fund shall be withdrawn and used by the Trustee for the purpose of paying interest on the Bonds as and when due and payable.

(b) ***Principal Fund.*** The Trustee, on or before each Principal Payment Date and Mandatory Sinking Account Payment Date, shall transfer from the Revenue Fund to the Principal Fund an amount equal to the principal of the Bonds, including principal due and payable by reason of a Mandatory Sinking Account Payment coming due on such date. Moneys in the Principal Fund shall be withdrawn and used by the Trustee for the purpose of paying principal of the Bonds, including principal due and payable by reason of a Mandatory Sinking Account Payment, as and when due and payable.

(c) ***Reserve Fund.*** The Trustee shall establish and maintain a separate account to be known as the “Reserve Fund.” On or before each Interest Payment Date, the Trustee shall

deposit in the Reserve Fund such amount as may be necessary to maintain a balance therein equal to the Reserve Requirement. No deposit shall be made in the Reserve Fund so long as there shall be on deposit an amount equal to the Reserve Requirement. All money in the Reserve Fund (or available to be drawn from a Qualified Reserve Fund Credit Instrument) shall be used and withdrawn by the Trustee solely for the purpose of replenishing the Interest Fund or the Principal Fund in such order, in the event of any deficiency at any time in either of such accounts, or for the purpose of paying the interest on or principal of or redemption premiums, if any, on the Bonds in the event that no other money of the Authority is lawfully available therefor. All moneys in the Reserve Fund (or available to be drawn from a Qualified Reserve Fund Credit Instrument held in the Reserve Fund) in excess of the Reserve Requirement may be applied to the retirement of all Bonds then Outstanding or as a credit against the next following Base Rental Payment as directed in a Request by the City. The Reserve Requirement may be satisfied by crediting to the Reserve Fund moneys or a Qualified Reserve Fund Credit Instrument or any combination thereof, which in the aggregate make funds available in the Reserve Fund in an amount equal to the Reserve Requirement.

Upon the deposit with the Trustee of such Qualified Reserve Fund Credit Instrument to satisfy the Reserve Requirement, the Trustee shall transfer any excess amounts then on deposit in the Reserve Fund into a segregated account of the Revenue Fund to be established by the Trustee, which monies shall be applied pursuant to the written direction of the Authority.

In any case where the Reserve Fund is funded with a combination of cash and a Qualified Reserve Fund Credit Instrument, the Trustee shall deplete all cash balances before drawing on the Qualified Reserve Fund Credit Instrument. With regard to replenishment, any available moneys provided by the Authority or the City shall be used first to reinstate the Qualified Reserve Fund Credit Instrument and second, to replenish the cash in the Reserve Fund. In the event the Qualified Reserve Fund Credit Instrument is drawn upon, the Authority shall make payment of interest on amounts advanced under the Qualified Reserve Fund Credit Instrument after making any payments pursuant to this subsection.

(d) ***Redemption Fund.*** The Trustee, on the redemption date specified in the Written Request of the City filed with the Trustee at the time that any prepaid Base Rental Payment is paid to the Trustee pursuant to the Lease Agreement, shall deposit in the Redemption Fund that amount of moneys representing the portion of the Base Rental Payments designated as prepaid Base Rental Payments. Monies in the Redemption Fund shall be used and withdrawn by the Trustee for the purpose of paying the principal, premium, if any, and interest of the Bonds to be redeemed.

**Section 5.03 Application of Insurance Proceeds and Condemnation Awards.** The Trustee shall not be responsible for the sufficiency of any insurance required by the Lease Agreement and shall be fully protected in accepting payment on account of such insurance or any adjustment, compromise or settlement of any loss agreed to by the City or the Authority. Delivery to the Trustee of the schedule of insurance policies under the Lease Agreement shall not confer responsibility upon the Trustee as to the sufficiency of coverage or amounts of such policies.

Except as hereinafter provided, in the event of any damage to or destruction of any part of the Leased Property, caused by the perils covered by the policies of insurance required to be

maintained by the City pursuant to Section 6.03 of the Lease Agreement, the City and the Authority shall cause the proceeds of such insurance (other than rental interruption insurance which is to be placed in the Revenue Fund) to be used in accordance with Section 7.01 of the Lease Agreement. The Trustee shall hold said proceeds in a separate fund to be established and maintained by the Trustee when deposit is required and designated the "Insurance Proceeds and Condemnation Awards Fund." The Trustee shall only make disbursements from the Insurance Proceeds and Condemnation Awards Fund upon receipt of a Written Request of the City on behalf of the Authority, which (i) states with respect to each disbursement to be made: (A) the requisition number, (B) the name and address of the person, firm or authority to whom payment is due, (C) the amount to be disbursed, and (D) that each obligation therein has been properly incurred for the purpose of repair, reconstruction or replacement of the Leased Property to at least the same good order, repair and condition as it was in prior to the damage or destruction, insofar as the same may be accomplished by the use of said proceeds and is a proper charge against the Insurance Proceeds and Condemnation Awards Fund and has not been the basis of any previous disbursement; (ii) specifies in reasonable detail the nature of the obligation; and (iii) is accompanied by a bill or statement of account for each obligation. Any balance of said proceeds not required for such repair, reconstruction or replacement as evidenced by a Certificate of the City to the effect that such repair, reconstruction or replacement has been completed and all amounts owing therefor have been paid or provision for the payment therefor has been made shall be transferred by the Trustee to Redemption Fund and applied in the manner provided by Section 4.01(a) hereof. Alternatively, the City, at its option, and if the proceeds of such insurance together with any other moneys then available for the purpose are at least sufficient to redeem all Outstanding Bonds, may elect not to repair, reconstruct or replace the damaged or destroyed portion of the Leased Property and thereupon shall cause said proceeds to be transferred to the Redemption Fund and used for the redemption of Outstanding Bonds pursuant to Section 4.01(a) hereof; provided, that if the City elects to so redeem the Outstanding Bonds, then the City shall make said election within 45 days after the damage to or destruction of the Leased Property. Notwithstanding any other provision herein, the City shall only redeem less than all of the Outstanding Bonds if the annual fair rental value of the Leased Property after such damage, destruction or condemnation is at least equal to the aggregate annual amount of principal and interest of the Outstanding Bonds not being redeemed.

The proceeds of any award in eminent domain shall be transferred by the City to the Trustee for deposit in the Redemption Fund and applied to the redemption of Outstanding Bonds pursuant to Section 4.01(a) hereof.

**Section 5.04 Title Insurance.** Proceeds of any policy of title insurance received by the City, the Authority or the Trustee in respect of the Leased Property shall be applied and disbursed by the City, the Authority or the Trustee as follows:

(a) If the City determines that the title defect giving rise to such proceeds has not materially affected the operation of the Leased Property and will not result in an abatement of Rental Payments payable by the City under the Lease Agreement, such proceeds shall be remitted to the City, upon written direction of the City, and used for any lawful purpose thereof; or

(b) If any portion of the Leased Property has been affected by such title defect, and if the City determines that such title defect will result in an abatement of Rental Payments

payable by the City under the Lease Agreement, then the City, the Authority or the Trustee, upon written direction of the City, shall immediately deposit such proceeds in the Redemption Fund and such proceeds shall be applied to the redemption of Bonds in the manner provided in Section 4.01(a) hereof.

## ARTICLE VI.

### COVENANTS

**Section 6.01 Compliance with Indenture.** The Authority will not execute or deliver any Bonds in any manner other than in accordance with the provisions hereof, and neither of the City or the Authority will suffer or permit any default by them to occur hereunder, but will faithfully comply with, keep, observe and perform all the agreements, conditions, covenants and terms hereof required to be complied with, kept, observed and performed by them.

**Section 6.02 Compliance with Lease Agreement and Site Lease.** The City and the Authority will faithfully comply with, keep, observe and perform all the agreements, conditions, covenants and terms contained in the Lease Agreement and Site Lease required to be complied with, kept, observed and performed by them and, together with the Trustee, will enforce the Lease Agreement and Site Lease against the other party thereto in accordance with their respective terms.

**Section 6.03 Observance of Laws and Regulations.** The Trustee, the City and the Authority will faithfully comply with, keep, observe and perform all valid and lawful obligations or regulations now or hereafter imposed on them by contract, or prescribed by any law of the United States of America or of the State of California, or by any officer, board or commission having jurisdiction or control, as a condition of the continued enjoyment of each and every franchise, right or privilege now owned or hereafter acquired by them, including their right to exist and carry on their respective businesses, to the end that such franchises, rights and privileges shall be maintained and preserved and shall not become abandoned, forfeited or in any manner impaired.

**Section 6.04 Other Liens.** The City will keep the Leased Property and all parts thereof free from judgments and materialmen's and mechanics' liens and free from all claims, demands, encumbrances and other liens of whatever nature or character, other than Permitted Encumbrances (with respect to the Leased Property, as such term is defined in the Lease Agreement, and free from any claim or liability which materially impairs the City in conducting its business or utilizing the Leased Property, and the Trustee at its option (after first giving the City ten days' written notice to comply therewith and failure of the City to take any necessary steps to defend against or to so comply within such ten-day period) may defend against any and all actions or proceedings in which the validity hereof is or might be questioned, or may pay or compromise any claim or demand asserted in any such actions or proceedings; *provided, however*, that, in defending against any such actions or proceedings or in paying or compromising any such claims or demands, the Trustee shall not in any event be deemed to have waived or released the City from liability for or on account of any of its agreements and covenants contained herein, or from its liability hereunder to defend the validity hereof and to perform such agreements and covenants. The Trustee shall have no liability with respect to any determination made in good faith to proceed or decline to defend, pay or compromise any such claim or demand.

So long as any Bonds are Outstanding, neither the City nor the Authority will create or suffer to be created any pledge of or lien on the Revenues other than as provided or permitted under Section 5.01 hereof.

**Section 6.05 Prosecution and Defense of Suits.** The City will promptly take such action from time to time as may be necessary or proper, in its reasonable discretion, to remedy or cure any known cloud upon or defect in the title to the Leased Property or any portion thereof, whether now existing or hereafter developing, and will prosecute all actions, suits or other proceedings as may be appropriate for such purpose.

**Section 6.06 Accounting Records and Statements.** The Trustee will keep proper accounting records in which complete and correct entries shall be made of all transactions made by it relating to the receipt, deposit and disbursement of the Revenues, and such accounting records shall be available for inspection by the City or the Authority at reasonable hours, under reasonable conditions and with reasonable notice. The Trustee shall deliver a monthly accounting to the City; *provided* that the Trustee shall not be obligated to report as to any fund or account that (a) has a balance of zero and (b) has not had any activity since the last reporting date.

**Section 6.07 Recordation and Filing.** The Authority will file, record, register, renew, refile and rerecord all such documents, including financing statements (or continuation statements in connection therewith), as may be required by law in order to maintain the Lease Agreement, Site Lease, Assignment Agreement and this Indenture at all times as a security interest in the Revenues, all in such manner, at such times and in such places as may be required and to the extent permitted by law in order to perfect, preserve and protect fully the security of the Owners and the rights and security interests of the Trustee, and the Authority will do whatever else may be necessary or be reasonably required in order to perfect and continue the liens of the Lease Agreement, Site Lease, Assignment Agreement and this Indenture.

**Section 6.08 Further Assurances.** Whenever and so often as requested to do so by the Trustee or any Owner, the City and the Authority will promptly execute and deliver or cause to be executed and delivered all such other and further assurances, documents or instruments and promptly do or cause to be done all such other and further things as may be necessary or reasonably required in order to further and more fully vest in the Trustee and the Owners all advantages, benefits, interests, powers, privileges and rights conferred or intended to be conferred upon them hereby or by the Assignment Agreement, Lease Agreement or Site Lease.

**Section 6.09 Tax Covenants; Rebate Fund.**

(a) In addition to the accounts created pursuant to Section 5.02, the Trustee shall establish and maintain a fund separate from any other fund or account established and maintained hereunder designated as the Rebate Fund. There shall be deposited in the Rebate Fund such amounts as are required to be deposited therein pursuant to the Tax Certificate. The Trustee may rely conclusively upon the City's determinations, calculations and certifications required by this Section. The Trustee shall have no responsibility to independently make any calculation or determination or to review the City's calculations hereunder. All money at any time deposited in the Rebate Fund shall be held by the Trustee in trust, to the extent required to satisfy the Rebate Requirement (as defined in the Tax Certificate), for payment to the United States of America.

Notwithstanding the provisions of this Indenture relating to the pledge of Revenues, the allocation of money in the Revenue Fund, the investments of money in any fund or account, the application of funds upon an Event of Default and the defeasance of Outstanding Bonds, all amounts required to be deposited into or on deposit in the Rebate Fund shall be governed exclusively by this Section 6.09 and by the Tax Certificate (which is incorporated herein by reference). The Trustee shall be deemed conclusively to have complied with such provisions if it follows the written directions of the Authority, and shall have no liability or responsibility to enforce compliance by the Authority with the terms of the Tax Certificate.

(b) Any funds remaining in the Rebate Fund with respect to the Bonds after redemption and payment of all the Bonds and all other amounts due hereunder or under the Lease Agreement, or provision made therefor satisfactory to the Trustee, including accrued interest and payment of any applicable fees and expenses of the Trustee and satisfaction of the Rebate Requirement (as defined in the Tax Certificate), shall be withdrawn by the Trustee and remitted to or upon the direction of the Authority.

(c) The Authority shall not use or permit the use of any proceeds of the Bonds or any funds of the Authority, directly or indirectly, to acquire any securities or obligations, and shall not take or permit to be taken any other action or actions, which would cause any of the Bonds to be an “arbitrage bond” within the meaning of Section 148 of the Code, “private activity bond” within the meaning of Section 141(a) of the Code, or “federally guaranteed” within the meaning of Section 149(b) of the Code and any such applicable requirements promulgated from time to time thereunder and under Section 103(c) of the Internal Revenue Code of 1954, as amended. The Authority shall observe and not violate the requirements of Section 148 of the Code and any such applicable regulations. The Authority shall comply with all requirements of Sections 148 and 149(b) of the Code to the extent applicable to the Bonds. In the event that at any time the Authority is of the opinion that for purposes of this Section 6.09(c) it is necessary to restrict or to limit the yield on the investment of any moneys held by the Trustee under this Indenture, the Authority shall so instruct the Trustee under this Indenture in writing, and the Trustee shall take such action as may be necessary in accordance with such instructions.

(d) The Authority and the Trustee (as directed by the Authority) specifically covenant to comply with the provisions and procedures of the Tax Certificate; provided that the Trustee shall not be bound by this covenant if an Event of Default has occurred and is continuing.

(e) The Authority shall not use or permit the use of any proceeds of the Bonds or any funds of the Authority, directly or indirectly, in any manner, and shall not take or omit to take any action that would cause any of the Bonds to be treated as an obligation not described in Section 103(a) of the Code.

(f) Notwithstanding any provisions of this Section 6.09, if the Authority shall provide to the Trustee an Opinion of Counsel that any specified action required under this Section 6.09 or the Tax Certificate is no longer required or that some further or different action is required to maintain the exclusion from federal income tax of interest on the Bonds, the Trustee and the Authority may conclusively rely on such opinion in complying with the requirements of this Section, and, notwithstanding Article IX hereof, the covenants hereunder shall be deemed to be modified to that extent.

**Section 6.10 Continuing Disclosure.** The City hereby covenants and agrees that it will comply with and carry out all of the provisions of the Continuing Disclosure Agreement. Notwithstanding any other provision of the Indenture, failure of the City to comply with the Continuing Disclosure Agreement shall not be considered an Event of Default; however, the Trustee may (and, at the request of the Underwriter or the Owners of at least 25% aggregate principal amount of Outstanding Bonds, shall) or any Owner or Beneficial Owner of Bonds may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the City to comply with its obligations under this Section 6.10; *provided*, that the Trustee shall only be required to take an action under this Section 6.10 to the extent funds have been provided to it or it has been otherwise indemnified to its reasonable satisfaction from any cost, liability, expense or additional charges of the Trustee whatsoever, including, without limitation, fees and expenses of its attorneys.

## ARTICLE VII.

### DEFAULT AND LIMITATIONS OF LIABILITY

**Section 7.01 Events of Default.** The following events shall be Events of Default:

(a) default in the due and punctual payment of the principal of or premium, if any, on any Bond when and as the same shall become due and payable, whether at maturity as therein expressed, by proceedings for redemption, by declaration or otherwise;

(b) default in the due and punctual payment of any installment of interest on any Bond when and as such interest installment shall become due and payable;

(c) default by the City in the observance of any of the covenants, agreements or conditions on its part in this Indenture contained, if such default shall have continued for a period of 30 days after written notice thereof, specifying such default and requiring the same to be remedied, shall have been given to the City and the Authority by the Trustee, or to the City, the Authority and the Trustee by the Owners of not less than 25% in aggregate principal amount of the Bonds at the time Outstanding; *provided, however*, that if such default can be remedied but not within such 30-day period and if the City has taken all action reasonably possible to remedy such default within such 30-day period, such default shall not become an Event of Default for so long as the City shall diligently proceed to remedy the same in accordance with and subject to any directions or limitations of time reasonably established by the Trustee; or

(d) an event of default shall have occurred and be continuing under the Lease Agreement.

**Section 7.02 Action on Default.** In each and every case during the continuance of an Event of Default, the Trustee or the Owners of not less than a majority in aggregate principal amount of the Bonds at the time Outstanding (subject to the provisions of Section 7.11 hereof) shall be entitled, upon notice in writing to the City and the Authority to exercise any of the remedies granted to the City under the Lease Agreement, to the Authority under the Lease Agreement, and in addition, to take whatever action at law or in equity may appear necessary or desirable to enforce its rights as assignee pursuant to the Assignment Agreement or to protect and

enforce any of the rights vested in the Trustee or the Owners by this Indenture or by the Bonds, either at law or in equity or in bankruptcy or otherwise, whether for the specific enforcement of any covenant or agreement or for the enforcement of any other legal or equitable right, including any one or more of the remedies set forth in Section 7.03(a), (b) or (c) hereof.

**Section 7.03 Other Remedies of the Trustee.** The Trustee shall have the right:

(a) by mandamus or other action or proceeding or suit at law or in equity to enforce its rights against the City, the Authority or any director, officer or employee thereof, and to compel the City or the Authority or any such director, officer or employee to perform or carry out its or his or her duties under law and the agreements and covenants required to be performed by it or him or her contained herein;

(b) by suit in equity to enjoin any acts or things which are unlawful or violate the rights of the Trustee; or

(c) by suit in equity upon the happening of any default hereunder to require the City and the Authority to account as the trustee of an express trust.

**Section 7.04 Non-Waiver.** A waiver of any default or breach of duty or contract by the Trustee shall not affect any subsequent default or breach of duty or contract or impair any rights or remedies on any such subsequent default or breach of duty or contract. No delay or omission by the Trustee to exercise any right or remedy accruing upon any default or breach of duty or contract shall impair any such right or remedy or shall be construed to be a waiver of any such default or breach of duty or contract or an acquiescence therein, and every right or remedy conferred upon the Trustee by law or by this Article may be enforced and exercised from time to time and as often the Trustee shall deem expedient.

If any action, proceeding or suit to enforce any right or to exercise any remedy is abandoned or determined adversely to the Trustee or any Owner or Owners, then subject to any adverse determination, the Trustee or such Owner or Owners and the City and the Authority shall be restored to their former positions, rights and remedies as if such action, proceeding or suit had not been brought or taken.

**Section 7.05 Remedies Not Exclusive.** No remedy herein conferred upon or reserved to the Trustee is intended to be exclusive of any other remedy, and each such remedy shall be cumulative and shall be in addition to every other remedy given hereunder or now or hereafter existing at law or in equity or by statute or otherwise and may be exercised without exhausting and without regard to any other remedy conferred by any law. The assertion or employment of any right or remedy hereunder, or otherwise, shall not prevent the concurrent assertion or employment of any other appropriate right or remedy.

**Section 7.06 No Liability by the Authority to the Owners.** Except as expressly provided herein, the Authority shall have no obligation or liability to the Owners with respect to the payment when due of the Base Rental Payments by the City, or with respect to the performance by the City of the other agreements and covenants required to be performed by it contained in the Lease Agreement or herein, or with respect to the performance by the Trustee of any right or obligation required to be performed by it contained herein.

**Section 7.07 No Liability by the City to the Owners.** Except for the payment when due of the Base Rental Payments and the performance of the other agreements and covenants required to be performed by it contained in the Lease Agreement or herein, the City shall not have any obligation or liability to the Owners with respect to the Indenture or the preparation, execution, delivery or transfer of the Bonds or the disbursement of the Revenues by the Trustee to the Owners, or with respect to the performance by the Trustee of any right or obligation required to be performed by it contained herein.

**Section 7.08 No Liability by the Trustee to the Owners.** Except as expressly provided herein, the Trustee shall not have any obligation or liability to the Owners with respect to the payment when due of the Base Rental Payments by the City, or with respect to the performance by the City or the Authority of the other agreements and covenants required to be performed by them, respectively contained in the Lease Agreement or Site Lease or in this Indenture.

**Section 7.09 Application of Amounts After Default.** Notwithstanding anything to the contrary contained herein, after a default by the City, all funds and accounts held by the Trustee and all payments received by the Trustee with respect to the rental of the Leased Property after a default by the City pursuant to Section 10.01 of the Lease Agreement, and all damages or other payments received by the Trustee for the enforcement of any rights and powers of the Trustee under Section 10.01 of the Lease Agreement, shall be deposited into the Revenue Fund and as soon as practicable thereafter applied:

(a) to the payment of all amounts due the Trustee under Section 8.03 hereof;  
and

(b) to the payment of all amounts then due as interest with respect to the Bonds, and thereafter to the payment of all amounts due as principal with respect to the Bonds, in respect of which or for the benefit of which, money has been collected (other than Bonds which have matured or otherwise become payable prior to such Event of Default and money for the payment of which is held by the Trustee), ratably without preference or priority of any kind, according to the amounts due and payable with respect to such Bonds.

**Section 7.10 Trustee May Enforce Claims Without Possession of Bonds.** All rights of action and claims under this Indenture or the Bonds may be prosecuted and enforced by the Trustee without the possession of any of the Bonds or the production thereof in any proceeding relating thereto, and any such proceeding instituted by the Trustee shall be brought in its own name as trustee of an express trust, and any recovery of judgment shall, after provision for the payment of the reasonable compensation, expenses, disbursements and advances of the Trustee, its agents and counsel, be for the ratable benefit of the Owners of the Bonds in respect of which such judgment has been recovered.

**Section 7.11 Limitation on Suits.** No Owner of any Bond shall have any right to institute any proceeding, judicial or otherwise, with respect to this Indenture, or for the appointment of a receiver or trustee, or for any other remedy hereunder, unless such Owner has previously given written notice to the Trustee of a continuing Event of Default; the Owners of not less than 25% in principal amount of the Outstanding Bonds shall have made written request to the Trustee to institute proceedings in respect of such Event of Default in its own name as Trustee

hereunder; such Owner or Owners have afforded to the Trustee indemnity reasonably satisfactory to the Trustee against the costs, expenses and liabilities to be incurred in compliance with such request; the Trustee for 60 days after its receipt of such notice, request and offer of indemnity has failed to institute any such proceedings; and no direction inconsistent with such written request has been given to the Trustee during such 60-day period by the Owners of a majority in principal amount of the Outstanding Bonds; it being understood and intended that no one or more Owners of Bonds shall have any right in any manner whatever by virtue of, or by availing of, any provision of this Indenture to affect, disturb or prejudice the rights of any other Owner of Bonds, or to obtain or seek to obtain priority or preference over any other Owner or to enforce any right under this Indenture, except in the manner herein provided and for the equal and ratable benefit of all the Owners of Bonds. Nothing in this Indenture contained shall, however, affect or impair the right of any Owner to enforce the payment of the principal of or the redemption price of and the interest of any Bond at and after the maturity or earlier redemption.

## **ARTICLE VIII.**

### **THE TRUSTEE**

**Section 8.01 Employment of the Trustee.** The City and the Authority hereby appoint and employ the Trustee to receive, deposit and disburse the Rental Payments, to authenticate, deliver and transfer the Bonds and to perform the other functions contained herein; all in the manner provided herein and subject to the conditions and terms hereof. By executing and delivering the Indenture, the Trustee accepts the appointment and employment hereinabove referred to and accepts the rights and obligations of the Trustee provided herein, subject to the conditions and terms hereof. The Trustee undertakes to perform such duties and only such duties as are specifically set forth in this Indenture, and no implied covenants or obligations shall be read into this Indenture against the Trustee. In case an Event of Default has occurred and is continuing, the Trustee shall exercise such of the rights and powers vested in it by this Indenture, and use the same degree of care and skill in their exercise, as a prudent person would exercise or use under the circumstances in the conduct of his own affairs.

**Section 8.02 Duties, Removal and Resignation of the Trustee.** The City and the Authority may, by an instrument in writing and upon 30 days written notice remove the Trustee initially a party hereto and any successor thereto unless an Event of Default shall have occurred and then be continuing, and shall remove the Trustee initially a party hereto and any successor thereto if at any time requested to do so by an instrument or concurrent instruments in writing signed by the Owners of a majority in aggregate principal amount of the Bonds at the time Outstanding (or their attorneys duly authorized in writing), but any such successor Trustee shall be a bank with trust powers or trust company doing business and having a corporate trust office in California or New York, having (or if such bank or trust company is a member of a bank holding company system, its bank holding company has) a combined capital (exclusive of borrowed capital) and surplus of at least seventy-five million dollars (\$75,000,000) and subject to supervision or examination by federal or state authorities. If such bank or trust company publishes a report of condition at least annually, pursuant to law or to the requirements of any supervising or examining authority above referred to, then for the purposes of this Section the combined capital and surplus of such bank or trust company shall be deemed to be its combined capital and surplus as set forth in its most recent report of condition so published.

The Trustee may at any time resign by giving written notice of such resignation to the City and the Authority and by mailing notice, first class, postage prepaid, of such resignation to the Owners at their addresses appearing on the books required to be kept by the Trustee pursuant to the provisions of Section 2.08 hereof. Upon receiving such notice of resignation, the City and the Authority shall promptly appoint a successor Trustee by an instrument in writing; *provided, however,* that in the event the City and the Authority do not appoint a successor Trustee within 30 days following receipt of such notice of resignation, the resigning Trustee may, at the expense of the City, petition the appropriate court having jurisdiction to appoint a successor Trustee.

**Section 8.03 Compensation and Indemnification of the Trustee.** The City shall from time to time, subject to any written agreement then in effect with the Trustee, pay the Trustee reasonable compensation for all its services rendered hereunder and reimburse the Trustee for all its advances and expenditures hereunder, including but not limited to payments, advances to and fees and expenses of accountants, agents, appraisers, consultants or other experts, and counsel not directly employed by the Trustee but an attorney or firm of attorneys retained by the Trustee, employed by it in the exercise and performance of its rights and obligations hereunder; *provided, however,* that the Trustee shall not have any lien for such compensation or reimbursement against any moneys held by it in any of the funds or accounts established hereunder or under Lease Agreement (except that such compensation or reimbursement may be made from the Costs of Issuance Fund held by the City to the extent provided in Section 3.03 hereof or as provided in Section 7.09 hereof). The Trustee may take whatever legal actions are lawfully available to it directly against the City or the Authority.

Except as otherwise expressly provided herein, no provision of this Indenture shall require the Trustee to expend or risk its own funds or otherwise incur any financial liability in the performance of any of its duties hereunder or in the exercise of any of its rights or powers hereunder.

The City covenants and agrees to indemnify and save the Trustee and its officers, directors, agents and employees, harmless against any loss, expense and liabilities which it may incur arising out of or in the exercise and performance of its powers and duties hereunder, including the costs of expenses of defending against any claim of liability including, without limitation, any claim arising out of the use, presence, storage, disposal or lease of any Hazardous Substances on or about the Leased Property, but excluding any and all losses, expenses and liabilities which are due to the negligence or intentional misconduct of the Trustee, its officers, directors, agents or employees. Such indemnity shall survive the discharge of this Indenture or the resignation or removal of the Trustee.

**Section 8.04 Protection of the Trustee.** The Trustee shall be protected and shall incur no liability in acting or proceeding in good faith upon any affidavit, bond, certificate, consent, opinion, notice, request, requisition, resolution, direction, instruction, statement, telegram, voucher, waiver or other paper or document which it shall in good faith believe to be genuine and to have been adopted, executed or delivered by the proper party or pursuant to any of the provisions hereof, and the Trustee shall be under no duty to make any investigation or inquiry as to any statements contained or matters referred to in any such instrument, but may accept and rely upon the same as conclusive evidence of the truth and accuracy of such statements. The Trustee shall not be bound to recognize any person as an Owner of any Bond or to take any action at the request

of any such person unless such Bond shall be deposited with the Trustee or satisfactory evidence of the ownership of such Bond shall be furnished to the Trustee. The Trustee shall be under no obligation to exercise any of the rights or powers vested in it by this Indenture at the request or direction of any of the Owners of the Bonds pursuant to this Indenture, unless such Owners shall have offered to the Trustee security or indemnity reasonably satisfactory to the Trustee, against the costs, expenses and liabilities which might be incurred by it in compliance with such request or direction. The Trustee may consult with counsel, who may be counsel to the City or the Authority, with regard to legal questions, and the opinion of such counsel shall be full and complete authorization and protection in respect to any action taken or suffered by it hereunder in good faith in accordance therewith.

The Trustee shall not be responsible for the sufficiency or adequacy of the Bonds, the Lease Agreement, the Site Lease, or of the assignment made to it by the Assignment Agreement, or for statements made in the preliminary or final official statement relating to the Bonds or of the title to or value of the Leased Property.

The Trustee shall not be required to take notice or be deemed to have notice of any default or event of default hereunder or an Event of Default under Section 7.01 hereof, except failure of any of the payments to be made to the Trustee required to be made hereunder unless the Trustee shall be specifically notified in writing of such default or Event of Default by the City, the Authority or by the Owners of not less than 25% in aggregate principal amount of the Bonds then Outstanding.

Whenever in the administration of its rights and obligations hereunder the Trustee shall deem it necessary or desirable that a matter be proved or established prior to taking or suffering any action hereunder, such matter (unless other evidence in respect thereof be herein specifically prescribed) may be deemed to be conclusively proved and established by a Certificate of the City, and such certificate shall be full warrant to the Trustee for any action taken or suffered under the provisions hereof upon the faith thereof, but in its discretion the Trustee may, in lieu thereof, accept other evidence of such matter or may require such additional evidence as to it may seem reasonable.

The Trustee may buy, sell, own, hold and deal in any of the Bonds and may join in any action which any Owner may be entitled to take with like effect as if the Trustee were not a party hereto. The Trustee, either as principal or agent, may also engage in or be interested in any financial or other transaction with the City or the Authority, and may act as agent, depository or trustee for any committee or body of Owners or of owners of obligations of the Authority or the City as freely as if it were not the Trustee hereunder.

The Trustee may, to the extent reasonably necessary, execute any of the trusts or powers hereof and perform any rights and obligations required of it hereunder by or through agents, attorneys or receivers, and shall be entitled to advice of counsel concerning all matters of trust and its rights and obligations hereunder, and the Trustee shall not be answerable for the default or misconduct of any such agent, attorney or receiver selected by it with reasonable care. The Trustee shall not be liable for any error of judgment made by it in good faith unless it shall be proved that the Trustee was negligent in ascertaining the pertinent facts.

The Trustee shall not be answerable for the exercise of any trusts or powers hereunder or for anything whatsoever in connection with the funds established hereunder, except only for its own willful misconduct or negligence.

The Trustee shall not be liable with respect to any action taken or omitted to be taken by it in accordance with the direction of the Owners of not less than a majority (or other percentage provided for herein) in aggregate principal amount of the Bonds at the time Outstanding relating to the exercise of any right or remedy available to the Trustee hereunder.

The Trustee makes no representation or warranty, express or implied as to the title, value, design, compliance with specifications or legal requirements, quality, durability, operation, condition, merchantability or fitness for any particular purpose or fitness for the use contemplated by the City of the Leased Property. In no event shall the Trustee be liable for incidental, indirect, special or consequential damages in connection with or arising from the Lease Agreement, the Site Lease or this Indenture for the existence, furnishing or use of the Property.

Every provision of this Indenture, the Lease Agreement, the Site Lease and the Assignment Agreement relating to the conduct or liability of the Trustee shall be subject to the provisions of this Indenture, including without limitation, this Article VIII.

In acting as Trustee hereunder, the Trustee acts solely in its capacity as Trustee for the Owners and not in its individual or personal capacity, and all persons, including without limitation, the Owners, the City and the Authority, having any claim against the Trustee shall look only to the funds and accounts held by the Trustee hereunder for payment, except as otherwise specifically provided herein. Under no circumstances shall the Trustee be liable in its individual capacity for the obligations evidenced by the Bonds.

The recitals of facts, covenants and agreements herein and in the Bonds shall be taken as statements, covenants and agreements of the City or the Authority, as the case may be, and the Trustee assumes no responsibility for the correctness of the same.

## ARTICLE IX.

### AMENDMENT OF OR SUPPLEMENT TO INDENTURE

**Section 9.01 Amendment or Supplement.** The Indenture and the rights and obligations of the City, the Authority, the Owners and the Trustee hereunder may be amended or supplemented at any time by an amendment hereof or supplement hereto which shall become binding when the written consents of the Owners of a majority in aggregate principal amount of the Bonds then Outstanding, exclusive of Bonds disqualified as provided in Section 9.02 hereof, are filed with the Trustee. No such amendment or supplement shall (1) extend the Principal Payment Date of any Bond or reduce the rate of interest represented thereby or extend the time of payment of such interest or reduce the amount of principal represented thereby or reduce the amount of any Mandatory Sinking Account Payment without the prior written consent of the Owner of each Bond so affected, or (2) reduce the percentage of Owners whose consent is required for the execution of any amendment hereof or supplement hereto without the prior written consent of the Owners of

all Bonds then Outstanding, or (3) modify any of the rights or obligations of the Trustee without its prior written consent thereto, or (4) amend this Section 9.01 without the prior written consent of the Owners of all Bonds then Outstanding.

The Indenture and the rights and obligations of the City, the Authority, the Owners and the Trustee hereunder may also be amended or supplemented at any time by an amendment hereof or supplement hereto which shall become binding upon execution, but without the written consents of any Owners, but only to the extent permitted by law and after receipt of an unqualified approving Opinion of Counsel and only for any one or more of the following purposes:

(a) to add to the agreements, conditions, covenants and terms required to be observed or performed herein by the City or the Authority, or to surrender any right or power reserved herein to or conferred herein on the City or the Authority, and which in either case shall not materially adversely affect the interests of the Owners; or

(b) to provide for removal of a portion of the Leased Property or substitute Leased Property as may be requested from time to time by the City in accordance with the Lease Agreement; or

(c) to make such provisions for the purpose of curing any ambiguity or of correcting, curing or supplementing any defective provision contained herein or in regard to questions arising hereunder which the City or the Authority may deem desirable or necessary and not inconsistent herewith, and which shall not materially adversely affect the interests of the Owners; or

(d) for any other reason, *provided* such amendment or supplement does not materially adversely affect the interests of the Owners, *provided further* that the City, the Authority and the Trustee may rely in entering into any such amendment or supplement upon an Opinion of Counsel stating that the requirements of this subsection (d) have been met with respect to such amendment or supplement.

**Section 9.02 Disqualified Bonds.** Bonds actually known by the Trustee to be owned or held by or for the account of the City (but excluding Bonds held in any pension or retirement fund of the City) shall not be deemed Outstanding for the purpose of any consent or other action or any calculation of Outstanding Bonds provided in this Article, and shall not be entitled to consent to or take any other action provided in this Article, and the Trustee may adopt appropriate regulations to require each Owner, before his consent provided for herein shall be deemed effective, to reveal if the Bonds as to which such consent is given are disqualified as provided in this Section.

**Section 9.03 Endorsement or Replacement of Bonds After Amendment or Supplement.** After the effective date of any action taken as hereinabove provided in this Article IX, the Trustee may determine that the Bonds may bear a notation by endorsement in form approved by the Trustee as to such action, and in that case upon demand of the Owner of any Outstanding Bond and presentation of such Bond for such purpose at the Principal Corporate Trust Office of the Trustee a suitable notation as to such action shall be made on such Bond. If the Trustee shall receive an Opinion of Counsel advising that new Bonds modified to conform to such action are necessary, modified Bonds shall be prepared, and in that case upon demand of the Owner

of any Outstanding Bonds such new Bonds shall be exchanged at the Principal Corporate Trust Office of the Trustee, without cost to each Owner for Bonds then Outstanding upon surrender of such Outstanding Bonds.

**Section 9.04 Amendment by Mutual Consent.** The provisions of this Article shall not prevent any Owner from accepting any amendment as to the particular Bonds owned by such person, *provided* that due notation thereof is made on such Bonds.

**Section 9.05 Opinion of Counsel.** In executing any amendment or supplement hereto, the Trustee may conclusively rely upon an Opinion of Counsel to the effect that all conditions precedent for the execution of an amendment or supplement to this Indenture have been satisfied.

## ARTICLE X.

### DEFEASANCE

**Section 10.01 Discharge of Bonds and Indenture.** (a) If the Trustee shall pay or cause to be paid or there shall otherwise be paid to the Owners of all Outstanding Bonds the interest and principal represented thereby at the times and in the manner stipulated herein and therein, then such Owners shall cease to be entitled to the pledge of and lien on the Revenues as provided herein, and all agreements and covenants of the City, the Authority and the Trustee to such Owners hereunder shall thereupon cease, terminate and become void and shall be discharged and satisfied.

(b) Any Outstanding Bonds shall, prior to the maturity or redemption date thereof, be deemed to have been paid within the meaning and with the effect expressed in this Section 10.01 if (i) in case said Bonds are to be redeemed on any date prior to their maturity, the City shall have given to the Trustee in form satisfactory to the Trustee irrevocable instructions to mail, in accordance with the provisions of Article IV of this Indenture, notice of redemption of such Bonds on said redemption date, (ii) there shall have been deposited with the Trustee either moneys in an amount which shall be sufficient, or Defeasance Securities which are not callable or subject to redemption prior to their respective maturity dates, the principal of and the interest on which when due, and without any reinvestment thereof, will provide moneys which, together with the moneys, if any, deposited with or held by the Trustee at the same time, shall be sufficient (as verified by a report of an independent certified public accountant or other independent financial consultant), to pay when due the principal or redemption price (if applicable) of, and interest due and to become due on, said Bonds on and prior to the redemption date or maturity date thereof, as the case may be, and (iii) in the event any of said Bonds are not to be redeemed within the next succeeding 60 days, the City shall have given the Trustee in form satisfactory to the Trustee irrevocable instructions to mail, as soon as practicable in the same manner as a notice of redemption is mailed pursuant to Article IV of this Indenture, a notice to the Owners of such Bonds and to the securities depositories and information services specified in clauses (b) and (c) of Section 4.02 hereof that the deposit required by (ii) above has been made with the Trustee and that said Bonds are deemed to have been paid in accordance with this Section 10.01(b) and stating such maturity or redemption dates upon which moneys are to be available for the payment of the principal or redemption price (if applicable) of said Bonds. Neither the securities nor moneys deposited with the Trustee pursuant to this Section 10.01(b) nor principal or interest payments on any such securities shall be withdrawn or used for any purpose other than, and shall be held in trust

for, the payment of the principal or redemption price (if applicable) of, and interest on said Bonds; *provided* that Defeasance Securities deposited with the Trustee pursuant to this Section 10.01(b) may be sold upon the written request of the City and the proceeds concurrently reinvested in other Defeasance Securities which satisfy the conditions of (ii) above *provided* that any cash received from such principal or interest payments on such obligations deposited with the Trustee, if not then needed for such purpose, shall, to the extent practicable, and at the direction of the City, be reinvested in Defeasance Securities maturing at times and in amounts, together with the other moneys and payments with respect to securities then held by the Trustee pursuant to this Section, sufficient to pay when due the principal or redemption price (if applicable) of, and interest to become due with respect to said Bonds on and prior to such redemption date or maturity date thereof, as the case may be, and interest earned from such reinvestments shall, upon receipt by the Trustee of a Written Request of the City, be paid over to the City, as received by the Trustee, free and clear of any trust, lien or pledge. Nothing in this Section 10.01(b) shall preclude redemptions pursuant to Section 4.01 hereof.

Any release under this Section 10.01(b) shall be without prejudice to the right of the Trustee to be paid reasonable compensation for all services rendered by it under this Indenture and all its reasonable expenses, charges and other disbursements and those of its attorneys, agents and employees, incurred on and about the administration of trusts by this Indenture created and the performance of its powers and duties under this Indenture; *provided however*, that the Trustee shall have no right, title or interest in, or lien on, any moneys or securities deposited pursuant to this Article X.

(c) After the payment or deemed payment of all the interest and principal of all Outstanding Bonds as provided in this Section, the Trustee shall execute and deliver to the Authority and the City all such instruments as may be necessary or desirable to evidence the discharge and satisfaction of the Indenture, and the Trustee shall pay over or deliver to the City all moneys or securities held by it pursuant hereto which are not required for the payment of the principal of, premium, if any, and interest on, such Bonds. Notwithstanding the discharge and satisfaction of this Indenture, Owners of Bonds shall thereafter be entitled to payments due under the Bonds pursuant to the Lease Agreement, but only from amounts deposited pursuant to Section 10.01(a) hereof and from no other source.

**Section 10.02 Unclaimed Moneys.** Anything contained herein to the contrary notwithstanding, any moneys held by the Trustee in trust for the payment and discharge of the principal of, premium, if any, and interest on, any of the Bonds which remain unclaimed for two years after the date when the payments on such Bonds have become payable, if such moneys were held by the Trustee at such date, or for two years after the date of deposit of such moneys if deposited with the Trustee after the date when the principal of, premium, if any, and interest on, such Bonds have become payable, shall be repaid by the Trustee to the City as its absolute property free from trust, and the Trustee shall thereupon be released and discharged with respect thereto and the Owners shall look only to the City for the payment of the principal of, premium, if any, and interest on, such Bonds; *provided, however*, that before being required to make any such payment to the City, the Trustee shall mail a notice to the Owner that such unclaimed funds shall be returned to the City within 30 days.

**ARTICLE XI.**

**[RESERVED]**

**ARTICLE XII.**

**MISCELLANEOUS**

**Section 12.01 Benefits of Indenture Limited to Parties.** Nothing contained herein, expressed or implied, is intended or shall be construed to confer upon, or to give or grant to, any person or entity other than the City, the Authority, the Trustee and the Owners, any right, remedy or claim under or by reason of this Indenture or any covenant, condition or stipulation hereof, and all covenants, stipulations, promises and agreements in this Indenture contained by and on behalf of the City or the Authority shall be for the sole and exclusive benefit of the City, the Authority, the Trustee and the Owners.

**Section 12.02 Successor Deemed Included in all References to Predecessor.** Whenever any of the City, the Authority, or the Trustee or any officer thereof is named or referred to herein, such reference shall be deemed to include the successor to the powers, duties and functions that are presently vested in the City, the Authority, or the Trustee or such officer, and all agreements, conditions, covenants and terms required hereby to be observed or performed by or on behalf of the City, the Authority, or the Trustee or any officer thereof shall bind and inure to the benefit of the respective successors thereof whether so expressed or not.

**Section 12.03 Execution of Documents by Owners.** Any declaration, request or other instrument which is permitted or required herein to be executed by Owners may be in one or more instruments of similar tenor and may be executed by Owners in person or by their attorneys appointed in writing. The fact and date of the execution by any Owner or his attorney of any declaration, request or other instrument or of any writing appointing such attorney may be proved by the certificate of any notary public or other officer authorized to take acknowledgments of deeds to be recorded in the state or territory in which he purports to act that the person signing such declaration, request or other instrument or writing acknowledged to him the execution thereof, or by an affidavit of a witness of such execution duly sworn to before such notary public or other officer, or by such other proof as the Trustee may accept which it may deem sufficient.

The ownership of any Bond and the amount, payment date, number and date of owning the same may be proved by the books required to be kept by the Trustee pursuant to the provisions of Section 2.08 hereof.

Any declaration, consent, request or other instrument in writing of the Owner of any Bond shall bind all future Owners of such Bond with respect to anything done or suffered to be done by the City, the Authority or the Trustee in good faith and in accordance therewith.

**Section 12.04 Waiver of Personal Liability.** Notwithstanding anything contained herein to the contrary, no member, officer, employee or agent of the City, the Authority or the Trustee shall be individually or personally liable for the payment of any moneys, including without

limitation, the principal of, premium, if any, and interest on, the Bonds, but nothing contained herein shall relieve any member, officer, employee or agent of the City from the performance of any official duty provided by any applicable provisions of law or by the Lease Agreement, the Site Lease or this Indenture.

**Section 12.05 Acquisition of Bonds by City.** All Bonds acquired by the City, whether by purchase or gift or otherwise, shall be surrendered to the Trustee for cancellation.

**Section 12.06 Content of Certificates.** Every Certificate of the City or Authority with respect to compliance with any agreement, condition, covenant or term contained herein shall include (a) a statement that the person or persons making or giving such certificate have read such agreement, condition, covenant or term and the definitions herein relating thereto; (b) a brief statement as to the nature and scope of the examination or investigation upon which the statements contained in such certificate are based; (c) a statement that, in the opinion of the signers, they have made or caused to be made such examination or investigation as is necessary to enable them to express an informed opinion as to whether or not such agreement, condition, covenant or term has been complied with; and (d) a statement as to whether, in the opinion of the signers, such agreement, condition, covenant or term has been complied with.

Any Certificate of the City or the Authority may be based, insofar as it relates to legal matters, upon an Opinion of Counsel unless the person making or giving such certificate knows that the Opinion of Counsel with respect to the matters upon which his certificate may be based, as aforesaid, is erroneous, or in the exercise of reasonable care should have known that the same was erroneous. Any Opinion of Counsel may be based, insofar as it relates to factual matters, upon information with respect to which is in the possession of the City upon a representation by an officer or officers of the City, unless the counsel executing such Opinion of Counsel knows that the representation with respect to the matters upon which his opinion may be based, as aforesaid, is erroneous, or in the exercise of reasonable care should have known that the same was erroneous.

**Section 12.07 Reserved.**

**Section 12.08 Funds.** Any fund required to be established and maintained herein by the City or the Trustee may be established and maintained in the accounting records of the City or the Trustee either as an account or a fund, and may, for the purposes of such accounting records, any audits thereof and any reports or statements with respect thereto, be treated either as an account or a fund; but all such records with respect to all such funds shall at all times be maintained in accordance with sound accounting practice and with due regard for the protection of the security of the Bonds and the rights of the Owners. The Trustee may establish such funds and accounts as it deems necessary to perform its obligations hereunder.

The City and the Trustee may commingle any of the moneys held by it hereunder for investment purposes only; *provided, however,* that the City and the Trustee shall account separately for the moneys in each fund or account established pursuant to this Indenture.

**Section 12.09 Investments.** Any moneys held by the City in the funds and accounts established hereunder shall be invested only in Permitted Investments. Any moneys held by the Trustee in the funds and accounts established hereunder shall be invested by the Trustee upon the

written direction of the City only in Permitted Investments. In the absence of such direction, moneys shall be invested by the Trustee solely in Permitted Investments set forth in clause (6) of the definition thereof. The Trustee shall not be liable or responsible for any loss suffered in connection with any such investment made by it under the terms of and in accordance with this Section. The Trustee may sell or present for redemption any obligations so purchased whenever it shall be necessary in order to provide moneys to meet any payment of the funds so invested, and the Trustee shall not be liable or responsible for any losses resulting from any such investment sold or presented for redemption. Any interest or profits on such investments in any funds and accounts established hereunder shall be deposited in the Revenue Fund. For purposes of determining the amount on deposit in any fund or account hereunder, all investments shall be valued annually at the amortized cost thereof (exclusive of accrued but unpaid interest, but inclusive of commissions). Any Permitted Investments that are registrable securities shall be registered in the name of the Trustee, as trustee hereunder.

The City and the Authority acknowledge that to the extent regulations of the Comptroller of the Currency or other applicable regulatory entity grant the City or the Authority the right to receive brokerage confirmations of security transactions as they occur, the City and the Authority specifically waive receipt of such confirmations to the extent permitted by law.

**Section 12.10 Partial Invalidity.** If any one or more of the agreements, conditions, covenants or terms required herein to be observed or performed by or on the part of the City, the Authority or the Trustee shall be contrary to law, then such agreement or agreements, such condition or conditions, such covenant or covenants or such term or terms shall be null and void to the extent contrary to law and shall be deemed separable from the remaining agreements, conditions, covenants and terms hereof and shall in no way affect the validity hereof or of the Bonds, and the Owners shall retain all the benefit, protection and security afforded to them under any applicable provisions of law. The City, the Authority and the Trustee hereby declare that they would have executed this Indenture, and each and every other Article, Section, paragraph, subdivision, sentence, clause and phrase hereof and would have authorized the execution and delivery of the Bonds pursuant hereto irrespective of the fact that any one or more Articles, Sections, paragraphs, subdivisions, sentences, clauses or phrases hereof or the application thereof to any person or circumstance may be held to be unconstitutional, unenforceable or invalid.

**Section 12.11 California Law.** This Indenture shall be construed and governed in accordance with the laws of the State of California.

**Section 12.12 Notices.** (a) All written notices to be given hereunder shall be given by first-class mail to the party entitled thereto at its address set forth below, or at such other address as such party may provide to the other parties in writing from time to time, namely:

If to the City:	City of Placentia 401 E. Chapman Avenue Placentia, California 92870 Attention: City Administrator
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If to the Authority:	Placentia Public Financing Authority 401 E. Chapman Avenue
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Placentia, California 92870  
Attention: Executive Director

If to the Trustee:

U.S. Bank Trust Company,  
National Association  
633 West 5<sup>th</sup> Street, 24<sup>th</sup> Floor  
Los Angeles, California 90071  
Attention: Global Corporate Trust

Each such notice, statement, demand, consent, approval, authorization, offer, designation, request or other communication hereunder shall be deemed delivered to the party to whom it is addressed (a) if personally served or delivered, upon delivery, (b) if given by electronic communication, whether by telex, telegram or telecopier, upon the sender's receipt of an appropriate answer back or other written acknowledgement or confirmation of receipt of the entire notice, approval, demand, report or other communication, (c) if given by first class or registered or certified mail, return receipt requested, deposited the United States mail postage prepaid, 72 hours after such notice is deposited with the United States mail, (d) if given by overnight courier, with courier charges prepaid, 24 hours after delivery to said overnight courier, or (e) if given by any other means, upon delivery at the address specified in this Section 12.12.

The City shall cause to be given to S&P notice of any substitution of the Trustee, any material change in the Indenture or the Lease Agreement, or redemption or defeasance of all of the Outstanding Bonds.

**Section 12.13 Effective Date.** This Indenture shall become effective upon its execution and delivery.

**Section 12.14 Execution in Counterparts.** This Indenture may be executed in several counterparts, each of which shall be deemed an original, and all of which shall constitute but one and the same instrument.

[Signature page follows.]

IN WITNESS WHEREOF, the parties hereto have executed this Indenture by their officers thereunto duly authorized as of the day and year first written above.

U.S. BANK TRUST COMPANY, NATIONAL  
ASSOCIATION, as Trustee

By: \_\_\_\_\_  
Authorized Officer

CITY OF PLACENTIA

By: \_\_\_\_\_  
City Administrator

PLACENTIA PUBLIC FINANCING AUTHORITY

By: \_\_\_\_\_  
Executive Director

**EXHIBIT A**

**DESCRIPTION OF LEASED PROPERTY**

All that certain real property, situated in the City of Placentia, State of California, described on the attached pages.

**EXHIBIT B-1**

**FORM OF BOND**

UNLESS THIS BOND IS PRESENTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITORY TRUST COMPANY TO THE ISSUER OR ITS AGENT FOR REGISTRATION OF TRANSFER, EXCHANGE OR PAYMENT, AND ANY BOND ISSUED IS REGISTERED IN THE NAME OF CEDE & CO. OR SUCH OTHER NAME AS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITORY TRUST COMPANY AND ANY PAYMENT IS MADE TO CEDE & CO., ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL SINCE THE REGISTERED OWNER HEREOF, CEDE & CO., HAS AN INTEREST HEREIN.

UNITED STATES OF AMERICA  
STATE OF CALIFORNIA

No. R-\_\_ \$ \_\_\_\_\_

PLACENTIA PUBLIC FINANCING AUTHORITY  
LEASE REVENUE BONDS (PUBLIC SAFETY CENTER PROJECT) SERIES 2023A

<u>Interest Rate</u>	<u>Maturity Date</u>	<u>Dated</u>	<u>CUSIP</u>
% _____	_____, 20__	_____, 2023	

REGISTERED OWNER: CEDE & CO.

PRINCIPAL SUM:

The PLACENTIA PUBLIC FINANCING AUTHORITY, a joint powers authority, duly created and lawfully existing under the Constitution and laws of the State of California (the "Authority"), for value received, hereby promises to pay (but only out of the Revenues, as hereinafter defined) to the registered owner specified above or registered assigns on the maturity date specified above (subject to any right of prior redemption provided for) the principal sum specified above, together with interest thereon from the Interest Payment Date (as defined below) to which interest has been paid or duly provided for next preceding its date of execution, unless such date of authentication shall be (i) prior to the close of business on May 15, 2023, in which case such Bond shall bear interest from its date of delivery, (ii) subsequent to a Record Date but before the related Interest Payment Date, in which case such Bond shall bear interest from such Interest Payment Date, or (iii) an Interest Payment Date to which interest has been paid in full or duly provided for, in which case such Bond shall bear interest from such date of authentication; *provided, however*, that if, as shown by the records of the Trustee, interest shall be in default, each Bond shall bear interest from the last Interest Payment Date to which such interest has been paid in full or duly provided for. The term "Interest Payment Date" means \_\_\_\_\_ 1 and \_\_\_\_\_ 1 or each year, commencing \_\_\_\_\_ 1, 2023. The term "Record Date" means the close of business on the 15th day of the month preceding any Interest Payment Date, whether or not such day is a Business Day.

The principal of this Bond shall be payable in lawful money of the United States of America at the corporate trust office of St. Paul, Minnesota, as trustee (the “Trustee”) upon presentation and surrender of this Bond.

Payment of interest on this Bond due on or before the maturity or prior redemption, thereof shall be made to the person in whose name such Bond is registered, as of the Record Date preceding the applicable interest payment date, on the registration books kept by the Trustee at its corporate trust office, such interest to be paid by check mailed by first class mail on such interest payment date to the registered owner at his address as it appears on such books. Interest on this Bond shall be payable in lawful money of the United States of America and shall be calculated on the basis of a 360 day year consisting of twelve 30 day months. This Bond shall not be entitled to any benefit, protection or security under the Indenture, as hereinafter defined, or become valid or obligatory for any purpose until the certificate of authentication and registration hereon endorsed shall have been signed by the Trustee.

The Owner of \$1,000,000 or more in aggregate principal amount of the Bonds may request in writing that the Trustee pay the interest on such Bonds by wire transfer to an account in the United States of America and the Trustee shall comply with such request for all Interest Payment Dates following the 15th day after receipt of such request.

This Bond is one of a duly authorized issue of bonds of the Authority designated as its “Placentia Public Financing Authority Lease Revenue Bonds (Public Safety Center Project) Series 2023A” (the “Bonds”), in the aggregate principal amount \$\_\_\_\_\_ all of like tenor and date (except for such variations, if any, as may be required to designate varying numbers, maturities and interest rates), and is issued under and pursuant to the provisions of an Indenture, dated as of August 1, 2023 (the “Indenture”), among the Trustee, the City of Placentia (the “City”) and the Authority (copies of which are on file at the corporate trust office of the Trustee). Unless the context otherwise requires, capitalized terms not defined herein shall have the meanings ascribed to them in the Indenture.

The Bonds are limited obligations of the Authority and are payable, as to interest thereon and principal thereof, solely from the revenues derived from Base Rental Payments paid by the City pursuant to a Lease Agreement, dated as of August 1, 2023 (the “Lease Agreement”), between the Authority, as lessor, and the City, as lessee, for the use and possession of the Leased Property as long as the City has such use and possession of the Leased Property, as well as from all other benefits, charges, income, proceeds, profits, receipts, rents and revenues derived by the Authority, as assignee of the City’s rights under the Lease Agreement, from operation or use of the Leased Property (the “Revenues”). All the Bonds are equally and ratably secured by the Revenues and enjoy the benefits of a security interest in the money held in the funds established pursuant to the Indenture, subject to the provisions of the Indenture permitting the disbursement thereof for or to the purposes and on the conditions and terms set forth therein.

The obligation of the City to pay Base Rental Payments does not constitute an indebtedness of the City for which the City is obligated to levy or pledge any form of taxation or for which the City has levied or pledged any form of taxation. The obligation of the City to pay Base Rental Payments does not constitute an indebtedness of the City, the State of California, or any of its political subdivisions within the meaning of any constitutional or statutory debt

limitation or restriction. The obligation of the City to make the Base Rental Payments is subject to abatement during any period in which, by reason of material damage, destruction or title defect, there is substantial interference with the use and occupancy of the Leased Property or portions thereof or if the Leased Property or portions thereof are taken under the power of eminent domain, all as more particularly provided in the Lease Agreement to which reference is hereby made.

To the extent and in the manner permitted by the terms of the Indenture, the provisions of the Indenture may be amended or supplemented by the parties thereto, in some instances without the consent of the registered owners of Bonds. No such amendment or supplement shall (1) extend the Principal Payment Date of any Bond or reduce the rate of interest represented thereby or extend the time of payment of such interest or reduce the amount of principal represented thereby without the prior written consent of the registered owner of each Bond so affected, or (2) reduce the percentage of registered owners whose consent is required for the execution of any amendment hereof or supplement hereto without the prior written consent of the registered owners of all Bonds then Outstanding, or (3) modify any of the rights or obligations of the Trustee without its prior written consent thereto, or (4) amend the amendment provisions of the Indenture without the prior written consent of the registered owners of all Bonds then Outstanding.

The Bonds are authorized to be executed and delivered in the form of fully registered Bonds without coupons, in denominations of five thousand dollars (\$5,000) or any integral multiple thereof (each, an "Authorized Denomination").

This Bond is transferable by the Owner hereof, in person or by his attorney duly authorized in writing, at the office of the Trustee in Saint Paul, Minnesota, but only in the manner, subject to the limitations and upon payment of the charges provided in the Indenture; and upon surrender of this Bond for cancellation, accompanied by delivery of a duly executed written instrument of transfer, a new Bond or Bonds of Authorized Denominations of the same Principal Payment Date equal to the principal amount hereof will be executed and delivered by the Trustee to the Owner thereof in exchange or transfer herefor. The Trustee shall not be required to transfer or exchange any Bond during any period in which it is selecting Bonds for redemption, nor shall the Trustee be required to transfer or exchange any Bond or portion thereof selected for redemption from and after the date of mailing the notice of redemption. The Trustee may treat the Owner hereof as the absolute owner hereof for all purposes, whether or not this Bond shall be overdue, and the Trustee shall not be affected by any knowledge or notice to the contrary; and payment of the principal of, premium, if any, and interest on this Bond shall be made only to such Owner as above provided, which payments shall be valid and effectual to satisfy and discharge the liability on this Bond to the extent of the sum or sums so paid.

The Bonds are subject to redemption prior to maturity as described in the Indenture.

As provided in the Indenture, notice of redemption hereof or of any part hereof shall be mailed, first class postage prepaid, not less than 30 nor more than 60 days before the redemption date, to the Owner of this Bond at his or her address as it appears in the registration books maintained by the Trustee and as specified in the Indenture, but neither failure to receive any such notice nor any defect contained therein shall affect the validity of the proceedings for the redemption of this Bond. If this Bond is called for redemption and payment is duly provided

therefor as specified in the Indenture, the interest represented hereby shall cease to accrue from and after the designated redemption date.

The Trustee has no obligation or liability to the registered owners of the Bonds for the payment of the interest or principal or redemption premiums, if any, on the Bonds; but rather the Trustee's sole obligation is to administer, for the benefit of the City, the Authority and the registered owners of the Bonds, the various funds established under the Indenture. The Authority has no obligation or liability whatsoever to the registered owners of the Bonds.

The Indenture provides that the occurrences of certain events constitute Events of Default. Subject to certain limitations and to the rights of the Trustee or the Owners of not less than a majority in aggregate principal amount of the Bonds at the time Outstanding shall be entitled to take whatever action at law or in equity may appear necessary or desirable to enforce its rights as assignee.

IN WITNESS WHEREOF, the Placentia Public Financing Authority has caused this Bond to be executed manually by its Chair and by its Secretary all as of \_\_\_\_\_, 2023.

**PLACENTIA PUBLIC FINANCING  
AUTHORITY**

\_\_\_\_\_  
Secretary

Chair

**CERTIFICATE OF AUTHENTICATION AND REGISTRATION**

This is one of the Bonds described in the within mentioned Indenture which has been authenticated and registered.

Dated: \_\_\_\_\_, 2023

U.S. BANK TRUST COMPANY, NATIONAL  
ASSOCIATION, as Trustee

By: \_\_\_\_\_  
Authorized Officer

**FORM OF ASSIGNMENT**

For value received, the undersigned do(es) hereby sell, assign and transfer unto \_\_\_\_\_ the within Bond and do(es) hereby irrevocably constitute and appoint \_\_\_\_\_ attorney to transfer such Bond on the register of the Trustee, with full power of substitution in the premises.

Dated: \_\_\_\_\_

SIGNATURE GUARANTEED BY:

\_\_\_\_\_

\_\_\_\_\_

Note: The signature(s) to this Assignment must correspond with the name(s) as written on the face of the within Bond in every particular, without alteration or enlargement or any change whatsoever, and the signature(s) must be guaranteed by an eligible guarantor institution.

Social Security Number, Taxpayer Identification Number or other identifying number of Assignee:

\_\_\_\_\_

**EXHIBIT C**

**FORM OF REQUISITION FOR FUNDS FROM THE [CONSTRUCTION  
FUND][COSTS OF ISSUANCE FUND]**

The City of Placentia, a charter city duly organized and existing under and by virtue of the Constitution and laws of the State of California (the “City”), hereby states and certifies:

(a) that the undersigned is the duly appointed, qualified and acting \_\_\_\_\_ of the City, and as such, is authorized and qualified to certify the same;

(b) that, pursuant the Indenture, dated as of August 1, 2023 (the “Indenture”), by and among U.S. Bank Trust Company, National Association, as trustee (the “Trustee”), the City and the Placentia Public Financing Authority, the Trustee is hereby requested to disburse from the [Construction Fund][Costs of Issuance Fund] established pursuant to Section [3.03][3.04] of the Indenture, to the payees set forth on Exhibit A attached hereto and by this reference incorporated herein, the amount set forth on Exhibit A opposite each such payee, for payment of such costs incurred for the purposes identified on said Exhibit A;

(c) that each obligation has been property incurred and is a proper charge against the [Construction Fund][Costs of Issuance Fund] and has not been the basis of any previous disbursement; and

(d) that a statement or invoice for each amount requested hereunder is attached hereto.

IN WITNESS WHEREOF, the undersigned has executed this requisition as of the date set forth below.

Dated: \_\_\_\_\_

CITY OF PLACENTIA

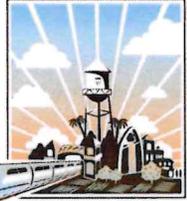
By: \_\_\_\_\_  
Authorized City Officer

**EXHIBIT A**

Payee

Purpose

Amount



**PLACENTIA**  
Rich Heritage, Bright Future

# **CITY OF PLACENTIA**

## **PLACENTIA PUBLIC FINANCING AUTHORITY**

### **Considering the Issuance of Lease Revenue Bonds**

**Presentation to City Council and Board of Directors  
July 25, 2023**



1601 N. Sepulveda Blvd., #382  
Manhattan Beach, CA 90266  
TEL: 424-297-1073 | URL: [www.KosmontFinancial.com](http://www.KosmontFinancial.com)

# INTRODUCTION

- The City of Placentia (City) has been working towards procuring a new Public Safety Facility for several years now
- At the last City Council meeting on July 11, the City Council chose the financing structure that it wishes to employ:
  - Approximately \$21.62 million projects costs
  - Approximately \$11.13 million “down payment” from various City resources, including reserves
  - The balance of the cost of the Project will be financed with Lease Revenue Bonds (LRBs)
- Before the City Council and the Board of Directors of the Placentia Public Financing Authority (Authority) tonight is the package of resolutions and legal documents that will authorize the issuance of LRBs

# FINANCING TEAM



## **ADMINISTRATION** CITY OF PLACENTIA

- Damien R. Arrula, *City Administrator*
- Luis Estevez, *Deputy City Administrator*
- Jennifer Lampman, *Director of Finance*



## **MUNICIPAL ADVISOR** KOSMONT FINANCIAL SERVICES

- Larry J. Kosmont, *President*
- Dan Massiello, *Sr. Managing Director*



## **BOND & DISCLOSURE COUNSEL** NIXON PEABODY

- Danny Kim, Esq., *Partner*
- Travis Gibbs, Esq., *Partner*
- David Song, Esq., *Associate*



## **UNDERWRITER** SAMUEL A. RAMIREZ & CO.

- Raul Amezcua, *Sr. Managing Director*
- Michael Mejia, *Managing Director*
- Esthela Carreón, *Vice President*



# BOND RATING

- **The City’s Credit Rating is now AA!**
- Thanks to the efforts of the City’s administration, the City’s Standard & Poor’s credit rating has been upgraded, again!
- Four upgrades in four years
  - Eight “Notches”
  - Three “Categories”

Date	General Fund Lease Obligation Rating	Issuer Credit Rating
Nov 2003	A-	A
Dec 2006	BBB	BBB+
Dec 2007	BBB-	BBB
Jan 2010	BB+	BBB-
Feb 2015	BB	BB+
Nov 2019	BBB	BBB+
Oct 2020	BBB+	A-
Jun 2022	A+	AA-
<b>July 2023</b>	<b>AA-</b>	<b>AA</b>



- This issue of LRBs will be rated AA-, which is one notch lower than the City’s Issuer Credit Rating per S&P Ratings Criteria for lease transactions (e.g., abatement, appropriation risks)
- This excellent credit rating opens up more options for the City for structuring the LRBs

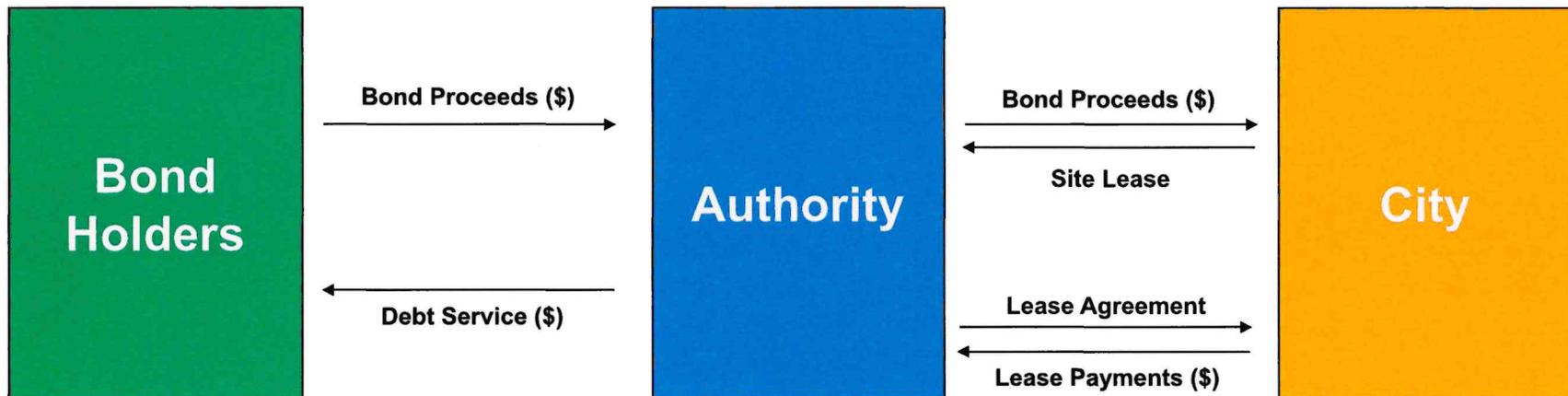
## IMPLICATIONS OF HIGHER CREDIT RATING

- With the LRBs rated in the “AA” category, investors require less security features
- Less security features equate to less financing costs
- No need for a Debt Service Reserve Fund
  - Typically 1-year’s worth of debt service payments borrowed in addition to project funds and held by the trustee for life of the LRBs
- Likely no need for bond insurance
  - Purchasing a bond insurance policy buys a bond rating of: AA
  - Bond insurance providers may require additional property for the lease during construction; without bond insurance, able to encumber less City properties
  - Purely optional and economic decision – premium bids now expected to be very low
  - If inexpensive bond insurance garners even lower interest rates (more than the cost of the premiums), Finance Team may recommend to purchase

## LEGAL STRUCTURE

- The Placentia Public Financing Authority (“Authority”) will sell Lease Revenue Bonds (“LRBs”) to the public capital markets secured by rent payments to be made by the City to the Authority
  - Security = City’s (General Fund) promise to make Lease Payments to Authority
- City will enter agreements with the Authority to lease and lease-back certain City real property assets, creating a revenue stream enabling the issuance LRBs
  - Site Lease – City transfers control of property to Authority in consideration of Bond Proceeds
  - Lease Agreement – City leases property back from Authority and pays rent in amount equal to debt service
- Leased Property will be the new Public Safety Facility but will also temporarily consist of other City properties until construction is completed as described herein

# LEGAL STRUCTURE ILLUSTRATED



## CITY PROPERTY TO BE LEASED/LEASED BACK

- The new Police Evidence Facility itself will be the primary property to be leased
  - Total Project costs of \$21,616,963 are more than adequate to justify rental payments
- During construction, City may not make rent payments (abatement), so other properties are also being leased, temporarily, to avoid borrowing “capitalized interest” during construction period
  - Entirety of Corporate Yard is primary property
- Bond insurers may require additional leased properties during construction as collateral
  - Economics to be evaluated by Finance Team; included in authorization for maximum flexibility

Property	Estimated Value
Public Safety Facility	\$21,616,963
Corporate Yard	\$13,100,000
Civic Center	\$14,240,000

# APPROVAL PROCESS

- City to hold Public Hearing first
- Approve Resolutions of the City Council and Authority Board which authorize and/or approve:
  - The issuance of the Bonds, empowering Staff to take certain actions to complete transaction
  - “Not-to-exceed” values:
    - True Interest Cost: 5.50%
    - Issuance (Par) amount: \$10 million
    - Underwriters discount: \$10.00 per \$1,000 (1.0%) of Par
  - Preliminary Official Statement (disclosure document for investors to use in consideration of buying the Bonds)
  - Site Lease (City leasing properties to Authority)
  - Lease Agreement (City leasing properties back from Authority)
  - Indenture of Trust (agreement between Authority/Trustee on behalf of investors; establishes terms of the Bonds)
  - Assignment Agreement (Authority assigns lease payments from City to Trustee)
  - Bond Purchase Agreement (agreement between Underwriters, Authority and City for purchase of the Bonds)
  - Continuing Disclosure Agreement (agreement by City to provide ongoing disclosure per SEC regulations)

## ANTICIPATED SCHEDULE OF ACTIVITIES IF APPROVED

DATE	ACTIVITY
July 25 (tonight)	City and Authority Boards of Directors meet to consider authorizing Bonds
July 26	Finalize and Print/Post Preliminary Official Statement
July 26 – August 1	Market Bonds to investors
August 2	Price Bonds (set interest rates)
Week of August 6	Finalize all transaction documents
Week of August 21	Close Bonds

# THANK YOU – ANY QUESTIONS?



## CITY OF PLACENTIA PLACENTIA PUBLIC FINANCING AUTHORITY

### Considering the Issuance of Lease Revenue Bonds

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# Placentia City Council

## AGENDA REPORT

TO: CITY COUNCIL

VIA: CITY ADMINISTRATOR

FROM: DEPUTY CITY ADMINISTRATOR

DATE: JULY 25, 2023

SUBJECT: **APPOINTMENTS TO FILL VACANCIES ON ONE CITY COMMISSION AND ONE COMMITTEE**

FISCAL  
IMPACT: NONE

### **SUMMARY:**

There are currently two (2) vacancies on the City's ten (10) Commissions and Committees. The City received a total of five (5) applications. To ensure that these advisory bodies can operate effectively and with a full complement of members, Staff recommends City Council consider the actions listed below.

### **RECOMMENDATION:**

It is recommended that the City Council consider the following actions:

1. Make the necessary appointments to fill the vacancies listed below:
  - a. One (1) vacancy on the Planning Commission for a four-year term
  - b. One (1) vacancy on the Senior Advisory Committee for a non-expiring term
2. Direct Staff to update the City's master Commission and Committee vacancy list; and
3. Continue the Commission and Committee Application/Recruitment process for any remaining vacancies for future consideration of appointments.

### **DISCUSSION:**

The City Clerk's Office received a total of five (5) applications. One (1) applicant declined to interview at this time and requested that their application be kept on file for future vacancies. Attached is a summary of applicants for consideration of appointment to the current vacancies (Attachment 1). At a Special Meeting held on July 25, 2023, the City Council interviewed four (4) applicants for these vacant positions.

Staff recommends the City Council consider appointments to the Planning Commission and Senior Advisory Committee and continue the recruitment process for any future vacancies.

**3.a.**  
**July 25, 2023**

Prepared by:

  
\_\_\_\_\_  
Carole M. Wayman  
Deputy City Clerk

Reviewed and approved:

  
\_\_\_\_\_  
Rosanna Ramirez  
Deputy City Administrator

Reviewed and approved:

  
\_\_\_\_\_  
Damien R. Arrula  
City Administrator

Attachments:

1. Commission and Committee Vacancy/Applicant List
2. Summary of Commissioner and Committee Member Requirements

**COMMISSION AND COMMITTEE  
UPDATED VACANCY/APPLICANT LIST  
As of 7-11-23**

**Planning Commission**

**7 Members**

**Vacancies: One (1) Four-Year Term**

**New Applicants**

Thomas Ingalls

Juan Guerrero

**Senior Advisory Committee**

**7 Members**

**Vacancies: One (1) Non- Expiring Term**

**New Applicants**

Jodi Stout-Ward

Marie Wahbeh

# **CITY OF PLACENTIA COMMISSION AND COMMITTEE SUMMARY OF MEMBERSHIP REQUIREMENTS**

## **COMMISSIONS**

### **Planning Commission**

Qualifications: Registered Voters of the City of Placentia, none of whom shall hold any paid office or employment in the City Government.

### **Park Arts and Recreation Commission (PARC)**

Qualifications: Residents of the City who have demonstrated a strong interest and support for the City's parks and its associated programs, or who have a profound interest or experience in the arts and/or culture. The Commission should refrain from promoting the individual artistic accomplishments or cultural contributions of individual Commission Members, except that the Commissioners may perform, exhibit, or share their talents and expertise in order that the citizens of the community not be deprived of the artistic abilities of the Commissioners.

### **Streetscape and Transportation Advisory Commission**

Qualifications: Residents of the City who have a demonstrated interest in or knowledge of traffic safety, transportation issues, or the City's trees.

## **COMMITTEES**

### **Citizens' Oversight Committee**

Qualifications: As long as those bodies exist, two of the members shall come from the Citizens Fiscal Sustainability Task Force and one from the Financial Audit Oversight Committee.

### **Financial Audit Oversight Committee**

Qualifications: The desired goals of the City of Placentia Audit Oversight Committee will best be achieved if at least three (3) members of the Committee possess two or more of the following requirements: Major Requirements: bachelor's degree from an accredited college-level institution with emphasis in accounting. A master's degree in business administration would strengthen the Member's contribution to the Committee; Certified Public Accountant; Certified Internal Auditor; Experience in governmental accounting; Accounting/Audit experience: (preferably) internal auditing experience with a governmental entity and/or general accounting/auditing experience with a governmental entity. Minor Requirements: (desirable but not essential): Ability to read, understand and interpret financial statements; understanding of investment strategies.

### **Heritage Committee**

Qualifications: Resident of Placentia.

### **Historical Committee**

Qualifications: Committee members typically are familiar with historic preservation principles and practices and have gained knowledge of Placentia history from long-term residence and/or study and research.

### **Senior Advisory Committee**

Qualifications: Two (2) members shall be representatives from the Placentia Senior Center and five (5) at-large seniors (55+).

### **Senior/Community Center Blue Ribbon Committee**

Qualifications: Five (5) members shall be appointed from within each of the five (5) City Council Districts; one (1) member appointed by Parks, Arts and Recreation Commission (PARC); one (1) member appointed by the Senior Advisory Committee; and two (2) members of the City Council.

### **Veterans Advisory Committee**

Qualifications: Resident of Placentia.

NOTE: Members of Boards, Commissions, and Committees shall be residents of the City. (City Charter Section 902)