MAY 22, 2013
CITY COUNCIL CHAMBERS
3:30 P.M. Closed Session; 4:30 P.M. Regular Session
201 N. Broadway, Escondido, CA 92025

MAYOR	**Sam Abed**
DEPUTY MAYOR	**Olga Diaz**
COUNCIL MEMBERS	**Ed Gallo** **John Masson** **Michael Morasco**
CITY MANAGER	**Clay Phillips**
CITY CLERK	**Diane Halverson**
CITY ATTORNEY	**Jeffrey Epp**
DIRECTOR OF COMMUNITY DEVELOPMENT	**Barbara Redlitz**
DIRECTOR OF PUBLIC WORKS	**Ed Domingue**

ELECTRONIC MEDIA:
Electronic media which members of the public wish to be used during any public comment period should be submitted to the City Clerk's Office at least 24 hours prior to the Council meeting at which it is to be shown.

The electronic media will be subject to a virus scan and must be compatible with the City's existing system. The media must be labeled with the name of the speaker, the comment period during which the media is to be played and contact information for the person presenting the media.

The time necessary to present any electronic media is considered part of the maximum time limit provided to speakers. City staff will queue the electronic information when the public member is called upon to speak. Materials shown to the Council during the meeting are part of the public record and may be retained by the Clerk.

The City of Escondido is not responsible for the content of any material presented, and the presentation and content of electronic media shall be subject to the same responsibilities regarding decorum and presentation as are applicable to live presentations.

May 22, 2013
3:30 P.M. Meeting

Escondido City Council

CALL TO ORDER

ROLL CALL: Diaz, Gallo, Masson, Morasco, Abed

ORAL COMMUNICATIONS

The public may address the Council on any item that is not on the agenda and that is within the subject matter jurisdiction of the legislative body. State law prohibits the Council from discussing or taking action on such items, but the matter may be referred to the City Manager/staff or scheduled on a subsequent agenda. (Please refer to the back page of the agenda for instructions.) Speakers are limited to only one opportunity to address the Council under Oral Communications.

CLOSED SESSION: (COUNCIL/SUCCESSOR AGENCY/RRB)

I. CONFERENCE WITH LEGAL COUNSEL--PENDING LITIGATION (Government Code 54956.9(d)(1))

Case Name: City of Escondido v. Escondido Country Club Inc. et al. - Water Bill Collection Matter

Case No: 37-2013-41988-CU-MC-NC

II. CONFERENCE WITH REAL PROPERTY NEGOTIATOR (Government Code §54956.8)

a.	Property:	220 South Broadway
	City Negotiator	Debra Lundy, Real Property Manager
	Negotiating parties	Escondido Education Compact
	Under negotiation	Price and Terms of Agreement
b.	Property:	901 West Washington Avenue
	City Negotiator	Debra Lundy, Real Property Manager
	Negotiating parties	Washington Ventures LLC
	Under negotiation	Price and Terms of Agreement

ADJOURNMENT

May 22, 2013
4:30 P.M. Meeting

Escondido City Council
MOBILEHOME RENT REVIEW BOARD

CALL TO ORDER

MOMENT OF REFLECTION:
City Council agendas allow an opportunity for a moment of silence and reflection at the beginning of the evening meeting. The City does not participate in the selection of speakers for this portion of the agenda, and does not endorse or sanction any remarks made by individuals during this time. If you wish to be recognized during this portion of the agenda, please notify the City Clerk in advance.

FLAG SALUTE

ROLL CALL: Diaz, Gallo, Masson, Morasco, Abed

PRESENTATIONS: Del Mar Fairgrounds
Maple Street Awards

PROCLAMATIONS: National Public Works Week
2013 San Diego Saves Day

ORAL COMMUNICATIONS

The public may address the Council on any item that is not on the agenda and that is within the subject matter jurisdiction of the legislative body. State law prohibits the Council from discussing or taking action on such items, but the matter may be referred to the City Manager/staff or scheduled on a subsequent agenda. (Please refer to the back page of the agenda for instructions.) NOTE: Depending on the number of requests, comments may be reduced to less than 3 minutes per speaker and limited to a total

of 15 minutes. Any remaining speakers will be heard during Oral Communications at the end of the meeting.

COUNCIL MEMBERS' REPORTS/BRIEFING

CONSENT CALENDAR

Items on the Consent Calendar are not discussed individually and are approved in a single motion. However, Council members always have the option to have an item considered separately, either on their own request or at the request of staff or a member of the public.

1. **AFFIDAVITS OF PUBLICATION, MAILING AND POSTING (COUNCIL/SUCCESSOR AGENCY/RRB)**
2. **APPROVAL OF WARRANT REGISTER (Council/Successor Agency)**
3. **APPROVAL OF MINUTES: Regular Meeting of May 1, 2013**

4. **SIGNAGE PROPOSAL (WARNING OF HEAT DANGER) -**
   Discussion regarding signage proposal for City Parks in regards to warning people about the dangers of leaving pets and children in cars during warm months.

   Staff Recommendation: **None (Councilmember: Michael Morasco and Ed Gallo)**

5. **AWARD CONSULTING AGREEMENT FOR CONDITION ASSESSMENT OF LIFT STATION 1 -**
   Request Council authorize the Mayor and City Clerk to execute a Consulting Agreement with Brown and Caldwell for the Condition Assessment of Lift Station #1 and Force Main in the amount of $286,426.

   Staff Recommendation: **Approval (Utilities Department: Christopher McKinney)**

   RESOLUTION NO. 2013-63

6. **BID AWARD FOR THE RESERVOIR REPAINTING 2013 PROJECT (REBID) -**
   Request Council authorize the Mayor and City Clerk to execute an agreement with Blastco Inc. in the amount of $71,213 for the "Reservoir Repainting 2013" project.

   Staff Recommendation: **Approval (Utilities Department: Christopher McKinney)**

   RESOLUTION NO. 2013-59

7. **TERMINATE EXISTING CONSULTING AGREEMENT FOR LIFT STATION CONSOLIDATION AND AWARD NEW CONSULTING AGREEMENT -**
   Request Council approve terminating an existing Consulting Agreement with Brown and Caldwell for the Lift Station Consolidation Design; and authorize the Mayor and City Clerk to execute a new Consulting Agreement with Water Synergy, Inc. for the Lift Station Consolidation Design in the amount of $170,520.

   Staff Recommendation: **Approval (Utilities Department: Christopher McKinney)**

   RESOLUTION NO. 2013-62

8. **APPROVAL OF XEROX SERVICES AND SOLUTIONS AGREEMENT -**

Request Council authorize the Mayor and City Clerk to execute a five-year Services and Solutions Agreement with Xerox Corporation; and authorize the Director of Information Systems to execute related amendments and agreements to implement the Services and Solutions Agreement. The Services and Solutions Agreement is a site management agreement that provides and maintains office and production duplicating equipment through all City Facilities.

Staff Recommendation: **Approval (Information Systems Department: Mark Becker)**

RESOLUTION NO. 2013-70

9. **FOURTH AMENDMENT TO CONSULTING AGREEMENT FOR REMEDIATION OF FORMER ORANGE GLEN MARKET SITE -**

Request Council authorize the Mayor and City Clerk to execute a fourth amendment to the Consulting Agreement with SCS Engineers for environmental engineering and remedial services in the amount of $179,728 for the former Orange Glen Market site.

Staff Recommendation: **Approval (Public Works/Engineering: Ed Domingue)**

RESOLUTION NO. 2013-52

10. **AWARD LANDSCAPE MAINTENANCE DISTRICT LANDSCAPE MAINTENANCE SERVICES CONTRACT -**

Request Council authorize the Mayor and City Clerk to execute a Public Services Agreement with Tegriscape, Inc. for LMD Landscape Maintenance Services in the amount of $208,244 per year.

Staff Recommendation: **Approval (Public Works/Engineering: Ed Domingue)**

RESOLUTION NO. 2013-58

11. **NOTICE OF COMPLETION FOR TRACT 839 EUREKA RANCH -**

Request Council approve and accept the public improvements and authorize staff to file a Notice of Completion for Tract 839 Eureka Ranch - Offsite Improvements for Bear Valley Parkway/East Valley Parkway Road Re-alignment.

Staff Recommendation: **Approval (Public Works/Engineering: Ed Domingue)**

12. **APPROVAL OF UPDATED ELECTRONIC SCHEDULE OF STOP SIGNS -**

Request Council approve updating the City's Schedule of Stop Signs.

Staff Recommendation: **Approval (Public Works/Engineering: Ed Domingue)**

RESOLUTION NO. 2013-61

13. **FIRST AMENDMENT TO PUBLIC SERVICES AGREEMENT FOR AMBULANCE BILLING SERVICES -**

Request Council authorize the Mayor and City Clerk to execute a First Amendment to the Public Services Agreement with Wittman Enterprises, LLC to extend the term of the Agreement for a one year period effective July 1, 2013 through June 30, 2014.

Staff Recommendation: **Approval (Finance Department: Gilbert Rojas)**

RESOLUTION NO. 2013-68

CONSENT – RESOLUTIONS AND ORDINANCES (COUNCIL/SUCCESSOR AGENCY/RRB)

The following Resolutions and Ordinances were heard and acted upon by the City Council/Successor Agency/RRB at a previous City Council/Successor Agency/Mobilehome Rent Review meeting. (The title of Ordinances listed on the Consent Calendar are deemed to have been read and further reading waived.)

PUBLIC HEARINGS

14. **SHORT-FORM RENT INCREASE APPLICATION FOR WESTWINDS MOBILEHOME PARK LOCATED AT 1415 S. PINE STREET (FILE NO, 0697-20-9932) -**
Request Council consider the short-form rent increase application submitted by Westwinds Mobilehome Park; and if approved, grant an increase of seventy-five percent (75%) of the change in the Consumer Price Index, or 1.163% (an average of $4.56) for the period of December 31, 2011 to December 31, 2012.

Staff Recommendation: **Approval (Community Development/Housing: Barbara Redlitz)**

RRB RESOLUTION NO. 2013-02

CURRENT BUSINESS

15. **FINANCIAL REPORT FOR THE QUARTER ENDING MARCH 31, 2013 -**
Request Council receive and file the third quarter financial report for the Fiscal Year 2012-2013.

Staff Recommendation: **Receive and File (Finance Department: Gilbert Rojas)**

16. **LEASE AGREEMENT WITH HERITAGE DIGITAL ACADEMY AT 2245 (POR.) – 2261 EAST VALLEY PARKWAY -**
Request Council authorize the Real Property Manager and City Clerk to execute a Lease Agreement with Heritage Digital Academy at 2245 (Por.) – 2261 East Valley Parkway.

Staff Recommendation: **Approval (Public Works/Engineering: Ed Domingue)**

RESOLUTION NO. 2013-64

17. **BUDGET ADJUSTMENT AND MODIFICATION TO FUND BALANCE POLICY GENERAL FUND RESERVE TO TRANSFER FUNDS TO THE BUILDING MAINTENANCE OPERATING BUDGET FOR UNANTICIPATED UTILITIES AND REPAIRS TO CITY FACILITIES -**
Request Council approve a budget transfer from the Building Maintenance Reserve, in the amount of $380,980; and approve reducing the General Fund Reserve in the amount of $132, 550 for use in the 2013 Building Maintenance Operating Budget.

Staff Recommendation: **Approval (Public Works/ Engineering: Ed Domingue)**

RESOLUTION NO. 2013-69

FUTURE AGENDA

18. **FUTURE AGENDA ITEMS -**

The purpose of this item is to identify issues presently known to staff or which members of the Council wish to place on an upcoming City Council agenda. Council comment on these future agenda items is limited by California Government Code Section 54954.2 to clarifying questions, brief announcements, or requests for factual information in connection with an item when it is discussed.

Staff Recommendation: **None (City Clerk's Office: Diane Halverson)**

ORAL COMMUNICATIONS

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ADJOURNMENT

UPCOMING MEETING SCHEDULE

Date	Day	Time	Meeting Type	Location
May 29	-	-	No Meeting	-
June 5	Wednesday	3:30 & 4:30 p.m.	Council Meeting	Council Chambers
June 12	Wednesday	3:30 & 4:30 p.m.	Council Meeting	Council Chambers
June 19	Wednesday	3:30 & 4:30 p.m.	Council Meeting	Council Chambers

TO ADDRESS THE COUNCIL

The public may address the City Council on any agenda item. Please complete a Speaker's form and give it to the City Clerk. Submission of Speaker forms prior to the discussion of an item is highly encouraged. Comments are generally limited to 3 minutes.

If you wish to speak concerning an item not on the agenda, you may do so under "Oral Communications." Please complete a Speaker's form as noted above.

Nomination forms for Community Awards are available at the Escondido City Clerk's Office or at http://www.escondido.org/city-clerks-office.aspx

Handouts for the City Council should be given to the City Clerk. To address the Council, use the podium in the center of the Chambers, STATE YOUR NAME FOR THE RECORD and speak directly into the microphone.

AGENDA, STAFF REPORTS AND BACK-UP MATERIALS ARE AVAILABLE:

- Online at http://www.escondido.org/meeting-agendas.aspx
- In the City Clerk's Office at City Hall
- In the Library (239 S. Kalmia) during regular business hours and
- Placed in the Council Chambers (See: City Clerk/Minutes Clerk) immediately before and during the Council meeting.

AVAILABILITY OF SUPPLEMENTAL MATERIALS AFTER AGENDA POSTING: Any supplemental writings or documents provided to the City Council regarding any item on this agenda will be made available for public inspection in the City Clerk's Office located at 201 N. Broadway during normal business hours, or in the Council Chambers while the meeting is in session.

LIVE BROADCAST

Council meetings are broadcast live on Cox Cable Channel 19 and U-verse Channel 99 – Escondido Gov TV. They can also be viewed the following Sunday and Monday evenings at 6:00 p.m. on those same channels. The Council meetings are also available live via the Internet by accessing the City's website at www.escondido.org, and clicking the "Live Streaming –City Council Meeting now in progress" button on the home page.

Please turn off all cellular phones and pagers while the meeting is in session.

The City Council is scheduled to meet the first four Wednesdays of the month at 3:30 in Closed Session and 4:30 in Open Session.
(Verify schedule with City Clerk's Office)
Members of the Council also sit as the Successor Agency to the CDC, Escondido Joint Powers Financing Authority and the Mobilehome Rent Review Board.

CITY HALL HOURS OF OPERATION
Monday-Friday 8:00 a.m. to 5:00 p.m.

If you need special assistance to participate in this meeting, please contact our ADA Coordinator at 839-4641. Notification 48 hours prior to the meeting will enable the City to make reasonable arrangements to ensure accessibility.

Listening devices are available for the hearing impaired – please see the City Clerk.

CITY OF ESCONDIDO

May 1, 2013
3:30 P.M. Meeting Minutes

Escondido City Council

CALL TO ORDER

The Regular Meeting of the Escondido City Council was called to order at 3:30 p.m. on Wednesday, May 1, 2013 in the Council Chambers at City Hall with Mayor Abed presiding.

ATTENDANCE

The following members were present: Deputy Mayor Olga Diaz, Councilmember Ed Gallo, Councilmember John Masson, Councilmember Michael Morasco, and Mayor Sam Abed. Quorum present.

ORAL COMMUNICATIONS

Roy Garrett, Escondido, indicated the General Plan called for two community centers. He stated one Community Center was located on East Valley Parkway and opposed a long-term lease/rental agreement with Charter High School.

Chris Nava, Escondido, stated she protested leasing a portion of the East Valley Community Center.

CLOSED SESSION: (COUNCIL/SUCCESSOR AGENCY/RRB)

MOTION: Moved by Councilmember Morasco and seconded by Councilmember Diaz to recess to Closed Session. Motion carried unanimously.

I. CONFERENCE WITH REAL PROPERTY NEGOTIATOR (Government Code §54956.8)

a.

Property:	2245 East Valley Parkway
City Negotiator	Debra Lundy, Real Property Manager
Negotiating parties	American Heritage Education Foundation
Under negotiation	Price and Terms of Agreement

b.

Property:	2120 Harmony Grove Road
City Negotiator	Debra Lundy, Real Property Manager
Negotiating parties	Koochen Vagner's Brewing Co
Under negotiation	Price and Terms of Agreement

ADJOURNMENT

Mayor Abed adjourned the meeting at 4:25 p.m.

MAYOR

CITY CLERK

MINUTES CLERK

CITY OF ESCONDIDO

May 1, 2013
4:30 P.M. Meeting Minutes

Escondido City Council

CALL TO ORDER

The Regular Meeting of the Escondido City Council was called to order at 4:30 p.m. on Wednesday, May 1, 2013 in the Council Chambers at City Hall with Mayor Abed presiding.

MOMENT OF REFLECTION

FLAG SALUTE

Mayor Abed led the flag salute.

ATTENDANCE

The following members were present: Deputy Mayor Olga Diaz, Councilmember Ed Gallo, Councilmember John Masson, Councilmember Michael Morasco, and Mayor Sam Abed. Quorum present.

Also present were: Charles Grimm, Assistant City Manager; Jeffrey Epp, City Attorney; Barbara Redlitz, Community Development Director; Ed Domingue, Public Works Director; Diane Halverson, City Clerk; and Liane Uhl, Minutes Clerk.

PRESENTATIONS

Mayor Abed introduced Amy Shipley, Assistant Community Services Director, and Sue Richardson, California Parks and Recreation Society District 12 President, who presented the California Park and Recreation Society Award to the City Council.

Mayor Abed introduced Elisa Marrone, Environmental Program Specialist, who presented the Water is Life Poster Contest Awards.

PROCLAMATIONS

Mayor Abed introduced Nicole White, Recreation Supervisor, and Mary Ann Downing, Board of Director from the National Drowning Prevention Alliance, who accepted a proclamation for Drowning Prevention Month - May 2013.

ORAL COMMUNICATIONS

Thomas Armstrong, Escondido, voiced concern for the homeless.

Frank Woolridge, Escondido, asked that an area in the city be designated for housing the homeless.

Keith Callison, Escondido, stated the homeless would like to give back to the community.

Dennis Tomlinson, Escondido, indicated the California Center for the Arts, Escondido should support more non-profit events.

Kasturi Rangan, Escondido, stated a planned construction waste recycling plant should not be located in a residential area.

Vicente Gill, Escondido, stated a planned recycling plant should not be located in the northern residential area of Escondido.

Pat Mues, Escondido, indicated she did not agree with discussions in closed session regarding the proposed lease of the East Valley Community Center.

Jennifer Walters & Paulette Donnellon, Escondido School District, invited the Council to tour the schools within the district.

Delores McQuiston, Escondido, voiced concern with traffic problems on East Valley Parkway and the proposed lease of the East Valley Community Center.

COUNCIL MEMBERS' REPORTS/BRIEFING

Councilmember Diaz encouraged everyone to visit the library website for public input on an information collecting survey. A Mothers Day event was being held in Grape Day Park from 11:00 a.m.-4:00 p.m. on Saturday May 4, 2013 and Join Hands Day was being held at Grove Park from 12:00 noon – 4:00 p.m. Lake Hodges was holding an artist's studio presentation on Saturday, May 4, 2013 and Sunday, May 5, 2013. On Saturday, May 4, 2013 she' was receiving an award for Legislator of the Year.

Councilmember Masson attended the Crystal Apple Awards and listed some of the teachers who were honored. He also attended the grand opening for Avocado Court housing project. He indicated that FORE, a charity golf tournament, was scheduled for May 14, 2013 with the proceeds going to recreation. Another scheduled tournament was the MAP Tournament to benefit the High School District; and the AMGEN Tour was scheduled for Sunday, May 12, 2013.

Councilmember Morasco indicated that last Saturday, April 27, 2013 was the Mormon Helping Hands clean-up even in Grape Day Park and Kit Carson Park. He mentioned that everything in the Heritage Garden at Juniper and Grand Avenue had been donated; and reminded everyone of the AMGEN event on May 12, 2013.

Councilmember Gallo stated that the Highway 78 and Nordal new highway exit ramps opened today to hopefully relieve traffic congestion; Farm Tour Day, hosted by the San Diego County Farm Bureau, was scheduled for Saturday, June 15, 2013, and the Muffler Man was being dressed in bike costume for the AMGEN bike race.

Mayor Abed noted his Town Hall meeting on Wednesday, May 15, 2013 in the Council Chambers from 4:30 p.m.-6:00 p.m. He also indicated that at SANDAG the Active Transportation Implementation Strategy and Regional Transportation Plan were merging. He stated that May is Bike to Work Month and the AMGEN Tour was on Sunday, May 12, 2013. Also, Escondido had been nominated for the Metro Golden Watchdog award by the San Diego County Taxpayer Association for reforming paramedic services.

CONSENT CALENDAR

MOTION: Moved by Councilmember Diaz and seconded by Councilmember Masson that the following Consent Calendar items be approved. Motion carried unanimously.

1. **AFFIDAVITS OF PUBLICATION, MAILING AND POSTING (COUNCIL/SUCCESSOR AGENCY/RRB)**
2. **APPROVAL OF WARRANT REGISTER (Council/Successor Agency)**
3. **APPROVAL OF MINUTES: Regular Meeting of April 10, 2013**

4. **CONTRACT CHANGE ORDER FOR THE 2011 MISCELLANEOUS WATER MAIN REPLACEMENT PROJECT -** Request Council authorize the Director of Utilities to approve a contract change order with Shaw Equipment Rentals, Inc. in the amount of $256,907. (File No. 0600-10 [A-3031])

   Staff Recommendation: **Approval (Utilities Department: Christopher McKinney)**

   RESOLUTION NO. 2013-47

5. **AUTHORIZATION TO APPROVE AND EXECUTE FIRST AMENDMENT FOR CHEMICAL BID AWARD -** Request Council authorize the First Amendment for the Chemical Bid Award to SNF Polydyne, Inc. for the purchase of Clarifloc WE-850, a coagulant polymer. (File No. 0600-10 Misc.)

   Staff Recommendation: **Approval (Utilities Department: Christopher McKinney)**

   RESOLUTION NO. 2013-57

6. **APPROVAL OF CALPERS INDUSTRIAL DISABILITY RETIREMENT FOR JAMES MAHER -** Request Council approve the California Public Employees' Retirement System (calPERS) Industrial Disability Retirement for James Maher. (File No. 0170-57)

   Staff Recommendation: **Approval (Human Resources: Sheryl Bennett)**

   RESOLUTION NO. 2013-51

7. **SUMMARY STREET VACATION: PORTIONS OF SOUTH ORANGE STREET AND A PORTION OF THE ALLEY RUNNING PERPENDICULAR TO SOUTH ORANGE STREET AND CENTRE CITY PARKWAY -** Request Council authorize the summary street vacation of portions of South Orange Street and a portion of the alley running perpendicular to South Orange Street and Centre City Parkway. (File No. 0690-40)

   Staff Recommendation: **Approval (Public Works/Engineering Services: Ed Domingue)**

   RESOLUTION NO. 2013-32

8. **ALLOCATION OF ADDITIONAL FUNDS FOR DIESEL FUEL -** Request Council approve the allocation of $65,000 to cover diesel fuel purchases to the end of the Fiscal Year 2012-2013. (File No. 0470-20)

Staff Recommendation: **Approval (Public Works/Engineering: Ed Domingue)**

CONSENT – RESOLUTIONS AND ORDINANCES (COUNCIL/SUCCESSOR AGENCY/RRB)

The following Resolutions and Ordinances were heard and acted upon by the City Council/Successor Agency/RRB at a previous City Council/Successor Agency/Mobilehome Rent Review meeting. (The title of Ordinances listed on the Consent Calendar are deemed to have been read and further reading waived.)

9. **AMENDMENTS TO CAMPAIGN CONTROL ORDINANCE SECTIONS 2-103 AND 2-110 -** Approved on April 17, 2013 with a Vote of 5/0. (File No. 0680-10)

ORDINANCE NO. 2013-04 (Adoption and Second Reading)

PUBLIC HEARINGS

10. **CONDITIONAL USE PERMIT (PHG 13-0005) -** Request Council approve a Conditional Use Permit (CUP) to operate an adult school/university, John Paul the Great Catholic University, within the Historic District of the Downtown Specific Plan Area (SPA 9), subject to a limit of up to 300 people. (File No. 0800-40 PHG 13-0005)

Staff Recommendation: **Approval (Community Development/Planning: Barbara Redlitz)**

RESOLUTION NO. 2013-48

Bill Martin, Planning Department, gave the staff report and presented a series of slides.

Mayor Abed opened the public hearing and asked if anyone would like to speak on this issue in any way.

Dr. Derry Connolly, John Paul the Great Catholic University, gave a history of the university and urged Council to approve the request.

Patricia Borchmann, Escondido, asked what the Planning Commissioners concern was on this project.

Kimber Allison, Escondido, indicated she would prefer a culinary school in the downtown area.

Mayor Abed asked if anyone else wanted to speak on this issue in any way. No one asked to be heard. Therefore, he closed the public hearing.

MOTION: Moved by Councilmember Masson and seconded by Councilmember Morasco to approve a Conditional Use Permit (CUP) to operate an adult school/university, John Paul the Great Catholic University, within the Historic District of the Downtown Specific Plan Area (SPA 9), subject to a limit of up to 300 people and adopt Resolution No. 2013-48. Ayes: Abed, Diaz, Masson and Morasco. Noes: Gallo. Absent: None. Motion carried.

11. PUBLIC HEARING TO APPROVE THE FISCAL YEAR 2013-2014 ONE-YEAR ACTION PLAN FOR USE OF COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG) AND HOME INVESTMENT PARTNERSHIP (HOME) FUNDS - Request Council solicit and consider citizen input on the Fiscal Year 2013-2014 Action Plan for use of CDBG and HOME funds; approve the HOME budget and authorize the Director of Community Development and City Clerk to execute contracts as appropriate; and approve the submittal of the Fiscal Year 2013-2014 Action Plan to the United States Department of Housing and Urban Development (HUD). (File No. 0870-11)

Staff Recommendation: **Approval (Public Works/ Engineering: Ed Domingue and Community Development/Housing: Barbara Redlitz)**

RESOLUTION NO. 2013-44R

Rich Buquet, Neighborhood Services Manager, gave the staff report and presented a series of slides.

Mayor Abed opened the public hearing and asked if anyone would like to speak on this issue in any way.

Dorothy Pratt, Escondido Community Child Development Center (ECCDC) Representative, urged Council to fund their request of $25,000 for a security system at the Lincoln Street location.

Holly Merkel-Stuard, Escondido, requested Council fund the ECCDC's request for funding a security system.

Elena Sanchez, Escondido, urged Council to fund the request for a security system.

Tamson Sell, Escondido, asked Council to grant the ECCDC's request for funds.

Maritza Hernandez, Escondido, urged Council to fund ECCDC's request.

Mayor Abed asked if anyone else wanted to speak on this issue in any way. No one asked to be heard. Therefore, he closed the public hearing.

MOTION: Moved by Councilmember Masson and seconded by Councilmember Gallo to fund ECCDC's request for $25,000 from the Tulip Street Improvement fund of $80,000 and take the remainder of the Tulip Street Improvement funds for graffiti removal and code enforcement. Motion carried unanimously.

CURRENT BUSINESS

12. FIVE-YEAR CAPITAL IMPROVEMENT PROGRAM AND THE FISCAL YEAR 2013/14 CIP BUDGET UPDATE - Request Council direct staff to move forward on preparing the Fiscal Year 2013-2014 Five Year Capital Improvement Program and Budget. (File No. 0430-30)

Staff Recommendation: **Provide direction to staff (Finance Department: Gilbert Rojas)**

Michelle Lafever, Finance Department, Julie Procopio, Deputy Public Works Director, and Gil Rojas, Finance Director, gave the staff report and presented a series of slides.

COUNCIL ACTION: Directed staff to move forward on preparing the FY 2013-2014 Five Year Capital Improvement Program Budget.

FUTURE AGENDA

13. **FUTURE AGENDA -** The purpose of this item is to identify issues presently known to staff or which members of the Council wish to place on an upcoming City Council agenda. Council comment on these future agenda items is limited by California Government Code Section 54954.2 to clarifying questions, brief announcements, or requests for factual information in connection with an item when it is discussed.

Staff Recommendation: **None (City Clerk's Office: Diane Halverson)**

ORAL COMMUNICATIONS

Benjamin Cueva, Escondido, asked Council to put the Charros on a future agenda for discussion.

Patricia Borchmann, Escondido, expressed opposition to the closed session discussion on the lease of the East Valley Community Center.

Robert Williams, Escondido, voiced concern with an auto body shop in the city.

Kimber Allison, Escondido, expressed concern with the poor condition of the carwash building site.

ADJOURNMENT

Mayor Abed adjourned the meeting at 8:20 p.m.

_____ _____

MAYOR CITY CLERK

_____

MINUTES CLERK

Agenda Item No.: 4
Date: May 22, 2013

ESCONDIDO
City of Choice

♦ SIGNAGE PROPOSAL (WARNING OF HEAT DANGER)

- There are no materials available for this item

ESCONDIDO
City of Choice

CITY COUNCIL

For City Clerk's Use:
☐ APPROVED ☐ DENIED
Reso No. _____ File No. _____
Ord No. _____

Agenda Item No.: 5
Date: May 22, 2013

TO: Honorable Mayor and Members of the City Council

FROM: Christopher W. McKinney, Director of Utilities

SUBJECT: AWARD CONSULTING AGREEMENT FOR CONDITION ASSESSMENT OF LIFT STATION 1

RECOMMENDATION:

The Utilities Department requests that the City Council adopt Resolution No. 2013-63 authorizing the Mayor and City Clerk to execute a Consulting Agreement with Brown and Caldwell for the Condition Assessment of Lift Station #1 and Force Main in the amount of $286,426.

FISCAL ANALYSIS:

The Lift Station #1 and Force Main Project, CIP (800699), currently has $1,342,789 available.

BACKGROUND:

Lift Station #1 (LS1) is the largest wastewater pump station operated by the Utilities Department. Along with its force main, it is also among the oldest. The CIP includes an upgrade to this facility in the next several years to replace aging equipment and increase capacity to meet anticipated growth. Additionally, an upcoming project to eliminate three existing smaller pump stations and redirect their wastewater flow to LS1, via gravity flow, will further increase the flow through LS1.

Given these short and long term projected flow increases and the age of the facility, it is prudent to assess the condition of the lift station and force main to ensure its continued reliability and to determine the timing of future improvements. The proposed assessment will include an examination of various pumping scenarios, including the potential to redirect even more flow through the station by eliminating two more wastewater lift stations. The condition of the single, ductile-iron force main will be assessed. The proposed consultant, Brown and Caldwell, is highly qualified to perform such an assessment on a wastewater pump station.

Respectfully submitted,

Christopher W. McKinney
Director of Utilities

Agenda Item No.: 5
Date: May 22, 2013

RESOLUTION NO. 2013-63

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ESCONDIDO, CALIFORNIA, AUTHORIZING THE MAYOR AND CITY CLERK TO EXECUTE, ON BEHALF OF THE CITY, A CONSULTING AGREEMENT WITH BROWN AND CALDWELL FOR THE CONDITION ASSESSMENT OF LIFT STATION 1

WHEREAS, the City desires to ensure the continued ability of Lift Station #1 to effectively pump wastewater and remain in compliance; and

WHEREAS, it is in the best interest of the City to perform a condition assessment of the wastewater pump station and forcemain; and

WHEREAS, a selection panel has selected Brown and Caldwell as being the most qualified proposer; and

WHEREAS, the Director of Utilities recommends that the Consulting Agreement ("Agreement") with Brown and Caldwell be approved; and

WHEREAS, this City Council desires at this time and deems it to be in the best public interest, to approve said Agreement with Brown and Caldwell.

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

1. That the above recitations are true.

2. That the Mayor and City Clerk are hereby authorized to execute, on behalf of the City, an Agreement with Brown and Caldwell. A copy of the Agreement is attached as Exhibit "1" and is incorporated by this reference.

ESCONDIDO
City of Choice

CITY OF ESCONDIDO
CONSULTING AGREEMENT FOR DESIGN PROFESSIONALS

(ONLY for licensed architects, landscape architects, professional engineers, and professional land surveyors who are performing design services for the City)

This Agreement is made this _____ day of _____, 20__.

Between: CITY OF ESCONDIDO
a Municipal Corporation
201 N. Broadway
Escondido, California 92025
Attn:Paul Keck
760-839-6299
("CITY")

And: Brown and Caldwell
9665 Chesapeake Drive, Suite 201
San Diego, CA, 92123
Victor Occiano, P.E.
858-514-8822
("CONSULTANT")

Witness that whereas:

A. It has been determined to be in the CITY's best interest to retain the professional services of a consultant to evaluate the condition of Lift Station 1 and its force main.

B. The CONSULTANT is considered competent to perform the necessary professional services for CITY;

NOW, THEREFORE, it is mutually agreed by and between CITY and CONSULTANT as follows:

1. Services. The CONSULTANT will furnish all of the services as described in "Attachment A" which is attached and incorporated by this reference.

2. Compensation. The CITY will pay the CONSULTANT in accordance with the conditions specified in "Attachment A," in the sum of $286,426. Any breach of this Agreement will relieve CITY from the obligation to pay CONSULTANT, if CONSULTANT has not corrected the breach after CITY provides notice and a reasonable time to correct it.

3. Scope of Compensation. The CONSULTANT will be compensated for performance of tasks specified in "Attachment A" only. No compensation will be provided for any other tasks without specific prior written consent from the CITY.

4. Duties. CONSULTANT will be responsible for the professional quality, technical accuracy, timely completion, and coordination of all reports and other services furnished by the CONSULTANT under this Agreement, except that the CONSULTANT will not be responsible for the accuracy of information supplied by the CITY.

5. Personnel. The performance of services under this Agreement by certain professionals is significant to the CITY. CONSULTANT will assign the persons listed on "Attachment B," which is attached and incorporated by this reference, to perform the Services described in Paragraph 1, and will not add or remove persons from the list without the prior written consent of the CITY. CONSULTANT will not subcontract any tasks under this Agreement without obtaining the advance written consent of the CITY.

6. Termination. Either CONSULTANT or the CITY may terminate this Agreement with thirty (30) days advance written notice.

7. City Property. All original documents, drawings, electronic media, and other material prepared by CONSULTANT under this Agreement immediately becomes the exclusive property of the CITY, and may not be used by CONSULTANT for any other purpose without prior written consent of the CITY.

8. Insurance.

   a. The CONSULTANT shall secure and maintain at its own costs, for all operations, the following insurance coverage, unless reduced by the City Attorney:

      (1) General liability insurance. Occurrence basis with minimum limits of $1,000,000 each occurrence, $2,000,000 General Aggregate, and $1,000,000 Products/Completed Operations Aggregate; and

      (2) Automobile liability insurance of $1,000,000 combined single-limit per accident for bodily injury and property damage, unless waived as provided in 8(b) below; and

      (3) Workers' compensation and employer's liability insurance as required by the California Labor Code, as amended, or certificate of sole proprietorship; and

      (4) Errors and Omissions professional liability insurance with minimum coverage of $1,000,000.

   b. It is the parties' understanding that the use of a motor vehicle is not a primary subject of this Agreement. CONSULTANT acknowledges that operating a motor vehicle is outside the scope of this Agreement and occurs only at the convenience of the CONSULTANT. A waiver of automobile liability insurance is only effective if both sets of initials appear below, otherwise such insurance is required.

      Acknowledged by CONSULTANT _____

      Waiver appropriate by CITY _____

   c. Each insurance policy required above must be acceptable to the City Attorney:

      (1) Each policy must provide for written notice within no more than thirty (30) days if cancellation or termination of the policy occurs. Insurance coverage must be provided by an A.M. Best's A- rated, class V carrier or better, admitted in California, or if non-admitted, a company that is not on the Department of Insurance list of unacceptable carriers.

(2) All non-admitted carriers will be required to provide a service of suit endorsement in addition to the additional insured endorsement.

(3) Both the General Liability and the Automotive Liability policies must name the CITY specifically as an additional insured under the policy on a separate endorsement page. The endorsement must be ISO Form CG2010 11/85 edition or its equivalent for General Liability endorsements and CA 20-01 for Automobile Liability endorsements.

(4) The General Liability policy must include coverage for bodily injury and property damage arising from CONSULTANT's work including its ongoing operations and products-completed operations hazard.

(5) The General Liability policy must be primary and noncontributory and any insurance maintained by CITY is excess.

d. In executing this Agreement, CONSULTANT agrees to have completed insurance documents on file with the CITY within fourteen (14) days after the date of execution. Failure to comply with insurance requirements under this Agreement will be a material breach of this Agreement, resulting in immediate termination at CITY's option.

9. Indemnification. CONSULTANT (which in this paragraph 9 includes its agents, employees and subcontractors, if any) agrees to indemnify, defend, and hold harmless the CITY from all claims, lawsuits, damages, judgments, loss, liability, or expenses, including attorneys' fees, for any of the following:

a. Any claim of liability arising out of, pertaining to, or relating to the negligence, recklessness, or willful misconduct of CONSULTANT in the performance of this Agreement, excepting only those claims resulting from the sole negligence, active negligence or intentional misconduct of CITY, its employees, officials, or agents, not including CONSULTANT;

b. Any personal injuries, property damage or death that CONSULTANT may sustain while using CITY-controlled property or equipment, while participating in any activity sponsored by the CITY, or from any dangerous condition of property; or

c. Any injury or death which results or increases by any action taken to medically treat CONSULTANT.

10. Anti-Assignment Clause. The CONSULTANT may not assign, delegate or transfer any interest or duty under this Agreement without advance written approval of the CITY, and any attempt to do so will immediately render this entire Agreement null and void.

11. Costs and Attorney's Fees. In the event that legal action is required to enforce the terms and conditions of this Agreement, the prevailing party will be entitled to reasonable attorneys' fees and costs.

12. Independent Contractor. CONSULTANT is an independent contractor and no agency or employment relationship, either express or implied, is created by the execution of this Agreement.

13. Merger Clause. This Agreement and its Attachments, if any, are the entire understanding of the parties, and there are no other terms or conditions, written or oral, controlling this matter. In the event of any conflict between the provisions of this Agreement and any of its Attachments, the provisions of this Agreement must prevail.

14. Anti-Waiver Clause. None of the provisions in this Agreement will be waived by CITY because of previous failure to insist upon strict performance, nor will any provision be waived by CITY because any other provision has been waived, in whole or in part.

15. Severability. The invalidity in whole or in part of any provision of this Agreement will not void or affect the validity of any other provisions of this Agreement.

16. Choice of Law. This Agreement is governed by the laws of the State of California. Venue for all actions arising from this Agreement must be exclusively in the state or federal courts located in San Diego County, California.

17. Multiple Copies of Agreement/Counterparts. Multiple copies and/or counterparts of this Agreement may be executed, including duplication by photocopy or by computerized scanning device. Each duplicate will be deemed an original with the same effect as if all the signatures were on the same instrument. However, the parties agree that the Agreement on file in the office of the Escondido City Clerk is the copy of the Agreement that shall take precedence should any differences exist among copies or counterparts of the document.

18. Provisions Cumulative. The foregoing provisions are cumulative and in addition to and not in limitation of any other rights or remedies available to the CITY.

19. Notices to Parties. Any statements, communications or notices to be provided pursuant to this Agreement must be sent to the attention of the persons indicated below. Each party agrees to promptly send notice of any changes of this information to the other party, at the address first above written.

20. Business License. The CONSULTANT is required to obtain a City of Escondido Business License prior to execution of this Agreement.

21. Compliance with Applicable Laws, Permits and Licenses. CONSULTANT shall keep itself informed of and comply with all applicable federal, state, and local laws, statutes, codes, ordinances, regulations, and rules in effect during the term of this Agreement. CONSULTANT shall obtain any and all licenses, permits, and authorizations necessary to perform services set forth in this Agreement. Neither CITY, nor any elected nor appointed boards, officers, officials, employees, or agents of CITY shall be liable, at law or in equity, as a result of any failure of CONSULTANT to comply with this section.

22. Immigration Reform and Control Act of 1986. CONSULTANT shall keep itself informed of and comply with the Immigration Reform and Control Act of 1986. CONSULTANT affirms that as an employer in the State of California, all new employees must produce proof of eligibility to work in the United States within the first three days of employment and that only employees legally eligible to work in the United States will be employed on this public project. CONSULTANT agrees to comply with such provisions before commencing and continuously throughout the performance of this Agreement.

IN WITNESS WHEREOF, the parties below are authorized to act on behalf of their organizations, and have executed this Agreement as of the date set forth below.

CITY OF ESCONDIDO

Date:_____

_____
Sam Abed
Mayor

Date:_____

_____
Diane Halverson
City Clerk

Date:_____

_____
(Contractor signature)

_____
Title

(The above signature must be notarized)

APPROVED AS TO FORM:

OFFICE OF THE CITY ATTORNEY
JEFFREY R. EPP, City Attorney

By: _____

THE CITY OF ESCONDIDO DOES NOT DISCRIMINATE AGAINST QUALIFIED PERSONS WITH DISABILITIES.

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EXHIBIT 1
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Scope of Work

Lift Station 1 Condition Assessment and Improvements Study

March 26, 2013

Background

Lift Station 1 (LS1) is a key asset for the City of Escondido (City). The *Sewer Lift Station Evaluation Report (* RMC, May 2010) describes the lift station as follows:

> *"The lift station site was originally the site of a small wastewater treatment plant remnants of which are still visible today. Because of the high lift requirements, the station has three sets of two pumps in series. The first pump of the two pump system is a submersible-type, which feeds the suction end of the second set of pump which is a dry-pit centrifugal pump. The system pumps to a 16-inch forcemain that is approximately 2.5 miles in length after which the flow breaks to gravity before discharging into Lift Station #3. The site is at the end of Sunset Drive and the address is 3680 Sunset Drive. Each two-pump-combination is capable of delivering up to 875 gpm. The City typically runs two two-pump-combinations simultaneously for a total pumping capacity of about 1,100 gpm at 155 ft TDH. This lift station receives flow from the nearby shopping mall and residential areas. There are two sets or combinations of duty pumps and one set of stand-by pumps. Each pump within each combination is equipped with 75 Hp constant speed motors with soft start motor starters. The ultimate projected peak wet weather flow to this station is estimated to be 4,000 gpm which is greater than the current station capacity. The current peak flows to the station are about 1,250 gpm*
>
> *There is a diesel fueled 350 KW standby generator, ATS and electrical power and control equipment, an emergency pump connection, flow meter and remote monitoring of high wet well level through a radio transmitter. The on-site storage volume is approximately 86,000 gallons. Security chain link fencing surrounds the station fitted with two gate systems, one a rolling automatic chain link gate and the other a double swing manual gate. Other appurtenances include a surge tank, diesel fuel storage, activated carbon odor scrubber, bioxide storage and injection equipment, safety shower and eye wash, multiple jib crane system, remnants of an old wastewater treatment plant, potable water with backflow preventer and several other structures.*
>
> *City staff indicated that the station has had problems with scum/solids build-up on the surface of the wet well. When the blanket is broken up using water hoses and the solids are pumped out of the wet well they end up at Lift Station #3 and a similar issue occurs there. As an alternate method of dealing with the scum/solids blanket the City has successfully used their vactor truck to remove the solids and then trucked them to the HARRF for disposal. Currently the City bleeds back a portion of the pumped flow into the wet wells to help keep the build-up moving through the system. This has been working well."*

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LS1 is a key facility in the City's future water recycling plans, with the current site potentially housing future treatment facilities to produce non-potable and indirect potable water. Current issues [illegible] flooding and concerns over the condition of force main necessitate the need to perform an assessment of existing force mains. In addition, plans to redirect flows from LS6, 9 and 11 also drives the need to assess the capability of the existing lift station and force main to accept and convey the additional flow. Additional flows may also come from LS2 and 3 which the City is considering to shutdown and allow the flows that would normally flow to these stations to instead flow to LS1 by gravity. With such redirection and LS elimination, LS1 would grow sufficiently to potentially make placing a treatment plant that produces recycled water more economically viable.

Brown and Caldwell (BC) is providing this proposal for the following items:

1. Condition assessment of the LS1 FM
2. Investigation of improvements needed at LS1 to accommodate additional flows redirected from LS6, 9 and 11 and prevent inundation of the lift station during storm events
3. Assessing the feasibility of shutting down LS 2 and 3, redirecting the flows to LS1, and determining the improvements needed at LS1 to accommodate the additional flows (including current flows from existing source areas, flows redirected from LS 6, 9 and 11, and the LS2 and 3 redirected flows) and prevent inundation of the lift station during storm events
4. Developing conceptual level layout of LS1 (with improvements identified in Item3) and future water reclamation facilities.

Scope

Described below is the scope that will be performed for this project.

Task 100 – Project Management

This task is comprised of the subtasks described below.

Subtask 110 – Project Management & Administration

This subtask includes general project management, internal project meetings, cost tracking and invoicing, project accounting, and general document management.

Subtask 120 - Meetings

It is anticipated that project meetings will be held at the City offices and generally will be attended by BC's Project Manager and Project Engineer. Specifically, the following meetings are anticipated:

- **Project Coordination Meetings:** BC's Project Manager and Project Engineer will attend four (4) project coordination meetings. The coordination meetings will be scheduled as needed.
- **Review Meetings.** BC's Project Manager, Project Engineer and other technical staff as required will attend two (2) design review meetings. It is anticipated that review meetings will be conducted following Task 200 and collection of comments on the Summary Report prepared under Task 500.

Task 100 Deliverables

- **Meeting Agendas:** An electronic copy of the meeting agenda in PDF format will be provided to the City's Project Manager prior to each meeting.

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Task 200 – Assessment of the Condition of Lift Station 1 Force Main

Under this task, a Level 2 assessment of the physical condition of LS1 FM will be performed. This task is comprised of the subtasks described below.

Subtask 210 – Initial Site Investigations and Measurements

Project site investigations and measurements will be performed to document existing conditions including vault and piping dimensions, and other as-built features. The following will be conducted to facilitate this task:

- **Background data collection.** BC has reviewed available information provided to date. BC will review and incorporate any additional project-relevant information that may be provided by the City during project execution.
- **Utility Drawing Collection.** BC will coordinate with Underground Service Alert (USA) to identify all potential franchise utility facilities in the area. BC will request all as-built or other record documents for any facilities identified by Dig Alert.
- **Limits of Work Definition.** BC will identify the work limits, work access route, staging, existing utilities and sensitive environmental habitat (as defined by City's environmental consultant) relevant to the project.
- **Preparation of Drawings.** BC will acquire from the City the following information for the inspection:
    - aerial image(s);
    - 2-foot topographic contours; and
    - Existing utilities including water, sewer, electrical, fiber, telephone power, property lines, right-of-way limits, parcel owner information, etc.
- **Cross-check of GIS Utility Data.** Utilities identified by USA and Dig Alert also will be checked against the City-provided GIS utility data and documented on these drawings. It is anticipated that the City's environmental consultant can use the drawings to begin processing needed environmental documents for the project (if any) and/or other permits potentially needed for the inspection.

Subtask 220 – Field Inspection Work Plan Development

A Field Inspection Work Plan (FIWP) will be developed, including field procedures, checklists and inspection standards. Data collection, recording protocol and field forms will be developed and customized to document observations, inspection efforts, test results and findings. The FIWP will include information collected from executing Subtasks 210, including work limits, permitting and mitigation requirements, and delineation of known environmentally sensitive areas impacted by the proposed work. It will also include a preliminary schedule based on anticipated inspection activity.

Magnetic flux leakage (MFL) is an electromagnetic method of nondestructive testing that can be used to detect corrosion, pitting and wall loss in lined and unlined metallic pipes. With MFL technology, permanent magnets are used to temporarily magnetize the steel pipe and the magnetic field changes are recorded and analyzed. The magnetic flux is uniform if there are no flaws in the wall of the pipe. If internal or external flaws are present, such as pitting, corrosion or other forms of damage, the magnetic flux is distorted beyond the wall of the pipe, and this distortion or 'leakage' is measured by Hall Effect sensors.

MFL tools inspect lined pipe through liner up to an inch thick. These tools have industry-leading computational capacity and speed, world-leading inspection resolution of the pipe wall and unique data analysis algorithms using advanced applied mathematics to accurately determine defect characteristics and shape. The MFL must be launched through a special launching apparatus which is similar to a pig

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launcher. Pipe modifications may be required along the discharge manifold or piping at the lift station (LS1) to launch the equipment. Pipe modifications may also be required on the influent pipe at the downstream lift station (LS3) to retrieve the equipment. The extent of physical modifications is presently unknown. The effort (design and construction) associated with the modification is not include[illegible] fee estimate presented.

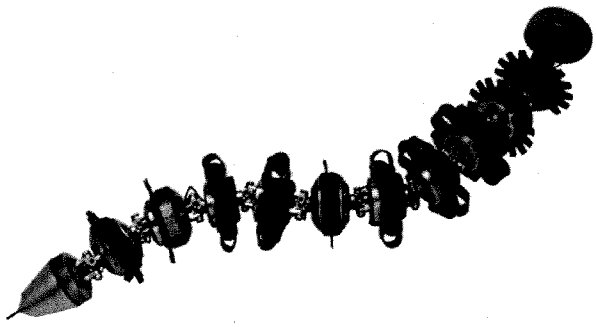
There are two MFL providers who commonly use their equipment to inspect wastewater force mains. The information below is extracted from their respective websites.

Benefits of using MFL include the following:

- Provides high resolution data of entire circumference of the pipe wall allowing for comprehensive structural evaluations of the pipe
- Capable of collecting high resolution data through interior mortar linings
- Recognized as an industry standard for metallic pipe wall assessment
- May be deployed manned or free-swimming

[*source: http://www.puretechltd.com/services/electromagnetics/magnetic_flux_leakage.shtml*]

There is a demand in the market for improved probability of detection (P.O.D.) and exceptional accuracy for sizing of corrosion pits. Competing tools that use MFL require intimate contact with the pipe wall in order to achieve acceptable flaw sizing. Unfortunately many pipelines have internal deposits of wax, scale or sand and others are lined with cement mortar, epoxy or polyethylene, preventing the effective use of MFL tools. See Snake technology, on the other hand, requires no contact with the pipe wall, and can measure through scale, wax and non-magnetic liners. In fact, See Snake tools have a minimum clearance of 0.250" (6.3mm) to allow passage of the tool past weld roots, dents and internal deposits.



See Snake Equipment

The See Snake Tool advantage.

1. Non-contact (NDT) method
2. Equally sensitive to internal and external flaws
3. Complete coverage at fast inspection speeds
4. Accurate results that identify both the severity and location of areas of wall thinning
5. Novel mechanical design can accommodate ID variations as well as traverse sharp bends
6. Compact and transport friendly

[*Source* http://www.picacorp.com/WasteWaterMain.html]

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We currently anticipate using the See Snake MFL equipment by PICA. The primary reason for t preliminary recommendation is based on the See Sanke's capabilities to make measurements without the need to have full wall contact, allowing the equipment an unprecented ability to articulate inside the pipeline and traverse its entire length with minimal concern for the tool becoming hung up or lodged.

Subtask 230 – Physical Inspection

The force main inspection and condition assessment will include the non-destructive testing (NDT) of the force main along the entire length of the pipe alignment as detailed in the Field Inspection Work Plan developed under Task 220. Excavations on the alignment will not be required and no disruption to traffic or the community is anticipated. The actual time of deployment of the inspection tool is anticipated to require less than 1 working day of 8-hours.

Subtask 240 – Summary of Findings and Recommendations

BC will prepare a section on the findings associated with the physical inspection and recommendations associated with the findings. The section will be included in the Summary Report prepared under Task 500.

Task 200 Deliverables

- Field Inspection Work Plan (5 hardcopies and 1 electronic copy in PDFformat)

Task 300 – Determination of Required Lift Station 1 Improvements under Two Flow Redirection Scenarios

Under Task 300, BC will determine and estimate the cost of the necessary improvements to LS1 associated with two different flow redirection scenarios.

Subtask 310 – Improvements Associated with Redirection of LS 6, 9 and 11

BC will perform the following tasks under this subtask:

1. Determine the minimum, average and maximum flow expected to reach LS1 from the existing service area as well as areas served by LS 6, 9, and 11. The data will be acquired from the most current Wastewater Master Plan.
2. Based on the flow information collected under Item 1, determine the adequacy of the following existing mechanical and electrical components to receive and convey the flows to LS3:
    - Two stage pumps (submersible -> centrifugal) and motors
    - Piping
    - Fittings
    - Soft start motor starters
    - 350 KW standby generator
    - ATS
    - Electric power and controls
3. Establish a list of recommended improvements including conceptual planning level layouts as needed.
4. Prepare a cost estimate of recommended improvements.
5. Prepare a brief section to be included in the Study Report prepared under Task 500 that includes the description and cost estimate of the recommended improvements.

Subtask 320 – Improvements Associated with Redirection of LS 2, 3, 6, 9, and 11

BC will perform the following tasks under this subtasks:

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EXHIBIT 1
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1. Determine the minimum, average and maximum flow expected to reach LS1 from the existing service area as well as areas served by LS 2, 3, 6, 9, and 11. The data will be acquired from the most current Wastewater Master Plan.
2. Develop a strategy to convey flows from LS2 and LS3 to LS1, including the potential use of the existing force mains for conveyance.
3. Based on the information collected developed under Items 1 and 2, determine the adequacy of the following existing mechanical and electrical components to receive and convey the flows directly to the Center City Parkway Trunk Sewer:
    - Two stage pumps (submersible -> centrifugal) and motors
    - Piping
    - Fittings
    - Soft start motor starters
    - 350 KW standby generator
    - ATS
    - Electric power and controls
4. Establish a list of recommended improvements including conceptual planning level layouts as needed.
5. Prepare a cost estimate of recommended improvements.
6. Prepare a brief section to be included in the Study Report prepared under Task 500 that includes the description and cost estimate of the recommended improvements.

Task 400 – Develop Conceptual Layout of Water Recycling Facility

Under this task, BC will prepare conceptual layouts of a typical water recycling facility that produces non-potable water and/or indirect potable water. Flow and load information developed under Task Order No. 1 of the Indirect Potable Water Reuse Program Management will be used to size the facilities. Layouts will be limited to "circles and squares" and is intended to ascertain the placement and the footprint of the needed facilities. A strategy to convey waste streams such as brine and solids will be developed and the needed facilities shown on a conceptual-level layout. The final layout will be included in the Summary Report and will be considered in developing the recommendations prepared under Task 500.

Task 500 – Summary Report Preparation

Under this task, BC will prepare a draft Summary Report that includes all the findings and recommendations developed under Tasks 200 to 400. Five hardcopies and an electronic copy in PDF format of the draft Summary Report will be submitted to the City for review. Comments received will be reviewed and responses incorporated into the final Summary Report. Five hardcopies of the final Summary report and an electronic copy in PDF format will be submitted to the City.

Task 500 Deliverables

- Draft Summary Report (5 hardcopies and 1 electronic copy in PDFformat)
- Final Summary Report (5 hardcopies and 1 electronic copy in PDFformat)

Key Scope of Work Assumptions

Presented below are BC's key proposal assumptions used for development of the scope, fee and schedule:

1. No field flow measurements or monitoring will be performed.
2. BC will use GIS maps, mass balance output, and other relevant information developed under Task Order No. 1 of the Potable Water Reuse Program Management.

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EXHIBIT
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3. Environmental services are not included.

Fee

BC proposes to complete the scope of work on a time and material basis and not to exceed th presented in the attached detailed fee proposal.

Schedule

BC will complete this project 6 months from receiving the NTP.

End of Scope

Limitations:

The information contained in this proposal is proprietary and contains confidential information that is of significant economic value to Brown and Caldwell. It is intended to be used only for evaluation of our qualifications to provide services. It should not be duplicated, used, or disclosed, in whole or in part, for any purpose other than to evaluate this proposal.

City of Escondido
Fee Proposal - Lift Station 1 Condition Assessment and Improvements Study
March 26, 2013

Phase	Phase Description	Project Manager	Project Assistant	Proj Eng - Sr Eng	Proj Eng - Sr Eng	Cond Assessment Lead	Eng Support	Cost Estimator / Field Inspection Support	Electrical Eng	Graphics / Drafting	Accountant	Office Support	Office Admin	Word Proc	QA/QC	Proj Oversight	Total Labor Hours	Total Labor Effort	Reproducible Expenses	Additional Services	Total ODCs	Company Vehicles	Total Unit Pricing Effort	PCA Hours	PCA Cost	Total Sub Cost			
		$236.00	$107.00	$167.00	$167.00	$236.00	$126.00	$196.00	$219.00	$148.00	$126.00	$91.00	$126.00	$126.00	$236.00	$219.00													
100	Project Management	44	14	0	20	14	0	0	0	0	4	6	6	0	0	6	114	21,646	150	0	150	200	200		0	0	150	350	21,996
200	LS1 FM Condition Assessment	14	0	0	130	74	18	12	0	22	0	0	8	12	0	0	290	52,874	0	0	0	0	0		115,000	115,000	115,000	126,500	179,374
300	LS1 Improvements - 2 Flows	8	0	0	68	0	32	24	26	20	0	0	4	12	8	0	202	34,538	0	0	0	0	0		0	0	0	0	34,538
400	WRF Layouts	4	0	10	30	0	0	0	2	4	0	0	0	0	2	0	52	9,126	0	0	0	0	0		0	0	0	0	9,126
500	Summary Report	8	0	20	40	6	0	0	0	10	0	0	4	6	8	0	102	17,952	0	0	0	0	0		0	0	0	0	17,952
600	Additional Services	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	10,000	10,000	0	0		0	0	10,000	10,000	10,000
	GRAND TOTAL	78	14	30	288	94	50	36	28	56	4	6	22	30	18	6	760	136,136	150	10,000	10,150	200	200		115,000	115,000	125,150	136,850	272,986

Hours and Dollars are rounded to nearest whole number. To display decimals, change the format of the cells.

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ESCONDIDO
City of Choice

CITY COUNCIL

For City Clerk's Use:
☐ APPROVED ☐ DENIED
Reso No. _____ File No. _____
Ord No. _____

Agenda Item No.: 6
Date: May 22, 2013

TO: Honorable Mayor and Members of the City Council

FROM: Christopher W. McKinney, Utilities Director

SUBJECT: Bid Award for the Reservoir Repainting 2013 Project (Rebid)

RECOMMENDATION:

The Utilities Department requests Council adoption of Resolution No. 2013-59 authorizing the Mayor and City Clerk to execute an agreement with Blastco Incorporated in the amount of $71,213 for the "Reservoir Repainting 2013" project.

FISCAL ANALYSIS:

Competitive bids were opened by the City Clerk's Office on April 25, 2013, with the following results:

1)	Blastco Inc., Downey	$71,213
2)	Anemos Enterprises Inc., San Diego	$74,100
3)	Industrial Coating & Restoration, Oceanside	$78,730
4)	Pacific Contractors Group Inc., Northridge	$87,000
5)	Tony Painting, Garden Grove	$92,850
6)	Advanced Industrial Services Inc., Alamitos	$100,500
7)	J. Colon Coatings, Inc., Alta Loma	$102,600
8)	Olympus Painting, Van Nuys	$107,000
9)	Paso Robles Tank, Inc., Hemet	$149,000
10)	Diana Prince Construction, Inc., Irvine	$212,355

Funds for project completion are available in CIP 700329.

BACKGROUND:

The City's steel potable water tanks, also called reservoirs, are repainted about every ten years as part of the utilities assets maintenance program. This particular project will include external repainting of the Lake Dixon Recreational Area Reservoir, the Royal Crest Reservoir, and Lindley Lane Reservoir. The Lindley Lane Reservoir is being painted - despite its upcoming replacement in two years - due to requirements from the County Health Department. The City's remaining steel water tanks (Hogback, East Gove, and Vista Verde) are not in need of repainting at this time.

As noted above, City staff recommends the award of bid to Blastco, Inc. as the lowest, responsible and responsive bidder. It should be noted that correspondence was received from the Painters and Allied Trades Compliance Administrative Trust indicating that Blastco Incorporated was a "non-responsible"

bidder. This is different from an issue of responsiveness to the bid process, which is more common in bid matters, and generally is more serious in that it involves the actual abilities of the contractor. The Trades Compliance Administration Trust allegation is based on an alleged failure to comply with California Labor Code 1777.5, which deals with apprenticeship issues. Copies of two settlement letters from the State of California Department of Industrial Relations, Division of Apprenticeship Standards (DAS), were also included. These indicate a mutual closure of the cases with Blastco agreeing to fines of $4,700 and $2,600. Both letters referred to prior matters and indicated that the DAS "...considers this complaint closed." No evidence was provided of any other complaints or of any outstanding complaints.

It appears that Blastco was cooperative in resolving both issues, and the issues do not appear to impact Blastco's ability to do the work properly or in compliance with the contract and applicable rules.

In addition, staff conducted specific reference checks of the proposed contractor which indicated that Blastco, Inc. had done a good job of repainting the Centinela State Prison water tanks, and also indicated that they had done a good job of painting two water reservoirs for North Marin Water District. Blastco Incorporated, a non-union company, indicated that they fully intend to comply with the Prevailing Wage rules, as required by the contract.

Taking all of this information into consideration, staff recommends that Blastco Incorporated be awarded the contract as the lowest responsive and responsible bidder.

Respectfully submitted,

Christopher W. McKinney
Director of Utilities

Agenda Item No.: 6
Date: May 22, 2013

RESOLUTION NO. 2013-59

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ESCONDIDO, CALIFORNIA, AUTHORIZING THE MAYOR AND CITY CLERK TO EXECUTE, ON BEHALF OF THE CITY, A PUBLIC IMPROVEMENT AGREEMENT WITH BLASTCO INCORPORATED, FOR THE RESERVOIR REPAINTING 2013 PROJECT

WHEREAS, the Escondido City Council authorized the re-bid of the Reservoir Repainting 2013 Project (the "Project"); and

WHEREAS, the City of Escondido opened sealed bids for the Project on April 25, 2013; and

WHEREAS, the Director of Utilities has determined Blastco Incorporated to be the lowest responsive and responsible bidder and recommends awarding the bid in the amount of $71,213 to Blastco Incorporated; and

WHEREAS, this City Council desires at this time and deems it to be in the best public interest to award this contract to Blastco Incorporated.

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

1. That the above recitations are true.

2. That the Mayor and City Council accepts the recommendation of the Director of Utilities and finds Blastco Incorporated to be the lowest responsive and responsible bidder.

3. That the Mayor and City Clerk are authorized to execute, on behalf of the City, a Public Improvement Agreement ("Agreement") with Blastco Incorporated for the Project. A copy of the Agreement is attached as Exhibit "A" and is incorporated by this reference.

PUBLIC IMPROVEMENT AGREEMENT

This "Agreement", dated the _____ day of _____, 20_____, in the County of SAN DIEGO, State of California, is by and between **THE CITY OF ESCONDIDO** (hereinafter referred to as "CITY"), and **Blastco, Inc.** (hereinafter referred to as "CONTRACTOR").

The CITY and the CONTRACTOR, for the consideration stated herein, agree as follows:

1. The complete contract includes all of the Project Documents described in the General Conditions, which are incorporated by reference. The Project Documents are complementary, and what is called for by any one shall be as binding as if called for by all.

2. CONTRACTOR shall perform within the time set forth in Paragraph 4 of this Agreement everything required and reasonably inferred to be performed, and shall provide and furnish all the labor, materials, necessary tools, expendable equipment, and all utility and transportation services as described in the complete contract and required for construction of

RESERVOIR REPAINTING 2013

All of said work to be performed and materials to be furnished shall be completed in a good workmanlike manner, free from defects, in strict accordance with the plans, drawings, specifications and all provisions of the complete contract as hereinabove defined. The CONTRACTOR shall be liable to the CITY for any damages and resulting costs, including consultants' costs, arising as a result of a failure to fully comply with this obligation, and the CONTRACTOR shall not be excused with respect to any failure to so comply by any act or omission of the Architect, Engineer, Inspector, or representative of any of them, unless such act or omission actually prevents the CONTRACTOR from fully complying with the requirements of the Project Documents, and unless the CONTRACTOR protests at the time of such alleged prevention that the act or omission is preventing the CONTRACTOR from fully complying with the Project documents. Such protest shall not be effective unless reduced to writing and filed with the CITY within **three (3) working days** of the date of occurrence of the act or omission preventing the CONTRACTOR from fully complying with the Project documents.

3. CITY shall pay to the CONTRACTOR, as full consideration for the faithful performance of the contract, subject to any additions or deductions as provided in the Project documents, the sum of **Seventy One Thousand, Two Hundred Thirteen Dollars ($ 71,213.00)**.

4. The work shall be commenced on or before the twenty-first (21st) day after receiving the CITY'S Notice to Proceed and shall be completed within **90 calendar days** from the date specified in the Notice to Proceed.

5. Time is of the essence. If the work is not completed in accordance with Paragraph 4 above, it is understood that the CITY will suffer damage. It being impractical and infeasible to determine the amount of actual damage(s), in accordance with Government Code Section 53069.85, it is agreed that CONTRACTOR shall pay to CITY as fixed and liquidated damages, and not as a penalty, the sum(s) indicated in the LIQUIDATED DAMAGES SCHEDULE below for each calendar day of delay until work is completed and accepted. This amount shall be deducted from any payments due to or to become

due to CONTRACTOR. CONTRACTOR and CONTRACTOR'S surety shall be liable for the amount thereof. Time extensions may be granted by the CITY as provided in the General Conditions.

Liquidated damages schedule:

If the overall project is delayed **one (1) calendar day or more**, the rate shall be **$375/day**.

Acknowledged: _____
Initials of Principal

6. In the event CONTRACTOR for a period of **ten (10) calendar days** after receipt of written demand from CITY to do so, fails to furnish tools, equipment, or labor in the necessary quantity or quality, or to prosecute said work and all parts thereof in a diligent and workmanlike manner, or after commencing to do so within said **ten (10) calendar days**, fails to continue to do so, then the CITY may exclude the CONTRACTOR from the premises, or any portion thereof, and take possession of said premises or any portion thereof, together with all material and equipment thereon, and may complete the work contemplated by this Agreement or any portion of said work, either by furnishing the tools, equipment, labor or material necessary, or by letting the unfinished portion of said work, or the portion taken over by the CITY to another contractor, or demanding the surety hire another contractor, or by any combination of such methods. In any event, the procuring of the completion of said work, or the portion thereof taken over by the CITY, shall be a charge against the CONTRACTOR, and may be deducted from any money due or to become due to CONTRACTOR from the CITY, or the CONTRACTOR shall pay the CITY the amount of said charge, or the portion thereof unsatisfied. The sureties provided for under this Agreement shall become liable for payment should CONTRACTOR fail to pay in full any said cost incurred by the CITY. The permissible charges for any such procurement of the completion of said work should include actual costs and fees incurred to third party individuals and entities (including, but not limited to consultants, attorneys, inspectors, and designers) and actual costs incurred by CITY for the increased dedication of time of CITY employees to the Project.

7. To the fullest extent permitted by law, the CONTRACTOR agrees to and does hereby agree to fully defend, indemnify and hold the CITY, its governing board, officers, agents, Project design team members (architect and consulting engineers), consultants, attorneys, and employees harmless of and from each and every claim, assertion, action, cause of action, arbitration, suit, proceedings, or demand made, and every liability, loss, judgment, award, damage, or expense, of any nature whatsoever (including attorneys' fees, consultant costs), which may be incurred by reason of:

   (a) Asserted and/or actual liability arises from claims for and/or damages resulting from damages for:

      (1) Death or bodily injury to persons.
      (2) Injury to, loss or theft of tangible and/or intangible property/ e.g. economic loss.
      (3) Any other loss, damage or expense arising under either (1) or (2) above, sustained by the CONTRACTOR upon or in connection with the work called for in this Project, except for liability resulting from the sole active negligence, or willful misconduct of the CITY.

   (b) Any injury to or death of any person(s) or damage, loss or theft of any property caused by any act, neglect, default or omission of the CONTRACTOR, or any person, firm, or corporation employed by the CONTRACTOR, either directly or by independent

contract, arising out of, or in any way connected with the work covered by this Agreement, whether said injury or damage occurs on or off City property.

(c) Any and all liabilities, claims, actions, causes of action, proceedings, suits, administrative proceedings, damages, fines, penalties, judgments, orders, liens, levies, costs and expenses of whatever nature, including reasonable attorneys' fees and disbursements, arising out of any violation, or claim of violation of the San Diego Municipal Storm Water Permit (Order No. 2001-01), and updates or renewals, of the California Regional Water Quality Control Board Region 9, San Diego, which the CITY might suffer, incur, or become subject by reason of or occurring as a result of or allegedly caused by the construction, reconstruction, maintenance, and/or repair of the work under this Agreement.

The CONTRACTOR, at CONTRACTOR's own expense, cost, and risk shall defend any and all actions, suit, or other proceedings that may be brought or instituted against the CITY, its governing board, officers, agents or employees, on any such claim, demand or liability, and shall pay or satisfy any judgment that may be rendered against the CITY, its governing board, officers, agents or employees in any action, suit or other proceedings as a result thereof.

8. (a) CONTRACTOR shall take out, prior to commencing the work, and maintain, during the life of this contract, and shall require all subcontractors, if any, of every tier, to take out and maintain:

(1) General Liability and Property Damage Insurance as defined in the General Conditions in the amount with a combined single limit of not less that **$3,000,000 per occurrence**.

(2) Course of Construction / Builder's Risk Insurance See 5.2 of General Conditions.

(3) Insurance Covering Special Hazards: The following special hazards shall be covered by rider or riders to the above-mentioned public liability insurance or property damage insurance policy or policies of insurance, or by special policies of insurance in amounts as follows:

(A) Automotive and truck where operated in amounts as above

(B) Material hoist where used in amounts as above

(4) Workers' Compensation Insurance.

(b) Each insurance policy required above must be acceptable to the City Attorney, as follows:

(1) Each policy must name the CITY specifically as an additional insured under the policy on a separate endorsement page, with the exception of the workers' compensation and the Errors and Omissions policies.

(2) Each policy must provide for written notice within no more than thirty (30) days if cancellation or termination of the policy occurs. Insurance coverage must be provided by an A.M. Best's A-rated, class V carrier or better, admitted in California, or if non-admitted, a company that is not on the Department of Insurance list of unacceptable carriers.

(3) All non-admitted carriers will be required to provide a service of suit endorsement in addition to the additional insured endorsement.

(c) In executing this Agreement, CONTRACTOR agrees to have completed insurance documents on file with the CITY within 14 days after the date of execution. Failure to comply with insurance requirements under this Agreement will be a material breach of this Agreement, resulting in immediate termination at CITY's option.

9. Public Contract Code Section 22300 permits the substitution of securities for any monies withheld by a public agency to ensure performance under a contract. At the request and expense of the CONTRACTOR, securities equivalent to the amount withheld in retention by the CITY, then the subcontractor shall receive the identical rate of interest received by the CONTRACTOR on any retention monies withheld shall be deposited with the public agency, or with a state or federally chartered bank in California as the escrow agent, who shall then pay such monies to the CONTRACTOR. The City retains the sole discretion to approve the bank selected by the CONTRACTOR to serve as escrow agent. Upon satisfactory completion of the contract, the securities shall be returned to the CONTRACTOR. Securities eligible for investment shall include those listed in Government Code Section 16430 or bank or savings and loan certificates of deposit. The CONTRACTOR shall be the beneficial owner of any securities substituted for monies withheld and shall receive any interest thereon.

In the alternative, under Section 22300, the CONTRACTOR may request CITY to make payment of earned retentions directly to the escrow agent at the expense of the CONTRACTOR. Also at the CONTRACTOR's expense, the CONTRACTOR may direct investment of the payments in securities, and the CONTRACTOR shall receive interest earned on such investment upon the same conditions as provided for securities deposited by CONTRACTOR. Upon satisfactory completion of the contract, CONTRACTOR shall receive from the escrow agent all securities, interest and payments received by escrow agent from CITY pursuant to the terms of Section 22300. If CONTRACTOR elects to receive interest on moneys withheld in retention by CITY, CONTRACTOR shall, at the request of any subcontractor, make that option available to the subcontractor regarding any monies withheld in retention by the CONTRACTOR from the subcontractor. If the CONTRACTOR elects to receive any interest on any monies withheld in retention by the Owner, then the subcontractor shall receive the identical rate of interest received by the CONTRACTOR on any retention monies withheld from the subcontractor by the CONTRACTOR, less any actual pro rata costs associated with administering and calculating that interest. In the event the interest rate is a fluctuating rate, the rate for the subcontractor shall be determined by calculating the interest rate paid during the time that retentions were withheld from the subcontractor. If the CONTRACTOR elects to substitute securities in lieu of retention, then, by mutual consent of the CONTRACTOR and subcontractor, the subcontractor may substitute securities in exchange for the release of monies held in retention by CONTRACTOR. This shall apply only to those subcontractors performing more than five percent (5%) of the CONTRACTOR'S total bid. The CONTRACTOR shall not require any subcontractor to waive any provision of this section.

10. Each and every provision of law and clause required by law to be inserted in this Agreement or its attachments shall be deemed to be inserted herein and the Agreement shall be read and enforced as though it were included herein, and if through mistake or otherwise any such provision is not inserted, or is not currently inserted, then upon application of either party the Agreement shall forthwith be physically amended to make such insertion or correction, without further changes to the remainder of the Agreement.

11. The complete contract as set forth in Paragraph 1 of this Agreement constitutes the entire Agreement of the parties. No other agreements, oral or written, pertaining to the work to be performed, exists between the parties. This Agreement can be modified only by an amendment in writing, signed by both parties and pursuant to action of the Escondido City Council.

12. CONTRACTOR shall comply with those provisions of the Labor Code requiring payment of prevailing wages, keeping of certified payroll records, overtime pay, employment of apprentices, and workers' compensation coverage, as further set forth in the General Conditions, and shall file the required workers' compensation certificate before commencing work.

13. The terms "Project Documents" and/or "Contract Documents" where used, shall refer to those documents include in the definition set forth in the General Conditions made a part hereof.

14. CONTRACTOR shall keep itself informed of and comply with the Immigration Reform and Control Act of 1986. CONTRACTOR affirms that as an employer in the State of California, all new employees must produce proof of eligibility to work in the United States within the first three days of employment and that only employees legally eligible to work in the United States will be employed on this public project. CONTRACTOR agrees to comply with such provisions before commencing and continuously throughout the performance of this Agreement.

IN WITNESS WHEREOF, this Agreement has been executed on behalf of CITY by its officers thereunto authorized and by CONTRACTOR, the date and year first above written.

CITY OF ESCONDIDO
a municipal corporation
201 North Broadway
Escondido, CA 92025

By: _____
Diane Halverson, City Clerk

By: _____
Sam Abed, Mayor

APPROVED AS TO FORM:

OFFICE OF THE CITY ATTORNEY
JEFFREY R. EPP, City Attorney

By: _____

CONTRACTOR

By: _____
Signature

_____
Print Name

_____
Title

By: _____
Signature*

_____
Print Name

_____
Title

(Second signature required only for corporation)

By: _____
Signature**

_____
Print Name

_____
Title

(CORPORATE SEAL OF CONTRACTOR, if corporation)

_____
Contractor's License No.

_____
Tax ID/Social Security No.

*If CONTRACTOR is a corporation, the first signature must be by one of the following officers of the corporation: Chairman of the Board, President, or any Vice President.

**If CONTRACTOR is a corporation, the second signature must be by a different person from the first signature and must be by one of the following officers of the corporation: Secretary, any Assistant Secretary, the Chief Financial Officer, or any Assistant Treasurer.

SECTION A-00610 - FAITHFUL PERFORMANCE BOND

KNOW ALL MEN BY THESE PRESENT,

That _____ ("Contractor") and _____ ("Surety") are held and firmly bound unto the CITY OF ESCONDIDO ("Owner") in the sum of _____ _____ Dollars, for the payment of which sum well and truly to be made, we bind ourselves, our heirs, executors, administrators, successors, and assigns, jointly and severally, firmly by these presents.

WHEREAS, Contractor has been awarded and is about to enter into a contract with Owner to perform all work required under the Bid Schedule(s) of the Owner's specifications entitled,

RESERVOIR REPAINTING 2013

WHEREAS, the provisions of the Contract are incorporated by reference into this Faithful Performance Bond and shall be part of Surety's obligation hereunder.

NOW THEREFORE, if Contractor shall perform all the requirements of said contract required to be performed on his part, at the times and in the manner specified herein, then this obligation shall be null and void, otherwise, it shall remain in full force and effect.

PROVIDED, that

(1) Any alterations in the work to be done or the materials to be furnished, which may be made pursuant to the terms of the Contract, shall not in any way release Contractor or Surety thereunder;

(2) Any extensions of time granted under the provisions of Contract shall not release either Contractor or Surety from their respective obligations to Owner;

(3) Notice of any such alterations or extensions of the Contract is hereby waived by Surety;

(4) Any payments (including progress payments) made on behalf of Owner to Contractor after the scheduled completion of the work to be performed pursuant to the Contract shall not release either Contractor or Surety from any obligations under the Contract or this Faithful Performance Bond, or both, including any obligation to pay liquidated damages to Owner; and

(5) To the extent Owner exercises its rights pursuant to this Bond, Owner shall be entitled to demand performance by the surety and be further entitled to recover, in addition to all other remedies afforded by law, its reasonably incurred costs to complete the work,

attorneys fees and consultant costs, as well as actual costs incurred by OWNER for the increased dedication/commitment of time of OWNER employees to the Project.

SIGNED AND SEALED, this _____ day of_____, 20___.

_____	_____
Contractor	Surety
	_____
	Address
	_____
	Phone No.

(SEAL)

BY_____	_____
Signature	Signature

(SEAL AND NOTARIAL ACKNOWLEDGEMENT OF SURETY)

APPROVED AS TO FORM:

OFFICE OF THE CITY ATTORNEY
JEFFREY R. EPP, City Attorney

By: _____

SECTION A-00620 - LABOR AND MATERIAL BOND

KNOW ALL MEN BY THESE PRESENT,

That _____ as Contractor, and _____ as Surety, are held and firmly bound unto the CITY OF ESCONDIDO, hereinafter called Owner, in the sum of _____ dollars, for the payment of which sum well and truly to be made, we bind ourselves our heirs, executors, administrators, successors, and assigns, jointly and severally, firmly by these presents.

WHEREAS, said Contractor has been awarded and is about to enter into the annexed contract with said Owner to perform all work required under the Bid Schedule(s) of the Owner's specifications entitled,

RESERVOIR REPAINTING 2013

NOW THEREFORE, if said Contractor, or subcontractor, fails to pay for any materials, equipment, or other supplies, or for rental of same, used in connection with the performance of work contracted to be done, or for amounts due under applicable State law for any work or labor thereon, or for amounts due under the Unemployment Insurance Code, or for any amounts required to be deducted, withheld, and paid over to the Employment Development Department from the wages of employees of the Contractor and its subcontractors pursuant to Section 13020 of the Unemployment Insurance Code with respect to such labor, said Surety will pay for the same in an amount not exceeding the sum specified above, and, in the event suit is brought upon this bond, a reasonable attorney's fee to be fixed by the court. This bond shall inure to the benefit of any persons, companies or corporations entitled to file claims under applicable State law.

PROVIDED, that any alterations in the work to be done or the materials to be furnished, which may be made pursuant to the terms of said contract, shall not in any way release either said Contractor or said Surety thereunder, nor shall any extensions of the time granted under the provisions of said contract release either said Contractor or said surety, and notice of such alterations or extensions of the contract is hereby waived by said Surety.

SIGNED AND SEALED, this _____ day of_____, 20___.

_____	_____
Contractor	Surety
	_____
	Address
	_____
	Phone No.
(SEAL)	
BY_____	_____
Signature	Signature

(SEAL AND NOTARIAL ACKNOWLEDGEMENT OF SURETY)

APPROVED AS TO FORM:

OFFICE OF THE CITY ATTORNEY
JEFFREY R. EPP, City Attorney

By: _____

SECTION A-00630 - CITY OF ESCONDIDO BUSINESS LICENSE

In accordance with Municipal Code Section 16, the successful bidder is required to obtain a City of Escondido Business License prior to execution of contract.

The following information must be submitted to the City Clerk prior to execution of contract:

City of Escondido Business License No. _____

Expiration Date _____

Name of Licensee _____

_____

SECTION A-00660 - WORKERS' COMPENSATION INSURANCE CERTIFICATE

If self-insured for Workers' Compensation, the Contractor shall execute the following form as required by the California Labor Code, Sections 1860 and 1861:

> I am aware of the provisions of Section 3700 of the Labor Code which requires every employer to be insured against liability for workers' compensation or to undertake self-insurance in accordance with the provisions of the Labor Code, Sections 1860 and 1861, and I will comply with such provisions before commencing the performance of the work of the contract.

Dated:_____

_____
Contractor

By:_____
Signature

SAMPLE NOTICE

(REQUIRED UNDER GENERAL CONDITIONS, ARTICLE 6.1.B)

TO THE PEOPLE ON THIS STREET:

WITHIN THE NEXT FEW DAYS, WORK WILL BE STARTED ON THE FOLLOWING PROJECT:

XXXXXXXXXXX

The work may cause some inconvenience, but will be of permanent benefit.

We shall appreciate your cooperation in the following matters:

1. Please be alert when driving or walking in the construction area.
2. Tools, materials and equipment are attractive to children. For the safety of the children, please keep them away.
3. Please report all inconvenience to the Foreman on the job, or to the City of Escondido Field Engineering Inspection Office, 839-4664. The name and phone number of the contractor are given below.

This work is being performed for the City of Escondido by:

We will endeavor to complete this work as rapidly as possible and with a minimum of inconvenience to you.

_____

ESCONDIDO
City of Choice

CITY COUNCIL

For City Clerk's Use:
☐ APPROVED ☐ DENIED
Reso No. _____ File No. _____
Ord No. _____

Agenda Item No.: 7
Date: May 22, 2013

TO: Honorable Mayor and Members of the City Council

FROM: Christopher W. McKinney, Director of Utilities

SUBJECT: Terminate Existing Consulting Agreement for Lift Station Consolidation and Award New Consulting Agreement

RECOMMENDATION:

The Utilities Department requests that the City Council adopt Resolution No. 2013-62 to terminate an existing Consulting Agreement with Brown and Caldwell for the Lift Station Consolidation Design. This contract has a remaining balance of $846,636. The resolution also authorizes the Mayor and City Clerk to execute a new Consulting Agreement with Water Synergy, Inc. for the Lift Station Consolidation Design in the amount of $170,520.

FISCAL ANALYSIS:

The West Side Lift Station Evaluation Project, CIP (808810), currently has $3,919,561 available.

PREVIOUS ACTION:

In November 2011 the City contracted with Brown and Caldwell for professional consulting services to develop design parameters and preliminary pipeline alignments for the consolidation of Lift Stations 6, 9, and 11 into a single lift station. On September 12, 2012, Council approved an agreement with Brown and Caldwell for the design of this lift station consolidation.

BACKGROUND:

The Brown and Caldwell agreement approved on September 12, 2012, by Council, included full design drawings and specifications, and all required environmental studies and documentation. As originally planned, the design would include a new wastewater lift station to consolidate Lift Stations 6, 9, and 11; approximately one mile of wastewater force main; approximately one mile of gravity sewer; and demolition of three existing wastewater lift stations. The approved contract amount was $862,759.

During the preliminary stages of the design process, Utilities engineering staff evaluated the potential lift station scenarios and determined that a gravity sewer line to an existing lift station (Lift Station 1)

would also meet the goal of eliminating Lift Stations 6, 9, and 11. The CIP cost of consolidating the lift stations with a gravity pipeline will be less than the cost of consolidating them with a new lift station. Also, the ongoing life-cycle costs (maintenance and operations) are significantly lower for a gravity line than for a lift station because the costs of electricity, chemicals, equipment maintenance, and some labor are avoided.

Staff stopped the design activities that Brown and Caldwell had begun and unsuccessfully attempted to renegotiate the scope of work for pipeline design at an acceptable price. Staff was able to successfully negotiate a new scope of work for pipeline design with Water Synergy, Inc. for the gravity sewer pipeline in the amount $170,520. The remaining balance of the agreement with Brown and Caldwell – which will be terminated – is $846,636.

Respectfully submitted,

Christopher W. McKinney
Director of Utilities

Agenda Item No.: 7
Date: May 22, 2013

RESOLUTION NO. 2013-62

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ESCONDIDO, CALIFORNIA, AUTHORIZING THE MAYOR AND CITY CLERK TO EXECUTE, ON BEHALF OF THE CITY, A CONSULTING AGREEMENT WITH WATER SYNERGY, INC. FOR THE LIFT STATION CONSOLIDATION DESIGN

WHEREAS, the City desires to improve the cost efficiency of pumping for wastewater in the collection system; and

WHEREAS, it is in the best interest of the City operationally to eliminate three existing wastewater pump stations in favor of a gravity pipeline; and

WHEREAS, an agreement for a change in the scope of work could not be reached with the existing design consultant; and

WHEREAS, an agreement was reached with Water Synergy, Inc., another qualified proposer; and

WHEREAS, the Director of Utilities recommends that the Consulting Agreement ("Agreement") with Water Synergy, Inc. be approved; and

WHEREAS, this City Council desires at this time and deems it to be in the best public interest, to approve said Agreement with Water Synergy, Inc.

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

1. That the above recitations are true.

2. That the Mayor and City Clerk are hereby authorized to execute, on

behalf of the City, an Agreement with Water Synergy, Inc. A copy of the Agreement is attached as Exhibit "1" and is incorporated by this reference.

ESCONDIDO
City of Choice

CITY OF ESCONDIDO
CONSULTING AGREEMENT FOR DESIGN PROFESSIONALS

(**ONLY** for licensed architects, landscape architects, professional engineers, and professional land surveyors who are performing design services for the City)

This Agreement is made this _____ day of _____, 2013.

Between: CITY OF ESCONDIDO
a Municipal Corporation
201 N. Broadway
Escondido, California 92025
Attn: Paul Keck
760-839-6299
("CITY")

And: Water Synergy, Inc
P.O. Box 865
Escondido, CA, 92033
Donald H. Bunts, P.E.
760-533-4086
("CONSULTANT")

Witness that whereas:

A. It has been determined to be in the CITY's best interest to retain the professional services of a consultant to design and engineer gravity sewer to replace Lift Stations 6, 9, & 11 and deliver their current flows to Lift Station 1; resolve design conflicts, environmental concerns or construction constraints; and develop plan and profile designs.

B. The CONSULTANT is considered competent to perform the necessary professional services for CITY;

NOW, THEREFORE, it is mutually agreed by and between CITY and CONSULTANT as follows:

1. Services. The CONSULTANT will furnish all of the services as described in "Attachment A" which is attached and incorporated by this reference.

2. Compensation. The CITY will pay the CONSULTANT in accordance with the conditions specified in "Attachment A," in the sum of $170,520. Any breach of this Agreement will relieve CITY from the obligation to pay CONSULTANT, if CONSULTANT has not corrected the breach after CITY provides notice and a reasonable time to correct it.

3. Scope of Compensation. The CONSULTANT will be compensated for performance of tasks specified in "Attachment A" only. No compensation will be provided for any other tasks without specific prior written consent from the CITY.

4. Duties. CONSULTANT will be responsible for the professional quality, technical accuracy, timely completion, and coordination of all reports and other services furnished by the CONSULTANT under this Agreement, except that the CONSULTANT will not be responsible for the accuracy of information supplied by the CITY.

5. Personnel. The performance of services under this Agreement by certain professionals is significant to the CITY. CONSULTANT will assign the persons listed on "Attachment B," which is attached and incorporated by this reference, to perform the Services described in Paragraph 1, and will not add or remove persons from the list without the prior written consent of the CITY. CONSULTANT will not subcontract any tasks under this Agreement without obtaining the advance written consent of the CITY.

6. Termination. Either CONSULTANT or the CITY may terminate this Agreement with thirty (30) days advance written notice.

7. City Property. All original documents, drawings, electronic media, and other material prepared by CONSULTANT under this Agreement immediately becomes the exclusive property of the CITY, and may not be used by CONSULTANT for any other purpose without prior written consent of the CITY.

8. Insurance.

   a. The CONSULTANT shall secure and maintain at its own costs, for all operations, the following insurance coverage, unless reduced by the City Attorney:

      (1) General liability insurance. Occurrence basis with minimum limits of $1,000,000 each occurrence, $2,000,000 General Aggregate, and $1,000,000 Products/Completed Operations Aggregate; and

      (2) Automobile liability insurance of $1,000,000 combined single-limit per accident for bodily injury and property damage, unless waived as provided in 8(b) below; and

      (3) Workers' compensation and employer's liability insurance as required by the California Labor Code, as amended, or certificate of sole proprietorship; and

      (4) Errors and Omissions professional liability insurance with minimum coverage of $1,000,000.

   b. It is the parties' understanding that the use of a motor vehicle is not a primary subject of this Agreement. CONSULTANT acknowledges that operating a motor vehicle is outside the scope of this Agreement and occurs only at the convenience of the CONSULTANT. A waiver of automobile liability insurance is only effective if both sets of initials appear below, otherwise such insurance is required.

      Acknowledged by CONSULTANT _____

      Waiver appropriate by CITY _____

   c. Each insurance policy required above must be acceptable to the City Attorney:

      (1) Each policy must provide for written notice within no more than thirty (30) days if cancellation or termination of the policy occurs. Insurance coverage must be provided by an A.M. Best's A- rated, class V carrier or better, admitted in California, or if non-admitted, a company that is not on the Department of Insurance list of unacceptable carriers.

      (2) All non-admitted carriers will be required to provide a service of suit endorsement in addition to the additional insured endorsement.

(3) Both the General Liability and the Automotive Liability policies must name the CITY specifically as an additional insured under the policy on a separate endorsement page. The endorsement must be ISO Form CG2010 11/85 edition or its equivalent for General Liability endorsements and CA 20-01 for Automobile Liability endorsements.

(4) The General Liability policy must include coverage for bodily injury and property damage arising from CONSULTANT's work including its ongoing operations and products-completed operations hazard.

(5) The General Liability policy must be primary and noncontributory and any insurance maintained by CITY is excess.

d. In executing this Agreement, CONSULTANT agrees to have completed insurance documents on file with the CITY within fourteen (14) days after the date of execution. Failure to comply with insurance requirements under this Agreement will be a material breach of this Agreement, resulting in immediate termination at CITY's option.

9. Indemnification. CONSULTANT (which in this paragraph 9 includes its agents, employees and subcontractors, if any) agrees to indemnify, defend, and hold harmless the CITY from all claims, lawsuits, damages, judgments, loss, liability, or expenses, including attorneys' fees, for any of the following:

a. Any claim of liability arising out of, pertaining to, or relating to the negligence, recklessness, or willful misconduct of CONSULTANT in the performance of this Agreement, excepting only those claims resulting from the sole negligence, active negligence or intentional misconduct of CITY, its employees, officials, or agents, not including CONSULTANT;

b. Any personal injuries, property damage or death that CONSULTANT may sustain while using CITY-controlled property or equipment, while participating in any activity sponsored by the CITY, or from any dangerous condition of property; or

c. Any injury or death which results or increases by any action taken to medically treat CONSULTANT.

10. Anti-Assignment Clause. The CONSULTANT may not assign, delegate or transfer any interest or duty under this Agreement without advance written approval of the CITY, and any attempt to do so will immediately render this entire Agreement null and void.

11. Costs and Attorney's Fees. In the event that legal action is required to enforce the terms and conditions of this Agreement, the prevailing party will be entitled to reasonable attorneys' fees and costs.

12. Independent Contractor. CONSULTANT is an independent contractor and no agency or employment relationship, either express or implied, is created by the execution of this Agreement.

13. Merger Clause. This Agreement and its Attachments, if any, are the entire understanding of the parties, and there are no other terms or conditions, written or oral, controlling this matter. In the event of any conflict between the provisions of this Agreement and any of its Attachments, the provisions of this Agreement must prevail.

14. Anti-Waiver Clause. None of the provisions in this Agreement will be waived by CITY because of previous failure to insist upon strict performance, nor will any provision be waived by CITY because any other provision has been waived, in whole or in part.

15. Severability. The invalidity in whole or in part of any provision of this Agreement will not void or affect the validity of any other provisions of this Agreement.

16. Choice of Law. This Agreement is governed by the laws of the State of California. Venue for all actions arising from this Agreement must be exclusively in the state or federal courts located in San Diego County, California.

17. Multiple Copies of Agreement/Counterparts. Multiple copies and/or counterparts of this Agreement may be executed, including duplication by photocopy or by computerized scanning device. Each duplicate will be deemed an original with the same effect as if all the signatures were on the same instrument. However, the parties agree that the Agreement on file in the office of the Escondido City Clerk is the copy of the Agreement that shall take precedence should any differences exist among copies or counterparts of the document.

18. Provisions Cumulative. The foregoing provisions are cumulative and in addition to and not in limitation of any other rights or remedies available to the CITY.

19. Notices to Parties. Any statements, communications or notices to be provided pursuant to this Agreement must be sent to the attention of the persons indicated below. Each party agrees to promptly send notice of any changes of this information to the other party, at the address first above written.

20. Business License. The CONSULTANT is required to obtain a City of Escondido Business License prior to execution of this Agreement.

21. Compliance with Applicable Laws, Permits and Licenses. CONSULTANT shall keep itself informed of and comply with all applicable federal, state, and local laws, statutes, codes, ordinances, regulations, and rules in effect during the term of this Agreement. CONSULTANT shall obtain any and all licenses, permits, and authorizations necessary to perform services set forth in this Agreement. Neither CITY, nor any elected nor appointed boards, officers, officials, employees, or agents of CITY shall be liable, at law or in equity, as a result of any failure of CONSULTANT to comply with this section.

22. Immigration Reform and Control Act of 1986. CONSULTANT shall keep itself informed of and comply with the Immigration Reform and Control Act of 1986. CONSULTANT affirms that as an employer in the State of California, all new employees must produce proof of eligibility to work in the United States within the first three days of employment and that only employees legally eligible to work in the United States will be employed on this public project. CONSULTANT agrees to comply with such provisions before commencing and continuously throughout the performance of this Agreement.

IN WITNESS WHEREOF, the parties below are authorized to act on behalf of their organizations, and have executed this Agreement as of the date set forth below.

CITY OF ESCONDIDO

Date:_____

_____
Sam Abed
Mayor

Date:_____

_____
Diane Halverson
City Clerk

Date:_____

_____
(Contractor signature)

_____
Title

(The above signature must be notarized)

APPROVED AS TO FORM:

OFFICE OF THE CITY ATTORNEY
JEFFREY R. EPP, City Attorney

By: _____

THE CITY OF ESCONDIDO DOES NOT DISCRIMINATE AGAINST QUALIFIED PERSONS WITH DISABILITIES.

Water Synergy, Inc.
P.O. Box 865
Escondido, CA 92033
Ph (619)993-1093 fax (760)731-7173

Resolution No. 2013-62
EXHIBIT 1
Page 6 of 8

April 4, 2013

Mr. Paul Keck
City of Escondido
1521 S. Hale Avenue
Escondido, CA 92029

Job No. 900-10

Subject: **City of Escondido – Proposal for the Final Design of the Southerly Sewer Line**

Dear Mr. Keck,

Per your request, we are pleased to submit this proposal on behalf of Water Synergy Inc, (***WSI***) to provide engineering services for the final design for the Southerly Sewer Line. ***WSI*** has the expertise to provide the City with the required services in an efficient and cost effective manner.

The final design will be based on the results of the preliminary design prepared by ***WSI*** for this project which includes the assumption that the existing pipe size crossing Interstate 15 is adequate thereby not requiring any permitting activities with Caltrans and that materials of construction for the new sewer will include standard five foot diameter concrete manholes and SDR 35 PVC sewer pipe. It is also assumed that there will be approximately 1,700 feet of pipe installed using the microtunneling approach which will most likely use HDPE pipe.

The scope of services includes preparing a topographical survey of the chosen pipeline alignment and preparation of a preliminary title report for the properties associated with the pipeline alignment. Missing easements along the pipeline alignment will be identified as part of the design but written easement descriptions, easement acquisition activities or filing for easements are not included in this effort. In addition, plan and profile drawings will be prepared at 40 scale horizontal and 8 scale vertical for approximately 17,400 feet of sewer. Submittals will be made for the design drawings at the 50%, 95% and Final levels. Review drawings will be submitted in 11x17 format. The plans will be prepared using survey information collected by ***WSI*** and overlain on aerial imagery provided by the City. No provisions for potholing have been made to determine the location of any interference but can be performed as an additional task.

Technical specifications will be prepared for the project using CSI format with one draft and one final submittal. Final plans and specifications will be provided in digital pdf format. Construction cost estimates will be provided with each design review submittal. It is assumed that the City will be able to provide the existing easement information on any existing sewer and water easements in the potential alignments.

Our fee estimate is attached as Exhibit A and our 2013 standard hourly rate schedule as Exhibit B. It is our understanding that this work will be performed on an hourly rate time and materials basis. This budget will not be exceeded without prior written authorization from the City. We propose to make the 50% submittal six weeks after the City's Notice to Proceed.

Resolution No. 2013-62
EXHIBIT 1
Page 7 of 8

If you have any questions regarding this Scope and Fee proposal please contact me. We look forward to assisting the City staff on this project.

Sincerely,

WATER SYNERGY, INC

Donald H Bunts, P.E.
Principal

CITY OF ESCONDIDO
FINAL DESIGN OF THE SOUTHERLY SEWER

WATER SYNERGY, Inc.
ESTIMATED LEVEL OF EFFORT

Task	ITEM	Project Manager Hrs	Project Manager Cost	Senior Engineer Hrs	Senior Engineer Cost	Designer Hrs	Designer Cost	Clerical Hrs	Clerical Cost	Subconsultants Surveying (1)	Total WSI Labor Hrs	Total WSI Labor Cost	Total Cost
	Hourly rate		$ 172		$ 145		$ 72		$ 42				
	FINAL DESIGN												
1	Topographical Survey	4	$ 688	8	$ 1,160	0	$ -	0	$ -	$ 35,000	12	$ 1,848	$ 36,848
	Easement Description and Map	4	$ 688	16	$ 2,320	0	$ -	0	$ -	$ 2,000	20	$ 3,008	$ 5,008
3	50% Design Drawings	40	$ 6,880	120	$ 17,400	100	$ 7,200	0	$ -	$ -	260	$ 31,480	$ 31,480
	95% Design Drawings	20	$ 3,440	100	$ 14,500	100	$ 7,200	0	$ -	$ -	220	$ 25,140	$ 25,140
	Final Design Drawings	20	$ 3,440	80	$ 11,600	100	$ 7,200	0	$ -	$ -	200	$ 22,240	$ 22,240
	Draft Specifications	8	$ 1,376	20	$ 2,900	0	$ -	0	$ -	$ -	28	$ 4,276	$ 4,276
	Final Specifications	8	$ 1,376	16	$ 2,320	0	$ -	0	$ -	$ -	24	$ 3,696	$ 3,696
4	Meetings (4)/Project Management	16	$ 2,752	24	$ 3,480	0	$ -	0	$ -	$ -	40	$ 6,232	$ 6,232
5	Additional Miscellaneous Task	40	$ 6,880	160	$ 23,200	68.34	$ 4,920	0	$ -	$ -	268	$ 35,000	$ 35,000
	Other Direct Costs									$ -		$ 600	$ 600
	Total Cost	**160**	**$ 27,520**	**544**	**$ 78,880**	**368.3**	**$ 26,520**	**0**	**$ -**	**$ 37,000**	**1,072**	**$ 133,520**	**$ 170,520**
	Total Project	**160**	**$ 27,520**	**544**	**$ 78,880**	**368.3**	**$ 26,520**	**0**	**$ -**	**$ 37,000**	**1,072**	**$ 133,520**	**$ 170,520**

ATTACHMENT "A"
PAGE 3 OF 3

EXHIBIT
Page 8 of 8

ESCONDIDO
City of Choice

CITY COUNCIL

For City Clerk's Use:
☐ APPROVED ☐ DENIED
Reso No. _____ File No. _____
Ord No. _____

Agenda Item No.: 8
Date: May 22, 2013

TO: Honorable Mayor and Members of the City Council

FROM: Mark Becker, Director of Information Systems

SUBJECT: Approval of Xerox Services and Solutions Agreement

RECOMMENDATION:

It is requested that Council adopt Resolution No. 2013-70 authorizing the Mayor and City Clerk to execute a five-year Services and Solutions Agreement with Xerox Corporation and authorize the Director of Information Systems to execute related amendments and agreements to implement the Services and Solutions Agreement. The Services and Solutions Agreement is a site management agreement that provides and maintains office and production duplicating equipment through all City Facilities.

FISCAL ANALYSIS:

The annual cost for the agreement is $199,558. This is a nine percent decrease from the previous Document Services Agreement with Xerox. The funding for the first year is included in the 2014-2015 Duplicating Division budget.

PREVIOUS ACTION:

The City Council approved a five-year Renewal Amendment to the City's Document Services Agreement with Xerox Corporation by adopting Resolution No. 2008-103 on June 11, 2008.

The City Council approved a six-month extension to the Document Services Agreement with Xerox Corporation approved in November 2002 by adopting Resolution No. 2007-183 on November 7, 2007.

The City Council approved a five-year Document Services Agreement with Xerox Corporation by adopting Resolution No. 2002-291 on November 20, 2002.

BACKGROUND:

The existing Document Services Agreement is a site management agreement with Xerox Corporation to provide and maintain duplicating equipment (copiers) for all City of Escondido Facilities. The current agreement provides the City with 52 pieces of Xerox equipment across 16 facilities including

high-speed production quality equipment used in the Duplicating Division. This agreement will expire on June 30, 2013.

Xerox Corporation is a strategic partner with the City of Escondido. Through this partnership, Xerox equipment is integrated with the City's Information Systems processes and procedures. The Xerox equipment integrated into the City's network provides staff with copy, print, scanning, faxing, and production quality capabilities. We have existing procedures for support service calls, equipment and network troubleshooting, supply replenishment, volume reporting, and general office and production assistance. Xerox provides the City with an on-site client associate for immediate problem resolution. Based on the level of integration, support, equipment quality, and product quality, staff has chosen Xerox Corporation as our preferred vendor.

City staff worked with our Xerox Services and Solutions Executive to create the new Services and Solutions Agreement. They reviewed existing equipment, volume usages, and user input to come up with ongoing requirements. These requirements were cross referenced with Xerox's new equipment offering to create the new equipment list and volume allowances. The term of the agreement is 7/1/2013 to 6/30/2018 at an annual cost of $199,558. This cost reflects a nine percent decrease in cost from the previous Document Services Agreement.

The services and products acquired under this Services and Solutions Agreement are available through a cooperative purchasing provision included in The Cooperative Purchasing Network ("TCPN") Contract, Contract Number R5008. TCPN competitively bids and awards contracts for commonly purchased products and services. TCPN is a governmental entity, established in 1997, tasked with assisting public entities to increase efficiency and economy when procuring goods and services. As per the Escondido Municipal Code Section 10-90, the City may use Cooperative Purchasing, which is conducted in a competitive manner by the State, County or any other Public or Municipal Agency. Other local agencies using this contract are: County of San Diego, City of San Diego, City of Del Mar, City of Oceanside, City of Carlsbad, and City of Riverside.

Respectfully submitted,

Mark Becker
Director of Information Systems

Agenda Item No.: 8
Date: May 22, 2013

RESOLUTION NO. 2013-70

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ESCONDIDO, CALIFORNIA, AUTHORIZING THE MAYOR AND CITY CLERK TO EXECUTE ON BEHALF OF THE CITY, A SERVICES AND SOLUTIONS AGREEMENT AND AUTHORIZE THE DIRECTOR OF INFORMATION SYSTEMS TO EXECUTE RELATED AMENDMENTS AND AGREEMENTS WITH XEROX CORPORATION

WHEREAS, on June 8, 2008, the City Council approved a five-year Renewal Amendment to the City's Document Services Agreement with Xerox Corporation by adopting Resolution 2008-103; and

WHEREAS, the current Document Services Agreement is a site management agreement with Xerox Corporation to provide and maintain duplicating equipment for all City of Escondido Facilities which is set to expire on June 30, 2013, and includes a basic Services and Solutions Agreement as well as several subsidiary agreements for the purpose of implementing site-specific equipment; and

WHEREAS, the Director of Information Systems recommends executing a new five-year Services and Solutions Agreement and related agreements with Xerox Corporation in a total amount not to exceed $199,558; and

WHEREAS, this City Council desires at this time and deems it to be in the best public interest to approve said Services and Solutions Agreement.

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

1. That the above recitations are true.

2. The Mayor and City Clerk are authorized to execute, on behalf of the City, a Services and Solutions Agreement with Xerox Corporation in the amount of $199,558, which is attached hereto as Exhibit "1" and incorporated by this reference.

3. That the Director of Information Systems is authorized to execute, on behalf of the City, related amendments and agreements to implement the Services and Solutions Agreement, subject to final approval by the City Attorney. Copies of the related amendments and agreements are on file with the Director of Information Systems.

SERVICES AND SOLUTIONS AGREEMENT

THIS SERVICES AND SOLUTIONS AGREEMENT No. 7135217 ("SSA") is between City of Escondido ("Customer") and Xerox Corporation ("Xerox").

1 SCOPE AND STRUCTURE. This SSA sets forth the terms and conditions under which Customer may establish one or more Services Contracts for the acquisition in the U.S. of Services, Maintenance Services and Deliverables from Xerox Each Services Contract under this SSA constitutes a separate contract and will be assigned its own Services Contract Number consisting of the above SSA number followed by a three digit extension. Each Services Contract will be established when Customer submits and Xerox accepts the first SSO with a new Services Contract Number. Customer may add Services, Maintenance Services or Deliverables to an existing Services Contract by issuing additional Orders referencing the applicable Services Contract Number. Each Services Contract will consist of the applicable terms and conditions of this SSA, the first SSO and each additional SSO or SOW with the same Services Contract Number. Xerox may provide Services and/or Products through its U.S. affiliates. Capitalized terms are defined in Section 25 unless defined where first used.

2. ORDERS.
   a. Orders may consist of SSOs, SOWs, and/or POs. Each Order must reference an applicable Services Contract Number Unless otherwise provided in an SSO, terms and conditions of such SSO are applicable to all Orders constituting the applicable Services Contract. Customer POs are for order entry purposes only and will be subject solely to the terms and conditions of the applicable Services Contract, notwithstanding anything contained in any such PO at variance with or in addition to the applicable Services Contract.
   b. Xerox may accept an Order either by its signature or by commencing performance. Xerox reserves the right to review and approve Customer's credit prior to acceptance of each Order Customer authorizes Xerox (or its agent) to obtain credit reports from commercial credit reporting agencies.
   c. Orders may be submitted by hard copy or, in the case of SSOs or POs, by electronic means, and those submitted electronically will be considered (i) a "writing" or "in writing"; (ii) "signed"; (iii) an "original" when printed from electronic records established and maintained in the ordinary course of business; and (iv) a valid and enforceable Order.

3. TERM.
   a. This SSA is effective when signed by Xerox and, unless terminated by either party upon 90 days written notice, continues for 60 months. If this SSA expires or is terminated, each Services Contract will (i) remain in effect until the expiration or termination of all Orders constituting such Services Contract, and (ii) be governed by the terms and conditions of this SSA as if it were still in effect.
   b. The term of each Order will be set forth in such Order. If an Order is terminated, the term of remaining Orders will continue unaltered.
   c. Except as otherwise provided in an SOW or unless either party provides notice of termination at least 30 days before the end of its term, an Order will automatically renew on a month-to-month basis.

4. PERSONNEL. Xerox personnel engaged hereunder will comply with Customer's internal security and safety policies that (a) are provided to Xerox in writing, (b) are reasonable and customary, and (c) do not conflict with the applicable Services Contract. Customer will provide Xerox with reasonable prior written notice of such policies and any changes thereto. During the term of this SSA and for a period of 1 year thereafter, neither party will, directly or indirectly, actively solicit the employment of the other party's personnel (including their supervisors) and agents engaged under a Services Contract. Employment arising from inquiries received via advertisements in newspapers, job fairs, unsolicited resumes or applications for employment will not be considered active solicitation. The sole remedy for breach of this restriction is to receive payment, as liquidated damages and not as a penalty, from the breaching party equal to the individual's then current annual salary (or the fees paid to an agent in the previous 12 months), within 30 days of the start date of the individual. Xerox is an independent contractor hereunder.

5. ELIGIBLE AFFILIATES. Customer's Eligible Affiliates may acquire Services, Maintenance Services and Deliverables under this SSA. If an Eligible Affiliate establishes a Services Contract, it will be the "Customer" for the purposes of such Services Contract. If Customer divests an Eligible Affiliate, such divested entity is no longer eligible to establish any new Services Contracts or to submit any additional Orders under an existing Services Contract.

6. PRICING, PAYMENT, AND TAXES.
   a. PRICING. Pricing will be as shown in an Order. Services requested and performed outside Customer's standard working hours will be at Xerox's then-current overtime rate.
   b. PAYMENT. Invoices are payable upon receipt and payment must be received within 30 days after the invoice date. For any payment not received within 10 days of its due date, Customer will pay a late charge equal to the greater of 5% of the amount due or $25. Restrictive covenants will not reduce Customer's obligations. If the provision of Services, Products and/or Maintenance Services begins partially and/or early, Xerox will bill Customer on a pro rata basis, based on a 30-day billing month.
   c. TAXES. Customer will be responsible for all Taxes. Taxes will be included in Xerox's invoice unless Customer provides proof of Customer's tax exempt status.

7. DEFAULT AND REMEDIES. Customer will be in default if Xerox does not receive any payment within 15 days after the date it is due, or if Customer breaches any other obligation under this SSA, any Services Contract, or any other agreement with Xerox. If Customer defaults, Xerox, in addition to its other remedies (including the cessation of Services), may require immediate payment of (a) all amounts then due, plus interest on all amounts due from the due date until paid

SERVICES AND SOLUTIONS AGREEMENT

THIS SERVICES AND SOLUTIONS AGREEMENT No. 7135217 ("SSA") is between City of Escondido ("Customer") and Xerox Corporation ("Xerox").

1 SCOPE AND STRUCTURE. This SSA sets forth the terms and conditions under which Customer may establish one or more Services Contracts for the acquisition in the U.S. of Services, Maintenance Services and Deliverables from Xerox. Each Services Contract under this SSA constitutes a separate contract and will be assigned its own Services Contract Number consisting of the above SSA number followed by a three digit extension. Each Services Contract will be established when Customer submits and Xerox accepts the first SSO with a new Services Contract Number. Customer may add Services, Maintenance Services or Deliverables to an existing Services Contract by issuing additional Orders referencing the applicable Services Contract Number. Each Services Contract will consist of the applicable terms and conditions of this SSA, the first SSO and each additional SSO or SOW with the same Services Contract Number. Xerox may provide Services and/or Products through its U.S. affiliates. Capitalized terms are defined in Section 25 unless defined where first used.

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3. TERM.
   a. This SSA is effective when signed by Xerox and, unless terminated by either party upon 90 days written notice, continues for 60 months. If this SSA expires or is terminated, each Services Contract will (i) remain in effect until the expiration or termination of all Orders constituting such Services Contract, and (ii) be governed by the terms and conditions of this SSA as if it were still in effect.
   b. The term of each Order will be set forth in such Order. If an Order is terminated, the term of remaining Orders will continue unaltered.
   c. Except as otherwise provided in an SOW or unless either party provides notice of termination at least 30 days before the end of its term, an Order will automatically renew on a month-to-month basis.

4. PERSONNEL. Xerox personnel engaged hereunder will comply with Customer's internal security and safety policies that (a) are provided to Xerox in writing, (b) are reasonable and customary, and (c) do not conflict with the applicable Services Contract. Customer will provide Xerox with reasonable prior written notice of such policies and any changes thereto. During the term of this SSA and for a period of 1 year thereafter, neither party will, directly or indirectly, actively solicit the employment of the other party's personnel (including their supervisors) and agents engaged under a Services Contract. Employment arising from inquiries received via advertisements in newspapers, job fairs, unsolicited resumes or applications for employment will not be considered active solicitation. The sole remedy for breach of this restriction is to receive payment, as liquidated damages and not as a penalty, from the breaching party equal to the individual's then current annual salary (or the fees paid to an agent in the previous 12 months), within 30 days of the start date of the individual. Xerox is an independent contractor hereunder.

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   c. TAXES. Customer will be responsible for all Taxes. Taxes will be included in Xerox's invoice unless Customer provides proof of Customer's tax exempt status.

7. DEFAULT AND REMEDIES. Customer will be in default if Xerox does not receive any payment within 15 days after the date it is due, or if Customer breaches any other obligation under this SSA, any Services Contract, or any other agreement with Xerox. If Customer defaults, Xerox, in addition to its other remedies (including the cessation of Services), may require immediate payment of (a) all amounts then due, plus interest on all amounts due from the due date until paid

at the rate of 1.5% per month, and (b) any applicable ETCs. Customer will pay all reasonable costs, including attorneys' fees, incurred by Xerox to enforce any Services Contract.

8. CONFIDENTIAL INFORMATION. Each party will make reasonable efforts not to disclose the other party's Confidential Information to any third party, except as may be required by law, unless such Confidential Information: (a) was in the public domain before, at the time of, or after the date of disclosure through no fault of the non-disclosing party; (b) was rightfully in the non-disclosing party's possession or the possession of any third party free of any obligation of confidentiality; or (c) was developed by the non-disclosing party's employees or agents independently of and without reference to any of the other party's Confidential Information. Confidentiality obligations set forth herein will expire 1 year after expiration or termination of this SSA or the last effective Services Contract hereunder, whichever is later; provided however, confidentiality obligations with respect to Xerox Work, Xerox Tools and Xerox Client Tools will not expire unless (a), (b) or (c) above become applicable thereto. The parties do not intend for Customer to disclose confidential technical information hereunder, including, but not limited to, computer programs, source code, and algorithms. Customer will only disclose the same pursuant to a separate written agreement. Upon expiration or termination of this SSA or the last effective Services Contract hereunder, whichever is later, each party will return to the other or, if requested, destroy, all Confidential Information of the other in its possession or control, except such Confidential Information as may be reasonably necessary to exercise rights that survive termination of this SSA.

9. INTELLECTUAL PROPERTY Customer represents and warrants that (a) it owns the Customer Content and Customer Assets or otherwise has the right to authorize Xerox to use same to perform Services, and (b) Customer Content will not contain content that (i) is libelous, defamatory or obscene, (ii) violates any applicable laws, regulations, or (iii) infringes any third party rights. Customer acknowledges and agrees that Xerox does not undertake any obligation or duty whatsoever to determine whether Customer Content may be duplicated without violating a third party's copyright. Xerox, its employees, agents and/or licensors will at all times retain all rights to Xerox Work, Xerox Client Tools and Xerox Tools and, except as expressly set forth herein, no rights to Xerox Work, Xerox Client Tools or Xerox Tools are granted to Customer If required for royalty reporting purposes, Xerox may disclose Customer's name and address to the third party licensor of certain Xerox Tools. Xerox Tools will be installed and operated only by Xerox. Customer will have access to data and reports generated by the Xerox Tools and stored in a provided database as set forth in the applicable SOW, but Customer will have no rights to use, access or operate the Xerox Tools. Xerox may remove Xerox Tools at any time in Xerox's sole discretion, provided that the removal of Xerox Tools will not affect Xerox's obligations to perform Services. If Xerox Client Tools are included as part of the Services, they may be used by Customer only in conjunction with such Services. Customer agrees not to decompile or reverse engineer any Xerox Work, Xerox Client Tools or Xerox Tools. Xerox grants Customer a non-exclusive, perpetual fully paid-up, worldwide right to use, display and reproduce Xerox Work and Documentation only as required for use of the Services and Deliverables for Customer's customary business purposes, and not for resale, license and/or distribution outside of Customer's organization. Customer may not sublicense any rights granted to Customer hereunder, but may authorize a third party ("Designee") to use such rights, solely for Customer's benefit and Customer's internal business purposes. Any Designee operating or maintaining the delivered solution must be subject to written confidentiality obligations with respect to Confidential Information that are no less restrictive than those set forth in this SSA. Output of Services is Customer's sole and exclusive property and Xerox will have no rights therein, except as may be required for Xerox to perform Services. Assessments are provided for Customer's internal business use only, and not for resale, license and/or distribution outside of Customer's organization and the implementation of Assessments may not be performed by any third party. Except as expressly set forth in this Section, no other rights or licenses are granted to Customer. Any rights or licenses that are granted to Customer will immediately terminate if Customer defaults with respect to any of Customer's obligations related to such rights or licenses. Xerox reserves the right to terminate such rights or licenses if Customer defaults under any other obligation under a Services Contract.

10. CUSTOMER RESPONSIBILITIES.
    a. Customer will (i) provide the Customer Assets that Xerox needs to perform the Services and (ii) grant sufficient rights to enable Xerox and its agents to use all Customer Assets and Customer Content.
    b. During the term of an Order, Customer will permit access to Customer personnel that Xerox needs to perform the Services.
    c. Equipment prices include standard delivery charges for all Equipment and, for Equipment for which Xerox retains ownership, standard removal charges. Non-standard delivery or removal charges will be at Customer's expense.
    d. Customer will legally dispose of all hazardous wastes generated from use of Third Party Hardware and associated supplies.

11. EARLY TERMINATION.
    a. Equipment. Equipment included in an Order is being provided for the entire term of the Order. If, prior to the expiration of an Order, Customer terminates Equipment or requires Equipment to be removed or replaced, or Xerox terminates the applicable Order due to Customer's default, Customer will pay all amounts due as of the termination date and the ETCs set forth in the applicable Services Contract.
    b. Services. Unless otherwise set forth in an SOW, Customer may terminate or reduce any Services upon 90 days prior written notice without incurring ETCs. Notwithstanding the foregoing, if any Services are terminated (i) by Xerox due to Customer's default, or (ii) by Customer and Customer acquires Services from another supplier within 6 months of the termination of such Services, Customer will pay all amounts due as of the termination date and ETCs equal to the then current MMC for the terminated or reduced Services, multiplied by the number of months remaining in the term of the applicable Order, not to exceed 6 months.

c. Amortized Services and Third Party Funds. The cost of certain Services, such as consulting and training, may be amortized over the term of an Order ("Amortized Services"); or Xerox may provide funds to acquire Third Party Hardware, license Third Party Software or retire debt on existing Third Party Hardware ("Third Party Funds"). Amortized Services and Third Party Funds are collectively referred to as "Funds." The Funds amount is included in the MMC. Notwithstanding Section 11.b above, if an Order is terminated prior to expiration for any reason, or if a unit of Third Party Hardware or any Third Party Software for which Third Party Funds have been provided is removed or replaced prior to expiration, Customer agrees to pay to Xerox (i) all amounts due as of the termination date, and (ii) ETCs equal to the remaining principal balance of the Funds, plus a 15% disengagement fee. Customer will maintain the manufacturer's maintenance agreement for any Third Party Hardware and Third Party Software.

12. INDEMNIFICATION.

a. Each party, at its expense, if promptly notified by the other and given the right to control the defense, will defend the other from, and pay any settlement agreed to by the indemnifying party or any ultimate judgment for, all claims by third parties for personal injury (including death) or damage to tangible property to the extent proximately caused by the willful misconduct or negligent acts or omissions of the indemnifying party, its employees or agents in connection with this SSA.

b. Xerox, at its expense, if promptly notified by Customer and given the right to control the defense, will defend Customer from, and pay any settlement agreed to by Xerox or any ultimate judgment for, any claim not identified in (i)-(vi) below or subject to 12.c. below that any Services or Deliverables (excluding Third Party Products) infringe a third party's U.S. intellectual property rights. Excluded herein are claims arising from or relating to: (i) Services performed using Customer Assets, Customer Content or other materials provided to Xerox by Customer for which Customer failed to provide sufficient rights to Xerox; (ii) Services performed, or Deliverables provided, to Customer's direction, specification or design, (iii) infringement resulting from or caused by Customer's misuse or unauthorized modification of systems or products; (iv) use of Services or Deliverables in combination with other products, services or data streams not provided by Xerox if such combination forms the basis of such claim; (v) Customer's failure to use corrections or enhancements to the Services or Deliverables provided by Xerox; and (vi) breach of Customer's representations and warranties in Section 9(b). If the use of the Services or Deliverables (excluding Third Party Products) are enjoined as a result of a claim under this Section, or in the reasonable opinion of Xerox are likely to be the subject of such a claim, Xerox will, at its option and sole expense, exercise any or all of following remedies: (w) obtain for Customer the right to continue to use such Services or Deliverables; (x) modify such Services or Deliverables so they are non-infringing; (y) replace such Services or Deliverables with non-infringing ones; or (z) terminate and/or accept the return of such Deliverables and refund to Customer any amount paid, less the reasonable rental value for the period such Deliverable was available to Customer.

c. Customer, at its expense, if promptly notified by Xerox and given the right to control the defense, will defend Xerox from, and pay any settlement agreed to by Customer or any ultimate judgment for, all third party claims arising out of or related to Section 12.b(i)-(vi).

d. The indemnifying party is not responsible for any litigation expenses of the indemnified party or any settlements unless it pre-approves them in writing.

13. LIMITATION OF LIABILITY. Xerox will not be liable to Customer, in the aggregate, for any direct damages in excess of the amounts paid by Customer to Xerox during the 12 months prior to the claim or $50,000, whichever is greater; and neither party will be liable to the other for any special, indirect, incidental, consequential or punitive damages arising out of or relating to this SSA or any Order hereunder, whether the claim alleges tortious conduct (including negligence) or any other legal theory. This limitation of liability is not applicable to: (a) any specific indemnification obligations set forth in this SSA; (b) where either party has (i) exceeded the rights to the other party's intellectual property granted to it under this SSA, or (ii) misappropriated or infringed the other party's intellectual property under this SSA.

14. ASSIGNMENT. Customer may not assign any of its rights or obligations hereunder. Xerox may assign this SSA and any Orders hereunder, in whole or in part, without prior notice to Customer and may release information Xerox has about Customer to an assignee. Each successive assignee of Xerox will have all of the rights but none of the obligations of Xerox pursuant to this SSA. Customer will continue to look to Xerox for performance of Xerox's obligations hereunder and Customer hereby waives and releases any assignees of Xerox from any such claim. Customer will not assert any defense, counterclaim or setoff that Customer may have or claim against Xerox against any assignee of Xerox.

15. FORCE MAJEURE. Except for payment obligations, neither party will be liable to the other for its failure to perform any of its obligations hereunder during any period in which such performance is delayed by circumstances beyond its reasonable control. The affected party will notify the other party of each such circumstance.

16. MAINTENANCE SERVICES.

a. Except for Equipment identified as "No Svc," Maintenance Services will be provided for the Equipment during Xerox's standard working hours in areas open for repair service. Maintenance Services excludes repairs due to: (i) misuse, neglect or abuse; (ii) failure of the installation site or the PC or workstation used with the Equipment to comply with Xerox's published specifications; (iii) use of options, accessories or products not serviced by Xerox; (iv) non-Xerox alterations, relocation, service or supplies; or (v) failure to perform operator maintenance procedures identified in operator manuals. Replacement parts may be new, reprocessed or recovered and all replaced parts become Xerox's property. Xerox will, as Customer's exclusive remedy for Xerox's failure to provide Maintenance Services, replace the Equipment with an identical model or, at Xerox's option, another model with comparable features and capabilities. Notwithstanding anything to the contrary herein, Xerox will have no obligation to replace Equipment beyond its end of service date. There will be no additional charge for the replacement Equipment during the initial Term. Unless the applicable Order requires Xerox to provide meter readings, Customer will provide them using the method and

frequency identified by Xerox. If Customer does not provide a meter reading, Xerox may reasonably estimate the reading and bill Customer accordingly

b. CARTRIDGES. If Xerox is providing Maintenance Services for Equipment that uses Cartridges, Customer will use only unmodified Cartridges purchased directly from Xerox or its authorized resellers in the U.S. Failure to use such Cartridges will void any warranty applicable to such Equipment. Cartridges packed with Equipment and/or furnished by Xerox as Consumable Supplies will meet Xerox's new Cartridge performance standards and may be new, remanufactured or reprocessed and contain new and/or reprocessed components. To enhance print quality, Cartridge(s) for many models of Equipment have been designed to cease functioning at a predetermined point. Many Equipment models are designed to function only with Cartridges that are newly manufactured, original Xerox Cartridges or with Cartridges intended for use in the U.S. Equipment configuration that permits use of non-newly manufactured original Xerox Cartridges may be available from Xerox at an additional charge.

c. PC/WORKSTATION REQUIREMENTS. For Equipment requiring connection to a PC or workstation, Customer must use a PC or workstation that either (i) has been provided by Xerox, or (ii) meets Xerox's published specifications.

17. CONSUMABLE SUPPLIES INCLUDED. If specified in an Order, Xerox will provide Consumable Supplies for Equipment. Consumable Supplies are Xerox's property until used by Customer, and Customer will (a) use them only with the Equipment included in the applicable Order, (b) return all Cartridges to Xerox as provided herein, and (c) at the end of the term of the applicable Order, return any unused Consumable Supplies to Xerox at Xerox's expense using Xerox-supplied shipping labels or destroy them in a manner permitted by applicable law. Should Customer's use of Consumable Supplies exceed Xerox's published yields by more than 10%, Xerox will notify Customer of such excess usage. If such excess usage does not cease within 30 days after such notice, Xerox may charge Customer for such excess usage. If Xerox provides paper under a Services Contract, upon 30 days notice, Xerox may adjust paper pricing or either party may terminate the provision of paper.

18. EQUIPMENT STATUS. Unless Customer is acquiring Previously Installed Equipment, Equipment will be either: (a) "Newly Manufactured", which may contain some recycled components that are reconditioned; (b) "Factory Produced New Model", which is manufactured and newly serialized at a Xerox factory, adds functions and features to a product previously disassembled to a Xerox predetermined standard, and contains both new components and recycled components that are reconditioned; or (c) "Remanufactured", which has been factory produced following disassembly to a Xerox predetermined standard and contains both new components and recycled components that are reconditioned. Xerox makes no representations as to the manufactured status of Third Party Hardware.

19. TITLE, RISK OF LOSS AND PROTECTION OF XEROX'S RIGHTS. Title to Equipment and Third Party Hardware will remain with Xerox unless purchased by Customer. Risk of loss for the Products will pass to Customer upon delivery. Customer will keep the Products insured against loss and the policy will name Xerox as Loss Payee. Customer hereby authorizes Xerox or its agents to file financing statements necessary to protect Xerox's rights to Equipment and Third Party Hardware.

20. WARRANTIES AND DISCLAIMERS.

a. SERVICES WARRANTY. Xerox warrants to Customer that the Services will be performed in a skillful and workmanlike manner. If the Services do not comply with the service levels in an applicable SOW, Customer will notify Xerox in writing detailing its concerns. Within 10 days following Xerox's receipt of such notice, Xerox and Customer will meet, clarify the Customer's concern(s) and begin to develop a corrective action plan ("Plan"). As Customer's exclusive remedy for such non-compliance , Xerox will either modify the Services to comply with the applicable service levels or re-do the work at no additional charge within 60 days of finalizing the Plan or another time period agreed to, in writing, by the parties.

b. THIRD PARTY PRODUCT WARRANTY. For Third Party Products selected solely by Xerox for an Order, Xerox warrants they will operate substantially in conformance with applicable service levels in the SOW. If, within a reasonable time after provision of such Third Party Products, they cannot be brought into substantial conformance with the services levels in the SOW, and such non-conformance is a result of Xerox's use of such Third Party Products, Customer's exclusive remedy is to receive a refund of any fees paid for the non-conforming Third Party Products upon their return to Xerox. Xerox will pass through to Customer any warranties provided to it by the manufacturer or licensor of Third Party Products to the extent permissible.

c. WARRANTY DISCLAIMER AND UCC WAIVER. EXCEPT FOR THE EXPRESS WARRANTIES SET FORTH IN THIS SECTION, XEROX MAKES NO OTHER WARRANTIES, WHETHER EXPRESSED OR IMPLIED; AND XEROX DISCLAIMS ALL OTHER WARRANTIES, INCLUDING, BUT NOT LIMITED TO, ANY IMPLIED WARRANTIES OF NON-INFRINGEMENT, FITNESS FOR A PARTICULAR PURPOSE AND MERCHANTABILITY, AND ANY WARRANTIES RELATING TO DESIGN, PERFORMANCE, FUNCTIONALITY, OR COMPATIBILITY WITH CUSTOMER'S SYSTEMS. EXCEPT AS EXPRESSLY PROVIDED HEREIN AND AS PERMITTED BY APPLICABLE LAW, CUSTOMER WAIVES ALL RIGHTS AND REMEDIES CONFERRED UPON A LESSEE BY ARTICLE 2A OF THE UNIFORM COMMERCIAL CODE.

d. The warranties set forth in this SSA are expressly conditioned upon the use of the Services and Deliverables for the purposes for which they were intended or designed, and do not apply to Services or Deliverables subjected to misuse, accident, alteration or modification by Customer or any third party (except as specifically authorized in writing by Xerox). In no event will Xerox be responsible for any failure to perform Services caused by: (i) Customer Assets, Customer Content, or services, maintenance, design implementation, supplies or data streams provided by Customer, Customer's agent or service provider to Xerox for use hereunder, (ii) Customer's failure to contract for the minimum types and quantities of Products required by Xerox to perform the Services, or (iii) Customer's failure to perform its obligations under Section 10.a. or b.

21. SOFTWARE TERMS

a. SOFTWARE LICENSE. Xerox grants Customer a non-exclusive, non-transferable license to use in the U.S. (i) Base Software only with the Equipment with which it was delivered; and (ii) Application Software only on any single unit of Equipment for as long as Customer is current in the payment of all applicable software license fees. Customer has no other rights to Software. The Base Software license will terminate; (y) if Customer no longer uses or possesses the Equipment; or (z) upon the expiration of any Order under which Customer has rented or leased the Equipment (unless Customer has exercised an option to purchase the Equipment). Neither Xerox nor its licensors warrant that Software will be free from errors or that its operation will be uninterrupted. The foregoing terms do not apply to Diagnostic Software or to software/documentation accompanied by a clickwrap or shrinkwrap license agreement or otherwise made subject to a separate license agreement. Third Party Software is subject to license and support terms provided by the vendor thereof.

b. SOFTWARE SUPPORT. For Base Software, Software Support will be provided during the initial term of the applicable Order and any renewal period, but not longer than 5 years after Xerox stops taking customer orders for the subject Equipment model. For Application Software, Software Support will be provided as long as Customer is current in the payment of all applicable software license and support fees. Xerox will maintain a web-based or toll-free hotline during Xerox's standard working hours to report Software problems and answer Software-related questions. Xerox, either directly or with its vendors, will make reasonable efforts to: (i) assure that Software performs in material conformity with its user documentation; (ii) provide available workarounds or patches to resolve Software performance problems; and (iii) resolve coding errors for the current Release and the previous Release for a period of 6 months after the current Release is made available to Customer. Xerox will not be required to provide Software Support if Customer has modified the Software. Maintenance Releases or Updates that Xerox may make available will be provided at no charge and must be implemented within 6 months. Feature Releases will be subject to additional license fees at Xerox's then-current pricing. Each Release will be considered Software governed by the provisions of this Section 21 (unless otherwise noted). Implementation of a Release may require Customer to procure, at Customer's expense, additional hardware and/or software from Xerox or another entity. Upon installation of a Release, Customer will return or destroy all prior Releases. Xerox may annually increase Software license and support fees for Application Software. For State and Local Government Customers, this adjustment will take place at the commencement of each of Customer's annual contract cycles.

c. DISABLING CODE. Software may contain code capable of automatically disabling the Equipment. Disabling code may be activated if: (i) Xerox is denied access to periodically reset such code; (ii) Customer is notified of a default under a Services Contract; or (iii) Customer's license is terminated or expires.

d. DIAGNOSTIC SOFTWARE. Diagnostic Software is a valuable trade secret of Xerox. Xerox does not grant Customer any right to use Diagnostic Software. Customer will allow Xerox reasonable access to the Equipment during Customer's normal business hours to remove or disable Diagnostic Software if Customer is no longer receiving Maintenance Services from Xerox.

e. TITLE AND RIGHTS. Title and all intellectual property rights to Software and Diagnostic Software will reside solely with Xerox and/or its licensors (who will be considered third-party beneficiaries of Section 21.a). Customer will not, and will not allow its employees, agents, contractors or vendors to: (i) distribute, copy, modify, create derivatives of, decompile or reverse engineer Software or Diagnostic Software; (ii) activate Software delivered with the Equipment in an inactivated state; or (iii) access or disclose Diagnostic Software for any purpose.

22. REMOTE SERVICES. Certain models of Equipment are supported and serviced using data that is automatically collected by Xerox from the Equipment via electronic transmission from the Equipment to a secure off-site location. Examples of automatically transmitted data include product registration, meter read, supply level, Equipment configuration and settings, software version, and problem/fault code data. All such data will be transmitted in a secure manner specified by Xerox. The automatic data transmission capability will not allow Xerox to read, view or download any Customer data, documents or other information residing on or passing through the Equipment or Customer's information management systems.

23. DATA SECURITY. Certain models of Equipment can be configured to include a variety of data security features. There may be an additional cost associated with certain data security features. The selection, suitability and use of data security features are solely Customer's responsibility. Upon request, Xerox will provide additional information to Customer regarding the security features available for particular Equipment models.

24. MISCELLANEOUS. This SSA and the Services Contract(s) hereunder constitute the entire agreement of the parties as to its subject matter, supersede all prior and contemporaneous oral and written agreements, and will be construed under the laws of the State of New York (without regard to conflict-of-law principles). In the event of any conflict between terms and conditions, the order of precedence will be this SSA, the SSO and the SOW, except where expressly stated otherwise in this SSA. Customer authorizes Xerox or its agents to communicate with Customer by any electronic means (including cellular phone, email, automatic dialing and recorded messages) using any phone number (including cellular) or electronic address that Customer provides to Xerox. In any action to enforce this SSA or any Services Contract hereunder, the parties agree to the jurisdiction and venue of the federal or state courts in Monroe County, New York and to waive their right to a jury trial. If a court finds any term of this SSA or any Services Contract to be unenforceable, the remaining terms of this SSA and the Services Contract will remain in effect. The delay or failure by either Party to enforce any right or remedy under this SSA or any Services Contract will not constitute a waiver or forgiveness of such right or remedy. Xerox may retain a reproduction (e.g., electronic image, photocopy, facsimile) of this SSA or any Order, which will be admissible in any action to enforce it, but only SSA or Order held by Xerox will be considered an original. Except for documentation of Equipment replaced by Xerox for reasons other than trade-in, all changes to this SSA or any Order will be made in an

amendment signed by both parties. Customer represents that: (a) it has the lawful power and authority to enter into this SSA, (b) the person signing this SSA or any Order is duly authorized to do so, (c) entering into this SSA will not violate any law or other agreement to which it is a party, (d) it is not aware of anything that will have a material negative effect on its ability to satisfy its payment obligations under this SSA or any Services Contract, and (e) all financial information it has provided, or will provide, to Xerox is true and accurate and provides a good representation of Customer's financial condition. Each party will promptly notify the other, in writing, of any change in ownership, or if it relocates its principal place of business or changes the name of its business. The following four clauses will control over every other provision in a Services Contract: (w) Customer and Xerox will comply with all laws applicable to the performance of its obligations hereunder, (x) in no event will Xerox charge or collect any amounts in excess of those allowed by applicable law, (y) any part of a Services Contract that would, but for this Section, be construed to allow for a charge higher than that allowed under any applicable law, is limited and modified by this Section to limit the amounts chargeable under such Services Contract to the maximum amount allowed by law, and (z) if in any circumstances, an amount in excess of that allowed by law is charged or received, such charge will be deemed limited to the amount legally allowed and the amount received by Xerox in excess of that legally allowed will be applied to the payment of amounts owed or refunded to Customer

25. DEFINITIONS.

a. "Application Software" means software and accompanying documentation identified in an Order as "Application Software."

b. "Assessments" means assessment and recommendation reports created by Xerox in the performance of assessment Services.

c. "Base Software" means software and accompanying documentation provided with Equipment.

d. "Cartridges" means Equipment components designated by Xerox as customer replaceable units, including copy/print cartridges and xerographic modules or fuser modules.

e. "Confidential Information" means this SSA, Orders and certain business information identified as confidential that each party may disclose to the other. Customer Content is considered Customer Confidential Information. Xerox Work, Xerox Tools and Xerox Client Tools are considered Xerox Confidential Information.

f. "Consumable Supplies" means black toner (excluding highlight color toner), black developer, Cartridges and, if applicable, fuser agent. For full-color Equipment Orders that include Consumable Supplies, Consumable Supplies also includes, as applicable, color toner and developer. For Equipment identified as "Phaser", Consumable Supplies may also include, if applicable, black solid ink, color solid ink, imaging units, waste cartridges, transfer rolls, transfer belts, transfer units, belt cleaner, maintenance kits, print Cartridges, drum Cartridges, waste trays and cleaning kits.

g. "Customer Assets" means all hardware, software and or workspace owned, leased, rented, licensed and/or controlled by Customer, and any services used by Customer that Xerox needs to use or access to enable Xerox to perform the Services.

h. "Customer Content" means documents, materials and data provided in hard copy or electronic format by Customer to Xerox containing information about Customer and/or Customer's clients.

i. "Deliverables" means Products, Output of Services, Assessments and Documentation.

j. "Developments" means items created by Xerox and its employees, agents, and/or licensors, including, but not limited to, computer programs, code, reports, operations and procedures manuals, forms, design or other works of authorship or materials, in the course of performing Services.

k. "Diagnostic Software" means software used by Xerox to evaluate or maintain the Equipment.

l. "Documentation" means all manuals, brochures, specifications, information and software descriptions, in electronic, printed, and/or camera-ready form, and related materials customarily provided by Xerox for Customer's use as part of the Services.

m. "Eligible Affiliate" means any domestic entity which controls, is controlled by, or is under common control with Customer. Control (including the terms controls, controlled by and under common control with) means direct or indirect power to direct the management and policies of an entity.

n. "Equipment" means Xerox-brand equipment.

o. "ETCs" means early termination charges paid by Customer in the event of early termination, for loss of bargain and not as a penalty, as more fully defined in this SSA or the applicable Services Contract.

p. "Feature Releases" means new releases of Software that include new content or functionality.

q. "Maintenance Releases" or "Updates" means new releases of Software that primarily incorporate compliance updates and coding error fixes.

r. "Maintenance Services" means the services provided by Xerox (or a designated servicer) to keep the Equipment in good working order.

s. "MMC" means the Monthly Minimum Charge identified in an Order which, along with any Additional Impression Charges, covers the cost for the Services, Products and Maintenance Services. The MMC may also include lease buyout funds, Third Party Funds, supplemental funds, monthly equipment component amounts, remaining Customer obligations from previous contracts, amounts being financed or refinanced, and Amortized Services. One-time items are billed separately from the MMC.

t. "Order" means any (i) SSO, (ii) SOW which references an applicable Services Contract Number and is signed by Customer and Xerox, or (iii) PO.

u. "Output of Services" means electronic images created by scanning tangible documents containing Customer Content, or the content of any reports and other materials, created by Xerox specific to and for Customer per the applicable Order, but does not include software.

v. "PO" means a Customer-issued purchase order accepted by Xerox that references an applicable Services Contract Number.

w. "Pre-existing Work" means items used or incorporated into the Services or Deliverables, or developed or acquired by Xerox independent of performing the Services.

x. "Products" means, collectively, Consumable Supplies, Equipment, Software and Third Party Products.

y. "Releases" means, collectively, Maintenance Releases, Updates and Feature Releases.

z. "Services" means managed services (e.g. copy center and mailroom services), consultative services, and/or professional services, including, but not limited to, assessment, document management, imaging and language translation services. .

aa. "Services Contract" means this SSA together with one or more Orders designated by the same Services Contract Number.

bb. "Services Contract Number" means a 10 digit number assigned by Xerox to each Services Contract.

cc. "Software" means Application Software and Base Software.

dd. "Software Support" means the support and maintenance of software provided by Xerox (or a designated servicer).

ee. "SSO" means a Services and Solutions Order issued by Xerox pursuant to this SSA.

ff. "SOW" means a statement of work describing Services and Deliverables which (i) is incorporated by reference into an SSO, or (ii) references an applicable Services Contract Number and is signed by Customer and Xerox.

gg. "Taxes" means all taxes, fees or charges of any kind (including interest and penalties) assessed by any governmental entity on this SSA or any Order hereunder or the amounts payable to Xerox under this SSA or any Order. Taxes do not include personal property taxes in jurisdictions where Xerox is required to pay personal property taxes, or taxes on Xerox's income.

hh. "Third Party Funds" is defined in Section 11.c.

ii. "Third Party Hardware" means non-Xerox brand equipment.

jj. "Third Party Products" means, collectively, Third Party Hardware and Third Party Software.

kk. "Third Party Software" means non-Xerox brand software.

ll. "U.S." means the United States and its territories and possessions.

mm. "Xerox Client Tools" means certain Xerox proprietary tools (including any modifications, enhancements, improvements and derivative works) that are owned by Xerox and are licensed to Customer for its use under an accompanying click wrap license agreement.

nn. "Xerox Tools" means certain Xerox proprietary tools (including any modifications, enhancements, improvements and derivative works) used by Xerox to provide certain Services.

oo. "Xerox Work" means, collectively, Developments and Pre-Existing Work.

City of Escondido	XEROX CORPORATION
Signature	Signature
Name (please print)	Name
Title	Title
Address	Address
Date	Date

ESCONDIDO
City of Choice

CITY COUNCIL

For City Clerk's Use:
☐ APPROVED ☐ DENIED
Reso No. _____ File No. _____
Ord No. _____

Agenda Item No.: 9
Date: May 22, 2013

TO: Honorable Mayor and Members of the City Council

FROM: Edward N. Domingue, Public Works Director/City Engineer
Julie Procopio, Assistant Public Works Director/Engineering

SUBJECT: Fourth Amendment to Consulting Agreement for Remediation of Former Orange Glen Market Site

RECOMMENDATION:

It is requested that Council adopt Resolution No. 2013-52 authorizing the Mayor and the City Clerk to execute a fourth amendment to the Consulting Agreement with SCS Engineers for environmental engineering and remedial services in the amount of $179,728.50 for the former Orange Glen Market site.

FISCAL ANALYSIS:

City will be reimbursed for this work from the State Underground Storage Tank Clean-Up Fund and the previous property owner.

PREVIOUS ACTION:

City Council approved a Consulting Agreement with SCS Engineers on August 19, 2009. City Council approved amendments to the Consulting Agreement on October 27, 2010, September 14, 2011, and October 3, 2011.

BACKGROUND:

The former Orange Glen Market site, acquired with the Bear/East Valley Parkway Project, requires continued remediation as a result of two former leaking underground storage tanks. Remediation costs are to be reimbursed by the State Underground Storage Tank Clean-Up Fund and from funds that were set aside by the former property owner when the property was acquired by the City.

Respectfully submitted,

Edward N. Domingue, P.E.
Public Works Director/City Engineer

Julie Procopio, P.E.
Assistant Public Works Director/Engineering

Agenda Item No.: 9
Date: May 22, 2013

RESOLUTION NO. 2013-52

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ESCONDIDO, CALIFORNIA, AUTHORIZING THE MAYOR AND CITY CLERK TO EXECUTE, ON BEHALF OF THE CITY, A FOURTH AMENDMENT TO THE CONSULTING AGREEMENT WITH SCS ENGINEERS FOR REMEDIATION SERVICES FOR THE FORMER ORANGE GLEN MARKET SITE

WHEREAS, the City Council approved a Consulting Agreement with SCS Engineers on August 19, 2009, for environmental consultant/contractor services for the Bear/East Valley Parkway Project; and

WHEREAS, the City Council approved amendments to the Consulting Agreement on October 27, 2010, September 14, 2011, and October 3, 2011; and

WHEREAS, the Public Works Director/City Engineer recommends the execution of the Fourth Amendment to the Consulting Agreement ("Agreement") for environmental engineering and remedial services for the former Orange Glen Market site acquired with the Bear/East Valley Parkway Project ; and

WHEREAS, the City Council desires at this time and deems it to be in the best public interest to approve said Fourth Amendment to Agreement;

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Escondido, California:

1. That the above recitations are true.

2. That the City Council accepts the recommendation of the Public Works Director/City Engineer.

3. That the Mayor and City Clerk are authorized to execute, on behalf of the

City, a Fourth Amendment to the Agreement with SCS Engineers for environmental engineering and remeditation services for the former Orange Glen Market site. A copy of the Agreement is attached as Exhibit "1" and is incorporated by this reference.

ESCONDIDO
City of Choice

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CITY OF ESCONDIDO
FOURTH AMENDMENT TO CONSULTING AGREEMENT

This "Amendment" is made this _____ day of _____, 20__.

Between: CITY OF ESCONDIDO
a municipal corporation
201 N. Broadway
Escondido, California 92025
("CITY")

And: SCS Engineers
8799 Balboa Avenue, Suite 290
San Diego, California 92123-4340
Attn: Keith Etchells
("CONSULTANT")

Witness that whereas:

A. CITY and CONSULTANT entered into an agreement on August 19, 2009 ("Agreement"), wherein CITY retained CONSULTANT to provide services for environmental consultant/contractor services for the Bear/East Valley Parkway project; and

B. CITY and CONSULTANT desire to amend the Agreement to include additional work, which is defined in "Attachment A" to this Amendment, which is incorporated by reference;

NOW THEREFORE, it is mutually agreed by and between CITY and CONSULTANT as follows:

1. The CONSULTANT will furnish the services described in "Attachment A" to this Amendment.

2. CITY will compensate the CONSULTANT in an additional amount not to exceed $179,728.50, pursuant to the conditions contained in "Attachment A" to this Amendment.

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3. All additional terms under the Agreement between CITY and CONSULTANT still apply to the additional work to be performed by CONSULTANT under this Amendment. If any of the terms of this Amendment conflict with the Agreement, this Amendment must prevail.

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

CITY OF ESCONDIDO

Date: _____

_____
Sam Abed
Mayor

Date: _____

_____
Diane Halverson
City Clerk

Date: _____

SCS Engineers

_____
Daniel E. Johnson
Vice President

APPROVED AS TO FORM:

OFFICE OF THE CITY ATTORNEY
JEFFREY R. EPP, City Attorney

By: _____

ATTACHMENT "A"

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Environmental Consultants
and Contractors

8799 Balboa Avenue
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San Diego, CA 92123

858 571-5500
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www.scsengineers.com

SCS ENGINEERS

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January 18, 2013

SCOPE OF SERVICES CHANGE, NUMBER 12

To: City of Escondido **Attn: Mr. Edward N. Domingue, P.E.** **Director of Engineering Services** **201 North Broadway** **Escondido, California 92025**	**Project Number: 01205515.00** **Project Name: Former Orange Glen Market** **Project Location: 2741 East Valley Parkway, Escondido, California (Site)**

OBJECTIVES

The objectives of this Scope of Services Change Number 12 (SSC12) are to:

- Provide additional operating budget for project management and liaison with the Regional Water Quality Control Board (RWQCB).
- Further assess the hydraulic gradient direction and magnitude of groundwater beneath the Site.
- Further assess the presence and concentrations of dissolved phase petroleum hydrocarbons and volatile organic compounds (VOCs) in the subsurface of the Site.
- Complete one 30-day high-vacuum dual-phase extraction (HVDPE) event in the source zone to reduce the mass of light non-aqueous phase liquids and sorbed-phase and dissolved-phase CoCs in the source zone.
- Prepare a Corrective Action Plan Addendum.
- Provide contingency monies for the installation of one additional monitoring well (MW24) to address possible RWQCB requirements, including the installation of a dedicated bladder pump, and associated reporting.

BACKGROUND

The petroleum hydrocarbon- and volatile organic compound (VOC)-bearing groundwater beneath the Site and Site vicinity is currently being monitored and sampled on a semi-annual basis. This scope change provides operating budget to complete two semiannual groundwater sampling events in November 2013 and May 2014. Please note that the existing Tasks 42

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through 44 provide operating budget to complete the semiannual sampling event tentatively scheduled to be completed in May 2013.

SCS completed two 15-day extraction events during February, March, and May of 2012. Based on the observations made during both 15-day extraction events, the use of HVDPE was highly effective and resulted in the mobilization and removal of petroleum hydrocarbons and associated VOCs from the source-zone of the Site via the extraction well network (DPE1 through DPE4). The observed success of HVDPE as a remedial method at the Site coupled with the recent observation of light non-aqueous phase liquids in MW3R during the December 2012 groundwater sampling event suggest that additional source zone interim remedial action is necessary prior to the implementation of a forthcoming CAP Addendum.

A Corrective Action Plan Addendum will be prepared to document the proposed methods of mitigating the dissolved-phase plume throughout the entire Site.

Lastly, because the most downgradient well (MW23) installed in November 2012 produced a groundwater sample with elevated concentrations of methyl tertiary-butyl ether during the December 2012 sampling event the installation of an additional downgradient monitoring well within the mobile home park (MW24) may be necessary to complete plume delineation.

SCOPE OF SERVICES

TASK 37 PROJECT MANAGEMENT AND REGULATORY AGENCY NEGOTIATION AND LIAISON

The estimated budget includes time (approximately 28 hours at senior project professional and 5 at project director) for project management activities such as project design and scoping, client communication and liaison, regulatory agency communication and liaison, attendance of meetings, compliance tracking and management, project status updates, and budget and invoice review by the project manager.

The estimated time and materials cost to complete the scope of services in Task 37 is $5,000.00

TASK 51 GROUNDWATER MONITORING AND SAMPLING

In an effort to obtain groundwater samples more representative of aquifer conditions low-flow purging and sampling (ASTM designation D6771-02) methodology will continue to be performed on all 23 Site wells in conjunction with the existing semiannual sampling program for the one event remaining in the existing task budget. Water will be removed from each well with the use of a dedicated bladder pump. The pump intakes will be positioned within the upper half of the length of the wetted screen. Water will be pumped through a flow cell with a known operating volume, containing a calibrated water-quality meter capable of measuring pH, dissolved oxygen, conductivity, salinity, total dissolved solids, temperature, turbidity, and oxidation reduction potential. The water-quality meter sondes and associated low-flow cell will be decontaminated before purging groundwater from each well.

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TASK 53 PREPARATION OF REPORT OF FINDINGS AND GEOTRACKER MANAGEMENT

At the completion of each groundwater sampling event a letter report (Report) will be prepared. The Report will include the following:

- Laboratory reports and chain-of-custody documents
- Figures indicating groundwater analytical results, groundwater elevation, and interpreted groundwater gradient direction
- Tabulated analytical results and appropriate support documentation

The Report will include a detailed description of the work performed, discussion of the results, and SCS's conclusions and recommendations, as deemed appropriate. The Report will be peer-reviewed and signed by a state-certified Professional Geologist.

Electronic Delivery Format (EDF) Reporting

All required data collected during the sampling events will be uploaded to the RWQCB GeoTracker database in electronic delivery format (EDF).

The estimated time and materials cost to complete the scope of services in Task 53 is $4,800.00 for one sampling event and $9,600.00 for two semiannual sampling events.

TASK 54 SOURCE ZONE HIGH-VACUUM, DUAL-PHASE EXTRACTION

Proposed HVDPE Equipment

The principle of HVDPE involves application of a vacuum to unsaturated and shallow saturated sediments in order to remove volatile CoC-bearing soil vapor and groundwater from the subsurface. SCS proposes to complete HVDPE IRA on four dual-phase extraction (DPE) wells (DPE1 through DPE4) installed in the immediate vicinity of the former remedial excavation completed in June and July 2008.

Existing monitoring wells located on the southern side of East Valley Parkway (MW1R, MW3R, MW2, and MW6) will be used to measure vacuums at various distances from the extraction wells. During the application of the vacuum, measurements will be made at the extraction well and observation wells in order to evaluate contaminant removal rates and to determine the distribution of airflow within the subsurface as well as the radius of influence associated with given extraction wells.

A mobile HVDPE system located on the back of a flatbed truck will be operated on Site by personnel who will be at the Site for the length of the program. Typical systems have a liquid ring pump with the capability of extracting from up to six wells at once. The groundwater and soil vapor are extracted from a downhole stinger in the groundwater monitoring well that is

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Water-quality measurements will be obtained from the water-quality meter each time that an approximate new low flow-cell volume of purged groundwater is purged from the well. This length of time will be deduced in the field by dividing the approximate operating flow cell volume by the current flow rate of the pump. After three stabilized consecutive water quality measurements, a groundwater sample will be collected from each well by bypassing the flow cell and pumping the sample directly into appropriate, laboratory-supplied containers. The samples will be labeled and placed in an ice-packed cooler for transport under chain of custody to the selected laboratory. Purge water will be stored on Site in a labeled drum for later disposal under manifest.

Groundwater Sample Analysis

SCS was able to negotiate a reduction in the required analysis for dissolved-phase petroleum hydrocarbons in nine downgradient wells to help preserve project related funds. The groundwater samples from wells MW1R through MW14 (14 samples) will be analyzed for TPHg and TPHd in general accordance with California Department of Health Service Leaking Underground Storage Tank (CADHSLUFT) Method.

Groundwater samples collected from all 23 wells will be analyzed for Volatile Organic Compounds (VOCs) including fuel oxygenates MTBE, DIPE, TAME, ETBE, and TBA in general accordance with EPA Method 8260B.

The estimated time and materials cost to complete the scope of services in Task 51 is $13,000.00 for one sampling event and $26,000.00 for two semiannual sampling events.

TASK 52 DISPOSAL OF DRUMMED SOIL CUTTINGS, PURGE WATER, AND DECON WATER

As stated earlier, decontamination rinsate and purged groundwater will be placed in 55-gallon drums, which will be labeled and left on Site (vicinity of well MW6) pending receipt of analytical results and evaluation of disposal options. SCS shall perform all necessary testing and submit all necessary documentation to licensed disposal facilities for the disposal of drummed decontamination water and purged groundwater. For budgetary purposes we have assumed the disposal of one 55-gallon drum as non-hazardous waste. Groundwater sampling events associated with this task are tentatively scheduled to be completed in November 2013 and May 2014.

The estimated time and materials cost to complete the scope of services in Task 52 is $630.00 for one sampling event and $1,260.00 for two semiannual sampling events.

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typically placed no deeper than approximately 2 feet below the static groundwater elevation to prevent smearing of CoCs at the capillary fringe.

The influent stream of groundwater and soil vapor is separated subsequent to removal from the subsurface where the hydrocarbons in the vapor stream are processed via thermal oxidation and the groundwater is containerized for off-Site treatment and disposal. The mobile unit will operate under the necessary air quality permit(s) as required by the San Diego Air Pollution Control District (APCD).

HVDPE Interim Remedial Action

SCS proposes to complete one 30-day extraction event (with the system running continuously, 24-hours per day for the 30 day period). We anticipate completing the HVDPE event between the months of October and March when groundwater elevations have historically been observed to be lowest to increase the efficiency of the extraction. Monitoring wells MW1R, MW2, MW3R, and MW6 will be used as observation wells to collect radius of influence measurements during the completion of each extraction event.

Sample Collection and Analysis

During operation of the HVDPE system the on-Site equipment operator will be directed to measure total and well-specific influent petroleum hydrocarbon vapor concentrations in the field with calibrated equipment as well as verify field measurements via laboratory analysis of vapor samples collected on a scheduled frequency. In addition, SCS staff will co-collect measurements and laboratory-analyzed samples during the HVDPE event to assess data quality and generate an accurate estimate of the hydrocarbon recovery mass. Vapor samples collected during the HVDPE pilot test will be collected in Tedlar bags and labeled with the sample designation, collection date, and collection time. The samples will be stored at ambient temperature in a cooler that protects the samples from direct sunlight. The samples will be delivered or released to a state-certified laboratory within 24 to 48 hours of collection with corresponding chain-of-custody documentation and analyzed on a standard turn-around-time (TAT). Vapor samples will be analyzed for the presence of total petroleum hydrocarbons as gasoline (TPHg); benzene, toluene, ethylbenzene, and xylenes (BTEX); and fuel oxygenates including MTBE, di-isopropyl ether (DIPE), tertiary amyl methyl ether (TAME), ethyl tertiary butyl ether (ETBE), and tertiary butyl alcohol (TBA) in accordance with Environmental Protection Agency (EPA) Method 8015B and 8260B, respectively.

Disposal/Handling of Extracted Groundwater

Extracted groundwater will be discharged to the City of Escondido sewer system via the on-Site storm water manhole subsequent to on-Site treatment per the requirements of the Client's discharge specifications.

Data Analysis

Field data collected during the HVDPE extraction events will include:

- Realized (on wells not being extracted) and applied (on extraction wells) vacuum,

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- Groundwater drawdown in the vicinity of the active extraction well(s), and
- Total and well-specific influent vapor stream flow rates and contamination concentrations.

The tabulated data collected during the pilot test will be used to generate graphs of flow rates, vacuum, soil vapor removal rates and vapor concentrations versus time. Additionally, the data analysis will include evaluation of achieved vacuum radius of influence, total groundwater production and average production rate, and the flame ionization detector (FID) and laboratory data will be used to calculate a theoretical range of hydrocarbon mass removed.

The estimated time and materials cost to complete the 30-day HVDPE event is $67,200.00 with an additional $31,750.00 for groundwater storage and treatment costs. The total estimated time and materials cost to complete the scope of services in Task 54 is $98,950.00.

TASK 55 PREPARATION OF IRA REPORT

Preparation of IRA Report

Following completion of the HVDPE event and associated data analysis, SCS will prepare an Interim Remedial Action Report (IRA Report) documenting the field activities and evaluating the hydrocarbon removal rates and effectiveness of the remedial activities. The Report will include the following:

- Laboratory reports and chain-of-custody documents
- Subcontractor-provided reports
- Tabulated analytical results and appropriate support documentation

The IRA Report will include a detailed description of the work performed, discussion of the results, and SCS's conclusions and recommendations, as deemed appropriate. The IRA Report will be peer-reviewed and signed by a state-certified Professional Geologist and uploaded to the State of California Water Quality Control Board's GeoTracker database concurrently with document submission to the RWQCB.

Electronic Delivery Format (EDF) Reporting

The IRA Report will be uploaded to the RWQCB GeoTracker database in electronic delivery format (EDF).

The estimated time and materials cost to complete the scope of services in Task 55 is $5,525.00.

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TASK 56 REMEDIAL DESIGN, GROUNDWATER MODELING, AND REVISED CORRECTIVE ACTION PLAN PREPARATION

A Revised Corrective Action Plan (Revised CAP) will be prepared for the mitigation of the dissolved-phase plume throughout the subsurface of the Site. Based on our understanding of conditions at the Site, once mass removal (i.e., HVDPE) is complete the implementation of groundwater recirculation in the source zone (underneath East Valley Parkway) has the highest probability of reducing dissolved-phase contaminants in this portion of the plume. Design of a recirculation system requires proper placement of extraction and injection wells which will require the completion of a two-dimensional numerical model to optimize installation locations for extraction wells within and/or adjacent to East Valley Parkway. The Revised CAP will include the findings of the numerical model as well as two remedial methods and estimated costs for the mitigation of the entire plume.

The estimated cost to conduct the scope of services in Task 56 is $9,825.00

TASK 57 CONTINGENCY WELL INSTALLATION

Preparation for Field Work

Preparation and Submittal of Subsurface Assessment Workplan

Pursuant to RWQCB requirements, work plans are required for approval prior to the implementation of any fieldwork. Therefore, SCS personnel will prepare and submit a work plan to the RWQCB detailing the proposed methods of well installation. The work plan will present the specific tasks designed to achieve the objectives and will detail the proposed methods of well construction, sample collection, and laboratory analyses.

Preparation and Submittal of Soil Boring and Groundwater Monitoring Well Permit Applications

Prior to conducting fieldwork, a soil boring and monitoring well permit application will be completed and submitted to the DEH for approval along with the required fee. The permit application will reflect soil boring advancement methodology and monitoring well construction details. The permit application will be signed by a state-certified professional geologist and submitted to the DEH for approval.

Site Health and Safety Plan

A Site health and safety plan (Plan) is required for the work conducted at the Site by workers within the exclusion zone pursuant to the regulations in 29 Code of Federal Regulations (CFR) Part 1910.120 and Title 8 California Code of Regulations (CCR) Section 5192. A previously prepared Plan which outlined the potential chemical and physical hazards that may be encountered during the drilling and sampling activities will be updated as needed. The appropriate personal protective equipment and emergency response procedures for the Site-specific chemical and physical hazards will be detailed in this Plan. All field personnel involved

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with the field work will be required to read and sign the document in order to encourage proper health and safety practices.

Utility Search and Markout

Prior to drilling, Underground Service Alert (USA) will be contacted to minimize the likelihood of drilling into an underground utility. SCS will also contract with a private underground utility location company to attempt to locate subsurface utilities and improvements at the Site to minimize the likelihood of drilling into an underground utility.

Project Management, Subcontractor Management, and Scheduling

Prior to mobilizing for field work, SCS will notify and schedule the subcontractors including, but not limited to, the laboratory, the drilling company, and the utility location contractor. In addition, SCS will coordinate with the Client and affected property owners to ensure appropriate scheduling of field work.

Field Activities - Drilling of Soil Boring, Well Installation, Sample Collection and Analysis

Monitoring Well Installation and Soil Sample Collection and Analysis

In an attempt to complete the delineation of dissolved-phase constituents of concern (CoCs) in the Site vicinity, it is proposed that additional assessment of the plume be conducted by installing and sampling one additional groundwater monitoring well (MW23) within the adjacent mobile home park (APN 231-040-33).

Drilling will be performed using a CME 75 or similar drill rig equipped with 8-inch hollow stem augers. SCS staff, under the supervision of a state-certified professional geologist, will be on the Site to observe the drilling activity and describe collected soil samples.

The soil boring completed to accept the construction of MW23 will be advanced to approximately 20 feet below grade with the well constructed with 15-feet of screened interval such that the screen will span the top of shallow groundwater (estimated to range from approximately 11 to 12 feet below grade).

As required by San Diego County guidelines, the augers will be either precleaned or pressure cleaned on-Site to minimize the likelihood of cross-contamination and to minimize the potential for a false positive in the soil and groundwater samples analyzed.

Soil cuttings, purged groundwater, and decontamination rinsate will be placed in 55-gallon drums, labeled, and stored on Site until proper disposal has been scheduled. It is assumed that it will take 1 day to complete the well installation.

The 15-foot long screened interval of the well casing will consist of 0.010-inch slotted casing with an appropriately graded filter pack placed in the well annulus to approximately 1 foot above the top of screened interval. The well will be surged during construction to settle the sand pack prior to installing a 3-feet thick annulus seal. The newly installed well will be developed to

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remove fines from the sand pack and well casings and provide better hydraulic communication between the monitoring well construction and the surrounding saturated subsurface. The well will be constructed and developed in accordance with DEH guidelines and State of California requirements.

Soil Sample Analysis

During the drilling of the soil boring, soil samples will be collected based on the following protocol:

- At a minimum of 5-foot intervals
- At interpreted capillary fringe or significant changes in unconsolidated sediments
- In areas of discoloration or staining
- When odors or elevated readings from field screening instruments are noted
- At other depths as deemed appropriate by the on-Site SCS staff

Soil samples will be collected with a split-spoon type or similar sampler and driven into stainless steel sample tubes. The two ends of the soil sample tubes will be covered with Teflon® sheeting, tightly closed with plastic end caps, labeled, and submitted to an off-Site, state-accredited laboratory for analysis. Chain-of-custody procedures will be implemented for sample tracking. Lithological descriptions will be performed by a California-registered professional geologist, or a qualified professional under the direct supervision of a professional geologist in accordance with the Unified Soil Classification System (USCS).

Up to three soil samples collected from the interpreted capillary fringe (approximately 10 to 15 feet below grade) of each soil boring will be submitted to a state-accredited laboratory for analysis. The samples will be analyzed for TPHg and TPHd in accordance with the CADHSLUFT Method and for VOCs including fuel oxygenates MTBE, DIPE, TAME, ETBE, and TBA in accordance with EPA Method 8260B.

Bladder Pump Installation

A dedicated PVC-body, bladder pump equipped with a Teflon® bladder and all necessary polyethylene tubing, connections, and shallow casing hardware will be installed in MW23 subsequent to development. Installation will follow manufacturers recommended installation protocols and will reflect associated sampling guidelines provided by local regulatory agencies such as the County of San Diego Department of Environmental Health.

Waste Disposal, Civil Survey, and Report Preparation

Disposal of Drummed Soil Cuttings, Purge Water, and Decon Water

As stated earlier, soil cuttings, decontamination rinsate, and purge water will be placed in appropriate 55-gallon drums, which will be labeled and left on APN 231-120-10 in the

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immediate vicinity of the former Orange Glen Market pending receipt of analytical results and evaluation of disposal options. SCS shall perform all necessary testing and submit all necessary documentation to licensed disposal facilities for the disposal of drummed soil cuttings, decontamination rinsate, and purge water.

Civil Survey

SCS will coordinate with City survey crew staff to complete the necessary survey of the well location for purposes of tracking, map generation, and geospatial calculations.

Preparation of Report of Findings

At the completion of Assessment a letter report (Report) will be prepared. The Report will include the following:

- Laboratory reports and chain-of-custody documents
- Permits
- Figures depicting the soil boring and monitoring well location as well as soil and groundwater sample analytical data
- Computer-prepared lithologic log of the soil boring
- Figures depicting the extent of petroleum hydrocarbon-bearing soil and groundwater at the Site
- Tabulated analytical results and appropriate support documentation

The Report will include a detailed description of the work performed, discussion of the results, and SCS's conclusions and recommendations, as deemed appropriate. The Report will be peer-reviewed and signed by a state-certified Professional Geologist. Please note that the Report may be integrated into another Site document that is being prepared contemporaneously in an attempt to streamline document preparation.

In addition to the above-described Report, in order to comply with the requirements of the soil boring permit, a 60-day report will be prepared and submitted to the DEH.

Electronic Delivery Format (EDF) Reporting

All required data collected during the Assessment will be uploaded to the RWQCB GeoTracker database in electronic delivery format (EDF) prior to or no later than the written report delivery date.

The estimated cost to conduct the scope of services in Task 57 is $10,410.00

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TASK 58 GROUNDWATER MONITORING WELL NETWORK OPTIMIZATION

The goal of long-term monitoring optimization (LTMO) is to review the current groundwater monitoring data and program and provide recommendations for improving the efficiency and accuracy of the network in supporting site monitoring objectives. Specifically, the LTMO process considers information on the site characterization, stability of the plume, sufficiency and redundancy of monitoring locations and the appropriate frequency of network sampling.

Given the number of wells at the Site and the expense and effort of quarterly gauging and semi-annual sampling, it is reasonable to conclude that if the well network optimization will result in a recommendation to either reduce the frequency or number of wells sampled on a routine basis at this Site. Therefore, this optimization would result in cost savings while not compromising the representativeness of the data from the well network. Tasks involved in the LTMO process include:

- Evaluate well locations and screened intervals within the context of the hydrogeologic regime to determine if the site is well characterized;
- Evaluate overall contaminant migration stability ("plume" stability) through examination of the leading edge of the contaminated area (shrinking, stable, or expanding);
- Evaluate individual well concentration trends over time for target chemicals of potential concern (COPCs);
- Develop sampling location recommendations based on an analysis of spatial patterns of contamination;
- Develop sampling frequency recommendations based on groundwater flow and observed existing temporal variability.

The end product of the LTMO process is a recommendation for specific sampling locations and frequencies that best address site monitoring goals and objectives.

The LTMO process first starts with a qualitative review. The qualitative review involves establishing monitoring objectives and the site conceptual model, and then evaluating each monitoring location/analyte selection, and sampling frequency for the role it plays supporting site monitoring objectives.

For example, a location may provide background data, horizontal delineation of the plume, or may provide information on concentration reduction trends in the source area. Each well in the network is evaluated for its contribution to site monitoring objectives. Qualitatively, redundant locations can be identified as those where multiple wells address the same monitoring objective in approximately the same location. Based on this review, and optimum monitoring program can be designed.

The next level, if necessary, is a quantitative analysis that can confirm the redundancies identified in the qualitative review. To complete the quantitative analysis, the MAROS

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(Monitoring and Remediation Optimization System) Software (Aziz et al, 2003) will be used to implement statistical analyses. Specifically, the MAROS analysis will:

- Determine the overall plume stability through trend analysis;
- Evaluate plume stability using moment analysis;
- Evaluate individual well concentration trends over time;
- Reduce, where possible, redundant wells without information loss;
- Suggest locations for new wells for future sampling;
- Provide future sampling frequency recommendations while maintaining sufficient plume stability information.

The results of the LTMO effort will be written up in a letter report which will include software output in an appendix.

The estimated cost to conduct the scope of services in Task 58 is $4,600.00

ESTIMATED BUDGET AND SCHEDULE

Task	Cost
Task 37 Project Management	$5,000.00
Task 51 Semiannual Groundwater Monitoring and Sampling (2 Events)	$26,000.00
Task 52 Groundwater Monitoring IDW Disposal (2 events)	$1,260.00
Task 53 Preparation of Groundwater Monitoring Report and Geotracker Management	$9,600.00
Task 54 30-Day Source Zone HVDPE Event	$67,200.00
Task 54 HVDPE Event Groundwater Storage and Treatment	$31,750.00
Task 55 Preparation of HVDPE Interim Remedial Action Report	$5,525.00
Task 56 Corrective Action Plan Addendum Preparation	$9,825.00
Task 57 Contingency Well Installation, Bladder Pump Installation, and Reporting	$10,410.00
Task 58 Groundwater Monitoring Well Network Optimization	$4,600.00
Total	**$171,170.00***
Total with 5 percent contingency	**$179,728.50**

THE TOTAL TIME AND MATERIALS COST FOR THE SCOPE OF SERVICES DESCRIBED HEREIN ARE ESTIMATED TO BE $179,728.50 INCLUDING THE 5% CONTINGENCY.

* Please allow for a minimum 5 percent variance in the total estimated cost due to changed Site conditions or unanticipated circumstances.

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NOTE: This Scope of Services Change is part of and is in general conformance with the previously executed Contract and Agreement for Services No. 01205515.00 between SCS and the Client. Please sign this page of SSC12 and email a scanned image to ketchells@scsengineers.com for countersignature. One fully executed copy of this signature page will be returned electronically for your records.
CLIENT AUTHORIZATION: Signature _____ Printed Name _____ Date _____
SCS ENGINEERS AUTHORIZATION: Signature _____ Printed Name _____ Date _____

Environmental Consultants
and Contractors

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SCS ENGINEERS

SCS ENGINEERS UST PROJECT
FEE SCHEDULE
APRIL 1, 2012 TO March 31, 2013

Project Director	$208.00
Senior Project Advisor	$189.00
Project Manager	$165.00
Senior Project Professional	$139.00
Construction Superintendent	$126.00
Project Professional	$117.00
Staff Professional	$ 98.00
Associate Professional	$ 88.00
Senior Engineering Technician	$ 84.00
Technician	$ 78.00
Project Administrator	$ 86.00
Technical Editor	$ 86.00
Designer/Drafter	$ 84.00
Administrative/Secretarial	$ 72.00

Additional Terms and Conditions

Scheduled labor rates include overhead, administration, and profit.

Rates for principals of the firm may be negotiated on a project-specific basis with a base rate of $225 per hour

Scheduled rates are effective through March 31, 2013. Work performed thereafter is subject to a new Fee Schedule.

Expert witness testimony (depositions and trial) will be charged at $350.00 per hour. Preparation for testimony and general litigation support will be charged at normal hourly rates.

Direct project expenses (such as field equipment, subcontracted services including drilling, laboratory analyses, etc., permits, supplies, etc.) will be charged at cost plus 15 percent. Company trucks are charged at $50 for up to a half day (4 hours) of use, and $100 for up to a full day (company cars at $40/$80). These charges incorporate an allowance of 100 miles per job per day; a $0.51 per mile surcharge is applied for additional miles. Vehicle charges for long-term and/or high-mileage projects may be negotiated on a case-by-case basis. Personal vehicles will be charged at the Federal rate then in effect. All other field equipment will be charged in accordance with the Fee Schedule in effect at the time the work is performed.

Per diem will be charged on all projects requiring overnight stays from our office. The per diem rate is $175.00 per day per person or the federal per diem rate for the area, whichever is greater.

Overtime will be charged at 125 percent of standard rates for weekday work in excess of 8 hours. Work performed on holidays and weekends will be charged at 150 percent of standard rates.

Invoices will be prepared monthly or more frequently for work in progress, unless otherwise agreed. Invoices are due and payable upon receipt. Invoices not paid within 30 days are subject to a service charge of 1.5 percent per month on the unpaid balance.

Payment of SCS invoices for services performed will not be contingent upon the client's receipt of payment from other parties, unless otherwise agreed in writing. Client agrees to pay legal costs, including attorney's fees, incurred by SCS in collecting any amounts past due and owing on client's accounts.

The rationale and methodology for determining our Schedule of Rates is based on Manual 45c of the American Society of Civil Engineers.

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FEE SCHEDULE
APRIL 1, 2012 TO MARCH 31, 2013
SCS ENGINEERS FIELD EQUIPMENT RENTAL AND REIMBURSABLE FEE SCHEDULE

Note: Unit rates for equipment identified in the Proposal/Scope of Services Change supersede the rates presented herein.

EQUIPMENT	RATE ($)
55-Gallon Drum	65
Full Day Geoprobe 540 MT (8 hours onsite, 2 technicians, expendables)	2,300
Full Day Geoprobe 540 MT (8 hours onsite, 1 technician, expendables)	1,700
Half Day Geoprobe 540 MT (4 hours onsite, 1 technician, expendables)	900
Overtime Geoprobe 540 MT (>8 hours/day)	200/Hour
1 Liter or less Summa Canister	35/Use
5 Gram Encore soil sampling device	10/device
6 Liter Summa Canister + Flow w/Controller	75/Use
Bentonite Chips	11/Bag
Cement/Asphalt	8/Sack
Chlorine Test Kist	25/Kit
Drager CMS Analyzer	25/Day
Drager CMS Analyzer Chips	150/Chip
Personal / Ambient Air Sampling Pumps	25/Day
Dust Meter (personal data Ram or equivalent)	25/Day
Generator	60/Day
Hand Auger	60/Day
Tube, Caps and Teflon Sheets	5/Tube
Tedlar Bags (1 Liter)	14/Bag
Organic Vapor Meter	85/Day
Flame Ionization Detector (FID)	75/Day
Chlorine Meter	25/Day
Bailers - Reusable	25/Day
Bailers – Disposable (small)	15/Each
Bailers – Disposable (large)	20/Each
10 ml Visqueen 20' x 100'	100/Roll
Expendable Field Supplies (caution tape, decontamination equipment, ice, sampling jars, etc.)	35/Day
Hazardous Waste Field Kit (for any field sampling; personal protective equip including Level C; protective clothing, respirators, gloves, etc.)	60/Day
Hazardous Waste Field Kit (for Level A or B)	Quoted/Job Specific
Digital Camera (includes contact sheet & color printing)	15/Day
Electronic Distance Meter	25/Day
Oil/Water Interface Probe	75/Day
Multiple Parameter Water Quality Meter	225/Day
Moisture Meter	75/Day
Bladder Pump	150/Day
Peristaltic Pump	125/Day
Pump Bladders, Tubing & Hardware	Quoted/Job Specific
Water Depth Meter	50/Day
Water Sampling Pump (Grundfos with controller or peristaltic)	125/Day
Water Sampling Pump (DC)	60/Day
Locking Well Cap	20/Each
Padlocks	15/Each
Copies	.14/Page
Color Copies/Prints (8 ½ x 11)	1.25/Page
Color Copies/Prints (11 x 17)	2.50/Page
CDs	25/Each
Weather Station	5/Day
Weather Station	50/Month
XRF Meter	500/day
4-Gas Meter	100/day

ESCONDIDO
City of Choice

CITY COUNCIL

For City Clerk's Use:
☐ APPROVED ☐ DENIED
Reso No. _____ File No. _____
Ord No. _____

Agenda Item No.: 10
Date: May, 22 2013

TO: Honorable Mayor and Members of the City Council

FROM: Edward N. Domingue, Public Works Director/City Engineer
Frank P. Schmitz, Parks and Open Space Administrator

SUBJECT: Award LMD Landscape Maintenance Services Contract

RECOMMENDATION:

It is requested that Council adopt Resolution No. 2013-58 authorizing the Mayor and City Clerk to execute a Public Services Agreement with Tegriscape, Inc. for LMD Landscape Maintenance Services in the amount of $208,244 per year.

FISCAL ANALYSIS:

The Landscape Maintenance District (LMD) reimburses all costs incurred by the City in all zones except Zones 12 and 13. The City of Escondido purchased property adjacent to the Reidy Creek environmental channel that lies within Zone 12 and therefore assumed the assessment and proportionate maintenance costs associated with this property. Zone 13 was formed to pay for the maintenance of the median landscaping in Centre City Parkway south of Felicita Avenue and north of Montview Drive. The City shares the cost of the maintenance in Zone 13 with the two shopping centers on either side of the parkway.

PREVIOUS ACTION:

N/A

BACKGROUND:

The LMD Landscape Maintenance Services contract provides for the landscape maintenance of thirty-two LMD zones to include Zones 1-27, 29, and 32-35 (map attached). On February 28, 2013, request for proposals to provide landscape maintenance services were mailed to thirty-one landscape maintenance contractors. On April 15, 2013, fifteen proposals were received and opened. The evaluation of each proposal took into consideration the total combined monthly bid price for all thirty-two zones, the individual monthly bid price for each of the thirty-two zones, and the appropriateness of the contractor's qualifications and licenses. Based on their overall bid price, their individual zone bid prices, and their qualifications and licenses, the proposal submitted by Tegriscape, Inc. was selected as the most responsive and favorable to the City of Escondido.

The fifteen proposals received are listed below. The amount listed is the contractor bid price per year for the scheduled routine landscape maintenance in the contracted areas.

Vendor	Amount
Tegriscape, Inc.	$ 173,244.00
Steven Smith Landscape, Inc.	183,948.00
Executive Landscape, Inc.	190,092.00
Mr. B's Landscape Maintenance, Inc.	197,700.00
Aztec Landscaping Services	198,659.16
Contemporary Design Landscape	213,744.00
Green Horizons Landscape & Maintenance, Inc.	215,640.00
TruGreen Landscape	220,565.64
PWLCI, Inc.	246,528.00
Nissho Landscape	251,172.00
Green Valley Landscape Maintenance	271,872.00
Westturf	274,045.32
Shasta Landscaping, Inc.	297,821.28
Heaviland Enterprises, Inc.	299,040.00
Acacia Landscape, Inc.	479,100.00

The low bid of $173,244 is a reduction of approximately 22 percent from current contract price of $222,300. This represents an annual savings of $49,056.

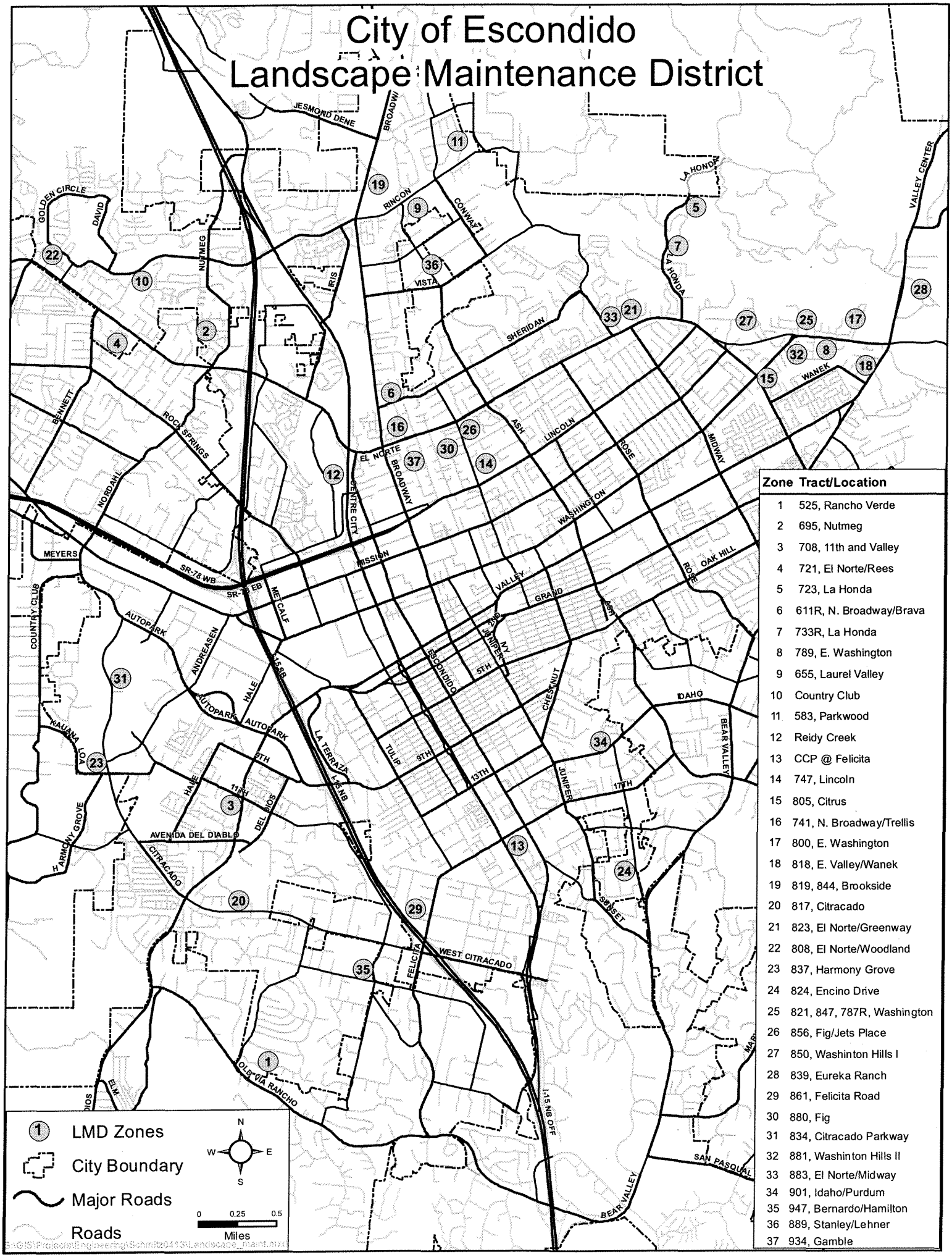
In addition to the low bid provided by Tegriscape, Inc. of $173,244 per year for scheduled routine maintenance, the City has estimated an additional amount of $35,000 per year be allocated for extra work in the LMD zones covered in this contract. Therefore the annual amount of this contract is $208,244.

Respectfully submitted,

Edward N. Domingue, P.E.
Public Works Director/City Engineer

Frank P. Schmitz
Parks and Open Space Administrator

City of Escondido
Landscape Maintenance District



Zone	Tract/Location
1	525, Rancho Verde
2	695, Nutmeg
3	708, 11th and Valley
4	721, El Norte/Rees
5	723, La Honda
6	611R, N. Broadway/Brava
7	733R, La Honda
8	789, E. Washington
9	655, Laurel Valley
10	Country Club
11	583, Parkwood
12	Reidy Creek
13	CCP @ Felicita
14	747, Lincoln
15	805, Citrus
16	741, N. Broadway/Trellis
17	800, E. Washington
18	818, E. Valley/Wanek
19	819, 844, Brookside
20	817, Citracado
21	823, El Norte/Greenway
22	808, El Norte/Woodland
23	837, Harmony Grove
24	824, Encino Drive
25	821, 847, 787R, Washington
26	856, Fig/Jets Place
27	850, Washinton Hills I
28	839, Eureka Ranch
29	861, Felicita Road
30	880, Fig
31	834, Citracado Parkway
32	881, Washinton Hills II
33	883, El Norte/Midway
34	901, Idaho/Purdum
35	947, Bernardo/Hamilton
36	889, Stanley/Lehner
37	934, Gamble

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Agenda Item No.: 10
Date: May 22, 2013

RESOLUTION NO. 2013-58

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ESCONDIDO, CALIFORNIA, AUTHORIZING THE MAYOR AND CITY CLERK TO EXECUTE, ON BEHALF OF THE CITY, A PUBLIC SERVICE AGREEMENT FOR THE LMD LANDSCAPE MAINTENANCE SERVICES WITH TEGRISCAPE, INC.

WHEREAS, sufficient funds are located in the Landscape Maintenance District Fund and

WHEREAS, a notice inviting bids was duly published; and

WHEREAS, on February 28, 2013, request for proposals for LMD Landscape Maintenance Services were mailed to thirty-one vendors; and

WHEREAS, fifteen proposals were opened and evaluated on April 15, 2013; and

WHEREAS, the apparent low bid, submitted by Tegriscape, Inc. was determined to be the lowest responsible bidder who met the City's proposal specifications; and

WHEREAS, staff recommends awarding the proposal to Tegriscape, Inc. in the amount of $208,244; and

WHEREAS, this City Council desires at this time and deems it to be in the best public interest to award the proposal to Tegriscape, Inc.

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

1. That the above recitations are true.

2. That City Council accepts the recommendation of staff and finds Tegriscape, Inc. to be the lowest responsible bidder who met the City's bid specifications.

3. That the Mayor and City Clerk are authorized to execute on behalf of the City, a Public Service Agreement ("Agreement") with Tegriscape, Inc. for LMD Landscape Maintenance Services. A copy of the Agreement is attached as Exhibit "1" and is incorporated by this reference.

ESCONDIDO
City of Choice

CITY OF ESCONDIDO
PUBLIC SERVICES AGREEMENT

This Agreement is made this _____ day of_____, 2013.

Between: CITY OF ESCONDIDO
a Municipal Corporation
201 N. Broadway
Escondido, California 92025
Attn: Frank Schmitz
760-839-4039
("CITY")

And: Tegrisacpe, Inc.
1310 Park Hill Lane
Escondido, CA 92025
Attn: Joe Hopkins
760-743-8857
("CONTRACTOR")

WHEREAS, the CITY and CONTRACTOR desire to enter into this Agreement for the performance of services;

NOW, THEREFORE, it is mutually agreed as follows:

1. Description of Services. CONTRACTOR will furnish all of the services described in "Attachment A," which is attached and incorporated by this reference. CONTRACTOR agrees to diligently perform such services to their completion, with professional quality and technical accuracy.

2. Compensation. The CITY will pay and CONTRACTOR will accept in full payment for the above work, the sum of $208,244 per year. Any breach of this Agreement will relieve CITY from the obligation to pay CONTRACTOR, if CONTRACTOR has not corrected the breach after CITY provides notice and a reasonable time to correct it. If this Agreement is amended at any time, additional compensation of CONTRACTOR contained in subsequent amendment(s) shall not exceed a cumulative total of ten percent (10%) of the maximum payment provided for in this Section 2.

3. Term. The term of this Agreement shall be for two (2) consecutive years beginning July 1, 2013 through June 30, 2015. With satisfactory performance and mutual agreement between the City and the CONTRACTOR, the City may renew for three (3) one-year extensions beginning July 1, 2015 through June 30, 2018.

4. Scope of Compensation. CONTRACTOR will be responsible for performance of the tasks specified in the Description of Services in "Attachment A." No compensation will be provided for any other tasks without specific prior written consent from the CITY.

5. Performance. CONTRACTOR must faithfully perform in a proficient manner, to the satisfaction of the CITY, all the work or services described in the Description of Services, above.

6. City Property. All original documents, drawings, electronic media, and other material prepared by CONTRACTOR under this Agreement immediately becomes the exclusive property of the CITY, and may not be used by CONTRACTOR for any other purpose without prior written consent of the CITY.

7. Insurance Requirements.

   a. The CONTRACTOR shall secure and maintain at its own cost, for all operations, the following insurance coverage, unless reduced by the City Attorney:

      (1) General liability insurance. Occurrence basis with minimum limits of $1,000,000 each occurrence, $2,000,000 General Aggregate, and $1,000,000 Products/Completed Operations Aggregate; and

      (2) Automobile liability insurance of $1,000,000 combined single-limit per accident for bodily injury and property damage, unless waived as provided in 7(b) below; and

      (3) Workers' compensation and employer's liability insurance as required by the California Labor Code, as amended, or certificate of sole proprietorship; and

   b. It is the parties' understanding that the use of a motor vehicle is not a primary subject of this Agreement. CONTRACTOR acknowledges that operating a motor vehicle is outside the scope of this Agreement and occurs only at the convenience of CONTRACTOR. A waiver of automobile liability insurance is only effective if both sets of initials appear below, otherwise such insurance is required.

      Acknowledged by CONTRACTOR _____

      Waiver appropriate by CITY _____

   c. Each insurance policy required above must be acceptable to the City Attorney.

      (1) Each policy must provide for written notice within no more than thirty (30) days if cancellation or termination of the policy occurs. Insurance coverage must be provided by an A.M. Best's A- rated, class V carrier or better, admitted in California, or if non-admitted, a company that is not on the Department of Insurance list of unacceptable carriers.

      (2) All non-admitted carriers will be required to provide a service of suit endorsement in addition to the additional insured endorsement.

      (3) Both the General Liability and the Automobile Liability policies must name the CITY specifically as an additional insured under the policy on a separate endorsement page. The endorsement must be ISO Form CG2010 11/85 edition or its equivalent for General Liability endorsements and CA 20-01 for Automobile Liability endorsements.

      (4) The General Liability policy must include coverage for bodily injury and property damage arising from CONTRACTOR's work, including its on-going operations and products-completed operations hazard.

      (5) The General Liability policy must be primary and noncontributory and any insurance maintained by CITY is excess.

   d. In executing this Agreement, CONTRACTOR agrees to have completed insurance documents on file with the CITY within fourteen (14) days after the date of execution.

Failure to comply with insurance requirements under this Agreement will be a material breach of this Agreement, resulting in immediate termination at CITY's option.

8. Indemnification. CONTRACTOR (which in this paragraph 8 includes its agents, employees and subcontractors, if any) agrees to indemnify, defend, and hold harmless the CITY from all claims, lawsuits, damages, judgments, loss, liability, or expenses, including attorneys' fees, for any of the following:

   a. Any claim of liability arising out of the negligence or any acts or omissions of CONTRACTOR in the performance of this Agreement;
   b. Any personal injuries, property damage or death that CONTRACTOR may sustain while using CITY-controlled property or equipment, while participating in any activity sponsored by the CITY, or from any dangerous condition of property; or
   c. Any injury or death which results or increases by any action taken to medically treat CONTRACTOR.

   Stormwater Indemnification. CONTRACTOR shall further indemnify, defend, and hold harmless CITY and its officers, employees, and agents from and against any and all liabilities, claims, actions, causes of action, proceedings, suits, administrative proceeds, damages, fines, penalties, judgments, orders, liens, levies, costs and expenses of whatever nature, including reasonable attorney's fees and disbursements, arising out of any violation, or claim of violation of the San Diego Municipal Storm Water Permit (Order No. R9-2007-0001), as amended or renewed, of the California Regional Water Quality Control Board Region 9, San Diego, which CITY might suffer, incur, or become subject by reason of or occurring as a result of or allegedly caused by the construction of the Project or the Improvements.

9. Anti-Assignment Clause. Since the CITY has relied on the particular skills of CONTRACTOR in entering this Agreement, CONTRACTOR may not assign, delegate, or sublet any duty or right under this Agreement, or any portion of the Description of Services. Any such purported assignment, delegation, or subletting will void this entire Agreement, unless the CITY has previously approved such action in writing. Unless CONTRACTOR assigns this entire Agreement, including all rights and duties herein, to a third party with the CITY'S written consent, CONTRACTOR shall be the sole payee under this Agreement. Any and all payments made pursuant to the terms of this Agreement are otherwise not assignable.

10. Costs and Attorney's Fees. In the event that legal action is required to enforce the terms and conditions of this Agreement, the prevailing party will be entitled to reasonable attorneys' fees and costs.

11. Independent Contractor. CONTRACTOR is an independent contractor and no agency or employment relationship is created by the execution of this Agreement.

12. Merger Clause. This Agreement and its Attachments, if any, are the entire understanding of the parties, and there are no other terms or conditions, written or oral, controlling this matter. In the event of any conflict between the provisions of this Agreement and any of its Attachments, the provisions of this Agreement must prevail.

13. Anti-Waiver Clause. None of the provisions in this Agreement will be waived by CITY because of previous failure to insist upon strict performance, nor will any provision be waived because any other provision has been waived by CITY, in whole or in part.

14. Severability. The invalidity in whole or in part of any provision of this Agreement will not void or affect the validity of any other provisions of this Agreement.

15. Choice of Law. This Agreement is governed by the laws of the State of California. Venue for all actions arising from this Agreement must be exclusively in the state or federal courts located in San Diego County, California.

16. Multiple Copies of Agreement/Counterparts. Multiple copies and/or counterparts of this Agreement may be executed, including duplication by photocopy or by computerized scanning device. Each duplicate will be deemed an original with the same effect as if all the signatures were on the same instrument. However, the parties agree that the Agreement on file in the office of the Escondido City Clerk is the copy of the Agreement that shall take precedence should any differences exist among copies or counterparts of the document.

17. Provisions Cumulative. The foregoing provisions are cumulative and in addition to and not in limitation of any other rights or remedies available to the CITY.

18. Notices to Parties. Any statements, communications or notices to be provided pursuant to this Agreement must be sent to the attention of the persons indicated below. Each party agrees to promptly send notice of any changes of this information to the other party.

19. Business License. The CONTRACTOR is required to obtain a City of Escondido Business License prior to execution of this Agreement.

20. Compliance with Applicable Laws, Permits and Licenses. CONTRACTOR shall keep itself informed of and comply with all applicable federal, state, and local laws, statutes, codes, ordinances, regulations, and rules in effect during the term of this Agreement. This shall include, but not limited to, all California Labor Code laws regarding payment of prevailing wages and all OSHA regulations. CONTRACTOR shall obtain any and all licenses, permits, and authorizations necessary to perform the services set forth in this Agreement. Neither CITY, nor any elected nor appointed boards, officers, officials, employees, or agents of CITY, shall be liable, at law or in equity, as a result of any failure of CONTRACTOR to comply with this section.

21. Prevailing Wages. If applicable, pursuant to Section 1770 et seq. of the Labor Code, CONTRACTOR agrees that a prevailing rate and scale of wages, in accordance with applicable State and Federal Law, will be paid in the carrying out of this Agreement. CONTRACTOR shall keep itself informed of and comply with all applicable federal, state, and local laws, statutes, codes, ordinances, regulations, and rules pertaining to the payment of prevailing wages. The prevailing rate and scale to be paid shall be the same as the 'General Prevailing Wage Rates' approved by the Department of Industrial Relations as of the date of the execution of this Agreement. Said rates and scales are herein referred to and adopted in this Agreement as though fully and completely set forth herein, and said scale as adopted by the Department is made a part of this Agreement by reference. Copies of the prevailing rate of per diem wages are available on the Intranet at (http://www.dir.ca.gov/DLSR). Neither CITY, nor any elected nor appointed boards, officers, officials, employees, or agents of CITY, shall be liable, at law or in equity, as a result of any failure of CONTRACTOR to comply with this section.

22. Immigration Reform and Control Act of 1986. CONTRACTOR shall keep itself informed of and comply with the Immigration Reform and Control Act of 1986. CONTRACTOR affirms that as a licensed Contractor and employer in the State of California, all new employees must produce proof of eligibility to work in the United States within the first three days of employment and that only employees legally eligible to work in the United States will be employed on this public project. CONTRACTOR agrees to comply with such provisions before commencing and continuously throughout the performance of this Agreement.

IN WITNESS WHEREOF, the parties below are authorized to act on behalf of their organizations, and have executed this Agreement as of the date set forth below.

CITY OF ESCONDIDO

Date:_____

_____
Sam Abed
Mayor

Date:_____

_____
Diane Halverson
City Clerk

TEGRISCAPE, INC.

Date:_____

_____
(Contractor signature)

_____
Title

(The above signature must be notarized)

APPROVED AS TO FORM:

OFFICE OF THE CITY ATTORNEY
JEFFREY R. EPP, City Attorney

By: _____

THE CITY OF ESCONDIDO DOES NOT DISCRIMINATE AGAINST QUALIFIED PERSONS WITH DISABILITIES.

CITY OF ESCONDIDO

LMD LANDSCAPE MAINTENANCE SERVICES

SPECIAL PROVISIONS
AND
MAINTENANCE SPECIFICATIONS

A. SCOPE OF WORK

The work consists of general landscape maintenance within the City of Escondido Landscape Maintenance District. The work includes mowing, edging, weeding, fertilizing, litter control, debris removal, maintenance of all plants, maintenance of the irrigation systems, and the replacement of any damaged or vandalized irrigation equipment or plant material.

B. PROJECT LOCATIONS, AREA DESCRIPTIONS and MAPS

See pages 11-49 for the Project Locations, Area Descriptions and Area Maps

C. PUBLIC CONVENIENCE

The contractor shall conduct the work at all times in a manner which will not interfere with normal pedestrian traffic on adjacent sidewalks or vehicular traffic on adjacent streets.

D. SCHEDULE OF WORK TO BE DONE

The contractor shall accomplish all normal landscape maintenance required under this contract sometime between the hours of 7 a.m. and 6 p.m., Monday through Friday. No maintenance functions that generate excess noise, which would cause annoyance to residents of the area, shall be commenced before 7 a.m., except in the case of a situation deemed emergency in nature. The contractor shall create a schedule of work to be followed in the performance of this contract. The schedule of work shall list days and approximate times the contractor will be on-site. A copy of the schedule of work shall be provided to Frank Schmitz, Parks and Open Space Administrator or designated representative. The City may deduct from the contractor's monthly payment for instances where contractor has failed to provide the required services. The contractor will be notified by the City prior to any actual deduction to allow for explanations.

E. EXAMINATION OF THE SITES

All potential contractors shall visit the sites of the proposed work to fully acquaint himself/herself with the conditions and difficulties attending the performance of the contract. No additional compensation or relief from any obligations of the contract will be granted because of a lack of knowledge of the sites or conditions under which the work will be accomplished.

F. IRRIGATION GENERAL

The contractor shall maintain the entire irrigation system. This includes, but is not limited to, the replacement, repair, adjustment, and monitoring of the system to assure continued operation. The controllers and valve boxes shall be kept clean of soil and debris. Water usage shall not exceed the amount required to comply with irrigation schedules established by the contractor and approved by the City. The irrigation controllers shall be turned off during periods of rain by the contractor and turned back on and reprogrammed at the completion of each rainy period. Any damages to public or private property resulting from excessive irrigation or irrigation water runoff shall be the responsibility of the contractor to correct. A deduction from the contractor's monthly payment can be made if repairs are not made in a timely manner satisfactory to the City.

The contractor shall periodically inspect and test the operation of the system for any malfunction. Sprinkler heads shall be adjusted to prevent/limit overspray.

All repairs and/or replacement parts shall conform to the type and kind of the existing system. Any deviation must have prior approval from the City. All repairs shall be made in a timely manner. No periods of shutdown will be allowed.

Labor for incidental sprinkler repairs, such as repairs to valves, and irrigation equipment beyond the valve, will be included in the contract price. The City will reimburse the contractor for the cost of the parts for these repairs.

Major repairs, such as valve replacement, mainline breaks, wiring, controller, and backflow preventer repair, will be billed as extra work for parts and labor upon authorization from Frank Schmitz, Parks and Open Space Administrator or designated representative.

The City will be responsible for backflow repairs and certification tests.

Sites using recycled water require special training and certification of employees. The contractor must possess this certification in order to comply with recycled water regulations. There are currently no zones in the City of Escondido Landscape Maintenance District that use recycled water. However, there is the potential for some zones to convert to recycled water in the future. Therefore, the recycled water training and certification is required for this contract.

An irrigation schedule will be submitted to the City, which will include the following information:

1. Controller identification
2. Start time for each controller
3. Days programmed to water
4. Station numbers
5. Cycle time for each station
6. Total time for each station per day

The City will be notified of any changes in the irrigation schedule within 72 hours. Any modification to this irrigation schedule reporting requirement will require approval from Frank Schmitz, Parks and Open Space Administrator or designated representative.

G. PRUNING AND EDGING

The contractor shall be responsible for the pruning of all shrubs and groundcover in the work area to maintain plants in a healthy, growing condition. Dead or damaged limbs or branches shall be removed immediately and all pruning cuts shall be made cleanly with sharp pruning tools, with no projections or stubs remaining. All pruning shall be accomplished in a manner, which will permit the plants to grow naturally in accordance with their normal growth characteristics. Shearing or severe pruning of plants will not be permitted unless a situation exists considered by the City to be hazardous. All groundcover shall be edged as needed to prevent overgrowth on curb or sidewalk line. All plant growth shall be prevented from entering onto walkways, roadways, hard surface areas, and along fences and walls. Edging by chemical methods around trees, shrubs and along fence lines is approved as long as it does not affect adjacent private landscaping.

H. TREE MAINTENANCE

All trees shall be maintained in their natural shapes. All pruning shall be done according to approved industry standards and shall be limited to removal and disposal of any dead and/or broken branches and any sucker growth located in or on the tree. A minimum clear area of 6' shall be maintained under all trees. Young trees shall be thinned and shaped as needed to promote a strong healthy structure. Mature trees and those in excess of 20 feet in height shall be pruned and shaped up to 12 feet in order to maintain a clean appearance. Tree work above 12 feet be considered extra work and may be contracted out to tree trimming companies if necessary. The contractor shall maintain at his expense all tree stakes and supports. Trees shall be maintained in an erect, upright manner and shall be staked as necessary to maintain this position. The contractor shall remove or loosen any and all stakes and/or ties whenever girdling is causing damage to the trunk. Trees lost from the contractor's negligence shall be removed and replaced by the contractor with a like size and species at no cost to the City. In addition, the Eucalyptus sucker growth on lots 60 and 169 in LMD Zone 11 (Parkwood) shall be removed as needed.

I. MOWING, EDGING AND CHANNEL MAINTENANCE

Turf areas shall be mowed per the following schedule:

March thru November..... Weekly (total of 40 mowings)
December thru February..... Every two weeks (total of 7 mowings)

Mowing height shall be determined by the turf type, time of year, and in agreement with the Frank Schmitz, Parks and Open Space Administrator or designated representative.

The contractor shall be responsible for edging all turf grass areas. Edging will be done every other week. All turf grass shall be edged along sidewalks, walls, fences, planters, rocks, paved and hard surface areas and other features every two weeks.

The following areas have specific mowing/maintenance requirements as noted.

LMD Zone 9 – LAUREL VALLEY

Mowing of turf grass areas shall normally occur once a week in areas designated as "A" and once a month in areas designated as "B" (see map for locations). Edging along sidewalks, walls, fences, planters, rocks, paved and hard surfaces, and other features shall be done each time the turf grass is mowed. Slope areas designated as "C" shall be weed whipped once a month. Groundcover slope areas designated as "D" shall be kept thriving and relatively weed free.

LMD Zone 11 – PARKWOOD

The storm drain channels up to the main channel crossing at Conway Drive shall be kept clean of all debris, sedimentation and unwanted vegetation. The open space areas identified as lots 40, 88A, 88B, 130, 225 and 262 shall be mowed per the following schedule:

March thru November ..... Every two weeks (total of 20 mowings)
December thru February ..... One time per month (total of 3 mowings)

The annual grasses and weeds in the open space areas identified as lots 60 and 169 that contain Eucalyptus groves will be mowed twice during the year at a time specified by Frank Schmitz, Parks and Open Space Administrator or designated representative. This normally will occur during the spring and early summer months.

LMD Zone 12 – REIDY CREEK

All culverts and drains in the Reidy Creek Environmental Channel shall be kept clean of all debris. Plant material, such as cattails, woody plants, and grasses that impede water flow will be removed from culverts and drains. All groundcover areas in the Reidy Creek environmental channel shall be mowed nine (9) times per year. The actual schedule for these

mowings will be coordinated with Frank Schmitz, Parks and Open Space Administrator or designated representative.

LMD Zone 19 – BROOKSIDE I and BROOKSIDE II

Mowing of turf grass areas shall normally occur once a week. Edging along sidewalks, walls, fences, planters, rocks, paved and hard surfaces, and other features shall be done each time the turf grass is mowed.

J. REMOVAL OF DEBRIS

Promptly after the mowing, trimming, raking, weeding, edging, and other work required under this contract, the contractor shall remove all debris generated by the performance of the work. Immediately after working in the areas of public walks, driveways, or paved areas, they shall be cleaned with suitable equipment. All areas covered by this contract shall be kept free of trash and debris including, but not limited to, the following: bottles, cans, paper, cardboard, or metallic items.

K. WEED CONTROL

All landscape areas within the specified maintenance area shall be reasonably kept free of weeds as determined by the City. Weeds shall be controlled by hand or mechanical methods. Herbicides may be used for weed control upon prior approval of the City's Frank Schmitz, Parks and Open Space Administrator or designated representative. The cost of herbicides and application labor is the responsibility of the contractor. All noxious plant materials such as, but not limited to, poison oak, shall be removed immediately by an approved method. Weeds and plant material removed shall be disposed by the contractor off-site.

L. DISEASE AND PEST CONTROL

The contractor shall regularly inspect all plants for presence of disease or insect infestation. The contractor shall advise the City of disease or infestation and specify control measures to be taken. Upon approval, the contractor shall implement the approved control measures exercising extreme caution in the application of spray material, dusts or other materials utilized. This work will be considered an extra and can be billed as such with prior approval of the cost by the City. The contractor shall utilize all safeguards necessary during disease or insect control operations to ensure the safety of the public and employees of the contractor. Care shall be taken that no puddles or pools of water that contain chemical residue remain after completion of applications of any harmful chemicals. Also, no permanent sterilant chemicals shall be used. No chemicals shall stain or cause to stain any concrete, brick, boulders, rocks, pavement, controllers, or landscape plant material, or cause damage to same. As previously noted, the contractor shall hold the City harmless for any damage and will repair or replace, as applicable, any damage caused by the use of chemicals.

The contractor shall possess a valid Qualified Applicator license or Maintenance Gardener license issued by the State of California and be registered with the San Diego County Agricultural Commissioner's Office.

M. REPLACEMENT OF PLANT MATERIAL

The contractor shall replace any tree, shrub or ground cover plant, which is damaged or lost as a result of faulty maintenance. Any plant damaged or lost by conditions or circumstances beyond the contractor's control shall be replaced at City expense. In order to ensure maximum healthy growth and overall aesthetic appearance of plantings in the work area, it may be desirable to replace certain plants. The City shall determine the necessity or desirability of such plant replacement. The contractor will be responsible for the maintenance of the replacement plants at no extra cost to the City.

N. FERTILIZATION

All planted areas shall receive two (2) applications of fertilizer per year. Turf areas shall receive four (4) applications of fertilizer per year. Fertilizer shall be delivered to the site in the original unopened container, bearing the manufacturer's guaranteed analysis. Any fertilizer that becomes caked or damaged, making it unsuitable for use, will not be accepted. Immediately following application at each site, the fertilizer shall be thoroughly watered into the soil. The contractor shall notify the City with a written schedule one week prior to the date of the application. The fertilizer shall be a complete fertilizer with micronutrients, evenly broadcast at the rate recommended on the product label.

The cost to furnish and apply the fertilizer to meet the above requirement is the responsibility of the contractor.

O. INSPECTION BY THE CITY

The City shall provide continuing inspection of the work area to ensure adequacy of maintenance and that methods of performing the work are in compliance with the contract. The contractor shall correct discrepancies and deficiencies in the work immediately.

Maintenance services performed by the contractor shall be performed to the satisfaction of the Frank Schmitz, Parks and Open Space Administrator or designated representative.

P. FAILURE TO PERFORM SATISFACTORILY

Should the contractor fail to perform the work as specified herein, the City: (1) will pay only for the amount of service received as determined by the City with an appropriate downward adjustment in contract price, or (2) may have such required work done by City staff or otherwise, and charge the cost thereof to the contractor.

Q. EMERGENCY CALLS

The contractor shall have the capability to receive and to respond immediately to call of an emergency nature during normal working hours and during outside of normal working hours. Calls of an emergency nature received by the City's Frank Schmitz, Parks and Open Space Administrator or designated representative shall be referred to the contractor for immediate disposition.

R. PERSONNEL, TRAINING AND LICENSE REQUIREMENTS

The contractor must obtain a City business license.

The contractor must have a C-27 license.

The contractor shall possess a valid Qualified Applicator license or Maintenance Gardener license issued by the State of California and be registered with the San Diego County Agricultural Commissioner's Office.

The contractor shall furnish upon request the appropriate documentation as to the training of their personnel in the following areas:

- Recycled Water
- Annual Pesticide Handler Training
- Safety in Traffic
- Specialized Equipment – Chainsaw, Tractor, etc.

The contractor shall furnish sufficient supervisory and working personnel capable of promptly accomplishing, on schedule and to the satisfaction of the City, all work required under this contract during the regular and prescribed hours.

All such personnel shall be physically able to do their assigned work. The contractor and his/her employees shall conduct themselves in a proper and efficient manner at all times and shall cause the least possible annoyance to the public. They shall be fully clothed in suitable uniform attire with a company-identifying marker. The City shall require the contractor to remove from the work site any employee(s) deemed careless, incompetent, or otherwise objectionable, whose continued employment on the job is considered to be contrary to the best interests of the City.

The contractor shall have competent supervisors, and/or foremen, who may be working supervisors, who are capable of discussing in English matters pertaining to this contract. Adequate and competent supervision shall be provided for all work done by the contractor's employees to ensure accomplishment of high quality work, which is acceptable to the City.

S. VANDALISM, THEFT

The contractor will be responsible for repairing and/or replacing irrigation equipment and plant materials that are damaged by vandalism, theft, or circumstances beyond the control of the contractor. The City will reimburse the contractor upon receipt of an approved invoice from the contractor itemizing the labor and materials involved. Compensation for materials shall be the wholesale cost of the items plus fifteen percent (15%) for the contractor's cost of handling.

T. TRAFFIC CONTROL

The contractor will be responsible for providing and employing approved traffic control methods established for the conditions under which the contractor is working, i.e. Parkways and Medians. Refer to the following link for the San Diego County Regional Standard Drawings. Traffic Control Plans – Appendix A
http://www.regional-stds.com/home/book/drawings/appendix-a

LMD LANDSCAPE MAINTENANCE SERVICES

MONTHLY AMOUNT PER LMD ZONE

Contractor will perform the routine landscape maintenance services for all the project locations as described in the "Maintenance Specifications" at the following monthly dollar amount for each LMD Zone Location as listed below.

LMD Zone Numbers/Locations	Monthly Amount
1 - Rancho Verde	430.00
2 - Nutmeg	322.50
3 - Eleventh/Valley	322.50
4 - El Norte/Rees	430.00
5 - La Honda (north)	430.00
6 - N. Broadway/Brava	80.75
7 - La Honda (south)	215.00
8 - East El Norte Parkway	107.50
9 - Laurel Valley	1,720.00
10 - Country Club Lane	430.00
11 - Parkwood	1,720.00
12 - Reidy Creek Environmental Channel	300.00
13 - Centre City Parkway Median at Felicita	322.50
14 - Lincoln	80.75
15 - Citrus/Washington	215.00
16 - N. Broadway/Trellis	80.75
17 - El Norte/Creekside	161.25
18 - E. Valley Parkway/Wanek	107.50
19 - Brookside I and II	3,440.00
20 - Citracado	322.50
21 - El Norte/Greenway	161.25
22 - El Norte/Woodland	215.00
23 - Harmony Grove	80.75
24 - Encino/Juniper	860.00
25 - El Norte Parkway	215.00
26 - Fig	161.50
27 - Washington Hills I (aka Chaparral Ridge & Glen)	645.00
29 - Felicita Road	107.50
32 - Washington Hills II (aka Chaparral Creek)	107.50
33 - El Norte/Midway	322.50
34 - Idaho	215.00
35 - Hamilton Lane	107.50
Total Monthly Charge	**14,437.00**

CITY OF ESCONDIDO

LMD LANDSCAPE MAINTENANCE SERVICES

EXTRA WORK COSTS

In addition to the monthly dollar amount for the routine maintenance of each LMD zone, the City has estimated an annual amount of $35,000 be allocated for extra work in the LMD zones covered in this contract. The City will use the unit costs as listed in Items #1, #2, and #3 to calculate the compensation due for additional mowings and the reduction in compensation for deletion of mowings for the locations listed. The hourly labor rates listed in Item #4 will be used for all other extra work.

#1. Unit cost for mowing LMD Zone 12 – Reidy Creek Environmental Channel:

$ **500.00** per mowing

#2. Unit cost for mowing open space lots 40, 88A, 88B, 130, 225, and 262 in LMD Zone 11 - Parkwood :

$ **400.00** per mowing

#3. Unit cost for mowing annual grass and weeds on lots 60 and 169 in LMD Zone 11 – Parkwood:

$ **600.00** per mowing

#4. Hourly labor rates for extra work:

4.1	Irrigation Repair	$ **29.75**	per hour
4.2	General Landscape Maintenance	$ **29.75**	per hour
4.3	Tree Work	$ **35.00**	per hour

CITY OF ESCONDIDO

PROJECT LOCATIONS/AREA DESCRIPTIONS (Pages 11-15)

LMD Zone 1 – Rancho Verde
The project area is within the Rancho Verde subdivision, Tracts 523A, 523B, 653 and 692 which are located north of Via Rancho Parkway at Eucalyptus Avenue. The improvements to be maintained are the entryway improvements including the parkway landscaping on both the east and west side of Eucalyptus Avenue extending a distance of approximately 400 feet from Via Rancho Parkway.
Area = 33,000 Sq. Ft.

LMD Zone 2 – Nutmeg
Located on the west side of Nutmeg Street, south of Sunset Heights Road. The improvements to be maintained include the slope/parkway landscaping on the west side of Nutmeg Street, the slope landscaping on the north side of the service road south of the tract, and the slope/parkway landscaping on the south side of Sunset Heights Road.
Area = 17,200 Sq. Ft.

LMD Zone 3 – Eleventh/Valley
Located at the southwest corner of West Eleventh Avenue and West Valley Parkway. The improvements to be maintained include the slope and parkway landscaping on the west side of West Valley Parkway, and a small portion of parkway landscaping on the south side of Eleventh Avenue.
Area = 18,200 Sq. Ft.

LMD Zone 4 – El Norte/Rees
Located on the north side of El Norte Parkway and the west side of Rees Road from Rees Road to approximately 1000 feet east of Bennett Avenue. The improvements to be maintained include crib wall, slope and parkway landscaping on the north side of El Norte Parkway, and parkway landscaping on the west side of Rees Road adjacent to the homes in Tract 721.
Area = 14,700 Sq. Ft.

LMD Zone 5 – La Honda (north)
Located on the east side of La Honda Drive beginning just south of Dublin Lane and continuing north up La Honda Drive. The improvements to be maintained are the slope/parkway landscaping on the east side of La Honda Drive north and south of Dublin Lane, and the slope/parkway landscaping on Dublin Lane at the entry to Tract 723.
Area = 37,300 Sq. Ft.

LMD Zone 6 – N. Broadway/Brava
Located on the east side of North Broadway at the intersection of Brava Place. Improvements to be maintained include parkway landscaping north and south of Brava Place and parkway landscaping on Brava place adjacent to environmental channel.
Area = 2,000 Sq. Ft.

LMD Zone 7 – La Honda (south)
Located on the east side of La Honda Drive beginning north of Trujillo Terrace and continuing north up La Honda Drive to the boundary of LMD Zone 5. The improvements to be maintained include the slope/parkway landscaping on the east side of La Honda Drive and the landscaping in a triangular-shaped lot on the corner of MacNaughton Lane and Glasglow Lane.
Area = 23,000 Sq. Ft.

LMD Zone 8 – East El Norte Parkway
Located on the south side of El Norte Parkway between Justin Way and Kaile Lane. The improvements to be maintained include parkway landscaping.
Area = 2,722 Sq. Ft.

LMD Zone 9 – Laurel Valley
The project areas are within the Laurel Valley subdivision, Tract 655. The area is generally south of Rincon Avenue and on the east and west sides of Ash Street. This tract has 156 single family homes. The improvements to be maintained include include 2.31 acres of turf, 1.46 acres of plateau grass, 1.49 acres of landscaped slopes, and 0.12 acres of shrubs/groundcover.
Area = 234,353 Sq. Ft.

LMD Zone 10 - Country Club Lane
The improvements to be maintained include the median landscaping on Country Club Lane west of Interstate 15 and northeast of El Norte Parkway.
Area = 63,400 Sq. Ft.

LMD Zone 11 – Parkwood
Located on the north side of Rincon Avenue, south of Cleveland Avenue and east and west of Conway Drive. The improvements to be maintained include landscaping around the perimeter of the Parkwood development, median landscaping on Conway Drive between Rincon Aveneue and Cleveland Avenue, open space Eucalyptus groves, and a turf lined drainage channel.
Area = 687,000 Sq. Ft.

LMD Zone 12 - Reidy Creek Environmental Channel
The Reidy Creek Environmental Channel generally lies west of Centre City Parkway, north of Lincoln Avenue, and south of El Norte Parkway. The improvements to be maintained include the grass-lined slopes of the Reidy Creek Channel. This channel is non-irrigated.
Area = 830,000 Sq. Ft.

LMD Zone 13 - Centre City Parkway Median at Felicita Avenue
Located south of Felicita Avenue extending to approximately 500 feet south of Towne Centre Driveway. The improvement to be maintained is the landscaping which includes trees, shrubs, and ground cover in the median on Centre City Parkway.
Area = 42,500 Sq. Ft.

LMD Zone 14 - Lincoln
Located on the north side of Lincoln Avenue between Fig Street and Grape Street. The improvements to be maintained include the landscaping in the parkway on the north side of Lincoln Parkway adjacent to the homes in Tract 747.
Area = 2,000 Sq. Ft.

LMD Zone 15 – Citrus/Washington
Located on the east side of Citrus Avenue and the south side of Washington Avenue. The improvements to be maintained include the landscaping in the parkway on the east side of Citrus Avenue and on the south side of Washington Avenue adjacent to the homes in Tract 805.
Area = 7,000 Sq. Ft.

LMD Zone 16 – N. Broadway/Trellis
Located on the east side of North Broadway at the intersection of Trellis Lane. The improvements to be maintained include the parkway landscaping on the east side of North Broadway and the south side of Trellis Lane adjacent to the homes in Tract 741.
Area = 1,200 Sq. Ft.

LMD Zone 17 – El Norte/Creekside
Located on the north side of El Norte Parkway east of Kaile Lane. The improvements to be maintained include parkway landscaping on the north side of El Norte Parkway and the east side of Kaile Lane.
Area = 6,240 Sq. Ft.

LMD Zone 18 – East Valley Parkway/Wanek
Located on East Valley Parkway just north of Wanek Road. The improvements to be maintained include parkway landscaping on the west side of East Valley Parkway north of Wanek Road adjacent to Tract 818.
Area = 1,265 Sq. Ft.

LMD Zone 19 – Brookside I and II
Located north of Rincon Avenue, east of North Broadway Avenue, west of Conway Drive, and south of North Avenue in Tracts 819 and 844.
Area = 448,000 Sq. Ft.

LMD Zone 20 – Citracado
Located on Citracado Parkway south of Greenwood Place adjacent to Tract 817. The improvements to be maintained include slope/parkway landscaping on the north, east and west sides of Citracado Parkway adjacent to Tract 817.
Area = 20,750 Sq. Ft.

LMD Zone 21 – El Norte/Greenway
Located on East El Norte Parkway east of Greenway Rise adjacent to Tract 823. The improvements to be maintained include slope/parkway landscaping on the north side of East El Norte Parkway adjacent to Tract 823.
Area = 6,000 Sq. Ft.

LMD Zone 22 – El Norte/Woodland
Located on West El Norte Parkway and Woodland Parkway adjacent to Tract 808. Improvements to be maintained include slope/parkway on the north side of West El Norte Parkway and the east side of Woodland Parkway adjacent to Tract 808.
Area = 9,660 Sq. Ft.

LMD Zone 23 – Harmony Grove
Located on Harmony Grove Road south of Princess Kyra Place adjacent to Tract 837. Improvements to be maintained include parkway landscaping on the north side of Harmony Grove Road east and west of Princess Kyra Place.
Area = 2,270 Sq. Ft.

LMD Zone 24 – Encino/Juniper
Located on Encino Drive adjacent to Tract 824 and on Juniper Street adjacent to Tract 845. The improvements to be maintained include slope/parkway landscaping on the west side of Encino Drive north and south of Amparo Court, a detention basin near the southwest corner of Encino Drive/Amparo Court, slope/parkway landscaping on the east side of Juniper Street north and south of Amparo Drive and a detention basin on the northeast corner of Juniper Street/Amparo Court.
Area = 85,365 Sq. Ft.

LMD Zone 25 – El Norte Parkway
Located on East El Norte Parkway west of Kaile Lane adjacent to Tracts 787R, 821, and 847. Improvements to be maintained include parkway landscaping on the noth side of El Norte Parkway adjacent to Tracts 787R, 821, and 847.
Area = 6,216 Sq. Ft.

LMD Zone 26 – Fig
Located on the east side of Fig Street just north of Stanley Court adjacent to Tract 856. Improvements to be maintained include parkway and drainage landscaping on the east side of Fig Street north and south of Jets Place adjacent to Tract 856.
Area = 1,836 Sq. Ft.

LMD Zone 27 – Washington Hills I (aka Chaparral Ridge & Glen)
Locate on the north and south sides of El Norte Parkway and the north side of Washington Avenue. Improvements to be maintained includes the parkway landscaping adjacent to the Chaparral Ridge and Chaparral Glen Development.
Area = 29,903 Sq. Ft.

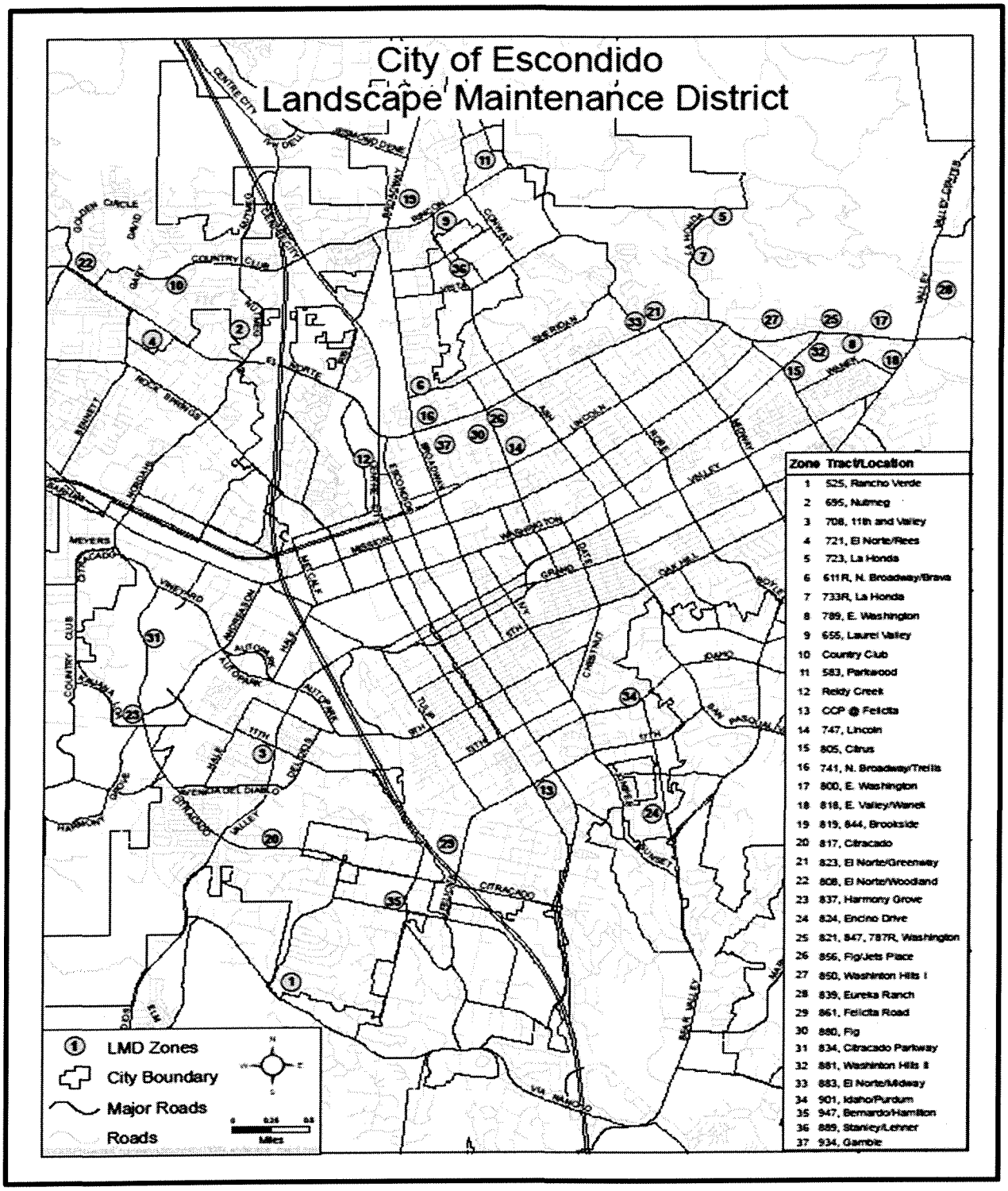
LMD Zone 29 – Felicita Road
Located on the west side of Felicita Road, north and south of Rockwell Springs Court adjacent to Tract 861. Improvements to be maintained includes parkway and drainage landscaping.
Area = 4,578 Sq. Ft.

LMD Zone 32 – Washington Hills II (aka Chaparral Creek)
Located on the south side of Washington Avenue, east and west of Trovita Court. Improvements to be maintained include parkway landscaping.
Area = 875 Sq. Ft.

LMD Zone 33 – El Norte/Midway
Located on the north side of El Norte Parkway, east and west of Midway Drive. Improvements to be maintained include slope, parkway, and drainage landscaping on El Norte Parkway and Midway Drive adjacent to Tract 883.
Area = 4,000 Sq. Ft.

LMD Zone 34 – Idaho
Located on the north side of Idaho Avenue, west of Purdum Lane. Improvements to be maintained include slope, parkway, and drainage landscaping.
Area = 7,000 Sq. Ft.

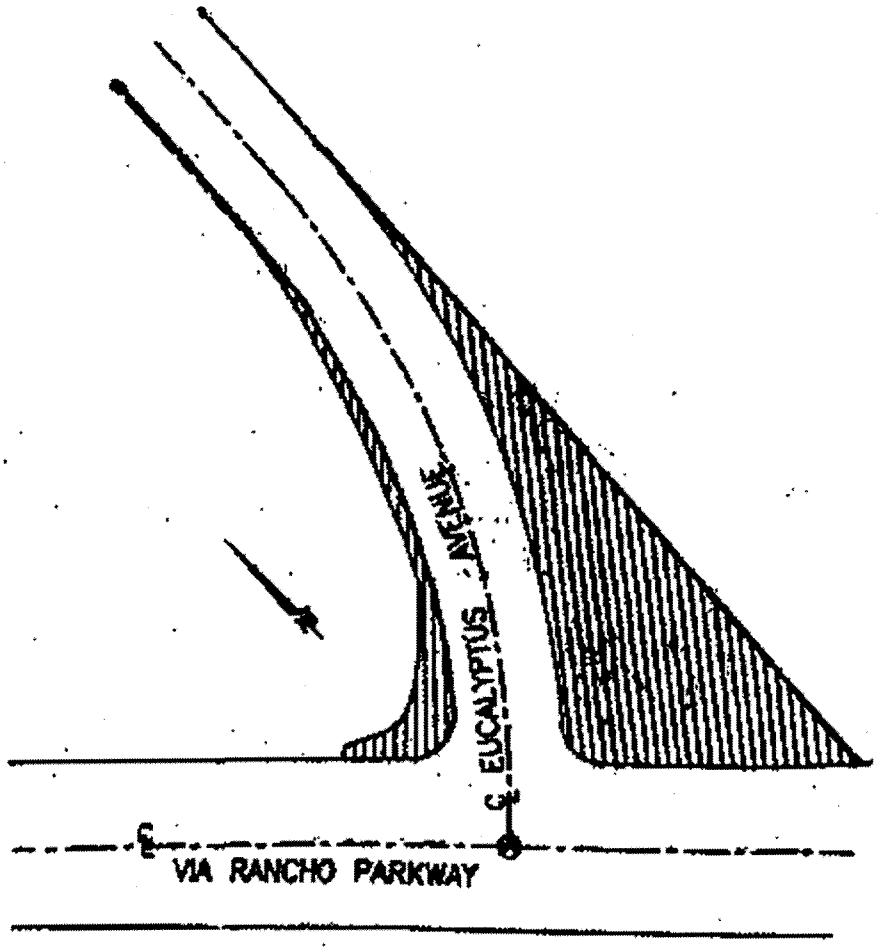
LMD Zone 35 – Hamilton Lane
Located on the south side of Hamilton Lane east and west of Hamilton Place adjacent to Tract 889. Improvements to be maintained include parkway and drainage landscaping.
Area = 5,550 Sq. Ft.



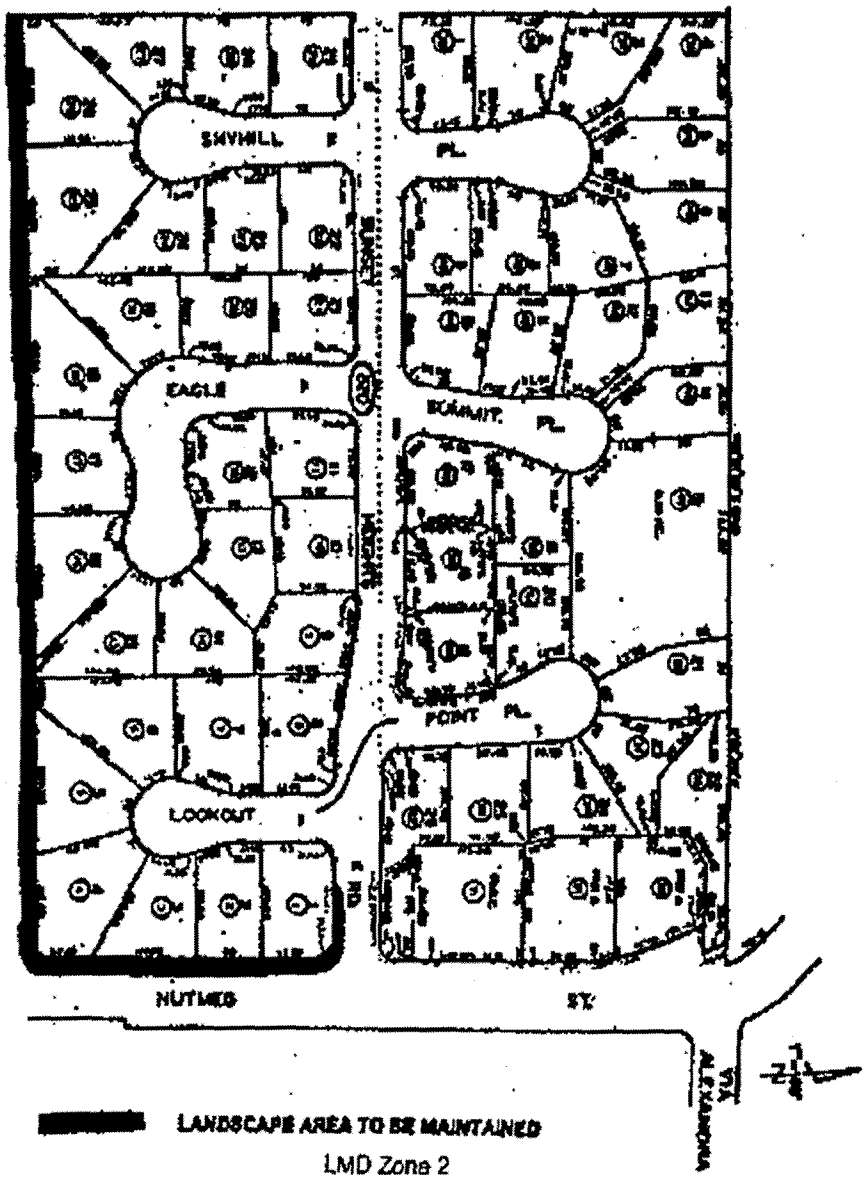
Landscape Maintenance District Map

This map shows the locations of all the zones within the City of Escondido Landscape Maintenance District. Zones 28, 30, 31, 36, and 37 are excluded from this "LMD Landscape Maintenance Services" contract.

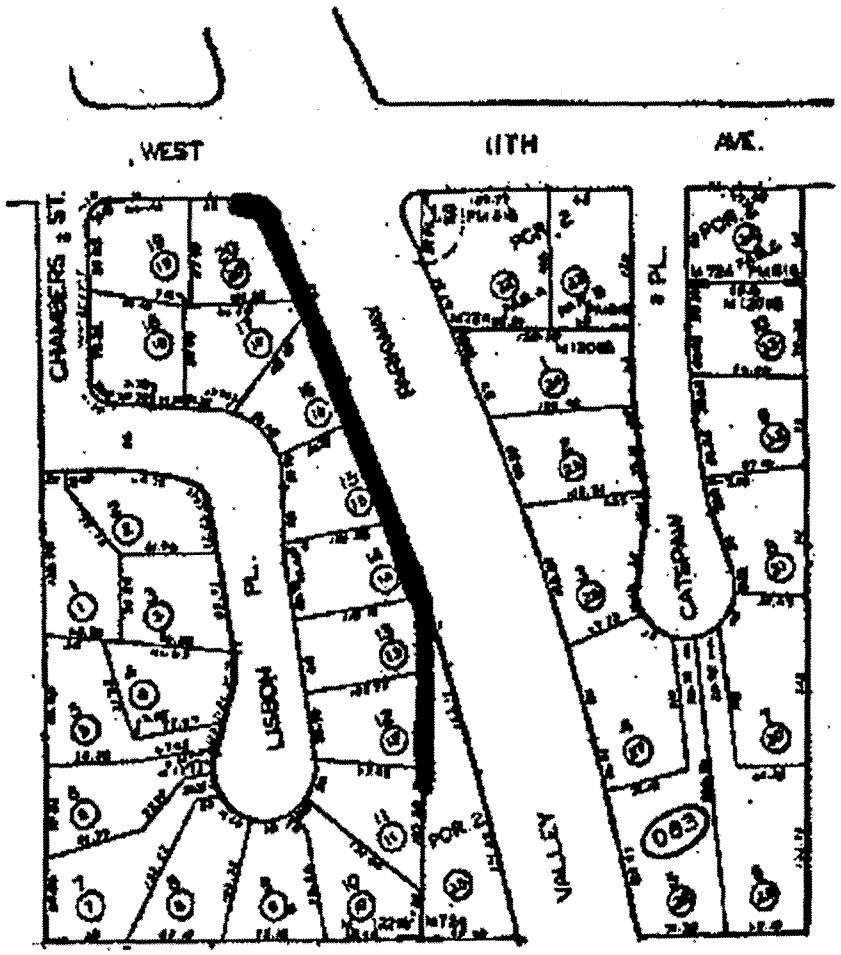
INDIVIDUAL LMD ZONE MAPS (Pages 17 – 49)



LMD Zone 1
Rancho Verde

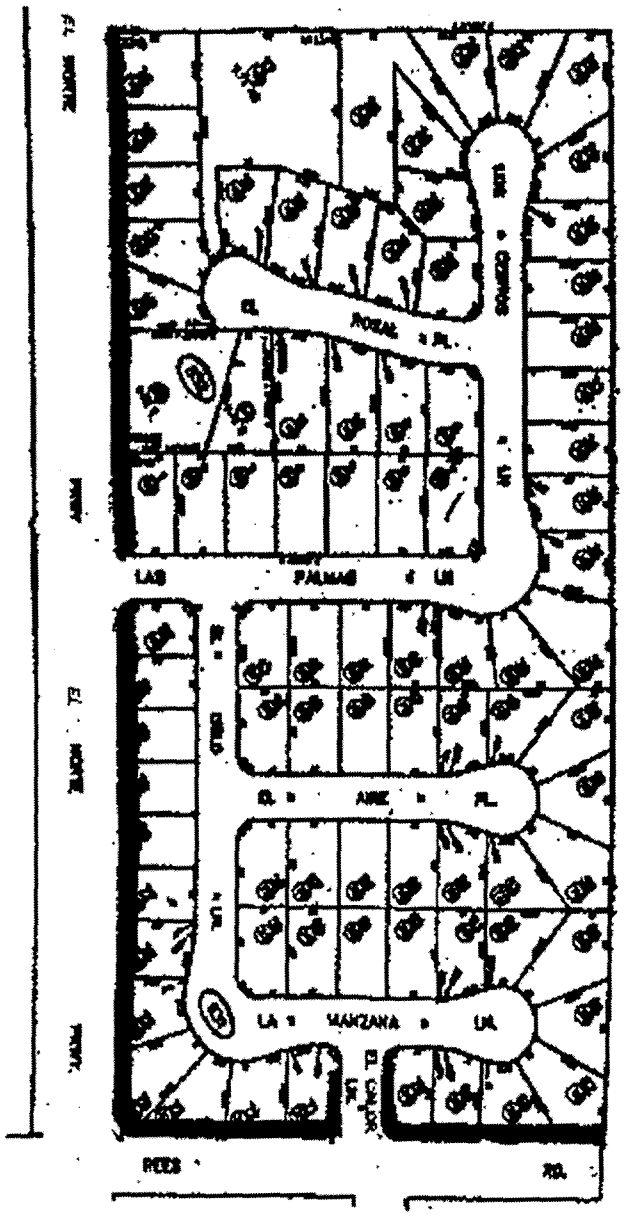


LMD Zone 2
Nutmeg

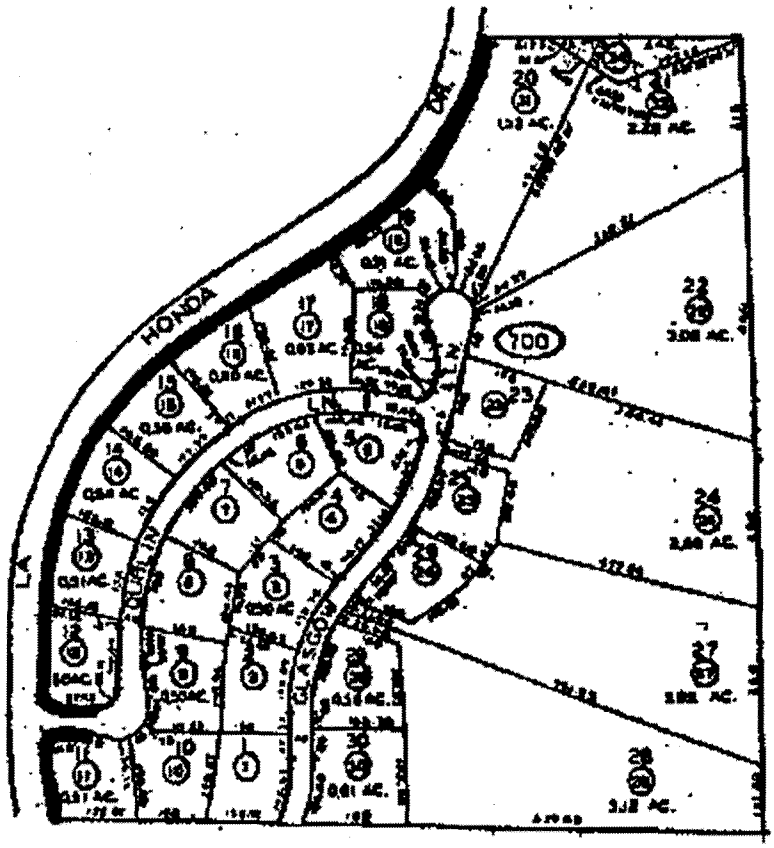


LANDSCAPE AREA TO BE MAINTAINED

LMD Zone 3
Eleventh/Valley

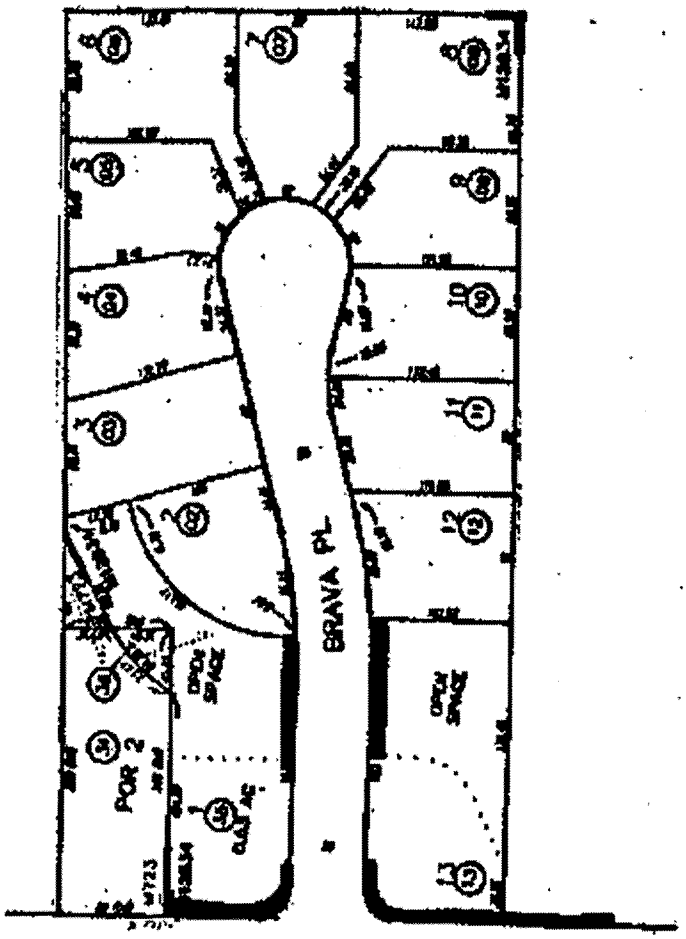


LMD Zone 4
El Norte/Ross



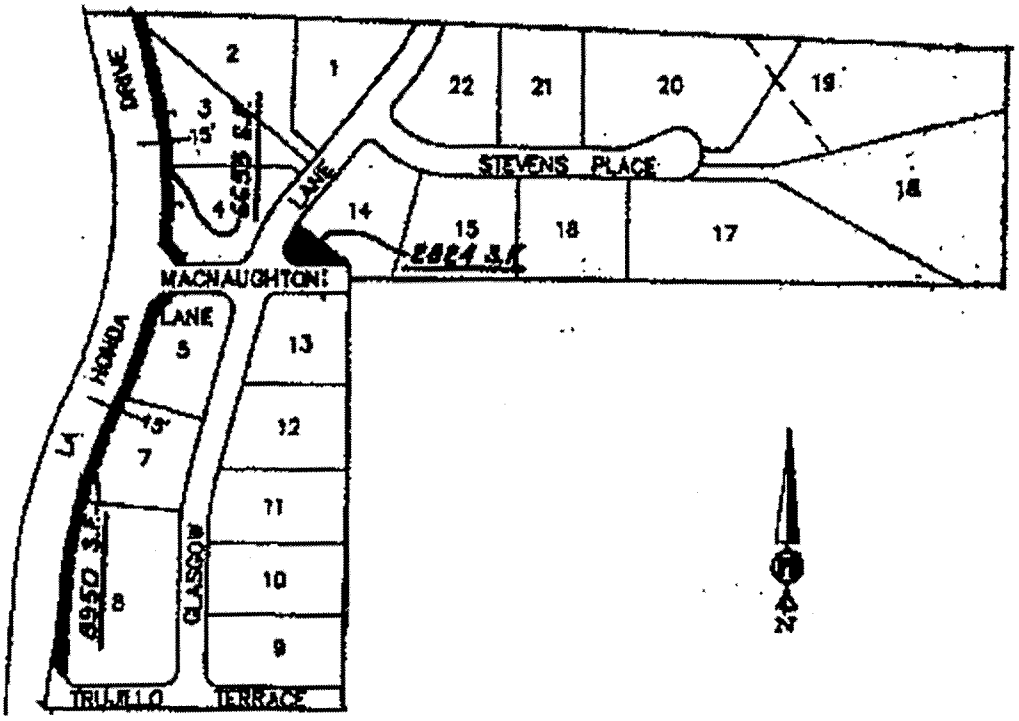
[redacted] LANDSCAPE AREA TO BE MAINTAINED

LMD Zone 5
La Honda (north)



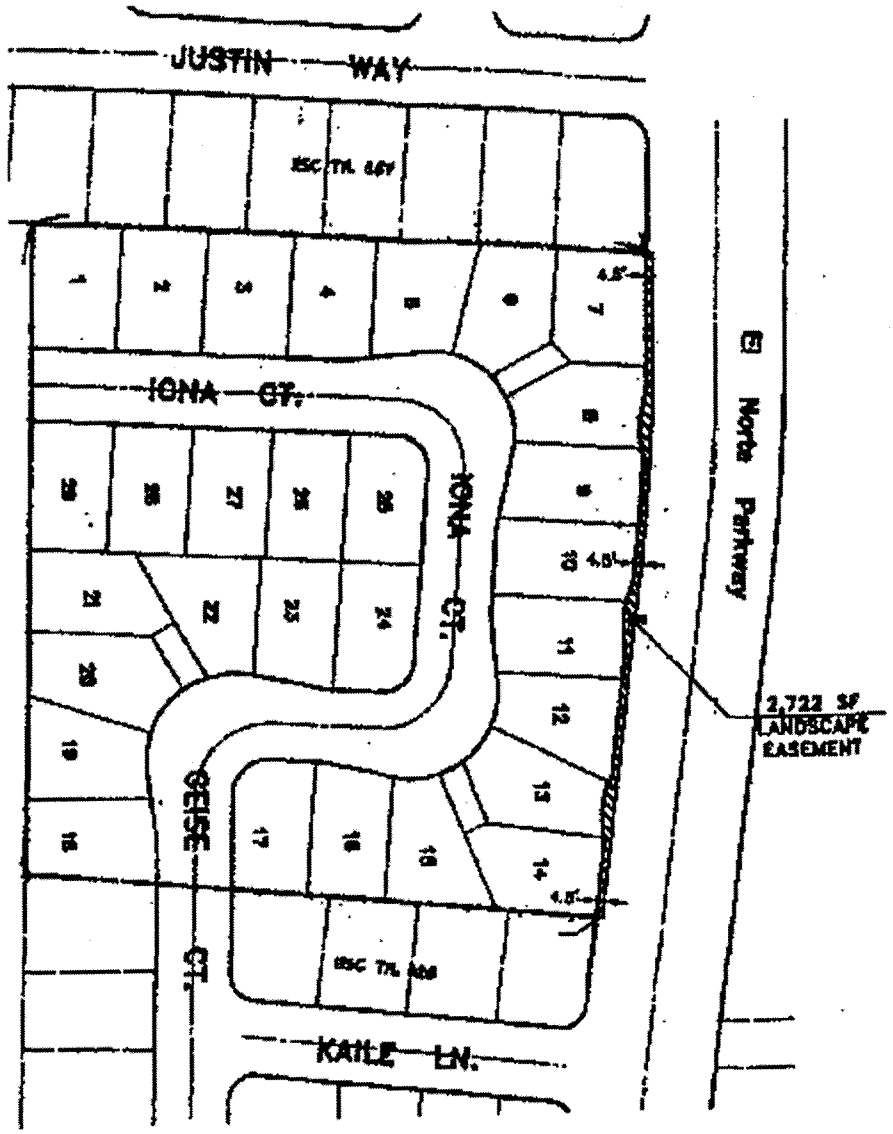
LANDSCAPE AREA TO BE MAINTAINED

LMD Zone 6
N. Broadway/Brava

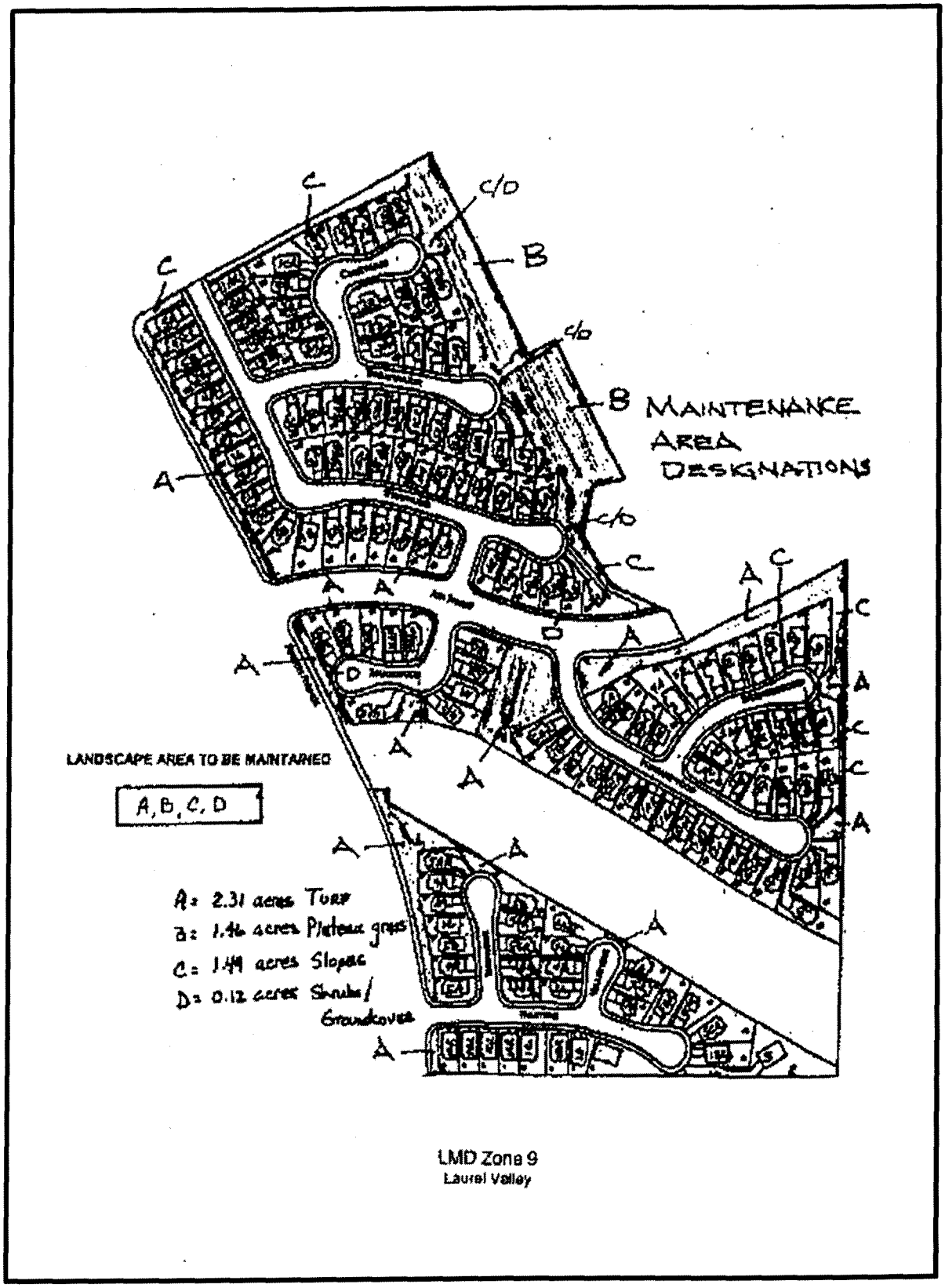


LANDSCAPE AREA TO BE MAINTAINED

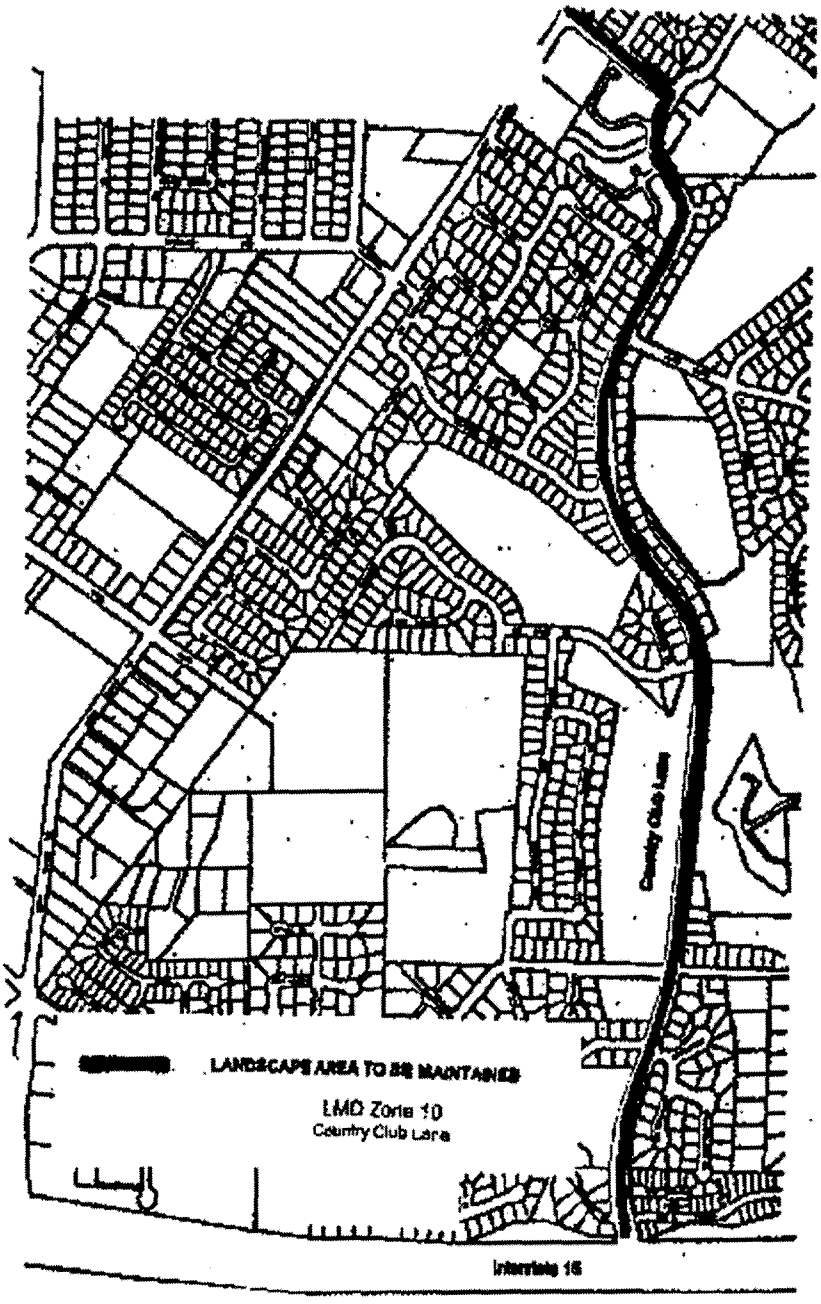
LMD Zone 7
La Honda (south)

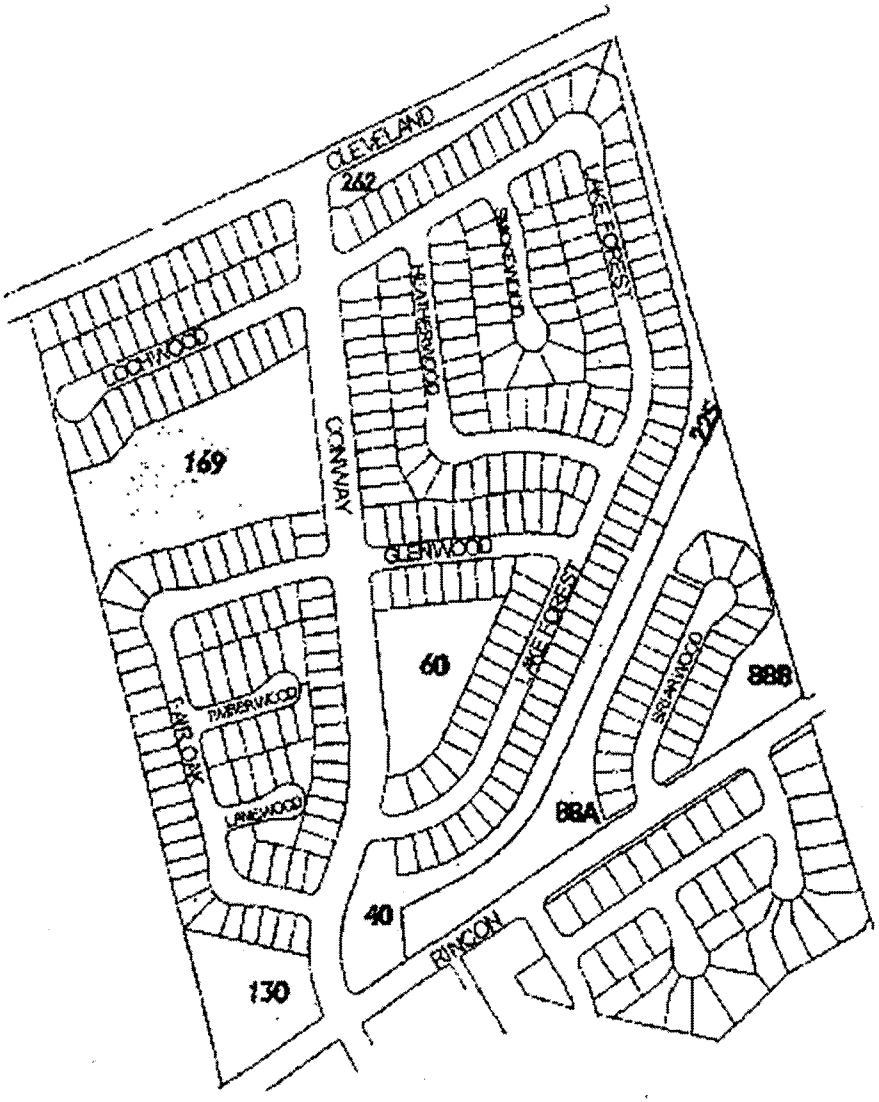

JUSTIN WAY
IGNA CT.
IGNA CT.
GEESE CT.
KAILE LN.
El Norte Parkway
2,722 SF
LANDSCAPE
EASEMENT
LANDSCAPE AREA TO BE MAINTAINED

LMD Zone 8



LMD Zone 9
Laurel Valley


LANDSCAPE AREA TO BE MAINTAINED
LMD Zone 10
Country Club Lane
Interstate 15

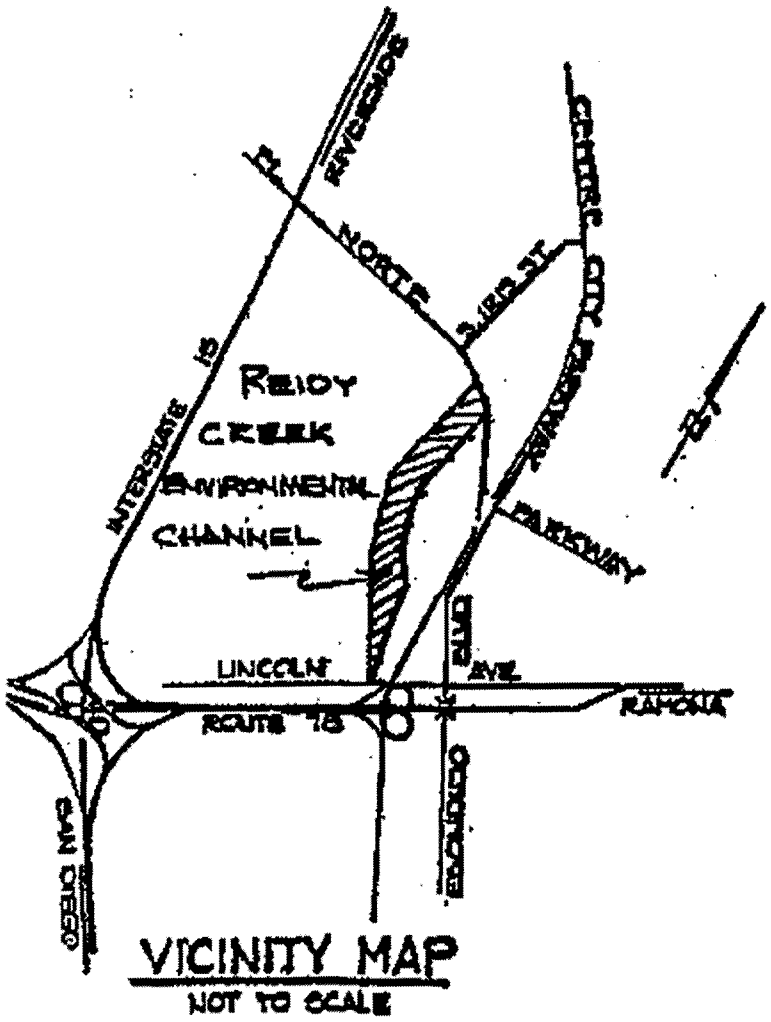


Lots: 40, 60, 88A, 888, 130, 169, 262, and 225

LANDSCAPE AREA TO BE MAINTAINED

LMD Zone 11

Parkwood

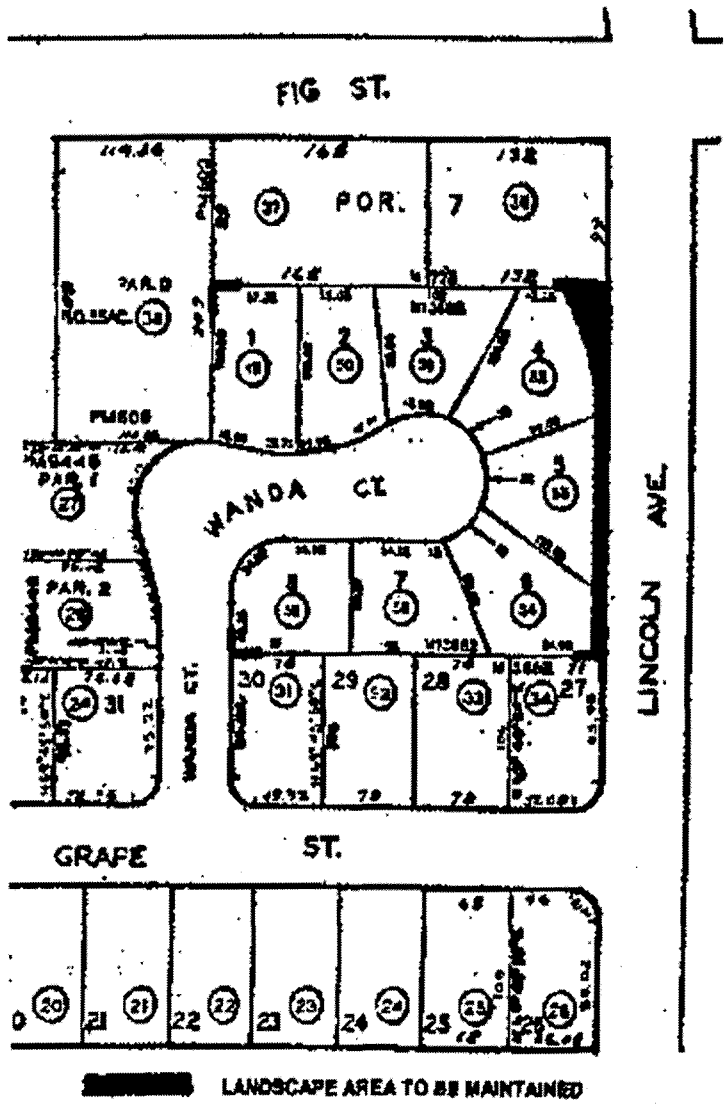


LANDSCAPE AREA TO BE MAINTAINED

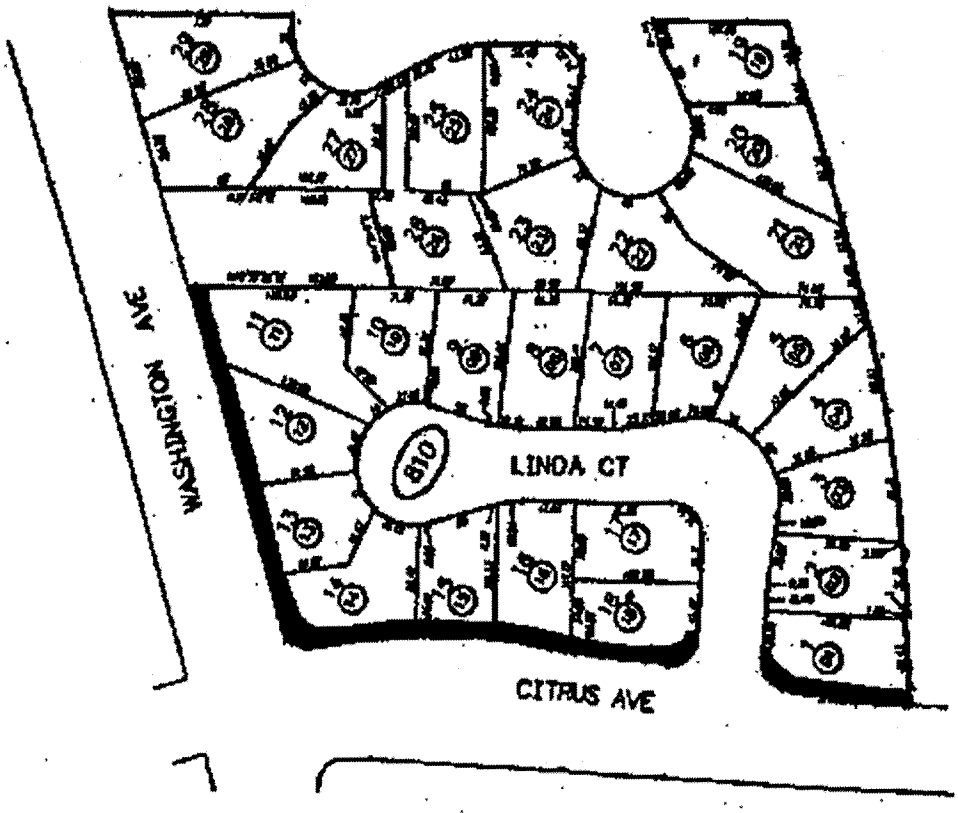
LMD Zone 12
Reidy Creek Environmental Channel

LANDSCAPE AREA TO BE MAINTAINED

LMD Zone 13
CCP Median at Felicita

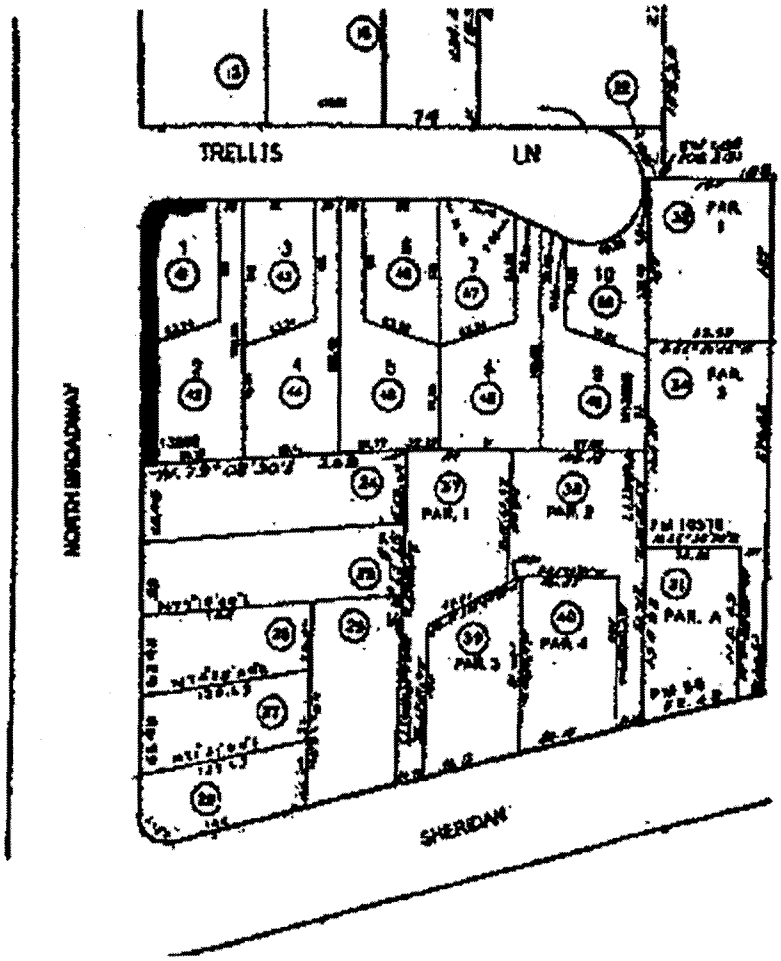


LMD Zone 14
Lincoln



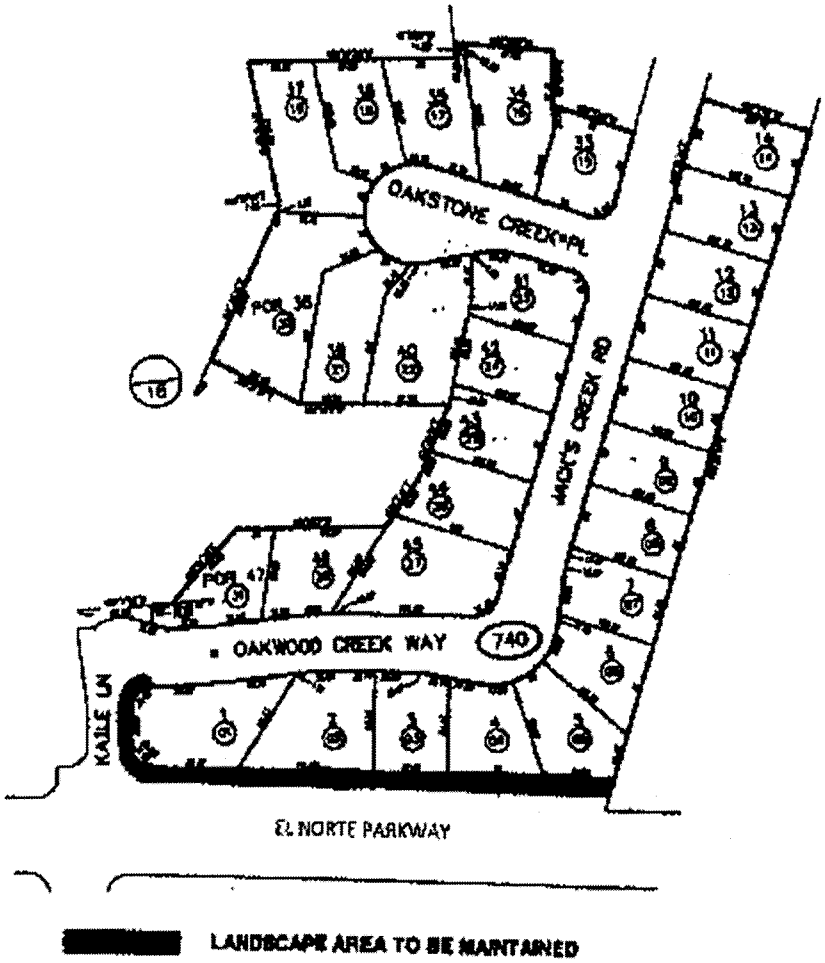
LANDSCAPE AREA TO BE MAINTAINED

LMD Zone 15
Citrus/Washington

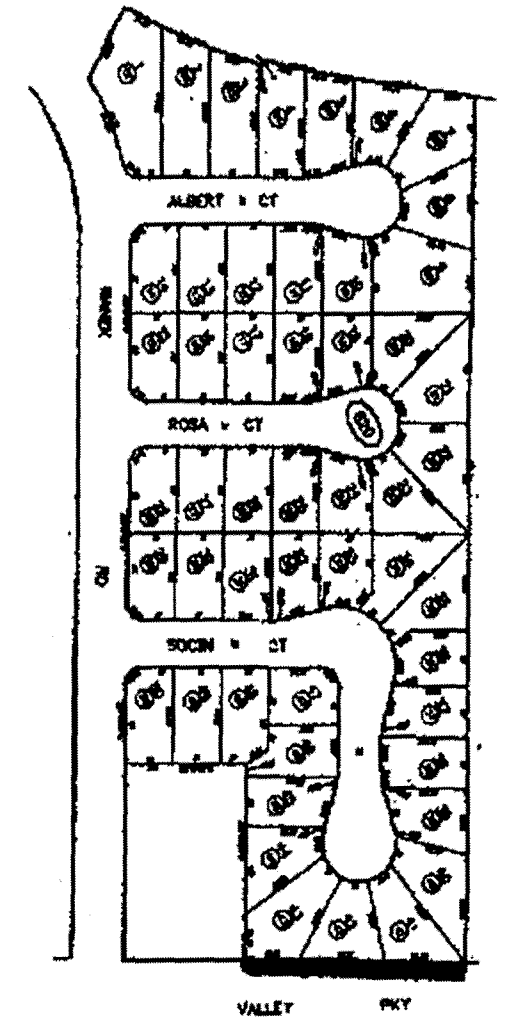


LANDSCAPE AREA TO BE MAINTAINED

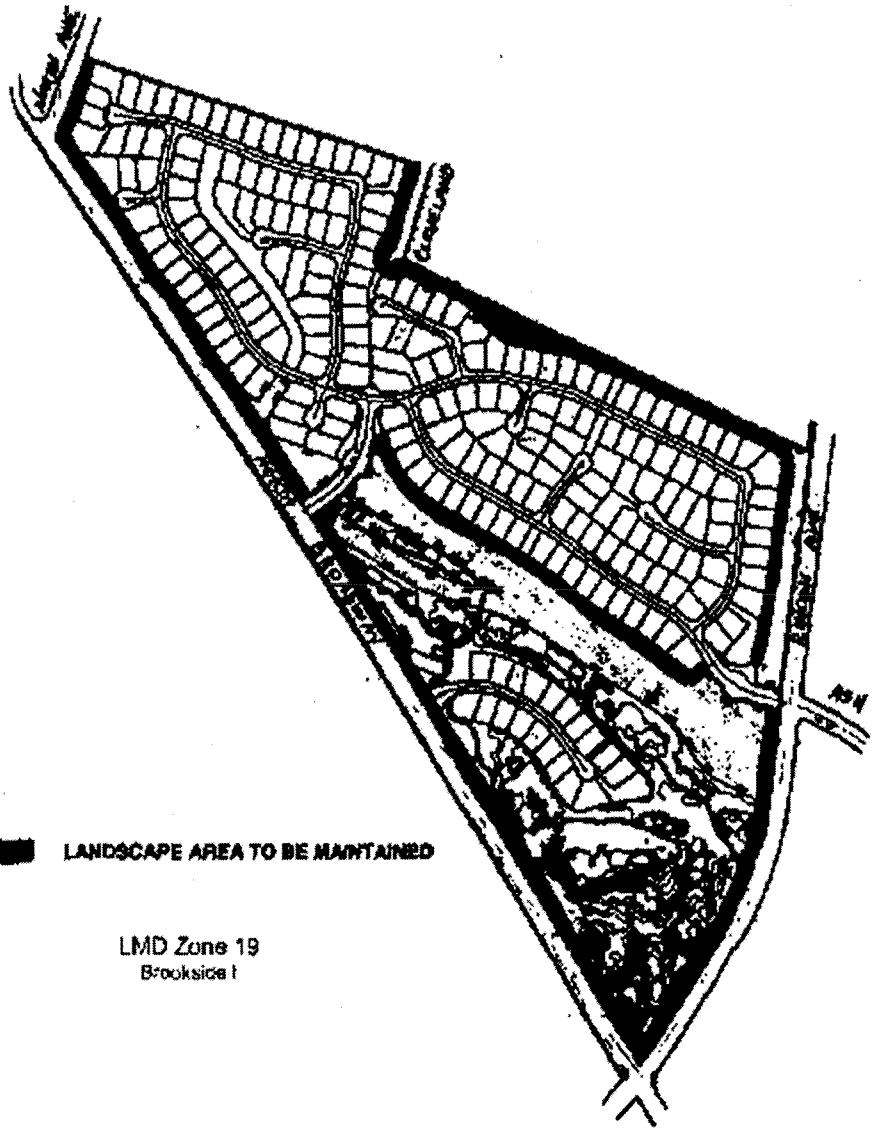
LMD Zone 16
N. Broadway/Trellis

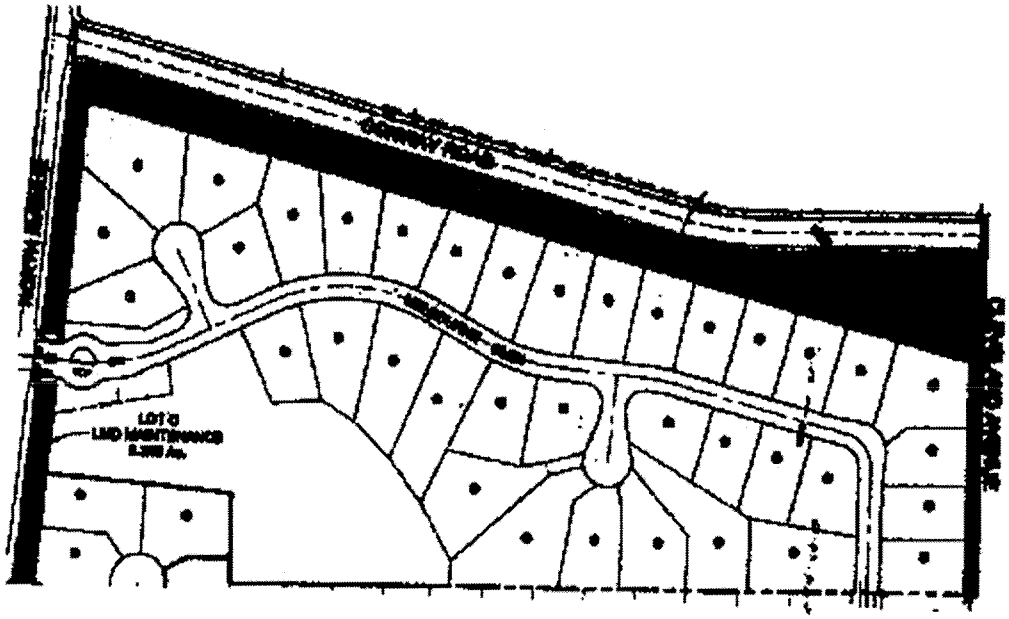

OAKSTONE CREEK PL
JACK'S CREEK RD
OAKWOOD CREEK WAY
740
KAILE LN
EL NORTE PARKWAY
LANDSCAPE AREA TO BE MAINTAINED

LMD Zone 17



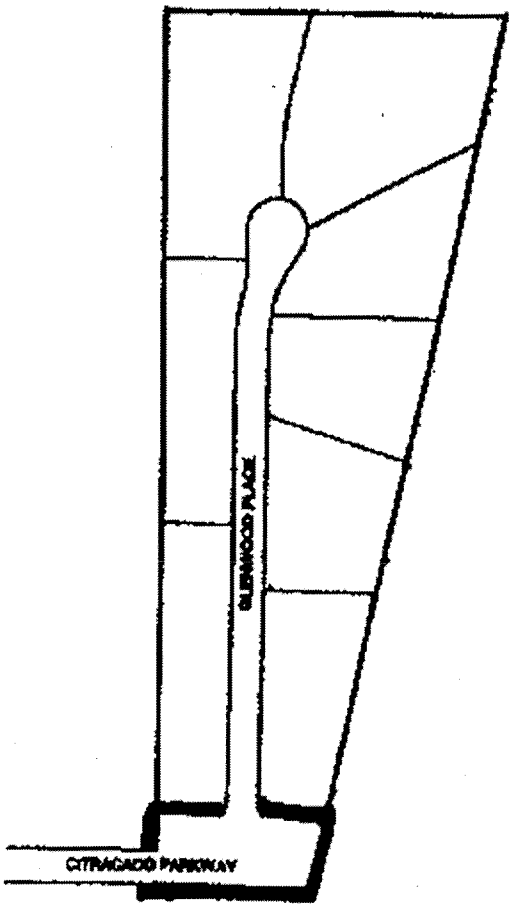
LMD Zone 18
East Valley Parkway/Marek


LANDSCAPE AREA TO BE MAINTAINED
LMD Zone 19
Brookside I



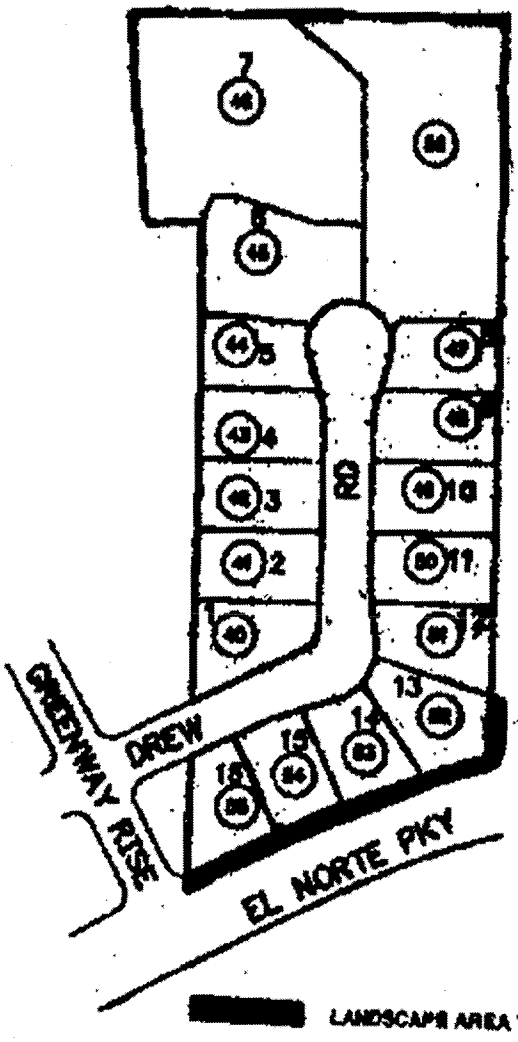
LANDSCAPE AREA TO BE MAINTAINED

LMD Zone 19
Brookside II

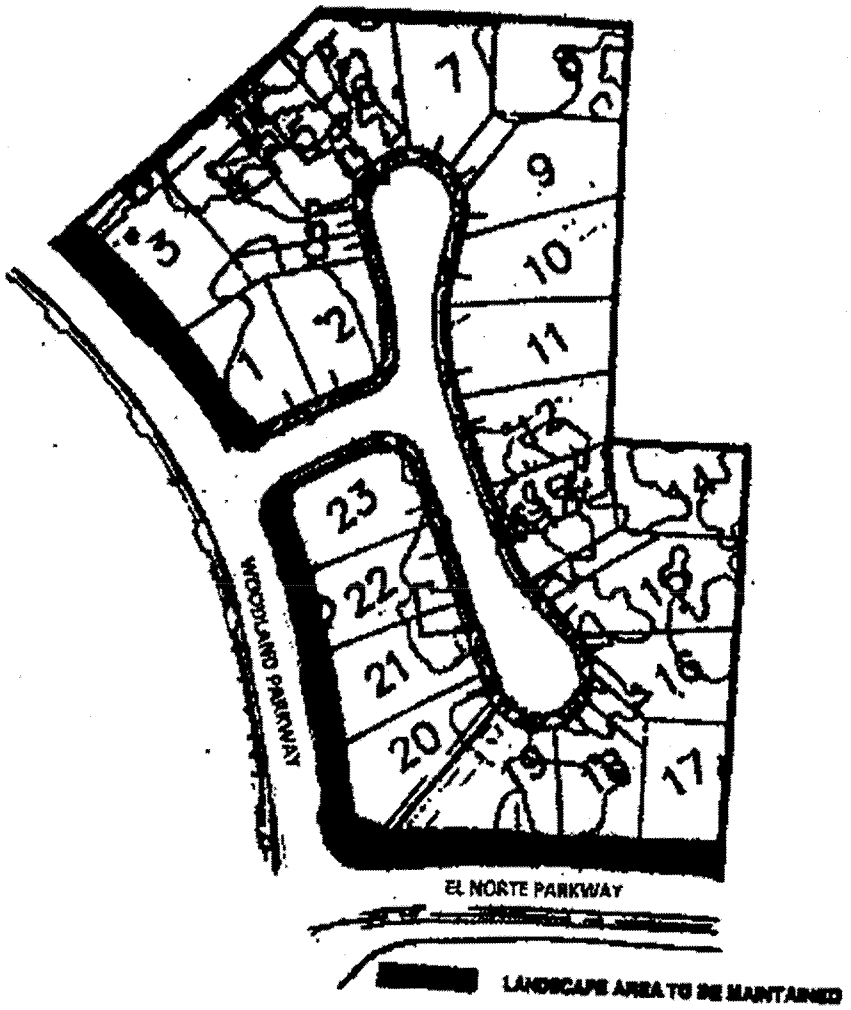


LANDSCAPE AREA TO BE MAINTAINED

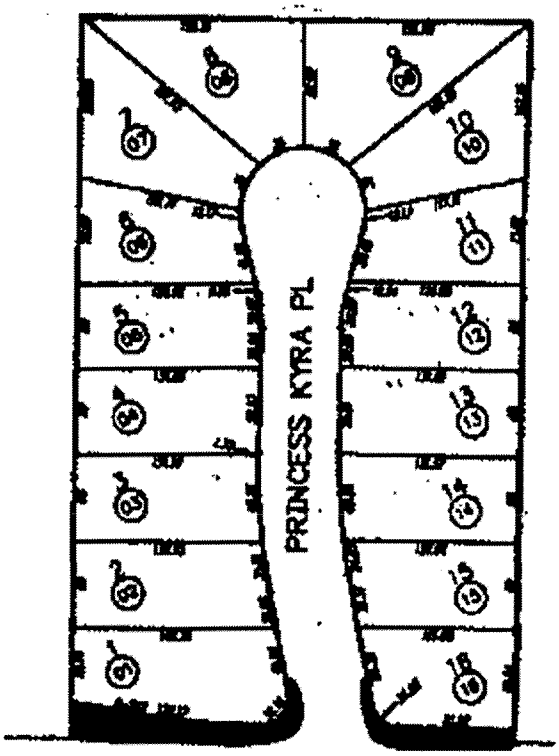
LMD Zone 20
Citracado



LMD Zone 21
El Norte/Greenway

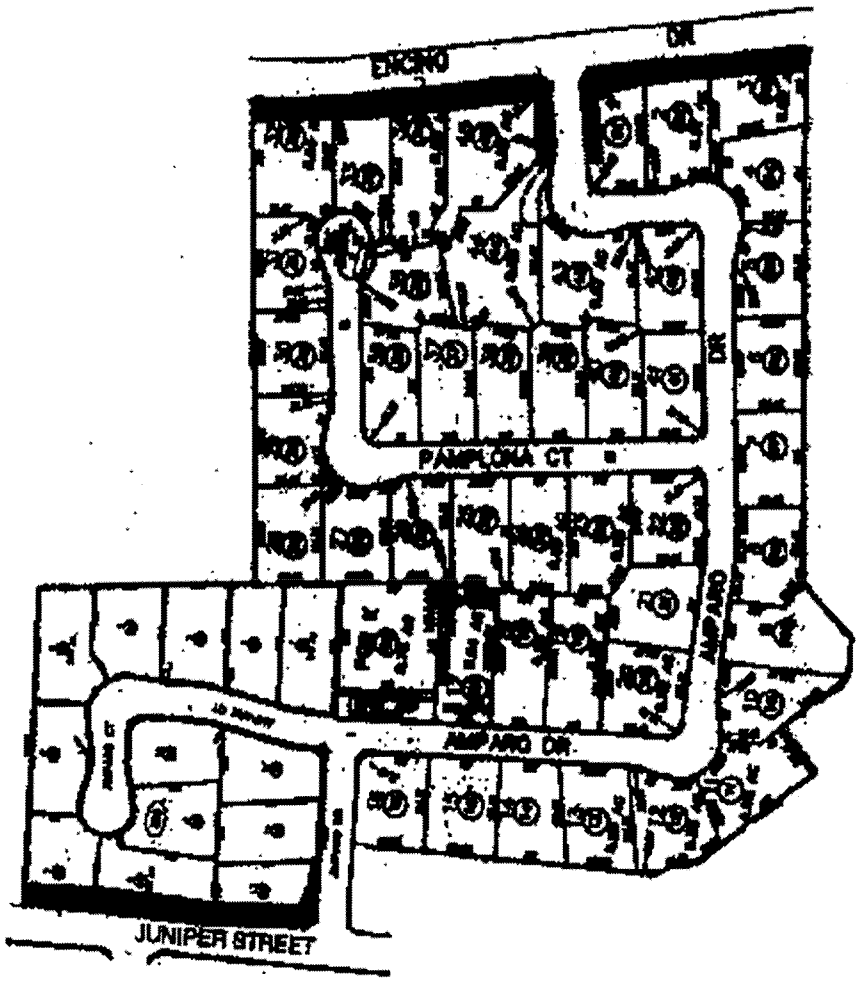


LMD Zone 22
El Norte/Woodland



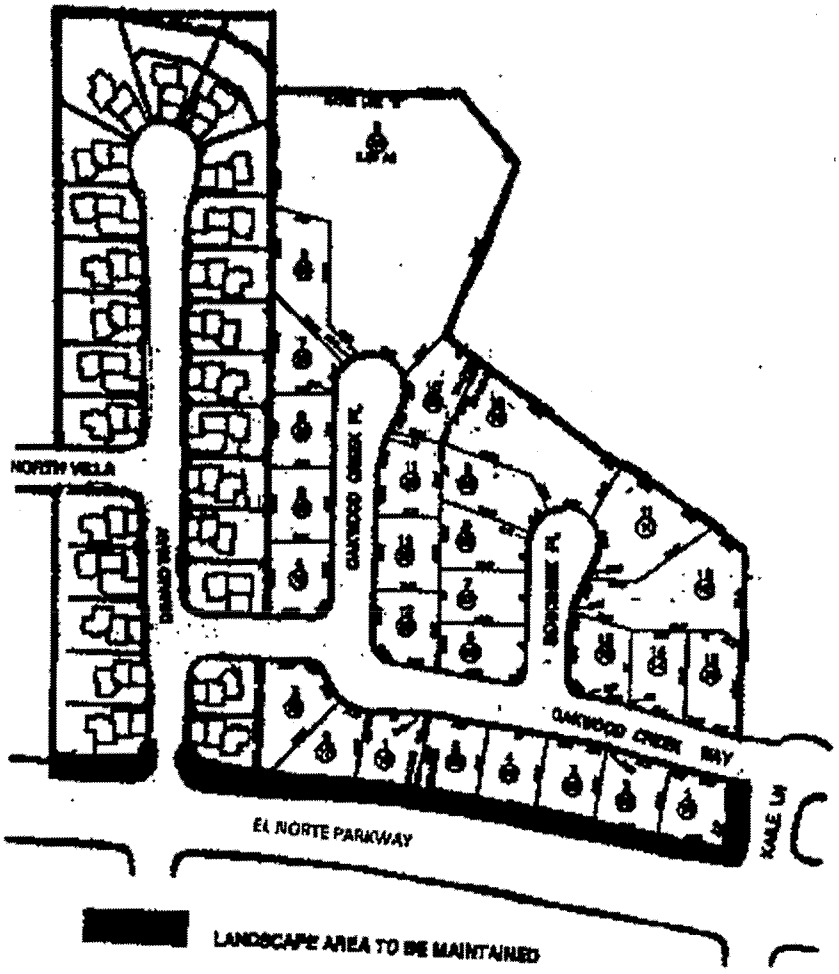
LANDSCAPE AREA TO BE MAINTAINED

LMD Zone 23
Harmony Grove

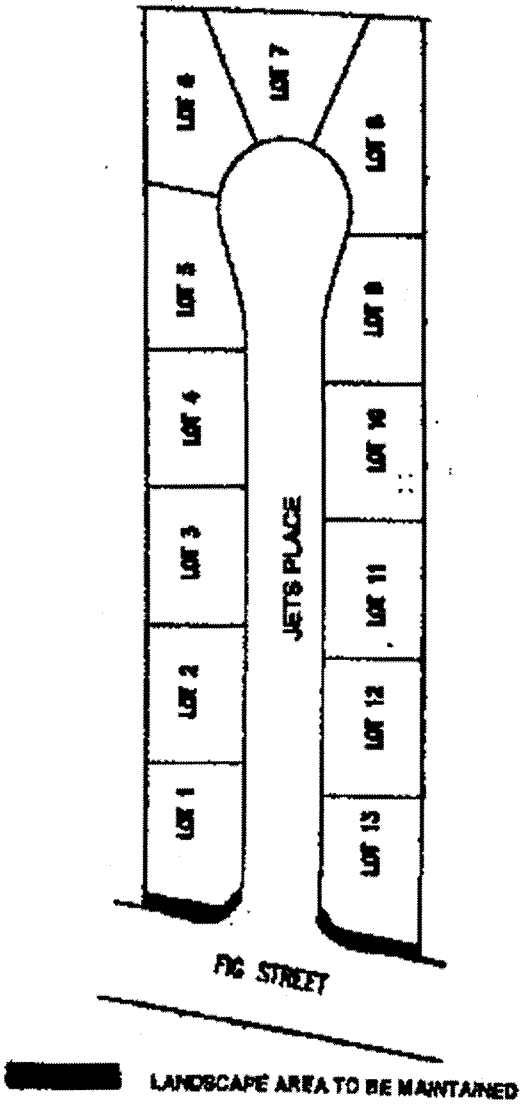


LANDSCAPE AREA TO BE MAINTAINED

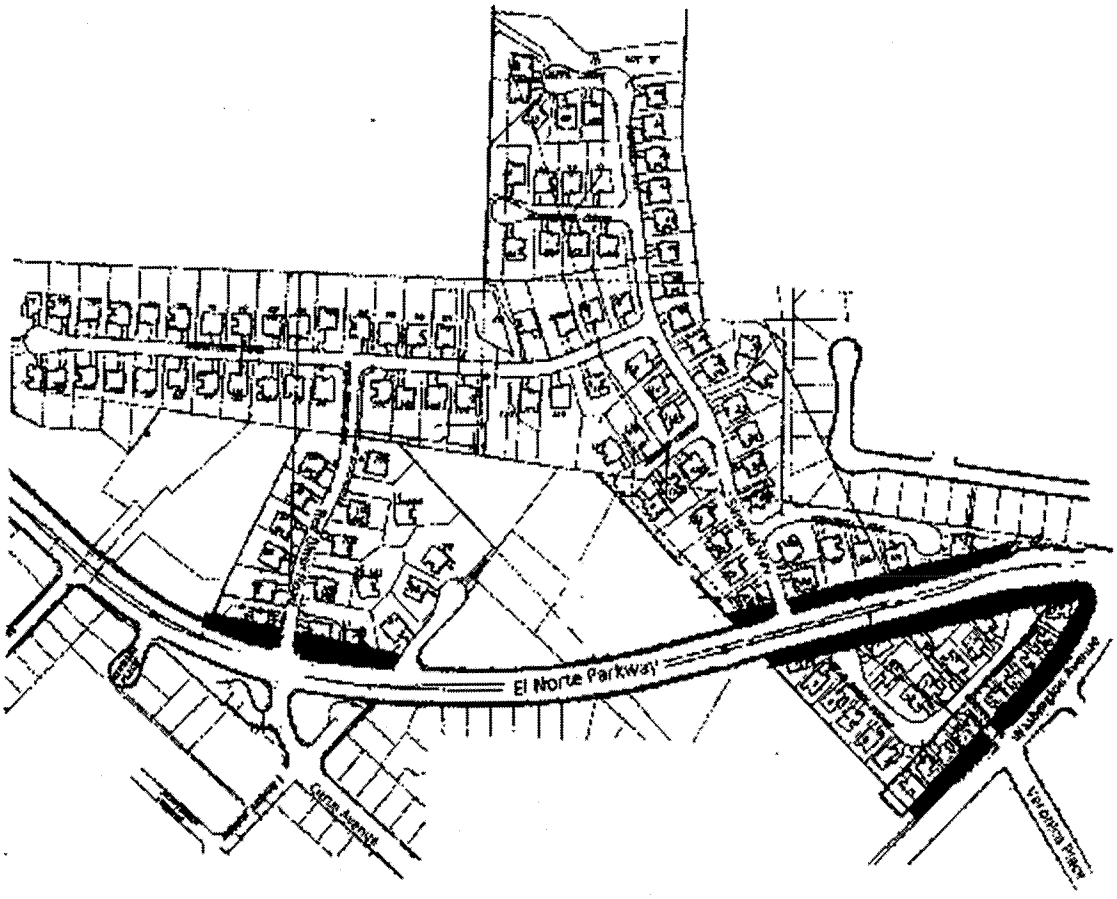
LMD Zone 24
Encino/Juniper


NORTH VILLA
OAKWOOD CREEK PL
OAKWOOD CREEK WAY
EL NORTE PARKWAY
LANDSCAPE AREA TO BE MAINTAINED

LMD Zone 25

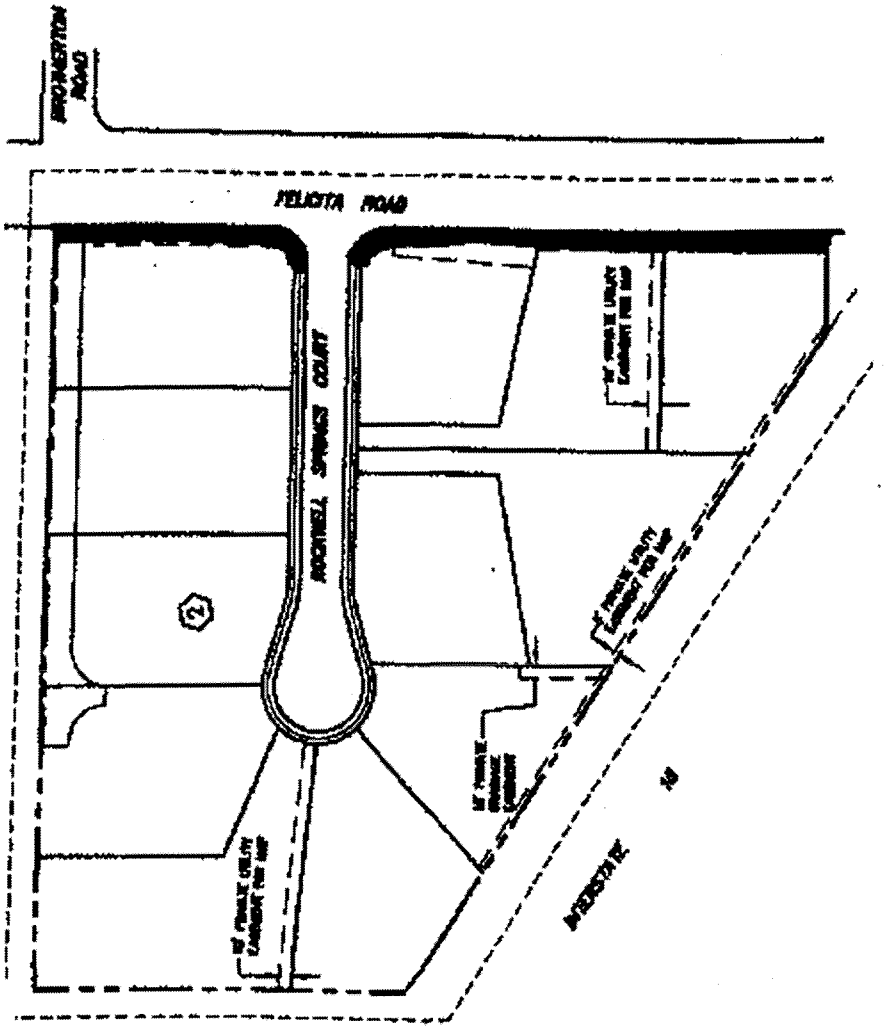


LMD Zone 26
Fig

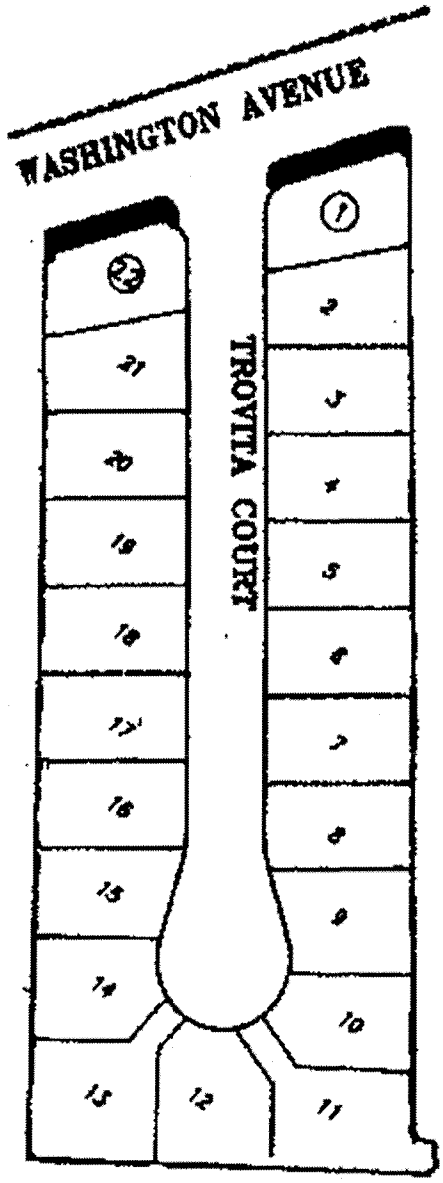


LANDSCAPE AREA TO BE MAINTAINED

LMD Zone 27
Washington Hills I
(aka Chaparral Ridge & Glen)

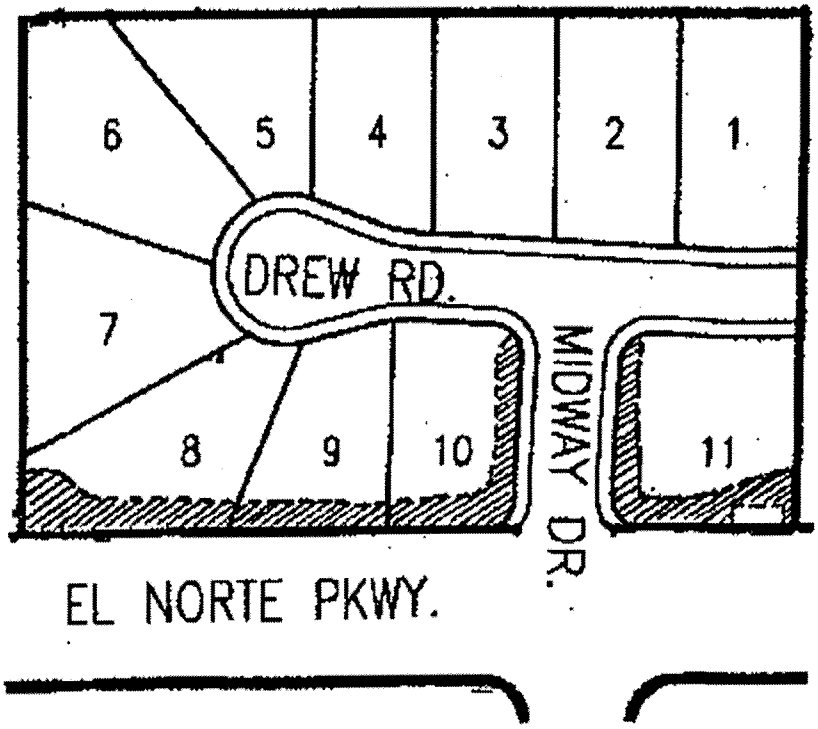


LMD Zone 29
Felicita Road



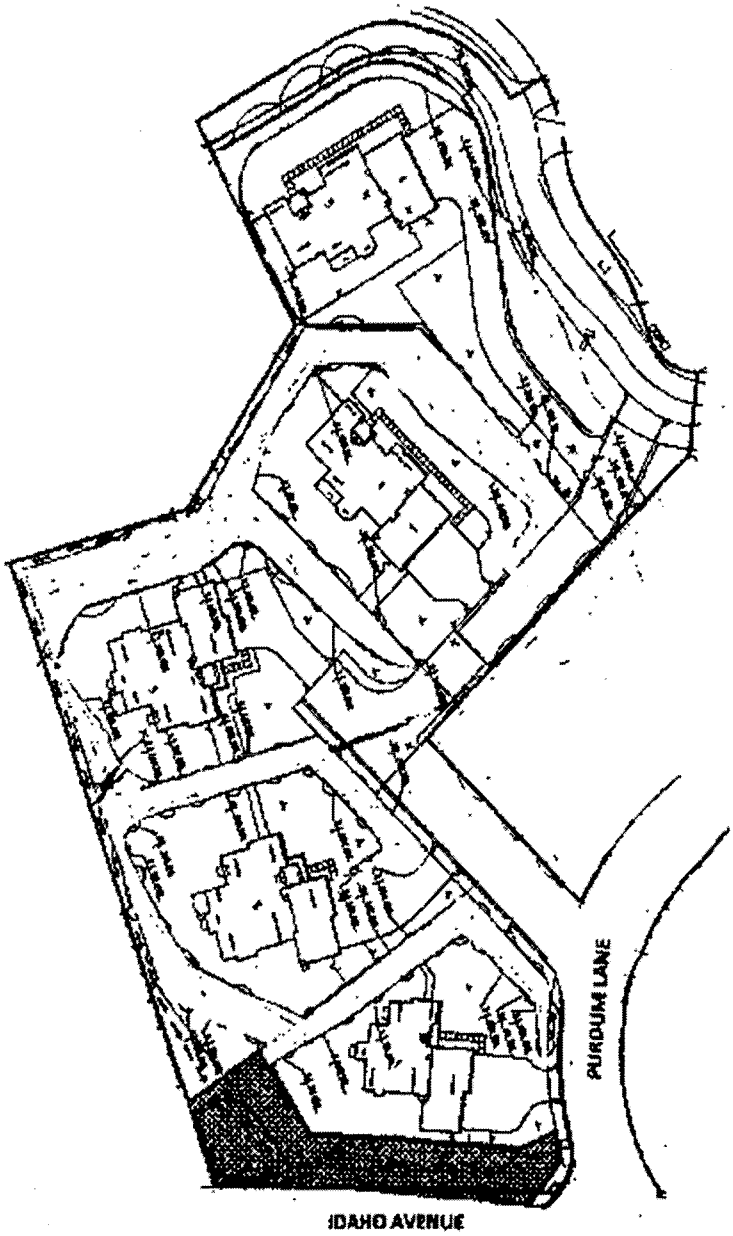
LMD Zone 32
Washington Hills II
(aka Chaparral Creek)

LANDSCAPE AREA TO BE MAINTAINED



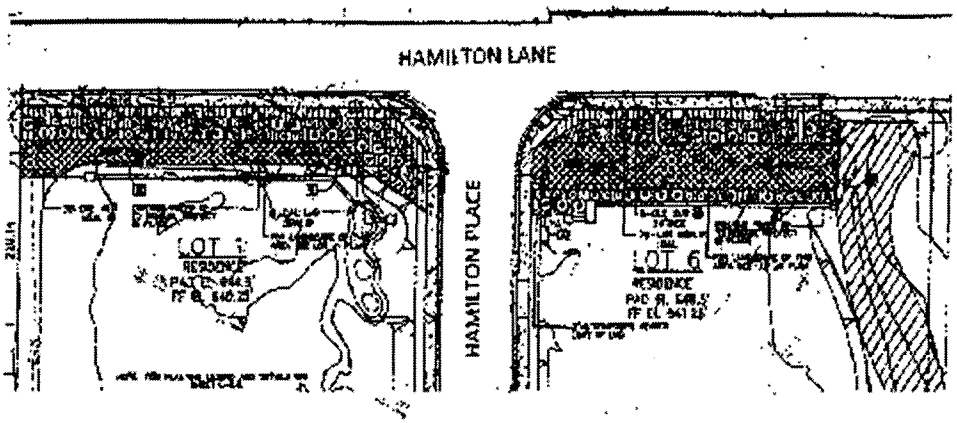
LANDSCAPE AREA TO BE MAINTAINED

LMD Zone 33
El Norte/Midway



LANDSCAPE AREA TO BE MAINTAINED

LMD Zone 34
Idaho



LANDSCAPE AREA TO BE MAINTAINED

LMD Zone 35

Hamilton Lane

ESCONDIDO
City of Choice

CITY COUNCIL

For City Clerk's Use:
☐ APPROVED ☐ DENIED
Reso No. _____ File No. _____
Ord No. _____

Agenda Item No.: 11
Date: May 22, 2013

TO: Honorable Mayor and Members of the City Council

FROM: Edward N. Domingue, Public Works Director/City Engineer
Dan Higbee, Construction Project Manager

SUBJECT: Notice of Completion for Tract 839 Eureka Ranch

RECOMMENDATION:

It is requested that Council approve and accept the public improvements and authorize staff to file a Notice of Completion for Tract 839 Eureka Ranch - Offsite Improvements for Bear Valley Parkway/East Valley Parkway Road Re-Alignment.

FISCAL ANALYSIS:

No direct fiscal impact.

PREVIOUS ACTION:

The final map was recorded on May 05, 2013.

BACKGROUND:

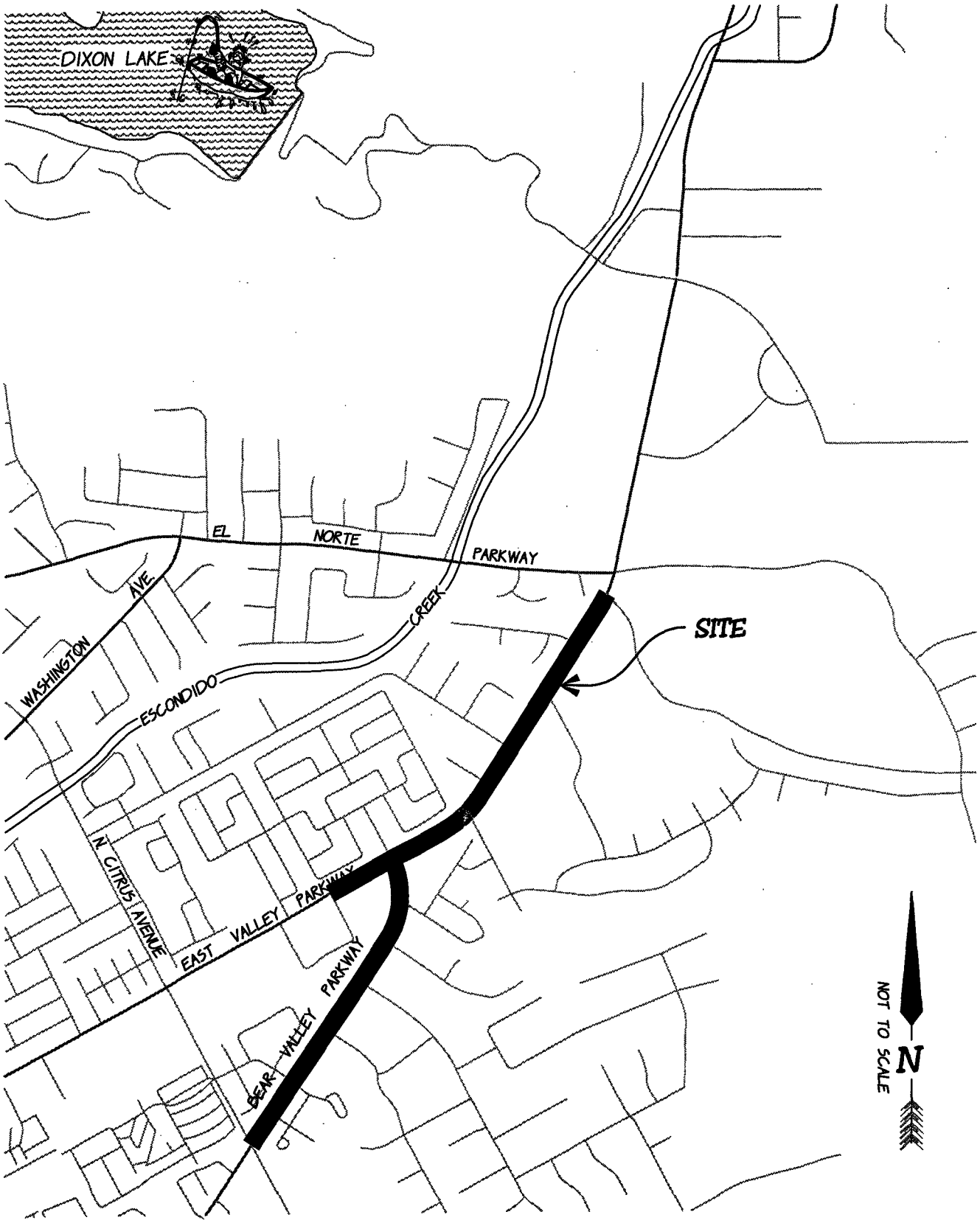
Offsite improvements for Tract 839 Eureka Ranch consisted of building storm drain, waterline, sidewalk, curb and gutter, driveways, landscaped medians, traffic signals and street lights. The developer also re-built, widened and paved Bear Valley Parkway and East Valley Parkway. While the road was open to traffic in May 2010, final items of work were not completed until April 30, 2013.

Respectfully submitted,

Edward N. Domingue, P.E.
Public Works Director/City Engineer

FOR Dan Higbee
Construction Project Manager

TRACT 839
EUREKA RANCH



NOTICE OF COMPLETION
CITY COUNCIL MEETING 05-22-2013

ESCONDIDO
City of Choice

CITY COUNCIL

For City Clerk's Use:
☐ APPROVED ☐ DENIED
Reso No. _____ File No. _____
Ord No. _____

Agenda Item No.: 12
Date: May 22, 2013

TO: Honorable Mayor and Members of the City Council

FROM: Ed Domingue, Public Works Director/City Engineer
Beth Kassebaum, Department Specialist

SUBJECT: Approval of Updated Electronic Schedule of Stop Signs

RECOMMENDATION:

It is requested that Council adopt Resolution No. 2013-61 updating the City's Schedule of Stop Signs.

FISCAL ANALYSIS:
N/A

PREVIOUS ACTION:
N/A

BACKGROUND:

Section 28.5 of the City of Escondido's Municipal Code specifies that, "*The council shall establish and may amend by ordinance or resolution the following traffic schedules: 3. Stop intersections*". Using multiple sources, including City Clerk records and GIS information, City Staff has compiled an electronic database of existing stop signs. The schedule now has a record for every stop sign currently installed within the City and includes the resolution number and date which initially authorized installation. A copy of the Schedule of Stop Signs is available for review in the City Council Reading File.

City Staff requests that Council adopt Resolution 2013-61 approving the Schedule of Stop Signs. The installation of any future stop signs will still require the approval of both the Transportation & Community Safety Commission (T&CSC) and City Council. When such approvals take place, the Schedule of Stop Signs will be updated accordingly.

Respectfully submitted,

Edward N. Domingue, P.E.
Public Works Director/City Engineer

Beth Kassebaum, EIT
Department Specialist

Agenda Item No.: 12
Date: May 22, 2013

RESOLUTION NO. 2013-61

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ESCONDIDO, CALIFORNIA, RE-ESTABLISHING THE SCHEDULE OF STOP SIGNS

WHEREAS, Section 28-5 of the Escondido Municipal Code, City of Escondido, provides that the City Council establish a traffic schedule for stop intersections; and

WHEREAS, the City Council desires at this time and deems it to be in the best public interest to reauthorize said traffic schedule.

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

1. That the above recitations are true and correct.

2. That the City Council hereby establishes the Schedule of Stop Signs as gathered and recorded by City Staff.

3. That the approved Schedule of Stop Signs be established and maintained as the official and updated document and a copy of the Schedule of Stop Signs is located in the City Clerk's office.

ESCONDIDO
City of Choice

CITY COUNCIL

For City Clerk's Use:
☐ APPROVED ☐ DENIED
Reso No. _____ File No. _____
Ord No. _____

Agenda Item No.: 13
Date: May 22, 2013

TO: Honorable Mayor and Members of the City Council

FROM: Gilbert Rojas, Director of Finance

SUBJECT: First Amendment to the Public Services Agreement for Ambulance Billing Services

RECOMMENDATION:

It is requested that Council adopt Resolution No 2013-68 authorizing the Mayor and City Clerk to execute a First Amendment to the Public Services Agreement with Wittman Enterprises, LLC to extend the term of the Agreement for a one year period effective July 1, 2013 through June 30, 2014.

FISCAL ANALYSIS:

No change in rate. Sufficient funds have been budgeted for this contract in the Finance Department's FY 13/14 budget.

PREVIOUS ACTION:

Council approved a five year contract with Wittman Enterprises, LLC in 2008.

BACKGROUND:

Firefighter/paramedics in the Fire Department provide necessary emergency ambulance services to the City of Escondido residents, visitors, and businesses. Paramedic billing for emergency medical services were processed inside the City until early 2001 when it was determined by an expert review that outside paramedic billing services could increase fee collections, provide more timely customer billing and maintain a higher level of collective expertise in a highly complex billing environment.

In Fiscal Year 2011-2012, Fire Department paramedics transported approximately 7,400 patients and Wittman enterprises, LLC billed $5.1 million in net ambulance fees (gross revenues less Medicare, medical and other contractual write downs).

Respectfully submitted,

Gilbert Rojas
Director of Finance

Agenda Item No.: 13
Date: May 22, 2013

RESOLUTION NO. 2013-68

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ESCONDIDO, CALIFORNIA, AUTHORIZING THE MAYOR AND THE CITY CLERK TO EXECUTE, ON BEHALF OF THE CITY, THE FIRST AMENDMENT TO THE PUBLIC SERVICES AGREEMENT FOR AMBULANCE SERVICES WITH WITTMAN ENTERPRISES, LLC

WHEREAS, the CITY OF Escondido provides paramedic and transport services and bills for those services: and

WHEREAS, it has been determined that outsourcing the billing function to Wittman Enterprises, LLC has greatly improved collection rates, service standards and cost effectiveness: and

WHEREAS, Fire Administration and Finance Management as well as internal collection staff have all been highly satisfied with current paramedic billing services provided; and

WHEREAS, the new First Amendment to the Public Services Agreement will maintain the current pricing of services; and

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

1. That the above recitations are true and correct.

2. That the Mayor and the City Clerk are hereby authorized to execute, on behalf of the City, the First Amendment to the Public Services Agreement ("Amendment") with Wittman Enterprises, LLC for the purpose of paramedic services. A copy of the Amendment is attached as Exhibit "A" and is incorporated by this reference.

ESCONDIDO
City of Choice

CITY OF ESCONDIDO
FIRST AMENDMENT TO PUBLIC SERVICES AGREEMENT

This "Amendment" is made this _____ day of May, 2013.

Between: CITY OF ESCONDIDO
a municipal corporation
201 N. Broadway
Escondido, California 92025
Attn: Gilbert Rojas
(760) 839-4322
("CITY")

And: WITTMAN ENTERPRISES, LLC
21 Blue Sky Court
Sacramento, CA 95828
Attn: Corrine Wittman
800-906-6552
("CONTRACTOR")

Witness that whereas:

A. CITY and CONTRACTOR entered into an Agreement for Professional Services, dated September 12, 2008 ("Agreement"), by which CITY hired CONTRACTOR to provide billing and collection services for the CITY's ambulance services; and

B. The term of the Agreement ends on June 30, 2013; and

C. CITY and CONTRACTOR desire to amend the Agreement to extend its term to June 30, 2014 with additional options to extend as set forth below ("Amendment");

NOW THEREFORE, it is mutually agreed by and between CITY and CONTRACTOR as follows:

1. CITY and CONTRACTOR hereby extend the term of the Agreement for one year, ending on June 30, 2014. City is hereby granted the option to extend the term of the Agreement, as set forth in this Amendment, by two additional one year terms. Each option to extend must be executed in writing prior to the termination of the Agreement.

2. All other terms of the original Agreement between CITY and CONTRACTOR shall remain in full force and effect; in the event of any conflict between any specific provision of the original Agreement and this Amendment, this Amendment shall prevail.

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

CITY OF ESCONDIDO

Date: _____

_____
Sam Abed
Mayor

Date: _____

_____
Diane Halverson
City Clerk

WITTMAN ENTERPRISES, LLC
21 Blue Sky Court
Sacramento, CA 95828

Date: _____

_____
(Contractor signature)

_____
(Print name)

_____
Title
(The above signature must be notarized)

APPROVED AS TO FORM:

OFFICE OF THE CITY ATTORNEY
JEFFREY R. EPP, City Attorney

By: _____

THE CITY OF ESCONDIDO DOES NOT DISCRIMINATE AGAINST QUALIFIED PERSONS WITH DISABILITIES.

ESCONDIDO
City of Choice

RENT REVIEW BOARD

For City Clerk's Use:
☐ APPROVED ☐ DENIED
Reso No. RRB _____ File No. _____
Ord No. RRB _____

Agenda Item No.: 14
Date: May 22, 2013

TO: Honorable Chairman and Members of the Rent Review Board

FROM: Barbara Redlitz, Director of Community Development

SUBJECT: Short-form Rent Increase Application for Westwinds Mobilehome Park located at 1415 S. Pine Street (File Number 0697-20-9932)

RECOMMENDATION:

- Consider the short-form rent increase application submitted by Westwinds Mobilehome Park.
- If approved, adopt Rent Review Board Resolution No. 2013-02 granting an increase of seventy-five percent (75%) of the change in the Consumer Price Index, or 1.163% (an average of $4.56) for the period of December 31, 2011 to December 31, 2012.

INTRODUCTION:

Westwinds Mobilehome Park ("Park") has filed a short-form rent increase application. The Board is asked to accept the staff report, hear public testimony, and make a determination concerning the request in accordance with the Escondido Rent Protection Ordinance and the short-form procedures as outlined in the Rent Review Board Guidelines. The application and the staff report have been made available to the Board for review and consideration prior to the hearing.

THE RENT INCREASE APPLICATION:

Westwinds Mobilehome Park is an all-age park which has a total of 65 spaces. There are 13 spaces subject to rent control, and the Park is requesting an increase for the 13 rent controlled spaces. The other spaces not included in this application are on long-term leases, occupied as rentals or by management, are rented as RV spaces, or are vacant. The amenities available for the residents include a furnished clubhouse with a kitchen, a pool, and coin laundry facilities. The kitchen is currently being remodeled in conjunction with construction of a new office area adjacent to the clubhouse and pool.

The application meets all the eligibility criteria for submittal of a short-form rent increase application.

PARK OWNER'S REQUEST:

The Park is requesting an increase of 75% of the change in Consumer Price Index for the period of December 31, 2011, to December 31, 2012. Seventy-five percent of the change in the CPI for the period of consideration is 1.163%. The average monthly rent for the residents that are affected by this application is $392.22. The average monthly increase requested for the 13 spaces is $4.56 per space, per month.

This is the sixteenth rent increase request filed by this Park since the Ordinance was implemented. The last increase was granted in May of 2012 for an average amount of $7.81, per space, per month.

RESIDENT MEETING AND COMMENTS:

Individual notices were sent to each affected resident notifying them of the increase application and the hearing date. The notice included information about a resident meeting scheduled at the Park's clubhouse on April 25, 2013. As there was no resident participation, the meeting was cancelled. Ms. Faith Crouse spoke with staff before the meeting and stated that she was willing to act as the resident representative. She indicated that the residents had not expressed any issues or concerns to her prior to the meeting, and she did not know of any health and safety code issues to be addressed.

CODE ENFORCEMENT INSPECTION:

An inspection of the common areas of the Park by the Code Enforcement Division of the City noted some violations of the Health and Safety Code. A copy of the Code Report ("Report") is attached as "Exhibit A." The Owner, Resident Manager, and resident representative received a copy of the Report, and were made aware that no rent increase, if granted, may be implemented until the Health and Safety Code violations have been cleared.

ADDITIONAL FACTORS AFFECTING THE APPLICATION:

In conformance with the Rent Review Board Guidelines, the decision of the Board will be finalized by adoption of the Resolution confirming the findings of the Public Hearing. The Notice of Determination will be mailed to the applicant and residents immediately upon adoption of the Resolution. The Park owner may send the 90-day notice of any rent increase granted to the residents upon the adoption of the Resolution.

Respectfully Submitted,

Barbara Redlitz
Director of Community Development

Karen Youel
Management Analyst

ESCONDIDO
City of Choice

EXHIBIT "A"

DATE: APRIL 30, 2013

TO: HONORABLE CHAIRMAN AND MEMBERS OF THE RENT CONTROL BOARD

FROM: BRIAN GUSTAFSON, CODE ENFORCEMENT MANAGER

SUBJECT: WESTWINDS MOBILEHOME PARK RENT CONTROL

Westwinds Mobilehome Park was inspected on April 30, 2013, with the lighting inspection conducted the evening of April 29, 2013. This inspection was a result of an application for a rent increase having been filed. Six general violations and no lighting violations were found and noted in the attached inspection report.

The resident representative for the park was contacted and informed the resident meeting was scheduled for April 25, 2013; this meeting was cancelled as there was no resident participation or response. The resident representative was contacted by phone and advised there were no health and safety concerns and said she had received no complaints from any of the park's residents. The resident representative report was turned in verifying there were no resident concerns.

There were no code enforcement cases in this park in the past year.

CC: Barbara Redlitz, Director of Community Development
Karen Youel, Rent Control Administration

Sam Abed, Mayor Olga Diaz, Deputy Mayor Ed Gallo Michael Morasco John Masson

ESCONDIDO
City of Choice

April 30, 2013

MOBILEHOME PARK RENT CONTROL
CODE ENFORCEMENT INSPECTION REPORT

Park Name: Westwinds Mobile Home Park
1415 S. Pine St
Escondido, CA. 92025

Park Owner: Westwinds Mobile Home Park LLC
c/o Thomsen Properties
301 E. 17th Street #208
Costa Mesa, CA. 92627

Park Manager: Jim Younce **Phone:** (760) 207-9727

Inspection Date: 4/30/2013 **Inspector:** Art Stephens

The following report is based on the inspection of the mobile home park conducted under provisions outlined in the California Code of Regulations, Title 25, Division I, Chapter 2 and the Escondido Zoning Code, Article 45. This inspection report only addresses health and safety issues that are related to areas for which maintenance, repair and operations is the responsibility of the owners and managers of the park.

General Violations:

1. Post the required emergency contact information in a conspicuous location available to residents. **25 CCR 1122**

2. Remove the electrical extension cord from the washing machine in the laundry room. All appliances must be connected directly to the electrical receptacle. **25 CCR 1185(a) (2) & 25 CCR 1436 (b).**

Sam Abed, Mayor Olga Diaz, Deputy Mayor Ed Gallo Michael Morasco John Masson

3. Replace or recharge the fire extinguisher in the laundry room. This fire extinguisher has an expiration date of 2009 and is no longer charged. **EMC 29-43 & 25 CCR 1605(L)**

4. Replace non-working light bulbs, four in the men's restroom and three in the ladies restroom. **25 CCR 1605 (d) (2)**

5. Provide a drain pipe for the water heater pressure relief valve. This drain pipe must lead outside of the electrical maintenance room. **25 CCR 1605 (e) (1)**

6. Repair the loose handrails on the swimming pool ladder. **25 CCR 1608 (a) (6), 25 CCR 1608 (i)**

Areas of the park requiring illumination per 25 CCR 1108

(Lighting Inspection; 04-29-13)

There are no lighting violations to report.

MOBILEHOME PARK RENT REVIEW

RESIDENT REPRESENTATIVE REPORT FORM

Park Name Westwinds Mobilehome Park

Date of Inspection Tuesday, April 30, 2013

Resident Representative Faith Crouse

This park will be inspected as a result of an application having been filed for a rent increase. The Code Enforcement Division will base their inspection under provisions outlined in the California Health and Safety Code, Division 13, Part 2.1; California Code of Regulations – Title 25, the Escondido Zoning Code, Article XLV; and the Escondido Municipal Code, Section 6-480 Property Maintenance.

The report compiled by the Code Enforcement Division will address the health and safety issues related to the common areas of the mobile home park and those items for which the repair and maintenance is the responsibility of the owners and managers of the park. The attached list is to assist you and the residents in noting your current concerns so that they can be addressed as part of the process.

At the time of the inspections, each item on this list will be discussed with the participants. If it is a violation of Title 25 it will be made part of the Inspection Report.

Occasionally there are no concerns noted by park residents. If that is the case, we ask that you check the appropriate statement below, sign the form and return it to the Code Enforcement Division.

✓ The residents have expressed no specific concerns or issues at this time.

_____ The residents have expressed the specific issues and concerns that are noted on the accompanying pages of this report.

Faith Crouse
Print Name of Resident Representative

Faith Crouse
Signature

May 1, 2013
Date

8 Tahiti Dr., Westwinds
Space # / Phone Number
(760) 877-9543

City of Escondido
Code Enforcement Division
201 N. Broadway
Escondido, CA 92025
(760) 839-4650

RENT CONTROL INSPECTION CHECKLIST
RESIDENT COMMENTS

Responsible person: There shall be a person available who shall be responsible for the operation and maintenance of the mobile home park. The person or designee shall reside in parks of 50 units or more, and shall have knowledge of emergency procedures of the park facilities.

Satisfactory

Rubbish, accumulation of waste material: The park shall be kept clean and free of the accumulation of refuse, garbage, rubbish, excessive dust or debris.

Satisfactory

Drainage: The park common areas and roadways shall be graded and sloped to provide storm drainage runoff. Standing water should evaporate within 72 hours.

Satisfactory

Building and park lighting: During hours of darkness, artificial lighting shall be maintained in accordance with requirements of Title 25.

Good

Lot address identification: Each lot shall be identified by letters, numbers or a street address mounted in a conspicuous place facing the roadway.

Good

Permanent park buildings: Park buildings, structures and facilities shall be maintained free from hazards.

Good

Emergency information: Emergency information is to be printed and posted in a conspicuous location and shall contain the following telephone numbers/information:

Fire Department
Police Department
Park office
Responsible person for operation and maintenance
Code Enforcement
Park location – address
Nearest public telephone

Satisfactory

Other questions, comments or concerns:

Park is well maintained.

Agenda Item No.: 14
Date: May 22, 2013

RESOLUTION NO. RRB 2013-02

A RESOLUTION OF THE ESCONDIDO MOBILEHOME RENT REVIEW BOARD MAKING FINDINGS AND GRANTING A RENT INCREASE FOR WESTWINDS MOBILEHOME PARK

WHEREAS, Article V of Chapter 29 of the Escondido Municipal Code is a codification of the Escondido Mobilehome Rent Protection Ordinance ("Ordinance") and provides for mobilehome space rent regulation; and

WHEREAS, the City of Escondido Mobilehome Park Rental Review Board ("Board") is charged with the responsibility of considering applications for rent increases; and

WHEREAS, a short-form rent increase application pursuant to Section 12 of the Rent Review Board Guidelines was filed on March 25, 2013 and revised April 3, 2013, by Westwinds Mobilehome Park, LLC, the owner of the rental spaces in Westwinds Mobilehome Park, located at 1415 S. Pine Street in Escondido; and

WHEREAS, this is the sixteenth rent increase application filed by the Park since the Ordinance became effective in 1988. The last rent increase was granted by Rent Review Board Resolution 2012-04 on May 23, 2012, for an increase of 2.031%, or approximately $7.81 per space, per month; and

WHEREAS, at the time of the current application, the average monthly rent per affected space was $392.22 for 13 spaces subject to the rent increase. The owner requested a rent increase in the amount of 75% of the change in the Consumer Price Index ("CPI") for the period December 31, 2011, through December 31, 2012, in

accordance with the Rent Review Board short-form policy guidelines. The application estimated this amount to be an average of $4.56 (an increase of 1.163%) per space, per month; and

WHEREAS, a notice of the Park's Rent Increase Application was sent to all affected homeowners. All parties were given notice of the time, date, and place of the rent hearing before the Board; and

WHEREAS, on April 30, 2013, a Mobilehome Park Rent Review Code Enforcement Inspection Report ("Inspection Report") was completed. It noted Health and Safety Code violations in the Park; and

WHEREAS, on May 22, 2013, the Board held its public hearing. After an initial staff presentation, the Board invited testimony from Park ownership, residents of the Park, and other residents of the community at large; and

WHEREAS, after all present had been given an opportunity to speak, the hearing was closed. Following an opportunity for discussion among the Board members, and clarifying questions to the parties and Staff, the Board voted to grant an average rent increase of $4.56 per space, per month, for the 13 spaces which are subject to the rent increase.

NOW, THEREFORE, BE IT RESOLVED by the Rent Review Board of the City of Escondido, as follows:

1. That the above recitations are true.

2. That the Board has heard and considered all of the reports and testimony presented, and has considered the facts as outlined in the short-form Guidelines ("Guidelines").

3. That following the Guidelines, an increase based on 75% of the change in the Consumer Price Index (CPI) for San Diego County from December 31, 2011, through December 31, 2012, would amount to an increase of 1.163%, which averages $4.56 per space, per month, for the 13 spaces that are subject to the rent increase.

4. That the Board concluded that an increase of $4.56 per space, per month, is consistent with the Guidelines, and is fair, just, and a reasonable increase in light of the information presented by all parties.

5. That the increase may not be implemented until after the health and safety code violations noted in the Inspection Report have been corrected, signed off, and are in compliance with the various state and local code sections as noted in the Inspection.

6. That the increase may be implemented upon the expiration of the required 90-day notice to the residents, which may be issued upon the adoption of this Resolution.

ESCONDIDO
City of Choice

CITY COUNCIL

For City Clerk's Use:
☐ APPROVED ☐ DENIED
Reso No. _____ File No. _____
Ord No. _____

Agenda Item No.: 15
Date: May 22, 2013

TO: Honorable Mayor and Members of the City Council

FROM: Gilbert Rojas, Director of Finance

SUBJECT: Financial Report for the Quarter Ended March 31, 2013

RECOMMENDATION:

It is requested that Council receive and file the third quarter financial report.

PREVIOUS ACTION:

On March 6, 2013, the City Council received and approved the Fiscal Year 2012/13 second quarter financial report.

BACKGROUND:

Quarterly financial reports present written financial updates to Council concerning certain funds of the City based on the most recent financial information available. These quarterly financial reports include budgetary information for certain funds, along with the actual resources received to date, in addition to the use of these resources in fulfilling each fund's financial plan. The reports provide year to date information for the General Fund, Recreation Fund, Water and Wastewater Funds, the Reidy Creek Fund, the Housing Successor Agency Fund, and the Redevelopment Successor Agency Fund. The quarterly financial report is for internal use only.

Respectfully submitted,

Gilbert Rojas
Director of Finance

Quarterly Financial Status Report
Third Quarter Ending March 31, 2013

Prepared by the Finance Department

This report summarizes the City's overall financial position for the period of July 1, 2012 through March 31, 2013. While the focus of this report is the General Fund, the financial status of the Recreation Fund, Water and Wastewater Enterprises, the Reidy Creek Municipal Golf Course, the Housing Successor Agency Fund, and the Successor Agency Redevelopment Fund are included. This report is for internal use only. The figures presented here are unaudited and have not been prepared in accordance with Generally Accepted Accounting Principles.

The revenue projections and budget include adjustments for encumbrances, carryovers, and any other supplemental appropriations approved by the City Council as of March 31, 2013.

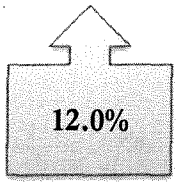
General Fund

At the end of the third quarter, General Fund revenues are at 59.2% of the amended budget, while expenditures are at 69.2%. Based on past history of revenue receipts and payment of expenditures, it appears that General Fund operating revenues will be higher than originally budgeted by about $1 million and expenditures will be under budget by about $1.8 million. In total the General Fund is projected to end the year with net income of around $4 million with $1.2 million coming from one-time revenue which includes a residual payment from the Redevelopment Property Tax Trust Fund of $.5 million and $.7 million from the County for a refund of prior years' property tax allocation fee allocated to the City.

In July 2012, the General Fund returned funds and real property totaling $20 million to the Redevelopment Successor Agency by reversing the previous repayment of $4.9 million in principal and interest earnings of $15.1 million made by the Redevelopment Agency. The State then determined that the transfer of real property was disallowed; therefore, additional cash of $6.7 million was transferred out of the General Fund to replace the real property transfer. The effect these transactions had on the General Fund is a reduction/restatement of beginning fund balance of $15.1 million to reverse the previous interest earnings associated with the City loan repayment.

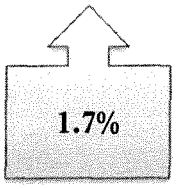
General Fund Balance	Original Budget	Amended Budget	Actual	Actual / Amended Budget
Revenues	$75,861,500	$76,846,781	$45,529,254	59.2%
One Time Revenue		1,242,500	1,242,530	100.0%
Expenditures	(76,037,095)	(77,265,491)	(53,437,149)	69.2%
Other Sources (Uses)	375,595	213,595	(144,405)	-68%
Net Income (Loss)	200,000	1,037,385	(6,809,770)	
Fund Balance, Beg of Year	38,442,563	23,354,409	23,354,409	
Fund Balance, End of Year	**$38,642,563**	**$24,391,794**	**$16,544,639**	

General Fund Revenues



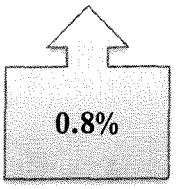
Sales Taxes ($17.6 million) – Sales tax revenue received through March 31, 2013 increased from the previous fiscal year during the same time frame by about $1.9 million. For sales occurring in the second quarter of fiscal year 2012/13 (the most recent data available), the City saw sales tax cash receipts increase by 1.8%. The City's largest economic category, transportation, experienced an increase in sales tax of 13.6% over the second quarter of fiscal year 2011/12. This category includes new auto sales and used auto sales that saw growth in quarterly sales tax revenue of 20.0% and 11.8% respectively. California Auto Outlook reports sales of new vehicles up 25.3% for 2012, higher than the 13.4% national rate and the 15th consecutive quarterly increase. Continued growth in 2013 is forecasted at 8.2%. The city also experienced sales tax revenue increases in Food Products of 4.4% and General Retail of 2.7% over the same time period in the prior year.

Actual sales tax receipts through March are down about $543,000 or about 3% lower than projected growth of 15%.



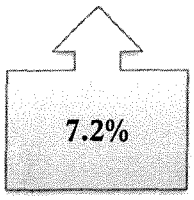
Property Taxes ($11.5 million) – Property tax revenues collected through March were up about $190,000 compared to amounts collected last year at this time. This is mainly due to timing differences and a small increase in supplemental tax payments.

Actual property tax revenue compared to projected tax revenue is up about $113,000 or about 1%. This increase occurred because assessed values in FY 2012/13 remained relatively flat compared to last year and unsecured tax receipts are better than projected.

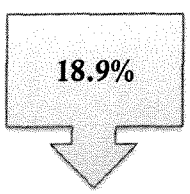


Franchise Fees ($3.7 million) – Franchise fees are generated from privately owned utility companies and other businesses for the privilege of using City rights-of-way while conducting business within City limits. Businesses that are required to pay franchise fees to the City include: San Diego Gas and Electric (SDG&E) on gas and electric services, Cox Cable and AT&T for cable and video services, and Escondido Disposal for refuse collection services. Franchise fees received by the General Fund are up about $29,000 compared to last year at this time. This is mainly due to increased fees collected from AT&T video services.

Actual franchise fees through March are down about 152,000 or 4% compared to projections. This is mainly due to decreases in the in lieu franchise fee collected on natural gas used at the power plant.

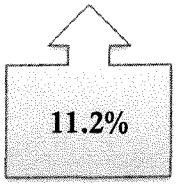


All Other Taxes ($2.7 million) – All other taxes include transient occupancy tax (TOT), property transfer tax, transfer station fees and business licenses. In total, these revenues are up over the same time last year by about $182,000 and over projected revenue by about $5,000. Business license revenues increased by approximately $60,000 compared to the last fiscal year or about 5.2%. TOT receipts remained level compared to the same time last fiscal year. The transfer station fee is up about $44,000 or 11.5% compared to last year. The property transfer tax is up about $77,000 or 44.2% compared to last fiscal year due to an increase in real estate sales.

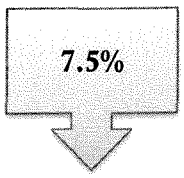


Intergovernmental ($1.6 million) – Intergovernmental revenues include vehicle license fees collected in prior years, the Rincon fire service fees, senior nutrition grants, P.O.S.T. reimbursement, and state mandated cost reimbursements. Revenues in this category have decreased over prior year by about $366,000. This decrease is mainly due to payment from the State last fiscal year on prior years collection of Vehicle license fees of $377,421.

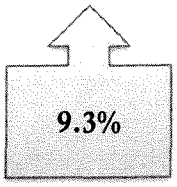
General Fund Revenues (continued)



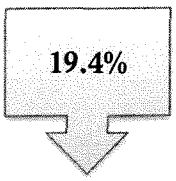
Permits & Licenses ($775,000) – The City collects permit fees for building, plumbing, electrical, mechanical, fire code, and mobile-home permits. The tow license fee is also included in this revenue grouping. Permits and license fee revenue is up about $78,000 compared to last year at this time mainly due to an increase in building permits issued with some of the activity coming from the Orange Street condominiums. Actual permit revenue compared to projected permit revenue is up about $50,000 or 6.9% through March.



Fines and Forfeitures ($1.0 million) – Fines and forfeitures are collected by the City for red light photo citations, vehicle code fines, parking ticket fines, other court fines, library fines, code enforcement citations and impound fees. The City recognizes revenues when the citizen pays the fine or forfeiture as opposed to when the fine is imposed. These revenues are down about $82,000 from last fiscal year. This decrease in revenue is the result of decreases in vehicle code fines; impound fees, and parking ticket fines.

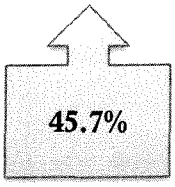


Charges for Services ($4.4 million) – Charges for services include paramedic fees, false alarm fees, fingerprinting revenue, abandoned vehicle fees, alarm registration, library fees, senior center fees, planning fees, building plan check fees, engineering fees, fire prevention inspection fees, fire mutual aid and passport processing fees. Revenues collected this year have increased compared to prior year at this time by about $368,000 mostly due to an increase in paramedic fees collected due to increased billings. Community Development Fees which include planning fees, building plan check fees and engineering fees have also increased due to the growth in construction activity this fiscal year which includes the Orange Street condominiums and the Harmony Grove Village project.



Income from Interest and Property ($1.9 million) – Income from interest and property includes rent received from leased City property and interest income on City investments. This revenue is down about $475,000 compared to last year at this time mainly due to rental income received on the Spruce Street properties that were transferred to the Successor Agency in July 2012 so the rental revenue is no longer received by the General Fund and other property. Actual rental income through March compared to projected rental income is down about $52,000.

Actual investment income through March is also down compared to projections by about $48,000. This decrease is due to a decreasing cash balance in the General Fund after the reversal of the Successor Agency loan repayment in July 2012 and also the City's declining portfolio investment yield.



Other Revenue ($299,000) – Other revenue includes contributions to the City, NSF check charges, damages to City property, sale of City property, mobile home fees, and reimbursement from outside agencies and other miscellaneous revenue. Other Revenue collected during the year is up by about $94,000 compared to last year. This increase is mainly due to contributions from the Joslyn Center Trust to provide funds for the Senior Nutrition program meals and transportation and outside contributions for Police training.

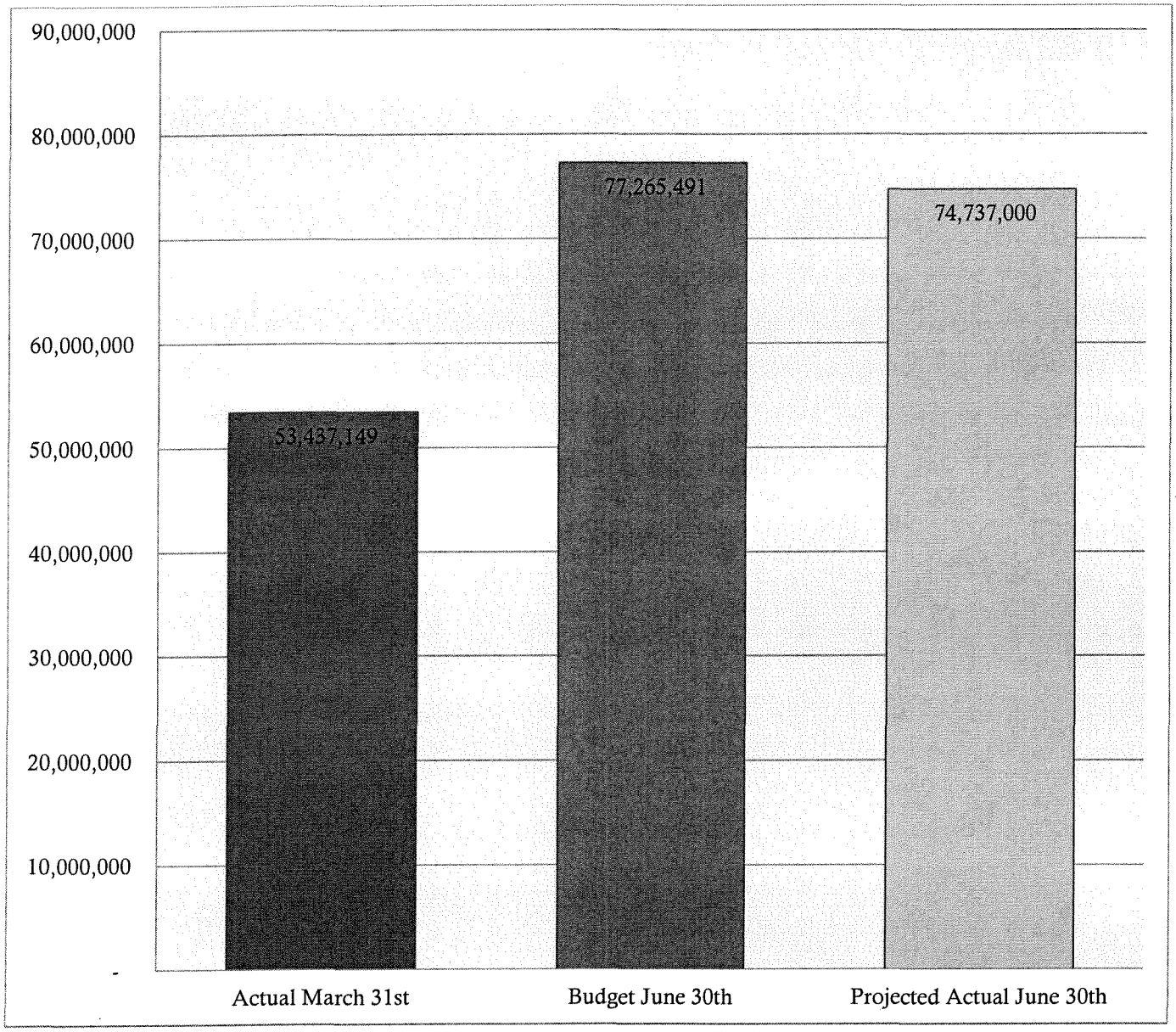
GENERAL FUND
REVENUE COMPARISON - BUDGET TO ACTUAL

	FY 2012-13 Original Budget	FY 2012-13 Amended Budget	Jul 2012 to Mar 2013 Actuals	Projected Revenue	Variance Over (Under)	%
TAXES						
Sales Tax and In Lieu Sales Tax	$29,923,000	$31,877,895	$17,623,666	$18,166,597	($542,931)	-3.0
Property Tax and In Lieu of VLF	21,194,000	20,702,000	11,487,429	11,375,131	112,298	1.0
Franchise Tax	5,620,000	5,620,000	3,682,685	3,834,965	(152,280)	-4.0
Business License Tax	1,622,000	1,622,000	1,232,494	1,296,170	(63,676)	-4.9
Transient Occupancy Tax	1,181,000	1,181,000	778,169	760,979	17,190	2.3
Transfer Station Fee	685,000	685,000	432,802	417,812	14,990	3.6
Property Transfer Tax	378,000	378,000	251,757	216,070	35,687	16.5
TOTAL TAXES	**60,603,000**	**62,065,895**	**35,489,002**	**36,067,724**	**(578,722)**	**-1.6**
INTERGOVERNMENTAL						
Vehicle License Fees		75,000	75,619	33,780	41,839	0.0
Rincon Fire Agreement	1,900,000	1,900,000	1,067,995	1,122,996	(55,001)	-4.9
Grants	677,500	685,449	429,822	463,914	(34,092)	-7.3
TOTAL INTERGOVERNMENTAL	**2,577,500**	**2,660,449**	**1,573,436**	**1,620,690**	**(47,254)**	**-2.9**
PERMITS AND LICENSES	**994,000**	**934,000**	**775,257**	**725,232**	**50,025**	**6.9**
FINES AND FORFEITURES	**1,526,000**	**1,526,000**	**1,008,635**	**1,039,954**	**(31,319)**	**-3.0**
CHARGES FOR SERVICES						
Planning Charges	232,000	232,000	172,809	176,205	(3,396)	-1.9
Building Plan Check	173,000	173,000	147,814	139,213	8,601	6.2
Engineering Fees	308,000	308,000	324,970	212,742	112,228	52.8
Police Services	544,000	414,000	197,271	192,568	4,703	2.4
Paramedic	3,700,000	3,700,000	2,896,357	2,836,574	59,783	2.1
Other Services	414,000	414,000	393,763	303,529	90,234	29.7
Community Services	95,000	95,000	60,687	72,280	(11,593)	-16.0
Recycling Fees	776,000	776,000	212,571	149,777	62,794	41.9
TOTAL CHARGES FOR SERVICES	**6,242,000**	**6,112,000**	**4,406,242**	**4,082,888**	**323,354**	**7.9**
INCOME FROM INT & PROPERTY	**3,617,000**	**3,207,000**	**1,977,270**	**2,076,937**	**(99,667)**	**-4.8**
OTHER REVENUE	**302,000**	**341,437**	**299,412**	**146,175**	**153,237**	**104.8**
ONE TIME REVENUE		**1,242,500**	**1,242,530**	**1,242,500**	**30**	
TOTAL GENERAL FUND REVENUE	**$75,861,500**	**$78,089,281**	**$46,771,784**	**$47,002,100**	**(230,316)**	**-0.5**

GENERAL FUND REVENUE COMPARISON - PRIOR YEAR TO CURRENT YEAR	Jul 2011 to Mar 2012 Actuals	Jul 2012 to Mar 2013 Actuals	Prior Year to Current Year Change	%
TAXES				
Sales Tax and In Lieu Sales Tax	$15,729,125	$17,623,666	$1,894,541	12.0
Property Tax and In Lieu of VLF	11,296,988	11,487,429	190,441	1.7
Franchise Tax	3,653,429	3,682,685	29,256	0.8
Business License Tax	1,172,099	1,232,494	60,395	5.2
Transient Occupancy Tax	778,489	778,169	(320)	0.0
Transfer Station Fee	388,315	432,802	44,487	11.5
Property Transfer Tax	174,567	251,757	77,190	44.2
TOTAL TAXES	**33,193,012**	**35,489,002**	**2,295,990**	**6.9**
INTERGOVERNMENTAL				
Vehicle License Fees	377,421	75,619	(301,802)	-80.0
Rincon Fire Agreement	1,107,946	1,067,995	(39,951)	-3.6
Grants	454,039	429,822	(24,217)	-5.3
TOTAL INTERGOVERNMENTAL	**1,939,406**	**1,573,436**	**(365,970)**	**-18.9**
PERMITS AND LICENSES	**697,398**	**775,257**	**77,859**	**11.2**
FINES AND FORFEITURES	**1,090,600**	**1,008,635**	**(81,965)**	**-7.5**
CHARGES FOR SERVICES				
Planning Charges	122,979	172,809	49,830	40.5
Building Plan Check	125,117	147,814	22,697	18.1
Engineering Fees	220,941	324,970	104,029	47.1
Police Services	253,585	197,271	(56,314)	-22.2
Paramedic	2,635,263	2,896,357	261,094	9.9
Other Services	396,408	393,763	(2,645)	-0.7
Community Services	71,559	60,687	(10,872)	-15.2
Recycling	139,523	212,571	73,048	52.4
TOTAL CHARGES FOR SERVICES	**3,965,375**	**4,406,242**	**367,819**	**9.3**
INCOME FROM INT & PROPERTY	**2,452,683**	**1,977,270**	**(475,413)**	**-19.4**
OTHER REVENUE	**205,548**	**299,412**	**93,864**	**45.7**
ONE TIME REVENUE		**1,242,530**	**1,242,530**	
TOTAL GENERAL FUND REVENUE	**$43,544,022**	**$46,771,784**	**$3,154,714**	**7.2**

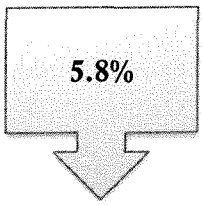
General Fund Expenditures

Operating costs and departmental operating expenditures are on target for the third quarter of the year. The amount expended to date is approximately 69.2% of the total amount budgeted for in fiscal year 2012-13. Total expenditures have increased compared to the prior year third quarter by about $2 million.



Recreation Fund

OPERATING REVENUES



Overall Recreation operating revenues are down about $164,000 compared to last year at this time. Key reasons for this change are discussed below:

Facility Use Rentals ($132,581) – Facility Use Rentals includes monies collected for swimming pool rentals, park/picnic rentals, community service building rentals, Amphitheatre use, tournaments hosted by outside agencies, concession rentals and ball field light use. Revenues through March are down 43% or $100,000 compared to the prior year. These decreases are due in large to timing differences related to billing for swimming pool use from the school districts.

Program Revenue ($989,824) – Program Revenue includes monies collected for various Recreation programs such as Hockey, Soccer, Softball, Learn to Swim, Tiny Tots, Enrichment Classes, Summer Day Camp and Skate Park use. Revenues through March are down 9% or $98,000. These decreases are due to several factors. There are three areas where upgrades and/or repairs are necessary: the soccer fields, the sports fields, and the swimming pools. As a result of the needed upgrades, the adult soccer leagues and the swim teams are seeking other venues for their practices and team events. The Sports Center also experienced a loss in revenue while the skate park was being renovated this winter. In addition, registration for Tiny Tots and Recreation Classes have resulted in lower than anticipated registrations.

Golf Course Rent ($48,491) – Golf Course Rent collected from the Vineyard Golf Course is up slightly compared to last fiscal year. The Vineyard Golf Course is owned by the City of Escondido and the City of San Diego and rent from the golf course is shared equally between the City and San Diego. The golf course is managed by a private golf course management company that pays this rent to the City.

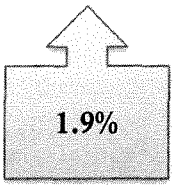
Other Rent ($287,470) – Other Rent collected during the year is up about $12,282 compared to last year. The Recreation Fund receives rental income from East Valley Community Center rental spaces and cellular antenna site rental.

On Track State Grant ($640,844) – On Track State grant revenue collected during the year is about the same as last year. The City receives these grant monies to offer free after-school day care to all students currently enrolled in certain schools in the City.

Interest and Principal on Loans ($546,050) – Interest and Principal on Loans collected during the year have decreased slightly compared to last year by about $2,000. The interest and principal loan payments paid to the City from the golf course management company are used to make the debt service payments on the bonds that built the golf course.

Transfers In ($31,142) – The transfer in this fiscal year is due to the sports center artificial turf project coming in under budget. In FY 2011/12 a total of $160,000 was budgeted from the recreation fund and the recycling fund to replace the soccer turf at the sports center. The project was completed under budget by $31,142 and the remaining funds were transferred back to the recreation fund.

Recreation Fund (continued)



OPERATING EXPENDITURES ($2,662,473) – Operating expenditures are up 1.9% or about $49,000 in comparison to the prior year. This increase is due in large to an increase in internal service charges and an increase in maintenance and operation expenditures.

RECREATION FUND	FY 2012/13 Adopted Budget	Jul 2011 to Mar 2012 Actuals	Jul 2012 to Mar 2013 Actuals	Prior Year to Current Year Change	%
OPERATING REVENUES					
Facility Use Rentals	$289,340	$232,310	$132,581	($99,729)	-42.9
Program Revenue	1,819,330	1,088,058	989,824	(98,234)	-9.0
Golf Course Rent	180,000	25,034	48,491	23,457	93.7
Other Rent	515,245	275,188	287,470	12,282	4.5
On Track-State Grant	900,855	640,847	640,844	(3)	0.0
Principal on Loans	598,000	400,246	446,154	45,908	11.5
Interest on Loans	126,000	147,677	99,896	(47,781)	-32.4
Other Revenue	83,995	-	-	-	-
TOTAL OPERATING REVENUE	**4,512,765**	**2,809,360**	**2,645,260**	**(164,100)**	**-5.8**
TRANSFER IN	**31,142**	**-**	**31,142**	**(31,142)**	**-**
OPERATING EXPENDITURES					
Employee Services	2,763,465	1,925,212	1,883,646	(41,566)	-2.2
Maintenance and Operations	770,180	406,883	447,512	40,629	10.0
Internal Service Charges	585,880	370,413	439,410	68,997	18.6
Allocations	(128,620)	(88,803)	(108,095)	(19,292)	21.7
TOTAL OPERATING EXPENDITURES	**3,990,905**	**2,613,705**	**2,662,473**	**48,768**	**1.9**
TRANSFER OUT	**677,860**	**882,070**	**677,860**	**(204,210)**	**-23.2**
NET INCOME (LOSS)	**($156,000)**	**($686,415)**	**($695,073)**	**($8,658)**	**1.3**

Recreation Fund (continued)

Looking Forward

While a comparison to prior year revenue shows that the recreation fund is pretty much in line with last year, it is important to keep in mind that the recreation fund used $454,360 of their fund balance last year leaving them with only about $118,000 in fund balance. The following chart shows projections of where they will end up if they continue on the same path this year. Revenues are projected to come in under budget by about $614,000. Some main contributors to that are some new estimated revenues that have not come to light as expected. There was $45,000 budgeted for the rental of Daley Ranch, which due to construction complications has not been completed, so they have been unable to rent it. There was $60,000 budgeted in sponsorships that do not appear to be coming in as expected. It was also expected that vacant storefronts by EVCC would be rented for the year, and some still have not, so it looks like the other rent will be about $130,000 under budget. So based on these projections it looks like the fund will use their remaining fund balance and end the year with a negative $534,000 balance.

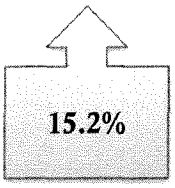
RECREATION FUND PROJECTIONS

	FY 2012/13 Adopted Budget	Projected Thru June 2013	Budget vs. Projected Actuals	%
OPERATING REVENUE				
Facility Use Rentals	$289,340	$249,037	($40,303)	86.1
Program Revenue	1,819,330	1,488,414	(330,916)	81.8
Golf Course Rent	180,000	169,672	(10,328)	94.3
Other Rent	515,245	385,278	(129,967)	74.8
On Track-State Grant	900,855	854,458	(46,397)	94.8
Principal on Loans	598,000	598,196	196	100.0
Interest on Loans	126,000	129,568	3,568	102.8
Other Revenue	83,995	23,995	(60,000)	28.6
TOTAL OPERATING REVENUE	**4,512,765**	**3,898,618**	**(614,147)**	**86.4**
TRANSFER IN	**-**	**31,142**	**31,142**	**-**
OPERATING EXPENDITURES				
Employee Services	2,763,465	2,840,478	77,013	102.8
Maintenance and Operations	770,180	652,986	(117,194)	84.8
Internal Service Charges	585,880	585,880	-	100.0
Allocations	(128,620)	(174,953)	(46,333)	136.0
TOTAL OPERATING EXPENDITURES	**3,990,905**	**3,904,391**	**(86,514)**	**97.8**
TRANSFER OUT	**677,860**	**677,860**	**-**	**-**
NET INCOME (LOSS)	**($156,000)**	**($652,491)**	**($496,491)**	**23.9**

Water Enterprise Fund

WATER FUND NET INCOME

Income generated by the Water Fund will be used primarily to increase the capital and operating reserves to levels established by City Council policy following reserve levels recommended by the most recent rate study. Reserve levels will be important as large projects such as the Lake Wohlford Dam and the replacement of several water reservoirs are tackled.



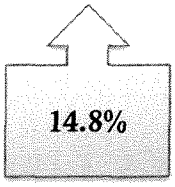
OPERATING REVENUES

Overall water operating revenues through March 31, 2013 are up about $4.7 million over the previous year at this time. Key elements of this increase are the following:

Water Consumption Charges ($24.9 million) – The 17.2% increase in water consumption revenues was due to a water rate increase of about 12% increase occurred in February 2012. Additionally water consumption increased due to increased irrigation water use in 2012-13

Water Service Charges ($8.7 million) – Water service charges are paid by customers for the cost to deliver water to their home or place of business based on the size and type of water meter. Water service charges increased by 11.2% primarily due to the rate increase in February 2012

Vista Irrigation District Filtration Fees ($1.3 million) – The City and Vista Irrigation District (VID) own and operate the Water Treatment Plant. The City owns and operates the plant and has rights to 80% of the capacity. VID has rights to the remaining 20% of capacity. VID is billed for its share of costs for operating and maintaining the plant based on usage. VID Filtration Fees increased by 16.1% compared to prior year fees at this time. This increase was due to a rate increases and increased filtered water usage by VID compared to last year.



OPERATING EXPENSES

Operating expenses are up $4.0 million compared to last year at this time. Purchased water, which is the Utility's largest expense, increased 30% or $3.7 million compared to last year at this time. This is partially because the cost to purchase water from San Diego County Water Authority went up about 7.5%. Also, as noted above water consumption increased in 2012-13, which resulted in more purchased water needed than in the prior year when reservoirs were full and we sold more local water. Purchased water costs approximately 25% more than local water. Chemicals and operating supplies decreased 31.2% because we used more purchased water, which requires less treatment than local water.

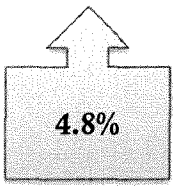
WATER ENTERPRISE FUND

	FY 2012-13 Amended Budget	July 2011 to Mar 2012 Actuals	July 2012 to Mar 2013 Actuals	Prior Year to Current Year Change	%
OPERATING REVENUES					
Water Consumption Charges	$35,468,420	$21,259,213	$24,920,263	$3,661,050	17.2
Water Service Charges	10,710,000	7,867,188	8,748,207	881,019	11.2
Vista Irrigation Filtration & Other Fees	2,650,000	1,146,920	1,331,956	185,036	16.1
Other Charges for Services	150,000	888,581	901,610	13,029	1.5
TOTAL OPERATING REVENUE	**48,978,420**	**31,161,902**	**35,902,036**	**4,740,134**	**15.2**
OPERATING EXPENSES					
Staffing	8,113,030	5,346,343	5,422,956	76,613	1.4
Purchased Water	20,500,000	12,480,498	16,222,699	3,742,201	30.0
Chemicals & Operating Supplies	4,294,935	2,381,596	1,639,003	(742,593)	-31.2
Repairs and Maintenance	1,167,870	653,198	783,626	130,428	20.0
City Water	1,734,580	924,843	1,206,644	281,801	30.5
Professional Services	1,343,015	1,295,568	1,775,141	479,573	37.0
Utilities	887,265	424,022	408,867	(15,155)	-3.6
Other Operating Expenses	1,148,340	773,520	705,230	(68,290)	-8.8
Allocations	4,738,440	3,396,813	3,607,232	210,419	6.2
TOTAL OPERATING EXPENSES	**43,927,475**	**27,676,401**	**31,771,398**	**4,094,997**	**14.8**
NON-OPERATING REVENUES (EXPENSES)					
Lake Fees and Concessions	800,000	597,241	540,100	(57,141)	-9.6
Investment Income	250,000	(71,332)	(158,858)	(87,526)	122.7
Federal Grants	2,000,000	3,882	-	(3,882)	-
Other Revenues	30,000	162,693	98,305	(64,388)	-39.6
Interest and Fiscal Charges	(2,880,325)	(1,620,157)	(1,917,101)	(296,944)	18.3
TOTAL NON-OPERATING REVENUES (EXPENSES)	**199,675**	**(927,673)**	**(1,437,554)**	**(509,881)**	**55.0**
CAPITAL CONTRIBUTIONS					
Connection Fees	375,000	141,170	174,490	33,320	23.6
Developer Contributions	-	1,981	93	(1,888)	-95.3
TOTAL CAPITAL CONTRIBUTIONS	**375,000**	**143,151**	**174,583**	**31,432**	**22.0**
INCOME (LOSS)	**$5,625,620**	**$2,700,979**	**$2,867,667**	**$166,688**	**6.2%**

Wastewater Enterprise Fund

WASTEWATER FUND NET INCOME

Similar to the Water Fund, income generated by the Wastewater Fund will be used to increase the capital and operating reserves to levels established by City Council policy following reserve levels recommended by the most recent rate study. Reserve levels will be important as wastewater capacity issues are addressed that will require bond financing.



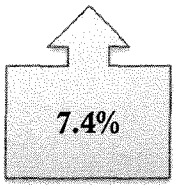
OPERATING REVENUE

Overall wastewater operating revenues through March 31, 2013 are up about $881 thousand from the previous year at this time. Key elements of this increase are the following:

Sewer Service Charges ($14.6 million) – Sewer service charges increased by about $533 thousand or 3.8% compared to last year at this time. This is because the wastewater rates for residential customers changed from a flat fee to a flow-based calculation based on a percentage of water usage. This change was made so that rates better reflect the cost of services to customers.

Treatment Charges – San Diego ($683 thousand) – The City operates the wastewater treatment facility for the benefit of the City and the Rancho Bernardo area of the City of San Diego. The City of San Diego is billed quarterly for these treatment charges. Treatment charges are consistent with the previous year.

Recyclable Water Sales ($2.4 million) – The City's largest user of recycled water is Palomar Energy Center. Other users are agriculture customers, City Parks and City Golf Courses. Revenues from all users are up $432 thousand for the first nine months (22%).



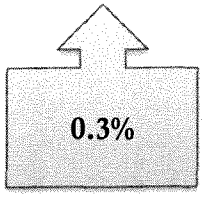
OPERATING EXPENSES

Wastewater operating expenses are up about $884 thousand over the previous year at this time. This increase came mainly from increased utility, supply and repair costs plus added professional services fees paid for the sewer master plan upgrade.

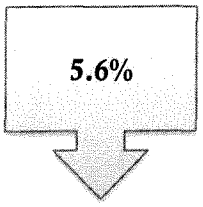
WASTEWATER ENTERPRISE FUND

	FY 2012-13 Amended Budget	Jul 2011 to Mar 2012 Actuals	Jul 2012 to Mar 2013 Actuals	Prior Year to Current Year Change	%
OPERATING REVENUES					
Sewer Service Charges	$23,830,700	$14,062,473	$14,595,854	$533,381	3.8
Treatment Charges - San Diego	1,850,000	699,006	683,200	(15,806)	-2.3
Recyclable Water Sales	2,425,500	1,957,092	2,388,612	431,520	22.0
Other Charges for Service	85,000	1,758,841	1,690,374	(68,467)	-3.9
TOTAL OPERATING REVENUES	**28,191,200**	**18,477,412**	**19,358,040**	**880,628**	**4.8**
OPERATING EXPENSES					
Staffing	7,690,405	4,758,730	5,055,332	296,602	6.2
Chemicals & Operating Supplies	1,992,505	952,330	845,345	(106,985)	-11.2
Repairs and maintenance	1,446,060	976,395	1,156,176	179,781	18.4
Professional Services	3,189,000	1,841,710	2,352,207	510,497	27.7
Utilities	2,308,550	1,327,806	1,452,036	124,230	9.4
Allocations	1,969,935	1,548,868	1,443,030	(105,838)	-6.8
Other Operating Expenses	1,084,490	582,658	567,926	(14,732)	-2.5
TOTAL OPERATING EXPENSES	**19,680,945**	**11,988,497**	**12,872,052**	**883,555**	**7.4**
NON-OPERATING REVENUES (EXPENSES)					
Investment Income	800,000	(224,025)	(466,410)	(242,385)	108.2
Other Revenues	382,500	120,495	242,173	121,678	101.0
Interest and Fiscal Charges	(3,123,720)	(1,272,869)	(2,100,329)	(827,460)	65.0
TOTAL NON-OPERATING REVENUES (EXPENSES)	**(1,941,220)**	**(1,376,399)**	**(2,324,566)**	**(948,167)**	**68.9**
CAPITAL CONTRIBUTIONS					
Connection fees	350,000	202,191	304,970	102,779	50.8
TOTAL CAPITAL CONTRIBUTIONS	**350,000**	**202,191**	**304,970**	**102,779**	**50.8**
TRANSFERS OUT	**(25,000)**	**(25,000)**	**(25,000)**	**-**	**-**
INCOME (LOSS)	**$6,894,035**	**$5,289,707**	**$4,441,392**	**($848,315)**	**(16.0)**

Reidy Creek Golf Course Fund



OPERATING REVENUES ($429,707) – Due to an increased marketing effort and a slight increase in green fees overall revenues are up 0.3% in comparison to last year. The large increase in other revenue is due to breakage on some expired offers, such as Groupon offers from the prior year that were not claimed and a new Fab 5 membership that was put into effect this year.



OPERATING EXPENDITURES ($453,850) – Overall expenditures were down 5.6% in comparison to last year. With a cooler winter, maintenance supplies were conserved due to the amount of rainfall we had which reduced the amount of water, fertilizers and chemicals needed. There were also some changes in staff over the last year that resulted in large savings in golf operations as well as golf maintenance.

REIDY CREEK GOLF COURSE FUND					
	FY 2012-13 Adopted Budget	Jul 2011 to Mar 2012 Actuals	Jul 2012 to Mar 2013 Actuals	Prior Year to Current Year Change	%
REVENUES					
Green Fees	$405,075	$261,006	$263,857	$2,851	1.1
Cart Rentals	195,915	128,982	120,530	(8,452)	-6.6
Golf Merchandise Sales	45,330	29,252	26,601	(2,651)	-9.1
Food and Beverage Rent	9,730	5,846	5,184	(662)	-11.3
Other Golf Revenue	2,175	3,474	13,535	10,061	289.6
TOTAL REVENUES	**658,225**	**428,560**	**429,707**	**1,147**	**0.3**
EXPENDITURES					
Management Fee	70,865	52,288	52,926	638	1.2
Golf Course Operations	174,265	140,673	122,237	(18,436)	-13.1
Golf Course Maintenance	295,750	214,063	198,362	(15,701)	-7.3
Administrative & General	61,150	45,941	58,097	12,156	26.5
Golf Course Merchandise	27,200	19,697	15,862	(3,835)	-19.5
Golf Cart Lease	5,330	3,980	3,230	(750)	-18.8
Insurance	5,215	3,924	3,136	(788)	-20.1
TOTAL EXPENDITURES	**639,775**	**480,566**	**453,850**	**(26,716)**	**-5.6**
NET INCOME (LOSS)	**$18,450**	**($52,006)**	**($24,143)**	**$27,863**	**-53.6**

Housing Successor Agency Fund

HOUSING SUCCESSOR AGENCY FUND AS OF MARCH 31, 2013	
	Jul 2012 to Mar 2013
ASSETS	
Cash and Investments	$927,960
Interest Receivable	4,718,111
Loans Receivable	36,469,593
Loans to Successor Agency	3,399,292
Land Held for Resale	2,488,505
TOTAL ASSETS	**48,003,461**
LIABILITIES	
Deferred Interest Revenue	4,710,402
TOTAL LIABILITIES	**4,710,402**
REVENUE	
Intergovernmental Revenue	976,584
HELP Fees	2,020
Rental Income	145,688
Interest and change in fair value of investements	(247,564)
Other Revenue	3,733
TOTAL REVENUE	**880,461**
EXPENDITURES	
Community Development	1,527,593
Mobile Home Management	150,285
TOTAL EXPENDITURES	**1,677,878**
NET INCOME (LOSS)	**($797,417)**

The Housing Successor Agency Fund was established to account for the continued administration and oversight of housing obligations after the elimination of the redevelopment agency. Also included in the activity are transactions related to the management of Mountain Shadows and The Views mobile home parks. In FY 2011-12 8 employees were charged to the Housing Fund. This was reduced to 3 employees in FY 2012-13.

During the fiscal year, the Housing Successor Agency completed and submitted to the State Department of Finance a Due Diligence Review of the Low and Moderate Income Housing Funds summarizing the liquid assets held by the Housing Successor Agency immediately after the dissolution of the Redevelopment Agency.

As a result of the review, $3,702,248 was required to be transferred to the State. This balance represents the available cash balance the Housing department had been reserving annually in order to make required loan repayments totaling $5,300,000 due to the California Housing Finance Agency in upcoming fiscal years. The State Department of Finance determined that the loan obligation should be paid out of available property tax revenue from the County of San Diego Auditor & Controller's Redevelopment Property Tax Trust Fund (RPTTF). Therefore, the outstanding loan balance of $5,300,000 was transferred to the Redevelopment Successor Agency and will be included as an enforceable obligation on the Agency's future ROPS schedules as amounts become due.

The amounts that were collected as a result of the Due Diligence Review of the Low and Moderate Income Housing Fund were distributed to the affected taxing entities on January 2, 2013. The City's General Fund collected $509,031.74.

The Agency was also required to submit to the State a Housing Entity Asset Transfer Form which provided a detailed list of all housing assets transferred to the housing Successor Agency between February 1, 2012 to July 31, 2012 that met the statutory criteria of a housing asset. The Agency received a Final Determination Letter in February 2013 in which the State denied the submetering service contracts and loans totaling $750,003. As a result, the outstanding loans were moved to the Redevelopment Successor Agency.

Redevelopment Successor Agency Fund

The Redevelopment Successor Agency Fund was established to account for the dissolution of the redevelopment agency. Fund activity includes distributions received from the County of San Diego Auditor & Controller's Redevelopment Property Tax Trust Fund (RPTTF) used to retire eligible enforceable obligations during the dissolution of the redevelopment agency and also accounts for the administrative costs incurred during the dissolution.

The Redevelopment Successor Agency Fund received $5,018,229 on June 1, 2012 from RPTTF in order to pay enforceable obligations totaling $10,195,196 between July 2012 and December 2012; a shortfall of $5,176,967. On August 14, 2012 the City Council adopted Resolution 2012-132 transferring $13,259,255 in cash and an additional value in real property (455 & 525 N. Quince) worth $6,740,745 to represent the $20 million payback of City loans to the Agency. This transfer of funds helped to offset the cash deficit that was created by the shortfall in Redevelopment Property Tax Revenue.

In July 2012, the Successor Agency paid $10,145,052 to the San Diego County Auditor Controller for the "residual" amount owed to affected taxing entities for the period covered by the January to June 2012 Recognized Obligation Payment Schedule (ROPS), after the payment of property tax-funded enforceable obligations and agency administrative costs that were approved by the Department of Finance.

In December 2012, as a result of a review of the Agency's ROPS schedule, the $32 million advance repayment to the City's General Fund was rejected by the State as an enforceable obligation. The Agency filed a lawsuit with the Attorney General related to the advance loan payments. However, the loan repayment to the Traffic Impact Fund of $1,000,000 was approved.

On January 2, 2013 the Agency received $1,925,973 from RPTTF in order to pay enforceable obligations of $3,268,773 between January 2013 and June 2013. On February 13, 2013 the City Council adopted R2013-26 approving a loan agreement between the City and the Successor Agency in order to make payments on enforceable obligations as they become due.

During the fiscal year the Redevelopment Successor Agency completed and submitted to the State Department of Finance a Due Diligence Review of the Redevelopment Agency Assets. On April 1, 2013, the State determined that the transfer of value in real property (455 & 525 N. Quince) worth $6,740,745 to represent a portion of the $20 million payback of City loans to the Agency was prohibited by the Health and Safety Code as the Agency was unauthorized to accept property in lieu of the liquid asset that was originally transferred. The City has reversed the transfer of property valued at $6,740,745, moving capital assets back to the General Fund. As a result of the due diligence review, the Agency was required to remit $3,744,312 to the County on May 9, 2013, for distribution to the taxing entities.

There are several real property assets that are considered to be Successor Agency assets. One such property has been under lease and was generating rental revenue of $14,790 per month located at 480 N. Spruce. While these properties are occupied, maintenance responsibilities rest primarily with the tenant. On April 30, 2013, the tenant provided their 30 day notice to vacate and terminate the lease on the property located at 480 N. Spruce Street. Once the property is vacated, maintenance costs will become the responsibility of the successor agency.

The following table summarizes the Successor Agency's projected cash inflows and outflows from July 1, 2012 to June 30, 2013 to reach the projected ending cash balance on June 30, 2013 of ($176,696).

REDEVELOPMENT SUCCESSOR AGENCY FUND PROJECTED CASH BALANCE AS OF JUNE 30, 2013	
	July 2012 to June 2013
BEGINNING CASH BALANCE 7/1/2012	$5,222,525
CASH INFLOWS	
Payments from Redevelopment Property Tax Trust Fund	1,925,973
Reverse Loan Repayment to General Fund	20,000,000
Income from Investments and Property	27,223
Transfer from Low and Moderate Income Housing Fund	3,702,248
Transfer from Cash with Fiscal Agent	916
TOTAL CASH INFLOWS	**25,656,360**
CASH OUTFLOWS	
Employee Costs - Admin Fees	405,351
Debt Service Payments	10,958,618
Bond Debt Obligation Reserve	2,000,000
Loan Repayment to Traffic Impact Fund	100,000
July 2012 True-up Payment to County	10,145,052
Low and Moderate Income Housing Fund DDR Payment	3,702,248
Other Accounts and Redevelopment Fund DDR Payment	3,744,312
TOTAL CASH OUTFLOWS	**31,055,581**
PROJECTED CASH OUTFLOWS	(5,399,221)
PROJECTED CASH BALANCE 6/30/13	**($176,696)**

ESCONDIDO
City of Choice

CITY COUNCIL

For City Clerk's Use:
☐ APPROVED ☐ DENIED
Reso No. _____ File No. _____
Ord No. _____

Agenda Item No.: 16
Date: May 22, 2013

TO: Honorable Mayor and Members of the City Council

FROM: Edward N. Domingue, Public Works Director/City Engineer
Debra Lundy, Real Property Manager

SUBJECT: Lease Agreement with Heritage Digital Academy at 2245 (Por.) - 2261 East Valley Parkway

RECOMMENDATION:

It is requested that Council adopt Resolution No. 2013-64 authorizing the Real Property Manager and City Clerk to execute a Lease Agreement with Heritage Digital Academy at 2245 (Por.) -2261 East Valley Parkway.

FISCAL ANALYSIS:

Rental revenue totaling approximately $1.8 million will be deposited into the Recreation Enterprise fund over the course of the lease term (Exhibit "B" Summary of Lease Value).

PREVIOUS ACTION:

N/A

BACKGROUND:

Heritage Digital Academy (HDLA) is a charter school that specializes in providing a digital-based curriculum to grades 6-12. They serve approximately 300 students, with a staff of 15. HDLA desires to lease the eight adjacent retail store suites at the EVCC as well as the vacant former branch library (approximately 20,000 square feet as depicted in the attached site plan, Exhibit "A") and renovate the space into approximately 14 classrooms by mid-August 2013.

The proposed lease term is ten years, with a market rent of $.83/per square foot. HDLA anticipates investing a minimum of $1.2 million in tenant improvements. The tenant improvements are expected to add value to the City's property and, as such, the lease contemplates a 25% tenant improvement credit, equivalent to $312,000 spread out over the course of the lease term (or $2600/month credit). The tenant improvement credit of $300,000 is typical of a commercial space of this size, which is based on $15/psf. Upon completion of construction of the tenant improvements, ownership of said improvements vest in the City and run with the land.

Under the proposed lease agreement, HDLA accepts the premises "as is" and will be responsible for all maintenance and repair of the leased premises. Further, HDLA will be required to contribute to the maintenance and upkeep of the common areas, including the parking lot.

The proposed lease does not include any rights for use of the City's East Valley Community Center (technology lab, gym, program/meeting rooms or restroom facilities) and any such use would be handled in accordance with the City's established policies and procedures for facilities rentals without receiving priority. Recreation staff and HDLA will meet on a regular basis to discuss and resolve any issues related to proximity of respective uses to ensure collaboration and cooperation.

Three existing tenants occupying space at the retail center have been provided notices to vacate in order to make space available for the proposed HDLA lease. The existing tenants were paying a combined monthly rent of $3300. The proposed HDLA lease will yield a base rent of $16,600/month. All revenues received from this proposed lease will be deposited into the Recreation Enterprise fund.

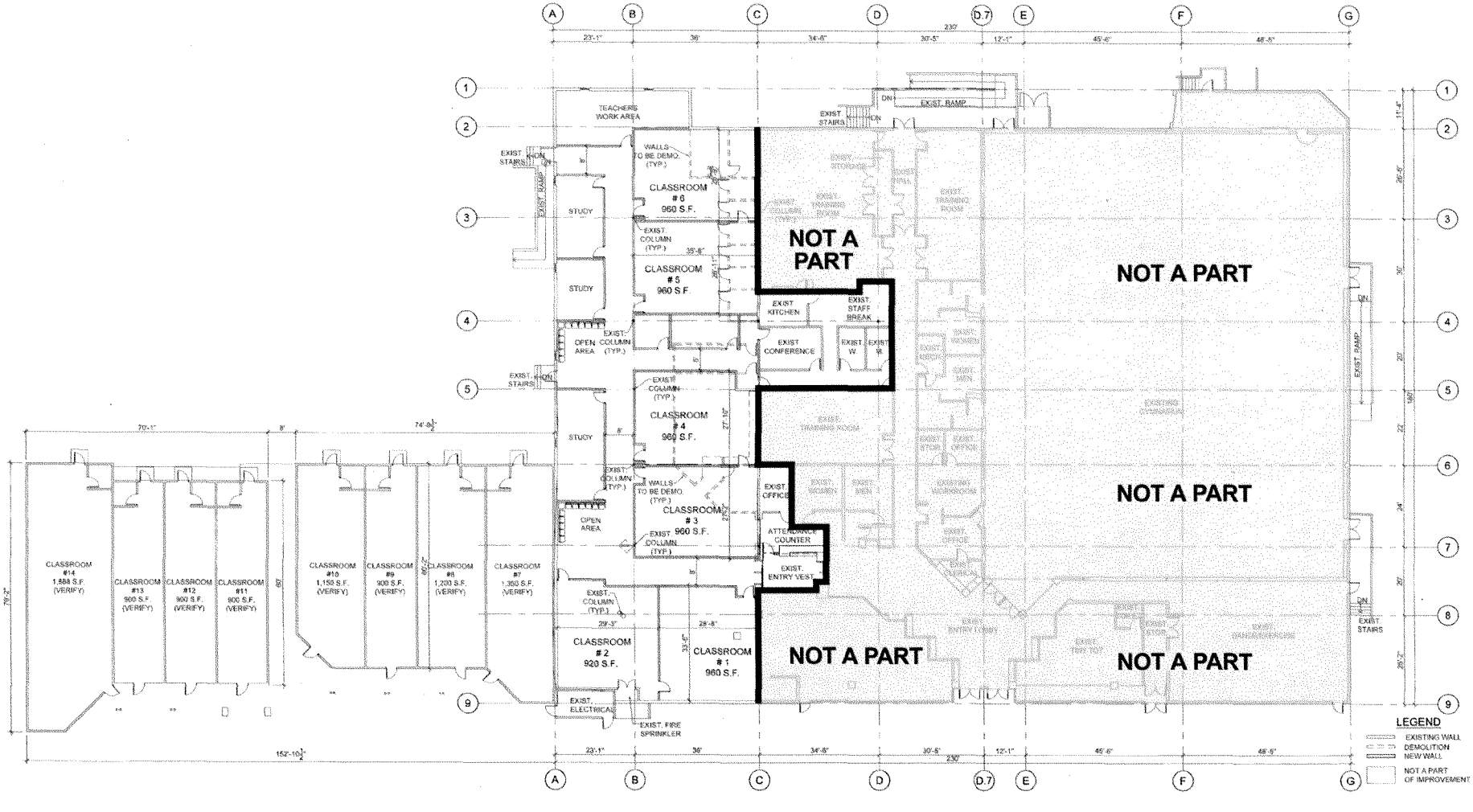
Respectfully submitted,

Edward N. Domingue, P.E.
Public Works Director/City Engineer

Debra Lundy
Real Property Manager

EXHIBIT 'A'

Heritage Digital Academy
Proposed Leased Premises



FLOOR PLAN

TRUE NORTH PLAN NORTH

Lease Term (10 years): June 1, 2013- May 31, 2023			
Planning & TI Term June 1-August 12, 2013; $10,000/month	**Regular Term; no annual increase for first two years**[i]	**Regular Term with annual rent increase commencing year three**	**Total Value of Lease**
13,938 sf* June rent $10,000	August 12-Aug 31st 17,388 sf ($392.63/day) $7,853	June 1, 2015 3% increase $14,420/month; $173,040/yr	
17,388 sf** July rent $10,000	Sept 1, 2013-May 31, 2015 20,000 sf*** $14,000/mo x 21 mos.	June 1, 2016 $14,852.60/month; $178,231/yr	
17,388 sf August 1-11th rent ($322.58/day) $3,548.38		June 1, 2017 $15,298.18/month; $183,578/yr	
		June 1, 2018 $15,757.12/month; $189,085/yr	
		June 1, 2019 $16,229.84/month; $194,758/yr	
		June 1, 2020 $16,716.73/month; $200,601/yr	
		June 1, 2021 $17,218.23/month; $206,618/yr	
		June 1, 2022 $17,734.78/month; $212,817/yr	
$23,548 (2.5 mos)	**$301,853 (21.5 months)**	**$1,538,728 (8 years)**	**$1,864,129**

*SF available immediately upon effective date of lease; assumes former library space is 10,000 sf

**Assumes 30 day tenant(s) have vacated

***Assumes 100% occupancy; 90 day tenant(s) have vacated

Tenant Improvement Investment by Lessee $1.25 million

---

[i] All numbers above are based on $0.83/psf and reflect and include the City investment in the Tenant Improvements in the form of the Tenant Improvement Credit of $2600 per month, or a total of $312,000 over the Lease (25% of total TI costs; 16% of lease value)

Agenda Item No.: 16
Date: May 22, 2013

RESOLUTION NO. 2013-64

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ESCONDIDO, CALIFORNIA, AUTHORIZING THE REAL PROPERTY MANAGER AND CITY CLERK TO EXECUTE, ON BEHALF OF THE CITY, A LEASE AGREEMENT WITH HERITAGE DIGITAL ACADEMY

2245 (Por.) - 2261 East Valley Parkway

WHEREAS, the City of Escondido owns that certain real property located at 2245-2261 East Valley Parkway; and

WHEREAS, City and Heritage Digital Academy desire to enter into a Lease Agreement to allow the construction and operation of a charter school specializing in a digital-based curriculum for grades 6-8 at said real property; and

WHEREAS, this City Council desires at this time and deems it to be in the best public interest to approve of the Lease Agreement.

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

1. That the above recitations are true.

2. The Real Property Manager and City Clerk are authorized to execute, on behalf of the City, the Lease Agreement with Heritage Digital Academy, which is attached hereto as Exhibit "1" and incorporated by this reference.

ESCONDIDO
City of Choice

EAST VALLEY RETAIL CENTER LEASE AGREEMENT

Lessee: Heritage Digital Academy

Term: Ten Years

Premises: 2245 (Por.) -2261 East Valley Pkwy, Escondido, CA

Date: June 1, 2013

Lease Agreement between the City of Escondido and the Heritage Digital Academy for use of the property at 2245 (Por.)-2261 East Valley Pkwy, Escondido, CA 92027 for specific purposes as set forth below.

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CITY OF ESCONDIDO
LEASE AGREEMENT

This Lease Agreement is made as of _____, 2013 between the City and the Heritage Digital Academy.

Section 1 Definition of Terms

The following words in this Lease Agreement shall have the significance attached to them in this Section unless otherwise apparent from their context.

1.1 **City.** The City means the City of Escondido, a California general law City.

1.2 **Common areas.** Common Areas shall mean the jointly used areas as described in the Operational Plan.

1.3 **Lease.** Lease means this Lease Agreement.

1.4 **Lease Administrator**. The Lease Administrator means the City of Escondido Real Property Agent or, upon written notice to Lessee, such other person as shall be designated from time to time by City.

1.5 **Lessee.** Lessee means the Heritage Digital Academy, and does not include its heirs, assigns, or successors-in-interest.

1.6 Operational Plan. Operational Plan means the plan as prepared by Lessee and approved by the City.

1.7 **Premises.** Premises means the real property commonly known as 2245 (Por.) – 2261 East Valley Parkway and more fully described in Exhibit A attached and incorporated by reference.

Section 2 Administration

This Lease will be administered on behalf of City by the Lease Administrator, whose address is:

City of Escondido
Attn: Engineering – Real Property Manager
201 North Broadway
Escondido, CA 92025

and on behalf of Lessee by Dennis Snyder, whose address is:

Heritage Digital Academy
Attn: Dennis Snyder
1868 East Valley Parkway
Escondido, CA 92027

Section 3 Term

3.1 Term. The term of this Lease is ten (10) years, commencing on June, 1, 2013.

3.2 Hold Over. The occupancy of the Premises by Lessee, after the expiration of the Term shall be construed as a month to month tenancy, and all other terms and conditions of this Lease Agreement shall continue in full force and effect, on a month to month basis. The City shall have the right to terminate the month to month tenancy without cause and for any reason by giving sixty (60) days prior notice to Lessee.

Section 4 Termination of Lease

4.1 Default. If the City discovers at any time during the Lease Term that the Lessee or any other party has used, is using, or will use the Premises in an unlawful manner or for an unlawful purpose, or in any manner that is inconsistent with any provision of this Lease, City may notify Lessee of the failure to perform and terminate the Lease in accordance with this Section.

4.2 Right to Cure. Lessee must cure any failure to perform any of the terms, conditions, or covenants of this Lease to be observed or performed by Lessee within thirty (30) days after receiving notice from the City of the default. The City may grant additional time to cure any failure to perform as may be reasonably required, as determined by the City which must be in writing.

4.3 Termination upon Default. Upon the occurrence and failure to cure a default of the Lease within the time period in Section 4.2, the City may, at its option, and in addition to any and all other rights to which it may be entitled under this Lease or applicable law, elect to terminate this Lease. Any such termination will be effective as of the date specified in such election.

Section 5 Options to Renew

[Intentionally Left Blank]

Section 6 Right of First Refusal

In the event the City, in its sole discretion, should decide to sell the Premises or the East Valley Community Center during the Lease Term, City hereby grants to Lessee a right of first refusal to purchase the Premises, if it is sold separately from the East Valley Community Center in its entirety, or the East Valley Community Center in its entirety as set forth in this Paragraph. The term of this right of first refusal commences on the date of this Lease and terminates on June 1, 2023. This right of first refusal is conditioned upon Lessee not being in default under this Lease.

Upon City's decision to sell the Premises or the East Valley Community Center in its entirety, the City will notify Lessee of its desire to sell the property. If Lessee intends to exercise its right of first refusal, it must deliver the City written notice of its intention to purchase the Premises, if it is sold separately from the East Valley Community Center in its entirety, or the East Valley Community Center in its entirety within thirty (30) days after the receipt of the notice from the City of its decision to sell. If the Lessee does not notify City within the thirty (30) days, Lessee is deemed to have waived its right of first refusal and the right of first refusal will terminate immediately. City may then proceed to sell the property free and clear of this right of first refusal.

If the Lessee delivers the written notice of its intention to purchase the property, then Lessee may purchase the Premises, if it is sold separately from the East Valley Community Center in its entirety, or the East Valley Community Center in its entirety on the same terms and conditions of a bona fide offer to purchase the property from a party who is not affiliated with Lessee ("Third Party"), which the City is willing to accept and the value of which is supported by an independent appraiser ("Offer"). Upon receipt of an Offer, the City will send notice to the Lessee. If Lessee elects to exercise its right of first refusal, it shall do so by delivering to City written notice of its election to purchase the property on terms and conditions identical to those set forth in the Offer, within thirty (30) days after the receipt of notice from the City. If the Lessee does not notify City within the thirty (30) days, Lessee is deemed to have rejected the Offer and City may proceed to sell the property free and clear of this right of first refusal to the Third Party on the terms and conditions set forth in the Offer, or on terms which are better for City, but not worse for the City.

Section 7 Vacation of Premises

7.1 Upon termination of this Lease for any reason, Lessee shall peaceably vacate and deliver the Premises to City in the same condition as Lessee found them upon its acceptance of the Premises hereunder, excepting ordinary wear and tear and conditions caused by acts of God.

7.2 Upon such termination, Lessee shall immediately:

A. Arrange and pay for the disconnection of all utilities and services ordered by Lessee;

B. Provide a written statement to the Lease Administrator of Lessee's new address for purpose of refunding monies, if any, due Lessee under this Lease; and

C. Deliver any keys for the Premises to the Administrator or send said

keys by certified mail to the City.

Section 8 Rent

8.1 Base Rental Rate. In consideration of the possession and use of the Premises, Lessee shall deliver and pay rent to City during the term of this Lease in the amount of $16,600.00 per month, on or prior to the first day of each month. The Rental Rate will be increased annually by three percent (3%), commencing with the rent payment on June 1, 2015.

8.2 Tenant Improvement Rent. Beginning on the Effective Date of the Lease Agreement, and prior to completion of the Tenant Improvements, Lessee shall pay to City $ 10,000 per month for the construction period of the Lease, not to exceed three months. It shall be Lessee's sole responsibility to I obtain all necessary permits, approvals, and licenses for any Tenant Improvements constructed by Lessee, and no assurance of any approval of any such permits or entitlements is provided by this Lease. Lessee shall be solely responsible for paying the City's normal and customary fees for any such improvements.

8.3 Tenant Improvement Credit. The parties anticipate that Lessee will be installing Tenant Improvements to the Premises in an amount of at least $1.25 million. Upon written documentation provided to the City that such amount or greater has been expended, Lessee shall be entitled to a credit against the Base Rent in the amount of $2600 each month, but in no event to exceed a total credit over the term of the Lease of $312,000.

8.4 Hold Over Rental Rate. The rent payments for any Hold Over will be equal to the previous year's Rental Rate plus ten percent (10%).

Section 9 Security Deposit

9.1 A security deposit shall be paid to the City by Lessee in the sum of twenty thousand dollars ($20,000.00) on or before the commencement date of this Lease. All or any portion of the security deposit shall be available unconditionally to City for correcting any defaults or breach of this Lease by Lessee, Lessee's successors or assigns, or for payment of expenses incurred by City as a result of Lessee's failure to faithfully perform all terms, covenants, and conditions of this Lease. In the event City utilizes all or any portion of the security deposit, Lessee shall reimburse the deposit within ten (10) days of notice from City to bring the security deposit up to the full specified amount.

Section 10 Late Payment

Rent payments received after the 7th day of any month will be charged an additional 20% late payment fee.

Section 11 Utilities Payments

Lessee shall secure utility services and meters for the Premises separate and apart from those currently used for the City's East Valley Community Center. Lessee agrees to provide and pay for all utilities and services necessary for the occupancy and use of the Premises, including, but not limited to: gas, water, electricity, trash, sewage charges or septic service, and any telecommunications services. If the separation of utility services and meters is not feasible, the City may allow for other reasonable accommodations to account for the use of utilities by Lessee at the City's sole discretion.

Section 12 Taxes, Assessments and Fees

12.1 The terms of this Lease may result in the creation of a possessory interest. If such a possessory interest is vested in Lessee, Lessee may be subjected to the payment of personal property taxes levied on such interest. Lessee shall be responsible for the payment of, and shall pay before delinquent, all taxes, assessments, and fees assessed or levied upon Lessee, on said Premises or any interest therein, on any buildings, structures, machines, appliances, or other improvements of any nature whatsoever, or on any interest therein.

12.2 Lessee further agrees not to allow such taxes, assessments, or fees to become a lien against said premises or any improvement thereon. Nothing herein contained shall be deemed to prevent or prohibit Lessee from contesting the validity of amount of any such tax, assessment, or fee in any manner authorized by law.

Section 13 Acceptance and Maintenance

13.1 Lessee hereby acknowledges that Lessee has inspected the Premises, that Lessee accepts said Premises "as is" and "where is," that the Premises are in a good and sanitary order, condition, and repair and suitable for the uses as specified in this Lease.

13.2 Lessee agrees to maintain the Premises and all improvements, alterations, fixtures, and appurtenances in good condition and in compliance with all applicable building, property maintenance, and related laws. Lessee agrees to make all repairs in and about the Premises, including those to the structure itself (such as the roof, HVAC, plumbing, electrical, etc.), which may be necessary to preserve them in good order and condition. Said repairs, if any,

shall be made in a good and professional manner, and at least equal to the condition and quality of the repaired items at the inception of this Lease. Lessee shall promptly pay the expenses of such repairs. Lessee agrees to be solely responsible for all costs of maintenance and repair. Lessee releases the City from the obligation to maintain any portion of the Premises. Said release is part of the consideration for the rental of the Premises, and Lessee therefore waives all rights it may otherwise have under Sections 1941 and 1942 of the Civil Code.

13.3 In the event Lessee fails to properly maintain the premises as required by City, City may notify Lessee in writing of said failure. In the event Lessee fails to perform said maintenance within thirty (30) days after such notice by City, City may perform such maintenance, and any costs including, but not limited to, the cost of labor, material, and equipment, shall be paid by Lessee to City within ten (10) days from receipt by Lessee of an invoice from City.

Section 14 Alterations

14.1 Other than the anticipated Tenant Improvements, Lessee shall not paint, alter, cut, add to, or otherwise change the appearance, structure, or condition of the Premises without the prior written consent of the Lease Administrator and only after obtaining applicable permits.

14.2 Any Tenant Improvements, and additional improvements made with the consent of the Lease Administrator shall become a fixture to the realty and shall remain on and be surrendered with the Premises upon termination of this Lease.

14.3 Lessee shall have the right from time to time to make alterations, additions, demolitions and replacements to the buildings and other Improvements to be situated on the Premises, including the installation of Tenant Improvements as referenced in Section 7.3 provided that such alterations, additions, demolitions or replacements shall not decrease the value of the Premises. After the initial expenditure for Tenant Improvements as referenced in Section 7.3, Lessee shall give Lessor prior written notice of any anticipated cost of which will exceed Twenty-Five Thousand Dollars ($25,000.00). All such work shall be done in a good and workmanlike manner and diligently prosecuted to completion. Upon termination of the Lessee's leasehold estate, such alterations, additions and replacements shall be considered as Improvements and shall not be removed by the Lessee but shall become a part of the Premises. Any such work shall be performed and done strictly in accordance with the laws and ordinances relating thereto.

Lessor or its representatives shall have the right to go upon and inspect the Demised Premises at all reasonable times and shall have the right to post and keep posted thereon notices of nonresponsiblilty, or such other notices which the Lessor may deem to be proper for the protection of the Lessor's interest in the Demised Premises.

14.4 During the period of construction of any change, alteration or addition, in, to or of the Improvements located on the Demised Premises or of any demolition or new construction, Lessee shall maintain or cause to be maintained the following insurance:

A. The public liability and property damage insurance provided shall be maintained for the limits specified under Section 21 shall provide coverage for the mutual benefit of Lessor and Lessee as named insureds in connection with any change, alteration, addition, demolition or new construction permitted pursuant to this Section.

B. Fire and any other applicable insurance provided, which policy or policies by endorsement thereto, if not then covered under the provisions thereof, shall also insure any change, alteration, addition or new construction, including all materials and equipment therefor incorporated in, on or about the Improvements located on the Premises (excluding excavations, foundations, and footings) under a broad form all risks builders' risk completed value form or equivalent.

C. Workmen's compensation insurance covering all persons employed in connection with the work and with respect to whom death or bodily injury claims could be asserted against Lessor, Lessee or the Premises with statutory limits as then required under the laws of the State of California.

Section 15 Use

15.1 Lessee agrees to use the Premises for the academic instruction of middle school students in the seventh and eighth grades of school, in accordance with the provisions and requirements contained in any permits required by any governmental authority. City may allow for other reasonably related uses at the City's sole discretion. Lessee shall not use, nor permit the use of, the Premises other than as described. In any case where Lessee is, or should reasonably be, in doubt as to the propriety of any particular use, Lessee may request, and will not be in breach or default if Lessee abides by, the written determination of the Lease Administrator that such use is or is not permitted.

15.2 Joint Use of Common Areas. As part of the Premises, Lessee has access to certain Common Areas which impact other community uses in the same area. In order to provide for the efficient use of the Common Areas for Lessee and the City's Recreational Department, and in order to enable the City to preserve the Community Center and Common Areas for the use of the general public, Lessee agrees to enter into an Operational Plan with the City's Recreational Department regarding use of the Common areas.

A. Adoption of Operational Plan. Lessee shall prepare and submit an Operational Plan to the City to govern Lessee's use of the Common Areas not later than August 12, 2013. Such Operational Plan shall address parking by parents, staff, and visitors, student drop off and pick up, the conduct of any student activities, the specific hours of operation, and any other aspects of the Lessees purposes which might impact the Community Center in any way, including but not limited to noise, traffic, public safety, pedestrian use, trash and debris. City may make reasonable changes to the Operational Plan.

B. Regular Meetings. Lessee and the City, through their designated representatives, must have one meeting every six (6) months to discuss matters pertaining to the City's superintendence of the jointly used Common Areas and the Operational Plan. A written copy of the Operational Plan shall be maintained at all times.

C. Special Meetings. The City may require Special Meetings at any time with Lessee to discuss issues regarding the Operational Plan or joint use of the Common Areas. The City must give the Lessee notice of at least two weeks prior to the Special Meeting.

Section 16 Occupancy, Assignment and Subletting

16.1 The Premises shall only be occupied by Lessee except with prior written consent of the Lease Administrator. Lessee may not assign or sublease any interest in this Lease to any other party, at any time, including a transferee of a controlling interest in Lessee without written consent from the Lease Administrator.

Section 17 Conduct

17.1 Lessee and guests of Lessee shall at all times conduct themselves in a quiet and dignified manner so as to cause no annoyance or inconvenience to neighbors of Lessee.

17.2 Lessee and guests of Lessee shall conduct themselves in accordance with

the Operational Plan.

17.3 Lessee shall not violate, or permit the violation of, any City or County ordinance, or state or federal law, in or about the Premises.

17.4 Noncompliance by Lessee with any provision of this Section shall allow the Lease Administrator to terminate this Lease.

Section 18 Pets

No pets or livestock of any kind may be kept on the Premises without the prior written consent of the Lease Administrator.

Section 19 Notices

19.1 Any notice required or permitted to be given by this Lease must either be personally served on the other party or served by certified mail, return receipt requested, to the addressee. Notices served by mail shall be sent to the address listed above. A change of either party's address must also be immediately served in the manner described above.

Section 20 Right of Inspection

City reserves the right for its agents or employees to enter upon and inspect the Premises at any reasonable time to ascertain if Lessee is complying with the provisions of this Lease.

Section 21 Right to Show Premises

In the event of Termination, the City reserves the right to conduct an "open house" of the Premises in order to facilitate re-renting or selling the Premises. Said "open house" shall not exceed four hours total duration (maximum of two separate days), and when possible, be scheduled from 3 p.m. to 5 p.m., Monday through Friday.

Section 22 Insurance

22.1 Lessee must have insurance in the following amounts at all times during this Agreement: [check for updates in amount]

A. General liability insurance with at least $2 Million combined single-limit coverage per occurrence for bodily injury and property damage.

B. Automobile liability insurance of $1 Million combined single-limit per accident for bodily injury and property damage for any and all vehicles that are owned by the Lessee (if applicable).

C. Workers' compensation and employer's liability insurance as

required by the California Labor Code, as amended, or certificate of sole proprietorship.

D. Commercial property insurance in an amount commensurate with the value of the improvements on the Premises.

E. During the construction of Tenant Improvements, insurance in an amount no less than to cover construction risks, etc.

22.2 Each insurance policy required above must be acceptable to the City Attorney:

A. Each policy must name the City specifically as an additional insured under the policy on a separate endorsement page, with the exception of the workers' compensation policy.

B. Each policy must provide for written notice within no more than thirty (30) days if cancellation or termination of the policy occurs. Insurance coverage must be provided by an A.M. Best's A-rated, class V carrier or better, admitted in California, or if non-admitted, a company that is not on the Department of Insurance list of unacceptable carriers.

C. All non-admitted carriers will be required to provide a service of suit endorsement in addition to the additional insured endorsement.

22.3 Lessee agrees to deposit with City, on or before the effective date of this Lease, one certificate of insurance for each of the policy or policies necessary to satisfy the insurance provisions of this Lease and to keep such insurance in effect during the entire term of this Lease. This certificate must be reviewed by, and acceptable to, the City Attorney, prior to commencement of the Lease Term. Lessee will also deposit with the City within 60 days of the Effective Date of this Lease, an additional insured endorsement naming City specifically and separately as an "additional insured", with the exception of the worker's compensation policy. The appropriate endorsements described above shall follow within sixty (60) days. Noncompliance by Lessee with any provision of this Section shall allow the Lease Administrator to terminate this Lease.

22.4 City shall retain the right at any time to review the coverage, form and amount of the insurance required hereby. If, in the opinion of the Lease Administrator, the insurance provisions in this Lease do not provide adequate protection for City and for members of the public using the Premises, City may require

Lessee to obtain insurance sufficient in coverage, form and amount to provide adequate protection from and against the kind and extent of risks which exist or are foreseeable at the time a change in insurance is required. City's requirements shall be reasonable, but shall be designed to assure adequate protection of the City's interests. The Lease Administrator shall notify Lessee in writing of changes in the insurance requirements and, if Lessee does not deposit with City within sixty (60) days of receipt of such notice a new Certificate of Insurance for each policy or policies of insurance incorporating such changes, this Lease shall be deemed in default without further notice to Lessee and may be forthwith terminated by the Lease Administrator.

22.5 The procuring of such required policy or policies of insurance shall not be construed to limit Lessee's liability hereunder nor to fulfill the indemnification provisions and requirements of this Lease. Notwithstanding said policy or policies of insurance, Lessee shall be obligated for the full and total amount of any damage, injury or loss attributable to any act or omission of it or its agents, customers or guests in connection with this Lease or with use or occupancy of the Premises.

22.6 Noncompliance by Lessee with any provision of this Section shall allow the Lease Administrator to terminate this Lease.

Section 23 Indemnification

Lessee shall defend, indemnify, and hold harmless City, its officers, agents, and employees from and against any and all claims, demands, and liabilities for loss of any kind or nature which City, its officers, agents, or employees may sustain or incur or which may be imposed upon them or any of them for injury to or death of persons or damage to property as a result of, arising out of, or in any manner connected with this Agreement or with the occupancy and use of the Premises by Lessee, its invitees, visitors, or any other persons whatsoever. Lessee further agrees to pay any and all costs and expenses, including, but not limited to, court costs and reasonable attorney's fees incurred by City on account of any such claims, demands, or liabilities. However, the provisions of this Agreement shall not be construed to indemnify City for claims or acts arising from City's sole negligence.

Section 24 Attorney's Fees, Costs and Expenses

In the event legal action is brought to enforce the terms of or to declare a termination of this Lease for reason of breach thereof, the unsuccessful party shall pay all of the successful party's costs of such action, together with reasonable attorney's fees, in an amount to be fixed by the court.

Section 25 Non-Discrimination

Lessee covenants that this Lease is made and accepted upon and subject to the condition that there shall be no discrimination against or segregation of any person or group of persons on account of physical or mental disabilities, race, color, creed, religion, sex, marital status, national origin or ancestry in the use, occupancy, tenure or enjoyment of the leased premises. Lessee shall not establish or permit any such practice of discrimination or segregation with reference to the selection, location, number, or use of occupancy by customers, tenants or vendees in the leased premises.

Section 26 Supersedure

This Lease, upon becoming effective, shall supersede any leases or rental agreements heretofore made or issued for the Premises between the City and Lessee.

Section 27 Hazardous and/or Contaminated Soil and Material

Lessee will not place or permit to be placed materials and/or contaminated soils on the premises which under federal, state, or local law, statute, ordinance, or regulations require special handling in collection, storage, treatment, and/or disposal. Lessee also hereby covenants and agrees that, if at any time it is determined there are materials and/or contaminated soils located on the premises which under any environmental requirement require special handling in collection, storage, treatment, or disposal, Lessee shall notify City. Within thirty (30) days after written notice to City or from City, Lessee shall commence to take and thereafter diligently complete, at Lessee's sole expense, such actions as may be necessary to comply with environmental requirements.

Section 28 Law to Govern; Venue

This Agreement is governed by the laws of the State of California. Venue for all actions arising from this Agreement must be exclusively in the North County Division of the San Diego County Superior Court or federal courts located in San Diego County, California.

Section 29 Special Provisions

Lessee hereby acknowledges that Lessee waives all rights to any form of relocation assistance provided for by local, state, or federal law to which Lessee may be entitled by reason of this Lease.

Section 30 Americans with Disabilities Act

It is the duty of the Lessee while operating under this Lease to comply with all local, state, and federal laws, including, but not limited to, the Americans with Disabilities Act and to indemnify City from any violation of any such law. Failure to comply with a

provision of local, state, or federal law is grounds for the Lease Administrator's immediate termination of this Lease.

Section 31 Amendment

This Agreement may not be amended, modified, or supplemented except by a writing executed both Parties.

Section 32 Waiver

No waiver by a Party of any provision of this Agreement shall be considered a waiver of any other provision or any subsequent breach of the same or any other provision. The exercise by a Party of any right or remedy provided in this Agreement or provided by law shall not prevent the exercise by that Party of any other remedy provided in this Agreement or under the law.

IN WITNESS WHEREOF, the parties below are authorized to act on behalf of their organizations, and have executed this Agreement as of the date set forth below.

CITY OF ESCONDIDO

Date:_____

_____
Sam Abed, Mayor

Date:_____

_____
Diane Halverson, City Clerk

HERITAGE DIGITAL ACADEMY

Date:_____

_____
Name

_____
Title

Date:_____

_____
Name

_____
Title

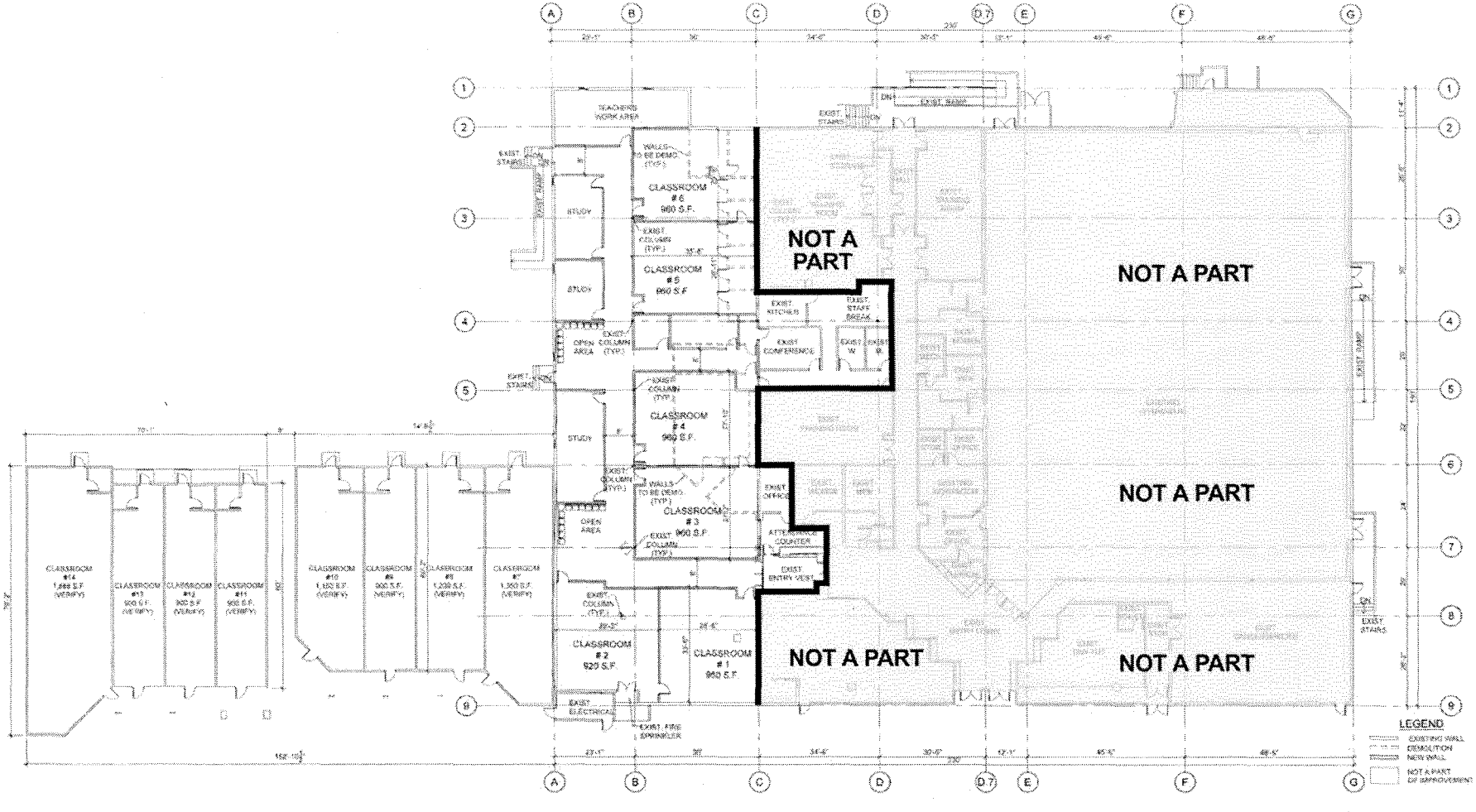
APPROVED AS TO FORM:

OFFICE OF THE CITY ATTORNEY
JEFFREY R. EPP, City Attorney

By: _____

EXHIBIT 'A'

Heritage Digital Academy
Proposed Leased Premises



FLOOR PLAN

ESCONDIDO
City of Choice

CITY COUNCIL

For City Clerk's Use:
☐ APPROVED ☐ DENIED
Reso No. _____ File No. _____
Ord No. _____

Agenda Item No.: 17
Date: May 22, 2013

TO: Honorable Mayor and Members of the City Council

FROM: Ed Domingue, Public Works Director/City Engineer

SUBJECT: Budget Adjustment and Modification to Fund Balance Policy General Fund Reserve to Transfer Funds to the Building Maintenance Operating Budget for Unanticipated Utilities and Repairs to City Facilities

RECOMMENDATION:

Staff is requesting that Council approve a budget transfer from the Building Maintenance Reserve, in the amount of $380,980, and approve Resolution 2013-69 reducing the General Fund Reserve in the amount of $132,550, all for use in this Fiscal Year 2012/13 Building Maintenance Operating Budget.

FISCAL ANALYSIS:

Staff is transferring funds to the Building Maintenance Reserve to augment the existing fund balance using reductions/close outs of General Fund Capital Projects for Building Maintenance. Sufficient funds are currently available within the General Fund Reserve for the remaining requested amount.

PREVIOUS ACTION:

City Council approved the FY 2012/13 Operating Budget on June 13, 2012, which included Building Maintenance.

BACKGROUND:

The Building Maintenance Operating Budget's primary purpose is to address funding for staff, annual obligatory specialty consultants, and expendable supplies (including energy costs) for routine and usually minor/normal maintenance/cleaning needs for all City facilities. Due to the rising age of City facilities, more unanticipated critical repairs are required every year. Critical repairs are those items that directly impact the facilities' ability to support the mission of that facility. Critical repairs do not address deferred maintenance needs. Attached to this report is the list of this year's unanticipated critical repairs.

Staff completed a comprehensive Facilities Assessment Report in early 2008. The purpose of that report was to provide a comprehensive evaluation and assessment of all facilities maintained by the City. With the 2008 report a cost projection was developed to bring the overall condition of all facilities under management by the Community Services Department (currently Public Works) to today's standards for operation (i.e. - improvements that needed to be completed at the time of the

report preparation). With the economic difficulties of the last few years, all critical work has been done, but most of the work outlined within the report has largely been delayed.

This Facilities Assessment Report will be updated to address the current facilities' needs by early 2014 for incorporation into the FY 2015-19 Capital Budget. However, to meet the fiscal requirements of this year $380,980 is proposed to be transferred to the Building Maintenance Fund Balance from the following capital projects:

- Facilities Improvements
- CCAE Improvements
- Jim Stone Pool Improvements
- Library Roof Replacement capital projects

Rising energy costs, coupled with the actual metered usage from the Police and Fire Headquarters building, has also contributed to the depletion of the current fiscal year Operating Budget. The increased expense for this is currently estimated at an additional 30% ($120,000).

The combined expenses of the critical repairs and the additional energy costs have exhausted the existing Building Maintenance Operating Budget. This budget adjustment and modification to the fund balance will provide funding to pay for the unanticipated critical repairs as well as the additional utilities costs through the current fiscal year. Any excess would be returned to the Building Maintenance Fund Balance for use in the following fiscal year.

Respectfully submitted,

Edward N. Domingue, P.E.
Public Works Director/City Engineer

UNANTICIPATED EXPENSES 2012/13 FY

PROJECT	COST	ACCOUNT NUMBER	
Various Rollup Doors & Gate Repairs	$ 36,509	5131	
Auto Door Repair - PACC / Mens Room	$ 1,975	5131	Jul-12
Various Door Repairs - CCAE	$ 20,721	5131	
Emergency Generator Repairs - FireStations/EPD	$ 16,947	5131	
Fire Panel Replacement - CCAE/ Concert Hall	$ 5,656	5125	Sep-12
Door modifications - CCAE/ Salons	$ 8,794	5131	Aug-12
McQuay Firmware /Software Upgrade - PAFH	$ 1,400	5131	Sep-12
Kantech System Batteries /Mother Board - PAFH	$ 3,106	5131	Sep-12
Planter Curb Repairs - City Hall	$ 2,631	5131	Oct-12
P.A. System Repairs - PAFH	$ 1,582	5131	Oct-12
Various Const,. Repairs - Citywide	$ 15,943	5131	
Hot Water Heater - CCAE / Conf Center	$ 4,850	5131	Nov-12
Refrigerator Repair - CCAE. Conf Center	$ 6,973	5131	Nov-12
Recabling - CCAE	$ 15,275	5131	Oct-12
Maple Street Fountain Maintenance	$ 9,543	5131	Sep-11
Card Acess Control - Mathes Center	$ 7,000	5131	Nov-12
HVAC Hot Water Valves Replaced - City Hall	$ 2,556	5131	Nov-12
Emergency Chiller Exhaust Repair - Central Plant	$ 2,109	5131	Nov-12
Replace Expansion Couplings - Central Plant	$ 4,533	5131	Nov-12
Door Replacements - City Hall/Mitchell Room	$ 2,371	5131	Dec-12
Washer Repairs - City Hall	$ 2,354	5131	Nov-12
Elevator Decomissioning - 700 W. Grand	$ 2,585	5131	Nov-12
Elevator Repairs - CCAE / Concert Hall	$ 2,721	5131	Dec-11
Hot Water Heater Control Board - FS# 1	$ 1,259	5131	Jan-13
Pneumatic Switches - City Hall / Chambers	$ 1,327	5131	Jan-13
Anti-graffitti Film -EVCC	$ 3,904	5131	Feb-13
Dimmer Processor Repairs - Comm.Theater	$ 1,405	5131	Feb-13
Jail Door Repair - PAFH	$ 1,508	5131	Feb-13
HVAC Controller - EVCC	$ 1,557	5131	Feb-13
Replace Icemaker w/Pump - Fire Station 7	$ 1,966	5131	Feb-13
State Mandate Elevator Inspection -PAFH	$ 3,780	5131	Feb-13
Various Electrical Repairs - Citywide	$ 5,325	5131	
Roof Replacement - Mountainview	$ 10,930	5131	
Additional HVAC Filter Contract Cost	$ 17,733	5131	
HVAC Valve Repair (3) - CCAE	$ 1,668	5131	Feb-13
Fire Sprinklers Replaced - PAFH /Jail	$ 1,974	5131	Mar-13
Roof Repairs - HARRF	$ 5,590	5131	Mar-13
Replaced Server Room AC Compressor - City Hall	$ 2,905	5131	Apr-13
HVAC Replacement - PW Yard/Water	$ 4,975	5131	Apr-13
Mold Remediation - CCAE/ Comm.Theater	$ 32,000	Pending	
UPS (4) Battery Replacement - PAFH	$ 35,731	Pending	
Plumbing Repairs - Dixon Lake	$ 2,114	5313	Apr-13
HVAC Controls Repair - Fire Station 6	$ 5,000	Pending	
TOTAL	**$ 320,785**		

ESCONDIDO
City of Choice

CITY OF ESCONDIDO

BUDGET ADJUSTMENT REQUEST

Date of Request: 05/15/2013

Department: Public Works

Division: Building Maintenance

Project/Budget Manager: Richard O'Donnell (Name) 4377 (Extension)

Council Date (if applicable): 05/22/2013
(attach copy of staff report)

For Finance Use Only

Log # _____

Fiscal Year _____

_____ Budget Balances
_____ General Fund Accts
_____ Revenue
_____ Interfund Transfers
_____ Fund Balance

Project/Account Description	Account Number	Amount of Increase	Amount of Decrease
CCAE Improvements	651-910202		9,238
Library Roof Project	651-910204		73,000
Jim Stone Pool Improvements	651-910205		33,742
Facility Improvements	651-917301		265,000
Building Maint. CP Fund Bal.	3050-651	380,980	
Professional Services	5131-650-450	393,530	
Utilities	5170-650-450	120,000	
Transfer In	4999-650	132,550	
Transfer Out	5999-001	132,550	
General Fund Reserve	3007-001		132,550
Building Maint. Fund Balance	3050-650		380,980

Explanation of Request:

These transferred funds will be moved into the Building Maintenance operating budget and used to pay utility bills for the remainder of the fiscal year. Additionally, there have been numerous unanticipated repair expenses that have created a shortfall in the operating budget.

APPROVALS

Department Head	5/16/13 Date	City Manager	Date
Finance	5/21/13 Date	City Clerk	Date

Distribution (after approval): Original: Finance

FM\105 (Rev.11/06)

Agenda Item No.: 17
Date: May 22, 2013

RESOLUTION NO. 2013-69R

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ESCONDIDO, CALIFORNIA, MODIFYING THE CITY OF ESCONDIDO FUND BALANCE POLICY GENERAL FUND RESERVE FOR THE PURPOSE OF REPAIRING CITY FACILITIES

WHEREAS, the Governmental Accounting Standards Board ("GASB") has issued its Statement No. 54, Fund Balance Reporting and Governmental Fund Type Definitions, with the intent of improving financial reporting by providing fund balance categories that will be more easily understood; and

WHEREAS, the City Council of the City of Escondido has adopted Resolution No. 2012-151, the Fund Balance Policy; and

WHEREAS, the Fund Balance Policy provides that the City Council may commit funds for specific purposes by taking formal action and these committed amounts cannot be used for any other purpose unless the City Council removes or changes the specific use through the same formal action to establish the commitment; and

WHEREAS, the City Council has determined that the General Fund Reserve balance be established at $14,610,231; and

WHEREAS, on June 13, 2012, the City Council approved the FY 2012-13 and FY 2013/14 Two Year Operating Budget for Building Maintenance; and

WHEREAS, certain unanticipated repairs to city facilities were required this fiscal year; and

WHEREAS, the City Council desires at this time and deems it to be in the best public interest to provide additional funding in the amount of $132,550 for expenses for unanticipated repairs to city facilities; and

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

1. That the above recitations are true.

2. That the City Council hereby establishes and approves the new balance of the General Fund at $14,477,681 as of the date of this Resolution.

3. That $132,550 will be added to the Public Works/Building Maintenance Operating Budget for expenses for unanticipated repairs to city facilities.

FUTURE CITY COUNCIL AGENDA ITEMS
May 16, 2013

AGENDA ITEMS AND COUNCIL MEETING DATES ARE SUBJECT TO CHANGE. CHECK WITH THE CITY CLERK'S OFFICE AT 839-4617

May 29, 2013
NO MEETING (Memorial Day)

JUNE 5, 2013
4:30 p.m.

	CONSENT CALENDAR
	Accept the Regional Fiscal Year 2012 Assistance to Firefighters Grant to Purchase 20 EKG Monitor/Defibrillators and authorize staff to enter into a Memorandum of Understanding (MOU) with the City of San Marcos (M. Lowry) *The Escondido and San Marcos Fire Departments were awarded $766,241 in regional grant funds to purchase 20 heart defibrillators/monitors (EKG). Of the 20 heart monitors, 9 will be transferred to the City of San Marcos while Escondido will keep the remaining 11. The MOU between the two Cities will outline the transfer of equipment and the associated matching share cost. The Federal share is 80% ($612,993) of the approved amount and the City share is 20% ($153,248).*
	Truck Haul Route Ordinance (E. Domingue) *Need Green Sheet*
	Budget Adjustments – City of Escondido Landscape Maintenance District (E. Domingue) *The budget adjustments for LMD Zones 9 and 11 will be used to cover unanticipated increased water use costs in Fiscal Year 2012-2013.*
	Notice of Completion and Deed Restriction for RGP 87 Project (C. McKinney) *The US Army Corps of Engineers, the State Fish and Wildlife and the San Diego Regional Water Quality Control Board required this project to mitigate the impacts of maintenance on the Escondido Land Outfall: A treated wastewater pipeline that runs from Escondido to San Elijo. With the completion of this project and the accompanying deed restriction, the City Utilities Department will now be allowed to maintain the facility.*
	PUBLIC HEARINGS

CURRENT BUSINESS

Update and Policy Direction for Temporary Portable Signs
(B. Redlitz)

Last June, Council adopted zoning code provisions for temporary portable signs (feather flags and A-Frame signs) that included a sunset clause that would automatically extinguish the provisions in one year (June 22, 2013) unless the provisions were extended by Council. This item will provide information regarding staff's experience with these signs over the past year and several options for consideration.

Future Agenda Items (D. Halverson)