



# Council Meeting Agenda

December 7, 2011

CITY COUNCIL CHAMBERS

3:30 p.m. Closed Session; 4:30 p.m. Regular Session  
201 N. Broadway, Escondido, CA 92025

|                                   |   |
|-----------------------------------|---|
| MAYOR                             | <b>Sam Abed</b>   |
| DEPUTY MAYOR                      | <b>Marie Waldron</b>  |
| COUNCIL MEMBERS                   | <b>Olga Diaz</b><br><b>Ed Gallo</b><br><b>Michael Morasco</b> |
| CITY MANAGER                      | <b>Clay Phillips</b>  |
| CITY CLERK                        | <b>Marsha Whalen</b>  |
| CITY ATTORNEY                     | <b>Jeffrey Epp</b>  |
| DIRECTOR OF COMMUNITY DEVELOPMENT | <b>Barbara Redlitz</b>  |
| DIRECTOR OF ENGINEERING SERVICES  | <b>Ed Domingue</b>  |

**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.



# Council Meeting Agenda

December 7, 2011  
3:30 p.m. Meeting

## Escondido City Council Community Development Commission

### CALL TO ORDER

**ROLL CALL:** Diaz, Gallo, Morasco, Waldron, Abed

### ORAL COMMUNICATIONS

At this time the public may comment on items not appearing on the agenda. 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.)

### CLOSED SESSION: (COUNCIL/CDC/RRB)

#### I. CONFERENCE WITH LABOR NEGOTIATOR (Government Code §54957.6)

- a. Agency negotiator: Sheryl Bennett, Clay Phillips  
Employee organization: Police Officers' Association
- b. Agency negotiator: Sheryl Bennett, Clay Phillips  
Employee organization: Escondido Firefighters' Association

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

- a. Property: 272 Via Rancho Parkway, Escondido  
Agency Negotiators: Clay Phillips  
Negotiating parties: City and Westfield Shopping Town, Inc.  
Under negotiation: Price and terms of payment

**ADJOURNMENT**



**December 7, 2011  
4:30 p.m. Meeting**

**Escondido City Council  
Escondido Joint Powers Financing Authority  
Community Development Commission  
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, Morasco, Waldron, Abed

**ORAL COMMUNICATIONS**

At this time the public may comment on items not appearing on the agenda. 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 30 minutes. Any remaining speakers will be heard during Oral Communications at the end of the meeting.*

## 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/CDC/RRB)**
2. **APPROVAL OF WARRANT REGISTER (Council/CDC)**
3. **APPROVAL OF MINUTES:** Regular Meeting of November 2, 2011  
Regular Meeting of November 9, 2011  
Regular Meeting of November 16, 2011
4. **NOTICE OF COMPLETION FOR ESCONDIDO SPORTS CENTER OFFICE EXPANSION** – Request Council authorize staff to file a Notice of Completion for the Escondido Sports Center Office Expansion Project.

Staff Recommendation: Approval (**Engineering Services: Ed Domingue**)

5. **NOTICE OF COMPLETION FOR REPLACEMENT OF LIFT STATION NO. 4** – Request Council authorize the Director of Utilities to file a Notice of Completion for this project.

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

RESOLUTION NO. 2011-121

6. **NOTICE OF COMPLETION FOR MONTVIEW DRIVE WATERLINE BETWEEN DARBY STREET AND ALEXANDER DRIVE** – Request Council authorize the Director of Utilities to file a Notice of Completion for this project.

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

7. **BID AWARD FOR THE 2011 MISCELLANEOUS WATER MAIN REPLACEMENT PROJECT PHASE I** – Request Council authorize the Mayor and City Clerk to execute a Public Improvement Agreement with Shaw Equipment Rentals, Inc. in the amount of \$1,782,000.

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

RESOLUTION NO. 2011-150

8. **AERATION PANEL REPLACEMENT AND UPGRADE** – Request Council authorize the sole source purchase of 360 HIOX@ULTRAFLEX Aeration panels from Parkson Corp. in the amount of \$108,750.

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

RESOLUTION NO. 2011-153

## CONSENT CALENDAR - Continued

9. **AWARD PURCHASE OF FUEL CONTRACT** – Request Council approve the purchase of unleaded fuel from the SOCO Group, Inc. in the amount of \$270,000 for the City's Fleet through a cooperative purchase agreement with the City of San Diego.

Staff Recommendation: Approval **(Community Services Department: Jerry VanLeeuwen)**

10. **ANNUAL FINANCIAL REPORT ON CAPITAL FUNDS FUNDED BY DEVELOPER FEES PER GOVERNMENT CODE SECTION 66006** – Request Council receive the annual report.

Staff Recommendation: Receive and file **(Finance Department: Gil Rojas)**

11. **SUBMISSION OF COMMUNITY DEVELOPMENT COMMISSION ANNUAL REPORTS AS OF JUNE 30, 2011** – Request Council accept the submission of the Community Development Commission Reports as of June 30, 2011.

Staff Recommendation: Receive and file **(Finance Department: Gil Rojas)**

12. **REVISED CITY'S LOCAL LIMITS AND MUNICIPAL CODE CHAPTER 22, ARTICLE 1 AND 3 THROUGH 9** – Request Council approve the adoption of revised local limits for certain wastewater constituents; approve the adoption of a new article pertaining to the collection of brine; and approve certain other updates and clean-up measures to Escondido Municipal Code Chapter 22 to comply with State and Federal regulations governing wastewater operations.

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

ORDINANCE NO. 2011-18 – Introduction and First Reading

13. **ESTABLISHMENT OF REGULAR MEETINGS FOR THE ESCONDIDO JOINT POWERS FINANCING AUTHORITY** – Request Council, acting as the Escondido Joint Powers Financing Authority, establish regular meeting dates.

Staff Recommendation: Approval **(City Attorney's Office: Jeffrey Epp)**

RESOLUTION NO. EJPFA 2011-01

14. **PURCHASE OF EQUIPMENT AND INSTALLATION FOR THIRTEEN (13) POLICE INTERCEPTORS** – Request Council approve the purchase and installation of the safety equipment for thirteen (13) Crown Victoria Patrol cars from American Emergency Products (A.E.P.), formerly Thunder Works of San Diego, as a sole source.

Staff Recommendation: Approval: **(Fleet Services: Rich O'Donnell)**

## CONSENT - RESOLUTIONS AND ORDINANCES (COUNCIL/CDC/RRB)

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

15. **MESSAGE ORDINANCE AMENDMENT** – Approved on November 16, 2011 with a vote of 5/0.

ORDINANCE NO. 2011-17 Second Reading and Adoption

## PUBLIC HEARINGS

16. **PONDEROSA MOBILEHOME PARK SHORT FORM RENT INCREASE APPLICATION** – Request Council grant an increase of 75% of the change in the Consumer Price Index for the period of June 30, 2009 to June 30, 2011 for an average of approximately \$20.32 per space per month.

Staff Recommendation: Approval **(Community Services: Jerry VanLeeuwen)**

RESOLUTION NO. RRB 2011-09

17. **BID AWARD, BUDGET ADJUSTMENT AND AMENDMENT TO FISCAL YEAR 2012-2016 TRANSNET PROGRAM OF PROJECTS FOR MAPLE STREET PEDESTRIAN PLAZA** - Request Council authorize the Mayor and City Clerk to execute an agreement with LB Civil Construction, Inc. in the amount of \$2,369,812 for the Maple Street Pedestrian Plaza project; and approve a budget adjustment in the amount of \$1,637,000 to fund the contract award and construction support costs; and amend the City's Fiscal Year 2012-2016 Local Streets and Roads Program of Projects adding \$813,970 of Local Transnet funding to the Maple Pedestrian Plaza project (ESC27).

Staff Recommendation: Approval **(Engineering Services: Robert Zaino)**

- a. RESOLUTION NO. 2011-142
- b. RESOLUTION NO. 2011-149

18. **STREET VACATION – PORTIONS OF NORTH BROADWAY** – Request Council approve vacating portions of North Broadway.

Staff Recommendation: Approval **(Engineering Services: Debra Lundy)**

RESOLUTION NO. 2011-148

## CURRENT BUSINESS

19. **REPORT ON OUTSOURCING OPPORTUNITIES: CONSIDERATION OF STUDIES ON FUELING SERVICES, STREET SWEEPING AND STREET STRIPING** – Request Council direct staff to issue Request for Proposals for Fueling, Street Sweeping and Street Striping Services. **CONTINUED FROM NOVEMBER 16, 2011**

Staff Recommendation: Provide direction to staff (**Community Services: Jerry VanLeeuwen**)

20. **INDIRECT/DIRECT POTABLE REUSE PROGRAM IMPLEMENTATION STUDY PROGRAM MANAGER** – Request Council authorize the Utilities Department staff to issue a Request for Proposal from consultants for a Program Manager consultant for the Indirect/Direct Potable Reuse Program Implementation Study.

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

RESOLUTION NO. 2011-152

## FUTURE AGENDA

21. **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: Marsha Whalen**)

## ORAL COMMUNICATIONS

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## COUNCIL MEMBERS' COMMITTEE REPORTS/COMMENTS/BRIEFING

## ADJOURNMENT

| UPCOMING MEETING SCHEDULE |            |                  |                 |                  |
|---------------------------|------------|------------------|-----------------|------------------|
| Date                      | Day        | Time             | Meeting Type    | Location         |
| December 14               | Wednesday  | 3:30 & 4:30 p.m. | Council Meeting | Council Chambers |
| December 21               | No Meeting |                  |                 |                  |
| December 28               | No Meeting |                  |                 |                  |
| January 4, 2012           | No Meeting |                  |                 |                  |

## 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. 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.

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.ci.escondido.ca.us/government/agendas/PublishedMeetings.htm>
- 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](http://www.escondido.org), and selecting: City Council/broadcasts of City Council Meetings/live video streaming.

**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 Community Development Commission  
and the Mobilehome Rent Review Board.**

**CITY HALL HOURS OF OPERATION  
Monday-Thursday 7:30 a.m. to 5:30 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 COUNCIL**

For City Clerk's Use:

**APPROVED**       **DENIED**

Reso No. \_\_\_\_\_ File No. \_\_\_\_\_

Ord No. \_\_\_\_\_

**Agenda Item No.:** 4  
**Date:** December 7, 2011

**TO:** Honorable Mayor and Members of the City Council

**FROM:** Edward N. Domingue, Director of Engineering Services  
Dan Higbee, Acting Construction Project Manager

**SUBJECT:** Notice of Completion for Escondido Sports Center Office Expansion Project.

RECOMMENDATION:

It is requested that Council approve and accept the public improvements and authorize staff to file a Notice of Completion for the Escondido Sports Center Office Expansion Project.

FISCAL ANALYSIS:

The contract was awarded to MW Construction, Inc. The total cost of the project was \$191,739.00.

PREVIOUS ACTION:

On April 13, 2011, by Resolution 2011-45, Council awarded the contract to MW Construction, Inc.

BACKGROUND:

The Escondido Sports Center Office Expansion Project includes a 400 square foot expansion of the administration building and a remodel of the existing office area. The remodel includes carpeting, casework and cabinetry, irrigation and landscaping, fencing, storm drain modification and repainting of the existing building in order to upgrade the appearance of the entire facility.

Respectfully submitted,



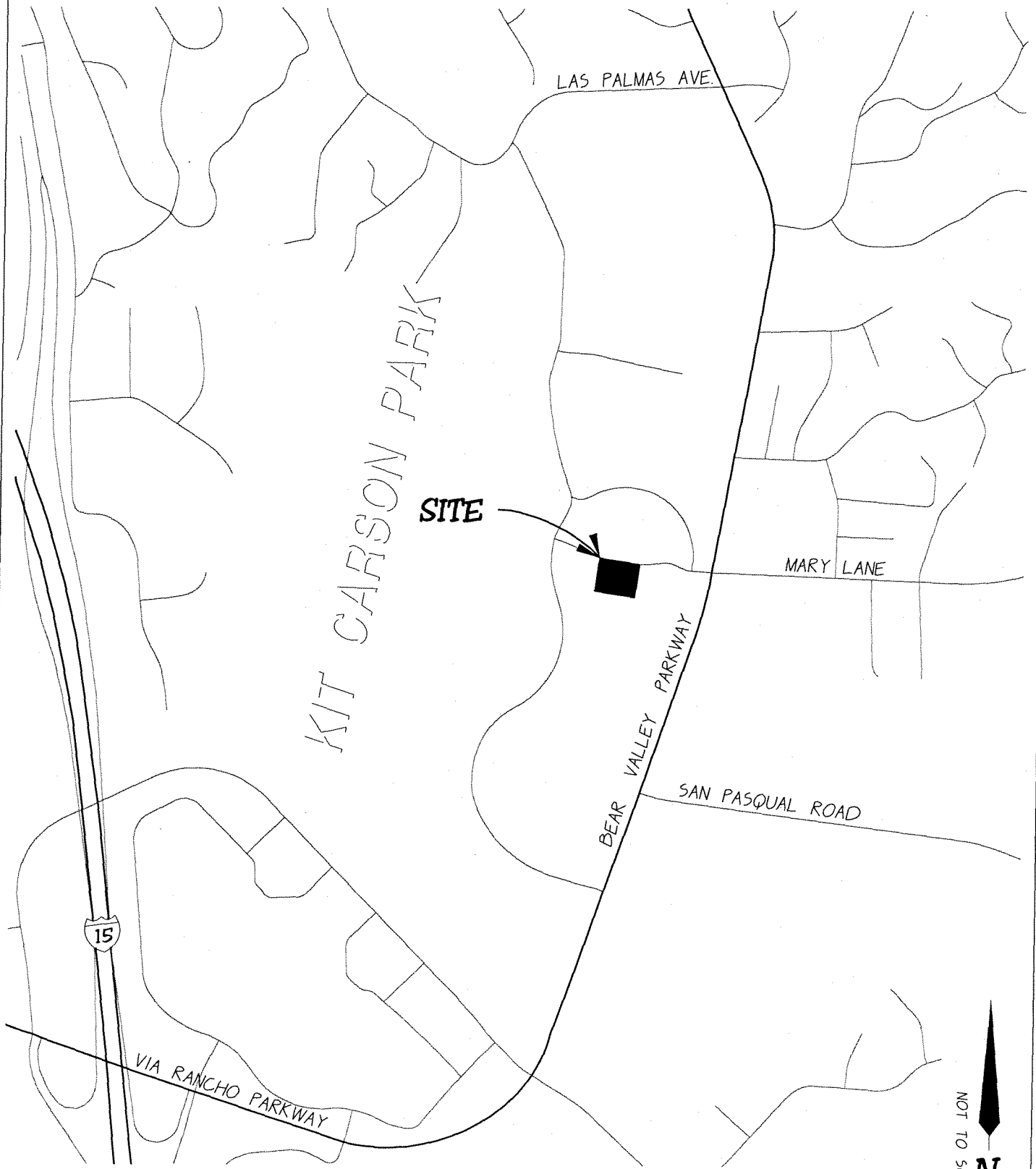
Edward N. Domingue, P.E.  
Director of Engineering Services



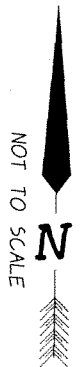
Dan Higbee  
Acting Construction Project Manager



# THE ESCONDIDO SPORTS PARK OFFICE EXPANSION



NOTICE OF COMPLETION  
CITY COUNCIL MEETING 12-07-2011



**CITY OF ESCONDIDO  
November 2, 2011  
3:30 p.m. Meeting Minutes**

**Escondido City Council  
Community Development Commission**

**CALL TO ORDER**

The Regular Meeting of the Escondido City Council and Community Development Commission was called to order at 3:30 p.m. on Wednesday, November 2, 2011 in the Council Chambers at City Hall with Mayor Abed presiding.

**ATTENDANCE**

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

**ORAL COMMUNICATIONS**

**CLOSED SESSION: (COUNCIL/CDC/RRB)**

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

**I. CONFERENCE WITH LABOR NEGOTIATOR (Government Code §54957.6)**

- a. Agency negotiator: Sheryl Bennett, Clay Phillips  
Employee organization: Police Officers' Association
- b. Agency negotiator: Sheryl Bennett, Clay Phillips  
Employee organization: Escondido Firefighters' Association

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

- a. Property: 150 East Valley Parkway  
Agency Negotiator: Debra Lundy  
Negotiating Parties: City and San Diego County Credit Union  
Under Negotiation: Rent Adjustment and Lease Terms

**ADJOURNMENT**

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

\_\_\_\_\_  
MAYOR

\_\_\_\_\_  
ASSISTANT CITY CLERK

\_\_\_\_\_  
MINUTES CLERK

**CITY OF ESCONDIDO**  
**November 2, 2011**  
**4:30 p.m. Meeting Minutes**

**Escondido City Council**  
**Community Development Commission**

**CALL TO ORDER**

The Regular Meeting of the Escondido City Council and Community Development Commission was called to order at 4:30 p.m. on Wednesday, November 2, 2011 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: Councilmember Olga Diaz, Councilmember Ed Gallo, Councilmember Michael Morasco, Deputy Mayor Marie Waldron, and Mayor Sam Abed. Quorum present.

Also present were: Clay Phillips, City Manager; Jeffrey Epp, City Attorney; Barbara Redlitz, Community Development Director; Ed Domingue, Engineering Services Director; Bob Zornado, Assistant City Clerk; and Liane Uhl, Minutes Clerk.

**PRESENTATIONS**

Mayor Abed presented Gil Rojas, Director of Finance with a Certificate of Achievement for Excellence in Financial Reporting.

**ORAL COMMUNICATIONS**

**Bill Durney, Escondido**, asked Council to consider easing the restrictions on sidewalk signs.

**Roy Garrett, Escondido**, requested the City operate the bookmobile and encouraged them to reopen the branch library.

**Avneet Sidhu, Attorney**, distributed information and stated that one of the tow companies the City had awarded a contract was operating with a suspended business license.

**Ivan Briggs, Newhall, CA**, requested Council not remove prevailing wage from the Charter City draft.

## CONSENT CALENDAR

Councilmember Morasco removed item 6 from the Consent Calendar for discussion.

**MOTION:** Moved by Councilmember Gallo and seconded by Councilmember Diaz that the following Consent Calendar items be approved with the exception of item 6. Motion carried unanimously.

1. **AFFIDAVITS OF PUBLICATION, MAILING AND POSTING (COUNCIL/CDC/RRB)**
2. **APPROVAL OF WARRANT REGISTER (Council/CDC)**
3. **APPROVAL OF MINUTES: Regular Meeting of September 28, 2011  
Regular Meeting of October 5, 2011**
4. **FISCAL YEAR 2010-11 US DEPARTMENT OF JUSTICE BULLETPROOF VEST PARTNERSHIP PROGRAM AND BUDGET ADJUSTMENT** – Request Council authorize the Escondido Police Department to accept FY 2010 Bulletproof Vest Partnership Program funds in the amount of \$8,440 from the United States Department of Justice; and authorize the Chief of Police to execute grant documents; and authorize staff to establish budgets to spend funds to purchase body armor for front-line law enforcement. (File No. 0480-70)

Staff Recommendation: Approval (**Police Department: Jim Maher**)

5. **NOTICE OF COMPLETION FOR TRACT 839 EUREKA RANCH PUBLIC IMPROVEMENTS, UNIT 3** – Request Council authorize staff to file a Notice of Completion for the Public Improvements associated with Tract 839 Eureka Ranch, Unit 3. (File No. 0800-10 Tract 839)

Staff Recommendation: Approval (**Engineering Services: Ed Domingue**)

6. **NOTICE OF COMPLETION FOR MERCADO AND GRAND AVENUE LIGHTING PROJECT** – Request Council authorize staff to file a Notice of Completion for Mercado and Grand Avenue Lighting Project. (File No. 0600-10 [A-2992])

Staff Recommendation: Approval (**Engineering Services: Ed Domingue**)

Ed Domingue, Engineering Services Director, asked to remove this item from the agenda.

Councilmember Morasco indicated the project was beautiful but there were two strands of lights out.

**COUNCIL ACTION:** This item was removed from the agenda and not discussed.

7. **DESTRUCTION OF RECORDS** – Request Council authorize the destruction of the listed Police Department Internal Affairs Investigation records and the Police Department Case files listed in Exhibit "A" attached to Resolution No. 2011-136. (File No. 0160-35)

Staff Recommendation: Approval (**City Clerk's Office: Robert Zornado**)

### RESOLUTION NO. 2011-136

8. **STREET VACATION PORTION OF NORTH BROADWAY** – Request Council set a public hearing date of December 7, 2011 at 4:30 p.m., to consider authorizing the vacation of a portion of North Broadway. (File No. 0690-40)

Staff Recommendation: Approval (**Engineering Services: Debra Lundy**)

### RESOLUTION NO. 2011-134

## CONSENT - RESOLUTIONS AND ORDINANCES (COUNCIL/CDC/RRB)

None

## PUBLIC HEARINGS

- 9. DISESTABLISHMENT OF THE DOWNTOWN BUSINESS IMPROVEMENT DISTRICT (BID)**  
– Request Council approve the disestablishment of the Downtown Business Improvement District (BID) and rescind Escondido Municipal Code Chapter 16C. (File No. 0135-10)

Staff Recommendation: Approval (**City Manager's Office: Joyce Masterson and City Attorney's Office: Corrine Neuffer**)

### ORDINANCE NO. 2011-16 Introduction and First Reading

Councilmember Waldron recused herself from the discussion and vote and left the dais.

Joyce Masterson, Assistant to the City Manager, and Corrine Neuffer, Deputy City Attorney, gave the staff report.

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

**John Fitzgerald, Escondido Business Owner**, thanked the Council for disestablishing the BID.

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 Morasco and seconded by Mayor Abed to approve disestablishment of the Downtown Business Improvement District (BID), rescind Escondido Municipal Code Chapter 16C and introduce Ordinance No. 2011-16. Ayes: Abed, Diaz, Gallo and Morasco. Noes: None. Abstain: Waldron. Motion carried.

- 10. MODIFICATION TO A MASTER AND PRECISE DEVELOPMENT PLAN TO ALLOW A CARWASH FACILITY AT AN EXISTING ARCO AM/PM GASOLINE STATION (PHG 11-0007)** – Request Council approve the proposed modification to the Master and Precise Development for a carwash facility. The 1.34-acre site is located on the northeastern corner of El Norte Parkway and Iris Lane, addressed as 450 W. El Norte Parkway. (File No. 0800-40 PHG-11-0007)

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

### ORDINANCE NO. 2011-15 Introduction and First Reading

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.

**Mike Namou, Applicant**, stated they were trying to upgrade their business.

**Bob Faudoa, Project Engineer**, indicated he was available to answer questions.

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 Gallo and seconded by Councilmember Waldron to approve the proposed modification to the Master and Precise Development for a carwash facility and introduce Ordinance No. 2011-15. The 1.34-acre site is located on the northeastern corner of El Norte Parkway and Iris Lane, addressed as 450 W. El Norte Parkway. Motion carried unanimously.

## CURRENT BUSINESS

- 11. CRW SOFTWARE UPGRADE AND ENHANCEMENT** – Request Council approve an agreement with CRW Systems, Inc., in the amount of \$124,000, for the sole source purchase of services and licensing to upgrade software used by the Community Development and Engineering Services Departments for project tracking. (File No. 0600-10 [A-3036])

Staff Recommendation: Approval (**Community Development: Barbara Redlitz and Information Systems: Mark Becker**)

### RESOLUTION NO. 2011-135

Barbara Redlitz, Community Development Director, and Joe Russo, Building Official, gave the staff report and presented a series of slides.

**MOTION:** Moved by Councilmember Diaz and seconded by Councilmember Morasco to approve an agreement with CRW Systems, Inc., in the amount of \$124,000, for the sole source purchase of services and licensing to upgrade software used by the Community Development and Engineering Services Departments for project tracking and adopt Resolution No. 2011-135. Motion carried unanimously.

- 12. CALIFORNIA CENTER FOR THE ARTS, ESCONDIDO BUDGET ADJUSTMENT** – Request Council approve a budget adjustment in an amount up to \$432,000 to pay for expenditures that exceeded revenues from program operations. (File No. 0430-80)

Staff Recommendation: Approval (**Community Services: Jerry VanLeeuwen**)

### RESOLUTION NO. 2011-147

Jerry VanLeeuwen, Community Services Director, introduced California Center for the Arts, Escondido Board Members, Carina Courtright and Jon Teeuwissen, who gave the staff report and presented a series of slides.

**MOTION:** Moved by Councilmember Gallo and seconded by Councilmember Morasco to approve a budget adjustment in an amount up to \$432,000 to pay for expenditures that exceeded revenues from program operations and adopt Resolution No. 2011-147. Motion carried unanimously.

- 13. AMENDMENT NO. 14, 2010 REGIONAL TRANSPORTATION IMPROVEMENT PLAN (RTIP) EAST VALLEY PARKWAY/VALLEY CENTER ROAD (ESC 02A)** – Request Council approve the amendment to the 2010 RTIP for the Bear Valley Parkway/Valley Center Road. (File No. 0145-60)

Staff Recommendation: Approval (**Engineering Services: Ed Domingue**)

### RESOLUTION NO. 2011-132

Ed Domingue, Engineering Services Director, gave the staff report and presented a series of slides.

**MOTION:** Moved by Councilmember Gallo and seconded by Councilmember Morasco to approve the amendment to the 2010 RTIP for the Bear Valley Parkway/Valley Center Road and adopt Resolution No. 2011-132. Motion carried unanimously.

- 14. FINANCIAL STATUS REPORT FOR FISCAL YEAR 2010-11** – A Summary report regarding Fiscal Year ending June 30, 2011; and request Council approve the modification to the City Council Policy on Fund Balances. (File No. 0430-30)

Staff Recommendation: Receive and file (**Finance Department: Gil Rojas**)

#### **RESOLUTION NO. 2011-140**

Gil Rojas, Finance Manager, gave the staff report and presented a series of slides.

**MOTION:** Moved by Councilmember Morasco and seconded by Councilmember Waldron to receive and file a summary report regarding Fiscal Year ending June 30, 2011; approve the modification to the City Council Policy on Fund Balances and adopt Resolution No. 2011-140. Ayes: Abed, Gallo, Morasco and Waldron. Noes: Diaz. Absent: None. Motion carried.

- 15. DOWNTOWN PARKING** – A report on the relaxation of timed parking limits for downtown parking. (File No. 1060-50)

Staff Recommendation: Provide direction to staff (**City Manager's Office: Charles Grimm and Engineering Division: Ed Domingue**)

Charles Grimm, Assistant City Manager, and Ed Domingue, Engineering Services Director, gave the staff report and presented a series of slides.

**COUNCIL ACTION: Council consensus to support continuing the relaxed parking restrictions for one more year and initiate time restrictions for one row in Parking Lot 4.**

### **FUTURE AGENDA**

- 16. 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: Marsha Whalen**)

Councilmember Gallo requested an agenda item considering easing the restrictions on the sign ordinance. The City Manager indicated this would be included when the Council Action Plan was discussed.

Councilmember Diaz asked for an update on relocating the public works facility to the Eureka Springs area.

Councilmember Waldron requested the Maple Street Plaza project be placed on a future agenda.

### **ORAL COMMUNICATIONS**

None



**COUNCIL MEMBERS' COMMITTEE REPORTS/COMMENTS/BRIEFING**

Councilmember Diaz noted she attended the NCTD meeting in October where they discussed modification to scheduling.

Mayor Abed stated the SANDAG EIR report on the Regional Transportation plan was available for Council review and he had attended the 105<sup>th</sup> birthday party for Joe Meyser.

Councilmember Michael Morasco indicated the Dia de los Muertos event was very well attended and the Wedge Wine, Cheese and Beer Festival was scheduled for Saturday from 1:00 p.m-9:00 p.m. on Grand Avenue.

Councilmember Gallo stated that the Tribal Chairman's Report and the Otay Mesa Report was received at the Borders Committee and gave a report on his visit to Austin, Texas.

**ADJOURNMENT**

Mayor Abed adjourned the meeting at 7:33 p.m.

\_\_\_\_\_  
MAYOR

\_\_\_\_\_  
ASSISTANT CITY CLERK

\_\_\_\_\_  
MINUTES CLERK

**CITY OF ESCONDIDO  
November 9, 2011  
3:30 p.m. Meeting Minutes**

**Escondido City Council  
Community Development Commission**

**CALL TO ORDER**

The Regular Meeting of the Escondido City Council and Community Development Commission was called to order at 3:30 p.m. on Wednesday, November 9, 2011 in the Council Chambers at City Hall with Mayor Abed presiding.

**ATTENDANCE**

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

**ORAL COMMUNICATIONS**

**CLOSED SESSION: (COUNCIL/CDC/RRB)**

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

**ITEMS I. a. AND I. b. WERE NOT DISCUSSED**

**I. CONFERENCE WITH LABOR NEGOTIATOR (Government Code §54957.6)**

- a.** Agency negotiator: Sheryl Bennett, Clay Phillips  
Employee organization: Police Officers' Association
- b.** Agency negotiator: Sheryl Bennett, Clay Phillips  
Employee organization: Escondido Firefighters' Association

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

- a. Property: A parcel on the north side of West Valley Parkway  
between City Hall and the California Center for the Arts,  
Escondido, APN#229-372-20
- Agency Negotiator: Charles Grimm
- Negotiating parties: City of Escondido and CW Clark/Robert Green
- Under negotiation: Price and terms of payment

**ADJOURNMENT**

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

\_\_\_\_\_  
MAYOR

\_\_\_\_\_  
ASSISTANT CITY CLERK

\_\_\_\_\_  
MINUTES CLERK

**CITY OF ESCONDIDO**  
**November 9, 2011**  
**4:30 p.m. Meeting Minutes**

**Escondido City Council**  
**Community Development Commission**

**CALL TO ORDER**

The Regular Meeting of the Escondido City Council and Community Development Commission was called to order at 4:30 p.m. on Wednesday, November 9, 2011 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: Councilmember Olga Diaz, Councilmember Ed Gallo, Councilmember Michael Morasco, Deputy Mayor Marie Waldron, and Mayor Sam Abed. Quorum present.

Also present were: Clay Phillips, City Manager; Jeffrey Epp, City Attorney; Barbara Redlitz, Community Development Director; Ed Domingue, Engineering Services Director; Bob Zornado, Assistant City Clerk; and Liane Uhl, Minutes Clerk.

**PROCLAMATIONS**

Mayor Abed introduced Mel Vernon who received a proclamation for National Native American Heritage Day, November 25, 2011.

**ORAL COMMUNICATIONS**

**David Pio, Escondido**, indicated traffic was heavy at the crosswalk near the hospital and asked that a signal be put in.

**Roy Garrett, Escondido**, urged the Council not to give the Padres \$50 million for a ballpark.

## CONSENT CALENDAR

Councilmember Diaz removed items 5 and 6 from the Consent Calendar for discussion.

**MOTION:** Moved by Councilmember Gallo and seconded by Councilmember Diaz that the following Consent Calendar items be approved with the exception of items 5 and 6. Motion carried unanimously.

1. **AFFIDAVITS OF PUBLICATION, MAILING AND POSTING (COUNCIL/CDC/RRB)**
2. **APPROVAL OF WARRANT REGISTER (Council/CDC)**
3. **APPROVAL OF MINUTES: Special and Regular Meetings of October 12, 2011**
4. **AUTHORIZATION TO RE-CHASSIS THREE (3) EXISTING AMBULANCES** – Request Council authorize the purchase of three (3) new 2012 Ford E450 cut-away chassis and refurbish three (3) existing ambulance patient compartments. (File No. 0470-25)

Staff Recommendation: Approval (**Fire Department: Mike Lowry**)

5. **CONSULTING AGREEMENT WITH AECOM FOR MITIGATION PLANNING FOR RGP 87 – SEWER OUTFALL AND BUDGET ADJUSTMENT** – Request Council authorize the Mayor and City Clerk to execute an agreement with AECOM for the preparation of the final mitigation plan document, the mitigation construction drawings and related work required by Regional General Permit (RGP) 87 for the Sewer Outfall Operations and Maintenance Project; and approve a budget adjustment in the amount of \$150,000. (File No. 0600-10 [A-3037])

Staff Recommendation: Approval (**Utilities Division: Craig Wittemore**)

### RESOLUTION NO. 2011-137

Councilmember Diaz Olga asked if land for mitigation was available.

Craig Whittemore, Utilities Division, indicated only the land that was needed was being taken and he wasn't aware of how much land was available.

**MOTION:** Moved by Councilmember Diaz and seconded by Councilmember Waldron to authorize the Mayor and City Clerk to execute an agreement with AECOM for the preparation of the final mitigation plan document, the mitigation construction drawings and related work required by Regional General Permit (RGP) 87 for the Sewer Outfall Operations and Maintenance Project; approve a budget adjustment in the amount of \$150,000 and adopt Resolution No. 2011-137. Motion carried unanimously.

6. **AMENDMENT OF RESOLUTION NO. 2011-44 REGARDING THE CITY'S E-VERIFY POLICY** – Request Council approve a modification of the City's current policy regarding the use of the United States Department of Homeland Security's E-Verify Program in accordance with California Assembly Bill No. 1236 and the Employment Acceleration Act of 2011. (File No. 0680-20)

Staff Recommendation: Approval (**Mayor Sam Abed and Deputy Mayor Marie Waldron**)

### RESOLUTION NO. 2011-141

Councilmember Diaz asked for clarification from the City Attorney.

Jeff Epp, City Attorney, indicated the City couldn't reject a contract because they didn't use E-Verify.

**MOTION:** Moved by Councilmember Morasco and seconded by Councilmember Waldron to approve a modification of the City's current policy regarding the use of the United States Department of Homeland Security's E-Verify Program in accordance with California Assembly Bill No. 1236 and the Employment Acceleration Act of 2011 and adopt Resolution No. 2011-141. Ayes: Abed, Gallo, Morasco and Waldron. Noes: None. Abstain: Diaz. Motion carried.

## **CONSENT - RESOLUTIONS AND ORDINANCES (COUNCIL/CDC/RRB)**

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

7. **DISESTABLISHMENT OF THE DOWNTOWN BUSINESS IMPROVEMENT DISTRICT (BID)**  
– Approved on November 2, 2011 with a vote of 4/0/1, Waldron abstaining. (File No. 0135-10)

### **ORDINANCE NO. 2011-16 Second Reading and Adoption**

8. **MASTER AND PRECISE PLAN MODIFICATION FOR ARCO AM/PM (PHG 11-0007)** –  
Approved on November 2, 2011 with a vote of 5/0. (File No. 0800-40 PHG-11-0007)

### **ORDINANCE NO. 2011-15 Second Reading and Adoption**

## **PUBLIC HEARINGS**

9. **BERNARDO-YOUNG PREZONE AND ANNEXATION CASE NOS. PHG 09-0021, PHG 09-0022 AND ENV 11-0002** – Request Council approve the prezone and annexation into the City of Escondido three unincorporated properties addressed as 2950 Bernardo Avenue, 1029 Vereda Callada and a third unaddressed lot on Bernardo Avenue. (File No. 0850-20)

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

- a. **RESOLUTION NO. 2011-144R**  
b. **ORDINANCE NO. 2011-10 Introduction and First Reading**

Rozanne Cherry, 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.

**Douglas Key, Escondido**, indicated there was a safety issue and requested Council close the property's access to Vereda Callada.

**Leroy Young, Applicant**, explained his request for annexation and urged Council to approve it.

**Jorge Palacios, Applicant's Engineering Representative**, asked Council to approve the annexation without closing the property's access from Vereda Callada.

**Jeff Rautenberg, Escondido**, voiced concern with changes to Vereda Callada if the property's access was not closed and urged Council to approve street improvements in the area.

**Chris Alspaugh, Escondido**, indicated he did not want his property annexed into the City and asked Council to accept staff's recommendation to block the property's access to Vereda Callada.

**Steve Marnella, Escondido**, stated he supported the staff recommendation to close the property's access to Vereda Callada and urged Council to approve the annexation as presented by the staff.

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 Gallo and seconded by Councilmember Morasco to approve the rezoning and annexation into the City of Escondido of three unincorporated properties addressed as 2950 Bernardo Avenue, 1029 Vereda Callada and a third unaddressed lot on Bernardo Avenue, without removing the driveway access to Vereda Callada, adopt Resolution No. 2011-144R and introduce Ordinance 2011-10. Motion carried unanimously.

## CURRENT BUSINESS

- 10. BUDGET ADJUSTMENT FOR PEG FEES** – Request Council authorize a budget adjustment in the amount of \$37,000 to establish a capital project using monies held in a PEG fees deposit account to fund the purchase of equipment necessary to support the City's Government Access (PEG) Channel facilities. (File No. 0430-80)

Staff Recommendation: Approval (**City Manager's Office: Joyce Masterson and Finance Department: Joan Ryan**)

Joyce Masterson, Assistant to the City Manager, and Joan Ryan, Finance Manager, gave the staff report.

**MOTION:** Moved by Councilmember Waldron and seconded by Councilmember Diaz to authorize a budget adjustment in the amount of \$37,000 to establish a capital project using monies held in a PEG fees deposit account to fund the purchase of equipment necessary to support the City's Government Access (PEG) Channel facilities. Motion carried unanimously.

## FUTURE AGENDA

- 11. 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: Marsha Whalen**)

Councilmember Waldron requested that an update on the Maple Street Plaza be placed on a future agenda.

## ORAL COMMUNICATIONS

Ivan Briggs, Newhall, CA, asked Council to consider keeping prevailing wage in the Charter City draft.

## COUNCIL MEMBERS' COMMITTEE REPORTS/COMMENTS/BRIEFING

Councilmember Gallo reported that at the Transnet Regional Planning Meeting smart growth was discussed and listed the Veterans Day events scheduled at Grape Day Park on Saturday.

Councilmember Diaz attended the Escondido Creek Watershed Alliance meeting and noted the San Antonio river walk had similarities to what we would like for our City.

Councilmember Waldron stated that at the Regional Solid Waste Association meeting there was a discussion on a program for business to use recycled materials.

Mayor Abed noted that a Town Hall meeting was scheduled on November 15, 2011 at 4:00 p.m. in the Council Chambers and stated that nominations were being accepted for citizens who had made positive contributions to the City. He also reported on the SANDAG Regional Comprehensive Plan where the need more jobs in North County was discussed.

## ADJOURNMENT

Mayor Abed adjourned the meeting at 6:36 p.m.

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MAYOR

\_\_\_\_\_  
ASSISTANT CITY CLERK

\_\_\_\_\_  
MINUTES CLERK



**CITY OF ESCONDIDO**  
**November 16, 2011**  
**3:30 p.m. Meeting Minutes**

**Escondido City Council**  
**Community Development Commission**

**CALL TO ORDER**

The Regular Meeting of the Escondido City Council and Community Development Commission was called to order at 3:30 p.m. on Wednesday, November 16, 2011 in the Council Chambers at City Hall with Mayor Abed presiding.

**ATTENDANCE**

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

**ORAL COMMUNICATIONS**

**CLOSED SESSION: (COUNCIL/CDC/RRB)**

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

- I. CONFERENCE WITH LABOR NEGOTIATOR (Government Code §54957.6)**
  - a. Agency negotiator: Sheryl Bennett, Clay Phillips  
Employee organization: Police Officers' Association
  - b. Agency negotiator: Sheryl Bennett, Clay Phillips  
Employee organization: Escondido Firefighters' Association
  
- II. CONFERENCE WITH LEGAL COUNSEL--EXISTING LITIGATION (Government Code §54956.9(a) -** Name of case: Sampson v. City of Escondido
  
- III. CONFERENCE WITH REAL PROPERTY NEGOTIATOR (Government Code §54956.8)**
  - a. Property: 455 N. Quince St.  
Agency Negotiators: Debra Lundy  
Negotiating parties: City and Wickline Bedding  
Under negotiation: Terms of Lease

**ADJOURNMENT**

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

\_\_\_\_\_  
MAYOR

\_\_\_\_\_  
DEPUTY CITY CLERK

\_\_\_\_\_  
MINUTES CLERK

**CITY OF ESCONDIDO**  
**November 16, 2011**  
**4:30 p.m. Meeting Minutes**

**Escondido City Council**  
**Community Development Commission**  
**Mobilehome Rent Review Board**

**CALL TO ORDER**

The Regular Meeting of the Escondido City Council, Community Development Commission and Mobilehome Rent Review Board was called to order at 4:30 p.m. on Wednesday, November 16, 2011 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: Councilmember Olga Diaz, Councilmember Ed Gallo, Councilmember Michael Morasco, Deputy Mayor Marie Waldron, and Mayor Sam Abed. Quorum present.

Also present were: Clay Phillips, City Manager; Jeffrey Epp, City Attorney; Barbara Redlitz, Community Development Director; Ed Domingue, Engineering Services Director; Diane Halverson, Deputy City Clerk; and Liane Uhl, Minutes Clerk.

**ORAL COMMUNICATIONS**

**Avneet Sidhu, Attorney**, indicated that Roadway Auto Towing was working without a current motor carrier permit.

**Roy Garrett, Escondido**, stated recreation services were needed to keep kids out of trouble.

**CONSENT CALENDAR**

Councilmember Gallo removed item 4 and Councilmember Morasco removed item 8 from the Consent Calendar for discussion.

**MOTION:** Moved by Councilmember Waldron and seconded by Councilmember Diaz that the following Consent Calendar items be approved with the exception of items 4 and 8. Motion carried unanimously.

1. **AFFIDAVITS OF PUBLICATION, MAILING AND POSTING (COUNCIL/CDC/RRB)**
2. **APPROVAL OF WARRANT REGISTER (Council/CDC)**
3. **APPROVAL OF MINUTES: None Scheduled**
4. **TREASURER'S INVESTMENT REPORT FOR THE THIRD QUARTER ENDED SEPTEMBER 30, 2011** – Request Council receive and file the Quarterly Investment Report. (File No. 0490-55)

Staff Recommendation: Receive and file (**City Treasurer's Office: Kenneth Hugins**)

Councilmember Gallo noted the change in the investment percentage from 4.2 to 1.98.

**MOTION:** Moved by Councilmember Gallo and seconded by Councilmember Diaz to receive and file the Quarterly Investment Report. Motion carried unanimously.

5. **CALPERS INDUSTRIAL DISABILITY RETIREMENT OF DOUGLAS SAMS** – Request Council approve the Industrial Disability Retirement of Police Sergeant Douglas Sams. (File No. 0170-57)

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

**RESOLUTION NO. 2011-138**

6. **CALPERS INDUSTRIAL DISABILITY RETIREMENT OF DONALD TULIMERO** – Request Council approve the Industrial Disability Retirement of Police Officer Donald Tulimero. (File No. 0170-57)

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

**RESOLUTION NO. 2011-139**

7. **FOURTEENTH AMENDMENT TO FRANCHISE AGREEMENT WITH ESCONDIDO DISPOSAL (EDI) FOR ANNUAL CPI INCREASE TO SOLID WASTE AND RECYCLING RATES AND FEES FOR RESIDENTIAL AND COMMERCIAL COLLECTIONS** – Request Council authorize the Mayor and City Clerk to execute a Fourteenth Amendment to the Franchise Agreement with Escondido Disposal to revise the rates for Residential and Commercial Solid Waste and Recycling Services. Effective January 1, 2012, a 1.29% increase would apply to all residential collection services and a 0.895% increase would apply to all commercial collection services. (File No. 0600-10 [A-2340])

Staff Recommendation: Approval (**Community Services/Recycling: Jerry VanLeeuwen and Kathy Winn**)

**RESOLUTION NO. 2011-143**

8. **NATIONAL POLLUTANT DISCHARGE ELIMINATION SYSTEM (NPDES) GENERAL PERMIT FOR STORM WATER CONSTRUCTION DISCHARGES (ORDER NO. 2009-0009-DWQ) – DESIGNATION OF LEGALLY RESPONSIBLE PERSON (LRPs) FOR THE CITY OF ESCONDIDO** – Request Council designate the Legally Responsible Person(s) (LRP) to certify reports and other submissions required by the 2010 General Construction Permit. (File No. 1350-10)

Staff Recommendation: Approval (**Engineering Services: Ed Domingue**)

**RESOLUTION NO. 2011-145**

Councilmember Morasco asked if this designation streamlined the process.

Ed Domingue, Engineering Services Director, indicated this was to insure that multiple people could submit the reports so that we don't fail in submitting the reports on a timely basis.

**MOTION:** Moved by Councilmember Morasco and seconded by Councilmember Waldron to designate the Legally Responsible Person(s) (LRP) to certify reports and other submissions required by the 2010 General Construction Permit. Motion carried unanimously.

## **CONSENT - RESOLUTIONS AND ORDINANCES (COUNCIL/CDC/RRB)**

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

9. **BERNARDO-YOUNG PREZONE AND ANNEXATION CASE NOS. PHG 09-0021, PHG 09-0022 AND ENV 11-0002** – Approved on November 9, 2011 with a vote of 5/0. (File No. 0850-20)

**ORDINANCE NO. 2011-10 Adoption and 2<sup>nd</sup> Reading**

## **PUBLIC HEARINGS**

10. **GREENCREST MOBILEHOME PARK SHORT-FORM RENT INCREASE APPLICATION** – Request Council approve an increase of 75% of the change in the Consumer Price Index, an average of \$10.10, for the period of June 30, 2010 to June 30, 2011. (File No. 0697-20-9817)

Staff Recommendation: Approval (**Community Services: Jerry VanLeeuwen**)

### **RESOLUTION RRB 2011-08**

Michelle Henderson, Housing 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.

**Jim Younce, Owner's Representative**, explained the trash pick-up and fire lane towing schedules.

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 Gallo and seconded by Councilmember Waldron to approve an increase of 75% of the change in the Consumer Price Index, an average of \$10.10, for the period of June 30, 2010 to June 30, 2011 and adopt Resolution No. RRB 2011-08. Motion carried unanimously.

## CURRENT BUSINESS

- 11. FAÇADE AND PROPERTY IMPROVEMENT PROGRAM BUDGET ADJUSTMENT** – Request Council modify the Fund Balance Policy and authorize a budget adjustment in the amount of \$500,000 from the General Fund Economic Development Commitment Fund to the Façade and Property Improvement Account to provide matching grants for commercial property façade improvements. (File No. 0430-80)

Staff Recommendation: Approval (**City Manager's Office: Joyce Masterson and Community Development/Planning: Rozanne Cherry**)

### RESOLUTION NO. 2011-146

Joyce Masterson, Assistant to the City Manager, gave the staff report.

**MOTION:** Moved by Councilmember Gallo and seconded by Councilmember Morasco to modify the Fund Balance Policy and authorize a budget adjustment in the amount of \$500,000 from the General Fund Economic Development Commitment Fund to the Façade and Property Improvement Account to provide matching grants for commercial property façade improvements. Motion carried unanimously.

- 12. REPORT ON OUTSOURCING** – Report on outsourcing the City of Escondido's Fueling, Street Sweeping and Street Striping services. (File No. 0110-20)

Staff Recommendation: Provide direction to staff (**Community Services: Jerry VanLeeuwen**)

Jerry Van Leeuwen, Community Services Director, gave the staff report and presented a series of slides.

### ITEM 12 WAS CONTINUED TO THE DECEMBER 7, 2011 MEETING

- 13. MESSAGE ORDINANCE** – Request Council approve the licensing and operational changes to the existing massage ordinance, by recognizing the California Massage Therapy Council as the governing body for state licensing requirements. (File No. 0680-10)

Staff Recommendation: Approval (**Police Department: Cory Moles**)

### ORDINANCE NO. 2011-17 Introduction and First Reading

Assistant Police Chief Cory Moles and Police Lieutenant Chris Wynn gave the staff report and presented a series of slides.

**MOTION:** Moved by Councilmember Gallo and seconded by Councilmember Diaz to approve the licensing and operational changes to the existing massage ordinance, by recognizing the California Massage Therapy Council as the governing body for state licensing requirements and introduce Ordinance No. 2011-17. Motion carried unanimously.

## **FUTURE AGENDA**

- 14. 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: Marsha Whalen**)

## **ORAL COMMUNICATIONS**

None

## **COUNCIL MEMBERS' COMMITTEE REPORTS/COMMENTS/BRIEFING**

Councilmember Gallo stated that North County Transit District was sponsoring the Santa Coaster on December 3, 2011. Two trains were running at 10:00 a.m. and 1:00 p.m. for \$6 per person. He also asked that the gnat problem in the North County be addressed.

Mayor Abed indicated he had been nominated by the North County Mayors as alternate for the LAFCO Board and read comments regarding the previous evening's town hall meeting.

## **ADJOURNMENT**

Mayor Abed adjourned the meeting at 5:56 p.m.

\_\_\_\_\_  
MAYOR

\_\_\_\_\_  
DEPUTY CITY CLERK

\_\_\_\_\_  
MINUTES CLERK

**CITY COUNCIL**

For City Clerk's Use:

**APPROVED**       **DENIED**

Reso No. \_\_\_\_\_ File No. \_\_\_\_\_

Ord No. \_\_\_\_\_

**Agenda Item No.:** 5  
**Date:** December 7, 2011

**TO:** Honorable Mayor and Members of the City Council  
**FROM:** Christopher W. McKinney, Director of Utilities  
**SUBJECT:** Notice of Completion for Lift Station No. 4 Replacement

RECOMMENDATION:

It is requested that Council adopt Resolution No. 2011-121 and authorize the Director of Utilities to file a Notice of Completion for the Lift Station No. 4 Replacement Project.

FISCAL ANALYSIS:

Funds were budgeted in the 08/09 Wastewater Capital Improvement Program. Final construction cost: \$1,009,066.55. A number of contract changes due to underground rock, groundwater, and differing site conditions resulting in a 10% increase in construction costs, were required to complete this very difficult project.

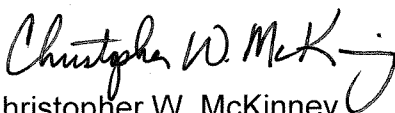
PREVIOUS ACTION:

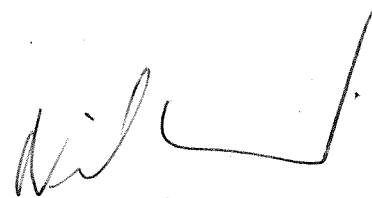
On February 4, 2010, Council approved the bid award of \$918,857 to Shaw Equipment Rentals Incorporated with Resolution 2010-20.

BACKGROUND:

Wastewater Lift Station No. 4 serves most of the Escondido Country Club area. This project replaced the old lift station which had come to the end of its useful service life.

Respectfully submitted,

  
Christopher W. McKinney  
Director of Utilities

  
Neil Greenwood  
Utilities Construction Project Manager



## RESOLUTION NO. 2011-121

A RESOLUTION OF THE CITY COUNCIL OF  
THE CITY OF ESCONDIDO, CALIFORNIA,  
TO APPROVE THE FILING OF A NOTICE OF  
COMPLETION FOR REPLACEMENT OF LIFT  
STATION NUMBER FOUR PROJECT

WHEREAS, the improvements made to the Wastewater Lift Station Number Four provided for a complete replacement of the old lift station for the City of Escondido Utilities; and

WHEREAS, the City of Escondido Staff and the Director of Utilities deems the filing of the Notice of Completion to be valid and recommends approval; and

WHEREAS, the City Council desires at this time and deems it to be in the best public interest to approve the filing of the Notice of Completion;

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 accepts the recommendation of the Director of Utilities.
3. That the City Council of the City of Escondido hereby approve the request to file the Notice of Completion for the Lift Station Number Four Replacement Project.

**CITY COUNCIL**

For City Clerk's Use:

**APPROVED**       **DENIED**

Reso No. \_\_\_\_\_ File No. \_\_\_\_\_

Ord No. \_\_\_\_\_

**Agenda Item No.:** 6  
**Date:** December 7, 2011

**TO:** Honorable Mayor and Members of the City Council  
**FROM:** Christopher W. McKinney, Director of Utilities  
**SUBJECT:** Notice of Completion for Montview Drive Waterline between Darby Street and Alexander Drive

RECOMMENDATION:

It is requested that Council authorize the Director of Utilities to file a Notice of Completion for the Montview Drive Waterline between Darby Street and Alexander Drive.

FISCAL ANALYSIS:

This project was funded out of CIP line item 704003, water pipeline replacement bond money. Final construction cost was \$89,892.00. The work was completed for less than the contract amount because one of the appurtenances in the design turned out to be not required.

PREVIOUS ACTION:

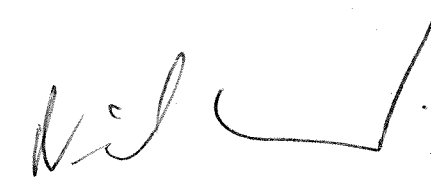
On March 23, 2011, Council approved the bid award of \$94,998.00 to Julian Backhoe with Resolution 2011-39.

BACKGROUND:

This project closed a gap in the water distribution system. Previously, houses in this block received water service via private water easements running through back yards. The private water services have been a problem over the years and a source of water leaks and customer complaints. The new pipeline provides improved water circulation and fire-flow in the area and ties into the recent water main replacement projects in the Alexander area.

Respectfully submitted,

  
Christopher W. McKinney  
Director of Utilities

  
Neil Greenwood  
Utilities Construction Project Manager

# CITY COUNCIL

For City Clerk's Use:

**APPROVED**       **DENIED**

Reso No. \_\_\_\_\_ File No. \_\_\_\_\_

Ord No. \_\_\_\_\_

**Agenda Item No.:**   7    
**Date:** December 7, 2011

**TO:** Honorable Mayor and Members of the City Council  
**FROM:** Christopher W. McKinney, Director of Utilities  
**SUBJECT:** Bid Award for the 2011 Miscellaneous Water Main Replacement Project Phase I

RECOMMENDATION:

It is requested that Council adopt Resolution No. 2011-150 authorizing the Mayor and City Clerk to execute an agreement with Shaw Equipment Rentals Incorporated in the amount of \$1,782,000 for the 2011 Miscellaneous Water Main Replacement Project Phase I.

FISCAL ANALYSIS:

Competitive bids were opened by the City Clerk's representative on October 27, 2011, with the following results:

|   |                |
|---|----------------|
| 1) Shaw Equipment Rentals Inc., San Marcos              | \$1,782,000.00 |
| 2) Southland Paving Inc., Escondido                     | \$1,974,990.00 |
| 3) Garcia Juarez Construction, Brea                     | \$2,088,000.00 |
| 4) TE Roberts Inc., Tustin                              | \$2,091,000.00 |
| 5) L&S Construction, Orange                             | \$2,095,000.00 |
| 6) JR Pipeline Company Inc., Perris                     | \$2,195,000.00 |
| 7) Basile Construction Inc., San Diego                  | \$2,337,195.53 |
| 8) DDH Apple Valley Construction Co. Inc., Apple Valley | \$2,345,400.00 |
| 9) Burtech Pipeline Inc., Encinitas                     | \$2,537,000.00 |
| 10) JA Salazar Construction, La Habra                   | \$2,610,000.00 |
| 11) CCL Contracting, Escondido                          | \$2,639,000.00 |
| 12) Downing Construction Inc., Yucaipa                  | \$2,886,337.00 |
| 13) Lonerock Inc., Laguna Hills                         | \$3,480,000.00 |
| 14) Don Hubbard Contracting Company, San Marcos         | \$4,090,250.00 |

This project is funded out of CIP line item 704003, water pipeline replacement bond money.

December 7, 2011

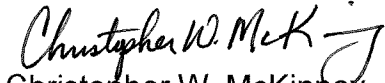
Bid Award 2011 Miscellaneous Water Main Replacement Project Phase I

Page 2

BACKGROUND:

This Project will remove and replace approximately 2-miles of old water mains in various locations throughout the northern part of Escondido. These various water mains were installed in the 1950's and have had numerous leaks and repairs. This Project will provide improved water main reliability and fire flow in the area.

Respectfully submitted,



Christopher W. McKinney  
Director of Utilities

## RESOLUTION NO. 2011-150

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 SHAW EQUIPMENT RENTALS INCORPORATED, FOR THE CONSTRUCTION OF THE 2011 MISCELLANEOUS WATER MAIN REPLACEMENT PROJECT PHASE I

WHEREAS, the Escondido City Council authorized an invitation for bids for the construction of the 2011 Miscellaneous Water Main Replacement Project Phase I (the "Project"); and

WHEREAS, the City of Escondido opened sealed bids for the Project on October 27, 2011; and

WHEREAS, the Director of Utilities has determined Shaw Equipment Rentals Incorporated to be the lowest responsive and responsible bidder and recommends awarding the bid in the amount of \$1,782,000 to Shaw Equipment Rentals 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 Shaw Equipment Rentals 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 Shaw Equipment Rentals 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 Shaw Equipment Rentals 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 **Shaw Equipment Rentals Incorporated** (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

### 2011 MISCELLANEOUS WATER MAIN REPLACEMENT PROJECT PHASE I

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 **One Million Seven Hundred Eighty Two Thousand Dollars (\$1,782,000)**.
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 **two hundred sixty (260) 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





- (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. 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:
  - (a) 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**.
  - (b) Course of Construction / Builder's Risk Insurance. See Article 5.2 of General Conditions.
  - (c) 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:
    - (1) Automotive and truck where operated in amounts as above
    - (2) Material hoist where used in amounts as above
  - (d) Workers' Compensation Insurance.
  - (e) 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.
- (f) 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. This Agreement is subject to California Public Contract Code Section 22300, which permits the substitution of securities for any monies withheld by the City under this Agreement, and permits the CONTRACTOR to have all payments of earned retentions by the City paid to an escrow agent at the expense of the CONTRACTOR.
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 included in the definition set forth in the General Conditions made a part hereof.

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: \_\_\_\_\_  
Marsha Whalen, City Clerk

By: \_\_\_\_\_  
Sam Abed, Mayor

APPROVED AS TO FORM:

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

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

**CONTRACTOR**

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

By: \_\_\_\_\_  
Signature\*

\_\_\_\_\_  
Print Name

\_\_\_\_\_  
Print Name

\_\_\_\_\_  
Title

\_\_\_\_\_  
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,

### 2011 MISCELLANEOUS WATER MAIN REPLACEMENT PROJECT PHASE I

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,

**2011 MISCELLANEOUS WATER MAIN REPLACEMENT PROJECT PHASE I**

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

**CITY COUNCIL**

For City Clerk's Use:

**APPROVED**       **DENIED**

Reso No. \_\_\_\_\_ File No. \_\_\_\_\_

Ord No. \_\_\_\_\_

**Agenda Item No.:** 8  
**Date:** December 7, 2011

**TO:** Honorable Mayor and Members of the City Council  
**FROM:** Christopher W. McKinney, Director of Utilities  
Dennis Sperino, Deputy Director of Utilities, Wastewater  
**SUBJECT:** AERATION PANEL REPLACEMENT / UPGRADE

RECOMMENDATION:

The Utilities Department requests that Council adopt Resolution No. 2011-153 authorizing purchase of 360 HIOX® ULTRAFLEX AERATION PANELS, Model 4x12. This will be a sole source purchase of proprietary equipment from Parkson Corporation totaling \$108,750.00.

FISCAL ANALYSIS: N/A

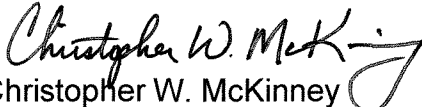
Sufficient funds are available in CIP 800 289 - Wastewater Major Maintenance Project.

PREVIOUS ACTION: None

BACKGROUND:

This requested purchase will allow replacement of all aeration panels currently installed at the Hale Avenue Resource Recovery Facility (HARRF). The panels are no longer covered by warranty. The failure rate of the installed equipment is higher than anticipated for panels installed in 2008. Parkson Corporation investigated these failures, and identified materials and manufacturing methods to produce a more resilient product. Replacing the failing panels and upgrading to panels with a longer useful life will ensure the HARRF continues to meet NPDES Permit Requirements. Installation of this equipment will improve operational reliability of the aeration system for five to seven years. The high rate of failure allowed staff to negotiate with Parkson for no cost installation, operations and maintenance training, and future replacement installations training as required.

Respectfully submitted,

  
Christopher W. McKinney  
Director of Utilities



1401 West Cypress Creek Road  
Fort Lauderdale FL 33309-1969

Phone 954.974.6610  
Fax 954.974.6182

November 8, 2011

Jim Lazalere  
City of Escondido, CA  
Hale Avenue Resource Recovery Facility (HARRF)  
1521 South Hale Avenue  
Escondido, CA 92029

Reference: HiOx<sup>®</sup> Panels

Dear Mr. Lazalere:

---

Parkson Corporation is the manufacturer of the existing aeration panels (HiOx) currently installed at the Hale Avenue Resource Recovery Facility. The proposed replacement panels will be able to utilize the existing piping system and hoses.

Parkson Corporation is the sole source manufacturer and distributor of the above mentioned aeration panels. The Coombs-Hopkins Company is Parkson's exclusive sales agent in California.

If you have any questions please do not hesitate to call.

Sincerely,

PARKSON CORPORATION

A handwritten signature in black ink, appearing to read "Vipin Lillaney", is written over a faint, larger version of the signature.

Vipin Lillaney  
HiOx<sup>®</sup> Product Manager

Cc: Steve Young, Matt Rebmann (Coombs-Hopkins Company)



Fort Lauderdale ♦ Chicago ♦ Montreal ♦ Dubai

www.parkson.com  
technology@parkson.com

# Quotation

NUMBER: 600244 –Rev 2

DATE: October 26, 2011

June 28th, 2011

TO: Jim Larzalere  
Operation Supervisor  
City of Escondido, CA

REF.: Aeration Panel Replacement at the  
Hale Avenue RRF  
City of Escondido, CA  
**Specification Section: 11010**  
Aeration System

---

Parkson Corporation is pleased to provide this quotation for the following:

**ITEM 1 SERVICES, as GOODWILL (i.e. No charge)**

**1.A Panel Replacement Service:**

Parkson Corporation will provide one factory representative for supervision and assistance along with a crew of 3-4 people assisting in removal and installation of the replacement panels. Parkson Corporation will provide a crane and have the old panels removed from the site. Parkson will install all the new panels.

**1.B Training on installation, replacement, maintenance, flexing and start-up of panels:**

Parkson field service representative will train the Escondido operator on installation, replacement and startup/shutdown procedures of HiOx panels.

In addition Parkson will conduct operator training to include HiOx panel maintenance and flexing procedures for optimum performance.

**1.C Disposal of panels:**

Parkson will dispose all the old panels removed from the basins for replacement.

**1.D Mechanical Warranty:**

See Section XVI on the attached Standard Conditions of Sale.

Please note that our warranty is based upon compliance with all Parkson instructions regarding unloading, storage, installation and maintenance.



**ITEM 2 A TOTAL OF 360 HIOX® ULTRAFLEX AERATION PANELS, MODEL 4 X 12 FT (Parkson reference #600244) Pricing included below**

**2.A Equipment Description/Materials of Construction:**

1. The HiOx UltraFlex Aeration Panel is an ultra-fine bubble aeration system.
2. Each HiOx Aeration Panel will have a punched polyurethane membrane RF welded to a nylon-reinforced two-ply polyurethane base. Additional fasteners, supports and anchors will be 304 stainless steel, if needed. Each HiOx Aeration Panel has a schedule 40 PVC header which is attached to the two feed nozzles of the Aeration Panel and consists of two (2) pipe sections inserted in the two feed nozzles, two (2) 90 degree elbows, two (2) straight pipe sections connected to these two elbows and one (1) tee. This header will be completely assembled. The tee would be adjusted to obtain the proper feed orientation, after the tee there will be one (1) straight pipe section, which will be inserted on site into the flexible hose using silicon and two clamps to prevent any leaking. The tee and last straight pipe section shall be glued at the site.
3. All the existing anchor rods, ball valves, adapters, hoses, PE pipe and pipe supports will be re-used.
4. Anchor bolt caps will be provided for safety reasons.
5. A supply of spare nuts, washers, clips and clamps will be provided.
6. 5% spare panels will be provided.

**PURCHASE PRICE:**  
 All of the above for ..... \$100,000.00 USD  
 F.O.B. Point of Manufacture, freight included, taxes excluded.

**VALIDITY:**  
 Purchase Price is valid for thirty (30) calendar days from Quotation date, for shipment of Equipment within the timetable stated below.

**PAYMENT TERMS:**  
 90% net 30, 10% upon startup, not to exceed 180 days after shipment

**TIMETABLE GUIDELINE:**

**Shipment Phase:** The HiOx panels will be shipped for 1 basin (72 panels) at a time with the first shipment 12 weeks after receipt of Purchase Order.

**HiOx Panel Replacement Phase:** The HiOx panels will be installed 1 basin at a time with 1- 2 months of gap in between installations. Basin 3 will be installed with replacement panels before Feb 10th, 2012.

**Dates are subject to confirmation upon receipt of written Purchase Order.**

**TERMS AND CONDITIONS:**

1. Parkson's Standard Conditions of Sale, as stated on the attached, shall apply.



- 2. The City of Escondido will be named as "also ensured" on Parkson insurance policies.

**PATENTS:**

The Equipment and/or process quoted herein may operate under one or more U.S. patents. The Purchase Price includes a one-time royalty payment (if any), which provides the Buyer with immunity to operate the Equipment specified in the Quotation under any applicable patents.

**BUYER/OWNER RESPONSIBILITY:**

- All above basin air header piping, valves, and supports, except as noted above.
- Unloading and uncrating. Installation will, at minimum, require a forklift and possibly a crane/hoist (crane by Parkson).
- Readiness of the Equipment and basins before requesting replacement service. Non-readiness may incur additional charges.
- Draining of the basins.
- Cleaning of the basin floor after draining.
- Filling the basins with clean or sludge water.
- Operation of valves and gates.
- Compatibility of Equipment materials of construction with process environment.
- Electrical connection and interconnecting wiring.
- Interconnecting piping.
- Piping connections, platforms, gratings and railings unless stated otherwise.
- Any other auxiliary equipment or service not detailed above.

Please return one signed copy of this Quotation, or your Purchase Order, to Parkson Corporation at the address below. Refer to this Quotation, date, and related correspondence.

**Issued By:**

**PARKSON CORPORATION**  
1401 West Cypress Creek Road  
Fort Lauderdale, FL 33309-1969

**Accepted By:** (Herein called the Buyer)

Name: Vipin Lillaney  
Title: HiOx Product Manager  
Date: June 28<sup>th</sup>, 2011

Name  
Title:  
Date:

Enclosures: Standard Conditions of Sale  
Matt Rebmann  
The Coombs-Hopkins Company  
5411 Avenida Encinas, Suite 250  
Carlsbad, CA 92008  
760/931-0555 ext. 107 (office)  
760/579-9411 (cell)



QUOTATION NO. 600224 **Error! Reference source not found.**, Page 4

cc: Steve Young, Regional Manager, Parkson

HiOx Ultraflex Aeration Panel 4/13/10 Supersedes 3/19/09



## Standard Conditions of Sale

**I. GENERAL:** All references to Parkson (or any derivative thereof) shall mean Parkson Corporation and all references to Buyer shall mean the customer named in a purchase order, quotation or proposal (collectively referred to herein as "quotation"). All quotations from Parkson shall be considered solicitations of offers and all purchase orders placed by Buyer shall be considered offers, which can only be accepted in writing by Parkson. Buyer shall either sign Parkson's quotation, or in the alternative, issue a non-conflicting purchase order containing necessary information, such as site name, price schedule, type and quantity of product, requested delivery date and delivery instructions. Parkson hereby objects to and rejects any and all additional or different terms proposed by Buyer, whether contained in Buyer's request for quotation, purchase order, purchasing or shipping release forms. Notwithstanding any terms or conditions that may be included in Buyer's purchase order form or other communications, Parkson's acceptance is conditional upon Buyer's assent to the terms and conditions set forth herein. It is agreed that sales are made only on the terms and conditions herein and any other terms or conditions shall not become a part of the agreement unless expressly agreed to in writing by Parkson. Parkson's failure to object to any terms or conditions contained in Buyer's purchase order or other communication shall not be deemed to be acceptance of such terms or conditions. These terms and conditions shall be deemed incorporated (as though set forth in full) into any agreement entered into between Parkson and Buyer unless otherwise noted in writing. Parkson reserves the right, without any increase in price, to modify the design and specifications of Parkson products, provided that the modification does not adversely affect the original performance specifications as specified by Parkson or as requested by Buyer. Shipments, deliveries and performance of work shall at all times be subject to the approval of Parkson's Credit Department. Parkson may at any time decline to make any shipment or delivery or perform any work except upon receipt of payment or security or upon terms and conditions satisfactory to Parkson.

**II. PRICES, TERMS OF PAYMENT & TAXES:** (a) **PRICES:** Unless expressly stated to be firm for a definite period, Parkson's offers are subject to change without notice, and in all cases are subject to withdrawal at any time before acknowledgment by Buyer. Quoted prices are firm for only thirty (30) days. Orders placed after thirty (30) days are subject to price increases in Parkson's sole discretion. Prices on acknowledged orders are firm for the agreed upon delivery time. Customer requests to extend originally agreed upon delivery date(s) will be subject to price escalation. If a price is stated in the quotation, it is based upon shipment of the quantities and quality requested by Buyer and on the basis of Parkson's internal delivery schedule at the time of preparation of said quotation. (b) **TERMS OF PAYMENT:** Payments against invoices shall be due and payable thirty (30) days from the date of delivery to a carrier, or upon receipt of an invoice from Parkson, whichever first occurs. If in Parkson's opinion, Buyer's financial condition does not justify continuation of production or shipment on the terms of payment specified, Parkson may, upon written notice to Buyer, cancel or suspend any outstanding order or part thereof, unless Buyer shall promptly pay for all goods delivered or shall make advance payments to Parkson as it, at its option, shall determine. If Buyer delays shipment for any reason, date of readiness for shipment shall be deemed to be the date of shipment for payment purposes. If Buyer delays manufacture for any reason, a payment shall be made based on purchase price and percentage of completion, with the balance payable in accordance with the terms as stated. If payments are not made in conformance with the terms stated herein, the contract price shall, without prejudice to Parkson's right to immediate payment, be increased by 1½% per month on the unpaid balance, not to exceed the maximum amount permitted by law. If at any time in Parkson's judgment Buyer may be or may become unable or unwilling to meet the terms specified herein, Parkson may require satisfactory assurance or full or partial payment as a condition to commencing, or continuing manufacture, or in advance of shipment. (c) **TAXES:** Except for the amount, if any, of tax stated in a Parkson quotation, the prices set forth therein are exclusive of any amount for federal, state, local, excise, sales, use, property, in-country, import, VAT or similar taxes or duties. Such prices also exclude permit, license, customs and similar fees levied upon shipment of Parkson products.

**III. SHIPMENT/STORAGE:** (a) **SHIPMENT:** The anticipated shipment date(s) set forth in the quotation is/are approximate and subject to change. Notwithstanding other limitations set forth by Parkson, Parkson shall not be liable for any delays in shipment which are caused by events beyond the control of Parkson including, but not limited to, delays caused by inaccurate or incomplete data, changes or revisions in the work to be performed, tardy approval of drawings by Buyer, acts of Buyer or Buyer's agent, Force Majeure, accidents, strikes, inability to obtain labor or materials, or delay in transportation. Parkson shall have the right to extend the anticipated shipment date for up to ten (10) business days, for any reason, provided Parkson shall give Buyer written notice of such delay prior to the scheduled shipping date. Buyer's order will be crated for domestic truck shipment and Parkson assumes no responsibility for loss of, or damage to, the equipment following delivery to a carrier, who shall be deemed to be acting as agent for Buyer, and the equipment shall thereafter be at the Buyer's sole risk. It is Parkson's policy to ship its equipment "Bill Collect," and the carrier will mail its invoice(s) directly to Buyer's billing address, unless otherwise agreed to in writing. (b) **STORAGE:** Once Buyer has been notified that its order is ready for shipment, if Buyer requests that the order (in whole or in part) not be shipped until a later date, the equipment will be segregated from other inventory and Buyer shall execute Parkson's Transfer of Title form evidencing transfer of title and transfer of risk of loss from Parkson to Buyer pursuant to Section IV below. In the event that Buyer shall refuse to execute Parkson's Transfer of Title form and/or if the fabricator is unable to withstand storage of the equipment, Parkson shall have the right, at its sole discretion, to transfer the equipment to an intermediate storage facility, all at Buyer's cost, whereby transfer of title and risk of loss will be deemed to pass, pursuant to Section IV below, when the products are delivered to the carrier at the factory. All costs associated with shipping the equipment to said storage facility or from said storage facility to the job site (or any other site requested by Buyer) shall be the responsibility of Buyer. Buyer shall reimburse Parkson upon demand for any costs incurred by Parkson in connection with said storage, including without limitation, steps taken to protect the equipment from the elements, transport, storage facility fees, insurance, etc. Any delay in shipment requested or caused by Buyer or its agents will not affect the Terms of Payment above.

**IV. TITLE & RISK OF LOSS:** Parkson's prices are F.O.B. Parkson's Factory and are exclusive of taxes, shipping, handling and insurance. Title to all equipment and risk of loss, deterioration or damage shall pass to Buyer upon delivery to a carrier; except that a security interest in the equipment or any replacement shall remain in Parkson's name, regardless of mode of attachment to realty or other property, until the full purchase price has been received by Parkson. Buyer agrees to do all acts necessary to perfect and maintain said security interest, and to protect Parkson's interest by adequately insuring the products against loss or damage from any external cause, including during any storage or transport, with Parkson named as insured or co-insured.





Any claim by Buyer against Parkson for shortage or damage occurring prior to delivery must be made in writing within ten (10) calendar days after receipt of shipment and accompanied by an original transportation bill signed by the carrier noting that carrier received goods from Parkson in the condition claimed. Parkson shall have the right to ship all goods at one time or in portions, within the time for shipping provided in such order, unless specifically requested in writing by the Buyer that these shipments be made in total. Any shipments returned to Parkson as a result of Buyer's unexcused delay or failure to accept delivery will require Buyer to pay all additional costs incurred by Parkson, including any storage costs as set forth in Section III above.

**V. ERECTION:** Unless otherwise agreed in writing, products are assembled, installed and/or erected by and at the full expense of Buyer.

**VI. CANCELLATION & BREACH:** Buyer agrees that Parkson products are specially manufactured goods that are not suitable for sale to others in the ordinary course of business. Therefore, purchase orders placed with Parkson cannot be canceled without recourse, nor shipments of goods made up, or in process, be deferred beyond the original shipment dates specified, except with Parkson's written consent and upon terms which shall indemnify Parkson against all loss. In the event of cancellation or the substantial breach of the agreement between Buyer and Parkson, including without limitation, failing to make payment when due, Buyer agrees that Parkson will suffer serious and substantial damage which will be difficult, if not impossible, to measure, both at the time of entering the agreement and as of the time of such cancellation or breach. Therefore, the parties agree that upon such cancellation or breach, the Buyer shall pay to Parkson the sums set forth below which Parkson and Buyer do hereby agree shall constitute agreed and liquidated damages in such event:

- a. If cancellation or breach shall occur after the acceptance of the purchase order but prior to mailing of general arrangement drawings by Parkson to Buyer, liquidated damages shall be 10% of the selling price.
- b. If cancellation or breach shall occur within thirty (30) days from the mailing of general arrangement drawings by Parkson to Buyer, the liquidated damages shall be 30% of the selling price.
- c. If the cancellation or breach occurs after thirty (30) days from the mailing of general arrangement drawings by Parkson to Buyer, but prior to notification that the order is ready for shipment, the liquidated damages shall be the total of 30% of the selling price plus the expenses incurred, cost of material, and reasonable value of the work expended to fill the respective order by Parkson's engineers and other employees, agents and representatives after the mailing of general arrangement drawings by Parkson to Buyer. All sums will be determined at the sole reasonable discretion of Parkson provided, however, that the total liquidated damages under this provision shall not exceed the total selling price.
- d. If cancellation or breach shall occur after Parkson has notified Buyer that the order is ready for shipment, then the liquidated damages shall be the total selling price.

**VII. DRAWINGS & SPECIFICATIONS:** In the event that drawings are sent to Buyer for approval after an order is placed, the drawings must be returned marked "Approved" or "Approved As Noted" within twenty (20) calendar days after receipt unless otherwise noted. In the event that Buyer's written comments are not given within the twenty (20) day period, Parkson shall deem the items approved.

**VIII. CORRECTIVE WORK & "BACK CHARGES":** In no event shall any work be done, or services or material be purchased or expense otherwise incurred by the Buyer for the account of Parkson until after full and complete particulars (including an estimate of material cost) have been submitted in writing and approved in writing by Parkson. Parkson must be given the opportunity to discuss and research alternative methods to lower the costs involved in such corrective work. Unless agreed-upon in writing by Parkson, Parkson will not be liable for labor costs, overhead, administrative costs, interest or any other consequential or indirect costs Buyer incurs. Returned items will not be accepted unless Parkson has previously agreed to such return in writing and supplied written return-shipment instructions to Buyer.

**IX. SELECTION OF MATERIALS:** Because all Parkson products are specially manufactured products, the material make-up of many of Parkson's products varies from project to project. The determination of the materials' suitability and adaptability (including without limitation, paints and/or coatings) to the specific needs of the Buyer is solely the Buyer's choice and responsibility.

**X. CONFIDENTIAL INFORMATION & IMPROVEMENTS:** The design, construction, application and operation of Parkson's products, services and relevant documentation embody proprietary and confidential information; therefore, Buyer will maintain this information in strict confidence, will not disclose it to others, and will only use this information in connection with the use of the products or to facilitate the provision of services sold by Parkson. Buyer will not copy or reproduce any written or printed materials or drawings furnished to Buyer by Parkson. Buyer agrees to immediately return all confidential material to Parkson if requested in writing by Parkson. Buyer will not copy any information provided by Parkson or make any design drawings of Parkson's equipment and will not permit others to copy or make any design drawings of the equipment. Parkson shall have a royalty-free license to make, use and sell, any changes or improvements in the products invented or suggested by Buyer or its employees. Buyer acknowledges that a remedy at law for any breach or attempted breach of this Section will result in a harm to Parkson for which monetary damages alone will not be adequate. Buyer covenants and agrees that neither it nor any of its affiliates will oppose any demand for specific performance and injunctive and other equitable relief in case of any such breach or attempted breach. Notwithstanding anything to the contrary herein, Parkson may seek enforcement of any breach of this Section without the necessity of complying with the provisions regarding resolution of disputes herein.

**XI. FIELD SERVICE:** Field Service included in the quotation will only be scheduled upon written request and may be subject to credit approval. Should the Buyer have outstanding balances due Parkson, no startup / field service will be scheduled until such payments are received by Parkson. The Buyer assumes all responsibility for the readiness of the system when it requests startup service. Should Parkson's Field Service Engineer arrive at the jobsite and determine that the system cannot be started up within a reasonable time, Parkson shall have the option to bring the Field Service Engineer home and bill the Buyer for time, travel and living expenses. Additional field service is available from Parkson at the prevailing per-diem rate at the time of the



request for service plus all travel and living expenses, portal-to-portal. A purchase order or change order will be required prior to scheduling this additional service.

**XII. LIMITATION OF LIABILITY:** Unless expressly agreed to in writing by Parkson, all damages not direct and actual in nature, including without limitation, consequential, incidental, indirect, exemplary and punitive damages, shall be expressly prohibited damages. Such prohibited damages include, but are not limited to, lost rent or revenue; rental payments; costs (increased or not) of administration or supervision; costs or delays suffered by others unable to commence work or provide services as previously scheduled for which a party to this contract may be liable; increased costs of borrowing funds devoted to the project (including interest); delays in selling all or part of the project upon completion; damages caused by reason of Force Majeure or acts of God (with the broadest statutory or court of law definition possible); termination of agreements to lease or buy all or part of the project, whether or not suffered before completion of services or work; forfeited bonds, deposits, or other monetary costs or penalties due to delay of the project; interest for any reason assessed to Buyer; increased taxes (federal, state, local, or international) due to delay or recharacterization of the project; lost tax credits or deductions due to delay; impairment of security; attorney and other legal fees for any reason assessed to Buyer, loss of use of the Equipment or any associated Equipment, costs of substitute Equipment, facilities or services, down time costs, claims of customers of Buyer for such other damages; or any other indirect loss arising from the conduct of the parties. Parkson only agrees to responsibility for damages from proven negligent and willful acts of its direct employees only.

**XIII. APPLICABLE LAWS & GOVERNING LAW:** To the best of Parkson's knowledge, Parkson products comply with most laws, regulations and industrial practices; however, Parkson does not accept responsibility for any state, city or other local law not specifically brought to Parkson's attention. For OSHA compliance, (1) Parkson is only liable for those OSHA standards that are in effect as of the date of the quotation, and to the extent they are applicable to the performance of Parkson. (2) Parkson is only responsible for the physical characteristics of the product(s) and not for the circumstances of the use of the product(s). (3) Parkson's liability through any noncompliance to OSHA shall be limited to the cost of modifying the product(s) or replacing the non-complying product(s) or component(s) after receipt of prompt written notice of noncompliance. The rights and obligations of Buyer and Parkson shall be governed by and interpreted in accordance with the substantive laws of the state of Florida including the uniform commercial code of Florida, excluding conflicts of law and choice of law principles.

**XIV. DISPUTE RESOLUTION:** Any issue, difference, claim or dispute ("Action") that may arise out of or in connection with the project referenced in the quotation, including these terms and conditions, shall be first resolved by negotiation at the highest executive levels between the Buyer and Parkson. If said negotiation is unsuccessful, any said Action or any transactions contemplated hereby or in the Quotation shall be finally settled under BINDING ARBITRATION in Broward County, Florida. Any such arbitration shall be governed by the Commercial Arbitration Rules of the American Arbitration Association and shall be overseen by one (1) single arbitrator. Buyer and Parkson shall agree upon a single arbitrator or, if Buyer and Parkson cannot agree upon an arbitrator within thirty (30) days, then the Buyer and Parkson agree that the American Arbitration Association shall appoint a single arbitrator. In the event that an Action is brought, the prevailing party shall be entitled to be reimbursed for, and/or have judgment entered with respect to, all of its costs and expenses, including reasonable attorney's fees' and legal expenses. The award of the arbitrator shall be binding and may be entered as a judgment in any court of competent jurisdiction.

**XV. PATENTS:** Parkson shall indemnify Buyer against any judgment for damages and costs which may be rendered against Buyer in a suit brought on account of the alleged infringement of any United States patent by any product supplied by Parkson, unless (a) the alleged infringement occurs as a result of any alteration or modification to the product or the use of the product in combination with the products or services of any party other than Parkson, or (b) the product was made in accordance with materials, designs or specifications furnished or designated by Buyer, in which case Buyer shall indemnify Parkson against any judgment for damages and costs which may be rendered against Parkson in any suit brought on account of the alleged infringement of any United States patent by such product or by such materials, designs or specifications; provided that prompt written notice be given to the party from whom indemnity is sought of the bringing of the suit and an opportunity be given to such party to settle or defend it as that party may see fit and that every reasonable assistance in settling or defending it shall be rendered. Parkson shall in no event be liable to Buyer for special, indirect, incidental or consequential damages arising out of allegation of patent infringement.

**XVI. MECHANICAL WARRANTY:** For a period of one (1) year following the Equipment shipment date ("Warranty Period"), Parkson's Equipment is limitedly warranted to be free from defective material and workmanship, under normal use and service and when installed, operated and maintained in accordance with installation instructions, this policy and maintenance/operating procedures. To make claim under this Warranty, Buyer must notify Parkson within ten (10) business days after the date of discovery of any nonconformity and make the affected Equipment immediately available for inspection by Parkson or its service representative. Parkson Equipment may be deemed nonconforming only by an authorized Parkson representative. Returns will not be accepted unless Parkson has authorized said return in writing. If Parkson's inspection indicates nonconforming materials and/or workmanship, the Equipment will, at Parkson's option, either be repaired or replaced without charge. Upon receipt of Parkson's written consent, Equipment may be promptly returned to Parkson, F.O.B. its factory. However, under certain circumstances, Parkson may decide, in its sole discretion, to repair or replace the Equipment at the Project site. Buyer hereby agrees to provide Parkson, its employees and/or representatives, free of charge, on-site access to the Project site, and any necessary utilities and plant personnel needed by Parkson for the purpose of repairing and/or replacing nonconforming Equipment per this Warranty.

**The following will void this Warranty:**

- (A) Equipment is used for purposes other than those for which it was designed;
- (B) Equipment is not used in accordance with generally approved practices;
- (C) Disasters, whether natural or manmade, such as fire, flood, wind, earthquake, cave-in, lightning, war, or vandalism;



- (D) Unauthorized alterations to or modifications of the Equipment not approved by Parkson, in writing;
- (E) Abuse, neglect or misuse of Equipment, including without limitation, operation of Equipment after a defect is discovered;
- (F) Operation of Equipment by persons not properly trained for that purpose;
- (G) Failure to operate the Equipment in accordance with Parkson's specifications, O&M manuals or other written guidelines; and/or
- (H) Failure to perform regular cleaning, inspection, adjustment and/or preventative maintenance.

**BE ADVISED:** Parkson is not liable for any corrective work or expenditure that has not been authorized by Parkson in writing prior to the commencement of such work and prior to committing to such expenditures. Inspection service calls, requested by Buyer, where no evidence of nonconforming materials and/or workmanship is found, will be invoiced to the Buyer at Parkson's current per diem, plus all travel and living expenses. Onsite labor and freight are not covered by this Warranty. This Warranty does not cover normal wear and tear. Following a Warranty claim, verification of proper operation and maintenance is required. Physical damage due to external forces and/or accident is not covered by this Warranty. The effects of corrosion and unforeseeable influent characteristics are excluded from this Warranty. Actions by 3<sup>rd</sup> parties in causing nonconformity of the Equipment are not covered under this Warranty.

**THE FOREGOING LIMITED WARRANTY IS EXCLUSIVE AND IN LIEU OF ALL OTHER GUARANTEES AND WARRANTIES OF ANY KIND WHATSOEVER, WRITTEN, ORAL OR IMPLIED; ALL OTHER WARRANTIES INCLUDING WITHOUT LIMITATION ANY WARRANTY OF MERCHANTABILITY AND/OR FITNESS FOR A PARTICULAR PURPOSE, ARE HEREBY DISCLAIMED.**

**XVII. INDEMNIFICATION:** Buyer shall comply and require its employees to comply with all instructions given by Parkson regarding installation, use and maintenance of the Equipment sold by Parkson and shall require its employees to use reasonable care and all safety devices in the operation and maintenance of said Equipment. Buyer shall not remove or permit removal or modification of any safety device, warning sign or label. Buyer shall immediately give Parkson written notice of any personal injury or property damage arising out of the use of the Equipment and cooperate with Parkson in investigating any such accident or malfunction. Buyer agrees to indemnify and hold Parkson and its suppliers harmless from any and all claims, demands, liabilities, causes of action, suits, costs and expenses of any kind and nature (including attorney's fees) for personal injury or property damage arising from or in any way connected with the operations, activities or use of the Equipment sold by Parkson if Buyer fails to fulfill any of the foregoing obligations. Buyer agrees to indemnify and hold Parkson and its suppliers harmless from any and all claims, demands, liabilities, causes of action, suits, costs and expenses of any kind or nature (including attorney's fees) which may be asserted against Parkson and its suppliers by any person relating to any portion of the Equipment which includes Buyer's existing equipment or equipment furnished by Buyer and to defend Parkson and its suppliers at Buyer's expense against any suit which may be commenced relating to the foregoing. Buyer agrees to indemnify and hold Parkson and its suppliers harmless from any and all claims, demands, liabilities, causes of action, suits, costs and expenses of any kind or nature (including attorney's fees) for loss or damage to persons or property, other than the Equipment sold hereby or Buyer's possession or use of said Equipment.

**XVIII. MISCELLANEOUS:** Parkson does not assume responsibility for nor warrant the performance or accuracy of Buyer's furnished design, design criteria, or specifications. The parties agree that the foregoing terms and conditions constitute the entire terms and conditions between Buyer and Parkson and that there are no other agreements, terms or conditions, expressed or implied, unless otherwise agreed to in writing by Parkson. The terms and conditions herein shall supersede any terms and conditions of any other document that may apply to the transaction between the Buyer and Parkson. This document may not be modified or superseded other than by an instrument in writing signed by both Buyer and Parkson. This document shall be binding upon and inure to the benefit of Buyer and Parkson and their heirs, assignees, legal representatives and the project Owner for the project referenced in the quotation. The invalidity or non-enforceability of any particular provision of this document shall not affect the other provisions hereof, and this document shall be construed in all respects as if such invalid or unenforceable provisions were omitted.



1401 West Cypress Creek Road  
Fort Lauderdale FL 33309-1969

Phone 954.974.6610  
Fax 954.974.6182

November 8, 2011

Jim Lazalere  
City of Escondido, CA  
Hale Avenue Resource Recovery Facility (HARRF)  
1521 South Hale Avenue  
Escondido, CA 92029

Reference: HiOx® Panels

Dear Mr. Lazalere:

---

Parkson Corporation is the manufacturer of the existing aeration panels (HiOx) currently installed at the Hale Avenue Resource Recovery Facility. The proposed replacement panels will be able to utilize the existing piping system and hoses.

Parkson Corporation is the sole source manufacturer and distributor of the above mentioned aeration panels. The Coombs-Hopkins Company is Parkson's exclusive sales agent in California.

If you have any questions please do not hesitate to call.

Sincerely,

PARKSON CORPORATION

A handwritten signature in black ink, appearing to read "Vipin Lillaney", is written over a faint, light-colored signature line.

Vipin Lillaney  
HiOx® Product Manager

Cc: Steve Young, Matt Rebmann (Coombs-Hopkins Company)



Fort Lauderdale ♦ Chicago ♦ Montreal ♦ Dubai

www.parkson.com  
technology@parkson.com

## RESOLUTION NO. 2011-153

A RESOLUTION OF THE CITY COUNCIL OF  
THE CITY OF ESCONDIDO, CALIFORNIA,  
AUTHORIZING PURCHASE OF 360 HIOX®  
ULTRAFLEX AERATION PANELS FOR THE  
HALE AVENUE RESOURCE RECOVERY  
FACILITY

WHEREAS, the Hale Avenue Resource Recovery Facility (HARRF) is critical to the City of Escondido's stewardship of the environment and local economy via treatment of wastewater and supply of recycled water; and

WHEREAS, aeration panels are important components in the aeration system at the HARRF that diffuse air into the aeration basins to achieve effective wastewater treatment; and

WHEREAS, the currently installed aeration panels are failing, resulting in increased maintenance cost, increased operations cost, and reduced aeration efficiency; and

WHEREAS, the manufacturer, Parkson Corporation, has identified materials and developed manufacturing methods to produce a more resilient product; and

WHEREAS, the City Council deems it to be in the best public interest to approve purchase of 360 HIOX® ULTRAFLEX AERATION PANELS for the HAARF from Parkson Corporation via Coombs-Hopkins, via a sole-source purchase, in an amount not to exceed \$108,750.

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 the City Council authorize the City Manager or his designee to execute, on behalf of the City, the purchase of 360 HIOX® ULTRAFLEX AERATION PANELS, Model 4x12. A copy of the Proposal is attached to this Resolution as Exhibit "1" and is incorporated by this reference.



# Quotation

NUMBER: 600244 –Rev 2

DATE: October 26, 2011  
June 28th, 2011

TO: Jim Larzalere  
Operation Supervisor  
City of Escondido, CA

REF.: Aeration Panel Replacement at the  
Hale Avenue RRF  
City of Escondido, CA  
**Specification Section: 11010**  
Aeration System

Parkson Corporation is pleased to provide this quotation for the following:

**ITEM 1 SERVICES, as GOODWILL (i.e. No charge)**

**1.A Panel Replacement Service:**

Parkson Corporation will provide one factory representative for supervision and assistance along with a crew of 3-4 people assisting in removal and installation of the replacement panels. Parkson Corporation will provide a crane and have the old panels removed from the site. Parkson will install all the new panels.

**1.B Training on installation, replacement, maintenance, flexing and start-up of panels:**

Parkson field service representative will train the Escondido operator on installation, replacement and startup/shutdown procedures of HiOx panels.  
In addition Parkson will conduct operator training to include HiOx panel maintenance and flexing procedures for optimum performance.

**1.C Disposal of panels:**

Parkson will dispose all the old panels removed from the basins for replacement.

**1.D Mechanical Warranty:**

See Section XVI on the attached Standard Conditions of Sale.

Please note that our warranty is based upon compliance with all Parkson instructions regarding unloading, storage, installation and maintenance.



QUOTATION NO. 600224 **Error! Reference source not found.**, Page 2

**ITEM 2 A TOTAL OF 360 HIOX® ULTRAFLEX AERATION PANELS, MODEL 4 X 12 FT (Parkson reference #600244) Pricing included below**

**2.A Equipment Description/Materials of Construction:**

1. The HiOx UltraFlex Aeration Panel is an ultra-fine bubble aeration system.
2. Each HiOx Aeration Panel will have a punched polyurethane membrane RF welded to a nylon-reinforced two-ply polyurethane base. Additional fasteners, supports and anchors will be 304 stainless steel, if needed. Each HiOx Aeration Panel has a schedule 40 PVC header which is attached to the two feed nozzles of the Aeration Panel and consists of two (2) pipe sections inserted in the two feed nozzles, two (2) 90 degree elbows, two (2) straight pipe sections connected to these two elbows and one (1) tee. This header will be completely assembled. The tee would be adjusted to obtain the proper feed orientation, after the tee there will be one (1) straight pipe section, which will be inserted on site into the flexible hose using silicon and two clamps to prevent any leaking. The tee and last straight pipe section shall be glued at the site.
3. All the existing anchor rods, ball valves, adapters, hoses, PE pipe and pipe supports will be re-used.
4. Anchor bolt caps will be provided for safety reasons.
5. A supply of spare nuts, washers, clips and clamps will be provided.
6. 5% spare panels will be provided.

**PURCHASE PRICE:**  
 All of the above for ..... \$100,000.00 USD  
 F.O.B. Point of Manufacture, freight included, taxes excluded.

**VALIDITY:**  
 Purchase Price is valid for thirty (30) calendar days from Quotation date, for shipment of Equipment within the timetable stated below.

**PAYMENT TERMS:**  
 90% net 30, 10% upon startup, not to exceed 180 days after shipment

**TIMETABLE GUIDELINE:**

**Shipment Phase:** The HiOx panels will be shipped for 1 basin (72 panels) at a time with the first shipment 12 weeks after receipt of Purchase Order.

**HiOx Panel Replacement Phase:** The HiOx panels will be installed 1 basin at a time with 1- 2 months of gap in between installations. Basin 3 will be installed with replacement panels before Feb 10th, 2012.

**Dates are subject to confirmation upon receipt of written Purchase Order.**

**TERMS AND CONDITIONS:**

1. Parkson's Standard Conditions of Sale, as stated on the attached, shall apply.





QUOTATION NO. 600224 **Error! Reference source not found.**, Page 3

2. The City of Escondido will be named as "also ensured" on Parkson insurance policies.

**PATENTS:**

The Equipment and/or process quoted herein may operate under one or more U.S. patents. The Purchase Price includes a one-time royalty payment (if any), which provides the Buyer with immunity to operate the Equipment specified in the Quotation under any applicable patents.

**BUYER/OWNER RESPONSIBILITY:**

- All above basin air header piping, valves, and supports, except as noted above.
- Unloading and uncrating. Installation will, at minimum, require a forklift and possibly a crane/hoist (crane by Parkson).
- Readiness of the Equipment and basins before requesting replacement service. Non-readiness may incur additional charges.
- Draining of the basins.
- Cleaning of the basin floor after draining.
- Filling the basins with clean or sludge water.
- Operation of valves and gates.
- Compatibility of Equipment materials of construction with process environment.
- Electrical connection and interconnecting wiring.
- Interconnecting piping.
- Piping connections, platforms, gratings and railings unless stated otherwise.
- Any other auxiliary equipment or service not detailed above.

Please return one signed copy of this Quotation, or your Purchase Order, to Parkson Corporation at the address below. Refer to this Quotation, date, and related correspondence.

**Issued By:**  
**PARKSON CORPORATION**  
 1401 West Cypress Creek Road  
 Fort Lauderdale, FL 33309-1969

**Accepted By:** (Herein called the Buyer)

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Name: Vipin Lillaney  
 Title: HiOx Product Manager  
 Date: June 28<sup>th</sup>, 2011

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Name  
 Title:  
 Date:

Enclosures: Standard Conditions of Sale  
 Matt Rebmann  
 The Coombs-Hopkins Company  
 5411 Avenida Encinas, Suite 250  
 Carlsbad, CA 92008  
 760/931-0555 ext. 107 (office)  
 760/579-9411 (cell)



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cc: Steve Young, Regional Manager, Parkson

HiOx Ultraflex Aeration Panel 4/13/10 Supersedes 3/19/09



## Standard Conditions of Sale

**I. GENERAL:** All references to Parkson (or any derivative thereof) shall mean Parkson Corporation and all references to Buyer shall mean the customer named in a purchase order, quotation or proposal (collectively referred to herein as "quotation"). All quotations from Parkson shall be considered solicitations of offers and all purchase orders placed by Buyer shall be considered offers, which can only be accepted in writing by Parkson. Buyer shall either sign Parkson's quotation, or in the alternative, issue a non-conflicting purchase order containing necessary information, such as site name, price schedule, type and quantity of product, requested delivery date and delivery instructions. Parkson hereby objects to and rejects any and all additional or different terms proposed by Buyer, whether contained in Buyer's request for quotation, purchase order, purchasing or shipping release forms. Notwithstanding any terms or conditions that may be included in Buyer's purchase order form or other communications, Parkson's acceptance is conditional upon Buyer's assent to the terms and conditions set forth herein. It is agreed that sales are made only on the terms and conditions herein and any other terms or conditions shall not become a part of the agreement unless expressly agreed to in writing by Parkson. Parkson's failure to object to any terms or conditions contained in Buyer's purchase order or other communication shall not be deemed to be acceptance of such terms or conditions. These terms and conditions shall be deemed incorporated (as though set forth in full) into any agreement entered into between Parkson and Buyer unless otherwise noted in writing. Parkson reserves the right, without any increase in price, to modify the design and specifications of Parkson products, provided that the modification does not adversely affect the original performance specifications as specified by Parkson or as requested by Buyer. Shipments, deliveries and performance of work shall at all times be subject to the approval of Parkson's Credit Department. Parkson may at any time decline to make any shipment or delivery or perform any work except upon receipt of payment or security or upon terms and conditions satisfactory to Parkson.

**II. PRICES, TERMS OF PAYMENT & TAXES:** (a) **PRICES:** Unless expressly stated to be firm for a definite period, Parkson's offers are subject to change without notice, and in all cases are subject to withdrawal at any time before acknowledgment by Buyer. Quoted prices are firm for only thirty (30) days. Orders placed after thirty (30) days are subject to price increases in Parkson's sole discretion. Prices on acknowledged orders are firm for the agreed upon delivery time. Customer requests to extend originally agreed upon delivery date(s) will be subject to price escalation. If a price is stated in the quotation, it is based upon shipment of the quantities and quality requested by Buyer and on the basis of Parkson's internal delivery schedule at the time of preparation of said quotation. (b) **TERMS OF PAYMENT:** Payments against invoices shall be due and payable thirty (30) days from the date of delivery to a carrier, or upon receipt of an invoice from Parkson, whichever first occurs. If in Parkson's opinion, Buyer's financial condition does not justify continuation of production or shipment on the terms of payment specified, Parkson may, upon written notice to Buyer, cancel or suspend any outstanding order or part thereof, unless Buyer shall promptly pay for all goods delivered or shall make advance payments to Parkson as it, at its option, shall determine. If Buyer delays shipment for any reason, date of readiness for shipment shall be deemed to be the date of shipment for payment purposes. If Buyer delays manufacture for any reason, a payment shall be made based on purchase price and percentage of completion, with the balance payable in accordance with the terms as stated. If payments are not made in conformance with the terms stated herein, the contract price shall, without prejudice to Parkson's right to immediate payment, be increased by 1½% per month on the unpaid balance, not to exceed the maximum amount permitted by law. If at any time in Parkson's judgment Buyer may be or may become unable or unwilling to meet the terms specified herein, Parkson may require satisfactory assurance or full or partial payment as a condition to commencing, or continuing manufacture, or in advance of shipment. (c) **TAXES:** Except for the amount, if any, of tax stated in a Parkson quotation, the prices set forth therein are exclusive of any amount for federal, state, local, excise, sales, use, property, in-country, import, VAT or similar taxes or duties. Such prices also exclude permit, license, customs and similar fees levied upon shipment of Parkson products.

**III. SHIPMENT/STORAGE:** (a) **SHIPMENT:** The anticipated shipment date(s) set forth in the quotation is/are approximate and subject to change. Notwithstanding other limitations set forth by Parkson, Parkson shall not be liable for any delays in shipment which are caused by events beyond the control of Parkson including, but not limited to, delays caused by inaccurate or incomplete data, changes or revisions in the work to be performed, tardy approval of drawings by Buyer, acts of Buyer or Buyer's agent, Force Majeure, accidents, strikes, inability to obtain labor or materials, or delay in transportation. Parkson shall have the right to extend the anticipated shipment date for up to ten (10) business days, for any reason, provided Parkson shall give Buyer written notice of such delay prior to the scheduled shipping date. Buyer's order will be crated for domestic truck shipment and Parkson assumes no responsibility for loss of, or damage to, the equipment following delivery to a carrier, who shall be deemed to be acting as agent for Buyer, and the equipment shall thereafter be at the Buyer's sole risk. It is Parkson's policy to ship its equipment "Bill Collect," and the carrier will mail its invoice(s) directly to Buyer's billing address, unless otherwise agreed to in writing. (b) **STORAGE:** Once Buyer has been notified that its order is ready for shipment, if Buyer requests that the order (in whole or in part) not be shipped until a later date, the equipment will be segregated from other inventory and Buyer shall execute Parkson's Transfer of Title form evidencing transfer of title and transfer of risk of loss from Parkson to Buyer pursuant to Section IV below. In the event that Buyer shall refuse to execute Parkson's Transfer of Title form and/or if the fabricator is unable to withstand storage of the equipment, Parkson shall have the right, at its sole discretion, to transfer the equipment to an intermediate storage facility, all at Buyer's cost, whereby transfer of title and risk of loss will be deemed to pass, pursuant to Section IV below, when the products are delivered to the carrier at the factory. All costs associated with shipping the equipment to said storage facility or from said storage facility to the job site (or any other site requested by Buyer) shall be the responsibility of Buyer. Buyer shall reimburse Parkson upon demand for any costs incurred by Parkson in connection with said storage, including without limitation, steps taken to protect the equipment from the elements, transport, storage facility fees, insurance, etc. Any delay in shipment requested or caused by Buyer or its agents will not affect the Terms of Payment above.

**IV. TITLE & RISK OF LOSS:** Parkson's prices are F.O.B. Parkson's Factory and are exclusive of taxes, shipping, handling and insurance. Title to all equipment and risk of loss, deterioration or damage shall pass to Buyer upon delivery to a carrier; except that a security interest in the equipment or any replacement shall remain in Parkson's name, regardless of mode of attachment to realty or other property, until the full purchase price has been received by Parkson. Buyer agrees to do all acts necessary to perfect and maintain said security interest, and to protect Parkson's interest by adequately insuring the products against loss or damage from any external cause, including during any storage or transport, with Parkson named as insured or co-insured.



Any claim by Buyer against Parkson for shortage or damage occurring prior to delivery must be made in writing within ten (10) calendar days after receipt of shipment and accompanied by an original transportation bill signed by the carrier noting that carrier received goods from Parkson in the condition claimed. Parkson shall have the right to ship all goods at one time or in portions, within the time for shipping provided in such order, unless specifically requested in writing by the Buyer that these shipments be made in total. Any shipments returned to Parkson as a result of Buyer's unexcused delay or failure to accept delivery will require Buyer to pay all additional costs incurred by Parkson, including any storage costs as set forth in Section III above.

**V. ERECTION:** Unless otherwise agreed in writing, products are assembled, installed and/or erected by and at the full expense of Buyer.

**VI. CANCELLATION & BREACH:** Buyer agrees that Parkson products are specially manufactured goods that are not suitable for sale to others in the ordinary course of business. Therefore, purchase orders placed with Parkson cannot be canceled without recourse, nor shipments of goods made up, or in process, be deferred beyond the original shipment dates specified, except with Parkson's written consent and upon terms which shall indemnify Parkson against all loss. In the event of cancellation or the substantial breach of the agreement between Buyer and Parkson, including without limitation, failing to make payment when due, Buyer agrees that Parkson will suffer serious and substantial damage which will be difficult, if not impossible, to measure, both at the time of entering the agreement and as of the time of such cancellation or breach. Therefore, the parties agree that upon such cancellation or breach, the Buyer shall pay to Parkson the sums set forth below which Parkson and Buyer do hereby agree shall constitute agreed and liquidated damages in such event:

- a. If cancellation or breach shall occur after the acceptance of the purchase order but prior to mailing of general arrangement drawings by Parkson to Buyer, liquidated damages shall be 10% of the selling price.
- b. If cancellation or breach shall occur within thirty (30) days from the mailing of general arrangement drawings by Parkson to Buyer, the liquidated damages shall be 30% of the selling price.
- c. If the cancellation or breach occurs after thirty (30) days from the mailing of general arrangement drawings by Parkson to Buyer, but prior to notification that the order is ready for shipment, the liquidated damages shall be the total of 30% of the selling price plus the expenses incurred, cost of material, and reasonable value of the work expended to fill the respective order by Parkson's engineers and other employees, agents and representatives after the mailing of general arrangement drawings by Parkson to Buyer. All sums will be determined at the sole reasonable discretion of Parkson provided, however, that the total liquidated damages under this provision shall not exceed the total selling price.
- d. If cancellation or breach shall occur after Parkson has notified Buyer that the order is ready for shipment, then the liquidated damages shall be the total selling price.

**VII. DRAWINGS & SPECIFICATIONS:** In the event that drawings are sent to Buyer for approval after an order is placed, the drawings must be returned marked "Approved" or "Approved As Noted" within twenty (20) calendar days after receipt unless otherwise noted. In the event that Buyer's written comments are not given within the twenty (20) day period, Parkson shall deem the items approved.

**VIII. CORRECTIVE WORK & "BACK CHARGES".** In no event shall any work be done, or services or material be purchased or expense otherwise incurred by the Buyer for the account of Parkson until after full and complete particulars (including an estimate of material cost) have been submitted in writing and approved in writing by Parkson. Parkson must be given the opportunity to discuss and research alternative methods to lower the costs involved in such corrective work. Unless agreed-upon in writing by Parkson, Parkson will not be liable for labor costs, overhead, administrative costs, interest or any other consequential or indirect costs Buyer incurs. Returned items will not be accepted unless Parkson has previously agreed to such return in writing and supplied written return-shipment instructions to Buyer.

**IX. SELECTION OF MATERIALS:** Because all Parkson products are specially manufactured products, the material make-up of many of Parkson's products varies from project to project. The determination of the materials' suitability and adaptability (including without limitation, paints and/or coatings) to the specific needs of the Buyer is solely the Buyer's choice and responsibility.

**X. CONFIDENTIAL INFORMATION & IMPROVEMENTS:** The design, construction, application and operation of Parkson's products, services and relevant documentation embody proprietary and confidential information; therefore, Buyer will maintain this information in strict confidence, will not disclose it to others, and will only use this information in connection with the use of the products or to facilitate the provision of services sold by Parkson. Buyer will not copy or reproduce any written or printed materials or drawings furnished to Buyer by Parkson. Buyer agrees to immediately return all confidential material to Parkson if requested in writing by Parkson. Buyer will not copy any information provided by Parkson or make any design drawings of Parkson's equipment and will not permit others to copy or make any design drawings of the equipment. Parkson shall have a royalty-free license to make, use and sell, any changes or improvements in the products invented or suggested by Buyer or its employees. Buyer acknowledges that a remedy at law for any breach or attempted breach of this Section will result in a harm to Parkson for which monetary damages alone will not be adequate. Buyer covenants and agrees that neither it nor any of its affiliates will oppose any demand for specific performance and injunctive and other equitable relief in case of any such breach or attempted breach. Notwithstanding anything to the contrary herein, Parkson may seek enforcement of any breach of this Section without the necessity of complying with the provisions regarding resolution of disputes herein.

**XI. FIELD SERVICE:** Field Service included in the quotation will only be scheduled upon written request and may be subject to credit approval. Should the Buyer have outstanding balances due Parkson, no startup / field service will be scheduled until such payments are received by Parkson. The Buyer assumes all responsibility for the readiness of the system when it requests startup service. Should Parkson's Field Service Engineer arrive at the jobsite and determine that the system cannot be started up within a reasonable time, Parkson shall have the option to bring the Field Service Engineer home and bill the Buyer for time, travel and living expenses. Additional field service is available from Parkson at the prevailing per-diem rate at the time of the



request for service plus all travel and living expenses, portal-to-portal. A purchase order or change order will be required prior to scheduling this additional service.

**XII. LIMITATION OF LIABILITY:** Unless expressly agreed to in writing by Parkson, all damages not direct and actual in nature, including without limitation, consequential, incidental, indirect, exemplary and punitive damages, shall be expressly prohibited damages. Such prohibited damages include, but are not limited to, lost rent or revenue; rental payments; costs (increased or not) of administration or supervision; costs or delays suffered by others unable to commence work or provide services as previously scheduled for which a party to this contract may be liable; increased costs of borrowing funds devoted to the project (including interest); delays in selling all or part of the project upon completion; damages caused by reason of Force Majeure or acts of God (with the broadest statutory or court of law definition possible); termination of agreements to lease or buy all or part of the project, whether or not suffered before completion of services or work; forfeited bonds, deposits, or other monetary costs or penalties due to delay of the project; interest for any reason assessed to Buyer; increased taxes (federal, state, local, or international) due to delay or recharacterization of the project; lost tax credits or deductions due to delay; impairment of security; attorney and other legal fees for any reason assessed to Buyer, loss of use of the Equipment or any associated Equipment, costs of substitute Equipment, facilities or services, down time costs, claims of customers of Buyer for such other damages; or any other indirect loss arising from the conduct of the parties. Parkson only agrees to responsibility for damages from proven negligent and willful acts of its direct employees only.

**XIII. APPLICABLE LAWS & GOVERNING LAW:** To the best of Parkson's knowledge, Parkson products comply with most laws, regulations and industrial practices; however, Parkson does not accept responsibility for any state, city or other local law not specifically brought to Parkson's attention. For OSHA compliance, (1) Parkson is only liable for those OSHA standards that are in effect as of the date of the quotation, and to the extent they are applicable to the performance of Parkson. (2) Parkson is only responsible for the physical characteristics of the product(s) and not for the circumstances of the use of the product(s). (3) Parkson's liability through any noncompliance to OSHA shall be limited to the cost of modifying the product(s) or replacing the non-complying product(s) or component(s) after receipt of prompt written notice of noncompliance. The rights and obligations of Buyer and Parkson shall be governed by and interpreted in accordance with the substantive laws of the state of Florida including the uniform commercial code of Florida, excluding conflicts of law and choice of law principles.

**XIV. DISPUTE RESOLUTION:** Any issue, difference, claim or dispute ("Action") that may arise out of or in connection with the project referenced in the quotation, including these terms and conditions, shall be first resolved by negotiation at the highest executive levels between the Buyer and Parkson. If said negotiation is unsuccessful, any said Action or any transactions contemplated hereby or in the Quotation shall be finally settled under BINDING ARBITRATION in Broward County, Florida. Any such arbitration shall be governed by the Commercial Arbitration Rules of the American Arbitration Association and shall be overseen by one (1) single arbitrator. Buyer and Parkson shall agree upon a single arbitrator or, if Buyer and Parkson cannot agree upon an arbitrator within thirty (30) days, then the Buyer and Parkson agree that the American Arbitration Association shall appoint a single arbitrator. In the event that an Action is brought, the prevailing party shall be entitled to be reimbursed for, and/or have judgment entered with respect to, all of its costs and expenses, including reasonable attorney's fees' and legal expenses. The award of the arbitrator shall be binding and may be entered as a judgment in any court of competent jurisdiction.

**XV. PATENTS:** Parkson shall indemnify Buyer against any judgment for damages and costs which may be rendered against Buyer in a suit brought on account of the alleged infringement of any United States patent by any product supplied by Parkson, unless (a) the alleged infringement occurs as a result of any alteration or modification to the product or the use of the product in combination with the products or services of any party other than Parkson, or (b) the product was made in accordance with materials, designs or specifications furnished or designated by Buyer, in which case Buyer shall indemnify Parkson against any judgment for damages and costs which may be rendered against Parkson in any suit brought on account of the alleged infringement of any United States patent by such product or by such materials, designs or specifications; provided that prompt written notice be given to the party from whom indemnity is sought of the bringing of the suit and an opportunity be given to such party to settle or defend it as that party may see fit and that every reasonable assistance in settling or defending it shall be rendered. Parkson shall in no event be liable to Buyer for special, indirect, incidental or consequential damages arising out of allegation of patent infringement.

**XVI. MECHANICAL WARRANTY:** For a period of one (1) year following the Equipment shipment date ("Warranty Period"), Parkson's Equipment is limitedly warranted to be free from defective material and workmanship, under normal use and service and when installed, operated and maintained in accordance with installation instructions, this policy and maintenance/operating procedures. To make claim under this Warranty, Buyer must notify Parkson within ten (10) business days after the date of discovery of any nonconformity and make the affected Equipment immediately available for inspection by Parkson or its service representative. Parkson Equipment may be deemed nonconforming only by an authorized Parkson representative. Returns will not be accepted unless Parkson has authorized said return in writing. If Parkson's inspection indicates nonconforming materials and/or workmanship, the Equipment will, at Parkson's option, either be repaired or replaced without charge. Upon receipt of Parkson's written consent, Equipment may be promptly returned to Parkson, F.O.B. its factory. However, under certain circumstances, Parkson may decide, in its sole discretion, to repair or replace the Equipment at the Project site. Buyer hereby agrees to provide Parkson, its employees and/or representatives, free of charge, on-site access to the Project site, and any necessary utilities and plant personnel needed by Parkson for the purpose of repairing and/or replacing nonconforming Equipment per this Warranty.

**The following will void this Warranty:**

- (A) Equipment is used for purposes other than those for which it was designed;
- (B) Equipment is not used in accordance with generally approved practices;
- (C) Disasters, whether natural or manmade, such as fire, flood, wind, earthquake, cave-in, lightning, war, or vandalism;



- (D) Unauthorized alterations to or modifications of the Equipment not approved by Parkson, in writing;
- (E) Abuse, neglect or misuse of Equipment, including without limitation, operation of Equipment after a defect is discovered;
- (F) Operation of Equipment by persons not properly trained for that purpose;
- (G) Failure to operate the Equipment in accordance with Parkson's specifications, O&M manuals or other written guidelines; and/or
- (H) Failure to perform regular cleaning, inspection, adjustment and/or preventative maintenance.

**BE ADVISED:** Parkson is not liable for any corrective work or expenditure that has not been authorized by Parkson in writing prior to the commencement of such work and prior to committing to such expenditures. Inspection service calls, requested by Buyer, where no evidence of nonconforming materials and/or workmanship is found, will be invoiced to the Buyer at Parkson's current per diem, plus all travel and living expenses. Onsite labor and freight are not covered by this Warranty. This Warranty does not cover normal wear and tear. Following a Warranty claim, verification of proper operation and maintenance is required. Physical damage due to external forces and/or accident is not covered by this Warranty. The effects of corrosion and unforeseeable influent characteristics are excluded from this Warranty. Actions by 3<sup>rd</sup> parties in causing nonconformity of the Equipment are not covered under this Warranty.

**THE FOREGOING LIMITED WARRANTY IS EXCLUSIVE AND IN LIEU OF ALL OTHER GUARANTEES AND WARRANTIES OF ANY KIND WHATSOEVER, WRITTEN, ORAL OR IMPLIED; ALL OTHER WARRANTIES INCLUDING WITHOUT LIMITATION ANY WARRANTY OF MERCHANTABILITY AND/OR FITNESS FOR A PARTICULAR PURPOSE, ARE HEREBY DISCLAIMED.**

**XVII. INDEMNIFICATION:** Buyer shall comply and require its employees to comply with all instructions given by Parkson regarding installation, use and maintenance of the Equipment sold by Parkson and shall require its employees to use reasonable care and all safety devices in the operation and maintenance of said Equipment. Buyer shall not remove or permit removal or modification of any safety device, warning sign or label. Buyer shall immediately give Parkson written notice of any personal injury or property damage arising out of the use of the Equipment and cooperate with Parkson in investigating any such accident or malfunction. Buyer agrees to indemnify and hold Parkson and its suppliers harmless from any and all claims, demands, liabilities, causes of action, suits, costs and expenses of any kind and nature (including attorney's fees) for personal injury or property damage arising from or in any way connected with the operations, activities or use of the Equipment sold by Parkson if Buyer fails to fulfill any of the foregoing obligations. Buyer agrees to indemnify and hold Parkson and its suppliers harmless from any and all claims, demands, liabilities, causes of action, suits, costs and expenses of any kind or nature (including attorney's fees) which may be asserted against Parkson and its suppliers by any person relating to any portion of the Equipment which includes Buyer's existing equipment or equipment furnished by Buyer and to defend Parkson and its suppliers at Buyer's expense against any suit which may be commenced relating to the foregoing. Buyer agrees to indemnify and hold Parkson and its suppliers harmless from any and all claims, demands, liabilities, causes of action, suits, costs and expenses of any kind or nature (including attorney's fees) for loss or damage to persons or property, other than the Equipment sold hereby or Buyer's possession or use of said Equipment.

**XVIII. MISCELLANEOUS:** Parkson does not assume responsibility for nor warrant the performance or accuracy of Buyer's furnished design, design criteria, or specifications. The parties agree that the foregoing terms and conditions constitute the entire terms and conditions between Buyer and Parkson and that there are no other agreements, terms or conditions, expressed or implied, unless otherwise agreed to in writing by Parkson. The terms and conditions herein shall supersede any terms and conditions of any other document that may apply to the transaction between the Buyer and Parkson. This document may not be modified or superseded other than by an instrument in writing signed by both Buyer and Parkson. This document shall be binding upon and inure to the benefit of Buyer and Parkson and their heirs, assignees, legal representatives and the project Owner for the project referenced in the quotation. The invalidity or non-enforceability of any particular provision of this document shall not affect the other provisions hereof, and this document shall be construed in all respects as if such invalid or unenforceable provisions were omitted.



# CITY COUNCIL

For City Clerk's Use:

APPROVED  DENIED

Reso No. \_\_\_\_\_ File No. \_\_\_\_\_

Ord No. \_\_\_\_\_

Agenda Item No.: 9  
Date: December 7, 2011

**TO:** Honorable Mayor and Members of the City Council  
**FROM:** Jerry Van Leeuwen, Director of Community Services  
Richard O'Donnell, Deputy Director of Maintenance and Operations  
**SUBJECT:** Award Purchase of Fuel Contract

RECOMMENDATION:

Staff recommends Council approve the purchase of unleaded fuel for the City of Escondido's fleet through a cooperative purchase agreement with the City of San Diego, pursuant to Escondido Municipal Code section 10-90. This fuel will be purchased from The SOCO Group Inc.

FISCAL ANALYSIS:

Sufficient funds have already been approved in the fiscal year 2011-12 budget in account number 5111-653-715 for unleaded fuel in the amount of \$880,000. Staff is requesting the amount of \$270,000 be used for the purchase of unleaded fuel until the City of San Diego contract expires on January 22, 2012.

CORRELATION TO THE CITY COUNCIL ACTION PLAN:

Not Applicable

PREVIOUS ACTION:

No previous Council action regarding this purchase

BACKGROUND:

Fleet Services intends to continue purchasing unleaded fuel from The SOCO Group Inc. through a cooperative purchase agreement with the City of San Diego and other public agencies throughout the county. The contract has been extended, and now expires in January, 2012. This is the continuation of a previously executed contract. However, Council action is required because of the purchasing policies of the City whereby contracts over \$100,000.00 require approval by the City Council. Fleet Services Division will use funds budgeted in account 5111-653-715 for FY year 2011-12.

When the current purchasing agreement expires with SOCO on January 22, 2012, staff will return with a request to either outsource fueling services or to participate in another fuel purchase contract with cities of the region.

Respectfully submitted,

  
Jerry Van Leeuwen  
Director of Community Services

  
Richard O'Donnell  
Deputy Director of Maintenance and Operations



**CITY COUNCIL**

For City Clerk's Use:

**APPROVED**       **DENIED**

Reso No. \_\_\_\_\_ File No. \_\_\_\_\_

Ord No. \_\_\_\_\_

**Agenda Item No.:** 10  
**Date:** December 7, 2011

**TO:** Honorable Mayor and Members of the City Council  
**FROM:** Gilbert Rojas, Director of Finance  
**SUBJECT:** Annual Financial Report on Capital Funds funded by Developer Fees per Government Code Section 66006

**RECOMMENDATION:**  
City Council accepts and files the report.

**FISCAL ANALYSIS:**  
No impact.

**GENERAL PLAN ANALYSIS:**  
No impact.

**PREVIOUS ACTION:**  
None.

**BACKGROUND:**  
The California Government Code Section 66006 requires local agencies to annually report certain financial information related to capital funds which were established to track fees charged in connection with the approval of a development project. The information required by the Government Code includes the beginning and ending balance for the fiscal year, the fee charged, interest, other income, the amount of expenditure by public facility and any refunds made to developers pursuant to the Code. The fiscal year 2010/2011 information is included for your consideration and acceptance.

The attached reports provide the information required by the Government Code for the five development fees which fall under this disclosure requirement. No refunds have been made nor are any required. The report does not show the future plans for monies in the funds. More information on these funds and all other capital project funds are available in the Five Year Capital Improvement Program which was adopted by Council for fiscal year 2011/2012 and in the Comprehensive Annual Financial Report (CAFR) for the fiscal year ended June 30, 2011, which will be provided to you by the end of December.

Respectfully submitted,



Gilbert Rojas  
Director of Finance

**CITY OF ESCONDIDO**  
**Financial Information Report**  
**Capital Funds Funded by Developer Fees and Subject to Gov. Code Sec. 66006**  
**Fiscal Year Ended June 30, 2011**

| Beginning Fund Balance | Developer Fee Revenue | Interest Earned | Other Revenue and Transfers-In | Capital Expenditures and Transfers-Out | Ending Fund Balance | FYE 2011 Appropriation Balance | Fees as a Percentage of Total Project's Funding |
|------------------------|-----------------------|-----------------|--------------------------------|--|---------------------|--------------------------------|---|
| \$600,085              | \$106,644             | \$13,451        | \$0                            | (\$218,255)                            | \$501,925           | \$487,001                      |   |

|                              |                  |                  |            |                    |                  |                  |
|------------------------------|------------------|------------------|------------|--------------------|------------------|------------------|
| <b>PARK DEVELOPMENT FUND</b> | <b>\$600,085</b> | <b>\$106,644</b> | <b>\$0</b> | <b>(\$218,255)</b> | <b>\$501,925</b> | <b>\$487,001</b> |
|------------------------------|------------------|------------------|------------|--------------------|------------------|------------------|

Fee: \$4,129.00 per Dwelling Unit

**Capital Expenditures and Transfers Out:**

| Project No. | Expenditure Description                       | Expenditures     | Current Approp   | Fees as a Percentage of Total Project's Funding |
|-------------|---|------------------|------------------|---|
| 501804      | 11th Avenue Park-Master Plan                  | -                | 4,212            | 100%  |
| 501807      | Kit Carson Amphitheatre Security Improvements | -                | 20,951           | 100%  |
| 501805      | Ryan Park - Parking Lot                       | -                | 47,198           | 100%  |
| 501101      | Sports Center Community Room                  | 19,553           | 267,527          | 100%  |
| 501806      | Sports Center Office                          | 198,703          | 147,113          | 92%   |
|             | <b>Total Expenditures and Appropriations:</b> | <b>\$218,256</b> | <b>\$487,001</b> |   |

**CITY OF ESCONDIDO**  
**Financial Information Report**  
**Capital Funds Funded by Developer Fees and Subject to Gov. Code Sec. 66006**  
**Fiscal Year Ended June 30, 2011**

|                            | Beginning Fund Balance | Developer Fee Revenue | Interest Earned | Other Revenue and Transfers-In | Capital Expenditures and Transfers-Out | Ending Fund Balance | FYE 2011 Appropriation Balance | Fees as a Percentage of Total Project's Funding |
|----------------------------|------------------------|-----------------------|-----------------|--------------------------------|--|---------------------|--------------------------------|---|
| <b>TRAFFIC IMPACT FUND</b> | \$1,097,418            | \$113,507             | \$19,753        | \$0                            | (\$1,288)                              | \$1,229,390         | \$836,024                      |   |

**Fee: City-wide Traffic Fee**

- Residential - \$285/Average Daily Trip (ADT)
- Non-residential - \$42/Average Daily Trip (ADT)

**Regional Transportation Congestion Improvement Program (RTCIP) Fee**  
**Residential - \$2,081/Residential Dwelling Unit**

**Capital Expenditures and Transfers Out:**

| Project No.                                   | Expenditure Description                 | Expenditures   | Current Approp    |      |
|---|---|----------------|-------------------|------|
| 661001  | Citracado, West Valley to Harmony Grove | -              | 836,000           | 100% |
| 662804  | Traffic Signals & Intersections         | 1,288          | 24                | 100% |
| <b>Total Expenditures and Appropriations:</b> |   | <b>\$1,288</b> | <b>\$ 836,024</b> |      |

**CITY OF ESCONDIDO**  
**Financial Information Report**  
**Capital Funds Funded by Developer Fees and Subject to Gov. Code Sec. 66006**  
**Fiscal Year Ended June 30, 2011**

|  | Beginning Fund Balance | Developer Fee Revenue | Interest Earned | Other Revenue and Transfers-In | Capital Expenditures and Transfers-Out | Ending Fund Balance | FYE 2011 Appropriation Balance | Fees as a Percentage of Total Project's Funding |
|--|------------------------|-----------------------|-----------------|--------------------------------|--|---------------------|--------------------------------|---|
|--|------------------------|-----------------------|-----------------|--------------------------------|--|---------------------|--------------------------------|---|

|                        |           |          |          |          |             |           |           |  |
|------------------------|-----------|----------|----------|----------|-------------|-----------|-----------|--|
| <b>PUBLIC ART FUND</b> | \$969,104 | \$39,645 | \$18,292 | \$19,906 | (\$181,519) | \$865,428 | \$328,936 |  |
|------------------------|-----------|----------|----------|----------|-------------|-----------|-----------|--|

Fee: \$0.30 per sq. ft. of building area

Other Revenue and Transfers In:

|  |                 |
|--|-----------------|
| Other Revenue Description                    | 19,906          |
| Insurance Recoveries                         | 19,906          |
| <b>Total Other Revenue and Transfers In:</b> | <b>\$19,906</b> |

Capital Expenditures:

| Project No. | Expenditure Description                                | Expenditures      | Current Approp    |      |
|-------------|--|-------------------|-------------------|------|
| 421101      | California Center for the Arts Museum Courtyard        | 3,187             | 18,813            | 100% |
| 420119      | Niki de Saint Phalle Art                               | 54,951            | 13,855            | 86%  |
| 420019      | Public Art - Administration                            | 23,746            | 824               | 100% |
| 421501      | Public Art - Gateways                                  | 91,397            | 126,932           | 100% |
| 421001      | Public Art - Pedestrian Pathfinders                    | 1,764             | 150,367           | 100% |
| 427101      | Public Art - Project Repairs                           | 4,500             | -                 | 100% |
| 427905      | Public Art - Repair and Relocate Eucalyptus Leaf Court | 1,974             | 15,645            | 91%  |
| 429999      | Contingency  | -                 | 2,500             | 100% |
|             | <b>Total Expenditures and Appropriations:</b>          | <b>\$ 181,519</b> | <b>\$ 328,936</b> |      |

**CITY OF ESCONDIDO**  
**Financial Information Report**  
**Capital Funds Funded by Developer Fees and Subject to Gov. Code Sec. 66006**  
**Fiscal Year Ended June 30, 2011**

|  | Beginning Fund Balance | Developer Fee Revenue | Interest Earned | Other Revenue and Transfers-In | Capital Expenditures and Transfers-Out | Ending Fund Balance | FYE 2011 Appropriation Balance | Fees as a Percentage of Total Project's Funding |
|--|------------------------|-----------------------|-----------------|--------------------------------|--|---------------------|--------------------------------|---|
|--|------------------------|-----------------------|-----------------|--------------------------------|--|---------------------|--------------------------------|---|

|                         |                  |                 |                |            |                   |                  |                  |  |
|-------------------------|------------------|-----------------|----------------|------------|-------------------|------------------|------------------|--|
| <b>STORM DRAIN FUND</b> | <b>\$392,605</b> | <b>\$57,602</b> | <b>\$7,199</b> | <b>\$0</b> | <b>(\$54,576)</b> | <b>\$402,830</b> | <b>\$253,477</b> |  |
|-------------------------|------------------|-----------------|----------------|------------|-------------------|------------------|------------------|--|

Fee: Single-Family Residential \$1,071.00 per Dwelling Unit  
 Multi-Family Residential \$428.00 per Dwelling Unit  
 Non-Residential \$0.70 per sq. ft.

**Capital Expenditures:**

| Project No. | Expenditure Description                                  | Expenditures    | Current Approp   | 100% |
|-------------|--|-----------------|------------------|------|
| 672904      | Storm Drain - Citracado/Don Lee-Vineyard . . . . .       | 43,385          | 89,266           | 100% |
| 679908      | Storm Drain - La Honda Drive . . . . .                   | -               | 66,211           | 100% |
| 672001      | Storm Drain - Maple Street Pedestrian Plaza . . . . .    | -               | 98,000           | 100% |
| 799501      | Fees 09 Available for Developer Reimbursements . . . . . | 11,190          | -                | 100% |
|             | <b>Total Expenditures and Appropriations:</b>            | <b>\$54,575</b> | <b>\$253,477</b> |      |

**CITY OF ESCONDIDO**  
**Financial Information Report**  
**Capital Funds Funded by Developer Fees and Subject to Gov. Code Sec. 66006**  
**Fiscal Year Ended June 30, 2011**

| Beginning Fund Balance | Developer Fee Revenue | Interest Earned | Other Revenue and Transfers-In | Capital Expenditures and Transfers-Out | Ending Fund Balance | FYE 2011 Appropriation Balance | Fees as a Percentage of Total Project's Funding |
|------------------------|-----------------------|-----------------|--------------------------------|--|---------------------|--------------------------------|---|
|------------------------|-----------------------|-----------------|--------------------------------|--|---------------------|--------------------------------|---|

|                          |                    |                  |            |                      |                    |                  |  |
|--------------------------|--------------------|------------------|------------|----------------------|--------------------|------------------|--|
| <b>PUBLIC FACILITIES</b> | <b>\$7,255,102</b> | <b>\$274,108</b> | <b>\$0</b> | <b>(\$3,341,308)</b> | <b>\$4,314,419</b> | <b>\$278,859</b> |  |
|--------------------------|--------------------|------------------|------------|----------------------|--------------------|------------------|--|

Fee: Residential \$4,533 per Dwelling Unit  
Commercial \$2.13 per square foot  
Industrial \$1.61 per square foot

**Capital Expenditures:**

| <u>Project No.</u> | <u>Expenditure Description</u>                    | <u>Expenditures</u> | <u>Current Approp</u> |      |
|--------------------|---|---------------------|-----------------------|------|
| 100239             | Computer Aided Dispatch . . . . .                 | 143,227             | 93,940                | 35%  |
| 150059             | Digital Imaging Storage - Police . . . . .        | -                   | 4,241                 | 100% |
| 160169             | Fire Records Management System . . . . .          | -                   | 50,000                | 100% |
| 160149             | Fire Station No. 4 Remodel . . . . .              | 40,460              | -                     | 100% |
| 153009             | GIS Public Internet Server . . . . .              | -                   | 24,973                | 100% |
| 136401             | Hi-Resolution Imagery Acquisition . . . . .       | -                   | 23,485                | 100% |
| 414101             | Joslyn Senior Center Craft Room Remodel . . . . . | -                   | 15,000                | 100% |
| 410039             | Joslyn Senior Center Remodel . . . . .            | -                   | 14,625                | 100% |
| 400029             | Library Books Circulation . . . . .               | 172,446             | 52,595                | 100% |
| 408101             | Library & Technology Center . . . . .             | 9,743               | -                     | 100% |
|                    | <b>SubTotal Expenditures:</b>                     | <b>365,876</b>      | <b>278,859</b>        |      |

Transfers-Out Description

|  |                     |
|--|---------------------|
| Transfer to General Capital Projects Fund for Desktop Computer Replacement . . . . .           | 7,140               |
| Transfer to General Capital Projects Fund for Fire Station #4 Reconstruction . . . . .         | 1,838,770           |
| Transfer to General Capital Projects Fund for Public Safety Facility Expansion . . . . .       | 129,522             |
| Transfer to General Capital Projects Fund for the Purchase of Harmony Grove Property . . . . . | 1,000,000           |
| <b>Total Expenditures and Appropriations:</b>  | <b>\$ 3,341,308</b> |

**\$ 278,859**

**COMMUNITY DEVELOPMENT  
COMMISSION**

For City Clerk's Use:

**APPROVED**       **DENIED**

Reso No. CDC \_\_\_\_\_ File No. \_\_\_\_\_

Ord No. CDC \_\_\_\_\_

**Agenda Item No.: 11**  
**Date: December 7, 2011**

**TO:** Honorable Mayor and Members of the Community Development Commission

**FROM:** Gilbert Rojas, Director of Finance

**SUBJECT:** Submission of Community Development Commission (CDC) Reports as of June 30, 2011, which includes the Independent Auditors' Report on the Commission's Financial Statements and Appropriate Legal Compliance, the Annual Report of Financial Transactions of Community Redevelopment Agencies, and the Housing Activities Report

**RECOMMENDATION:**

That the CDC accepts the submission of the following CDC reports for the Fiscal Year ended June 30, 2011:

- Independent Auditors' Report on Financial Statements
- Independent Auditors' Report on Legal Compliance
- Annual Report on Financial Transactions of Community Redevelopment Agencies
- Housing Activities Report
- Fiscal Statement in compliance with Health and Safety Code Section 33080.5
- Blight Report in compliance with Health and Safety Code Section 33080.1
- Loan Report in compliance with Health and Safety Code Section 33080.1
- Property Report in compliance with Health and Safety Code Section 33080.1
- A list of time limits expected to expire in compliance with Health and Safety Code Section 33080.1
- Other useful information regarding the agency in compliance with Health and Safety Code Section 33080.1
- A description of the agency's activities affecting housing and displacement in compliance with Health and Safety Code Section 33080.4 and 33080.7

DISCUSSION:

The CDC was established via a redevelopment plan dated December 19, 1984. The purpose of the plan was to establish a redevelopment project area that qualified for redevelopment assistance within the City of Escondido. It involves Civic Center development including the Center for the Arts Theater, convention facilities and parking lot. Other activities of the CDC include housing financial assistance to increase and improve low and moderate income housing. The CDC has a life of 51 years and will come to an end during fiscal year 2035/36.

The State of California Health and Safety Code, section 33080.1 requires that the above-mentioned reports be submitted annually to the agency's legislative body. The Independent Auditor's Report on Financial Statements provides an opinion as to whether or not the CDC's financial statements are, in all material respects, presenting its financial position fairly. The CDC received an Unqualified Opinion for fiscal year ended 6/30/11. The Independent Auditor's Report on Legal Compliance notes that the internal controls over financial reporting and compliance of the CDC with certain laws, regulations, contracts and grant agreements have been tested and provides the results of that testing. As mentioned within the Independent Auditor's Report on Legal Compliance, the results of tests performed disclosed instances of noncompliance that is required to be reported under *Government Auditing Standards* issued by the Comptroller General of the United States and under the Guidelines for Compliance Audits of California Redevelopment Agencies, issued by the State Controller as follows: in accordance with Health and Safety Code Section 33080.1, the Commission is required to submit an annual report to the governing body and the State Controller's Office which should include a description of the agency's progress, including specific actions and expenditures, in alleviating blight in the previous fiscal year. In addition, the Commission is required to submit a description of the total number and nature of the properties that the agency owns and those properties the agency has acquired in the previous fiscal year. This information was not included in the annual report for the fiscal year ended June 30, 2010.

The Annual Report on Financial Transactions of Community Redevelopment Agencies describes the CDC's financial condition and summarizes its activities during the year. It contains information that is similar to the financial statements, but is in a format preferred by the State Controller. The Housing Activities Report summarizes the housing activities of the CDC and the status and use of low and moderate income funds.

The primary source of funding for the CDC is tax increment revenue. Tax increment revenue is the amount of property tax revenue received over the base year. At June 30, 2011, the CDC received approximately \$23.8 million in tax increment revenue. 20% or \$4.8 million of this amount is required to be set aside for low and moderate income housing purposes. The Debt Service Fund used \$32.0 million to pay principal, interest & fiscal charges, \$9.1 million to pay tax sharing obligations and required \$1.7 million to make the payment to the State's Supplemental Educational Revenue Augmentation Fund (SERAF).



CONCLUSION:

In order to comply with the requirements stated in the Health and Safety Code, these reports are being submitted for your acceptance.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Gilbert Rojas", written in a cursive style.

Gilbert Rojas  
Director of Finance

**CITY OF ESCONDIDO  
COMMUNITY DEVELOPMENT COMMISSION**

**ANNUAL FINANCIAL REPORT**

**For the Fiscal Year Ended June 30, 2011**

**Chairperson**

**Vice Chairperson**

**Member**

**Member**

**Member**

**Executive Director**

**Fiscal Officer**

**General Counsel**

**Secretary**

**Sam Abed, Mayor**

**Marie Waldron, Mayor Pro Tem**

**Olga Diaz, Council Member**

**Ed Gallo, Council Member**

**Michael Morasco, Council Member**

**Clay Phillips, City Manager**

**Gilbert Rojas, Director of Finance**

**Jeffrey Epp, City Attorney**

**Marsha Whalen, City Clerk**

**Prepared by  
The Department of Finance**

**CITY OF ESCONDIDO COMMUNITY DEVELOPMENT COMMISSION  
ANNUAL FINANCIAL REPORT  
June 30, 2011**

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CERTIFIED PUBLIC ACCOUNTANTS

- Brandon W. Burrows, CPA
- David E. Hale, CPA, CFP  
A Professional Corporation
- Donald G. Slater, CPA
- Richard K. Kikuchi, CPA
- Susan F. Matz, CPA
- Shelly K. Jackley, CPA
- Bryan S. Gruber, CPA

## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of the City of Escondido  
Community Development Commission  
Escondido, California

We have audited the accompanying financial statements of the governmental activities and each major fund of the City of Escondido Community Development Commission (the Commission), a component unit of the City of Escondido, California, as of and for the year ended June 30, 2011, which collectively comprise the Commission's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Commission's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Commission, as of June 30, 2011, and the respective changes in financial position, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

We would like to draw the reader's attention to Note 11 – "California Redevelopment Agency Uncertainty". The note provides information on two bills passed, AB1X26 and 27 which dissolve redevelopment agencies effective October 1, 2011 and provide an option to avoid dissolution by making certain defined payments.

In accordance with *Government Auditing Standards*, we have also issued our report dated November 17, 2011, on our consideration of the Commission's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.



To the Board of Directors of the City of Escondido  
Community Development Commission  
Escondido, California

Accounting principles generally accepted in the United States of America require that the budgetary comparison information as listed in the table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Commission's financial statements as a whole. The computation of low and moderate income housing funds excess/surplus is presented for purposes of additional analysis and is not a required part of the financial statements. This is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

The Commission has not presented a management's discussion and analysis that accounting principles generally accepted in the United States of America has determined is necessary to supplement, although not required to be part of, the basic financial statements.

*Lance, Soll & Loughran, LLP*

Brea, California  
November 17, 2011



CERTIFIED PUBLIC ACCOUNTANTS

- Brandon W. Burrows, CPA
- David E. Hale, CPA, CFP  
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- Bryan S. Gruber, CPA

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE  
AND INTERNAL CONTORL OVER COMPLIANCE

To the Board of Directors of the City of Escondido  
Community Development Commission  
Escondido, California

**Compliance**

We have audited the City of Escondido Community Development Commission's (the Commission) compliance with the California Health and Safety Code as required by Section 33080.1 for the year ended June 30, 2011. Compliance with the requirements referred to above is the responsibility of Commission's management. Our responsibility is to express an opinion on Commission's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the *Guidelines for Compliance Audits of California Redevelopment Agencies, June 2011*, issued by the State Controller and as interpreted in the *Auditing Procedures for Accomplishing Compliance Audits of California Redevelopment Agencies, August 2011*, issued by the Governmental Accounting and Auditing Committee of the California Society of Certified Public Accountants. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the compliance requirements referred to above that could have a material effect on redevelopment program has occurred. An audit includes examining, on a test basis, evidence about the Commission's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of the Commission's compliance with those requirements.

In our opinion, the Commission complied, in all material respects, with the compliance requirements referred to above that are applicable to the redevelopment program for the year ended June 30, 2011. However, the results of our auditing procedures disclosed instances of noncompliance with those requirements that are required to be reported under *Government Auditing Standards*.

Annual Report

In accordance with Health and Safety Code Section 33080.1, the Commission is required to submit an annual report to the governing body and the State Controller's Office which should include a description of the agency's progress, including specific actions and expenditures, in alleviating blight in the previous fiscal year. In addition, the Commission is required to submit a description of the total number and nature of the properties that the agency owns and those properties the agency has acquired in the previous fiscal year. This information was not included in the annual report for the fiscal year ended June 30, 2010. We recommend that the Agency include this information for the year under audit.



To the Board of Directors of the City of Escondido  
Community Development Commission  
Escondido, California

### **Internal Control Over Compliance**

Management of the Commission is responsible for establishing and maintaining effective internal control over compliance with the compliance requirements referred to above. In planning and performing our audit, we considered the Commission's internal control over compliance to determine the auditing procedures for the purpose of expressing our opinion on compliance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Commission's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a compliance requirement will not be prevented, or detected and corrected, on a timely basis.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be deficiencies, significant deficiencies, or material weaknesses in internal control over compliance. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

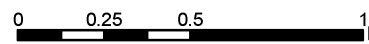
This report is intended for the information of management, the Audit Committee, and the California State Controller and it is not intended to be and should not be used by anyone other than these specified parties.

*Lance, Soll & Luyhard, LLP*

Brea, California  
November 17, 2011



**Escondido Redevelopment Plan Area**



DISCLAIMER: Every reasonable effort has been made to ensure the accuracy of this map. However, by accepting this material, you agree that the City of Escondido assumes no liability of any kind arising from the use of this map. THIS MAP IS PROVIDED WITHOUT WARRANTY OF ANY KIND, either expressed or implied, including but not limited to time, money or goodwill arising from the use, operation or modification of the map.

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**City of Escondido Community Development Commission**  
**Statement of Net Assets**  
**June 30, 2011**

|   | Governmental<br>Activities |
|---|----------------------------|
| <u>Assets</u>                                   |                            |
| Current Assets:                                 |                            |
| Cash and investments                            | \$ 8,284,159               |
| Cash and investments with fiscal agent          | 2,589,883                  |
| Receivables                                     | 4,409,832                  |
| Total Current Assets                            | 15,283,874                 |
| Non-Current Assets:                             |                            |
| Loans receivable                                | 39,185,868                 |
| Loans receivable from the City of Escondido     | 469,988                    |
| Deferred bond issue costs                       | 660,151                    |
| Land held for resale                            | 2,839,976                  |
| Capital assets:                                 |                            |
| Not being depreciated                           | 2,766,714                  |
| Being depreciated, net                          | 38,176,017                 |
| Total Non-Current Assets                        | 84,098,714                 |
| Total Assets                                    | 99,382,588                 |
| <u>Liabilities</u>                              |                            |
| Current Liabilities:                            |                            |
| Accounts payable                                | 5,520,873                  |
| Accrued expenses                                | 16,197                     |
| Interest payable                                | 840,228                    |
| Total Current Liabilities                       | 6,377,298                  |
| Non-Current Liabilities:                        |                            |
| Due within one year                             | 8,324,764                  |
| Due in more than one year                       | 67,871,441                 |
| Total Non-Current Liabilities                   | 76,196,205                 |
| Total Liabilities                               | 82,573,503                 |
| <u>Net Assets (Deficit)</u>                     |                            |
| Invested in capital assets, net of related debt | 40,611,340                 |
| Restricted:                                     |                            |
| Low and moderate housing                        | 42,037,670                 |
| Debt service                                    | 480,467                    |
| Community development                           | 521,128                    |
| Unrestricted                                    | (66,841,520)               |
| Total Net Assets                                | \$ 16,809,085              |

See Accompanying Notes to Basic Financial Statements.

**City of Escondido Community Development Commission**  
**Statement of Activities**  
**For the Fiscal Year Ended June 30, 2011**

| Functions/Programs                          | Expenses             | Program Revenues        |  | Net (Expense)<br>Revenue and<br>Changes in<br>Net Assets |
|---|----------------------|-------------------------|--|--|
|   |                      | Charges for<br>Services | Operating<br>Grants and<br>Contributions | Governmental<br>Activities<br>Total                      |
| Governmental Activities:                    |                      |                         |  |  |
| Community development                       | \$ 10,640,884        | \$ 75,321               | \$ 425,444                               | \$ (10,140,119)  |
| Interest and fiscal charges                 | 4,759,091            |                         |  | (4,759,091)  |
| Total Governmental Activities               | <u>\$ 15,399,975</u> | <u>\$ 75,321</u>        | <u>\$ 425,444</u>                        | <u>(14,899,210)</u>                                      |
| General Revenues                            |                      |                         |  |  |
| Tax increment                               |                      |                         |  | 13,002,528   |
| Investment income, unrestricted             |                      |                         |  | 530,111  |
| Miscellaneous                               |                      |                         |  | 9,377  |
| Total General Revenues                      |                      |                         |  | <u>13,542,016</u>  |
| Change in Net Assets                        |                      |                         |  | (1,357,194)  |
| Net Assets - Beginning of Year, as Restated |                      |                         |  | <u>18,166,279</u>  |
| Net Assets - End of Year                    |                      |                         |  | <u>\$ 16,809,085</u>                                     |

See Accompanying Notes to Basic Financial Statements.

**City of Escondido Community Development Commission**  
**Balance Sheet**  
**Governmental Funds**  
**June 30, 2011**

|   | Special<br>Revenue                    | Debt<br>Service                        | Capital<br>Projects         |                      |
|---|---------------------------------------|--|-----------------------------|----------------------|
|   | Low and<br>Moderate<br>Income Housing | Community<br>Development<br>Commission | Capital<br>Projects<br>Fund | Total                |
| <u>Assets</u>                               |                                       |  |                             |                      |
| Cash and investments                        | \$ 1,728,612                          | \$ 6,504,836                           | \$ 50,711                   | \$ 8,284,159         |
| Cash and investments with fiscal agent      |                                       | 2,589,883                              |                             | 2,589,883            |
| Receivables (net):                          |                                       |  |                             |                      |
| Interest                                    | 4,088,075                             | 71,339                                 | 429                         | 4,159,843            |
| Taxes                                       | 58,043                                | 191,946                                |                             | 249,989              |
| Loans                                       | 39,185,868                            |  |                             | 39,185,868           |
| Loans receivable from the City of Escondido |                                       |  | 469,988                     | 469,988              |
| Land held for resale, at cost               | 2,839,976                             |  |                             | 2,839,976            |
| Advances to other funds                     | 3,399,292                             |  |                             | 3,399,292            |
| <b>Total Assets</b>                         | <b>\$ 51,299,866</b>                  | <b>\$ 9,358,004</b>                    | <b>\$ 521,128</b>           | <b>\$ 61,178,998</b> |
| <u>Liabilities and Fund Balances</u>        |                                       |  |                             |                      |
| Liabilities:                                |                                       |  |                             |                      |
| Accounts payable                            | \$ 42,628                             | \$ 5,478,245                           | \$                          | \$ 5,520,873         |
| Accrued expenditures                        | 16,197                                |  |                             | 16,197               |
| Deferred revenue                            | 4,071,330                             |  |                             | 4,071,330            |
| Advances from other funds                   |                                       | 3,399,292                              |                             | 3,399,292            |
| <b>Total Liabilities</b>                    | <b>4,130,155</b>                      | <b>8,877,537</b>                       |                             | <b>13,007,692</b>    |
| Fund Balances:                              |                                       |  |                             |                      |
| Nonspendable                                | 45,425,136                            |  | 469,988                     | 45,895,124           |
| Restricted:                                 |                                       |  |                             |                      |
| Low and moderate housing                    | 1,744,575                             |  |                             | 1,744,575            |
| Debt service                                |                                       | 480,467                                |                             | 480,467              |
| Community development                       |                                       |  | 51,140                      | 51,140               |
| <b>Total Fund Balances</b>                  | <b>47,169,711</b>                     | <b>480,467</b>                         | <b>521,128</b>              | <b>48,171,306</b>    |
| <b>Total Liabilities and Fund Balances</b>  | <b>\$ 51,299,866</b>                  | <b>\$ 9,358,004</b>                    | <b>\$ 521,128</b>           |                      |

Amounts reported for governmental activities in the statement of net assets are different because:

|   |                             |
|---|-----------------------------|
| Capital assets used in governmental activities are not financial resources and, are not reported in the funds   | 40,942,731                  |
| Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the funds   | 4,071,330                   |
| Long-term debt, including bonds payable, amortization, interest, and accretion, are due and payable in the current period and therefore are not reported in the funds | <u>(76,376,282)</u>         |
| <b>Net assets of governmental activities</b>  | <b><u>\$ 16,809,085</u></b> |

See Accompanying Notes to Basic Financial Statements.

**City of Escondido Community Development Commission**  
**Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**Governmental Funds**  
**For the Fiscal Year Ended June 30, 2011**

|  | Special<br>Revenue<br><u>Low and<br/>Moderate<br/>Income Housing</u> | Debt<br>Service<br><u>Community<br/>Development<br/>Commission</u> | Capital<br>Projects<br><u>Capital<br/>Projects<br/>Fund</u> | Total                |
|--|--|--|---|----------------------|
| Revenues:  |  |  |   |                      |
| Tax increment  | \$ 4,773,102   | \$ 19,092,408  | \$  | \$ 23,865,510        |
| Lease income   | 75,321   |  |   | 75,321               |
| Investment income                                    | 136,892  | (278,787)  | 1,012   | (140,883)            |
| Intergovernmental                                    | 816,036  |  |   | 816,036              |
| Miscellaneous  | 9,377  |  |   | 9,377                |
| Total Revenues                                       | <u>5,810,728</u>   | <u>18,813,621</u>  | <u>1,012</u>  | <u>24,625,361</u>    |
| Expenditures:  |  |  |   |                      |
| Community development                                | 1,612,338  | 717,470  | 5,609,645   | 7,939,453            |
| Debt service:  |  |  |   |                      |
| Principal retirements                                |  | 28,705,000   |   | 28,705,000           |
| Interest and fiscal charges                          |  | 3,204,764  |   | 3,204,764            |
| SERAF payment  |  | 1,761,576  |   | 1,761,576            |
| Agency tax sharing agreement                         |  | 9,101,406  |   | 9,101,406            |
| Total Expenditures                                   | <u>1,612,338</u>   | <u>43,490,216</u>  | <u>5,609,645</u>  | <u>50,712,199</u>    |
| Excess (Deficiency) of Revenues<br>Over Expenditures | <u>4,198,390</u>   | <u>(24,676,595)</u>  | <u>(5,608,633)</u>  | <u>(26,086,838)</u>  |
| Other Financing Sources (Uses):                      |  |  |   |                      |
| Transfers in   | 176,887  | 788,753  | 5,612,368   | 6,578,008            |
| Transfers out  | (788,753)  | (5,789,255)  |   | (6,578,008)          |
| Total Other Financing Sources (Uses)                 | <u>(611,866)</u>   | <u>(5,000,502)</u>   | <u>5,612,368</u>  |                      |
| Net Change in Fund Balances                          | 3,586,524  | (29,677,097)   | 3,735   | (26,086,838)         |
| Fund Balances - Beginning of Year                    | <u>43,583,187</u>  | <u>30,157,564</u>  | <u>517,393</u>  | <u>74,258,144</u>    |
| Fund Balances - End of Year                          | <u>\$ 47,169,711</u>   | <u>\$ 480,467</u>  | <u>\$ 521,128</u>   | <u>\$ 48,171,306</u> |

Amounts reported for governmental activities in the statement of net assets are different because:

|  |                       |
|--|-----------------------|
| Net change in fund balances - total governmental funds   | \$ (26,086,838)       |
| Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation exceeded capital outlays and retirements in the current period.  | (2,736,016)           |
| Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds  | 280,402               |
| The issuance of long-term debt provides current financial resources of governmental funds while the repayment of principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. Also governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are all deferred and amortized or accreted in the statement of activities. This amount is the net effect of those differences. | 27,185,258            |
| Change in net assets of governmental activities  | <u>\$ (1,357,194)</u> |

See Accompanying Notes to Basic Financial Statements.

**City of Escondido Community Development Commission**  
**Notes to the Basic Financial Statements**  
**June 30, 2011**

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**1. Summary of Significant Accounting Policies**

The following is a summary of the significant accounting policies of the City of Escondido Community Development Commission (Commission):

**A. Reporting Entity - City of Escondido Community Development Commission**

The Commission was established in 1984 and currently involves Civic Center development including a community theater, park and convention facilities. Other activities include providing housing financial assistance to increase and improve the community's supply of low and moderate-income housing. The original redevelopment plan is dated December 19, 1984 and has a life of 51 years.

The Commission is an integral part of the reporting entity of the City of Escondido (City). The funds of the Commission have been blended within the financial statements of the City because the City Council of the City of Escondido is the governing board of the Commission and exercises control over the operations of the Commission. The Commission does not have business-type activities and therefore only reports governmental activities. Only the funds of the Commission are included herein, therefore, these financial statements do not purport to represent the financial position or results of operations of the City of Escondido, California.

**B. Government-wide and Fund Financial Statements**

The government-wide financial statements (i.e., the statement of net assets and the statement of activities) report information on all of the activities of the Commission. For the most part, the effect of the interfund activity has been removed from these statements.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segments are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Amounts paid to acquire capital assets are capitalized in the government-wide financial statements, rather than reported as expenditures. Proceeds of long-term debt are recorded as a liability in the government-wide financial statements, rather than as other financing sources. Amounts paid to reduce long-term indebtedness of the reporting entity are reported as a reduction of the related liability, rather than as expenditures.

The underlying accounting system of the Commission is organized and operated on the basis of separate funds, each of which is considered to be a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity and expenditures or expenses, as appropriate.

Governmental resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled.

**City of Escondido Community Development Commission**  
**Notes to the Basic Financial Statements (Continued)**  
**June 30, 2011**

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**1. Summary of Significant Accounting Policies (Continued)**

Fund financial statements for the Commission's governmental funds are presented after the government-wide financial statements. These statements normally display information about major funds individually and non-major funds in the aggregate for governmental funds.

**C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation**

Basis of accounting

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting wherein revenues are recorded when they are both earned and realized, regardless of the timing of the related cash flows.

Governmental fund statements are reported using the modified accrual basis of accounting wherein revenues are recognized as soon as they are both measurable and available as a resource to finance operations of the current year. Under this method, revenues are recognized when measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Commission considers revenues to be available if they are collected within 60 days of the end of the current fiscal year. Expenditures are recorded when incurred except that interest on long-term debt is recorded as an expenditure on its due date.

Property taxes and interest income associated with the current fiscal period are accrued and recognized as revenues of the current fiscal period to the extent it is collected within the availability period. Other revenue items are considered to be measurable and available when cash is received by the government.

Exchange transactions are recognized as revenues in the period in which they are earned (i.e., the related goods or services are provided). Locally imposed tax revenues are recognized as revenues in the period in which the underlying exchange transaction upon which they are based takes place. Imposed non-exchange transactions are recognized as revenues in the period for which they were imposed. If the period of use is not specified, they are recognized as revenues when an enforceable legal claim to the revenues arise or when they are received, whichever occurs first. Government mandated and voluntary non-exchange transactions are recognized as revenues when all applicable eligibility requirements have been met.

In the fund financial statements, governmental funds are presented using the current financial resources measurement focus. This means that only current assets and current liabilities are generally included on their balance sheets. The reported fund balance (net current assets) is considered to be a measure of "available spendable resources". Governmental fund operating statements present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets. Accordingly, they are said to present a summary of sources and uses of "available spendable resources" during a period.

Non-current portions of long-term receivables due to governmental funds are reported on the balance sheet in spite of their spending measurement focus. However, special reporting treatments are used to indicate that they should not be considered "available spendable resources" since they do not represent net current assets. Recognition of governmental fund type revenue represented by a non-current receivable are deferred until they become current receivables. Non-current portions of other long-term receivables are offset by nonspendable fund balance.

**City of Escondido Community Development Commission**  
**Notes to the Basic Financial Statements (Continued)**  
**June 30, 2011**

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**1. Summary of Significant Accounting Policies (Continued)**

As a result of their spending measurement focus, expenditure recognition for governmental fund types excludes amounts represented by non-current liabilities. Since they do not affect net current assets, such long-term amounts are not recognized as governmental fund type expenditures or fund liabilities.

Amounts expended to acquire capital assets are recorded as expenditures in the year that resources were expended, rather than as fund assets. The proceeds of long-term debt are recorded as another financing source rather than as a fund liability. Amounts paid to reduce long-term indebtedness are reported as fund expenditures.

Tax increment revenue

The Commission has no power to levy and collect taxes, and any legislative property tax de-emphasis might necessarily reduce the amount of tax revenues that would otherwise be available to pay the principal of, and interest on loans from the City. Broadened property tax exemptions could have a similar effect. Conversely, any increase in the tax rate or assessed valuation, or any reduction or elimination of present exemptions would necessarily increase the amount of tax revenues that would be available to pay principal and interest on tax allocation bonds or loans from the Commission.

Tax increment levies attach as an enforceable lien on property as of January 1. Taxes are levied on July 1 and are payable in two installments on December 10 and April 10. The County of San Diego (County) bills and collects the tax increment and remits them to the Commission in installments during the year. Tax increment revenues are recognized when levied to the extent that they result in current receivables.

The Commission reports the following major governmental funds:

The Low and Moderate Income Housing Special Revenue Fund is used to account for the 20% portion of the Commission's tax increment revenue that is required to be set aside for low and moderate income housing and related expenditures, and other specific revenue sources that are legally restricted for specified purposes.

The Community Development Commission Debt Service Fund is used to account for the payment of interest and principal on long-term debt, and the accumulation of resources thereof.

The Community Development Commission Capital Projects Fund is used to account for the financial resources used in developing the project areas as well as the capital expenditures incurred in sustaining Commission activities.

**D. Assets, Liabilities, and Net Assets or Equity**

Cash and investments

Investments are reported in the accompanying financial statements at fair value, except for certain certificates of deposit and investment contracts that are reported at cost because they are not transferable and they have terms that are not affected by changes in market interest rates. Changes in fair value that occur during a fiscal year are recognized as investment income reported for that fiscal year. Investment income includes interest earnings, changes in fair value, and any gains or losses realized upon the liquidation, maturity, or sale of investments.

**City of Escondido Community Development Commission**  
**Notes to the Basic Financial Statements (Continued)**  
**June 30, 2011**

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**1. Summary of Significant Accounting Policies (Continued)**

The Commission's cash and investments held by fiscal agents are pledged to the payment or security of certain long-term debt issuances. The California Government Code provides that these monies, in the absence of specific statutory provisions governing the issuance of bonds, may be invested in accordance with the ordinance, resolutions or indentures specifying the types of investments its trustees or fiscal agents may make.

Cash and investments, except for cash and investments with fiscal agents, are pooled with other City of Escondido funds for investment purposes, with interest being allocated quarterly to all funds legally requiring allocation and to other various funds at the direction of management based on average month-end pooled funds cash and investment balances. Interest income for cash and investments excluded from pooled cash is credited directly to the related fund. Investment policies applicable to the Commission's funds are those of the City of Escondido and are included in the notes to the City's basic financial statements.

Land held for resale

Land acquired by the Commission and held for resale is recorded at cost unless market value is determined to be below cost.

Capital assets

Capital assets, which include property, plant, and equipment, of the Commission are reported in the governmental activities column in the government-wide financial statements. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated assets are valued at the fair value of the assets on the date on which they were contributed. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized. The Commission utilizes a capitalization threshold of \$5,000 - \$10,000 depending on asset type.

Depreciation is charged to operations using the straight-line method over the estimated useful lives of the assets as follows:

|                            |             |
|----------------------------|-------------|
| Buildings and improvements | 20-40 Years |
| Machinery and equipment    | 3-15 Years  |
| Land improvements          | 5 Years     |

Employee leave benefits

Depending upon length of employment, Commission employees earn 12 to 27 vacation days a year. Sick leave is accrued at the rate of 12 days per year. Employees can carry forward to subsequent years two to three years worth of earned but unused vacation leave benefits depending on employee group. Upon termination, the Commission is obligated to compensate employees for all earned but unused vacation days. The earned but unused sick leave benefits are not payable in the event of employee termination. These benefits are considered to be contingent liabilities subject to the continuation of the employee relationship. Such sick leave benefits are therefore not recorded as liabilities in the accompanying financial statements.

In the government-wide financial statements, a liability is accrued for all earned but unused vacation leave benefits relating to the operations of the funds. This liability will be liquidated as either additional cash payments in the event of employee termination or as part of budgeted salary expenditures if used by employees as compensated leave time while still employed by the



**City of Escondido Community Development Commission**  
**Notes to the Basic Financial Statements (Continued)**  
**June 30, 2011**

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**1. Summary of Significant Accounting Policies (Continued)**

Commission. In the fund financial statement governmental funds accrue current liabilities for material vacation leave benefits due on demand to governmental fund employees that have terminated prior to year-end. Non-current amounts will be recorded as fund expenditures in the year in which they are paid or become due on demand to terminated employees.

Fund equity

In the fund financial statements, governmental funds report nonspendable fund balance for amounts that are not available for appropriation and restricted fund balance for amounts that are legally restricted by outside parties for use for a specific purpose. The Commission's Board of Directors adopts and amends committed fund balance amounts through a resolution. The Finance Director authorizes assigned amounts for specific purposes pursuant to the policy-making powers granted to him through a resolution.

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, the City considers restricted amounts to be used first, then unrestricted. When an expenditure is incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used, they are considered to be spent in the order as follows: committed, assigned and then unassigned.

Use of estimates

The preparation of basic financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the reporting date and revenue and expenses during the reporting period. Actual results could differ from those estimates.

**2. Stewardship, Compliance and Accountability**

**A. Budgetary Data**

The Commission adopts an annual budget prepared on the modified accrual basis for the Special Revenue and Debt Service Funds. The Executive Director is required to prepare and submit to the Commission's Board of Directors the annual budget of the Commission and administer it after adoption. Any revisions that alter the total appropriations of the fund must be approved by the Board of Directors. Prior year appropriations lapse unless they are encumbered at year-end or re-appropriated through the formal budget process.

**3. Cash and Investments**

Cash and investments as of June 30, 2011, are classified in the accompanying financial statements as follows:

|  |                      |
|--|----------------------|
| Statement of Net Assets:               |                      |
| Cash and investments                   | \$ 8,284,159         |
| Cash and investments with fiscal agent | <u>2,589,883</u>     |
| Total cash and investments             | <u>\$ 10,874,042</u> |

**City of Escondido Community Development Commission**  
**Notes to the Basic Financial Statements (Continued)**  
**June 30, 2011**

**3. Cash and Investments (Continued)**

Cash and investments as of June 30, 2011, consisted of the following:

|                                |               |
|--------------------------------|---------------|
| Equity in City investment pool | \$ 8,284,159  |
| Investments                    | 2,589,883     |
| Total cash and investments     | \$ 10,874,042 |

Equity in the Cash and Investment Pool of the City of Escondido

The Commission has no separate bank accounts or investments other than in equity investments held by fiscal agent (i.e. fiscal agent) and the Commission's equity in the cash and investment pool managed by the City of Escondido. The Commission is a voluntary participant in that pool. This pool is governed by and under the regulatory oversight of the investment policy adopted by the City Council of the City of Escondido. The Commission has not adopted an investment policy separate from that of the City of Escondido. The fair value of the Commission's investment in this pool is reported in the accompanying financial statements at amounts based upon the Commission's pro-rata share of the fair value calculated by the City for the entire City portfolio. The balance available for withdrawal is based on the accounting records maintained by the City, which are recorded on an original cost basis.

Investments Authorized by Debt Agreements

Investment of debt proceeds held by fiscal agents are governed by provisions of the debt agreements, rather than the general provisions of the California Government Code or the Commission's investment policy. The table below identifies the investment types that are authorized for investments held by fiscal agent. The table also identifies certain provisions of these debt agreements that address interest rate risk and concentration of credit risk.

| Authorized Investment Types      | Maximum<br>Maturity | Maximum<br>Percentage of<br>Portfolio | Maximum<br>Investment in One<br>Issuer |
|----------------------------------|---------------------|---------------------------------------|--|
| U.S. Treasury Obligations        | None                | None                                  | None                                   |
| U.S. Agency Securities           | 5 years             | None                                  | None                                   |
| Banker's Acceptance              | 360 days            | 20%                                   | 10%                                    |
| Commercial Paper                 | 270 days            | 15%                                   | 10%                                    |
| Money Market Mutual Funds        | N/A                 | 20%                                   | 10%                                    |
| Investment Contracts             | 30 years            | None                                  | None                                   |
| Repurchase Agreements            | None                | None                                  | None                                   |
| State and Municipal Obligations  | None                | None                                  | None                                   |
| State and Pooled Investment Fund | None                | None                                  | None                                   |

Disclosures Relating to Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. One of the ways that the Commission manages exposure to interest rate risk is by purchasing a combination of shorter term and longer term investments and by timing cash flows from maturities so that a portion of the portfolio is maturing or coming close to maturity evenly over time as necessary to provide the cash flow and liquidity needed for operations.

**City of Escondido Community Development Commission**  
**Notes to the Basic Financial Statements (Continued)**  
**June 30, 2011**

**3. Cash and Investments (Continued)**

Information about the Commission's exposure to interest rate risk as a result of its equity in the cash and investment pool of the City of Escondido is provided by disclosures in the notes to the basic financial statements of the City of Escondido that shows the distribution of the City's investments by maturity.

Information about the sensitivity of the fair values of the Commission's investments held by fiscal agent to market interest rate fluctuations is provided by the following table that shows the distribution of these investments by maturity:

| Investment Type        | Remaining Maturity (in Months) |                 |              |                     | Total               |
|------------------------|--------------------------------|-----------------|--------------|---------------------|---------------------|
|                        | 18 Months or Less              | 18 to 42 Months | 42-66 Months | More Than 66 Months |                     |
| Held by fiscal agents: |                                |                 |              |                     |                     |
| Money market funds     | \$ 2,589,883                   | \$              | \$           | \$                  | \$ 2,589,883        |
| <b>Total</b>           | <b>\$ 2,589,883</b>            | <b>\$</b>       | <b>\$</b>    | <b>\$</b>           | <b>\$ 2,589,883</b> |

Disclosures Relating to Credit Risk

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. Presented below is the minimum rating required by (where applicable) the California Government Code, or debt agreements, and the actual rating as of year end for each investment type:

| Investment Type       | Total              | Minimum Legal Rating | Exempted From Disclosure | Rating as of Year End |           |
|-----------------------|--------------------|----------------------|--------------------------|-----------------------|-----------|
|                       |                    |                      |                          | AAA                   | Not Rated |
| Held by fiscal agent: |                    |                      |                          |                       |           |
| Money market funds    | \$2,589,883        | N/A                  | \$                       | \$2,589,883           | \$        |
| <b>Total</b>          | <b>\$2,589,883</b> |                      | <b>\$</b>                | <b>\$2,589,883</b>    | <b>\$</b> |

On August 5, 2011, Standard & Poor's Ratings Services lowered its long-term sovereign credit rating on the United States of America to AA+ from AAA. As a result, on August 8, 2011, Standard & Poor's Ratings Services lowered its issuer credit ratings and related issue ratings on various Federal Home Loan Bank, Federal Farm Credit Bank, Fannie Mae and Freddie Mac to AA+ from AAA. The Commission has various investments held with fiscal agents which invests in various underlying securities, including the federal agency securities listed above.

Concentration of Credit Risk

There are no investments in any one issuer (other than U.S. Treasury securities, mutual funds, and investment pools) that represent 5% or more of total investments for the entire entity (or for each separate major fund or for nonmajor funds in the aggregate).

**City of Escondido Community Development Commission**  
**Notes to the Basic Financial Statements (Continued)**  
**June 30, 2011**

**3. Cash and Investments (Continued)**

Custodial Credit Risk

The Commission does not have significant certificates of deposit or demand accounts held by fiscal agent that are subject to disclosable custodial credit risk (as defined by GASB Statement No. 40). The Commission does not have direct investments in securities subject to disclosable custodial credit risk (as defined by GASB Statement No. 40).

For the investments held by fiscal agent, the fiscal agent selects the investment under the terms of the applicable trust agreement, acquires the investment, and holds the investment on behalf of the reporting government.

**4. Loan Receivables**

The Commission has entered into agreements with the City of Escondido and various other parties to establish low and moderate income housing loans. At June 30, 2011, the outstanding loans receivables \$39,185,868.

|   |    |            |
|---|----|------------|
| Loans given to developers and non-profits | \$ | 28,802,740 |
| Mobile home loan program                  |    | 3,834,482  |
| First-time homebuyer program              |    | 6,173,368  |
| HOME loans                                |    | 375,000    |
| Various loans                             |    | 278        |
| Total loans receivable                    | \$ | 39,185,868 |

**5. Interfund Transfers and Advances**

Interfund Transfers

| Transfers Out:                  | Transfers In   |                       |                          | Totals       |
|---------------------------------|--|-----------------------|--------------------------|--------------|
|                                 | Special Revenue<br>Low and<br>Moderate<br>Income Housing | Debt Service<br>Funds | Capital Projects<br>Fund |              |
| Special Revenue Funds:          |  |                       |                          |              |
| Low and Moderate Income Housing | \$ 176,887   | \$ 788,753            | \$ 5,612,368             | \$ 788,753   |
| Debt Service Fund               | \$ 176,887   | \$ 788,753            | \$ 5,612,368             | \$ 5,789,255 |
|                                 | \$ 176,887   | \$ 788,753            | \$ 5,612,368             | \$ 6,578,008 |

Interfund transfers were primarily used to move receipts to the Community Development Commission Debt Service Fund from the Low and Moderate Income Housing Fund to create a reserve for the future payment of various loans.

Interfund Advances:

|                                  |  |                 |
|----------------------------------|--|-----------------|
|                                  |  | Advance From    |
|                                  |  | Low and         |
|                                  |  | Moderate Income |
|                                  |  | Housing         |
| Advance To:                      |  |                 |
| Community Development Commission |  |                 |
| Debt Service Fund                |  | \$ 3,399,292    |

**City of Escondido Community Development Commission**  
**Notes to the Basic Financial Statements (Continued)**  
**June 30, 2011**

**5. Interfund Transfers and Advances (Continued)**

The Low and Moderate Income Housing Fund entered into non-interest bearing agreements with the Community Development Commission Debt Service Fund for advances totaling \$3,399,292 for the Educational Revenue Augmentation Fund payments made for fiscal years 2003-2004 through 2005-2006.

**6. Capital Assets**

Changes in capital assets during the year ended June 30, 2011, were as follows:

|   | <u>Balance at<br/>July 1, 2010</u> | <u>Increases</u>    | <u>Decreases</u>    | <u>Balance at<br/>June 30, 2011</u> |
|---|------------------------------------|---------------------|---------------------|-------------------------------------|
| Governmental activities:                        |                                    |                     |                     |                                     |
| Capital assets not being depreciated:           |                                    |                     |                     |                                     |
| Land  | <u>\$ 2,766,714</u>                | <u>\$ 3,307,576</u> | <u>\$ 3,307,576</u> | <u>\$ 2,766,714</u>                 |
| Capital assets, being depreciated:              |                                    |                     |                     |                                     |
| Land improvements                               | 139,295                            |                     |                     | 139,295                             |
| Buildings and improvements                      | 82,080,470                         | 2,302,068           | 2,302,068           | 82,080,470                          |
| Machinery and equipment                         | <u>276,473</u>                     |                     |                     | <u>276,473</u>                      |
| Total capital assets,<br>being depreciated      | <u>82,496,238</u>                  | <u>2,302,068</u>    | <u>2,302,068</u>    | <u>82,496,238</u>                   |
| Less accumulated depreciation:                  |                                    |                     |                     |                                     |
| Land improvements                               | (139,295)                          |                     |                     | (139,295)                           |
| Buildings and improvements                      | (41,168,437)                       | (2,736,016)         |                     | (43,904,453)                        |
| Machinery and equipment                         | <u>(276,473)</u>                   |                     |                     | <u>(276,473)</u>                    |
| Total accumulated depreciation                  | <u>(41,584,205)</u>                | <u>(2,736,016)</u>  |                     | <u>(44,320,221)</u>                 |
| Total capital assets, being<br>depreciated, net | <u>40,912,033</u>                  | <u>(2,736,016)</u>  |                     | <u>38,176,017</u>                   |
| Governmental activities<br>capital assets, net  | <u>\$ 43,678,747</u>               | <u>\$ 571,560</u>   | <u>\$ 3,307,576</u> | <u>\$ 40,942,731</u>                |

Depreciation of \$2,736,016 was charged to community development.

**City of Escondido Community Development Commission**  
**Notes to the Basic Financial Statements (Continued)**  
**June 30, 2011**

**7. Long-Term Liabilities**

The following is a summary of changes in long-term liabilities for the year ended June 30, 2011:

|                                    | Balance at<br>July 1, 2010 | Adjustments*         | Additions/<br>Accretion       | Deletions              | Balance at<br>June 30, 2011 | Due within<br>One Year | Due Beyond<br>One Year |
|------------------------------------|----------------------------|----------------------|-------------------------------|------------------------|-----------------------------|------------------------|------------------------|
| Tax Allocation Bonds:              |                            |                      |                               |                        |                             |                        |                        |
| January 1992                       | \$ 3,786,572               | \$                   | \$ 247,163                    | \$                     | \$ 4,033,735                | \$                     | \$ 4,033,735           |
| Lease Revenue Bonds:               |                            |                      |                               |                        |                             |                        |                        |
| December 2001                      | 5,070,000                  |                      |                               | (2,490,000)            | 2,580,000                   | 2,580,000              |                        |
| January 2007A                      | 37,820,000                 |                      |                               | (3,815,000)            | 34,005,000                  | 4,045,000              | 29,960,000             |
| January 2007B                      | 15,595,000                 |                      |                               | (1,600,000)            | 13,995,000                  | 1,695,000              | 12,300,000             |
| Advances from<br>City of Escondido | 10,032,652                 | 23,491,576           | 1,484,065                     | (20,000,000)           | 15,008,293                  |                        | 15,008,293             |
| Loans payable                      | 6,100,000                  |                      |                               | (800,000)              | 5,300,000                   |                        | 5,300,000              |
| Employee leave benefits<br>payable | 82,228                     |                      | 2,259                         | (36,843)               | 47,644                      | 4,764                  | 42,880                 |
| <b>Totals</b>                      | <u>\$ 78,486,452</u>       | <u>\$ 23,491,576</u> | <u>\$ 1,733,487</u>           | <u>\$ (28,741,843)</u> | 74,969,672                  | <u>\$ 8,324,764</u>    | <u>\$ 66,644,908</u>   |
|                                    |                            |                      | Unamortized bond premium      |                        | 1,531,971                   |                        |                        |
|                                    |                            |                      | Unamortized loss on refunding |                        | (305,438)                   |                        |                        |
|                                    |                            | Totals               | Totals                        |                        | <u>\$ 76,196,205</u>        |                        |                        |

\* The adjustment was made to record matured unpaid interest through June 30, 2010 as long term debt.

**Tax Allocation Bonds:**

In January 1992, the Escondido Joint Powers Financing Authority issued \$35,986,152 Revenue Bonds Series 1992 for the purpose of making a loan to the Commission. In December 2001, the Commission issued \$22,420,000 Revenue Bonds to advance refund \$23,585,000 of the bonds. The remaining bonds consist of capital appreciation bonds in the initial amounts of \$612,259 and \$568,893 due on September 1, 2012 and September 1, 2013, respectively, in the accreted amounts of \$2,240,000 each. The outstanding balance at June 30, 2011, includes \$2,852,583 of accreted value of the capital appreciation bonds. The outstanding balance at June 30, 2011, is \$4,033,735.

**Lease Revenue Bonds**

In December 2001, the Commission issued \$22,420,000 of Lease Revenue Bonds to refund \$22,005,000 of the 1992 Certificates of Participation which were issued to refund certain certificates of participation originally issued by the City of Escondido in 1986 to finance a portion of the construction of the City Hall. The Bonds are due in annual installments from 2002 through 2011, with interest rates ranging from 3% to 3.7% and annual installments of \$1,970,000 to \$2,580,000. The outstanding balance at June 30, 2011, is \$2,580,000.

**City of Escondido Community Development Commission**  
**Notes to the Basic Financial Statements (Continued)**  
**June 30, 2011**

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**7. Long-Term Liabilities (Continued)**

In January 2007, the Escondido Joint Powers Financing Authority issued \$40,025,000 2007A Lease Revenue Refunding Bonds and \$16,525,000 2007B Taxable Lease Revenue Refunding Bonds to refund the 1995 Certificates of Participation (COP) Lease Revenue Bonds, originally issued in the principal amount of \$51,385,757 to provide financing for the Civic Center construction project. As a result, the 1995 COP is considered to be defeased and the respective liability has been removed from the statement of net assets.

The 2007A Lease Revenue Refunding Bonds bear interest rates between 3.75% to 5% payable semiannually on March 1 and September 1 of each year. The 2007A Lease Revenue Refunding Bonds mature between September 1, 2009 and September 1, 2018, in amounts ranging from \$2,205,000 to \$5,025,000. The 2007B Taxable Lease Revenue Refunding Bonds mature on September 1, 2018 at 5.53% rate. The 2007B bonds are subject to mandatory redemption from a sinking fund account in amounts ranging from \$930,000 to \$2,045,000 commencing September 1, 2009. Both 2007A and 2007B bonds are subject to mandatory redemption as a whole or in part on any date without premium, from unused insurance or condemnation proceed as described in the bond covenants. The reserve for 2007A and 2007B bonds was in the form of a surety bond and is fully funded. The outstanding balance at June 30, 2011, is \$48,000,000. Unamortized bond premium and loss on defeasance was \$1,531,971 and \$305,438, respectively, at June 30, 2011. Unamortized bond deferred charges were \$660,151 at June 30, 2011.

Employee Leave Benefits Payable

The Commission's policies relating to employee leave benefits are described in Note 1. This liability will be paid in future years from future resources primarily from the Low and Moderate Income Housing Fund. The balance at June 30, 2011, is \$47,644.

Advances from the City of Escondido

The Commission and the City have entered into a cooperative agreement to loan the Commission monies for general operations and authorized development activities. The agreement specifies that the loan will be reimbursed to the City from whatever revenues the Commission possesses, or is entitled to, including future tax increment funds. Interest was accrued at 6.78% per annum through February 1989, on funds the Commission expended for authorized purposes. Subsequent to February 1989, the interest accrued to the City was one percent plus the average annual AA Municipal General Obligation Bond rate for a twenty-year bond. The balance at June 30, 2011, including accrued unpaid interest of \$9,877,487 is \$15,008,293.

Loans Payable

In 2002, 2004, 2006 and 2008, the Commission of the City of Escondido received loans from the California Housing Finance Agency. The proceeds of the loans were used to finance the property acquisitions for the projects of Washington Plaza Apartments, Trinity Apartments, Brotherton, Las Ventanas, and SoCal Housing. The term of the loans are ten years with an annual interest rate of 3%. Payment is deferred for the term of the loans. The balance at June 30, 2011, is \$5,300,000.

Debt to Maturity Schedule

The annual requirements to amortize the tax allocation bonds and the lease revenue bonds, including accreted values, are as follows: (in thousands)

**City of Escondido Community Development Commission**  
**Notes to the Basic Financial Statements (Continued)**  
**June 30, 2011**

**7. Long-Term Liabilities (Continued)**

| Year Ending<br>June 30 | Bonds*          |           | Revenue Bonds    |                  |
|------------------------|-----------------|-----------|------------------|------------------|
|                        | Principal       | Interest  | Principal        | Interest         |
| 2012                   | \$              | \$        | \$ 8,320         | \$ 2,345         |
| 2013                   | 2,240           |           | 6,715            | 2,000            |
| 2014                   | 2,240           |           | 3,475            | 1,742            |
| 2015                   |                 |           | 5,785            | 1,503            |
| 2016                   |                 |           | 6,085            | 1,198            |
| 2017-2019              |                 |           | 20,200           | 1,596            |
| Total                  | <u>\$ 4,480</u> | <u>\$</u> | <u>\$ 50,580</u> | <u>\$ 10,384</u> |

\*The above totals include capital appreciation of \$940,591 that will be accrued in future years.

Pledged Revenue

The Commission has outstanding debt issuances that are collateralized by pledged tax increment revenue. The term of the commitment of pledged revenues and the purposes for which the proceeds of these debt issuances were utilized are disclosed in the debt descriptions provided herein. The amount of the remaining commitment of the pledge is equal to the amount of the remaining debt service to maturity of the related debt issuances as disclosed above. For the current year, debt service payments as a percentage of the pledged revenue is indicated in the table below.

| Description of Pledged Revenue | Annual Amount of Pledged Revenue (net of expenses, where required) | Annual Debt Service Payments (of all debt secured by this revenue) | Debt Service as a Percentage of Pledged Revenue |
|--------------------------------|--|--|---|
| Tax increment revenue          | \$ 9,991,002   | \$   | 0%  |
| Loan repayment revenue         | 10,585,612   | 10,585,612   | 100%  |

Prior Year Defeasance of Long-Term Debt

In prior years, the Commission defeased certain certificates of participation and tax allocation bonds by placing the proceeds of refunding the debt issues in an irrevocable trust to provide for all future debt service payments on the old debt issues. Accordingly, the trust account assets and the liability for the defeased debt issues are not included in the Commission's financial statements. As of June 30, 2011, \$4,095,000 of bonds outstanding are considered defeased.



**City of Escondido Community Development Commission**  
**Notes to the Basic Financial Statements (Continued)**  
**June 30, 2011**

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**8. Insurance**

The Commission is covered under the City of Escondido's insurance policies. Therefore, the limitation and self-insured retentions applicable to the City of Escondido also apply to the Commission. Additional information as to coverage and self-insured retentions can be obtained by contacting the City.

**9. SERAF Shift for fiscal year 2010-2011**

On July 23, 2009, the State adopted legislation, requiring a shift of monies during fiscal years 2009-2010 and 2010-2011 to be deposited into the County "Supplemental" Educational Revenue Augmentation Fund (SERAF). These monies were to be distributed to meet the State's Prop 98 obligations to schools. The California Redevelopment Association (CRA) and its member agencies filed a legal action in an attempt to stop these amounts from having to be paid; however, in May 2010 the Sacramento Superior Court upheld the legislation. This decision is in the process of being appealed by CRA and its member agencies.

The payment of the SERAF was due on May 10, 2011 for fiscal year 2010-2011 and it was made in the amount of \$1,761,576 and was made from available resources.

**10. Related Party Transaction**

In February 2011, the Commission's Board of Directors approved the transfer of certain parcels of real property to the City of Escondido. These properties were originally purchased by the Commission. Title of ownership was transferred to the City for the properties which consist of 480 North Spruce Street and four vacant lots addressed as 314 E. Grand Avenue, 304 E. Grand Avenue, 112-118 N. Juniper Street and 316 E. Grand Avenue. The value of these properties was \$3,307,576.

**11. California Redevelopment Agency Uncertainty**

On July 18, 2011, the California Redevelopment Association ("CRA") and the League of California Cities ("League") filed a petition for writ of mandate with the California Supreme Court, requesting the Court to declare unconstitutional two bills that were passed as part of the 2011-12 State Budget, AB1X 26 and 27. AB1X 26 dissolves redevelopment agencies effective October 1, 2011. AB1X 27, give redevelopment agencies an option to avoid dissolution if it commits to making defined payments for the benefit of the State, school districts and certain special districts. In 2011-12, these payments amount to a state-wide total of \$1.7 billion. In 2012-13 and subsequent years, the payments total \$400 million, annually. Each city or county's share of these payments is determined based on its proportionate share of state-wide tax increment.

CRA and the League contend that AB1X 26 and 27 are unconstitutional because they violate Proposition 22 which was passed by the voters in November, 2010. The effect of the legislation is to achieve a possible unconstitutional result, the use of redevelopment agencies' tax increment funds to benefit the State and other units of local government, by way of threatening of the dissolution of redevelopment agencies.

**City of Escondido Community Development Commission**  
**Notes to the Basic Financial Statements (Continued)**  
**June 30, 2011**

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**11. California Redevelopment Agency Uncertainty (Continued)**

Therefore, the CRA and the League have requested that the Court issue a stay, suspending the effectiveness of AB1X 26 and 27 until the Court can rule on its constitutionality. CRA and the League also asked the Court to expedite the briefing and hearing of the case so that a decision can be rendered by the Court before January 15, 2012, when the first payments are due. On August 11<sup>th</sup>, the California Supreme Court agreed to hear the case and granted a partial stay which was subsequently clarified.

As of the time of the issuance of this report, the outcome of AB1X 26 and 27 upon the Commission is unknown and consequently the status and even future existence of the Commission is uncertain as such. In accordance with AB1X 27, the Commission has passed a resolution of intent to continue and will be required to make a payment to the State by January 15, 2012 to avoid dissolution. The Department of Finance issued their estimated payments amounts and the Commission filed an appeal regarding the calculation. The Department of Finance reviewed the Commission's appeal regarding the calculation and on October 15, 2011 determined the estimated payment stands without revision, resulting in a payment amount of \$9,405,500.

**12. Net Asset Restatements**

Net assets were restated by \$23,491,576 to reflect the liability for accrued unpaid interest on the advances from the City of Escondido.

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**REQUIRED SUPPLEMENTARY INFORMATION**

**City of Escondido Community Development Commission  
Low and Moderate Income Housing Special Revenue Fund  
Budgetary Comparison Schedule  
For the Fiscal Year Ended June 30, 2011**

|   | Budgeted Amounts     |                      | Actual               | Variance<br>Over<br>(Under) |
|---|----------------------|----------------------|----------------------|-----------------------------|
|   | Original             | Final                |                      |                             |
| <b>Revenues:</b>                        |                      |                      |                      |                             |
| Tax increment                           | \$ 4,867,975         | \$ 4,867,975         | \$ 4,773,102         | \$ (94,873)                 |
| Intergovernmental                       |                      |                      | 816,036              | 816,036                     |
| Lease income                            | 48,000               | 48,000               | 75,321               | 27,321                      |
| Investment income                       | 75,000               | 75,000               | 136,892              | 61,892                      |
| Miscellaneous                           | 295,000              |                      | 9,377                | 9,377                       |
| Total Revenues                          | <u>5,285,975</u>     | <u>4,990,975</u>     | <u>5,810,728</u>     | <u>819,753</u>              |
| <b>Expenditures:</b>                    |                      |                      |                      |                             |
| Community development:                  |                      |                      |                      |                             |
| Low and moderate housing                | 1,142,320            | 1,142,320            | 1,278,444            | 136,124                     |
| Mobile home management                  | 41,530               | 41,530               | 31,919               | (9,611)                     |
| Rental subsidy                          | 300,000              | 300,000              | 301,975              | 1,975                       |
| Total Expenditures                      | <u>1,483,850</u>     | <u>1,483,850</u>     | <u>1,612,338</u>     | <u>128,488</u>              |
| Excess of Revenues<br>Over Expenditures | <u>3,802,125</u>     | <u>3,507,125</u>     | <u>4,198,390</u>     | <u>691,265</u>              |
| <b>Other Financing (Uses):</b>          |                      |                      |                      |                             |
| Transfers in                            |                      |                      | 176,887              | 176,887                     |
| Transfers out                           |                      | (788,753)            | (788,753)            |                             |
| Total Other Financing<br>Sources (Uses) |                      | <u>(788,753)</u>     | <u>(611,866)</u>     | <u>176,887</u>              |
| Net Change in Fund Balance              | 3,802,125            | 2,718,372            | 3,586,524            | 868,152                     |
| Fund Balance - Beginning of Year        | <u>43,583,187</u>    | <u>43,583,187</u>    | <u>43,583,187</u>    |                             |
| Fund Balance - End of Year              | <u>\$ 47,385,312</u> | <u>\$ 46,301,559</u> | <u>\$ 47,169,711</u> | <u>\$ 868,152</u>           |

See Accompanying Notes to Required Supplementary Information

**City of Escondido Community Development Commission**  
**Notes to the Required Supplementary Information**  
**For the Fiscal Year Ended June 30, 2011**

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A. Budgetary Data

The Commission adopts an annual budget prepared on the modified accrual basis for the Special Revenue and Debt Service Funds. The Fiscal Officer is required to prepare and submit to the Commission Board of Directors the annual budget of the Commission and administer it after adoption. Any revisions after that alter the total appropriations of the fund must be approved by the Board of Directors. Prior year appropriations lapse unless they are encumbered at year-end or re-appropriated through the formal budget process.

**SUPPLEMENTARY INFORMATION**

**City of Escondido Community Development Commission  
Community Development Commission Debt Service Fund  
Budgetary Comparison Schedule  
For the Fiscal Year Ended June 30, 2011**

|   | Final<br>Budget<br>Amount | Actual              | Variance<br>Over<br>(Under) |
|---|---------------------------|---------------------|-----------------------------|
| <b>Revenues:</b>                              |                           |                     |                             |
| Tax increment                                 | \$ 19,132,000             | \$ 19,092,408       | \$ (39,592)                 |
| Investment income                             | 255,000                   | (278,787)           | (533,787)                   |
| Miscellaneous                                 | 349,640                   |                     | (349,640)                   |
| Total Revenues                                | <u>19,736,640</u>         | <u>18,813,621</u>   | <u>(923,019)</u>            |
| <b>Expenditures:</b>                          |                           |                     |                             |
| Community development                         | 766,469                   | 717,470             | (48,999)                    |
| <b>Debt service:</b>                          |                           |                     |                             |
| Principal retirements                         | 28,705,000                | 28,705,000          |                             |
| Interest and fiscal charges                   | 3,173,082                 | 3,204,764           | 31,682                      |
| SERAF payment                                 | 2,000,000                 | 1,761,576           | (238,424)                   |
| Agency tax sharing agreement                  | 9,218,000                 | 9,101,406           | (116,594)                   |
| Total Expenditures                            | <u>43,862,551</u>         | <u>43,490,216</u>   | <u>(372,335)</u>            |
| (Deficiency) of Revenues<br>Over Expenditures | <u>(24,125,911)</u>       | <u>(24,676,595)</u> | <u>(550,684)</u>            |
| <b>Other Financing Sources:</b>               |                           |                     |                             |
| Transfers in                                  | 788,753                   | 788,753             |                             |
| Transfers out                                 | <u>(5,612,368)</u>        | <u>(5,789,255)</u>  | <u>(176,887)</u>            |
| Total Other Financing<br>Sources (Uses)       | <u>(4,823,615)</u>        | <u>(5,000,502)</u>  | <u>(176,887)</u>            |
| Net Change in Fund Balance                    | (28,949,526)              | (29,677,097)        | (727,571)                   |
| Fund Balance - Beginning of Year, as restated | <u>30,157,564</u>         | <u>30,157,564</u>   |                             |
| Fund Balance - End of Year                    | <u>\$ 1,208,038</u>       | <u>\$ 480,467</u>   | <u>\$ (727,571)</u>         |

See Accompanying Notes to Required Supplementary Information



**City of Escondido Community Development Commission  
Excess Surplus Calculation  
For the Fiscal Year Ended June 30, 2011**

|  | <b>Low and Moderate<br/>Housing Funds<br/>All Project Areas<br/>July 1, 2010</b> | <b>Low and Moderate<br/>Housing Funds<br/>All Project Areas<br/>July 1, 2011</b> |
|--|--|--|
| Opening Fund Balance   | \$ 43,583,187  | \$ 47,169,711  |
| Less Unavailable Amounts:                                      |  |  |
| Land held for resale   | \$ (2,518,964)   | \$ (2,839,976)   |
| ERAF loans   | (3,399,292)  | (3,399,292)  |
| Encumbrances (Section 33334.12 (g)(2))                         | (5,743,166)  | (1,744,853)  |
| Residual Receipt loans   | (17,208,880)   | (27,204,880)   |
| Rehabilitation loans   | (14,712,885)   | (11,980,710)   |
|  | <u>(43,583,187)</u>  | <u>(47,169,711)</u>  |
| Available Low and Moderate<br>Income Housing Funds             |  |  |
| Limitation (greater of \$1,000,000<br>or four years set-aside) |  |  |
| Set-Aside for last four years:                                 |  |  |
| 2010 - 2011  | \$   | \$ 4,773,102   |
| 2009 - 2010  | 4,965,758  | 4,965,758  |
| 2008 - 2009  | 5,343,741  | 5,343,741  |
| 2007 - 2008  | 5,267,305  | 5,267,305  |
| 2006 - 2007  | 4,585,959  |  |
|  | <u>\$ 20,162,763</u>   | <u>\$ 20,349,906</u>   |
| <b>Total</b>   | <b><u>\$ 20,162,763</u></b>  | <b><u>\$ 20,349,906</u></b>  |
| <b>Base Limitation</b>   | <b><u>\$ 1,000,000</u></b>   | <b><u>\$ 1,000,000</u></b>   |
| Greater amount   | <u>20,162,763</u>  | <u>20,349,906</u>  |
| <b>Computed Excess/Surplus</b>                                 | <b><u>None</u></b>   | <b><u>None</u></b>   |

# Community Development Commission Of The City Of Escondido

## Redevelopment Agencies Financial Transactions Report

### General Information

Fiscal Year 2011

| Members of the Governing Body |            | Middle Initial |
|-------------------------------|------------|----------------|
| Last Name                     | First Name | Initial        |
| Chairperson                   | Abed       | H              |
| Member                        | Morasco    |                |
| Member                        | Waldron    |                |
| Member                        | Gallo      |                |
| Member                        | Diaz       |                |
| Member                        |            |                |
| Member                        |            |                |
| Member                        |            |                |
| Member                        |            |                |
| Member                        |            |                |

|                 |   |
|-----------------|---|
| Mailing Address |   |
| Street 1        | 201 North Broadway  |
| Street 2        |   |
| City            | Escondido State CA Zip 92025-                               |
| Phone           | (760) 839-4620 <input type="checkbox"/> Is Address Changed? |

| Agency Officials   |                             |                                     |                |
|--------------------|-----------------------------|-------------------------------------|----------------|
| Executive Director | Last Name                   | First Name                          | Middle Initial |
|                    | Phillips                    | Clayton                             |                |
| Fiscal Officer     | Rojas                       | Gilbert                             |                |
| Secretary          | Whalen                      | Marsha                              |                |
| Phone              |                             |                                     |                |
|                    |                             |                                     | (760) 839-4577 |
|                    |                             |                                     | (760) 839-4322 |
|                    |                             |                                     | (760) 839-4560 |
| Report Prepared By |                             |                                     |                |
| Firm Name          | Last Name                   | First Name                          | Middle Initial |
|                    | Lance, Soli & Lunghard, LLP |                                     |                |
| Last               | Holmes                      | Culver                              |                |
| First              | Christina                   | Kelly                               |                |
| Middle Initial     | L                           | A                                   |                |
| Street             | 201 North Broadway          | 41185 Golden Gate Circle, Suite 103 |                |
| City               | Escondido                   | Murrieta                            |                |
| State              | CA                          | CA                                  |                |
| Zip Code           | 92025-                      | 92562-                              |                |
| Phone              | (760) 839-4620              | (951) 304-2728                      |                |

## Community Development Commission Of The City Of Escondido Redevelopment Agencies Financial Transactions Report

### Achievement Information (Unaudited)

Fiscal Year 2011

Indicate Only Those Achievements Completed During the Fiscal Year of this Report as a Direct Result of the Activities of the Redevelopment Agency.

Please provide a description of the agency's activities/accomplishments during the past year.

*(Please be specific, as this information will be the basis for possible inclusion in the publication.)*

#### Activity Report

Through a combination of state, federal, and other public and private resources, the City of Escondido has an opportunity to implement various housing programs benefiting low- and moderate-income households. These programs are designed to provide decent and safe housing by creating suitable environments for residents of low- and moderate-income.

The 20% tax increment Redevelopment Set-Aside Funds are Escondido's most significant local resource for affordable housing redevelopment activities, including acquisition, new construction, rehabilitation, rental assistance, and first-time homebuyer assistance for the City.

In Fiscal Year 2010-2011, Set-Aside funds were allocated for several affordable housing opportunities such as a mobilehome and apartment rental subsidy program for seniors and those with disabilities (295 households assisted); a first-time homebuyer program for low to moderate-income households (49 households assisted); administration of mortgage credit certificates (8 households assisted); and a rehabilitation loan program, which assists owner-occupants of mobilehomes and single-family residences to make needed health and safety repairs and improvements to their homes (22 households assisted).

A combination of funding has been utilized in the development of Juniper Senior Village, a 61-unit senior development located in the Redevelopment Area. The project is affordable to seniors with incomes of 30-60% AMI. On May 19, 2010, the Escondido Community Development Commission (CDC) unanimously approved an increase in the funding commitment for the development of Juniper Senior Village, by allocating up to \$500,000 in additional 2010-2011 Set-Aside

|  | New Construction | Rehabilitated  |
|--|------------------|----------------|
| Enter the amount of square footage completed this year by building type and segregated by new or rehabilitated construction. |                  |                |
| Commercial Buildings   | 7,510            | 384,425        |
| Industrial Buildings   |                  | 64,469         |
| Public Buildings   |                  |                |
| Other Buildings  | 58,819           | 33,520         |
| <b>Total Square Footage</b>  | <b>66,329</b>    | <b>482,414</b> |
| Enter the Number of Jobs Created from the Activities of the Agency   | 0                |                |
| Types Completed  | CDEF             |                |

A=Utilities B=Recreation C=Landscaping D=Sewer/ Storm E=Streets/ Roads  
F=Bus/Transit

**Community Development Commission Of The City Of Escondido  
Redevelopment Agencies Financial Transactions Report**

**Achievement Information (Unaudited)**

Funds (for a total of \$5,500,000 set-aside and HOME funds). The first residents began moving into Juniper Senior Village in December 2010 and full occupancy was achieved within FY 2010-2011.

A new 55 unit, 51,000 square feet, Low Income apartment project replaced multiple, dilapidated dwelling units in one of the poorest neighborhoods in the city. The cul-de-sac street was completely redesigned, thus enhancing the overall ambiance of the project.

A 22,500 square foot former office building was renovated to accommodate an adult high school and ROP program.

**Community Development Commission Of The City Of Escondido  
Redevelopment Agencies Financial Transactions Report**

**Audit Information**

Fiscal Year                    2011

Was the Report Prepared from Audited Financial Data, and Did You Submit a Copy of the Audit?

Indicate Financial Audit Opinion

If Financial Audit is not yet Completed, What is the Expected Completion Date?

If the Audit Opinion was Other than Unqualified, State Briefly the Reason Given

Was a Compliance Audit Performed in Accordance with Health and Safety Code Section 33080.1 and the State Controller's Guidelines for Compliance Audits, and Did You Submit a Copy of the Audit?

Indicate Compliance Audit Opinion

If Compliance Audit is not yet Completed, What is the Expected Completion Date?

If compliance opinion includes exceptions, state the areas of non-compliance, and describe the agency's efforts to correct.

None

**Community Development Commission Of The City Of Escondido  
Redevelopment Agencies Financial Transactions Report**

**Project Area Report**

**Fiscal Year**    2011

**Project Area Name**

Escondido Project Area

Please Provide a Brief Description of the Activities for this Project Area During the Reporting Year.

**Activity Report**

Through a combination of state, federal, and other public and private resources, the City of Escondido has an opportunity to implement various housing programs benefitting low- and moderate-income households. These programs are designed to provide decent and safe housing by creating suitable environments for residents of low- and moderate-income.

The 20% tax increment Redevelopment Set-Aside Funds are Escondido's most significant local resource for affordable housing redevelopment activities, including acquisition, new construction, rehabilitation, rental assistance, and first-time homebuyer assistance for the City.

In Fiscal Year 2010-2011, Set-Aside funds were allocated for several affordable housing opportunities such as a mobilehome and apartment rental subsidy program for seniors and those with disabilities (295 households assisted); a first-

|   |   |                                    |
|---|---|------------------------------------|
| Forwarded from Prior Year ?   | <input type="checkbox"/>                | Yes                                |
| Enter Code for Type of Project Area Report  | <input type="text" value="P"/>          | P                                  |
| P = Standard Project Area Report  |   | A = Administrative Fund            |
| L = Low and Moderate Income Housing Fund  |   | M = Mortgage Revenue Bond Program  |
| O = Other Miscellaneous Funds or Programs   |   | S = Proposed (Survey) Project Area |
| Does the Plan Include Tax Increment Provisions?   | <input type="checkbox"/>                | Yes                                |
| Date Project Area was Established (MM-DD-YY)  | <input type="text" value="12/19/1984"/> | 12/19/1984                         |
| Most Recent Date Project Area was Amended   | <input type="text"/>                    |                                    |
| Did this Amendment Add New Territory?   | <input type="text"/>                    |                                    |
| Most Recent Date Project Area was Merged  | <input type="text"/>                    |                                    |
| Will this Project Area be Carried Forward to Next Year?   | <input type="checkbox"/>                | Yes                                |
| <b>Established Time Limit :</b>   |   |                                    |
| Repayment of Indebtedness (Year Only)   | <input type="text" value="2035"/>       | 2035                               |
| Effectiveness of Plan (Year Only)   | <input type="text" value="2025"/>       | 2025                               |
| New Indebtedness (Year Only)  | <input type="text" value="0"/>          | 0                                  |
| Size of Project Area in Acres   | <input type="text" value="3.161"/>      | 3.161                              |
| Percentage of Land Vacant at the Inception of the Project Area<br><i>Health and Safety Code Section 33320.1 (xx.x%)</i>             | <input type="text" value="6.0"/>        | 6.0                                |
| Percentage of Land Developed at the Inception of the Project Area<br><i>Health and Safety Code Section 33320.1 (xx.x%)</i>          | <input type="text" value="94.0"/>       | 94.0                               |
| Objectives of the Project Area as Set Forth in the Project Area Plan<br><i>(Enter the Appropriate Code(s) in Sequence as Shown)</i> | <input type="text" value="RIC"/>        | RIC                                |

R = Residential    I = Industrial    C = Commercial    P = Public    O = Other

Community Development Commission Of The City Of Escondido

**Redevelopment Agencies Financial Transactions Report**

Detailed Summary of Footnotes For Fiscal Year 2010-11

| Forms                       | Column | Additional Details                           | Footnotes   |
|-----------------------------|--------|--|---|
| <b>Project Areas Report</b> |        |  |   |
| New Indebtedness            | A      | PROJECT_AREA_NAME = 'Escondido Project Area' | The time limit on the establishment of debt has been eliminated via the Community Development Commission's resolution 2005-12. Therefore, this is not applicable. |

**Community Development Commission Of The City Of Escondido  
Redevelopment Agencies Financial Transactions Report**

**Assessed Valuation Data**

**Fiscal Year**            **2011**

Project Area Name

Escondido Project Area

Frozen Base Assessed Valuation

600,585,666

Increment Assessed Valuation

2,329,985,171

Total Assessed Valuation

2,930,570,837



**Community Development Commission Of The City Of Escondido  
Redevelopment Agencies Financial Transactions Report**

Pass-Through / School District Assistance

Fiscal Year 2011

Project Area Name Escondido Project Area

| Amounts Paid To Taxing Agencies Pursuant To: | Tax Increment Pass Through Detail |                          |                          | Other Payments      |                          |                            |
|--|-----------------------------------|--------------------------|--------------------------|---------------------|--------------------------|----------------------------|
|  | H & S Code Section 33401          | H & S Code Section 33676 | H & S Code Section 33607 | Total               | H & S Code Section 33445 | H & S Code Section 33445.5 |
| County                                       | 3,307,760                         |                          |                          | \$3,307,760         |                          |                            |
| Cities                                       |                                   |                          | 252,341                  | \$252,341           |                          |                            |
| School Districts                             | 4,786,492                         |                          |                          | \$4,786,492         |                          |                            |
| Community College District                   | 343,616                           |                          |                          | \$343,616           |                          |                            |
| Special Districts                            | 395,715                           |                          | 15,482                   | \$411,197           |                          |                            |
| <b>Total Paid to Taxing Agencies</b>         | <b>\$8,833,583</b>                | <b>\$0</b>               | <b>\$267,823</b>         | <b>\$9,101,406</b>  | <b>\$0</b>               | <b>\$0</b>                 |
| <b>Net Amount to Agency</b>                  |                                   |                          |                          | <b>\$14,764,104</b> |                          |                            |
| <b>Gross Tax Increment Generated</b>         |                                   |                          |                          | <b>23,865,510</b>   |                          |                            |

**Community Development Commission Of The City Of Escondido  
 Redevelopment Agencies Financial Transactions Report**

**Summary of the Statement of Indebtedness - Project Area**

Fiscal Year 2011

Project Area Name

Escondido Project Area

Tax Allocation Bond Debt

4,480,000

Revenue Bonds

60,965,841

Other Long Term Debt

City/County Debt

15,008,292

Low and Moderate Income Housing Fund

41,826,145

Other

87,284,992

**Total**

**\$209,565,270**

Available Revenues

434,547

**Net Tax Increment Requirements**

**\$209,130,723**

**Community Development Commission Of The City Of Escondido**

**Redevelopment Agencies Financial Transactions Report**

Agency Long-Term Debt

**Fiscal Year**

2011

**Project Area Name**

Escondido Project Area

|   |                              |
|---|------------------------------|
| Forward from Prior Year                             | Yes                          |
| Bond Type   | City/County Debt             |
| Year of Authorization                               | 1985                         |
| Principal Amount Authorized                         | 37,425,941                   |
| Principal Amount Issued                             | 37,425,941                   |
| Purpose of Issue                                    | General Operation            |
| Maturity Date Beginning Year                        | 1985                         |
| Maturity Date Ending Year                           | 2024                         |
| Principal Amount Unmatured Beginning of Fiscal Year | \$10,032,652                 |
| Adjustment Made During Year                         | 23,491,576                   |
| Adjustment Explanation                              | Accumulated Interest Payable |
| Interest Added to Principal                         | 1,484,065                    |
| Principal Amount Issued During Fiscal Year          |                              |
| Principal Amount Matured During Fiscal Year         | 20,000,000                   |
| Principal Amount Defeased During Fiscal Year        |                              |
| Principal Amount Unmatured End of Fiscal Year       | \$15,008,293                 |
| Principal Amount In Default                         |                              |
| Interest In Default                                 |                              |

**Bond Types Allowed:**

Tax Allocation Bonds; Revenue Bonds; Certificates of Participation; Tax Allocation Notes; Financing Authority Bonds; City/County Debt; US; State; Loans; Lease Obligations; Notes; Deferred Pass-Throughs; Deferred Compensation; Other

**Community Development Commission Of The City Of Escondido**

**Redevelopment Agencies Financial Transactions Report**

Agency Long-Term Debt

**Fiscal Year**  **Project Area Name**

|   |   |
|---|---|
| Forward from Prior Year                             | Yes   |
| Bond Type   | Loans   |
| Year of Authorization                               | 2001  |
| Principal Amount Authorized                         | 6,100,000   |
| Principal Amount Issued                             | 6,100,000   |
| Purpose of Issue                                    | Acquisition/Rehabilitation of the Washington Plaza Apartments |
| Maturity Date Beginning Year                        | 2011  |
| Maturity Date Ending Year                           | 2015  |
| Principal Amount Unmatured Beginning of Fiscal Year | \$6,100,000   |
| Adjustment Made During Year                         |   |
| Adjustment Explanation                              |   |
| Interest Added to Principal                         |   |
| Principal Amount Issued During Fiscal Year          |   |
| Principal Amount Matured During Fiscal Year         | 800,000   |
| Principal Amount Defeased During Fiscal Year        |   |
| Principal Amount Unmatured End of Fiscal Year       | \$5,300,000   |
| Principal Amount In Default                         |   |
| Interest In Default                                 |   |

**Bond Types Allowed:**  
 Tax Allocation Bonds; Revenue Bonds; Certificates of Participation; Tax Allocation Notes; Financing Authority Bonds; City/County Debt; US, State; Loans; Lease Obligations; Notes; Deferred Pass-Throughs; Deferred Compensation; Other

**Community Development Commission Of The City Of Escondido**

**Redevelopment Agencies Financial Transactions Report**

Agency Long-Term Debt

Fiscal Year

2011

Project Area Name

Escondido Project Area

|   |                   |
|---|-------------------|
| Forward from Prior Year                             | Yes               |
| Bond Type   | Other             |
| Year of Authorization                               | 1985              |
| Principal Amount Authorized                         | 90,793            |
| Principal Amount Issued                             | 90,793            |
| Purpose of Issue                                    | Employee Benefits |
| Maturity Date Beginning Year                        | 1985              |
| Maturity Date Ending Year                           | 2024              |
| Principal Amount Unmatured Beginning of Fiscal Year | \$82,228          |
| Adjustment Made During Year                         | -34,585           |
| Adjustment Explanation                              |                   |
| Interest Added to Principal                         |                   |
| Principal Amount Issued During Fiscal Year          |                   |
| Principal Amount Matured During Fiscal Year         |                   |
| Principal Amount Deceased During Fiscal Year        |                   |
| Principal Amount Unmatured End of Fiscal Year       | \$47,643          |
| Principal Amount in Default                         |                   |
| Interest In Default                                 |                   |

**Bond Types Allowed:**

Tax Allocation Bonds; Revenue Bonds; Certificates of Participation; Tax Allocation Notes; Financing Authority Bonds; City/County Debt; US; State; Loans; Lease Obligations; Notes; Deferred Pass-Throughs; Deferred Compensation; Other

**Community Development Commission Of The City Of Escondido**

**Redevelopment Agencies Financial Transactions Report**

Agency Long-Term Debt

**Fiscal Year**  **Project Area Name**

|   |   |
|---|---|
| Forward from Prior Year                             | Yes                                     |
| Bond Type   | Revenue Bonds                           |
| Year of Authorization                               | 2001                                    |
| Principal Amount Authorized                         | 22,420,000                              |
| Principal Amount Issued                             | 22,420,000                              |
| Purpose of Issue                                    | Refund of 1992 COP/Tax Allocation Bonds |
| Maturity Date Beginning Year                        | 2002                                    |
| Maturity Date Ending Year                           | 2011                                    |
| Principal Amount Unmatured Beginning of Fiscal Year | \$5,070,000                             |
| Adjustment Made During Year                         |   |
| Adjustment Explanation                              |   |
| Interest Added to Principal                         |   |
| Principal Amount Issued During Fiscal Year          |   |
| Principal Amount Matured During Fiscal Year         | 2,490,000                               |
| Principal Amount Defeased During Fiscal Year        |   |
| Principal Amount Unmatured End of Fiscal Year       | \$2,580,000                             |
| Principal Amount in Default                         |   |
| Interest in Default                                 |   |

**Bond Types Allowed:**  
 Tax Allocation Bonds; Revenue Bonds; Certificates of Participation; Tax Allocation Notes; Financing Authority Bonds; City/County Debt; US; State; Loans; Lease Obligations; Notes; Deferred Pass-Throughs; Deferred Compensation; Other

**Community Development Commission Of The City Of Escondido**

**Redevelopment Agencies Financial Transactions Report**

Agency Long-Term Debt

**Fiscal Year**  **Project Area Name**

|   |                                     |
|---|-------------------------------------|
| Forward from Prior Year                             | Yes                                 |
| Bond Type   | Revenue Bonds                       |
| Year of Authorization                               | 2007                                |
| Principal Amount Authorized                         | 40,025,000                          |
| Principal Amount Issued                             | 40,025,000                          |
| Purpose of Issue                                    | Refund 1995 COP Lease Revenue Bonds |
| Maturity Date Beginning Year                        | 2009                                |
| Maturity Date Ending Year                           | 2018                                |
| Principal Amount Unmatured Beginning of Fiscal Year | \$37,820,000                        |
| Adjustment Made During Year                         |                                     |
| Adjustment Explanation                              |                                     |
| Interest Added to Principal                         |                                     |
| Principal Amount Issued During Fiscal Year          |                                     |
| Principal Amount Matured During Fiscal Year         | 3,815,000                           |
| Principal Amount Defeased During Fiscal Year        |                                     |
| Principal Amount Unmatured End of Fiscal Year       | \$34,005,000                        |
| Principal Amount in Default                         |                                     |
| Interest in Default                                 |                                     |

**Bond Types Allowed:**  
 Tax Allocation Bonds; Revenue Bonds; Certificates of Participation; Tax Allocation Notes; Financing Authority Bonds; City/County Debt; US,State; Loans; Lease Obligations; Notes; Deferred Pass-Throughs; Deferred Compensation; Other

**Community Development Commission Of The City Of Escondido**

**Redevelopment Agencies Financial Transactions Report**

Agency Long-Term Debt

**Fiscal Year**  **Project Area Name**

|   |   |
|---|---|
| Forward from Prior Year                             | Yes   |
| Bond Type   | Revenue Bonds                                 |
| Year of Authorization                               | 2007  |
| Principal Amount Authorized                         | 16,525,000                                    |
| Principal Amount Issued                             | 16,525,000                                    |
| Purpose of Issue                                    | Taxable - Refund 1995 COP Lease Revenue Bonds |
| Maturity Date Beginning Year                        | 2009  |
| Maturity Date Ending Year                           | 2018  |
| Principal Amount Unmatured Beginning of Fiscal Year | \$15,595,000                                  |
| Adjustment Made During Year                         |   |
| Adjustment Explanation                              |   |
| Interest Added to Principal                         |   |
| Principal Amount Issued During Fiscal Year          |   |
| Principal Amount Matured During Fiscal Year         | 1,600,000                                     |
| Principal Amount Defeased During Fiscal Year        |   |
| Principal Amount Unmatured End of Fiscal Year       | \$13,995,000                                  |
| Principal Amount In Default                         |   |
| Interest In Default                                 |   |

**Bond Types Allowed:**  
 Tax Allocation Bonds; Revenue Bonds; Certificates of Participation; Tax Allocation Notes; Financing Authority Bonds; City/County Debt; US, State, Loans; Lease Obligations; Notes; Deferred Pass-Throughs; Deferred Compensation; Other



**Community Development Commission Of The City Of Escondido**

**Redevelopment Agencies Financial Transactions Report**

Agency Long-Term Debt

Fiscal Year

2011

Project Area Name

Escondido Project Area

|   |                      |
|---|----------------------|
| Forward from Prior Year                             | Yes                  |
| Bond Type   | Tax Allocation Bonds |
| Year of Authorization                               | 1992                 |
| Principal Amount Authorized                         | 4,859,412            |
| Principal Amount Issued                             | 4,859,412            |
| Purpose of Issue                                    | Capital Expenditures |
| Maturity Date Beginning Year                        | 1992                 |
| Maturity Date Ending Year                           | 2013                 |
| Principal Amount Unmatured Beginning of Fiscal Year | \$3,786,573          |
| Adjustment Made During Year                         |                      |
| Adjustment Explanation                              |                      |
| Interest Added to Principal                         | 247,163              |
| Principal Amount Issued During Fiscal Year          |                      |
| Principal Amount Matured During Fiscal Year         |                      |
| Principal Amount Defeased During Fiscal Year        |                      |
| Principal Amount Unmatured End of Fiscal Year       | \$4,033,736          |
| Principal Amount In Default                         |                      |
| Interest in Default                                 |                      |

**Bond Types Allowed:**

Tax Allocation Bonds; Revenue Bonds; Certificates of Participation; Tax Allocation Notes; Financing Authority Bonds; City/County Debt; US; State; Loans; Lease Obligations; Notes; Deferred Pass-Throughs; Deferred Compensation; Other

**Community Development Commission Of The City Of Escondido  
Redevelopment Agencies Financial Transactions Report**

**Statement of Income and Expenditures - Revenues**

Fiscal Year 2011

Project Area Name Escondido Project Area

|  | Capital Project Funds | Debt Service Funds  | Low/Moderate Income Housing Funds | Special Revenue/Other Funds | Total               |
|--|-----------------------|---------------------|-----------------------------------|-----------------------------|---------------------|
| Tax Increment Gross<br><i>(Include All Apportionments)</i> |                       | 19,092,408          | 4,773,102                         |                             | \$23,865,510        |
| Special Supplemental Subvention                            |                       |                     |                                   |                             | \$0                 |
| Property Assessments                                       |                       |                     |                                   |                             | \$0                 |
| Sales and Use Tax  |                       |                     |                                   |                             | \$0                 |
| Transient Occupancy Tax                                    |                       |                     |                                   |                             | \$0                 |
| Interest Income  | 1,012                 | -278,787            | 136,892                           |                             | (\$140,883)         |
| Rental Income  |                       |                     |                                   |                             | \$0                 |
| Lease Income   |                       |                     | 75,321                            |                             | \$75,321            |
| Sale of Real Estate  |                       |                     |                                   |                             | \$0                 |
| Gain on Land Held for Resale                               |                       |                     |                                   |                             | \$0                 |
| Federal Grants   |                       |                     | 816,036                           |                             | \$816,036           |
| Grants from Other Agencies                                 |                       |                     |                                   |                             | \$0                 |
| Bond Administrative Fees                                   |                       |                     |                                   |                             | \$0                 |
| Other Revenues   |                       |                     | 9,377                             |                             | \$9,377             |
| <b>Total Revenues</b>                                      | <b>\$1,012</b>        | <b>\$18,813,621</b> | <b>\$5,810,728</b>                | <b>\$0</b>                  | <b>\$24,625,361</b> |

**Community Development Commission Of The City Of Escondido  
Redevelopment Agencies Financial Transactions Report**

**Statement of Income and Expenditures - Expenditures**

**Fiscal Year** 2011 **Project Area Name** Escondido Project Area

|   | Capital Project Funds | Debt Service Funds | Low/Moderate Income Housing | Special Revenue/Other | Total       |
|---|-----------------------|--------------------|-----------------------------|-----------------------|-------------|
| Administration Costs                        |                       | 18,260             | 481,328                     |                       | \$499,588   |
| Professional Services                       |                       | 699,209            |                             |                       | \$699,209   |
| Planning, Survey, and Design                |                       |                    |                             |                       | \$0         |
| Real Estate Purchases                       |                       |                    |                             |                       | \$0         |
| Acquisition Expense                         | 5,609,645             |                    |                             |                       | \$5,609,645 |
| Operation of Acquired Property              |                       |                    | 50,006                      |                       | \$50,006    |
| Relocation Costs                            |                       |                    |                             |                       | \$0         |
| Relocation Payments                         |                       |                    |                             |                       | \$0         |
| Site Clearance Costs                        |                       |                    |                             |                       | \$0         |
| Project Improvement / Construction Costs    |                       |                    |                             |                       | \$0         |
| Disposal Costs                              |                       |                    |                             |                       | \$0         |
| Loss on Disposition of Land Held for Resale |                       |                    |                             |                       | \$0         |

**Community Development Commission Of The City Of Escondido  
Redevelopment Agencies Financial Transactions Report**

**Statement of Income and Expenditures - Expenditures**

**Fiscal Year** 2011      **Project Area Name** Escondido Project Area

|   | Capital Project Funds | Debt Service Funds | Low/Moderate Income Housing | Special Revenue/Other | Total          |
|---|-----------------------|--------------------|-----------------------------|-----------------------|----------------|
| Decline in Value of Land Held for Resale                                |                       |                    |                             |                       | \$0            |
| Rehabilitation Costs  |                       |                    |                             |                       | \$0            |
| Rehabilitation Grants   |                       |                    |                             |                       | \$0            |
| Interest Expense  |                       | 3,204,764          |                             |                       | \$3,204,764    |
| Fixed Asset Acquisitions  |                       |                    |                             |                       | \$0            |
| Subsidies to Low and Moderate Income Housing                            |                       |                    | 926,756                     |                       | \$926,756      |
| Debt Issuance Costs   |                       |                    |                             |                       | \$0            |
| Other Expenditures Including Pass-Through Payment(s)                    |                       | 10,862,982         | 154,248                     |                       | \$11,017,230   |
| <b>Debt Principal Payments:</b>   |                       |                    |                             |                       |                |
| Tax Allocation Bonds and Notes  |                       |                    |                             |                       | \$0            |
| Revenue Bonds, Certificates of Participation, Financing Authority Bonds |                       | 7,905,000          |                             |                       | \$7,905,000    |
| City/County Advances and Loans  |                       | 20,000,000         |                             |                       | \$20,000,000   |
| All Other Long-Term Debt  |                       | 800,000            |                             |                       | \$800,000      |
| <b>Total Expenditures</b>   | \$5,609,645           | \$43,490,215       | \$1,612,338                 | \$0                   | \$50,712,198   |
| <b>Excess (Deficiency) Revenues over (under) Expenditures</b>           | (\$5,608,633)         | (\$24,676,594)     | \$4,198,390                 | \$0                   | (\$26,086,837) |

**Community Development Commission Of The City Of Escondido**

**Redevelopment Agencies Financial Transactions Report**

**Statement of Income and Expenditures - Other Financing Sources**

**Fiscal Year** 2011

**Project Area Name** Escondido Project Area

|  | Capital Project Funds | Debt Service Funds   | Low/Moderate Income Housing | Special Revenue/Other | Total       |
|--|-----------------------|----------------------|-----------------------------|-----------------------|-------------|
| Proceeds of Long-Term Debt                           |                       |                      |                             |                       | \$0         |
| Proceeds of Refunding Bonds                          |                       |                      |                             |                       | \$0         |
| Payment to Refunded Bond Escrow Agent                |                       |                      |                             |                       | \$0         |
| Advances from City/County                            |                       |                      |                             |                       | \$0         |
| Sale of Fixed Assets                                 |                       |                      |                             |                       | \$0         |
| Miscellaneous Financing Sources (Uses)               |                       |                      |                             |                       | \$0         |
| Operating Transfers In                               | 5,612,368             | 788,753              | 176,887                     |                       | \$6,578,008 |
| Tax Increment Transfers In                           |                       |                      |                             |                       | \$0         |
| Operating Transfers Out                              |                       | 5,789,255            | 788,753                     |                       | \$6,578,008 |
| Tax Increment Transfers Out                          |                       |                      |                             |                       | \$0         |
| <i>(To the Low and Moderate Income Housing Fund)</i> |                       |                      |                             |                       |             |
| <b>Total Other Financing Sources (Uses)</b>          | <b>\$5,612,368</b>    | <b>(\$5,000,502)</b> | <b>(\$611,866)</b>          | <b>\$0</b>            | <b>\$0</b>  |

**Community Development Commission Of The City Of Escondido**

**Redevelopment Agencies Financial Transactions Report**

**Statement of Income and Expenditures - Other Financing Sources**

Fiscal Year 2011

Project Area Name Escondido Project Area

|   | Capital Project Funds | Debt Service Funds | Low/Moderate Income Housing | Special Revenue/Other | Total               |
|---|-----------------------|--------------------|-----------------------------|-----------------------|---------------------|
| <b>Excess (Deficiency) of Revenues and Other Financing Sources over Expenditures and Other Financing Uses</b> | \$3,735               | (\$29,677,096)     | \$3,586,524                 | \$0                   | (\$26,086,837)      |
| Equity, Beginning of Period   | \$517,393             | \$30,157,563       | \$43,583,187                | \$0                   | \$74,258,143        |
| Prior Period Adjustments  |                       | 0                  |                             |                       | \$0                 |
| Residual Equity Transfers   |                       |                    |                             |                       | \$0                 |
| <b>Equity, End of Period</b>  | <b>\$521,128</b>      | <b>\$480,467</b>   | <b>\$47,169,711</b>         | <b>\$0</b>            | <b>\$48,171,306</b> |

**Community Development Commission Of The City Of Escondido  
Redevelopment Agencies Financial Transactions Report**

**Balance Sheet - Assets and Other Debits**

| Fiscal Year                                  | 2011    | Capital Projects<br>Funds | Debt Service<br>Funds | Low/Moderate<br>Income Housing<br>Funds | Special<br>Revenue/Other<br>Funds | General Long-<br>Term Debt | General Fixed<br>Assets | Total        |
|--|---------|---------------------------|-----------------------|---|-----------------------------------|----------------------------|-------------------------|--------------|
| <b>Assets and Other Debits</b>               |         |                           |                       |   |                                   |                            |                         |              |
| Cash and Imprest Cash                        | 50,711  | 6,504,836                 | 1,728,612             |   |                                   |                            |                         | \$8,284,159  |
| Cash with Fiscal Agent                       |         | 2,589,883                 |                       |   |                                   |                            |                         | \$2,589,883  |
| Tax Increments Receivable                    |         | 191,946                   | 58,043                |   |                                   |                            |                         | \$249,989    |
| Accounts Receivable                          |         |                           |                       |   |                                   |                            |                         | \$0          |
| Accrued Interest Receivable                  | 429     | 71,339                    | 4,088,075             |   |                                   |                            |                         | \$4,159,843  |
| Loans Receivable                             | 469,988 |                           | 39,185,868            |   |                                   |                            |                         | \$39,655,856 |
| Contracts Receivable                         |         |                           |                       |   |                                   |                            |                         | \$0          |
| Lease Payments Receivable                    |         |                           |                       |   |                                   |                            |                         | \$0          |
| Unearned Finance Charge                      |         |                           |                       |   |                                   |                            |                         | \$0          |
| <b>Due from Capital Projects Fund</b>        |         |                           |                       |   |                                   |                            |                         | \$0          |
| Due from Debt Service Fund                   |         |                           | 3,399,292             |   |                                   |                            |                         | \$3,399,292  |
| Due from Low/Moderate<br>Income Housing Fund |         |                           |                       |   |                                   |                            |                         | \$0          |
| Due from Special<br>Revenue/Other Funds      |         |                           |                       |   |                                   |                            |                         | \$0          |

**Community Development Commission Of The City Of Escondido  
Redevelopment Agencies Financial Transactions Report**

**Balance Sheet - Assets and Other Debits**

| Fiscal Year  | 2011 | Capital Projects Funds | Debt Service Funds | Low/Moderate Income Housing Funds | Special Revenue/Other Funds | General Long-Term Debt | General Fixed Assets | Total         |
|--|------|------------------------|--------------------|-----------------------------------|-----------------------------|------------------------|----------------------|---------------|
| Investments  |      |                        |                    |                                   |                             |                        |                      | \$0           |
| Other Assets   |      |                        |                    |                                   |                             |                        |                      | \$0           |
| Investments: Land Held for Resale                      |      |                        |                    | 2,839,976                         |                             |                        |                      | \$2,839,976   |
| Allowance for Decline In Value of Land Held for Resale |      |                        |                    |                                   |                             |                        |                      | \$0           |
| Fixed Assets: Land, Structures, and Improvements       |      |                        |                    |                                   |                             |                        | 84,986,479           | \$84,986,479  |
| Equipment  |      |                        |                    |                                   |                             |                        | 276,473              | \$276,473     |
| Amount Available In Debt Service Fund                  |      |                        |                    |                                   |                             | 480,467                |                      | \$480,467     |
| Amount to be Provided for Payment of Long-Term Debt    |      |                        |                    |                                   |                             | 74,489,205             |                      | \$74,489,205  |
| <b>Total Assets and Other Debits</b>                   |      | \$521,128              | \$9,358,004        | \$51,299,866                      | \$0                         | \$74,969,672           | \$85,262,952         | \$221,411,622 |

*(Must Equal Total Liabilities, Other Credits, and Equities)*



**Community Development Commission Of The City Of Escondido  
Redevelopment Agencies Financial Transactions Report**

**Balance Sheet - Liabilities and Other Credits**

| Fiscal Year   | 2011 | Capital Projects<br>Funds | Debt Service<br>Funds | Low/Moderate<br>Income Housing<br>Funds | Special<br>Revenue/Other<br>Funds | General Long-<br>Term Debt | General Fixed<br>Assets | Total        |
|---|------|---------------------------|-----------------------|---|-----------------------------------|----------------------------|-------------------------|--------------|
| <b>Liabilities and Other Credits</b>  |      |                           |                       |   |                                   |                            |                         |              |
| Accounts Payable  |      |                           | 5,478,245             | 42,628                                  |                                   |                            |                         | \$5,520,873  |
| Interest Payable  |      |                           |                       |   |                                   |                            |                         | \$0          |
| Tax Anticipation Notes Payable  |      |                           |                       |   |                                   |                            |                         | \$0          |
| Loans Payable   |      |                           |                       |   |                                   |                            |                         | \$0          |
| Other Liabilities   |      |                           |                       | 4,087,527                               |                                   |                            |                         | \$4,087,527  |
| Due to Capital Projects Fund  |      |                           |                       |   |                                   |                            |                         | \$0          |
| Due to Debt Service Fund  |      |                           |                       |   |                                   |                            |                         | \$0          |
| Due to Low/Moderate<br>Income Housing Fund  |      |                           | 3,399,292             |   |                                   |                            |                         | \$3,399,292  |
| Due to Special<br>Revenue/Other Funds   |      |                           |                       |   |                                   |                            |                         | \$0          |
| Tax Allocation Bonds Payable  |      |                           |                       |   |                                   | 4,033,736                  |                         | \$4,033,736  |
| Lease Revenue, Certificates of<br>Participation Payable,<br>Financing Authority Bonds |      |                           |                       |   |                                   | 50,580,000                 |                         | \$50,580,000 |
| All Other Long-Term Debt  |      |                           |                       |   |                                   | 20,355,936                 |                         | \$20,355,936 |
| <b>Total Liabilities and Other<br/>Credits</b>  | \$0  | \$8,877,537               | \$4,130,155           | \$0                                     | \$74,969,672                      |                            |                         | \$87,977,364 |

**Community Development Commission Of The City Of Escondido  
Redevelopment Agencies Financial Transactions Report**

**Balance Sheet - Liabilities and Other Credits**

| Fiscal Year   | 2011 | Capital Projects<br>Funds | Debt Service<br>Funds | Low/Moderate<br>Income Housing<br>Funds | Special<br>Revenue/Other<br>Funds | General Long-<br>Term Debt | General Fixed<br>Assets | Total         |
|---|------|---------------------------|-----------------------|---|-----------------------------------|----------------------------|-------------------------|---------------|
| <b>Equities</b>   |      |                           |                       |   |                                   |                            | 85,262,952              | \$85,262,952  |
| Investment In General Fixed<br>Assets                         |      |                           |                       |   |                                   |                            |                         |               |
| Fund Balance Reserved   |      | 469,988                   | 480,467               | 47,169,711                              |                                   |                            |                         | \$48,120,166  |
| Fund Balance<br>Unreserved-Designated                         |      | 51,140                    |                       |   |                                   |                            |                         | \$51,140      |
| Fund Balance<br>Unreserved-Undesignated                       |      |                           |                       |   |                                   |                            |                         | \$0           |
| <b>Total Equities</b>   |      | \$521,128                 | \$480,467             | \$47,169,711                            | \$0                               |                            | \$85,262,952            | \$133,434,258 |
| <b>Total Liabilities,<br/>Other Credits, and<br/>Equities</b> |      | \$521,128                 | \$9,358,004           | \$51,299,866                            | \$0                               | \$74,969,672               | \$85,262,952            | \$221,411,622 |

**Community Development Commission Of The City Of Escondido**

**Redevelopment Agencies Financial Transactions Report**

**Statement of Income and Expenditures - Summary, Combined Transfers In/Out**

| Fiscal Year                 | 2011        |
|-----------------------------|-------------|
| Operating Transfers In      | \$6,578,008 |
| Tax Increment Transfers In  | \$0         |
| Operating Transfers Out     | \$6,578,008 |
| Tax Increment Transfers Out | \$0         |

California Redevelopment Agencies - Fiscal Year 2010/2011  
 Status of Low and Moderate Income Housing Funds  
 Sch C Agency Financial Summary  
 ESCONDIDO

| Adjusted Beginning Balance | Project Area Receipts | Agency Other Revenue | Total Expenses | Net Resources Available | Other Housing Fund Assets | Total Housing Fund Assets | Encumbrances | * Unencumbered Balance | Unencumbered Designated | Unencumbered Not Designated |
|----------------------------|-----------------------|----------------------|----------------|-------------------------|---------------------------|---------------------------|--------------|------------------------|-------------------------|-----------------------------|
| -\$1,841,669               | \$5,810,728           | \$176,887            | \$2,401,093    | \$1,744,853             | \$45,424,858              | \$47,169,711              | \$1,744,853  | \$0                    | \$0                     | \$0                         |

| Expenses  | Debt Service | Housing Rehabilitation | Planning and Administration Costs | Property Acquisition | Subsidies | Transfers Out of Agency | Total       |
|-----------|--------------|------------------------|-----------------------------------|----------------------|-----------|-------------------------|-------------|
| 2010/2011 | \$788,753    | \$70,470               | \$481,328                         | \$50,006             | \$926,758 | \$83,778                | \$2,401,093 |

\*The Unencumbered Balance is equal to Net Resources Available minus Encumbrances

Note: Print this report in Landscape Orientation (Use the Print Icon just above, then Properties then Landscape)

**California Redevelopment Agencies - Fiscal Year 2010/2011  
 Status of Low and Moderate Income Housing Funds  
 Sch C Agency Financial and Program Detail  
 ESCONDIDO**

|   |  |                     |
|---|--|---------------------|
|   | <b>Beginning Balance</b>                         | <b>\$5,743,166</b>  |
|   | <b>Adjustment to Beginning Balance</b>           | <b>-\$7,584,835</b> |
|   | <b>Adjusted Beginning Balance</b>                | <b>-\$1,841,669</b> |
| <b>Total Tax Increment From PA(s)</b> \$4,773,102 | <b>Total Receipts from PA(s)</b>                 | <b>\$5,810,728</b>  |
|   | <b>Other Revenues not reported on Schedule A</b> | <b>\$176,887</b>    |
|   | <b>Sum of Beginning Balance and Revenues</b>     | <b>\$4,145,946</b>  |

| <b>Expenditure</b>                         | <b>Subitem</b>                                       | <b>Amount</b>    | <b>Remark</b>                  |
|--|--|------------------|--------------------------------|
| <b>Debt Service</b>                        |  |                  |                                |
| Other                                      |  | \$788,753        | Transfer to Debt Service Fund  |
|  | <b>Subtotal of Debt Service</b>                      | <b>\$788,753</b> |                                |
| <b>Housing Rehabilitation</b>              |  |                  |                                |
|  |  | \$70,470         |                                |
|  | <b>Subtotal of Housing Rehabilitation</b>            | <b>\$70,470</b>  |                                |
| <b>Planning and Administration Costs</b>   |  |                  |                                |
| Administration Costs                       |  | \$481,328        |                                |
|  | <b>Subtotal of Planning and Administration Costs</b> | <b>\$481,328</b> |                                |
| <b>Property Acquisition</b>                |  |                  |                                |
| Operation of Acquired Property             |  | \$50,006         |                                |
|  | <b>Subtotal of Property Acquisition</b>              | <b>\$50,006</b>  |                                |
| <b>Subsidies from the LMIHF</b>            |  |                  |                                |
| 1st Time Homebuyer Down Payment Assistance |  | \$42,908         |                                |
| Other                                      |  | \$484,639        | Lead Based Paint, Fair Housing |

**California Redevelopment Agencies - Fiscal Year 2010/2011**  
**Status of Low and Moderate Income Housing Funds**  
**Sch C Agency Financial and Program Detail**  
**ESCONDIDO**

| <u>Expenditure</u>              |   |                    |   |
|---------------------------------|---|--------------------|---|
| <u>Item</u>                     | <u>Subitem</u>                              | <u>Amount</u>      | <u>Remark</u>                           |
| <b>Subsidies from the LMIHF</b> |   |                    |   |
| Rental Subsidies                |   | \$399,211          | Environmental Review & various Projects |
|                                 | <b>Subtotal of Subsidies from the LMIHF</b> | <b>\$926,758</b>   |   |
| <b>Transfers Out of Agency</b>  |   |                    |   |
| Other                           |   | \$83,778           | Miscellaneous Programs                  |
|                                 | <b>Subtotal of Transfers Out of Agency</b>  | <b>\$83,778</b>    |   |
|                                 | <b>Total Expenditures</b>                   | <b>\$2,401,093</b> |   |

**Net Resources Available** \$1,744,853

**Indebtedness For Setasides Deferred** \$0

| <u>Other Housing Fund Assets</u>           |                     |               |
|--|---------------------|---------------|
| <u>Category</u>                            | <u>Amount</u>       | <u>Remark</u> |
| SERAF Total Receivable                     | \$0                 |               |
| ERAF Loans Receivable(all years)           | \$3,399,292         |               |
| Loan Receivable for Housing Activities     | \$11,980,710        |               |
| Residual Receipt Loans                     | \$27,204,880        |               |
| Value of Land Purchased with Housing Funds | \$2,839,976         |               |
| <b>Total Other Housing Fund Assets</b>     | <b>\$45,424,858</b> |               |

**Total Fund Equity** \$47,169,711

|           |           |   |   |                                     |
|-----------|-----------|---|---|-------------------------------------|
| 2006/2007 | \$4585959 |   |   |                                     |
| 2007/2008 | \$5267305 |   |   |                                     |
| 2008/2009 | \$5343741 | <i>sum of 4 Previous Years' Tax Increment for 2010/2011</i> | <i>Prior Year Ending Unencumbered Balance</i> | <i>Excess Surplus for 2010/2011</i> |
| 2009/2010 | \$4965758 | \$20162763  | \$0   | \$0                                 |

**Sum of Current and 3 Previous Years' Tax Increments** \$20,349,906

**Adjusted Balance** \$0

**California Redevelopment Agencies - Fiscal Year 2010/2011**  
**Status of Low and Moderate Income Housing Funds**  
**Sch C Agency Financial and Program Detail**  
**ESCONDIDO**

|  |                    |
|--|--------------------|
| <b>Excess Surplus for next year</b>                    | <b>\$0</b>         |
| <b>Net Resources Available</b>                         | <b>\$1,744,853</b> |
| <b>Unencumbered Designated</b>                         | <b>\$0</b>         |
| <b>Unencumbered Undesignated</b>                       | <b>\$0</b>         |
| <b>Total Encumbrances</b>                              | <b>\$1,744,853</b> |
| <b>Unencumbered Balance</b>                            | <b>\$0</b>         |
| <b>Unencumbered Balance Adjusted for Debt Proceeds</b> | <b>\$0</b>         |
| <b>Unencumbered Balance Adjusted for Land Sales</b>    | <b>\$0</b>         |
| <b>Excess Surplus Expenditure Plan</b>                 | <b>No</b>          |
| <b>Excess Surplus Plan Adoption Date</b>               |                    |

**Site Improvement Activities Benefiting Households**

| <u>Income Level</u>      | <u>Low</u> | <u>Very Low</u> | <u>Moderate</u> | <u>Total</u> |
|--------------------------|------------|-----------------|-----------------|--------------|
| Construction             | 1          | 59              | 0               | 60           |
| Rehabilitation           | 0          | 0               | 0               | 0            |
| Health and Safety Hazard | 0          | 0               | 0               | 0            |

**Land Held for Future Development**

| <u>Site Name</u> | <u>Num Of Acres</u> | <u>Zoning</u> | <u>Purchase Date</u> | <u>Estimated Start Date</u> | <u>Remark</u> |
|------------------|---------------------|---------------|----------------------|-----------------------------|---------------|
| 542 W 3rd Ave    | .5                  | PD-C          | 07/15/2010           |                             |               |

**Use of the Housing Fund to Assist Mortgagees**

|                                  |                                |                               |                                |
|----------------------------------|--------------------------------|-------------------------------|--------------------------------|
| <b>Income Adjustment Factors</b> | <input type="text"/>           | <b>Requirements Completed</b> | <input type="text"/>           |
| <b>Home</b>                      | <b>\$</b> <input type="text"/> | <b>Hope</b>                   | <b>\$</b> <input type="text"/> |

**Non Housing Redevelopment Funds Usage**

**Resource Needs**

**LMIHF Deposits/Withdrawals**

| <u>Document Name</u> | <u>Document Date</u> | <u>Custodian Name</u> | <u>Custodian Phone</u> | <u>Copy Source</u> |
|----------------------|----------------------|-----------------------|------------------------|--------------------|
|----------------------|----------------------|-----------------------|------------------------|--------------------|

**California Redevelopment Agencies - Fiscal Year 2010/2011  
Status of Low and Moderate Income Housing Funds  
Sch C Agency Financial and Program Detail  
ESCONDIDO**

**Achievements**

**Description**



California Redevelopment Agencies-Fiscal Year 2010/2011  
 Project Area Contributions to Low and Moderate Income Housing Funds  
 Sch A Project Area Summary Report  
 ESCONDIDO

| Project Area          | 100% of Tax Increment | 20% Set Aside Requirement | Tax Increment Allocated | Amount Exempted | Amount Suspended and/or Deferred | Tax Incr. Deposited to Hsng Fund | Percent of Tax Incr Dep | Repayment Deferrals | Other Income | Total Deposited to Housing |
|-----------------------|-----------------------|---------------------------|-------------------------|-----------------|----------------------------------|----------------------------------|-------------------------|---------------------|--------------|----------------------------|
| ESCONDIDO PROJECT     | \$23,865,510          | \$4,773,102               | \$4,773,102             | \$0             | \$0                              | \$4,773,102                      | 20%                     | \$0                 | \$1,037,626  | \$5,810,728                |
| <b>Agency Totals:</b> | \$23,865,510          | \$4,773,102               | \$4,773,102             | \$0             | \$0                              | \$4,773,102                      | 20%                     | \$0                 | \$1,037,626  | \$5,810,728                |

Note: Print this report in Landscape Orientation (Use the Print Icon just above, then Properties then Landscape)

California Redevelopment Agencies- Fiscal Year 2010/2011  
Project Area Contributions to Low and Moderate Income Housing Fund  
Sch A Project Area Financial Information

Agency        **ESCONDIDO**  
Address        **201 NORTH BROADWAY**  
                    **ESCONDIDO**                                **CA**     **92025**

**Project Area    ESCONDIDO PROJECT**

Type:    **Inside Project Area**    Status:    **Active**  
Plan Adoption:    **1984**    Plan Expiration Year:    **2024**

| <u>Gross Tax Increment</u> | <u>Calculated Deposit</u> | <u>Amount Allocated</u> | <u>Amount Exempted</u> | <u>Amount Suspended and/or Deferred</u>             | <u>Total Deposited</u> | <u>%</u> | <u>Cumulative Def.</u> |
|----------------------------|---------------------------|-------------------------|------------------------|---|------------------------|----------|------------------------|
| \$23,865,510               | \$4,773,102               | \$4,773,102             | \$0                    | \$0   | \$4,773,102            | 20%      | \$0                    |
|                            |                           |                         |                        | Repayment   | \$0                    |          |                        |
|                            |                           |                         |                        | <u>Category</u>                                     |                        |          |                        |
|                            |                           |                         |                        | Grants  | \$816,036              |          |                        |
|                            |                           |                         |                        | Interest Income                                     | \$136,892              |          |                        |
|                            |                           |                         |                        | Other Revenue                                       | \$9,377                |          |                        |
|                            |                           |                         |                        | Rental/Lease Income                                 | \$75,321               |          |                        |
|                            |                           |                         |                        | Total Additional Revenue                            | \$1,037,626            |          |                        |
|                            |                           |                         |                        | <b>Total Housing Fund Deposits for Project Area</b> | <b>\$5,810,728</b>     |          |                        |

**Agency Totals For All Project Areas:**

| <u>Gross Tax Increment</u> | <u>Calculated Deposit</u> | <u>Amount Allocated</u> | <u>Amount Exempted</u> | <u>Amount Suspended and/or Deferred</u> | <u>Total Deposited</u>                                   | <u>%</u> | <u>Cumulative Def.</u> |
|----------------------------|---------------------------|-------------------------|------------------------|---|--|----------|------------------------|
| \$23,865,510               | \$4,773,102               | \$4,773,102             | \$0                    | \$0                                     | \$4,773,102  | 20%      | \$0                    |
|                            |                           |                         |                        |   | <b>Total Additional Revenue from Project Areas:</b>      |          |                        |
|                            |                           |                         |                        |   | \$1,037,626  |          |                        |
|                            |                           |                         |                        |   | <b>Total Deferral Repayments:</b>                        |          |                        |
|                            |                           |                         |                        |   | \$0  |          |                        |
|                            |                           |                         |                        |   | <b>Total Deposit to Housing Fund from Project Areas:</b> |          |                        |
|                            |                           |                         |                        |   | \$5,810,728  |          |                        |

California Redevelopment Agencies - Fiscal Year 2010/2011  
Sch A/B Project Area Program Information  
**ESCONDIDO**

Project Area: **OUTSIDE PROJECT AREA**

FUTURE UNIT CONSTRUCTION

| <u>Contract Name</u> | <u>Execution Date</u> | <u>Estimated Completion Date</u> | <u>Very Low</u> | <u>Low</u> | <u>Moderate</u> | <u>Total</u> |
|----------------------|-----------------------|----------------------------------|-----------------|------------|-----------------|--------------|
| Windsor Gardens      | 11/23/10              | 10/01/11                         | 65              | 65         | 0               | 130          |

**California Redevelopment Agencies - Fiscal Year 2010/2011  
Sch D General Project Information  
ESCONDIDO**

**Project Area Name: ESCONDIDO PROJECT**

|  |                       |                   |                 |            |                 |                  |                          |              |
|--|-----------------------|-------------------|-----------------|------------|-----------------|------------------|--------------------------|--------------|
| <b>Project Name: Apartment Rental Subsidy Program</b>              |                       |                   |                 |            |                 |                  |                          |              |
| Address: <b>Citywide (CE, MV, TG, SV, &amp; Breezes) Escondido</b> |                       |                   |                 |            |                 |                  |                          |              |
| <b>UNIT INVENTORY</b>  |                       |                   |                 |            |                 |                  |                          |              |
|  |                       |                   | <u>Very Low</u> | <u>Low</u> | <u>Moderate</u> | <u>Above Mod</u> | <u>Became Ineligible</u> | <u>Total</u> |
| <b><u>Other Provided with LMIHF</u></b>                            |                       |                   |                 |            |                 |                  |                          |              |
|  |                       | <u>Unit</u>       |                 |            |                 |                  |                          |              |
| <b><u>Subsidy</u></b>  |                       |                   |                 |            |                 |                  |                          |              |
| Non-Agency   | Rental                | Elderly           | 100             | 0          | 0               | 0                | 0                        | 100          |
|  |                       | <b>Unit Total</b> | 100             | 0          | 0               | 0                | 0                        | 100          |
| <b>PROJECT FUNDING SOURCE</b>                                      |                       |                   |                 |            |                 |                  |                          |              |
|  | <u>Funding Source</u> |                   |                 |            |                 |                  | <u>Amount</u>            |              |
|  | Redevelopment Funds   |                   |                 |            |                 |                  | \$141,600                |              |

|  |                       |                   |                 |            |                 |                  |                          |              |
|--|-----------------------|-------------------|-----------------|------------|-----------------|------------------|--------------------------|--------------|
| <b>Project Name: HELP</b>                  |                       |                   |                 |            |                 |                  |                          |              |
| Address: <b>Citywide Escondido</b>         |                       |                   |                 |            |                 |                  |                          |              |
| <b>UNIT INVENTORY</b>                      |                       |                   |                 |            |                 |                  |                          |              |
|  |                       |                   | <u>Very Low</u> | <u>Low</u> | <u>Moderate</u> | <u>Above Mod</u> | <u>Became Ineligible</u> | <u>Total</u> |
| <b><u>Other Provided without LMIHF</u></b> |                       |                   |                 |            |                 |                  |                          |              |
|  |                       | <u>Unit</u>       |                 |            |                 |                  |                          |              |
| <b><u>Acquisition Only</u></b>             |                       |                   |                 |            |                 |                  |                          |              |
| Non-Agency                                 | Owner                 | Non-Elderly       | 0               | 2          | 0               | 0                | 0                        | 2            |
|  |                       | <b>Unit Total</b> | 0               | 2          | 0               | 0                | 0                        | 2            |
| <b>PROJECT FUNDING SOURCE</b>              |                       |                   |                 |            |                 |                  |                          |              |
|  | <u>Funding Source</u> |                   |                 |            |                 |                  | <u>Amount</u>            |              |
|  | Federal Funds         |                   |                 |            |                 |                  | \$15,350                 |              |
|  | Private Funds         |                   |                 |            |                 |                  | \$353,676                |              |

**California Redevelopment Agencies - Fiscal Year 2010/2011  
Sch D General Project Information  
ESCONDIDO**

**Project Area Name: ESCONDIDO PROJECT**

|   |                       |                   |                 |            |                 |                  |                          |               |
|---|-----------------------|-------------------|-----------------|------------|-----------------|------------------|--------------------------|---------------|
| <b>Project Name: HOME</b>               |                       |                   |                 |            |                 |                  |                          |               |
| Address: <b>Citywide ESCONDIDO</b>      |                       |                   |                 |            |                 |                  |                          |               |
| <b>UNIT INVENTORY</b>                   |                       |                   |                 |            |                 |                  |                          |               |
|   |                       |                   | <u>Very Low</u> | <u>Low</u> | <u>Moderate</u> | <u>Above Mod</u> | <u>Became Ineligible</u> | <u>Total</u>  |
| <b><u>Other Provided with LMIHF</u></b> |                       |                   |                 |            |                 |                  |                          |               |
|   |                       | <u>Unit</u>       |                 |            |                 |                  |                          |               |
| <b>Acquisition Only</b>                 |                       |                   |                 |            |                 |                  |                          |               |
| Non-Agency                              | Owner                 | Non-Elderly       | 0               | 0          | 2               | 0                | 0                        | 2             |
|   |                       | <b>Unit Total</b> | 0               | 0          | 2               | 0                | 0                        | 2             |
| <b>PROJECT FUNDING SOURCE</b>           |                       |                   |                 |            |                 |                  |                          |               |
|   | <u>Funding Source</u> |                   |                 |            |                 |                  |                          | <u>Amount</u> |
|   | Private Funds         |                   |                 |            |                 |                  |                          | \$399,126     |
|   | Redevelopment Funds   |                   |                 |            |                 |                  |                          | \$20,700      |

|   |                       |                   |                 |            |                 |                  |                          |               |
|---|-----------------------|-------------------|-----------------|------------|-----------------|------------------|--------------------------|---------------|
| <b>Project Name: Juniper Senior Village</b>             |                       |                   |                 |            |                 |                  |                          |               |
| Address: <b>215 E Washington Avenue Escondido 92025</b> |                       |                   |                 |            |                 |                  |                          |               |
| Owner Name: <b>National CORE</b>                        |                       |                   |                 |            |                 |                  |                          |               |
| <b>UNIT INVENTORY</b>                                   |                       |                   |                 |            |                 |                  |                          |               |
|   |                       |                   | <u>Very Low</u> | <u>Low</u> | <u>Moderate</u> | <u>Above Mod</u> | <u>Became Ineligible</u> | <u>Total</u>  |
| <b><u>Other Provided with LMIHF</u></b>                 |                       |                   |                 |            |                 |                  |                          |               |
|   |                       | <u>Unit</u>       |                 |            |                 |                  |                          |               |
| <b>New Construction</b>                                 |                       |                   |                 |            |                 |                  |                          |               |
| Non-Agency  | Rental                | Elderly           | 59              | 1          | 0               | 0                | 0                        | 60            |
|   |                       | <b>Unit Total</b> | 59              | 1          | 0               | 0                | 0                        | 60            |
| <b>PROJECT FUNDING SOURCE</b>                           |                       |                   |                 |            |                 |                  |                          |               |
|   | <u>Funding Source</u> |                   |                 |            |                 |                  |                          | <u>Amount</u> |
|   | Redevelopment Funds   |                   |                 |            |                 |                  |                          | \$2,448,770   |
|   | Federal Funds         |                   |                 |            |                 |                  |                          | \$3,051,230   |
|   | Private Funds         |                   |                 |            |                 |                  |                          | \$3,800,000   |
|   | TCAC/State Award      |                   |                 |            |                 |                  |                          | \$6,500,959   |

**California Redevelopment Agencies - Fiscal Year 2010/2011  
Sch D General Project Information  
ESCONDIDO**

**Project Area Name: ESCONDIDO PROJECT**

|  |        |         |                 |            |                 |                      |                          |              |    |
|--|--------|---------|-----------------|------------|-----------------|----------------------|--------------------------|--------------|----|
| <b>Project Name: Mobilehome Rental Subsidy Program</b> |        |         |                 |            |                 |                      |                          |              |    |
| Address: <b>Citywide (GC, VP, WW) Escondido</b>        |        |         |                 |            |                 |                      |                          |              |    |
| <b>UNIT INVENTORY</b>                                  |        |         |                 |            |                 |                      |                          |              |    |
|  |        |         | <u>Very Low</u> | <u>Low</u> | <u>Moderate</u> | <u>Above Mod</u>     | <u>Became Ineligible</u> | <u>Total</u> |    |
| <b><u>Other Provided with LMIHF</u></b>                |        |         |                 |            |                 |                      |                          |              |    |
|  |        |         | <u>Unit</u>     |            |                 |                      |                          |              |    |
| <b>Subsidy</b>   |        |         |                 |            |                 |                      |                          |              |    |
| Non-Agency   | Rental | Elderly | 31              | 0          | 0               | 0                    | 0                        | 0            | 31 |
| <b>Unit Total</b>                                      |        |         | 31              | 0          | 0               | 0                    | 0                        | 0            | 31 |
| <b>PROJECT FUNDING SOURCE</b>                          |        |         |                 |            |                 |                      |                          |              |    |
| <b><u>Funding Source</u></b>                           |        |         |                 |            |                 | <b><u>Amount</u></b> |                          |              |    |
| Redevelopment Funds                                    |        |         |                 |            |                 | \$26,100             |                          |              |    |

|   |       |         |                 |            |                 |                      |                          |              |   |
|---|-------|---------|-----------------|------------|-----------------|----------------------|--------------------------|--------------|---|
| <b>Project Name: Single Family Rehabilitation</b> |       |         |                 |            |                 |                      |                          |              |   |
| Address: <b>Citywide ESCONDIDO</b>                |       |         |                 |            |                 |                      |                          |              |   |
| <b>UNIT INVENTORY</b>                             |       |         |                 |            |                 |                      |                          |              |   |
|   |       |         | <u>Very Low</u> | <u>Low</u> | <u>Moderate</u> | <u>Above Mod</u>     | <u>Became Ineligible</u> | <u>Total</u> |   |
| <b><u>Other Provided with LMIHF</u></b>           |       |         |                 |            |                 |                      |                          |              |   |
|   |       |         | <u>Unit</u>     |            |                 |                      |                          |              |   |
| <b>Non-Substantial Rehabilitation</b>             |       |         |                 |            |                 |                      |                          |              |   |
| Non-Agency  | Owner | Elderly | 1               | 1          | 0               | 0                    | 0                        | 0            | 2 |
| <b>Unit Total</b>                                 |       |         | 1               | 1          | 0               | 0                    | 0                        | 0            | 2 |
| <b>PROJECT FUNDING SOURCE</b>                     |       |         |                 |            |                 |                      |                          |              |   |
| <b><u>Funding Source</u></b>                      |       |         |                 |            |                 | <b><u>Amount</u></b> |                          |              |   |
| Redevelopment Funds                               |       |         |                 |            |                 | \$60,000             |                          |              |   |

California Redevelopment Agencies - Fiscal Year 2010/2011  
 Sch D General Project Information  
 ESCONDIDO

**Project Area Name:** OUTSIDE PROJECT AREA

|   |        |                       |                 |            |                 |                  |                          |               |    |  |
|---|--------|-----------------------|-----------------|------------|-----------------|------------------|--------------------------|---------------|----|--|
| <b>Project Name:</b> Apartment Rental Subsidy Program |        |                       |                 |            |                 |                  |                          |               |    |  |
| Address: Citywide Escondido                           |        |                       |                 |            |                 |                  |                          |               |    |  |
| <b>UNIT INVENTORY</b>                                 |        |                       |                 |            |                 |                  |                          |               |    |  |
|   |        |                       | <u>Very Low</u> | <u>Low</u> | <u>Moderate</u> | <u>Above Mod</u> | <u>Became Ineligible</u> | <u>Total</u>  |    |  |
| <b><u>Other Provided with LMIHF</u></b>               |        |                       |                 |            |                 |                  |                          |               |    |  |
|   |        | <u>Unit</u>           |                 |            |                 |                  |                          |               |    |  |
| <b>Subsidy</b>  |        |                       |                 |            |                 |                  |                          |               |    |  |
| Non-Agency  | Rental | Elderly               | 38              | 0          | 0               | 0                | 0                        | 0             | 38 |  |
|   |        | <b>Unit Total</b>     | 38              | 0          | 0               | 0                | 0                        | 0             | 38 |  |
| <b>PROJECT FUNDING SOURCE</b>                         |        |                       |                 |            |                 |                  |                          |               |    |  |
|   |        | <u>Funding Source</u> |                 |            |                 |                  |                          | <u>Amount</u> |    |  |
|   |        | Redevelopment Funds   |                 |            |                 |                  |                          | \$28,450      |    |  |

|  |       |                       |                 |            |                 |                  |                          |               |    |  |
|--|-------|-----------------------|-----------------|------------|-----------------|------------------|--------------------------|---------------|----|--|
| <b>Project Name:</b> HELP                  |       |                       |                 |            |                 |                  |                          |               |    |  |
| Address: Citywide Escondido                |       |                       |                 |            |                 |                  |                          |               |    |  |
| <b>UNIT INVENTORY</b>                      |       |                       |                 |            |                 |                  |                          |               |    |  |
|  |       |                       | <u>Very Low</u> | <u>Low</u> | <u>Moderate</u> | <u>Above Mod</u> | <u>Became Ineligible</u> | <u>Total</u>  |    |  |
| <b><u>Other Provided without LMIHF</u></b> |       |                       |                 |            |                 |                  |                          |               |    |  |
|  |       | <u>Unit</u>           |                 |            |                 |                  |                          |               |    |  |
| <b>Acquisition Only</b>                    |       |                       |                 |            |                 |                  |                          |               |    |  |
| Non-Agency                                 | Owner | Non-Elderly           | 4               | 31         | 0               | 0                | 0                        | 0             | 35 |  |
|  |       | <b>Unit Total</b>     | 4               | 31         | 0               | 0                | 0                        | 0             | 35 |  |
| <b>PROJECT FUNDING SOURCE</b>              |       |                       |                 |            |                 |                  |                          |               |    |  |
|  |       | <u>Funding Source</u> |                 |            |                 |                  |                          | <u>Amount</u> |    |  |
|  |       | Federal Funds         |                 |            |                 |                  |                          | \$363,255     |    |  |
|  |       | Private Funds         |                 |            |                 |                  |                          | \$6,958,414   |    |  |

**California Redevelopment Agencies - Fiscal Year 2010/2011  
Sch D General Project Information  
ESCONDIDO**

**Project Area Name: OUTSIDE PROJECT AREA**

|   |                       |                   |                 |            |                 |                  |                          |              |
|---|-----------------------|-------------------|-----------------|------------|-----------------|------------------|--------------------------|--------------|
| <b>Project Name: HOME</b>               |                       |                   |                 |            |                 |                  |                          |              |
| Address: <b>Citywide Escondido</b>      |                       |                   |                 |            |                 |                  |                          |              |
| <b>UNIT INVENTORY</b>                   |                       |                   |                 |            |                 |                  |                          |              |
|   |                       |                   | <u>Very Low</u> | <u>Low</u> | <u>Moderate</u> | <u>Above Mod</u> | <u>Became Ineligible</u> | <u>Total</u> |
| <b><u>Other Provided with LMIHF</u></b> |                       |                   |                 |            |                 |                  |                          |              |
|   |                       | <u>Unit</u>       |                 |            |                 |                  |                          |              |
| <b>Acquisition Only</b>                 |                       |                   |                 |            |                 |                  |                          |              |
| Non-Agency                              | Owner                 | Non-Elderly       | 0               | 0          | 47              | 0                | 0                        | 47           |
|   |                       | <b>Unit Total</b> | 0               | 0          | 47              | 0                | 0                        | 47           |
| <b>PROJECT FUNDING SOURCE</b>           |                       |                   |                 |            |                 |                  |                          |              |
|   | <u>Funding Source</u> |                   |                 |            |                 |                  | <u>Amount</u>            |              |
|   | Redevelopment Funds   |                   |                 |            |                 |                  | \$595,415                |              |
|   | Private Funds         |                   |                 |            |                 |                  | \$11,355,396             |              |

|  |                       |                   |                 |            |                 |                  |                          |              |
|--|-----------------------|-------------------|-----------------|------------|-----------------|------------------|--------------------------|--------------|
| <b>Project Name: Mobilehome Rental Subsidy Program</b> |                       |                   |                 |            |                 |                  |                          |              |
| Address: <b>Citywide (GC, VP, WW) Escondido</b>        |                       |                   |                 |            |                 |                  |                          |              |
| <b>UNIT INVENTORY</b>                                  |                       |                   |                 |            |                 |                  |                          |              |
|  |                       |                   | <u>Very Low</u> | <u>Low</u> | <u>Moderate</u> | <u>Above Mod</u> | <u>Became Ineligible</u> | <u>Total</u> |
| <b><u>Other Provided with LMIHF</u></b>                |                       |                   |                 |            |                 |                  |                          |              |
|  |                       | <u>Unit</u>       |                 |            |                 |                  |                          |              |
| <b>Subsidy</b>   |                       |                   |                 |            |                 |                  |                          |              |
| Non-Agency   | Rental                | Elderly           | 111             | 0          | 0               | 0                | 0                        | 111          |
|  |                       | <b>Unit Total</b> | 111             | 0          | 0               | 0                | 0                        | 111          |
| <b>PROJECT FUNDING SOURCE</b>                          |                       |                   |                 |            |                 |                  |                          |              |
|  | <u>Funding Source</u> |                   |                 |            |                 |                  | <u>Amount</u>            |              |
|  | Redevelopment Funds   |                   |                 |            |                 |                  | \$105,825                |              |



**California Redevelopment Agencies - Fiscal Year 2010/2011  
Sch D General Project Information  
ESCONDIDO**

**Project Area Name: OUTSIDE PROJECT AREA**

|  |       |                       |                 |            |                 |                  |                          |              |
|--|-------|-----------------------|-----------------|------------|-----------------|------------------|--------------------------|--------------|
| <b>Project Name: Mortgage Credit Certificate Program</b> |       |                       |                 |            |                 |                  |                          |              |
| Address: <b>Citywide Escondido</b>                       |       |                       |                 |            |                 |                  |                          |              |
| <b>UNIT INVENTORY</b>                                    |       |                       |                 |            |                 |                  |                          |              |
|  |       |                       | <u>Very Low</u> | <u>Low</u> | <u>Moderate</u> | <u>Above Mod</u> | <u>Became Ineligible</u> | <u>Total</u> |
| <b><u>Other Provided without LMIHF</u></b>               |       |                       |                 |            |                 |                  |                          |              |
|  |       | <u>Unit</u>           |                 |            |                 |                  |                          |              |
| <b>Acquisition Only</b>                                  |       |                       |                 |            |                 |                  |                          |              |
| Non-Agency   | Owner | Non-Elderly           | 1               | 3          | 4               | 0                | 0                        | 8            |
|  |       | <b>Unit Total</b>     | 1               | 3          | 4               | 0                | 0                        | 8            |
| <b>PROJECT FUNDING SOURCE</b>                            |       |                       |                 |            |                 |                  |                          |              |
|  |       |                       |                 |            |                 |                  | <u>Amount</u>            |              |
|  |       | <u>Funding Source</u> |                 |            |                 |                  |                          |              |
|  |       | Redevelopment Funds   |                 |            |                 |                  | \$3,998                  |              |

|   |       |                       |                 |            |                 |                  |                          |              |
|---|-------|-----------------------|-----------------|------------|-----------------|------------------|--------------------------|--------------|
| <b>Project Name: Single Family Rehabilitation</b> |       |                       |                 |            |                 |                  |                          |              |
| Address: <b>Citywide Escondido</b>                |       |                       |                 |            |                 |                  |                          |              |
| <b>UNIT INVENTORY</b>                             |       |                       |                 |            |                 |                  |                          |              |
|   |       |                       | <u>Very Low</u> | <u>Low</u> | <u>Moderate</u> | <u>Above Mod</u> | <u>Became Ineligible</u> | <u>Total</u> |
| <b><u>Other Provided with LMIHF</u></b>           |       |                       |                 |            |                 |                  |                          |              |
|   |       | <u>Unit</u>           |                 |            |                 |                  |                          |              |
| <b>Non-Substantial Rehabilitation</b>             |       |                       |                 |            |                 |                  |                          |              |
| Non-Agency  | Owner | Elderly               | 9               | 5          | 0               | 0                | 0                        | 14           |
| Non-Agency  | Owner | Non-Elderly           | 1               | 2          | 0               | 0                | 0                        | 3            |
|   |       | <b>Unit Total</b>     | 10              | 7          | 0               | 0                | 0                        | 17           |
| <b>PROJECT FUNDING SOURCE</b>                     |       |                       |                 |            |                 |                  |                          |              |
|   |       |                       |                 |            |                 |                  | <u>Amount</u>            |              |
|   |       | <u>Funding Source</u> |                 |            |                 |                  |                          |              |
|   |       | Redevelopment Funds   |                 |            |                 |                  | \$346,191                |              |

**SCHEDULE HCD E**  
**CALCULATION OF INCREASE IN AGENCY'S INCLUSIONARY OBLIGATION FOR ACTIVITIES**  
*(This Form is Information Only: Actual Obligation is based on Implementation Plan)*

**Report Year: 2010/2011**

**Agency: ESCONDIDO**

**NOTE: This form is a summary of the totals of all new construction or substantial rehabilitation units from forms HCD-D7 which are developed in a project area by any entity (agency or non-agency).**

| <b>PART I</b><br>[H & SC Section 33413(b)(1)]<br><b>AGENCY DEVELOPED</b>                                       |    |
|--|----|
| 1. New Units   | 0  |
| 2. Substantially Rehabilitated Units   | 0  |
| 3. Subtotal - Baseline of Units (add line 1 & 2)   | 0  |
| 4. Subtotal of Inclusionary Obligation Accrued this Year for Units (line 3 x 30%)                              | 0  |
| 5. Subtotal of Inclusionary Obligation Accrued this year for <u>Very-Low Income</u> Units (line 4 x 50%)       | 0  |
| <b>PART II</b><br>[H & SC Section 33413(b)(2)]<br><b>NON-AGENCY DEVELOPED UNITS</b>                            |    |
| 6. New Units   | 60 |
| 7. Substantially Rehabilitated Units   | 0  |
| 8. Subtotal - Baseline of Units (add lines 6 & 7)  | 60 |
| 9. Subtotal of Inclusionary Obligation Accrued this year for Units (line 8 x 15%)                              | 9  |
| 10. Subtotal of Inclusionary Obligation Accrued this year for Very Low Income Units (line 9 x 40%)             | 4  |
| <b>PART III</b><br><b>TOTALS</b>   |    |
| 11. Total Increase in Inclusionary Obligations During This Fiscal Year (add line 4 & 9)                        | 9  |
| 12. Total Increase in Very Low Income Units Inclusionary Obligations During This Fiscal Year (add line 5 & 10) | 4  |

**SCHEDULE HCD E1**  
**CALCULATION OF INCREASE IN AGENCY'S INCLUSIONARY OBLIGATION FOR ACTIVITIES**  
*(This Form is Information Only: Actual Obligation is based on Implementation Plan)*

**Report Year: 2010/2011**

**Agency: ESCONDIDO**

*Project Area: ESCONDIDO PROJECT*

**Project: APARTMENT RENTAL SUBSIDY PROGRAM**

**NOTE: This form is a summary of the totals of all new construction or substantial rehabilitation units from forms HCD-D7 which are developed in a project area by any entity (agency or non-agency).**

**PART I**  
[H & SC Section 33413(b)(1)]  
**AGENCY DEVELOPED**

|   |   |
|---|---|
| 1. New Units  | 0 |
| 2. Substantially Rehabilitated Units  | 0 |
| 3. Subtotal - Baseline of Units (add line 1 & 2)  | 0 |
| 4. Subtotal of Inclusionary Obligation Accrued this Year for Units (line 3 x 30%)                 | 0 |
| 5. Subtotal of Inclusionary Obligation Accrued this year for Very-Low Income Units (line 4 x 50%) | 0 |

**PART II**  
[H & SC Section 33413(b)(2)]  
**NON-AGENCY DEVELOPED UNITS**

|  |   |
|--|---|
| 6. New Units   | 0 |
| 7. Substantially Rehabilitated Units   | 0 |
| 8. Subtotal - Baseline of Units (add lines 6 & 7)  | 0 |
| 9. Subtotal of Inclusionary Obligation Accrued this year for Units (line 8 x 15%)                  | 0 |
| 10. Subtotal of Inclusionary Obligation Accrued this year for Very Low Income Units (line 9 x 40%) | 0 |

**PART III**  
**TOTALS**

|  |   |
|--|---|
| 11. Total Increase in Inclusionary Obligations During This Fiscal Year (add line 4 & 9)                        | 0 |
| 12. Total Increase in Very Low Income Units Inclusionary Obligations During This Fiscal Year (add line 5 & 10) | 0 |

**SCHEDULE HCD E1**  
**CALCULATION OF INCREASE IN AGENCY'S INCLUSIONARY OBLIGATION FOR ACTIVITIES**  
*(This Form is Information Only: Actual Obligation is based on Implementation Plan)*

**Report Year: 2010/2011**

**Agency: ESCONDIDO**

*Project Area: ESCONDIDO PROJECT*

**Project: COBBLESTONE VILLAGE**

**NOTE: This form is a summary of the totals of all new construction or substantial rehabilitation units from forms HCD-D7 which are developed in a project area by any entity (agency or non-agency).**

**PART I**  
[H & SC Section 33413(b)(1)]  
**AGENCY DEVELOPED**

|   |   |
|---|---|
| 1. New Units  | 0 |
| 2. Substantially Rehabilitated Units  | 0 |
| 3. Subtotal - Baseline of Units (add line 1 & 2)  | 0 |
| 4. Subtotal of Inclusionary Obligation Accrued this Year for Units (line 3 x 30%)                 | 0 |
| 5. Subtotal of Inclusionary Obligation Accrued this year for Very-Low Income Units (line 4 x 50%) | 0 |

**PART II**  
[H & SC Section 33413(b)(2)]  
**NON-AGENCY DEVELOPED UNITS**

|  |   |
|--|---|
| 6. New Units   | 0 |
| 7. Substantially Rehabilitated Units   | 0 |
| 8. Subtotal - Baseline of Units (add lines 6 & 7)  | 0 |
| 9. Subtotal of Inclusionary Obligation Accrued this year for Units (line 8 x 15%)                  | 0 |
| 10. Subtotal of Inclusionary Obligation Accrued this year for Very Low Income Units (line 9 x 40%) | 0 |

**PART III**  
**TOTALS**

|  |   |
|--|---|
| 11. Total Increase in Inclusionary Obligations During This Fiscal Year (add line 4 & 9)                        | 0 |
| 12. Total Increase in Very Low Income Units Inclusionary Obligations During This Fiscal Year (add line 5 & 10) | 0 |

**SCHEDULE HCD E1**  
**CALCULATION OF INCREASE IN AGENCY'S INCLUSIONARY OBLIGATION FOR ACTIVITIES**  
*(This Form is Information Only: Actual Obligation is based on Implementation Plan)*

**Report Year: 2010/2011**

**Agency: ESCONDIDO**

*Project Area: ESCONDIDO PROJECT*

**Project: EMERALD GARDENS**

**NOTE: This form is a summary of the totals of all new construction or substantial rehabilitation units from forms HCD-D7 which are developed in a project area by any entity (agency or non-agency).**

**PART I**  
[H & SC Section 33413(b)(1)]  
**AGENCY DEVELOPED**

|   |   |
|---|---|
| 1. New Units  | 0 |
| 2. Substantially Rehabilitated Units  | 0 |
| 3. Subtotal - Baseline of Units (add line 1 & 2)  | 0 |
| 4. Subtotal of Inclusionary Obligation Accrued this Year for Units (line 3 x 30%)                 | 0 |
| 5. Subtotal of Inclusionary Obligation Accrued this year for Very-Low Income Units (line 4 x 50%) | 0 |

**PART II**  
[H & SC Section 33413(b)(2)]  
**NON-AGENCY DEVELOPED UNITS**

|  |   |
|--|---|
| 6. New Units   | 0 |
| 7. Substantially Rehabilitated Units   | 0 |
| 8. Subtotal - Baseline of Units (add lines 6 & 7)  | 0 |
| 9. Subtotal of Inclusionary Obligation Accrued this year for Units (line 8 x 15%)                  | 0 |
| 10. Subtotal of Inclusionary Obligation Accrued this year for Very Low Income Units (line 9 x 40%) | 0 |

**PART III**  
**TOTALS**

|  |   |
|--|---|
| 11. Total Increase in Inclusionary Obligations During This Fiscal Year (add line 4 & 9)                        | 0 |
| 12. Total Increase in Very Low Income Units Inclusionary Obligations During This Fiscal Year (add line 5 & 10) | 0 |

**SCHEDULE HCD E1**  
**CALCULATION OF INCREASE IN AGENCY'S INCLUSIONARY OBLIGATION FOR ACTIVITIES**  
*(This Form is Information Only: Actual Obligation is based on Implementation Plan)*

**Report Year: 2010/2011**

**Agency: ESCONDIDO**

*Project Area: ESCONDIDO PROJECT*

**Project: EUCALYPTUS VIEW**

**NOTE: This form is a summary of the totals of all new construction or substantial rehabilitation units from forms HCD-D7 which are developed in a project area by any entity (agency or non-agency).**

**PART I**  
 [H & SC Section 33413(b)(1)]  
**AGENCY DEVELOPED**

|   |   |
|---|---|
| 1. New Units  | 0 |
| 2. Substantially Rehabilitated Units  | 0 |
| 3. Subtotal - Baseline of Units (add line 1 & 2)  | 0 |
| 4. Subtotal of Inclusionary Obligation Accrued this Year for Units (line 3 x 30%)                 | 0 |
| 5. Subtotal of Inclusionary Obligation Accrued this year for Very-Low Income Units (line 4 x 50%) | 0 |

**PART II**  
 [H & SC Section 33413(b)(2)]  
**NON-AGENCY DEVELOPED UNITS**

|  |   |
|--|---|
| 6. New Units   | 0 |
| 7. Substantially Rehabilitated Units   | 0 |
| 8. Subtotal - Baseline of Units (add lines 6 & 7)  | 0 |
| 9. Subtotal of Inclusionary Obligation Accrued this year for Units (line 8 x 15%)                  | 0 |
| 10. Subtotal of Inclusionary Obligation Accrued this year for Very Low Income Units (line 9 x 40%) | 0 |

**PART III**  
**TOTALS**

|  |   |
|--|---|
| 11. Total Increase in Inclusionary Obligations During This Fiscal Year (add line 4 & 9)                        | 0 |
| 12. Total Increase in Very Low Income Units Inclusionary Obligations During This Fiscal Year (add line 5 & 10) | 0 |

**SCHEDULE HCD E1**  
**CALCULATION OF INCREASE IN AGENCY'S INCLUSIONARY OBLIGATION FOR ACTIVITIES**  
*(This Form is Information Only: Actual Obligation is based on Implementation Plan)*

**Report Year: 2010/2011**

**Agency: ESCONDIDO**

*Project Area: ESCONDIDO PROJECT*

**Project: HELP**

**NOTE: This form is a summary of the totals of all new construction or substantial rehabilitation units from forms HCD-D7 which are developed in a project area by any entity (agency or non-agency).**

**PART I**  
[H & SC Section 33413(b)(1)]  
**AGENCY DEVELOPED**

|   |   |
|---|---|
| 1. New Units  | 0 |
| 2. Substantially Rehabilitated Units  | 0 |
| 3. Subtotal - Baseline of Units (add line 1 & 2)  | 0 |
| 4. Subtotal of Inclusionary Obligation Accrued this Year for Units (line 3 x 30%)                 | 0 |
| 5. Subtotal of Inclusionary Obligation Accrued this year for Very-Low Income Units (line 4 x 50%) | 0 |

**PART II**  
[H & SC Section 33413(b)(2)]  
**NON-AGENCY DEVELOPED UNITS**

|  |   |
|--|---|
| 6. New Units   | 0 |
| 7. Substantially Rehabilitated Units   | 0 |
| 8. Subtotal - Baseline of Units (add lines 6 & 7)  | 0 |
| 9. Subtotal of Inclusionary Obligation Accrued this year for Units (line 8 x 15%)                  | 0 |
| 10. Subtotal of Inclusionary Obligation Accrued this year for Very Low Income Units (line 9 x 40%) | 0 |

**PART III**  
**TOTALS**

|  |   |
|--|---|
| 11. Total Increase in Inclusionary Obligations During This Fiscal Year (add line 4 & 9)                        | 0 |
| 12. Total Increase in Very Low Income Units Inclusionary Obligations During This Fiscal Year (add line 5 & 10) | 0 |

**SCHEDULE HCD E1**  
**CALCULATION OF INCREASE IN AGENCY'S INCLUSIONARY OBLIGATION FOR ACTIVITIES**  
*(This Form is Information Only: Actual Obligation is based on Implementation Plan)*

**Report Year: 2010/2011**

**Agency: ESCONDIDO**

*Project Area: ESCONDIDO PROJECT*

**Project: HOME**

**NOTE: This form is a summary of the totals of all new construction or substantial rehabilitation units from forms HCD-D7 which are developed in a project area by any entity (agency or non-agency).**

**PART I**  
[H & SC Section 33413(b)(1)]  
**AGENCY DEVELOPED**

|   |   |
|---|---|
| 1. New Units  | 0 |
| 2. Substantially Rehabilitated Units  | 0 |
| 3. Subtotal - Baseline of Units (add line 1 & 2)  | 0 |
| 4. Subtotal of Inclusionary Obligation Accrued this Year for Units (line 3 x 30%)                 | 0 |
| 5. Subtotal of Inclusionary Obligation Accrued this year for Very-Low Income Units (line 4 x 50%) | 0 |

**PART II**  
[H & SC Section 33413(b)(2)]  
**NON-AGENCY DEVELOPED UNITS**

|  |   |
|--|---|
| 6. New Units   | 0 |
| 7. Substantially Rehabilitated Units   | 0 |
| 8. Subtotal - Baseline of Units (add lines 6 & 7)  | 0 |
| 9. Subtotal of Inclusionary Obligation Accrued this year for Units (line 8 x 15%)                  | 0 |
| 10. Subtotal of Inclusionary Obligation Accrued this year for Very Low Income Units (line 9 x 40%) | 0 |

**PART III**  
**TOTALS**

|  |   |
|--|---|
| 11. Total Increase in Inclusionary Obligations During This Fiscal Year (add line 4 & 9)                        | 0 |
| 12. Total Increase in Very Low Income Units Inclusionary Obligations During This Fiscal Year (add line 5 & 10) | 0 |



**SCHEDULE HCD E1**  
**CALCULATION OF INCREASE IN AGENCY'S INCLUSIONARY OBLIGATION FOR ACTIVITIES**  
*(This Form is Information Only: Actual Obligation is based on Implementation Plan)*

**Report Year: 2010/2011**

**Agency: ESCONDIDO**

*Project Area: ESCONDIDO PROJECT*

**Project: JUNIPER SENIOR VILLAGE**

**NOTE: This form is a summary of the totals of all new construction or substantial rehabilitation units from forms HCD-D7 which are developed in a project area by any entity (agency or non-agency).**

**PART I**  
[H & SC Section 33413(b)(1)]  
**AGENCY DEVELOPED**

|   |   |
|---|---|
| 1. New Units  | 0 |
| 2. Substantially Rehabilitated Units  | 0 |
| 3. Subtotal - Baseline of Units (add line 1 & 2)  | 0 |
| 4. Subtotal of Inclusionary Obligation Accrued this Year for Units (line 3 x 30%)                 | 0 |
| 5. Subtotal of Inclusionary Obligation Accrued this year for Very-Low Income Units (line 4 x 50%) | 0 |

**PART II**  
[H & SC Section 33413(b)(2)]  
**NON-AGENCY DEVELOPED UNITS**

|  |    |
|--|----|
| 6. New Units   | 60 |
| 7. Substantially Rehabilitated Units   | 0  |
| 8. Subtotal - Baseline of Units (add lines 6 & 7)  | 60 |
| 9. Subtotal of Inclusionary Obligation Accrued this year for Units (line 8 x 15%)                  | 9  |
| 10. Subtotal of Inclusionary Obligation Accrued this year for Very Low Income Units (line 9 x 40%) | 4  |

**PART III**  
**TOTALS**

|  |   |
|--|---|
| 11. Total Increase in Inclusionary Obligations During This Fiscal Year (add line 4 & 9)                        | 9 |
| 12. Total Increase in Very Low Income Units Inclusionary Obligations During This Fiscal Year (add line 5 & 10) | 4 |

**SCHEDULE HCD E1**  
**CALCULATION OF INCREASE IN AGENCY'S INCLUSIONARY OBLIGATION FOR ACTIVITIES**  
*(This Form is Information Only: Actual Obligation is based on Implementation Plan)*

**Report Year: 2010/2011**

**Agency: ESCONDIDO**

*Project Area: ESCONDIDO PROJECT*

**Project: LAS VENTANAS VILLAGE**

**NOTE: This form is a summary of the totals of all new construction or substantial rehabilitation units from forms HCD-D7 which are developed in a project area by any entity (agency or non-agency).**

**PART I**  
 [H & SC Section 33413(b)(1)]  
**AGENCY DEVELOPED**

|   |   |
|---|---|
| 1. New Units  | 0 |
| 2. Substantially Rehabilitated Units  | 0 |
| 3. Subtotal - Baseline of Units (add line 1 & 2)  | 0 |
| 4. Subtotal of Inclusionary Obligation Accrued this Year for Units (line 3 x 30%)                 | 0 |
| 5. Subtotal of Inclusionary Obligation Accrued this year for Very-Low Income Units (line 4 x 50%) | 0 |

**PART II**  
 [H & SC Section 33413(b)(2)]  
**NON-AGENCY DEVELOPED UNITS**

|  |   |
|--|---|
| 6. New Units   | 0 |
| 7. Substantially Rehabilitated Units   | 0 |
| 8. Subtotal - Baseline of Units (add lines 6 & 7)  | 0 |
| 9. Subtotal of Inclusionary Obligation Accrued this year for Units (line 8 x 15%)                  | 0 |
| 10. Subtotal of Inclusionary Obligation Accrued this year for Very Low Income Units (line 9 x 40%) | 0 |

**PART III**  
**TOTALS**

|  |   |
|--|---|
| 11. Total Increase in Inclusionary Obligations During This Fiscal Year (add line 4 & 9)                        | 0 |
| 12. Total Increase in Very Low Income Units Inclusionary Obligations During This Fiscal Year (add line 5 & 10) | 0 |

**SCHEDULE HCD E1**  
**CALCULATION OF INCREASE IN AGENCY'S INCLUSIONARY OBLIGATION FOR ACTIVITIES**  
*(This Form is Information Only: Actual Obligation is based on Implementation Plan)*

**Report Year: 2010/2011**

**Agency: ESCONDIDO**

*Project Area: ESCONDIDO PROJECT*

**Project: MOBILEHOME RENTAL SUBSIDY PROGRAM**

**NOTE: This form is a summary of the totals of all new construction or substantial rehabilitation units from forms HCD-D7 which are developed in a project area by any entity (agency or non-agency).**

**PART I**  
[H & SC Section 33413(b)(1)]  
**AGENCY DEVELOPED**

|   |   |
|---|---|
| 1. New Units  | 0 |
| 2. Substantially Rehabilitated Units  | 0 |
| 3. Subtotal - Baseline of Units (add line 1 & 2)  | 0 |
| 4. Subtotal of Inclusionary Obligation Accrued this Year for Units (line 3 x 30%)                 | 0 |
| 5. Subtotal of Inclusionary Obligation Accrued this year for Very-Low Income Units (line 4 x 50%) | 0 |

**PART II**  
[H & SC Section 33413(b)(2)]  
**NON-AGENCY DEVELOPED UNITS**

|  |   |
|--|---|
| 6. New Units   | 0 |
| 7. Substantially Rehabilitated Units   | 0 |
| 8. Subtotal - Baseline of Units (add lines 6 & 7)  | 0 |
| 9. Subtotal of Inclusionary Obligation Accrued this year for Units (line 8 x 15%)                  | 0 |
| 10. Subtotal of Inclusionary Obligation Accrued this year for Very Low Income Units (line 9 x 40%) | 0 |

**PART III**  
**TOTALS**

|  |   |
|--|---|
| 11. Total Increase in Inclusionary Obligations During This Fiscal Year (add line 4 & 9)                        | 0 |
| 12. Total Increase in Very Low Income Units Inclusionary Obligations During This Fiscal Year (add line 5 & 10) | 0 |

**SCHEDULE HCD E1**  
**CALCULATION OF INCREASE IN AGENCY'S INCLUSIONARY OBLIGATION FOR ACTIVITIES**  
*(This Form is Information Only: Actual Obligation is based on Implementation Plan)*

**Report Year: 2010/2011**

**Agency: ESCONDIDO**

*Project Area: ESCONDIDO PROJECT*

**Project: MORTGAGE CREDIT CERTIFICATE PROGRAM**

**NOTE: This form is a summary of the totals of all new construction or substantial rehabilitation units from forms HCD-D7 which are developed in a project area by any entity (agency or non-agency).**

**PART I**  
[H & SC Section 33413(b)(1)]  
**AGENCY DEVELOPED**

|   |   |
|---|---|
| 1. New Units  | 0 |
| 2. Substantially Rehabilitated Units  | 0 |
| 3. Subtotal - Baseline of Units (add line 1 & 2)  | 0 |
| 4. Subtotal of Inclusionary Obligation Accrued this Year for Units (line 3 x 30%)                 | 0 |
| 5. Subtotal of Inclusionary Obligation Accrued this year for Very-Low Income Units (line 4 x 50%) | 0 |

**PART II**  
[H & SC Section 33413(b)(2)]  
**NON-AGENCY DEVELOPED UNITS**

|  |   |
|--|---|
| 6. New Units   | 0 |
| 7. Substantially Rehabilitated Units   | 0 |
| 8. Subtotal - Baseline of Units (add lines 6 & 7)  | 0 |
| 9. Subtotal of Inclusionary Obligation Accrued this year for Units (line 8 x 15%)                  | 0 |
| 10. Subtotal of Inclusionary Obligation Accrued this year for Very Low Income Units (line 9 x 40%) | 0 |

**PART III**  
**TOTALS**

|  |   |
|--|---|
| 11. Total Increase in Inclusionary Obligations During This Fiscal Year (add line 4 & 9)                        | 0 |
| 12. Total Increase in Very Low Income Units Inclusionary Obligations During This Fiscal Year (add line 5 & 10) | 0 |

**SCHEDULE HCD E1**  
**CALCULATION OF INCREASE IN AGENCY'S INCLUSIONARY OBLIGATION FOR ACTIVITIES**  
*(This Form is Information Only: Actual Obligation is based on Implementation Plan)*

**Report Year: 2010/2011**

**Agency: ESCONDIDO**

*Project Area: ESCONDIDO PROJECT*

**Project: ORANGE PLACE APARTMENTS**

**NOTE: This form is a summary of the totals of all new construction or substantial rehabilitation units from forms HCD-D7 which are developed in a project area by any entity (agency or non-agency).**

**PART I**  
[H & SC Section 33413(b)(1)]  
**AGENCY DEVELOPED**

|   |   |
|---|---|
| 1. New Units  | 0 |
| 2. Substantially Rehabilitated Units  | 0 |
| 3. Subtotal - Baseline of Units (add line 1 & 2)  | 0 |
| 4. Subtotal of Inclusionary Obligation Accrued this Year for Units (line 3 x 30%)                 | 0 |
| 5. Subtotal of Inclusionary Obligation Accrued this year for Very-Low Income Units (line 4 x 50%) | 0 |

**PART II**  
[H & SC Section 33413(b)(2)]  
**NON-AGENCY DEVELOPED UNITS**

|  |   |
|--|---|
| 6. New Units   | 0 |
| 7. Substantially Rehabilitated Units   | 0 |
| 8. Subtotal - Baseline of Units (add lines 6 & 7)  | 0 |
| 9. Subtotal of Inclusionary Obligation Accrued this year for Units (line 8 x 15%)                  | 0 |
| 10. Subtotal of Inclusionary Obligation Accrued this year for Very Low Income Units (line 9 x 40%) | 0 |

**PART III**  
**TOTALS**

|  |   |
|--|---|
| 11. Total Increase in Inclusionary Obligations During This Fiscal Year (add line 4 & 9)                        | 0 |
| 12. Total Increase in Very Low Income Units Inclusionary Obligations During This Fiscal Year (add line 5 & 10) | 0 |

**SCHEDULE HCD E1**  
**CALCULATION OF INCREASE IN AGENCY'S INCLUSIONARY OBLIGATION FOR ACTIVITIES**  
*(This Form is Information Only: Actual Obligation is based on Implementation Plan)*

**Report Year: 2010/2011**

**Agency: ESCONDIDO**

*Project Area: ESCONDIDO PROJECT*

**Project: ORANGEWOOD**

**NOTE: This form is a summary of the totals of all new construction or substantial rehabilitation units from forms HCD-D7 which are developed in a project area by any entity (agency or non-agency).**

**PART I**  
[H & SC Section 33413(b)(1)]  
**AGENCY DEVELOPED**

|   |   |
|---|---|
| 1. New Units  | 0 |
| 2. Substantially Rehabilitated Units  | 0 |
| 3. Subtotal - Baseline of Units (add line 1 & 2)  | 0 |
| 4. Subtotal of Inclusionary Obligation Accrued this Year for Units (line 3 x 30%)                 | 0 |
| 5. Subtotal of Inclusionary Obligation Accrued this year for Very-Low Income Units (line 4 x 50%) | 0 |

**PART II**  
[H & SC Section 33413(b)(2)]  
**NON-AGENCY DEVELOPED UNITS**

|  |   |
|--|---|
| 6. New Units   | 0 |
| 7. Substantially Rehabilitated Units   | 0 |
| 8. Subtotal - Baseline of Units (add lines 6 & 7)  | 0 |
| 9. Subtotal of Inclusionary Obligation Accrued this year for Units (line 8 x 15%)                  | 0 |
| 10. Subtotal of Inclusionary Obligation Accrued this year for Very Low Income Units (line 9 x 40%) | 0 |

**PART III**  
**TOTALS**

|  |   |
|--|---|
| 11. Total Increase in Inclusionary Obligations During This Fiscal Year (add line 4 & 9)                        | 0 |
| 12. Total Increase in Very Low Income Units Inclusionary Obligations During This Fiscal Year (add line 5 & 10) | 0 |

**SCHEDULE HCD E1**  
**CALCULATION OF INCREASE IN AGENCY'S INCLUSIONARY OBLIGATION FOR ACTIVITIES**  
*(This Form is Information Only: Actual Obligation is based on Implementation Plan)*

**Report Year: 2010/2011**

**Agency: ESCONDIDO**

*Project Area: ESCONDIDO PROJECT*

**Project: SALVATION ARMY SILVERCREST RESIDENCE**

**NOTE: This form is a summary of the totals of all new construction or substantial rehabilitation units from forms HCD-D7 which are developed in a project area by any entity (agency or non-agency).**

**PART I**  
[H & SC Section 33413(b)(1)]  
**AGENCY DEVELOPED**

|   |   |
|---|---|
| 1. New Units  | 0 |
| 2. Substantially Rehabilitated Units  | 0 |
| 3. Subtotal - Baseline of Units (add line 1 & 2)  | 0 |
| 4. Subtotal of Inclusionary Obligation Accrued this Year for Units (line 3 x 30%)                 | 0 |
| 5. Subtotal of Inclusionary Obligation Accrued this year for Very-Low Income Units (line 4 x 50%) | 0 |

**PART II**  
[H & SC Section 33413(b)(2)]  
**NON-AGENCY DEVELOPED UNITS**

|  |   |
|--|---|
| 6. New Units   | 0 |
| 7. Substantially Rehabilitated Units   | 0 |
| 8. Subtotal - Baseline of Units (add lines 6 & 7)  | 0 |
| 9. Subtotal of Inclusionary Obligation Accrued this year for Units (line 8 x 15%)                  | 0 |
| 10. Subtotal of Inclusionary Obligation Accrued this year for Very Low Income Units (line 9 x 40%) | 0 |

**PART III**  
**TOTALS**

|  |   |
|--|---|
| 11. Total Increase in Inclusionary Obligations During This Fiscal Year (add line 4 & 9)                        | 0 |
| 12. Total Increase in Very Low Income Units Inclusionary Obligations During This Fiscal Year (add line 5 & 10) | 0 |

**SCHEDULE HCD E1**  
**CALCULATION OF INCREASE IN AGENCY'S INCLUSIONARY OBLIGATION FOR ACTIVITIES**  
*(This Form is Information Only: Actual Obligation is based on Implementation Plan)*

**Report Year: 2010/2011**

**Agency: ESCONDIDO**

*Project Area: ESCONDIDO PROJECT*

**Project: SERENITY VILLAGE TRANSITIONAL HOUSING**

**NOTE: This form is a summary of the totals of all new construction or substantial rehabilitation units from forms HCD-D7 which are developed in a project area by any entity (agency or non-agency).**

**PART I**  
 [H & SC Section 33413(b)(1)]  
**AGENCY DEVELOPED**

|   |   |
|---|---|
| 1. New Units  | 0 |
| 2. Substantially Rehabilitated Units  | 0 |
| 3. Subtotal - Baseline of Units (add line 1 & 2)  | 0 |
| 4. Subtotal of Inclusionary Obligation Accrued this Year for Units (line 3 x 30%)                 | 0 |
| 5. Subtotal of Inclusionary Obligation Accrued this year for Very-Low Income Units (line 4 x 50%) | 0 |

**PART II**  
 [H & SC Section 33413(b)(2)]  
**NON-AGENCY DEVELOPED UNITS**

|  |   |
|--|---|
| 6. New Units   | 0 |
| 7. Substantially Rehabilitated Units   | 0 |
| 8. Subtotal - Baseline of Units (add lines 6 & 7)  | 0 |
| 9. Subtotal of Inclusionary Obligation Accrued this year for Units (line 8 x 15%)                  | 0 |
| 10. Subtotal of Inclusionary Obligation Accrued this year for Very Low Income Units (line 9 x 40%) | 0 |

**PART III**  
**TOTALS**

|  |   |
|--|---|
| 11. Total Increase in Inclusionary Obligations During This Fiscal Year (add line 4 & 9)                        | 0 |
| 12. Total Increase in Very Low Income Units Inclusionary Obligations During This Fiscal Year (add line 5 & 10) | 0 |



**SCHEDULE HCD E1**  
**CALCULATION OF INCREASE IN AGENCY'S INCLUSIONARY OBLIGATION FOR ACTIVITIES**  
*(This Form is Information Only: Actual Obligation is based on Implementation Plan)*

**Report Year: 2010/2011**

**Agency: ESCONDIDO**

*Project Area: ESCONDIDO PROJECT*

**Project: SINGLE FAMILY REHABILITATION**

**NOTE: This form is a summary of the totals of all new construction or substantial rehabilitation units from forms HCD-D7 which are developed in a project area by any entity (agency or non-agency).**

**PART I**  
[H & SC Section 33413(b)(1)]  
**AGENCY DEVELOPED**

|   |   |
|---|---|
| 1. New Units  | 0 |
| 2. Substantially Rehabilitated Units  | 0 |
| 3. Subtotal - Baseline of Units (add line 1 & 2)  | 0 |
| 4. Subtotal of Inclusionary Obligation Accrued this Year for Units (line 3 x 30%)                 | 0 |
| 5. Subtotal of Inclusionary Obligation Accrued this year for Very-Low Income Units (line 4 x 50%) | 0 |

**PART II**  
[H & SC Section 33413(b)(2)]  
**NON-AGENCY DEVELOPED UNITS**

|  |   |
|--|---|
| 6. New Units   | 0 |
| 7. Substantially Rehabilitated Units   | 0 |
| 8. Subtotal - Baseline of Units (add lines 6 & 7)  | 0 |
| 9. Subtotal of Inclusionary Obligation Accrued this year for Units (line 8 x 15%)                  | 0 |
| 10. Subtotal of Inclusionary Obligation Accrued this year for Very Low Income Units (line 9 x 40%) | 0 |

**PART III**  
**TOTALS**

|  |   |
|--|---|
| 11. Total Increase in Inclusionary Obligations During This Fiscal Year (add line 4 & 9)                        | 0 |
| 12. Total Increase in Very Low Income Units Inclusionary Obligations During This Fiscal Year (add line 5 & 10) | 0 |

**SCHEDULE HCD E1**  
**CALCULATION OF INCREASE IN AGENCY'S INCLUSIONARY OBLIGATION FOR ACTIVITIES**  
*(This Form is Information Only: Actual Obligation is based on Implementation Plan)*

**Report Year: 2010/2011**

**Agency: ESCONDIDO**

*Project Area: ESCONDIDO PROJECT*

**Project: VIA ROBLE**

**NOTE: This form is a summary of the totals of all new construction or substantial rehabilitation units from forms HCD-D7 which are developed in a project area by any entity (agency or non-agency).**

**PART I**  
[H & SC Section 33413(b)(1)]  
**AGENCY DEVELOPED**

|   |   |
|---|---|
| 1. New Units  | 0 |
| 2. Substantially Rehabilitated Units  | 0 |
| 3. Subtotal - Baseline of Units (add line 1 & 2)  | 0 |
| 4. Subtotal of Inclusionary Obligation Accrued this Year for Units (line 3 x 30%)                 | 0 |
| 5. Subtotal of Inclusionary Obligation Accrued this year for Very-Low Income Units (line 4 x 50%) | 0 |

**PART II**  
[H & SC Section 33413(b)(2)]  
**NON-AGENCY DEVELOPED UNITS**

|  |   |
|--|---|
| 6. New Units   | 0 |
| 7. Substantially Rehabilitated Units   | 0 |
| 8. Subtotal - Baseline of Units (add lines 6 & 7)  | 0 |
| 9. Subtotal of Inclusionary Obligation Accrued this year for Units (line 8 x 15%)                  | 0 |
| 10. Subtotal of Inclusionary Obligation Accrued this year for Very Low Income Units (line 9 x 40%) | 0 |

**PART III**  
**TOTALS**

|  |   |
|--|---|
| 11. Total Increase in Inclusionary Obligations During This Fiscal Year (add line 4 & 9)                        | 0 |
| 12. Total Increase in Very Low Income Units Inclusionary Obligations During This Fiscal Year (add line 5 & 10) | 0 |

**Community Development Commission of the City of Escondido  
Fiscal Year 2010-2011**

**Redevelopment Agency Annual Report Part b - Fiscal Statement**

(1) The amount of outstanding indebtedness of the agency and each project area:

|                                      | Indebtedness<br>As of 06/30/2011 |
|--------------------------------------|----------------------------------|
| Escondido Project Area               | 167,739,125                      |
| Low and Moderate Income Housing Fund | 41,826,145                       |
|                                      | <u>209,565,270</u>               |

(2) The amount of tax increment property tax revenues generated in the agency and in each project area:

|                                      |                   |
|--------------------------------------|-------------------|
| Escondido Project Area               | 19,092,408        |
| Low and Moderate Income Housing Fund | 4,773,102         |
|                                      | <u>23,865,510</u> |

(3) The amount of tax increment revenues paid to, or spent on behalf of, a taxing agency, other than a school or community college district, pursuant to subdivision (b) of Section 33401 or Section 33607. Moneys expended on behalf of a taxing agency shall be itemized per each individual capital improvement:

Sections 33401 and 33607 are applicable to the Agency:

**Escondido Project Area**

Section 33401

|  |                  |
|--|------------------|
| County of San Diego                    | 3,307,760        |
| North County Cemetery Special District | 47,668           |
| San Diego County Office of Education   | 219,261          |
| Palomar Pomerado Health                | 128,786          |
| Total Section 33401                    | <u>3,703,475</u> |

Section 33607

|  |                         |
|--|-------------------------|
| City of Escondido                      | 252,341                 |
| Metropolitan Water District            | 7,881                   |
| San Diego County Water Authority       | 6,947                   |
| Vallecitos Water District              | 408                     |
| Greater San Diego County Resource Cons | 246                     |
| Total Section 33607                    | <u>267,823</u>          |
| Total                                  | <u><u>3,971,298</u></u> |

- (4) The financial transactions report required pursuant to Section 53891 of the Government Code:

The following two documents were provided in the December 2011 filing:

- Independent Financial Audit Report
- Annual Reports consists of State Controller's Report, HCD Reports, Blight/Loan/Property Report, and Statement of Indebtedness

- (5) The amount allocated to school or community college districts pursuant to each of the following provisions: (1) section 33401; (2) section 33445; (3) section 33445.5; (4) paragraph (2) of subdivision (a) of section 33676; and (5) section 33681.

Section 33401 is applicable to the Agency:

**Escondido Project Area**

Section 33401

|                             |                         |
|-----------------------------|-------------------------|
| Escondido Union Elementary  | 2,699,093               |
| Escondido Union High School | 2,057,978.00            |
| San Marcos Unified          | 29,421.00               |
| Palomar Community College   | 343,616                 |
| Total                       | <u><u>5,130,108</u></u> |

- (6) The amount of existing indebtedness, as defined in Section 33682, and the total amount of payments required to be paid on existing indebtedness for the fiscal year.

|                                      | <u>Indebtedness</u><br><u>As of 07/01/2011</u> | <u>Required Payments</u><br><u>During FY2011</u> |
|--------------------------------------|--|--|
| Escondido Project Area               | 167,739,125                                    | 14,020,614                                       |
| Low and Moderate Income Housing Fund | 41,826,145                                     | 4,750,000  |
|                                      | <u>209,565,270</u>                             | <u>18,770,614</u>                                |

- (7) Any other fiscal information which the agency believes is useful to describe its programs.

None.

**Community Development Commission of the City of Escondido  
Fiscal Year 2010-2011**

**REDEVELOPMENT AGENCY ANNUAL REPORT PART C - BLIGHT REPORT**

This Blight Report is prepared pursuant to Health and Safety Code Section 33080.1(d).

The following is a list of activities completed during Fiscal Year 2010-2011 to alleviate blight in the Redevelopment Area.

1. Construction continued on the 61-unit Juniper Senior Village project at 215 East Washington Avenue, which was previously the site of a blighted, 29-space trailer park. The park was the site of routine code enforcement visits, fire department violations, and police calls for service. \$5.5 million in total funds has been loaned to the \$15.8M project by the City, \$2.45 million of which was redevelopment set-aside funds, for acquisition, relocation, demolition and construction. The first residents moved into the project in December 2010, and the project was fully occupied by the end of the 10-11 fiscal year.
2. 86 first-time homebuyer loans, totaling \$994,720, were issued citywide during the fiscal year. 4 of those loans, totaling \$36,050, were provided for residences in the Redevelopment Area. However, all loans require owner occupancy and maintenance of the residences, preventing further blight of the surrounding area and the entire city.
3. Twenty-two rehabilitation loans were funded, totaling \$466,191. The loans were issued to low and moderate income households to help maintain and preserve existing owner-occupied housing, preventing blight in neighborhoods. Three of these loans were for residences in the Redevelopment Area.
4. Tulip Street Improvement Project Phase III, the third phase of a multi-phase project, was completed in FY 2010-2011. The entire project runs along Tulip Street, from 2<sup>nd</sup> Avenue to 9<sup>th</sup> Avenue, in a mostly older, residential area. The project includes design and construction of new curbs, gutters, paving, improved street lighting, new sidewalks and ADA ramps, new street trees and retaining walls, all in the public rights-of-way, and costs a total of approximately \$7 million. Phase IV, the last section, is currently underway.
5. The Grand Avenue-Mercado project has been underway and was completed at the beginning of FY 10-11. The area is one of Escondido's oldest areas and is located between downtown and Interstate 15. The project took place on Grand Avenue, between Quince Street and Pine Street, and included new paving, curb, gutter, storm drain system, sidewalk, new traffic signal, street trees, string lights, colored concrete, landscaping and irrigation, and seating areas with benches and fountains. The total cost of the project was \$2.25M, including a Smart Growth Grant from SANDAG, Gas Taxes, Traffic Impact Fees, and Prop 42 funding.
6. Construction continued on "The Crossings," a 55-unit affordable rental project on Mission Grove Place. The project was formerly the site of 48 dilapidated, abandoned, rental units on Elder Place, with ongoing building code, code enforcement, fire department and police issues. A total of \$9.5M from redevelopment set-aside funds was spent on the project, out of the total cost of \$27M.

7. Neighborhood Stimulus Plan (NSP) Funds were obtained and used by the city to acquire properties for future affordable housing developments. The city has purchased five parcels (either deteriorated and in need of revitalization or previously demolished) on Broadway, North Elm Street, and Pine Street/West 2<sup>nd</sup> Avenue, for a total of \$953,800. Plans are underway for a 36-unit affordable residential rental project located at 141, 211 and 221 East El Norte Parkway and 1260 and 1280 North Broadway totaling 2.2 acres, and utilizing one of the parcels. The total cost of the project is approximately \$10.8M. The site is located within the Redevelopment Area. There are currently three single-family residences and one duplex structure on the site. Only one of the units is currently occupied and the remainder of the site has been vacant and deteriorated in recent years. The project is proposed to be located on a prominent, visible corner.
8. In conjunction with the future development of another parcel acquired with NSP funds, the city is working on a public improvement project on Elm Street, between Washington Avenue and the flood control channel. The portion of Elm Street is located in an older residential neighborhood within a qualified census tract. The project includes reconstruction of full street improvements on both sides of the street, including curbs, gutters, sidewalks, street lights, utility lines, fire hydrant and surfacing of the street, and will cost a total of \$300,000. The project will incorporate elements to facilitate connection from the cul de sac to the existing bike path (and future creek trail).
9. The Escondido Creek Trail Improvement project is currently underway. The Revealing Escondido Vision Plan is a comprehensive plan for the Escondido Creek Trail (the paved area along the maintenance right of way of the Escondido flood control channel, which runs through the heart of the city). A pocket park, retaining wall, benches and landscaping along the rear of the Juniper Senior housing project showcases the first portion of the trail, and was completed during FY 2010-2011 through a partnership between the city and the developer. In the future, the City plans to complete additional sections of the Trail, including a demonstration project on the section between Broadway and Juniper during the upcoming fiscal year. The total cost of the project so far is \$350,000.
10. In conjunction with the expansion of an existing, subsidized child care facility, a street improvement project on Oak Hill Drive was begun, which will ultimately result in completed improvements along an unimproved portion of Oak Hill Drive in an older residential neighborhood. The total cost of the project is \$375,000.

**Community Development Commission of the City of Escondido  
Fiscal Year 2010-2011**

**REDEVELOPMENT AGENCY ANNUAL REPORT PART D - LOAN REPORT**

This Loan Report is prepared pursuant to Health and Safety Code Section 33080.1(e).

See attached list of, and status report on, all loans made by the Redevelopment Agency in 2010-2011. This includes those that are \$50,000 or more, that in the previous fiscal year were in default, or not in compliance with the terms of the loan approved by the Redevelopment Agency.

As of 6/30/11, the Redevelopment Agency had no loans in default or not in compliance.

**Community Development Commission of the City of Escondido  
Fiscal Year 2010-2011**

**REDEVELOPMENT AGENCY ANNUAL REPORT PART D - LOAN REPORT**

**Set-Aside: HOME Program Loans**

| <b>LOAN #</b> | <b>ADDRESS</b> |                            | <b>AMOUNT</b> |
|---------------|----------------|----------------------------|---------------|
| 12            | 140            | E El Norte Parkway #28     | 6,000         |
| 89            | 319            | W El Norte Pkwy            | 6,000         |
| 100           | 450            | E Ninth Avenue             | 10,000        |
| 112           | 1309           | Soria Glen                 | 10,000        |
| 118           | 464            | Devonshire Glen            | 10,000        |
| 133           | 2094           | E Grand Avenue #31         | 10,000        |
| 137           | 525            | W El Norte Parkway #163    | 10,000        |
| 140           | 475            | N Midway Drive #164        | 25,000        |
| 141           | 1915           | E Grand Avenue #1          | 25,000        |
| 142           | 529            | Sandalwood Place #10       | 25,000        |
| 143           | 495            | San Pasqual Valley Rd #159 | 25,000        |
| 144           | 806            | E Fourth Avenue #19        | 25,000        |
| 145           | 1350           | N Escondido Boulevard #45  | 25,000        |
| 146           | 2400           | W Valley Parkway #84       | 25,000        |
| 148           | 2041           | E Grand Avenue #30         | 25,000        |
| 149           | 1350           | N Escondido Boulevard #31  | 25,000        |
| 150           | 145            | W El Norte Parkway #203    | 25,000        |
| 151           | 1811           | E Grand Avenue #176        | 25,000        |
| 152           | 505            | San Paqual Valley #175     | 25,000        |
| 153           | 1817           | E Grand Avenue #10         | 25,000        |
| 154           | 1870           | Fairway Park #B            | 25,000        |
| 155           | 145            | W El Norte Parkway #128    | 25,000        |
| 156           | 145            | W El Norte Parkway #110    | 25,000        |
| 157           | 225            | W El Norte Parkway #248    | 25,000        |
| 158           | 225            | W El Norte Parkway #142    | 25,000        |
| 159           | 476            | Devonshire Glen            | 25,000        |
| 160           | 225            | W El Norte Parkway #238    | 25,000        |
| 161           | 1811           | E Grand Avenue #153        | 25,000        |
| 167           | 450            | W Vermont Avenue #2204     | 25,000        |
| 168           | 1131           | Park Hill Lane             | 25,000        |
| 169           | 1329           | E Mission Avenue           | 25,000        |
| 170           | 361            | Brotherton Glen            | 25,000        |
| 171           | 495            | San Pasqual Valley #113    | 25,000        |
| 172           | 1651           | S Juniper Street #75       | 25,000        |
| 173           | 1010           | E Washington Avenue #70    | 25,000        |
| 174           | 2411           | Turnbridge Glen            | 25,000        |
| 175           | 435            | Shady Brook Place          | 25,000        |
| 176           | 2249           | Amber Lane                 | 25,000        |
| 177           | 2400           | W Valley Parkway #71       | 25,000        |
| 178           | 823            | Fern Street                | 25,000        |
| 180           | 450            | W Vermont Avenue #203      | 25,000        |
| 181           | 308            | Lion Valley Road           | 25,000        |
| 182           | 140            | E El Norte Parkway #64     | 25,000        |
| 183           | 1165           | Chestnut Street            | 25,000        |
| 184           | 2074           | Gabriele Glen              | 25,000        |
| 186           | 615            | Beechwood Street           | 25,000        |
| 188           | 1820           | Castle Glen                | 25,000        |
| 189           | 1262           | Amalfi Place               | 25,000        |
| 191           | 640            | Aster Street               | 25,000        |
| 192           | 1715           | Acorn Street               | 25,000        |
| 193           | 1739           | S Quince Street            | 25,000        |



**Community Development Commission of the City of Escondido  
Fiscal Year 2010-2011**

**REDEVELOPMENT AGENCY ANNUAL REPORT PART D - LOAN REPORT**

**Set-Aside: HOME Program Loans**

| <b>LOAN #</b> | <b>ADDRESS</b> |                         | <b>AMOUNT</b> |
|---------------|----------------|-------------------------|---------------|
| 194           | 1404           | San Carlos Place        | 25,000        |
| 195           | 2118           | Skyview Glen            | 25,000        |
| 196           | 2251           | Lee Avenue              | 25,000        |
| 197           | 2150           | Taylor Place            | 25,000        |
| 198           | 475            | N Midway Drive #143     | 25,000        |
| 199           | 1249           | E El Norte Parkway      | 25,000        |
| 200           | 2126           | Skyview Glen            | 25,000        |
| 201           | 1122           | Calle Vista Avenue      | 25,000        |
| 202           | 495            | San Pasqual Valley #155 | 25,000        |
| 203           | 1607           | Jose Lane               | 25,000        |
| 204           | 1800           | S Maple Street #110     | 25,000        |
| 205           | 1553           | Alameda Glen            | 25,000        |
| 206           | 734            | Begonia Street          | 25,000        |
| 207           | 2333           | Fair Oak Court          | 25,000        |
| 209           | 137            | E Eleventh Avenue       | 25,000        |
| 210           | 840            | Goldenrod Street        | 25,000        |
| 211           | 2855           | Roseann Avenue          | 25,000        |
| 212           | 448            | Devonshire Glen         | 25,000        |
| 213           | 1231           | Entrada Glen            | 25,000        |
| 214           | 2135           | E Valley Parkway #65    | 25,000        |
| 215           | 924            | Camellia Street         | 25,000        |
| 216           | 450            | Chestnut Street         | 25,000        |
| 217           | 1330           | Soria Glen              | 25,000        |
| 218           | 481            | Bancroft Glen           | 25,000        |
| 219           | 3050           | Roseann Avenue          | 25,000        |
| 220           | 250            | Espanas Glen            | 25,000        |
| 221           | 1332           | Jefferson Avenue        | 25,000        |
| 222           | 605            | Iona Court              | 25,000        |
| 223           | 706            | Roosevelt               | 25,000        |
| 224           | 1631           | Toyon Glen              | 25,000        |
| 225           | 1894           | Iris Way                | 25,000        |
| 226           | 140            | E El Norte Parkway #15  | 25,000        |
| 227           | 2104           | Mountain View Drive     | 25,000        |
| 228           | 1953           | Golden Circle Drive     | 25,000        |
| 229           | 833            | N Midway Drive          | 25,000        |
| 230           | 1125           | Erica Street            | 25,000        |
| 231           | 1221           | Montros Place           | 12,250        |
| 233           | 1036           | Thomas Way              | 11,000        |
| 234           | 1051           | E Fourth Avenue         | 15,300        |
| 235           | 2425           | Heatherwood Court       | 14,000        |
| 236           | 2015           | Pointer Glen            | 14,150        |
| 237           | 280            | Boleroridge Place       | 15,000        |
| 239           | 2139           | Amorosa Glen            | 15,900        |
| 240           | 1464           | Mosiac Glen             | 17,095        |
| 242           | 880            | Venice Glen             | 14,100        |
| 243           | 532            | Kaile Lane              | 14,400        |
| 244           | 2135           | E Valley Parkway #14    | 8,495         |
| 245           | 936            | Terrace Avenue          | 15,400        |
| 246           | 1459           | E Mission Avenue        | 9,050         |
| 247           | 1405           | N Broadway #E           | 9,000         |
| 248           | 1531           | Katella Way             | 18,000        |

**Community Development Commission of the City of Escondido  
Fiscal Year 2010-2011**

**REDEVELOPMENT AGENCY ANNUAL REPORT PART D - LOAN REPORT**

**Set-Aside: HOME Program Loans**

| <b>LOAN #</b> |      | <b>ADDRESS</b>        | <b>AMOUNT</b> |
|---------------|------|-----------------------|---------------|
| 249           | 2093 | Alexander Drive       | 11,250        |
| 250           | 940  | Summerfield Place     | 15,000        |
| 251           | 732  | San Pasqual Valley Rd | 14,750        |
| 252           | 2855 | Wanek Road #C         | 5,930         |
| 253           | 140  | E El Norte Parkway #4 | 8,700         |
| 254           | 1305 | Kiso Glen             | 13,000        |
| 255           | 512  | Sandalwood Place #1   | 5,000         |
| 256           | 1113 | Corral Glen           | 9,250         |
| 257           | 1130 | Buena Vista Avenue    | 12,500        |
| 258           | 730  | Jordan Street         | 12,500        |
| 259           | 1651 | S Juniper Street #86  | 7,600         |
| 260           | 2735 | Abbey Glen            | 9,780         |
| 261           | 939  | Camellia Street       | 9,750         |
| 262           | 1741 | Firestone Drive       | 17,500        |
| 263           | 2094 | E Grand Avenue #12    | 5,750         |
| 264           | 1351 | Borden Road           | 12,500        |
| 265           | 1025 | Erica Street          | 11,750        |
| 266           | 1432 | Marjorie Avenue       | 13,000        |
| 267           | 2847 | Hypoint Avenue        | 11,750        |
| 268           | 1234 | Aristotle Glen        | 11,250        |
| 269           | 2339 | Scott Way             | 12,000        |
| 270           | 1114 | Kings Road            | 13,500        |
| 271           | 2425 | Cranston Drive #225   | 6,500         |
| 272           | 2075 | S Juniper Street      | 13,500        |
| 273           | 1140 | Jennifer Court        | 11,500        |
| 274           | 1651 | S Juniper Street #192 | 8,500         |
| 275           | 2359 | Conway Drive          | 13,250        |
| 276           | 1357 | View Pointe Avenue    | 11,250        |
| 278           | 750  | N Citrus Avenue       | 11,100        |
| 279           | 2015 | E Lincoln Avenue      | 10,325        |
| 280           | 621  | Maywood Street        | 11,945        |
| 281           | 1651 | S Juniper Street #2   | 9,500         |
| 282           | 2070 | Ardath Avenue         | 11,250        |
| 283           | 2425 | Cranstron Drive #203  | 6,250         |
| 284           | 1564 | Tanglewood Lane #12   | 7,210         |
| 286           | 1422 | Marjorie Avenue       | 10,000        |
| 287           | 2140 | E Washington Avenue   | 8,900         |
| 289           | 681  | Roosevelt Street      | 9,550         |
| 292           | 833  | Sumac Place           | 12,900        |
| 293           | 429  | Pear Tree Place       | 12,250        |
| 294           | 379  | Brotherton Glen       | 11,250        |
| 295           | 840  | Harding Street        | 10,950        |
| 296           | 1651 | S Juniper Street #122 | 9,000         |
| 297           | 1649 | Kingston Drive        | 11,250        |
| 298           | 651  | Maywood Street        | 13,650        |
| 299           | 175  | Howell Heights        | 16,300        |
| 300           | 2855 | Wanek Road #E         | 5,800         |
| 301           | 350  | Eastridge Lane        | 13,250        |
| 302           | 1546 | Conway Drive          | 13,450        |
| 303           | 1402 | Dolore Place          | 12,525        |
| 304           | 1442 | Kenora Street         | 14,000        |

**Community Development Commission of the City of Escondido  
Fiscal Year 2010-2011**

**REDEVELOPMENT AGENCY ANNUAL REPORT PART D - LOAN REPORT**

**Set-Aside: HOME Program Loans**

| <b>LOAN #</b> | <b>ADDRESS</b> |                        | <b>AMOUNT</b> |
|---------------|----------------|------------------------|---------------|
| 305           | 210            | Crestview Glen         | 8,750         |
| 306           | 220            | S Date Street          | 7,140         |
| 307           | 809            | Begonia Street         | 10,000        |
| 309           | 2083           | Manchester Avenue      | 13,000        |
| 311           | 1157           | Chestnut Street        | 8,500         |
| 312           | 2134           | Country Place          | 9,500         |
| 314           | 315            | Brotherton Glen        | 11,335        |
| 315           | 240            | Eveningside Glen       | 8,150         |
| 316           | 1140           | N Ash Street           | 13,100        |
| 317           | 238            | Crestview Glen         | 8,495         |
| 318           | 2741           | Abbey Glen             | 8,750         |
| 319           | 1926           | Alexander Drive        | 16,400        |
| 320           | 1403           | N Broadway#D           | 7,650         |
| 321           | 1277           | Pablo Place            | 11,800        |
| 322           | 1250           | Joshua Street          | 9,750         |
| 323           | 2214           | Village Road           | 12,495        |
| 324           | 2010           | Matthew Place          | 11,000        |
| 325           | 387            | Brotherton Glen        | 11,335        |
| 326           | 202            | E Fourteenth Avenue    | 11,250        |
| 327           | 827            | W Seventh Avenue       | 9,250         |
| 328           | 805            | Harding Street         | 10,250        |
| 330           | 330            | Las Brisas             | 10,700        |
| 331           | 303            | Citracado Parkway #2   | 12,500        |
| 335           | 1111           | Calle Vista Avenue     | 12,250        |
| 337           | 391            | Brotherton Glen        | 10,500        |
| 338           | 641            | Maywood Street         | 10,650        |
| 339           | 318            | E Tenth Avenue         | 8,750         |
| 340           | 2847           | Wanek Road             | 11,000        |
| 341           | 240            | James Street           | 9,650         |
| 342           | 203            | Belfast Glen           | 8,000         |
| 343           | 1244           | Hoover Street          | 9,750         |
| 345           | 140            | E El Norte Parkway #11 | 6,060         |
| 347           | 395            | Brotherton Glen        | 10,474        |
| 348           | 375            | Brotherton Glen        | 11,329        |
| 349           | 2360           | E Mission Avenue       | 11,400        |
| 350           | 339            | E El Norte Parkway     | 10,000        |
| 351           | 2371           | Viewridge Place        | 14,375        |
| 352           | 311            | Brotherton Glen        | 10,474        |
| 353           | 305            | Brotherton Glen        | 10,474        |
| 354           | 331            | Brotherton Glen        | 11,329        |
| 355           | 2375           | Lochridge Place        | 15,250        |
| 356           | 2400           | W Valley Parkway       | 10,750        |
| 357           | 937            | Glenwood Way           | 10,625        |
| 358           | 1241           | Soria Glen             | 7,750         |
| 359           | 2437           | Hawthorn Glen          | 8,000         |
| 360           | 1383           | Jefferson Avenue       | 7,750         |
| 361           | 1636           | Stanley Way            | 12,800        |
| 362           | 339            | Brotherton Glen        | 11,329        |
| 363           | 1878           | Glen Ridge Road        | 18,140        |
| 364           | 1205           | Rembrant Glen          | 12,250        |
| 365           | 1310           | Taft Street            | 11,600        |

**Community Development Commission of the City of Escondido  
Fiscal Year 2010-2011**

**REDEVELOPMENT AGENCY ANNUAL REPORT PART D - LOAN REPORT**

**Set-Aside: HOME Program Loans**

| <b>LOAN #</b> | <b>ADDRESS</b> |   |                   | <b>AMOUNT</b> |
|---------------|----------------|---|-------------------|---------------|
| 367           | 1411           | N | Broadway #D       | 8,250         |
| 368           | 1235           |   | Aristotle Glen    | 12,086        |
| 369           | 1085           |   | Erica Street      | 12,550        |
| 371           | 640            |   | Erica Street      | 9,200         |
| 372           | 321            |   | Brotherton Glen   | 11,329        |
| 373           | 2460           |   | Wanek Road        | 11,275        |
| 374           | 233            |   | Crestview Glen    | 7,000         |
| 375           | 709            | N | Midway Drive      | 12,250        |
| 376           | 836            |   | Terrace Avenue    | 12,550        |
| 377           | 716            | W | Fifth Avenue      | 13,250        |
| 378           | 649            |   | Judson Street     | 10,250        |
| 380           | 1119           |   | Rustic Road       | 12,550        |
| 381           | 728            |   | Beechwood Street  | 12,875        |
| 382           | 1485           |   | McKinley Avenue   | 14,000        |
| 383           | 1428           |   | Timber Glen       | 12,700        |
| 384           | 810            | E | Washington Avenue | 7,250         |
| 385           | 1289           | E | El Norte Parkway  | 11,500        |
| 386           | 621            |   | Stonybrae Place   | 16,500        |
| 387           | 1253           |   | Ronda Avenue      | 9,940         |
| 388           | 1742           |   | Kingston Drive    | 13,250        |
| 389           | 1457           | N | Broadway #C       | 7,500         |
| 390           | 917            |   | Venice Glen       | 14,000        |
| 391           | 322            |   | Chestnut Lane     | 13,250        |
| 392           | 1813           |   | Lynx Glen         | 7,570         |
| 393           | 1018           | S | Juniper Street    | 12,400        |
| 394           | 1240           |   | Dos Hermanos Glen | 16,000        |
| 395           | 2473           |   | Bear Rock Glen    | 16,400        |
| 397           | 412            |   | Deveonshire Glen  | 9,000         |
| 398           | 2057           |   | Matthew Place     | 13,250        |
| 399           | 559            |   | Boxwood Glen      | 13,950        |
| 400           | 634            |   | Olinda Street     | 12,500        |
| 401           | 2839           |   | Geise Court       | 16,125        |
| 402           | 324            |   | Hemlock Avenue    | 13,450        |
| 403           | 1723           |   | Micheal Glen      | 12,500        |
| 404           | 834            |   | Sumac Place       | 15,500        |
| 405           | 1502           |   | Boyle Street      | 11,500        |
| 406           | 993            | N | Rose Street       | 12,995        |
| 407           | 723            |   | Wabash Street     | 11,250        |
| 408           | 102            |   | Fernwood Avenue   | 8,825         |
| 411           | 1007           |   | Howard Avenue #44 | 8,613         |
| 412           | 1360           |   | Vista Verde Way   | 14,000        |
| 413           | 223            |   | Eveningside Glen  | 6,875         |
| 414           | 1019           |   | Awana Glen        | 14,250        |
| 415           | 2120           |   | Holly Avenue      | 13,000        |
| 416           | 1913           |   | Vermont Avenue    | 15,000        |
| 417           | 934            |   | Fern Street       | 12,500        |
| 418           | 481            |   | Nantucket Glen    | 11,500        |
| 419           | 1607           |   | Oak Hill Drive    | 11,650        |
| 420           | 1475           |   | Manzanita Avenue  | 13,750        |
| 421           | 883            |   | Sumac Place       | 13,900        |
| 422           | 1312           | N | Elm Street        | 12,500        |

**Community Development Commission of the City of Escondido  
Fiscal Year 2010-2011**

**REDEVELOPMENT AGENCY ANNUAL REPORT PART D - LOAN REPORT**

|     |      |                     |                         |
|-----|------|---------------------|-------------------------|
| 423 | 2110 | Jefferson Avenue    | 14,000                  |
| 424 | 434  | Deveonshire Glen    | 10,250                  |
| 425 | 2051 | Via Veneto          | 13,650                  |
| 426 | 1635 | E El Norte Parkway  | 10,250                  |
| 427 | 2231 | Jefferson Avenue    | 14,350                  |
| 428 | 1831 | Kenora Drive        | 12,500                  |
| 429 | 620  | Elmwood Drive       | 11,250                  |
| 430 | 332  | Whippoorwill Glen   | 12,500                  |
| 431 | 311  | Elkhorn Lane        | 16,450                  |
| 433 | 309  | E El Norte Parkway  | 10,900                  |
| 434 | 942  | Harding Street      | 13,250                  |
| 435 | 207  | Eveningside Glen    | 8,250                   |
| 436 | 2144 | Mountain View Drive | 15,000                  |
| 437 | 693  | Jonathon Place      | 13,450                  |
| 438 | 389  | Roundtree Glen      | 10,000                  |
| 439 | 2125 | Beartrap Place      | 12,750                  |
| 440 | 1911 | Grove Place         | 18,100                  |
| 441 | 1349 | Kenora Drive        | 14,000                  |
| 442 | 2140 | Country Place       | 8,500                   |
| 443 | 1215 | Wren Glen           | 12,495                  |
| 444 | 2358 | Lake Forest Street  | 15,250                  |
| 445 | 2041 | E Washington Avenue | 12,450                  |
| 446 | 2656 | Wanek Road          | 13,000                  |
| 447 | 813  | E Lincoln Avenue    | 8,250                   |
| 448 | 872  | N Fig Street        | 11,950                  |
| 449 | 1935 | Sunset Drive #45    | 7,175                   |
| 450 | 1902 | Vermont Place       | 12,750                  |
| 451 | 1038 | Metcalf Street      | 12,150                  |
| 452 | 255  | Boleroridge Place   | 13,750                  |
| 453 | 1662 | S Tulip Street      | 18,000                  |
| 455 | 1023 | W Eleventh Avenue   | 13,500                  |
| 456 | 367  | Tesoro Glen #120    | 9,900                   |
| 457 | 690  | Jonathon Place      | 13,800                  |
| 458 | 927  | W Fourth Avenue     | 9,750                   |
| 459 | 1020 | Conway Drive        | 14,300                  |
| 460 | 2372 | Oakridge Place      | 14,750                  |
| 462 | 816  | W Ninth Avenue      | 11,250                  |
| 463 | 1309 | Gary Lane           | 10,500                  |
| 464 | 1357 | N Ivy Street        | 12,250                  |
| 465 | 843  | Socin Court         | 17,750                  |
| 466 | 127  | Espanas Glen        | 9,450                   |
| 467 | 1594 | Tibidabo Road       | 14,250                  |
| 468 | 703  | Goldenrod Street    | 11,495                  |
| 469 | 2736 | Cameron Place       | 13,250                  |
| 299 |      |                     | <u><u>4,538,937</u></u> |

Community Development Commission of the City of Escondido  
 Fiscal Year 2010-2011

**REDEVELOPMENT AGENCY ANNUAL REPORT PART D - LOAN REPORT**

| <b>Set-Aside: HELP Program Loans</b> |                |                      |                       |
|--------------------------------------|----------------|----------------------|-----------------------|
| <b>LOAN #</b>                        | <b>ADDRESS</b> |                      | <b>AMOUNT</b>         |
| 021                                  | 1407           | S Maple Street       | 3,000                 |
| 023                                  | 1419           | Taft Street          | 25,000                |
| 024                                  | 919            | Camellia Street      | 25,000                |
| 025                                  | 182            | Espanas Glen         | 25,000                |
| 026                                  | 744            | Aster Street         | 25,000                |
| 028                                  | 655            | Beechwood Street     | 25,000                |
| 029                                  | 190            | Espanas Glen         | 25,000                |
| 030                                  | 137            | Sheridan Avenue      | 25,000                |
| 032                                  | 1283           | E Grand Avenue       | 25,000                |
| 033                                  | 1651           | S Juniper Street #18 | 25,000                |
| 034                                  | 965            | Homestead Place      | 25,000                |
| 036                                  | 121            | Foxdale Place        | 25,000                |
| 037                                  | 2165           | Weatherby Avenue     | 25,000                |
| 035                                  | 303            | E Lincoln Avenue     | 25,000                |
| 14                                   |                |                      | <b><u>328,000</u></b> |

**Community Development Commission of the City of Escondido  
Fiscal Year 2010-2011**

**REDEVELOPMENT AGENCY ANNUAL REPORT PART D - LOAN REPORT**

| <b>Set-Aside: Rehabilitation Loans</b> |                |   |                               |     |               |
|--|----------------|---|-------------------------------|-----|---------------|
| <b>LOAN #</b>                          | <b>ADDRESS</b> |   |                               |     | <b>AMOUNT</b> |
| 2                                      | 2974           |   | Oakhill Drive                 |     | \$42,623.00   |
| 6                                      | 208            | W | Ninth Avenue                  |     | \$20,000.00   |
| 10                                     | 1721           | E | Valley Parkway (7 Paramount)  |     | \$6,499.00    |
| 16                                     | 2400           | W | Valley Parkway                | 28  | \$21,035.00   |
| 22                                     | 1001           | S | Hale Avenue                   | 63  | \$4,437.00    |
| 33                                     | 1202           |   | Borden Road                   | 148 | \$19,900.00   |
| 34                                     | 2300           | E | Valley Parkway                | 216 | \$5,500.00    |
| 42                                     | 1721           | E | Valley Parkway (9 Paramount)  |     | \$4,793.00    |
| 44                                     | 1721           | E | Valley Parkway (16 Mayflower) |     | \$5,500.00    |
| 56                                     | 955            |   | Howard Avenue                 | 97  | \$4,500.00    |
| 65                                     | 1301           | S | Hale Avenue                   | 69  | \$4,178.33    |
| 74                                     | 1001           | S | Hale Avenue                   | 87  | \$5,000.00    |
| 88                                     | 910            | E | Fifth Avenue                  |     | \$275.00      |
| 93                                     | 1204           | N | Gamble Street                 |     | \$19,990.00   |
| 94                                     | 645            | W | Fifteenth Avenue              |     | \$21,691.60   |
| 102                                    | 720            | E | Seventh Avenue                |     | \$20,000.00   |
| 103                                    | 913            |   | Terrace Avenue                |     | \$20,000.00   |
| 111                                    | 235            |   | Green Avenue                  |     | \$25,290.00   |
| 115                                    | 531            | E | Sixth Avenue                  |     | \$6,000.00    |
| 122                                    | 318            |   | Brotherton Road               |     | \$20,000.00   |
| 129                                    | 1750           | W | Citracado Parkway             | 19  | \$20,000.00   |
| 132                                    | 2283           |   | Raintree Place                |     | \$20,000.00   |
| 134                                    | 1750           | W | Citracado Parkway             | 40  | \$6,500.00    |
| 136                                    | 1050           |   | Mills Street                  |     | \$10.00       |
| 143                                    | 2280           | E | Valley Parkway                | 27  | \$20,000.00   |
| 145                                    | 520            |   | Valley Meadow Place           |     | \$19,882.73   |
| 154                                    | 1750           | W | Citracado Parkway             | 57  | \$6,500.00    |
| 156                                    | 731            |   | Nancy Street                  |     | \$7,445.00    |
| 159                                    | 955            |   | Howard Avenue                 | 57  | \$6,500.00    |
| 162                                    | 809            |   | Daisy Street                  |     | \$19,805.00   |
| 170                                    | 2550           | E | Valley Parkway                | 2   | \$875.00      |
| 183                                    | 624            | E | Eighth Avenue                 |     | \$20,000.00   |
| 195                                    | 913            |   | Daisy Street                  |     | \$20,000.00   |
| 196                                    | 2250           | N | Broadway                      | 2   | \$6,500.00    |
| 199                                    | 716            |   | Elmwood Drive                 |     | \$19,755.00   |
| 207                                    | 1411           | S | Pine Street (22 Bahama)       | 22  | \$6,425.00    |
| 230                                    | 1726           |   | Tamarme Terrace               |     | \$14,711.00   |
| 234                                    | 2300           | E | Valley Parkway                | 112 | \$6,500.00    |
| 260                                    | 900            |   | Howard Avenue                 | 70  | \$8,000.00    |
| 261                                    | 1637           |   | Oakhill Drive                 |     | \$18,052.00   |
| 262                                    | 1380           |   | Oakhill Drive                 | 41  | \$8,000.00    |
| 275                                    | 2550           | E | Valley Parkway                | 8   | \$8,000.00    |
| 280                                    | 1332           | S | Upas Street                   |     | \$25,000.00   |
| 284                                    | 525            | W | El Norte Parkway              | 43  | \$8,000.00    |
| 287                                    | 2700           | E | Valley Parkway                | 108 | \$4,819.00    |
| 290                                    | 620            | N | Citrus Avenue                 |     | \$23,411.00   |
| 295                                    | 211            | N | Citrus Avenue                 | 46  | \$7,050.00    |
| 296                                    | 525            | W | El Norte Parkway              | 159 | \$8,000.00    |
| 298                                    | 211            | N | Citrus Avenue                 | 119 | \$5,555.00    |
| 302                                    | 2700           | E | Valley Parkway                | 95  | \$8,000.00    |
| 304                                    | 632            |   | McDonald Lane                 |     | \$25,000.00   |
| 305                                    | 2400           | W | Valley Parkway                | 78  | \$7,940.00    |
| 307                                    | 2645           |   | Bear Valley Parkway           |     | \$25,000.00   |
| 310                                    | 1001           | S | Hale Avenue                   | 33  | \$8,000.00    |
| 320                                    | 616            |   | Woodside Place                |     | \$24,926.46   |

**Community Development Commission of the City of Escondido  
Fiscal Year 2010-2011**

**REDEVELOPMENT AGENCY ANNUAL REPORT PART D - LOAN REPORT**

| <b>Set-Aside: Rehabilitation Loans</b> |                |   |                                  |                 |  |
|--|----------------|---|----------------------------------|-----------------|--|
| <b>LOAN #</b>                          | <b>ADDRESS</b> |   |                                  | <b>AMOUNT</b>   |  |
| 327                                    | 738            |   | Boyle Avenue                     | \$24,601.00     |  |
| 329                                    | 2400           | W | Valley Parkway                   | 129 \$7,985.00  |  |
| 332                                    | 1475           |   | Esperanza Way                    | \$18,224.81     |  |
| 335                                    | 1721           | E | Valley Parkway (29 Paramont)     | \$7,750.00      |  |
| 341                                    | 1360           |   | Palomar Terrace                  | \$23,313.72     |  |
| 342                                    | 428            | W | Seventh Avenue                   | \$24,859.00     |  |
| 344                                    | 211            | N | Citrus Avenue                    | 42 \$8,000.00   |  |
| 345                                    | 1721           | E | Valley Parkway (11 Biltmore Ave) | \$8,000.00      |  |
| 346                                    | 2700           | E | Valley Parkway                   | 254 \$8,100.00  |  |
| 347                                    | 2125           |   | Terrace View Place               | \$14,897.00     |  |
| 348                                    | 2280           | E | Valley Parkway                   | 86 \$7,470.00   |  |
| 349                                    | 2550           | E | Valley Parkway                   | 125 \$10,445.00 |  |
| 350                                    | 1001           | S | Hale Avenue                      | 6 \$8,961.00    |  |
| 352                                    | 1721           | E | Valley Parkway (22 Paramont)     | \$19,110.00     |  |
| 353                                    | 1120           | E | Fourth Avenue                    | \$15,519.05     |  |
| 354                                    | 1137           | E | Rustic Road                      | \$38,967.03     |  |
| 355                                    | 1750           | W | Citracado Parkway                | 113 \$10,640.00 |  |
| 358                                    | 900            |   | Howard Avenue                    | 24 \$4,780.00   |  |
| 359                                    | 1001           | S | Hale Avenue                      | 65 \$20,000.00  |  |
| 360                                    | 2202           |   | Village Road                     | \$9,050.00      |  |
| 361                                    | 2400           | W | Valley Parkway                   | 83 \$20,000.00  |  |
| 362                                    | 2550           | E | Valley Parkway                   | 18 \$20,000.00  |  |
| 363                                    | 211            | N | Citrus Avenue                    | 21 \$16,355.00  |  |
| 364                                    | 1751           | W | Citracado Parkway                | 269 \$19,960.00 |  |
| 366                                    | 2300           | E | Valley Parkway                   | 178 \$19,568.00 |  |
| 368                                    | 2700           | E | Valley Parkway                   | 92 \$20,000.00  |  |
| 370                                    | 900            |   | Howard Avenue                    | 75 \$20,000.00  |  |
| 371                                    | 2300           | E | Valley Parkway                   | 168 \$20,000.00 |  |
| 373                                    | 2300           | E | Valley Parkway                   | 223 \$17,680.00 |  |
| 374                                    | 2280           | E | Valley Parkway                   | 135 \$20,000.00 |  |
| 375                                    | 724            |   | Begonia Street                   | \$17,010.00     |  |
| 376                                    | 1380           |   | Oakhill Drive                    | 28 \$20,000.00  |  |
| 377                                    | 610            |   | Carlann Lane                     | \$40,000.00     |  |
| 378                                    | 541            | W | Fifteenth Avenue                 | 4 \$20,000.00   |  |
| 379                                    | 541            | W | Fifteenth Avenue                 | 65 \$19,690.00  |  |
| 381                                    | 211            | N | Citrus Avenue                    | 256 \$20,000.00 |  |
| 383                                    | 2400           | W | Valley Parkway                   | 127 \$20,000.00 |  |
| 384                                    | 900            |   | Howard Avenue                    | 81 \$20,000.00  |  |
| 386                                    | 1001           | S | Hale Avenue                      | 58 \$19,990.00  |  |
| 387                                    | 2339           |   | Lake Forest Street               | \$38,978.40     |  |
| 388                                    | 1751           | W | Citracado Parkway                | 262 \$20,000.00 |  |
| 389                                    | 2700           | E | Valley Parkway                   | 147 \$19,746.00 |  |
| 390                                    | 1001           | S | Hale Avenue                      | 44 \$20,000.00  |  |
| 391                                    | 1301           | S | Hale Avenue                      | 26 \$20,000.00  |  |
| 392                                    | 2300           | E | Valley Parkway                   | 217 \$19,978.00 |  |
| 393                                    | 2700           | E | Valley Parkway                   | 97 \$20,000.00  |  |
| 394                                    | 2300           | E | Valley Parkway                   | 232 \$20,000.00 |  |
| 395                                    | 2280           | E | Valley Parkway                   | 30 \$20,000.00  |  |
| 396                                    | 2700           | E | Valley Parkway                   | 173 \$20,000.00 |  |
| 398                                    | 1750           | W | Citracado Parkway                | 153 \$19,913.00 |  |
| 399                                    | 2300           | E | Valley Parkway                   | 208 \$20,000.00 |  |
| 401                                    | 1001           | S | Hale Avenue                      | 70 \$18,733.00  |  |
| 402                                    | 955            |   | Howard Avenue                    | 106 \$19,840.00 |  |
| 403                                    | 900            |   | Howard Avenue                    | 95 \$20,000.00  |  |
| 404                                    | 900            |   | Howard Avenue                    | 96 \$20,000.00  |  |



**Community Development Commission of the City of Escondido  
Fiscal Year 2010-2011**

**REDEVELOPMENT AGENCY ANNUAL REPORT PART D - LOAN REPORT**

| <b>Set-Aside: Rehabilitation Loans</b> |                |   |                              |               |             |
|--|----------------|---|------------------------------|---------------|-------------|
| <b>LOAN #</b>                          | <b>ADDRESS</b> |   |                              | <b>AMOUNT</b> |             |
| 407                                    | 418            |   | Skyridge Lane                |               | \$40,000.00 |
| 408                                    | 1931           |   | Alexander Drive              |               | \$39,985.00 |
| 409                                    | 2280           | E | Valley Parkway               | 39            | \$18,942.00 |
| 410                                    | 1721           | E | Valley Parkway (10 Biltmore) |               | \$20,000.00 |
| 411                                    | 2300           | E | Valley Parkway               | 243           | \$20,000.00 |
| 412                                    | 1920           |   | Kingston Drive               |               | \$40,000.00 |
| 414                                    | 1811           | E | Grand Avenue                 | 87            | \$40,000.00 |
| 415                                    | 1001           | S | Hale Avenue                  | 78            | \$19,998.00 |
| 416                                    | 955            |   | Howard Avenue                | 100           | \$19,450.00 |
| 417                                    | 2280           | E | Valley Parkway               | 61            | \$18,215.00 |
| 418                                    | 1001           | S | Hale Avenue                  | 47            | \$20,000.00 |
| 419                                    | 1750           | W | Citracado Parkway            | 112           | \$18,360.00 |
| 420                                    | 2280           | E | Valley Parkway               | 35            | \$19,970.00 |
| 421                                    | 211            | N | Citrus Avenue                | 250           | \$19,983.00 |
| 423                                    | 2400           | W | Valley Parkway               | 73            | \$19,905.00 |
| 424                                    | 1001           | S | Hale Avenue                  | 54            | \$19,952.00 |
| 425                                    | 2400           | W | Valley Parkway               | 102           | \$19,817.00 |
| 426                                    | 650            | W | Eleventh Avenue              |               | \$40,000.00 |
| 427                                    | 2700           | E | Valley Parkway               | 117           | \$19,697.00 |
| 428                                    | 1380           |   | Oakhill Drive                | 62            | \$20,000.00 |
| 429                                    | 2280           | E | Valley Parkway               | 16            | \$20,000.00 |
| 430                                    | 2700           | E | Valley Parkway               | 166           | \$18,820.00 |
| 432                                    | 2300           | E | Valley Parkway               | 75            | \$20,000.00 |
| 433                                    | 788            |   | Chestnut Street              |               | \$39,755.00 |
| 434                                    | 955            |   | Howard Avenue                | 33            | \$20,000.00 |
| 435                                    | 955            |   | Howard Avenue                | 35            | \$20,000.00 |
| 436                                    | 1001           | S | Hale Avenue                  | 72            | \$20,000.00 |
| 437                                    | 900            | E | Second Avenue                |               | \$40,000.00 |
| 438                                    | 2300           | E | Valley Parkway               | 34            | \$19,072.25 |
| 439                                    | 2250           | N | Broadway                     | 62            | \$20,000.00 |
| 440                                    | 2280           | E | Valley Parkway               | 41            | \$16,730.00 |
| 441                                    | 525            | W | El Norte Parkway             | 88            | \$20,000.00 |
| 442                                    | 623            |   | Daisy Street                 |               | \$40,000.00 |
| 443                                    | 2550           | E | Valley Parkway               | 83            | \$18,000.00 |
| 444                                    | 1017           |   | Nightingale Place            |               | \$26,076.00 |
| 445                                    | 1575           | W | Valley Parkway               | 64            | \$19,791.00 |
| 446                                    | 2700           | E | Valley Parkway               | 267           | \$7,755.00  |
| 447                                    | 1737           | S | Maple Street                 |               | \$40,000.00 |
| 448                                    | 2400           | W | Valley Parkway               | 24            | \$19,906.00 |
| 449                                    | 1202           |   | Borden Road                  | 161           | \$20,000.00 |
| 450                                    | 2700           | E | Valley Parkway               | 38            | \$20,000.00 |
| 451                                    | 2550           | E | Valley Parkway               | 88            | \$16,028.00 |
| 452                                    | 211            | N | Citrus Avenue                | 231           | \$9,739.00  |
| 453                                    | 525            | W | El Norte Parkway             | 282           | \$20,000.00 |
| 455                                    | 141            | S | Upas Street                  |               | \$39,910.00 |
| 457                                    | 2400           | W | Valley Parkway               | 152           | \$20,000.00 |
| 458                                    | 2300           | E | Valley Parkway               | 177           | \$19,532.00 |
| 459                                    | 2300           | E | Valley Parkway               | 182           | \$19,992.00 |
| 460                                    | 2280           | E | Valley Parkway               | 132           | \$19,425.00 |
| 461                                    | 1610           | E | Washington Avenue            |               | \$40,000.00 |
| 462                                    | 2550           | E | Valley Parkway               | 38            | \$19,867.00 |
| 463                                    | 1575           | W | Valley Parkway               | 91            | \$15,000.00 |
| 464                                    | 2300           | E | Valley Parkway               | 179           | \$19,630.00 |
| 465                                    | 955            |   | Howard Avenue                | 70            | \$19,990.00 |
| 466                                    | 1751           | W | Citracado Parkway            | 268           | \$19,720.00 |

Community Development Commission of the City of Escondido  
 Fiscal Year 2010-2011

**REDEVELOPMENT AGENCY ANNUAL REPORT PART D - LOAN REPORT**

| <b>Set-Aside: Rehabilitation Loans</b> |                |   |                   |     |                       |
|--|----------------|---|-------------------|-----|-----------------------|
| <b>LOAN #</b>                          | <b>ADDRESS</b> |   |                   |     | <b>AMOUNT</b>         |
| 467                                    | 1001           | S | Hale Avenue       | 30  | \$20,000.00           |
| 468                                    | 2280           | E | Valley Parkway    | 99  | \$18,830.00           |
| 469                                    | 525            | W | El Norte Parkway  | 173 | \$15,375.00           |
| 470                                    | 2550           | E | Valley Parkway    | 89  | \$20,000.00           |
| 471                                    | 2300           | E | Valley Parkway    | 132 | \$19,830.00           |
| 472                                    | 1750           | W | Citracado Parkway | 147 | \$17,465.00           |
| 473                                    | 525            | W | El Norte Parkway  | 346 | \$20,000.00           |
| 474                                    | 2250           | N | Broadway          | 73  | \$20,000.00           |
| 475                                    | 2300           | E | Valley Parkway    | 200 | \$13,191.00           |
| 476                                    | 426            | W | Eleventh Avenue   |     | \$36,528.00           |
| 477                                    | 2300           | E | Valley Parkway    | 149 | \$20,000.00           |
| 478                                    | 2300           | E | Valley Parkway    | 171 | \$14,579.00           |
| 479                                    | 719            |   | Pitman Street     |     | \$40,000.00           |
| 480                                    | 903            | N | Midway Drive      |     | \$19,889.00           |
| 481                                    | 541            | W | Fifteenth Avenue  | 29  | \$20,000.00           |
| 482                                    | 211            | N | Citrus Avenue     | 207 | \$20,000.00           |
| 484                                    | 2              |   | Citracado Lane    |     | \$20,000.00           |
| 485                                    | 2280           | E | Valley Parkway    | 92  | \$20,000.00           |
| 486                                    | 1575           | W | Valley Parkway    | 14  | \$20,000.00           |
| 487                                    | 525            | W | El Norte Parkway  | 302 | \$20,000.00           |
| 488                                    | 211            | N | Citrus Avenue     | 109 | \$20,000.00           |
| 489                                    | 1751           | W | Citracado Parkway | 202 | \$20,000.00           |
| 490                                    | 1751           | W | Citracado Parkway | 315 | \$20,000.00           |
| 491                                    | 2280           | E | Valley Parkway    | 32  | \$20,000.00           |
| 492                                    | 1575           | W | Valley Parkway    | 1   | \$20,000.00           |
| 493                                    | 955            |   | Howard Avenue     | 80  | \$15,000.00           |
| 494                                    | 7              |   | Mayflower Avenue  |     | \$20,000.00           |
| 495                                    | 1001           | S | Hale Avenue       | 26  | \$20,000.00           |
| 496                                    | 1301           | S | Hale Avenue       | 17  | \$20,000.00           |
| 497                                    | 2550           | E | Valley Parkway    | 5   | \$20,000.00           |
| 195                                    |                |   |                   |     | <b>\$3,629,187.38</b> |

**Community Development Commission of the City of Escondido  
Fiscal Year 2010-2011**

**REDEVELOPMENT AGENCY ANNUAL REPORT PART D - LOAN REPORT**

| <b>Set-Aside: Mobilehome Lot Loans</b> |                |   |                   |     |                     |
|--|----------------|---|-------------------|-----|---------------------|
| <b>LOAN #</b>                          | <b>ADDRESS</b> |   |                   |     | <b>AMOUNT</b>       |
| 877532-03                              | 1750           | W | Citracado Parkway | 3   | 41,052.72           |
| 01-039-92                              | 1750           | W | Citracado Parkway | 24  | 4,800.00            |
| 01-103-92                              | 1750           | W | Citracado Parkway | 33  | 28,807.05           |
| 01-097-02A                             | 1750           | W | Citracado Parkway | 40  | 38,624.00           |
| 01-097-02B                             | 1750           | W | Citracado Parkway | 40  | 1,650.00            |
| 04-101-92A                             | 1750           | W | Citracado Parkway | 57  | 29,677.83           |
| 04-101-92B                             | 1750           | W | Citracado Parkway | 57  | 2,660.00            |
| 01-072-92                              | 1750           | W | Citracado Parkway | 84  | 38,140.46           |
| 05-063-92                              | 1750           | W | Citracado Parkway | 111 | 17,971.90           |
| 05-052-92                              | 1750           | W | Citracado Parkway | 124 | 12,921.00           |
| 01-108-92                              | 1751           | W | Citracado Parkway | 175 | 42,039.09           |
| 05-060-92                              | 1751           | W | Citracado Parkway | 176 | 15,011.62           |
| 01-038-92                              | 1751           | W | Citracado Parkway | 179 | 7,518.42            |
| 01-026-92                              | 1751           | W | Citracado Parkway | 184 | 4,395.21            |
| 1131-03                                | 1750           | W | Citracado Parkway | 38  | 45,006.94           |
| 1131-29                                | 1750           | W | Citracado Parkway | 59  | 61,179.41           |
| 1131-14                                | 1750           | W | Citracado Parkway | 70  | 46,491.67           |
| 1131-32                                | 1750           | W | Citracado Parkway | 113 | 41,846.18           |
| 1131-09                                | 1750           | W | Citracado Parkway | 116 | 49,013.57           |
| 1131-15                                | 1750           | W | Citracado Parkway | 148 | 48,294.49           |
| 1131-02                                | 1750           | W | Citracado Parkway | 163 | (2.99)              |
| 1131-17                                | 1751           | W | Citracado Parkway | 170 | 46,158.64           |
| 1131-05                                | 1751           | W | Citracado Parkway | 190 | 45,348.25           |
| 1131-33                                | 1751           | W | Citracado Parkway | 192 | 58,690.26           |
| 1131-21                                | 1751           | W | Citracado Parkway | 206 | 46,031.32           |
| 87-RE-022                              | 525            | W | El Norte Parkway  | 135 | 9,122.00            |
| 87-RE-102                              | 525            | W | El Norte Parkway  | 192 | (23.75)             |
| 87-RE-041                              | 525            | W | El Norte Parkway  | 200 | 5,000.00            |
| 87-RE-056                              | 525            | W | El Norte Parkway  | 330 | 22,335.00           |
| 04-43-91                               | 2400           | W | Valley Parkway    | 1   | 20,761.15           |
| 04-69-91                               | 2400           | W | Valley Parkway    | 7   | 22,528.78           |
| 04-49-91                               | 2400           | W | Valley Parkway    | 23  | 22,566.00           |
| 04-50-91                               | 2400           | W | Valley Parkway    | 35  | 22,076.09           |
| 04-51-91                               | 2400           | W | Valley Parkway    | 36  | 22,946.05           |
| 04-96-91                               | 2400           | W | Valley Parkway    | 53  | 5,464.00            |
| 04-77-91                               | 2400           | W | Valley Parkway    | 54  | 22,086.43           |
| 01-91-91                               | 2400           | W | Valley Parkway    | 59  | 17,878.13           |
| 04-58-91                               | 2400           | W | Valley Parkway    | 61  | 22,164.90           |
| 04-72-91                               | 2400           | W | Valley Parkway    | 63  | 19,385.71           |
| 04-59-01                               | 2400           | W | Valley Parkway    | 73  | 21,660.69           |
| 04-61-91                               | 2400           | W | Valley Parkway    | 83  | 19,520.95           |
| 04-62-91                               | 2400           | W | Valley Parkway    | 87  | 19,032.63           |
| 01-17-91                               | 2400           | W | Valley Parkway    | 90  | 9,063.17            |
| 04-63-91                               | 2400           | W | Valley Parkway    | 93  | 22,029.72           |
| 04-64-91                               | 2400           | W | Valley Parkway    | 103 | 21,705.76           |
| 04-97-91                               | 2400           | W | Valley Parkway    | 104 | 21,355.35           |
| 01-02-91                               | 2400           | W | Valley Parkway    | 126 | 27,555.00           |
| 05-105-91                              | 2400           | W | Valley Parkway    | 141 | 47,412.60           |
| 04-98-91                               | 2400           | W | Valley Parkway    | 148 | 5,319.83            |
| 1131-25                                | 2400           | W | Valley Parkway    | 45  | 45,358.17           |
| 1131-18                                | 2400           | W | Valley Parkway    | 46  | 45,948.48           |
| 1131-13                                | 2400           | W | Valley Parkway    | 99  | 54,880.21           |
| 1131-27                                | 2400           | W | Valley Parkway    | 127 | 45,689.11           |
| 1131-10                                | 2400           | W | Valley Parkway    | 138 | 45,889.36           |
| 1131-20                                | 2400           | W | Valley Parkway    | 152 | 51,657.10           |
|  |                |   |                   |     | <b>1,511,695.66</b> |

**Community Development Commission of the City of Escondido  
Fiscal Year 2010-2011**

**REDEVELOPMENT AGENCY ANNUAL REPORT PART E - PROPERTY REPORT**

This Property Report is prepared pursuant to Health and Safety Code Section 33080.1(f).

Please see attached list for the properties owned by the Redevelopment Agency as of the end of Fiscal Year 2010-2011.

**Community Development Commission of the City of Escondido  
Fiscal Year 2010-2011**

**REDEVELOPMENT AGENCY ANNUAL REPORT PART E - PROPERTY REPORT**

**Set-Aside: Properties Owned by CDC (Housing)  
Reported as Land Held for Resale**

| <b>Mountain Shadows Mobile Home Park:</b> | <b>Book Value</b> |
|---|-------------------|
| 1750-6 West Citracado Parkway             | 36,101.00         |
| 1750-9 West Citracado Parkway             | 39,499.00         |
| 1750-25 West Citracado Parkway            | 39,499.00         |
| 1750-31 West Citracado Parkway            | 39,499.00         |
| 1750-35 West Citracado Parkway            | 36,101.00         |
| 1750-50 West Citracado Parkway            | 42,047.00         |
| 1750-54 West Citracado Parkway            | 39,499.00         |
| 1750-58 West Citracado Parkway            | 39,499.00         |
| 1750-64 West Citracado Parkway            | 36,101.00         |
| 1750-65 West Citracado Parkway            | 36,101.00         |
| 1750-66 West Citracado Parkway            | 36,101.00         |
| 1750-73 West Citracado Parkway            | 36,950.00         |
| 1750-74 West Citracado Parkway            | 36,101.00         |
| 1750-77 West Citracado Parkway            | 39,499.00         |
| 1750-85 West Citracado Parkway            | 40,348.00         |
| 1750-98 West Citracado Parkway            | 41,197.00         |
| 1750-99 West Citracado Parkway            | 40,348.00         |
| 1750-106 West Citracado Parkway           | 39,499.00         |
| 1750-109 West Citracado Parkway           | 39,499.00         |
| 1750-112 West Citracado Parkway           | 40,348.00         |
| 1750-118 West Citracado Parkway           | 39,499.00         |
| 1750-120 West Citracado Parkway           | 39,499.00         |
| 1750-128 West Citracado Parkway           | 39,499.00         |
| 1750-133 West Citracado Parkway           | 36,950.00         |
| 1750-160 West Citracado Parkway           | 41,197.00         |
| 1750-165 West Citracado Parkway           | 39,499.00         |
| 1750-169 West Citracado Parkway           | 41,197.00         |
| 1751-177 West Citracado Parkway           | 39,499.00         |
| 1751-194 West Citracado Parkway           | 39,499.00         |
| 1751-198 West Citracado Parkway           | 39,499.00         |
| 1751-202 West Citracado Parkway           | 42,047.00         |
| 1751-205 West Citracado Parkway           | 39,499.00         |
|   | <hr/>             |
|   | 1,251,219.00      |
|   | <hr/>             |
| <b>Escondido Views Mobile Home Park:</b>  |                   |
| 2400-20 W Valley Parkway                  | 42,532.00         |
| 2400-28 W Valley Parkway                  | 42,532.00         |
| 2400-64 W Valley Parkway                  | 39,060.00         |
| 2400-72 W Valley Parkway                  | 39,060.00         |
| 2400-80 W Valley Parkway                  | 36,456.00         |
| 2400-92 W Valley Parkway                  | 36,456.00         |
| 2400-129 W Valley Parkway                 | 39,928.00         |
| 2400-135 W Valley Parkway                 | 39,928.00         |
|   | <hr/>             |
|   | 315,952.00        |
|   | <hr/>             |

**Community Development Commission of the City of Escondido  
Fiscal Year 2010-2011**

**REDEVELOPMENT AGENCY ANNUAL REPORT PART E - PROPERTY REPORT**

|   |                            |
|---|----------------------------|
| Vacant Land on N Elm                        | 198,850.00                 |
| Vacant Land on N Elm                        | 125,495.00                 |
| 542 W Third (1 lot)                         | 568,937.50                 |
| 201 N. Pine & 509 W. 2nd Ave                | 379,522.50                 |
|   | <u>1,272,805.00</u>        |
| Total Land Held for Resale at June 30, 2011 | <u><u>2,839,976.00</u></u> |

**Properties Owned by CDC  
Reported as Capital Assets**

| <b>Land:</b>                          | <b>Book Value</b>           |
|---------------------------------------|-----------------------------|
| Valley & Escondido (Home Fed)         | <u>2,766,714.00</u>         |
| <b>Land improvements:</b>             |                             |
| Civic Center Soil Remediation         | 139,295.00                  |
| <b>Building &amp; improvements:</b>   |                             |
| Civic Center                          | 79,289,569.00               |
| Civi Center Costs                     | 203,094.00                  |
| Center for the Arts                   | 2,587,807.00                |
|                                       | <u>82,080,470.00</u>        |
| <b>Machinery &amp; equipment:</b>     |                             |
| CCFA Computer Equip                   | 210,655.00                  |
| CCFA Lighting Equipment               | 48,000.00                   |
| Misc Modular Furniture                | 11,002.00                   |
| CPU Quadra 950 8/230                  | 6,816.27                    |
|                                       | <u>276,473.27</u>           |
| Total Capital Assets at June 30, 2011 | <u><u>85,262,952.27</u></u> |

**Community Development Commission of the City of Escondido  
Fiscal Year 2010-2011**

**REDEVELOPMENT AGENCY ANNUAL REPORT PART F**

A list of the fiscal years that the agency expects each of the following time limits to expire:

- (1) The time limit for the commencement for eminent domain proceedings to acquire property within the project area: **N/A**
- (2) The time limit for the establishment of loans, advances, and indebtedness to finance the redevelopment project: **The time limit on the establishment of debt has been eliminated via the Community Development Commission's resolution 2005-12. Therefore, this is N/A.**
- (3) The time limit for the effectiveness of the redevelopment plan: **2025 (SCR)**
- (4) The time limit to repay indebtedness with the proceeds of property taxes: **2035 (SCR)**

**Community Development Commission of the City of Escondido  
Fiscal Year 2010-2011**

**REDEVELOPMENT AGENCY ANNUAL REPORT PART G**

Any other information that the agency believes useful to explain its programs, including, but not limited to, the number of jobs created and lost in the previous fiscal year as a result of its activities:

**The current activities of the Commission involve Civic Center development including a community theater, park and convention facilities. Other activities include providing housing financial assistance to increase and improve the community's supply of low and moderate-income housing. No jobs were created and no jobs were lost during the fiscal year.**



**Community Development Commission of the City of Escondido  
Fiscal Year 2010-2011**

**REDEVELOPMENT AGENCY ANNUAL REPORT PART H**

A description of the agency's activities in the previous fiscal year affecting housing and displacement that contains the information required by sections 33080.4 and 33080.7

**Fiscal Year 2010-2011 Housing Redevelopment Accomplishments**

Through a combination of state, federal, and other public and private resources, the City of Escondido has an opportunity to implement various housing programs benefitting low- and moderate-income households. These programs are designed to provide decent and safe housing by creating suitable environments for residents of low- and moderate-income.

The 20% tax increment Redevelopment Set-Aside Funds are Escondido's most significant local resource for affordable housing redevelopment activities, including acquisition, new construction, rehabilitation, rental assistance, and first-time homebuyer assistance for the City.

In Fiscal Year 2010-2011, Set-Aside funds were allocated for several affordable housing opportunities such as a mobilehome and apartment rental subsidy program for seniors and those with disabilities (295 households assisted); a first-time homebuyer program for low to moderate-income households (49 households assisted); administration of mortgage credit certificates (8 households assisted); and a rehabilitation loan program, which assists owner-occupants of mobilehomes and single-family residences to make needed health and safety repairs and improvements to their homes (22 households assisted).

A combination of funding has been utilized in the development of Juniper Senior Village, a 61-unit senior development located in the Redevelopment Area. The project is affordable to seniors with incomes of 30-60% AMI. On May 19, 2010, the Escondido Community Development Commission (CDC) unanimously approved an increase in the funding commitment for the development of Juniper Senior Village, by allocating up to \$500,000 in additional 2010-2011 Set-Aside Funds (for a total of \$5,500,000 set-aside and HOME funds). The first residents began moving into Juniper Senior Village in December 2010 and full occupancy was achieved within FY 2010-2011.

A new 55 unit, 51,000 square feet, Low Income apartment project replaced multiple, dilapidated dwelling units in one of the poorest neighborhoods in the city. The cul-de-sac street was completely redesigned, this enhancing the overall ambiance of the project.

A 22,500 square foot former office building was renovated to accommodate an adult high school and ROP program.

## CITY COUNCIL

For City Clerk's Use:

APPROVED       DENIED

Reso No. \_\_\_\_\_ File No. \_\_\_\_\_

Ord No. \_\_\_\_\_

Agenda Item No.: 12

Date: December 7, 2011

**TO:** Honorable Mayor and Members of the City Council  
**FROM:** Christopher McKinney, Director of Utilities  
**SUBJECT:** Revised City's Local Limits and Municipal Code Chapter 22 Article 1, 3 through 9

RECOMMENDATION:

It is requested that Council adopt Ordinance 2011-18, which will adopt revised local limits for certain wastewater constituents, adopt a new article pertaining to the collection of brine, and make certain other updates and clean up measures to Escondido Municipal Code Chapter 22 to comply with state and federal regulations governing wastewater operations.

FISCAL ANALYSIS:

No direct impact to the city is associated with the proposed amendment.

BACKGROUND:

National Pollutant Discharge Elimination System ("NPDES") Order No. R9-2010-0086 requires the City to implement and enforce a Pretreatment Program pursuant to section 307(b) of the federal Clean Water Act and Title 40, Section 403, the Code of Federal Regulations (40 CFR 403). The Pretreatment Program includes the development and enforcement of local limits on certain constituents in the wastewater, which are designed to protect the treatment process at the Hale Avenue Resource Recovery Facility. The Pretreatment Program recommends a re-evaluation of local limits at least every five years to ensure a firm technical basis and address changing conditions of the NPDES permit.

City of Escondido Local Limits:

Based on recycled water permit Order # R9-2010-0032 issued by the San Diego Regional Water Quality Control Board (SDRWQCB) and as required in section 307(b) of the Federal Clean Water Act and 40 CFR 403, City staff submitted the following proposed changes to our local limits to the SDRWQCB for review. On August 18, 2011, the City received an "approvable" status from SDRWQCB, pending approval by the City Council and public notification. The proposed date for final approval by the SDRWQCB, which acts as the "approving authority" under the Code of Federal Regulations, is tentatively set for February 8, 2012.

The proposed local limits changes are:

| Constituent | Current Limit (mg/l) | Proposed Limits (mg/l) |
|-------------|----------------------|------------------------|
| Nickel      | 1.75                 | 1.34                   |
| Manganese   | 0.25                 | 2.9                    |
| Fluoride    | 3                    | 6.4                    |
| Phenol      | 10                   | Deleted                |

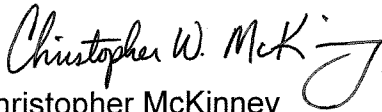
CHAPTER 22, ARTICLE 1, ARTICLE 3 THROUGH 8 OF THE ESCONDIDO MUNICIPAL CODE:

The Utilities staff has also worked with the City Attorney to review and update other provisions in Chapter 22. These consist of a new Article 9, which governs brine collection, and consolidating relevant definitions in one place at the beginning of Article 1. Certain other housekeeping amendments were made to the language of remaining articles, both for clarity and to assure that the amendments to the Escondido Municipal Code pertaining to wastewaters comply with current state and federal regulations, particularly those that pertain to the industrial pretreatment of wastewater discharges. In 2009 a Pretreatment Compliance Audit performed by Tetra Tech, Inc., a contractor of the U.S. Environmental Protection Agency and SDRWQCB identified various changes that were recommended as well as additional updates to the Code to include enforcement response and to provide language that would both clarify the applicable policies and maintain consistency with state and federal regulatory requirements and terminology.

SUMMARY:

Staff recommends approval of the proposed ordinance amending the Escondido Municipal Code, and including the revised local limits.

Respectfully submitted,



Christopher McKinney  
Director of Utilities

**CITY OF ESCONDIDO**  
**PROPOSED LOCAL LIMITS**



**Revised Date: August 11, 2011**

**By**

**Vasana Vipatapat  
Laboratory Superintendent**

## **Introduction**

Local limits are developed to reflect specific needs and capabilities at individual POTWs and are designed to protect the ambient receiving waters. Regulations in 40 CFR 403.8(f)(4) state that POTW Pretreatment Programs must develop local limits or demonstrate that they are unnecessary; 40 CFR 403.5(c) states that local limits are needed when pollutants are received that could result in pass through or interference at the POTW. Essentially, local limits translate the general prohibited discharge standards of 40 CFR 403.5 to site-specific needs. The City of Escondido's last comprehensive technical evaluation of industrial local limits was conducted in 2005.

This document presents the City of Escondido's Hale Avenue Resource Recovery Facility (HARRF) revised local limits for the Industrial Waste and Pretreatment Program. The program is designed to protect the HARRF from non-domestic pollutants that might interfere with plant operation, affect staff health and safety, or might pass through the plant untreated, thereby adversely affecting the environment. Development of local limits was accomplished following protocols contained in Local Limits Develop Guidance Manual (July 2004) under the Pretreatment Program, U.S. Environmental Protection Agency.

## Acronyms & Abbreviations

|         |   |
|---------|---|
| µg/L    | micrograms per Liter                            |
| AHL     | Allowable Headworks Loading                     |
| BMP     | Best Management Practices                       |
| BOD     | Biological Oxygen Demand                        |
| CIUs    | Commercial Industrial Users                     |
| City    | City of Escondido                               |
| CADPH   | California Department of Public Health          |
| DNQ     | Detected, but Not Quantified                    |
| FOG     | Fats, Oils and Greases                          |
| HARRF   | Hale Avenue Resource Recovery Facility          |
| IAHL    | Industrial Allowable Headworks Loading          |
| IU      | Industrial User                                 |
| GPD     | Gallons per Day                                 |
| MAHL    | Maximum Allowable Headworks Loading             |
| MAIL    | Maximum Allowable Industrial Loading            |
| MDL     | Method Detection Limit                          |
| mg/kg   | milligrams per kilogram                         |
| mg/L    | milligrams per Liter                            |
| MGD     | Million Gallons per Day                         |
| ML      | Minimum Level                                   |
| NPDES   | National Pollutant Discharge Elimination System |
| PCB     | Polychlorinated Biphenyl                        |
| POC     | Pollutants Of Concern                           |
| POTW    | Publicly-Owned Treatment Works                  |
| lbs/day | pounds per day                                  |
| ppm     | parts per million                               |
| SIUs    | Significant Industrial Users                    |
| SF      | Safety Factor                                   |
| STLC    | Soluble Threshold Limit Concentration           |
| (T)     | Total   |
| TSS     | Total Suspended Solids                          |
| TTLC    | Total Threshold Limit Concentrations            |
| TTO     | Total Toxic Organics                            |
| USEPA   | United States Environmental Protection Agency   |

## Executive Summary

The City of Escondido HARRF provides treatment of residential, commercial, and industrial wastewater generated in the City and the Rancho Bernardo community of San Diego. The design flow capacity of the HARRF is 18 MGD and effluent discharges from HARRF to the Pacific Ocean via the San Elijo Ocean Outfall. The annual HARRF influent flows have been reduced from 15.3 MGD in 2005 to 12.4 MGD in 2010. The flow reductions have resulted from water conservation and the current economic climate.

The industrial waste pretreatment program consists of eight permitted non-domestic dischargers classified as Significant Industrial Users (SIUs) of which six are regulated under federal categorical pretreatment standard limits and two are regulated under local limits. The City also permits three zero-discharge Commercial Industrial Users (CIUs), and monitors 525 food service and 467 automotive service establishments. The food service establishments and automotive service establishments are regulated under the fats, oil and grease (FOG) program. The SIUs permitted flows have been reduced from 1.09 MGD in 2005 to 0.303 MGD in 2010. (The flow reductions have resulted from SIU closures/relocations.)

### Local Limits Evaluation

The last comprehensive technical evaluation of industrial local limits was conducted in 2005. This local limits review provides an opportunity to simplify and update the maximum available headwork's loading (MAHL) for future industrial users planning. The City used the *2004 USEPA Local Limits Development Guidance Manual* to review the adequacy of proposed local limits, recommended changes were identified.

### Recommendations

The City recommends that local limits for total arsenic, total cadmium, total chromium, total copper, total lead, total mercury total silver, total zinc, total cyanide, TTO, boron, and pH remain the same.

Total nickel will change to more stringent limits base on the MAHL.

Manganese and fluoride limits were adopted voluntarily and not required in the federal categorical standards. The City recommends that manganese and fluoride local limits change to more relaxed limits based on the MAHL.

Oil & Grease was adopted primarily to protect the collection system. The Water Environment Federation published a Manual of Practice in which it recommended 100 mg/l as a maximum limit of oil & grease. The City has an oil & grease local limit of 100 mg/L.

The City recommends eliminating the phenols local limit. From review of all industrial user permits, it has been determined that no permitted users have been issued a phenolic compounds limit during the past five years. There is no known source of industrial phenolic compounds in the service area. Measurements of the plant effluent for regulatory compliance purposes have

indicated that phenolic compounds have not been detected (reported value was less than MDL) and had not indicated that any of these compounds or constituents would be expected to cause or contribute to a water quality exceedance.

Proposed Discharge Local Limits.

| Parameter    | New Calculated Daily Maximum | Current Local Limits | Proposed Local Limits | Proposed Local Limits |
|--------------|------------------------------|----------------------|-----------------------|-----------------------|
|              | mg/L                         | mg/L                 | mg/L                  | mg/L                  |
| Arsenic (T)  | 0.4                          | 0.1                  | 0.1                   | Same                  |
| Cadmium (T)  | 0.121                        | 0.107                | 0.107                 | Same                  |
| Chromium (T) | 0.98                         | 0.96                 | 0.96                  | Same                  |
| Copper (T)   | 8.7                          | 1.05                 | 1.05                  | Same                  |
| Lead (T)     | 19                           | 0.58                 | 0.58                  | Same                  |
| Mercury (T)  | 0.8                          | 0.8                  | 0.8                   | Same                  |
| Nickel (T)   | 1.34                         | 1.75                 | 1.34                  | New                   |
| Silver (T)   | 1.82                         | 0.214                | 0.214                 | Same                  |
| Zinc (T)     | 56.7                         | 2.63                 | 2.63                  | Same                  |
| Cyanide (T)  | 3.0                          | 0.207                | 0.207                 | Same                  |
| TTO          | 2.13                         | 2.13                 | 2.13                  | Same                  |
| Boron        | 3.1                          | 3.0                  | 3.0                   | Same                  |
| Manganese    | 2.9                          | 0.25                 | 2.9                   | New                   |
| Fluoride     | 6.4                          | 3                    | 6.4                   | New                   |
| Oil & Grease |                              | 100                  | 100                   | Same                  |
| pH           | 6.0-10.0                     | 6.0-10.0             | 6.0-10.0              | Same                  |



## ORDINANCE NO. 2011-18

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF ESCONDIDO, CALIFORNIA, ADOPTING REVISED LOCAL LIMITS, TO ADD REGULATIONS PERTAINING TO BRINE COLLECTION AND DISPOSAL AND ADOPT OTHER REVISIONS TO CHAPTER 22 OF THE ESCONDIDO MUNICIPAL CODE PERTAINING TO WASTEWATER

The City Council of the City of Escondido, California, DOES HEREBY ORDAIN as follows:

SECTION 1. This Ordinance makes amendments to Chapter 22 of the Escondido Municipal Code for the purpose of updating the local limits for certain wastewater constituents to bring them into compliance with applicable state and federal regulations, to add regulations pertaining to the collection and disposal of brine, and to make other changes throughout the entirety of the Chapter that will improve the implementation and enforcement of the Code.

SECTION 2. Escondido Municipal Code Chapter 22, Article 1 is hereby amended in its entirety to read as follows:

**ARTICLE 1. IN GENERAL**

**Sec. 22-1. Definitions.**

As used in this Chapter, the following words and phrases shall have the meanings ascribed to them in this section.

*Act* shall mean the Federal Water Pollution Control Act of 1972, also known as the Clean Water Act, 33 U.S.C. 1251, et seq.

*Approved or approval* shall mean the approval of the Director, and/or approval shall mean meeting the approval of the Director as a result of investigation and/or tests conducted by the Director or by reason of accepted principles or tests by national

authorities, technical or scientific organizations, or research laboratory of recognized authority.

*Approval Authority* shall mean the California State Water Resource Control Board that regionally governs the City's Pretreatment Program.

*Authorized Representative* shall mean the following:

- a. a president, secretary, treasurer, or vice president in charge of a principal business function, or any other person who performs similar policy or decision making functions, if the discharger is a corporation;
- b. the manager of one or more manufacturing, production, or operation facilities employing more than 250 persons or having gross annual sales or expenditures exceeding \$25 million (in second-quarter 1980 dollars), if the discharger is a corporation, and authority to sign documents has been assigned or delegated to the manager in accordance with corporate procedures;
- c. a general partner or proprietor if the discharger is a partnership or proprietorship, respectively;
- d. a principal executive officer or director having responsibility for the overall operation of the discharging facility or a ranking elected official if the discharger is a governmental entity, charitable organization or other such unincorporated entity; or
- e. a representative authorized in writing by an individual designated above, if the authorization is submitted to the Director and specifies an individual or a position having responsibility for the overall operation of the facility. This includes the position of plant manager, a position of equivalent responsibility for environmental matters for the company. If an authorization under Paragraph (e) is no longer accurate because a different individual or position has the responsibility for the overall operation of the facility, or overall responsibility for environmental matters of the company, a new authorization satisfying the requirements of Paragraph (e) of this section must be submitted to the Director prior to or together with, any reports to be signed by such person.

*Best Management Practices (BMP's)* shall mean schedules of activities, pollution treatment practices or devices, prohibitions of practices, general good housekeeping practices, pollution prevention and educational practices, maintenance procedures, and other management practices or devices to prevent or reduce the discharge of pollutants directly or indirectly to sewer system or the storm water conveyance system. Best management practices also include but are not limited to treatment practices, operating procedures, and practices to control site runoff, spillage or leaks, sludge or water disposal, or drainage from raw materials storage. Best management practices may

include any type of pollution prevention and pollution control measure that can help to achieve compliance with this Chapter.

*Biological Oxygen Demand (BOD)* shall mean the quantity of oxygen utilized in the biochemical oxidation of organic matter under standard laboratory procedure in five (5) days at twenty (20) degrees Celsius, expressed in terms of milligrams per liter (mg/l) and analyzed in accordance with the most recent of "Standard Methods for the Examination of Water and Wastewater" prepared and published by the American Public Health Association, American Water Works Association and Water Environmental Federation.

*Building* shall include all structures.

*Building drain* shall mean that part of the lowest horizontal piping of a drainage system which receives the discharge from soil, waste and other drainage pipes inside the walls of the building and conveys it to the building sewer, beginning five (5) feet outside the inner face of the building wall.

*Building sewer* shall mean the extension from the building drain to the public sewer or other place of disposal.

*Categorical pretreatment standard or categorical standard* shall mean any regulation containing pollutant discharge limits promulgated by EPA in accordance with Sections 307(b) and (c) of the Act (33 USC 1317) which apply to a specific category of users and which appear in 40 CFR Chapter 1, Subchapter N, Parts 405-471. CFR means the Code of Federal Regulations.

*City* shall mean authorized representatives of and facilities owned by the City of Escondido.

*Clean Water Act or CWA* shall mean the Federal Water Pollution Control Act, as amended, 33 USC 1251 et seq. 86 Stat. 916, Public Law 92-500.

*Commercial Establishment* shall mean a private establishment such as a restaurant, hotel laundry, store, filling station, or recreational facility. A nonprofit private or government entity such as a church, school, hospital, military facility, correctional institution, recreation facility or a facility owned and operated by a charitable organization is considered a commercial establishment.

*Compliance Schedule* shall mean a document issued with milestone dates agreed to by the City and the IU, enforced by the City, represents the shortest schedule of actions to achieve compliance with pretreatment standards.

*Composite Sample* shall mean a sample formed by mixing discrete samples taken at periodic times at periodic points in time or a continuous proportion of the flow.

The number of discrete samples which make up the composite sample depends upon the variability of pollutant concentration and flow.

*Cooling Water* shall mean the water discharged from any use including, but not limited to, air conditioning, cooling or refrigeration, during which the only pollutant assessed is heat.

*Contamination* shall mean an impairment of the quality of the waters of the state by the introduction of waste material to a degree which creates a hazard to the public health through poisoning or through the spread of disease.

*Combined sewer* shall mean a sewer receiving both surface runoff and sewage.

*Daily Maximum Limit* shall mean the maximum allowable discharge of any pollutant. Where daily maximum limitations are expressed in terms of a concentration, the daily discharge is the arithmetic average measurement of the pollutant concentration derived from all measurements taken during the 24-hour period.

*Director* shall mean the person designated by the City Manager to have charge of the administration and supervision of the Utilities Department or any other official(s) as designated by the City Manager.

*Direct Discharge* shall mean the discharge of treated or untreated wastewater into the receiving water of the state of California.

*Domestic Septage* shall mean the liquid or solid material removed from private sewage disposal system, portable toilet or other holding device that receives only domestic sewage.

*Domestic Wastewater (Domestic Sewage)* shall mean sanitary wastewater and wastewater generated from household type operations.

*DPH* shall mean Department of Public Health.

*Drainage system or drainage piping* shall mean and include all the piping within public or private premises which conveys sewage or other liquid wastes to a legal point of disposal, but shall not include the mains or laterals of a public sewerage system.

*EIWP* shall mean Escondido Industrial Waste Program.

*F.O.G.* shall mean fats, oils and grease.

*Food Service Establishment* shall mean a facility engaged in preparing food for consumption by the public such as a restaurant, commercial kitchen, caterer, hotel, school, hospital, prison, correctional facility or care institution.

*Garbage* shall mean solid wastes from the preparation, cooking and dispensing of food and from the handling, storage and sale of produce.

*Grab Sample* shall mean a single sample of water collected at a particular time and place with no regard to the flow of the waste stream. A single grab sample should be taken over a period not to exceed 15 minutes.

*Grease Interceptor* shall mean a plumbing device designed to intercept most greases and solids before they enter a wastewater sewer. Sizing will be determined by using the most recently adopted version of the Uniform Plumbing Code by the Building Standards Commission, as well as any other requirements the pretreatment department considers necessary.

*Grease Trap* shall mean a device designed to retain grease prior to the wastewater exiting the trap and entering the sewer system. Sizing will be determined by using the most recently adopted version of the Uniform Plumbing Code by the Building Standards Commission, as well as any other requirements the pretreatment department considers necessary.

*HARRF* shall mean Hale Avenue Resource Recovery Facility.

*IBCS* shall mean the Industrial Brine Collection System.

*Illegal connection* shall mean any physical connection to the stormwater conveyance system which has not been permitted in writing by the City of Escondido or the San Diego Regional Water Quality Control Board.

*Industrial brine* shall mean any industrial wastewater that consists exclusively of concentrated salts or dissolved minerals that are derived from water softener processes, evaporative processes, or water treatment processes.

*Industrial brine collection system* shall mean any system of pipelines, pressure mains, pumping stations, outfall sewers, and appurtenances constructed and maintained by the city for the exclusive use of collecting industrial brine, and shall include facilities used to bypass the city's POTW and dispose of the brine under regulations established in a NPDES permit separate from the NPDES permit that regulates the city's POTW.

*Industrial user(s)* shall mean any facility which discharges process wastewater other than domestic, to the POTW for treatment.

*Industrial User Permit* shall mean a permit issued by the City, regulating specific limitations for constituent strength and daily flow from Industrial Users process wastewater discharging to the POTW.

*Industrial waste* shall mean and includes nondomestic liquid or semisolid wastes from any producing, manufacturing or processing operation of whatever nature.

*Infectious Waste* shall mean any waste material or article which harbors or may reasonably be considered to harbor any microorganism, helminthic parasites or viruses which may be expected to produce disease in healthy persons. And shall include the following:

- (a) Significant laboratory wastes including but not limited to, cultures of bacteria and or microorganisms.
- (b) Pathological specimens including but not limited to, human or animal tissues, blood elements, excreta and secretions which may contain microorganisms, helminthic parasites or viruses.
- (c) Human dialysis waste materials including arterial lines and dialysate membranes.
- (d) Surgical Specimens including, but not limited to, human or animal parts and tissues removed surgically or at autopsy which may contain microorganisms, helminthic parasites or viruses.
- (e) Equipment, instruments, utensils, and other materials of a disposable nature which may transmit viruses any other communicable disease from the rooms of humans and or the enclosures of animals that have been isolated with suspected or diagnosed communicable diseases.
- (f) Any materials defined by duly authorized public health officer as potentially infectious and required to be managed as an infectious waste.

*Interference* shall mean a discharge, which alone or in conjunction with a discharge or discharges from other sources, inhibits or disrupts the POTW, its treatment processes or operations or its sludge processes, use or disposal; and therefore, is a cause of a violation of (the city's) NPDES permit or of the prevention of sewage sludge use or disposal in compliance with any of the following statutory/regulatory provisions or permits issued thereunder, or any more stringent state or local regulations: Section 405 of the Act; the Solid Waste Disposal Act, including Title II commonly referred to as the Resource Conservation and Recovery Act (RCRA); any state regulations contained in any state sludge management plan prepared pursuant to Subtitle D of the Solid Waste Disposal Act; the Clean Air Act; the Toxic Substances Control Act; and the Marine Protection, Research, and Sanctuaries Act.

*Local limits* shall mean the limits that develop by the City to enforce the specific and general prohibitions that required in Section 307(b) of Federal Clean Water Act and Section 403, Title 40 of the Code and Federal Regulations.

*National Categorical Pretreatment Standard (National Standard)* shall mean any regulation containing pollutant discharge limits promulgated by the EPA in accordance with Section 307(b) and (c) of the Act.

*National Pollution Discharge Elimination System (NPDES) Permit* means a permit issued by the San Diego Regional Water Quality Control Board or the State Water Resources Control Board pursuant to Division 7 of the California Water Code to control discharges from point sources to waters of the United States.

*Natural outlet* shall mean any outlet into a watercourse, pond, ditch, lake or other body of surface or ground water.

*New source* means:

(1) Any building, structure, facility or installation from which there is (or may be) a discharge of pollutants, the construction of which commenced after the publication of proposed pretreatment standards under Section 307(c) of the Act which will be applicable to such source if such standards are thereafter promulgated with that section; provided, that:

(A) The building, structure, facility or installation is constructed at a site at which no other source is located, or

(B) The building, structure, facility or installation totally replaces the process or production equipment that causes the discharge of pollutants at an existing source, or

(C) The production or wastewater generating processes of the building, structure, facility or installation are substantially independent of an existing source at the same site. In determining whether these are substantially independent, factors such as the extent to which the new facility is integrated with the existing plant, and the extent to which the new facility is engaged in the same general type of activity as the existing source should be considered;

(2) Construction on a site at which an existing source is located results in a modification rather than a new source if the construction does not create a new building, structure, facility or installation meeting the criteria of subsection (1)(B) or (C) of this definition but otherwise alters, replaces or adds to existing process or production equipment;

(3) Construction of a new source as defined under this paragraph has commenced and the owner or operator has:

(A) Begun, or caused to begin, as part of a continuous on-site construction program:

(i) Any placement, assembly or installation of facilities or equipment, or

(ii) Significant site preparation work including clearing, excavation or removal of existing buildings, structures or facilities which is necessary for the placement, assembly or installation of new source facilities or equipment, or

(B) Entered into a binding contractual obligation for the purchase of facilities or equipment which is intended to be used in its operation within a reasonable time. Options to purchase or contracts which can be terminated or modified without substantial loss, and contracts for feasibility, engineering and design studies do not constitute a contractual obligation under this paragraph.

*Nonstormwater discharge* shall mean any discharge to the stormwater conveyance system that is not entirely composed of stormwater.

*Nuisance* shall mean a discharge of wastewater in violation of City regulations or orders, or which is or could be harmful to or unreasonably affect the wastewater collection system and treatment facilities of the City or which impairs or unreasonably affects the operation and maintenance of such facilities, or which violates quantity, quality or flow standards adopted by the City, and all wastewater discharges which unreasonably affect the quality of the City's treatment plant effluent in such a manner that receiving water quality requirements established by law cannot be met by the City.

*Pass through* shall mean a discharge which exits the POTW into the receiving waters of the state in quantities or concentrations which, alone or in conjunction with a discharge or discharges from other sources, is a cause of a violation of any requirement of the city's NPDES permit (including an increase in the magnitude or duration of a violation).

*Peak Flow* shall mean the maximum five minute rate of wastewater flow to be generated from the premises as estimated by the City Engineer.

*Person* shall mean any individual, partnership, firm, association, corporation or agency, including the State of California and the United States of America.

*pH* shall mean the logarithm of the reciprocal of the weight of hydrogen ions in grams per liter of solution.

*Pigment* shall mean a substance that imparts black or white or a color to other materials.

*Plumbing* shall include all drainage systems, both direct and indirect, and all vent piping, water piping and other piping in any building or within the boundaries of any property through which sewage, water, waste water or any other substance or liquid is conveyed.

*Point of Discharge* shall mean a physical location at which a discharger directly or indirectly, disposes wastewater.

*Pollutant* shall mean solid waste, sewage, garbage, medical waste, wrecked or discarded equipment, radioactive materials, dredged spoil, rock, sand, industrial waste, and any organic or inorganic contaminant whose presence degrades the quality of the



receiving waters in violation of any plan standard. Pollutant includes fecal coliform, fecal streptococcus, enterococcus, volatile organic carbon surfactants, oil and grease, petroleum hydrocarbons, total organic carbon lead, copper, chromium, cadmium, silver, nickel, cyanides, phenols, and biocides. A pollutant also includes any contaminant which can degrade the quality of the receiving waters in violation of any plan standard by altering pH, total suspended or settleable solids, biochemical oxygen demand, chemical oxygen demand, nutrients, or temperature.

*Pollution* shall mean an alteration of the quality of the waters of the state by pollutants to a degree which unreasonably affects (1) such waters for beneficial use, or (2) facilities which serve such beneficial uses.

*Premises* shall mean a parcel of real property or portion thereof, including any improvements thereon, which is determined by the city to be a single unit for purposes of receiving, using and paying for wastewater disposal service.

In making this determination, the City shall take into consideration such factors as whether the unit could reasonably be subdivided, number and location of side sewers, and whether the unit is being used for a single activity and, if not, what is the principal activity for wastewater disposal services.

*Pretreatment or treatment* shall mean the reduction of the amount of pollutants, the elimination of pollutants, or the alteration of the nature of pollutant properties in wastewater to a less polluted state prior to or in lieu of discharging or otherwise introducing such pollutants into the POTW or receiving water of the State. The reduction or alteration can be obtained by physical, chemical or biological processes, or through process changes or other means, except as prohibited by 40 CFR Section 403.6(d).

*Pretreatment requirements* shall mean any substantive or procedural requirement related to pretreatment, other than a National Pretreatment Standard imposed on an industrial user.

*Pretreatment standards* shall mean prohibited discharge standards, categorical pretreatment standards, and local limits.

*Properly shredded garbage* shall mean the wastes from the preparation, cooking and dispensing of foods that have been shredded to such degree that all particles will be carried freely under the flow conditions normally prevailing in public sewers, with no article greater than one-half (1/2) inch in any dimension.

*Public Owned Treatment Works (POTW)* shall mean Publicly Owned Treatment Works defined by Section 212 of the Act, which are wholly or partially owned by the City. This includes public sewers, treatment plants, land, appurtenances, pumping stations, or equipment. For the purpose of this ordinance, POTW shall include the sewers within the City of Escondido that convey wastewater to the POTW who are by contract or agreement with the City, dischargers to the City's POTW.

*Public sewer* shall mean a sewer in which all owners of abutting properties have equal rights, and which is controlled by public authority.

*Receiving water quality requirements* shall mean requirements for the City's wastewater treatment plant effluent established by law or by state or federal regulatory agencies for the protection of receiving water quality. Requirements shall include effluent limitations, and waste discharge standards, limitations, or prohibitions which may be promulgated or adopted from time to time by local, state or federal regulatory agencies.

*Residential wastewater* shall mean the waterborne wastes derived from human habitation and use of residential, business, institutional and industrial buildings or other structures.

*Sanitary sewer* shall mean a sewer which carries sewage and to which storm, surface and ground waters and industrial wastes are not intentionally admitted.

*Septic tank waste* means any sewage from holding tanks such as vessels, chemical toilets, campers, trailers and septic tanks.

*Sewage* shall mean a combination of water-carried wastes from residences, business buildings, institutions, and commercial and industrial establishments.

*Sewage system* shall mean all facilities for collecting, pumping, treating and disposing of sewage.

*Sewage treatment plant* shall mean any arrangement of devices and structures used for treating sewage.

*Sewer* shall mean a pipe or conduit for carrying sewage.

*Side sewer* shall mean a sewer conveying the wastewater of a user from a residence, building or other structure to a City-owned interceptor sewer.

*Significant industrial user* shall mean:

- (1) A user subject to categorical pretreatment standards; or
- (2) A user that:
  - (A) Discharges an average of twenty-five thousand (25,000) gpd or more of process wastewater to the POTW (excluding sanitary, noncontact cooling, and boiler blowdown wastewater);

(B) Contributes a process wastestream which makes up five (5) percent or more of the average dry weather hydraulic or organic capacity of the POTW treatment plant;

(C) Is designated as such by the city on the basis that it has a reasonable potential for adversely affecting the POTW's operation or for violating any pretreatment standard or requirement; or

(3) Upon a finding that a user meeting the criteria in subsection (2) of this definition has no reasonable potential for adversely affecting the POTW's operation or for violating any pretreatment standard or requirement, the city may at any time, on its own initiative or in response to a petition received from the user, and in accordance with procedures in 40 CFR 403.8(f)(6), determine that such user should not be considered a significant industrial user.

*Significant noncompliance (SNC)* shall mean:

A Significant Industrial User is in significant noncompliance if its violation meets one or more of the following criteria:

(1) Chronic violations of wastewater discharge limits, defined here as those in which 66 percent or more of all the measurements taken for the same pollutant parameter during a 6-month period exceed (by any magnitude) a numeric pretreatment standard or requirement, including instantaneous limits, as defined by 40 CFR 302.2(l);

(2) Technical Review Criteria (TRC) violations, defined here as those in which 33 percent or more of all of the measurements taken for the same pollutant parameter during a 6-month period equal or exceed the product of the numeric pretreatment standard or requirement including instantaneous limits, as defined by 40 CFR 403.3(l) multiplied by the applicable TRC (TRC=1.4 for biochemical oxygen demand ("BOD"), total suspended solids ("TSS"), fats, oil, and grease, and 1.2 for all other pollutants except pH);

(3) Any other violation of a pretreatment standard or requirement as defined by 40 CFR 403.3(l) daily maximum, long-term average, instantaneous limit, or narrative standard) that the POTW determines has caused, alone or in combination with other discharges, interference or pass through (including endangering the health of POTW personnel or the general public);

(4) Any discharge of a pollutant that has caused imminent endangerment to human health, welfare or to the environment or has resulted in the POTW's exercise of its emergency authority to halt or prevent such a discharge;

(5) Failure to meet, within 90 days after the schedule date, a compliance schedule milestone contained in a local control mechanism or enforcement order for starting construction, completing construction, or attaining final compliance;

(6) Failure to provide, within 45 days after the due date, required reports such as baseline monitoring reports, 90-day compliance reports, periodic self-monitoring reports, and reports on compliance with compliance schedules;

(7) Failure to accurately report noncompliance;

(8) Any other violation or group of violations, which may include a violation of Best Management Practices, which the POTW determines will adversely affect the operation of implementation of the local pretreatment program.

*Slug discharge* shall mean any discharge of a non-routine, episodic nature, including but not limited to an accidental spill or a non-customary batch discharge, which has a reasonable potential to cause Interference or Pass Through, or in any other way violate the POTW's regulations, local limits or permit conditions.

*Standard industrial classification (SIC)* shall mean classification pursuant to the Standard Industrial Classification Manual issued by the Executive Office of the President, Office of Management and Budget, 1972.

*Standard methods* means analytical procedures described in the latest edition of "Standard Methods for the Examination of Water and Wastewater" as published by the American Public Health Association, the American Water Works Association and the Water Pollution Control Federation.

*State* shall mean the state of California.

*Storm drain inlet* shall mean any pipeline, or portion thereof, constructed in a street, alley, sidewalk or other public place, or easement granted to the City, and connecting or proposed to connect any lot or part of lot to the storm drain system.

*Storm sewer* or *storm drain* shall mean a sewer which carries storm and surface waters and drainage, but excludes sewage and industrial wastes.

*Stormwater conveyance system* shall mean those municipal and natural facilities within the City of Escondido by which stormwater may be conveyed to waters of the United States, including any roads with drainage systems, municipal streets, catch basins, natural and artificial channels, aqueducts, canyons, streambeds, gullies, curbs, gutters, ditches, natural and artificial channels or storm drains.

*Suspended solids* shall mean solids that either float on the surface of or are in suspension in water, sewage or other liquids, and which are removable by laboratory filtering.

*Temporary Permit* shall mean an interim status permit issued to a discharger until a final determination is made by the Director or their designee to issue an Industrial User Wastewater Discharge Permit.

*Total Suspense Solids (TSS)* shall mean the total non-filterable residue in water wastewater or other liquids, which is removable in accordance with the most recent publication of the Standard Methods for the Examination of Water and Wastewater, prepared and published by the American Public Health Association, American Water Works Association and the Water.

*Total Dissolved Solids (TDS)* shall mean the combined content of all inorganic and organic substances contained in a liquid in: molecular, ionized or micro-granular (colloidal sol) suspended form.

*Toxic pollutant* shall mean any pollutant or combination of pollutants listed as toxic in regulations promulgated by the administrator of the Environmental Protection Agency under the provision of the CWA 307(a) or other Acts.

*TTO* shall mean Total Toxic Organics and is the sum of the masses of the concentration of specific toxic organics compounds listing below:

| <b>CHEMICALS REGULATED UNDER TOTAL TOXIC ORGANICS (TTO)</b> |                                |                            |
|---|--------------------------------|----------------------------|
| acenaphthene  | chrysene                       | hexachlorobutadiene        |
| acenaphthylene  | 4,4'-DDD                       | hexachlorocyclopentadiene  |
| acrolein  | 4,4'-DDE                       | hexachloroethane           |
| acrylonitrile   | 4,4'-DDT                       | indeno (1, 2, 3-cd) pyrene |
| aldrin  | dibenzo (a,h)<br>anthracene    | isophorone                 |
| anthracene  | dibromochloromethane           | methylene chloride         |
| benzene   | 1,2-dichlorobenzene            | naphthalene                |
| benzidine   | 1,3-dichlorobenzene            | nitrobenzene               |
| benzo (a) anthracene  | 1,4-dichlorobenzene            | 2-nitrophenol              |
| benzo (a) pyrene  | 3,3-dichlorobenzene            | 4-nitrophenol              |
| 3,4-benzofluoroanthene                                      | 1,1-dichlorobenzene            | n-nitrosodimethylamine     |
| benzo (g, h, l) perylene                                    | 1,2-dichlorobenzene            | n-nitrosodi-n-propylamine  |
| benzo (b) fluoroanthene                                     | 1,1-dichlorobenzene            | n-nitrosodiphenylamine     |
| a-BHC (alpha)   | 1,2-trans-<br>dichloroethylene | PCB-1016                   |
| b-BHC (beta)  | 2,4-dichlorophenol             | PCB-1221                   |
| d-BHC (delta)   | 1,2-dichloropropane            | PCB-1232                   |
| g-BHC (gamma)   | 1,3-dichloropropane            | PCB-1242                   |
| bis (2-chloroethyl) ether                                   | dieldrin                       | PCB-1248                   |
| bis (2-chloroethoxy)<br>methane                             | diethyl phthalate              | PCB-1254                   |

|                               |                       |  |
|-------------------------------|-----------------------|--|
| bis (2-chloroisopropyl) ether | 2,4-dimethyl phenol   | PCB-1260                                 |
| bis (chloromethyl) ether      | di-n-butyl phthalate  | pentachlorophenol                        |
| bis (2-ethylhexyl) phthalate  | di-n-octyl phthalate  | phenanthrene                             |
| bromodichloromethane          | 4,6-dinitro-o-cresol  | phenol                                   |
| bromoform                     | 2,4-dinitrophenol     | pyrene                                   |
| bromomethane                  | 2,4-dinitrotoluene    | 2,3,7,8--tetrachlorodibenzo-<br>p-dioxin |
| 4-bromophenyl phenyl ether    | 2,6-dinitrotoluene    | 1,1,2,2-tetrachloroethane                |
| butylbenzyl phthalate         | 1,2-diphenylhydrazine | tetrachloroethylene                      |
| carbon tetrachloride          | a-endosulfan (alpha)  | toluene                                  |
| chlordane                     | b-endosulfan (beta)   | toxaphene                                |
| 4-chloro-3-methylphenol       | endosulfane sulfate   | 1,2, 4-trichlorobenzene                  |
| chlorobenzene                 | endrin                | 1,1, 1-trichloroethane                   |
| chloroethane                  | endrin aldehyde       | 1,1 2-trichloroethane                    |
| 2-chloroethyl vinyl ether     | ethylbenzene          | trichloroethylene                        |
| chloroform                    | fluoranthene          | 2,,4, 6-trichlorophenol                  |
| chloromethane                 | fluorene              | vinyl chloride                           |
| 2-chloronaphthalene           | heptachlor            |  |
| 2-chlorophenol                | heptachlor epoxide    |  |
| 4-chlorophenyl phenyl ether   | hexachlorobenzene     |  |

*User or industrial user* shall mean any person who contributes, causes or permits the contribution of wastewater into the city's collection and treatment facilities.

*Waste material* shall mean and includes any and all substances of liquid, solid, gaseous or radioactive nature associated with human habitation, or of human or animal origin, or from any producing, manufacturing or processing operation of any nature.

*Wastewater strength* shall mean the quality of wastewater discharged as measured by its concentration, including its constituents and characteristics.

*Wastewater system* shall mean and includes intercepting sewers, wastewater treatment works, sanitary sewer collection facilities that discharge to a POTW, industrial brine collection facilities that are regulated by a separate NPDES, pumping stations, outfall sewers, and appurtenances constructed, operated and maintained by the City for residential and nonresidential wastewater disposal purposes.

*Wastewater* shall mean all residential and nonresidential material and waters, whether treated or untreated, discharged into or permitted to enter the wastewater collection system.

*Watercourse* shall mean a channel in which a flow of water occurs, either continuously or intermittently.

**Sec. 22-2. Sewer connection required.**

The plumbing and drainage system of every building constructed or reconstructed shall be connected to a public sewer, unless waived by the city engineer.

**Sec. 22-3. Buildings to have sanitary facilities.**

Every building shall have the sinks, water closets and other sanitary fixtures and facilities required by the plumbing regulations of the City.

**Sec. 22-4. Sanitary toilets permitted in lieu of connection to public sewer or subsurface disposal system.**

For the temporary occupancy of buildings in isolated areas remote from any public highway, the director of public health of the county may authorize the construction and use of an approved type sanitary toilet in lieu of connection to a public sewer or to a subsurface disposal system installed in accordance with the provisions of this article.

**Sec. 22-5. Sewer service outside City limits authorized.**

Property outside the boundaries of the City may be connected to the City sewerage system if the city council finds there is sufficient capacity to serve such property and it appears to be in the best interests of the City to supply such service. Such sewer service shall be temporary and subject to cancellation upon reasonable notice.

**Sec. 22-6. Planting of trees or vegetation that may adversely impact sewers prohibited.**

No person shall plant or set out to be planted any tree or other vegetation within twenty (20) feet of any public or private sewer within the corporate limits of the City that may adversely impact the function of said sewer.

**Sec. 22-7. Removal of trees or vegetation near sewers upon notice.**

Any person owning or having the control of any property in the City upon which trees, or vegetation, are growing within twenty (20) feet of any public or private sewer

and adversely impacting said sewer shall remove the same within ten (10) days after being notified by an authorized City representative to remove the same.

**Sec. 22-8. Improper disposal of sewage unlawful.**

It is unlawful for any person to cause, suffer or permit the disposal of sewage, human excrement or other liquid wastes in any place or manner except through and by means of an approved plumbing and drainage system or an approved sewage disposal system installed and maintained in accordance with the provisions of Article IX of Chapter 6 and this Chapter.

**Sec. 22-9. Surcharges prohibited; regulation by City Council.**

(a) No person who provides sewer and disposal service to users who are tenants of a mobilehome park, apartment building or similar residential complex shall impose any charge or surcharge upon such users which exceeds the rate set by the City which would be applicable, if the user was receiving such services directly except as approved by application to the City and upon such conditions as the city council by resolution shall establish.

(b) Any such additional rate, charge or surcharge approved by the city council shall be reasonably related to the average cost of providing any additional service, which shall not exceed the cost which the City would have incurred in providing comparable services directly to the users of such services.

**Sec. 22-10. Enforcement authority.**

(a) The City and the Director or designee can exercise any enforcement powers as provided in this Chapter, as may be necessary to effectively implement and enforce this Chapter.

(b) In addition to the general enforcement powers provided in this Chapter, the City and Director or designee shall exercise any of the following supplemental enforcement powers as may be necessary under the circumstances:

(1) Sampling authority. During any inspection, the Director or designee shall take samples deemed necessary in order to implement and enforce the provisions of this Chapter. This may include the installation of sampling and metering devices on private property, or requiring the person owning or occupying the premises to supply samples to the control authority and have them analyzed at the owner's or occupants expense.

(2) Clean and abate. The Director or designee may require any person owning or occupying a premises to clean up or remove any material that could create a potential hazard which may result in a violation of this Chapter.



(3) Monitoring and mitigation. The Director or designee shall require reasonable monitoring of discharges from any premises to the storm water conveyance system or sewage system and shall have authority to order the mitigation of circumstances which may result in illegal discharges to the maximum extent practicable.

(4) Storm water pollution prevention plan. The Director or designee shall have the authority to require any business to establish, adopt and implement elements of a storm water pollution prevention plan pursuant to Municipal Code section 22-26(a), as may be necessary to fulfill the purposes of this Chapter.

(5) Employee training program. The Director or designee shall have the authority to require any business to establish the elements of an employee training program, as may be necessary to fulfill the purposes of this article, where such a program has been required as an element of a storm water pollution prevention plan.

(6) Best management practices. The Director or designee shall require the establishment of best management practices for any premises pursuant to Municipal Code section 22-26(e).

(7) Reports. The Director or designee shall have the authority to require any person or entity owning a premises to submit a report to the City confirming their compliance with this Chapter.

#### **Sec. 22-11. Enforcement and remedies.**

(a) It shall be unlawful for any person, or entity to violate any provision of this Chapter. Any violation any of this Chapter shall be a misdemeanor and upon conviction thereof shall be fined in an amount not exceeding one thousand dollars (\$1,000.00) or be imprisoned for a period of not exceeding one (1) year, or by both such fine and imprisonment. Each day such violation is committed or permitted to continue shall constitute a separate offense and shall be punishable as such.

(b) The violation of any provision of this Chapter, any standard adopted by this Chapter, or any permit or permit condition issued under this Chapter is hereby declared a public nuisance, and shall be abated by any means available under the law. The City may also pursue any of the alternative civil remedies herein against any discharger who violates the provisions of this Chapter. The City may pursue any of the following alternative remedies against any person, or entity who violates the provisions of this Chapter:

(1) Repair of damage to facilities. When a discharge to a storm water conveyance system or a prohibited discharge to the sewage system, causes an obstruction, damage, or other impairment to the storm water conveyance system or the sewage system, any person or entity causing such obstruction, damage, or impairment shall be liable for the work required to clean or repair the system.

(2) Injunction. Whenever a discharge to a storm water conveyance system or a prohibited discharge to the sewage system is in violation of this Chapter or otherwise causes or threatens to cause a condition of contamination, pollution, or nuisance, the City may petition the superior court for the issuance of injunctive relief as may be appropriate, preventing the continuance of such discharge.

(3) Reimbursement. Whenever the City is assessed any fine, fee, or penalty as a result of a discharge to a storm water conveyance system or a prohibited discharge to the sewage system in violation of this Chapter, the City may seek reimbursement of such fine, fee, or penalty from the discharger.

(4) Cost recovery. Whenever the City incurs any costs or expenses abating any discharge in violation of any provision of this Chapter, the City may seek reimbursement of such costs from the person, or entity causing such violation. Any such expense shall constitute a debt owed to the City, and shall include both the direct and indirect costs involved in the abatement of the illicit discharge and in collecting such reimbursement.

(5) Stop Work Notice. Whenever any violation of this Chapter exists, a stop work notice may be issued and all regular work on a project must cease until the required remedies are implemented.

(6) Administrative Citation. Any person violating this Chapter may be issued an administrative citation, as provided in Chapter 1A, Administrative Remedies of this Code. Failure to satisfactorily respond to a written notice of violation within the time frame specified by the Director or a duly authorized designee can result in the issuance of an administrative citation. Each and every day a violation of any provision of this Chapter constitutes a separate and distinct offense. In accordance with the fees set by the City, a graduated schedule of administrative fines will be used to assess the first and any successive violations.

(7) Ten thousand dollar (\$10,000.00) per day penalty. Any person who violates any order issued by the Director or any provision of this Chapter, shall be liable civilly to the City in a sum not to exceed ten thousand dollars (\$10,000.00) for each day in which such violation occurs. The City Attorney shall have authority to petition the superior court to impose, assess and recover any such sums.

(8) Termination of Service. The City may terminate or cause to be terminated wastewater treatment or water service to any premises if a violation of any provision of this Chapter pertaining to control of wastewater is found to exist or if a discharge of wastewater causes or threatens to cause a condition of contamination, pollution or nuisance, as defined in this Chapter. This provision is in addition to other statutes, rules or regulations authorizing termination of service.

**Sec. 22-12. Remedies not exclusive.**

Remedies under this Chapter are in addition to and do not supersede or limit any and all other remedies, civil or criminal. The remedies provided for herein shall be cumulative and not exclusive.

**Secs.22-13—22-18. Reserved.**

SECTION 3. Escondido Municipal Code Chapter 22, Article 3 is hereby amended in its entirety to read as follows:

**ARTICLE 3. HARMFUL WATERS AND WASTES**

**Note:** \*State law reference—Water quality, generally, Water Code, § 13000 et seq.

**Sec. 22-33. Article not to prevent special arrangements to treat industrial wastes.**

No statement contained in this article shall be construed as preventing any special agreement or arrangement between the City and any industrial concern whereby industrial waste of unusual strength or character may be accepted by the City for treatment, except subject to the City's prior written consent, with conditions and payment required from the industrial concern.

**Sec. 22-34. Discharge of unpolluted waters in sanitary sewer prohibited.**

Unless otherwise provided, no person shall discharge or cause to be discharged any stormwater, surface water, ground water, roof runoff, subsurface drainage, cooling water or industrial- process waters into any sanitary sewer.

**Sec. 22-35. When discharge of industrial cooling, process waters in sewers, natural outlets permitted.**

Industrial cooling water or unpolluted process waters may be discharged only after prior written approval from the Director, into a stormwater conveyance system, sanitary sewer or natural outlet.

**Sec. 22-36. Where to discharge unpolluted drainage.**

Stormwater and all other unpolluted drainage shall be discharged to such systems as are specifically designated as stormwater conveyance system or to a natural outlet approved by the Director.

**Sec. 22-37. Specific discharges prohibited.**

(a) No person shall enter, obstruct, uncover or tamper with any portion of the public sewer, or connect to it, or dispose anything into any sewer and/or sewer manhole without the written permission of the Director.

(b) No person shall remove or demolish any building or structures with plumbing fixtures connected directly or indirectly to the public sewer without first notifying the Director of such intention. All openings in or leading to the public sewer line or lines caused by such work shall be sealed watertight and inspected by the Director before being backfilled.

(c) No person shall fill or backfill over, or cause to cover, or obstruct access to, any sewer manhole.

(d) No person shall erect any improvements, structures, or buildings over public sewers without the written permission of the Director.

(e) Except as otherwise provided, no person shall discharge or cause to be discharged any of the following described waters or wastes into a public sewer:

(1) Any liquid or vapor having a temperature higher than one hundred and four (104) degrees Fahrenheit.

(2) Any water or waste which may contain more than one hundred (100) parts per million, by weight, of fat, oil or grease.

(3) Any gasoline, benzene, naphtha, solvent, fuel oil or any liquid, solid or gas that singly or in combination/interaction with other materials, would cause or tend to cause flammable or explosive conditions to result in the sewage system.

(4) Any garbage that has not been shredded to a maximum size of three-eighths (3/8) inches.

(5) Any ashes, cinders, sand, mud, straw, shavings, metal, glass, rags, feathers, tar, plastics, wood, paunch manure or any other solid or viscous substance capable of causing obstruction to the flow in sewers or other interference with the proper operation of the sewage system.

(6) Any waters or wastes having a pH lower than 6.0 or higher than 10.0, or having any other corrosive property capable of causing damage or hazard to structures, equipment and personnel of the sewage works.

(7) Any waste containing toxic or poisonous solids, liquids or gases in such quantities that, alone or in combination with other waste substances, may create a hazard for humans, animals or the local environment, interfere detrimentally with

wastewater treatment processes, cause a public nuisance or cause any hazardous condition to occur in sewage system.

(8) Any waters or waste containing biochemical oxygen demand (BOD) or suspended solids (TSS) of such character and quantity that unusual attention or expense is required to handle such materials at the sewage treatment plant. Normal strength wastes are considered to be 300 milligram per liter (mg/l) of BOD and 300 milligram per liter (mg/l) of TSS.

(9) Any noxious or malodorous gas or substance capable of creating a public nuisance.

(10) Petroleum oil, nonbiodegradable cutting oils, or products of mineral oil in amounts that will cause interference or pass through.

(11) Any waste containing substances that may precipitate, solidify or become viscous at temperatures between fifty (50) and one hundred (100) degrees Fahrenheit.

(12) Wastewater which imparts color that cannot be removed through the treatment process, such as, but not limited to, dye wastes, color pigments and vegetable tanning solutions, which consequently imparts color to the treatment plant's effluent.

(13) Any wastes containing excessive quantities of iron, boron, chromium, phenols, plastic resins, copper, nickel, zinc, lead, mercury, cadmium, selenium, arsenic or any other objectionable materials toxic to humans, animals, the local environment or to biological or other waste water treatment processes.

(14) Any rainwater, storm water, ground water, street drainage, subsurface drainage, roof drainage, yard drainage, water from yard fountains, ponds or lawn sprays or similar sources of water.

(15) Any water added for the purpose of diluting wastes as a partial or complete substitute for adequate treatment to achieve compliance with this chapter;

(16) Any material requiring an excessive quantity of chlorine or other chemical compound used for disinfecting purposes.

(17) Any excessive amounts of chlorinated hydrocarbon or organic phosphorus type compounds.

(18) Any enzymes, microbes or like product that has been added to a waste stream that have not been approved by the Director or designee.

(19) Any discharge containing radioactive waste, infectious/biological waste, recognizable portions of human or animal anatomy, sharps.

**Sec. 22-38. Interceptors, grease traps, clarifiers and sand oil separators required; type, construction, location.**

(a) Interceptors, grease traps, clarifiers and sand oil separators shall be provided in all cases required by published building codes, unless in the sole and absolute opinion of the Director or a designee in writing that they are not necessary for the proper handling of liquid wastes containing grease or other potential hazardous wastes in excessive amounts, or any flammable wastes, sand and other harmful ingredients. Living quarters or dwelling unit(s) with a commercial kitchen must have F.O.G. removal equipment.

(b) Where installed, all interceptors, grease traps, clarifiers and sand oil separators shall be of a type and capacity approved by the Director or designee, and shall be located as to be readily and easily accessible for cleaning and inspection. Interceptors, grease traps, clarifiers and sand oil separators shall be constructed of impervious materials capable of withstanding abrupt and extreme changes in temperature. All grease traps, clarifiers and sand oil separators shall be of substantial construction, watertight and equipped with easily removable covers. All covers must be load rated to withstand vehicle traffic. All grade rings/risers must have a water tight seal and have a concrete collar or like material. All baffle walls must be easily visible for inspection purposes. When needed for maintenance, the owner must install clean outs for maintenance and inspection purposes at his/her cost. Each separate chamber of the grease interceptor must have a manhole lid to access, inspect and maintain all of the internal plumbing. All interceptors, grease traps, sand oil separators, and clarifiers must have an approved sample tee, or sample box installed on the effluent discharge line. The sample tee or box shall be installed on any equipment that does not currently have an approved sample point, at the discretion of the Director or designee to ensure compliance with local discharge limits set forth by this Chapter. The sample point shall be installed at the business owner's expense, and be approved by the pretreatment department and building department prior to installation.

**Sec. 22-39. Same—Maintenance.**

Where installed, all interceptors, grease traps, clarifiers and sand oil separators shall be maintained by the owner at his/her expense in continuously efficient operation at all times. Frequency of maintenance will be subject to the authority of source control inspectors to assure compliance with discharge limitations and best management practices.

**Sec. 22-40. Preliminary treatment of water, waste prior to discharge into sewers.**

The admission into the public sewers of any water or waste having (a) a five-day B.O.D. greater than five hundred (500) milligram per liter (mg/l), or (b) containing more than five hundred (500) milligram per liter (mg/l) of suspended solids, or (c) containing any quantity of substances having the characteristics described in section 22-37, or (d) having an average daily flow greater than two (2) per cent of the average daily sewage

flow of the City shall be subject to review and approval of the Director. Where necessary in the opinion of the Director, the owner shall provide at his expense such preliminary treatment as may be necessary to (a) reduce the B.O.D. to five hundred (500) milligram per liter (mg/l) and the suspended solids to five hundred (500) milligram per liter (mg/l), or (b) reduce objectionable characteristic or constituents to within the maximum limits provided for in section 22-37, or (c) control the quantities and rates or discharge of such waters or wastes. Plans, specifications and any other pertinent information relating to proposed preliminary treatment facilities shall be submitted for the approval of the Director, and no construction of such facilities shall be commenced until said approval is obtained in writing.

**Sec. 22-41. Maintenance of preliminary treatment facilities.**

Where preliminary treatment facilities such as grease traps, interceptors, clarifiers and other City approved pretreatment equipment are provided for any waters or wastes, they shall be maintained continuously in satisfactory and effective operation by the owner at his or her expense. Broken, deteriorating or undersized equipment will require repair or replacement by the owner at his or her expense. No modifications or removal of equipment shall be performed without written consent and approval from the City.

**Sec. 22-42. Measurements, tests, analyses of waters, wastes.**

All measurements, tests and analyses of the characteristics of waters and wastes to which reference is made in sections 22-37 through 22-40 shall be determined in accordance with 40CFR Part 136 or the latest approved edition of "Standard Methods for the Examination of Water and Wastewater" and shall be determined at the control manhole provided for in section 22-42, or upon suitable samples taken at said control manhole. In the event that no special manhole has been required, the control manhole will be a sample port on the downstream side of the interceptor, grease trap, clarifier, or sand oil separator. The sample port will be installed by the owner of the facility at the owner's expense. The location of the sample port must be approved by the Director or designee.

**Secs. 22-43—22-53. Reserved.**

SECTION 4. Escondido Municipal Code Chapter 22, Article 4 is hereby amended in its entirety to read as follows:

**ARTICLE 4. SEWER SERVICE CHARGES**

**Sec. 22-54. "Wastewater Enterprise Fund" created.**

There is created a "Wastewater Enterprise Fund."

**Sec. 22-55. Billing, payment procedures generally.**

(a) Except as provided in subsection (b) of this section:

(1) The sewer service charge shall be billed to the owner or occupant of the premises on the same bill on which the City water service charge is billed.

(2) The sewer service charge shall be due and payable at the time and in the manner provided by the City for the payment of water bills.

(3) Such combined bill for water service and for the sewer service charge shall be paid in its entirety and may not be severed for the separate payment of either portion thereof.

(b) When the premises receive water service from a source other than the City, the sewer service charge shall be billed monthly to the owner or the account holder for the water service in a separate bill.

**Sec. 22-56. When charges begin.**

The sewer service for premises initially served shall start on the same date as water service to the premises.

**Sec. 22-57. Duty to pay.**

In addition to any and all other fees, charges or assessments provided by the City, the owner or occupant of any premises connected with the sewage system of the City shall pay a sewer service charge as required by this article.

**Sec. 22-58. Delinquent payments; penalty; remedies.**

(a) A penalty shall be added to any account in which payment in full is not received before close of business on the due date. Penalties shall be in an amount set by resolution of the City Council.

(b) In addition to the penalties imposed, any person who fails to pay a bill in full shall pay interest and collection fees in amounts set by resolution of the City Council.

(c) In no case will the due date be less than nineteen (19) days from the bill date. Water service and/or sewer service shall not be supplied again to such delinquent owner or occupant until all delinquent sewer service charges plus penalties thereon have been paid. If the sewer lateral serving the delinquent owner or occupant is disconnected by the City, sewer service shall not be supplied again to the owner or occupant until the property owner pays to the City the cost of disconnecting and reconnecting the lateral. The sewer service charge, penalties, disconnection and



reconnection charges may be collected by suit in any court of competent jurisdiction or in any other manner authorized by law.

**Sec. 22-59. Rates.**

The sewer service charge for each single-family dwelling, multiple dwellings, mobilehomes, schools, churches and other uses shall be set by resolution of the City Council from time to time.

**Secs. 22-60—22-64. Reserved.**

**Sec. 22-65. Rate for premises used for commercial and industrial purposes; method of computation.**

(a) The sewer service charge for premises used for commercial and industrial purposes shall be based on their proportionate share of capital cost recovery for treatment, land outfall and ocean outfall facilities, bond interest, operational and maintenance costs of treatment, ocean outfall and collection facilities, and infiltration/inflow expense.

(b) For industrial users with BOD above three hundred (300) mg/l, the sewer service charge shall be based on an analysis of waste water samples taken from time to time but not less often than annually and measurements of discharge into the public sewer.

(c) All other commercial and industrial users shall be charged a sewer service charge set by resolution of City Council from time to time.

(d) The sewer service charge shall also include a charge to be set by resolution of City Council from time to time for operation and maintenance of the collection system and infiltration/inflow expense.

**Sec. 22-66. Charge when service discontinued.**

The sewer service charge will remain in effect until the water service is terminated.

**Sec. 22-67. Disposition of moneys collected.**

All revenues derived from the sewer service charge shall be paid into the "Wastewater Enterprise Fund" and shall be used only for the following purposes and in the priority determined by the council from time to time:

(1) The acquisition, construction, reconstruction, maintenance and operation of sanitation or sewage facilities and to repay federal or state loans or advances made to the City for the construction or reconstruction of such facilities; provided, however,

that such revenues shall not be used for the acquisition or construction of new local street sewers or laterals as distinguished from main trunk, interceptor and outfall sewers.

(2) Any lawful purpose authorized by resolution of the council in connection with bonds sold and issued or to be sold and issued, pursuant to the Revenue Bond Law of 1941.

(3) Any lawful purpose authorized by the council pursuant to present or future statutes of the state.

**Sec. 22-68. Rate for discharge of groundwater remediation programs.**

The sewer service charge for the discharge of groundwater into the sewerage system shall be set by resolution of city council from time to time. Any discharger of industrial wastes into the City of Escondido sewage system is required to obtain a permit from the Industrial Waste Program (Escondido Municipal Code, Chapter 22 Article 8). Groundwater may only be discharged at a specific location to be determined by the Director or designee.

**Secs. 22-69—22-78. Reserved.**

SECTION 5. Escondido Municipal Code Chapter 22, Article 5 is hereby amended in its entirety to read as follows:

**ARTICLE 5. PRIVATE SEWAGE DISPOSAL SYSTEMS**

**Sec. 22-79. Definitions.**

Refer to Sec. 22-1.

**Sec. 22-80. Use of public sanitary sewer system.**

Where a public Sanitary Sewer is not available, the building sewer shall be connected to a private sewage disposal system complying with all of the requirements of the Department of Public Health (DPH) of the County of San Diego or other state or local agency having jurisdiction over such subject. The owner of a private sewage disposal system shall operate and maintain such system in a sanitary manner at all times at no expense to the City. At such times as a public Sanitary Sewer becomes available to a property served by a private sewage disposal system, the property owner may direct connection to the public sewer at the owner's expense. Any septic tanks, cesspools and similar private sewage disposal facilities shall be abandoned. The sewage system existing on the property shall be pumped and cleaned. To maintain safety, the septic tank, cesspools, or similar private sewage disposal facilities shall either be removed and backfilled with earthen material or sealed and backfilled with sand in a manner

satisfactory to the City. All applications and procedures for connection to city sewer system shall be followed as directed by the City Code.

**Sec. 22-81. Enforcement.**

It shall be the duty of the director to see that there is compliance with the terms and provisions of this article.

**Sec. 22-82. Adoption of county regulations.**

Private subsurface sewage disposal units and systems shall be designed, placed and maintained in accordance with rules and regulations adopted by the Department of Public Health (DPH) of the County of San Diego or other state or local agency having jurisdiction over such subject. Any violation of such rules and regulations shall be deemed a violation of this article and may be enforced accordingly.

**Secs. 22-83—22-149. Reserved.**

SECTION 6. Escondido Municipal Code Chapter 22, Article 6 is hereby amended in its entirety to read as follows:

**ARTICLE 6. SEWER CONNECTION FEES**

**Sec. 22-150. Purpose and intent.**

The continual increase in the development of building units in the City has created a need for the expansion of sewer service facilities. This has also created a need for additional revenues to finance such sewer facilities. Thus, it is the intent of the council that each builder of each new building unit to be constructed in the City shall, prior to the construction, pay a fee as described in this article. Further, it is the intent of the City Council that all revenue generated by the payment of said fees shall be used for the improvement and development of sewer facilities only.

**Sec. 22-151. Sewer connection fees.**

(a) Every person constructing, reconstructing, enlarging or adding to any building in the City or proposing in any manner to connect to the City's public sewer system shall pay to the City fees as set by resolution of the City Council from time to time.

(b) Any applicable sewer connection fee credit shall be determined pursuant to sections 6-442, 6-445 or 6-446.

(c) Any person who relocates an existing building which is connected to the public sewer to another location in the City shall pay all applicable sewer connection fees required by this article for the new location. If the site to which the building is

relocated has a credit available as described in sections 6-442, 6-445 or 6-446, such credit may be used to satisfy, in whole or in part, the sewer connection fee, subject to the provisions of those sections.

**Sec. 22-152. Time of payment of fees; refund authorized.**

(a) Subject to the provisions of subsection (b) of this section, the fees required under section 22-151 shall be paid upon the issuance of a building permit for the construction of any building unit, or upon the renewal or extension of any such building permit; provided, that in the event of such removal or extension credit shall be given for any fee paid pursuant to the schedule of charges in effect before the effective date of the ordinance codified in this article. No prepayment of the fees required under section 22-151 shall be allowed and no sewer connection permit shall be issued until the required fees have been paid and a building permit has been issued for the structure for which sewer service is sought.

Other than as set forth in subsection (a) of this section, any fee paid pursuant to this article shall be paid one time only.

(b) In the event no building permit, or renewal or extension thereof, is required for the property which seeks connection to the public sewer, the fees required under section 22-151 shall be paid as a condition of receiving permission to connect to the public sewer.

**Secs. 22-153—22-159. Reserved.**

SECTION 7. Escondido Municipal Code Chapter 22, Article 7 is hereby amended in its entirety to read as follows:

**ARTICLE 7. SEWER-CONNECTION LATERALS**

**Sec. 22-160. "Sewer-connection lateral" defined.**

As used in this article, "sewer-connection lateral" shall mean that portion of a sewage system in public property or in a public easement which connects any property, public or private to a public sewer. A sewer-connection lateral shall be considered to extend from the sewer main to the building or structure being served.

**Sec. 22-161. Installations, repairs, alterations, replacements prohibited; exceptions.**

No person other than the City shall install, repair, alter or replace any sewer-connection lateral within the City with the exception of:

(1) Those sewer-connection laterals which are installed, repaired, altered or replaced as a part of a contract to which the City is a party.

(2) Those sewer-connection laterals which are being constructed by a person as a part of a contract between the contractor and the owners of property to be benefited, when the contract is for the construction of sewer lines which are or are intended to become public property, and when the work is being performed under the general supervision and inspection of the City.

**Sec. 22-162. Licenses required to install, repair, alter or replace laterals.**

All persons other than the City shall be licensed by the state contractor's license board to install, repair, alter or replace sewer-connection laterals and shall have a current and valid license to do such business within the City.

**Sec. 22-163. Installations, repairs, alterations, replacements by others than City subject to regulations.**

Sewer-connection laterals which are installed, repaired, altered or replaced by any person, other than the City, as provided in section 22-161, shall conform to the requirements of the applicable sections of the standard specifications of the City for construction work in public places, the appropriate sections of the City plumbing regulations, and all other applicable codes and ordinances enforced in the City. A construction plan must be submitted and approved by the Utilities Engineer prior to any construction of sewer connection laterals.

**Sec. 22-164. Reserved.**

**Sec. 22-165. Maintenance.**

(a) Except as provided in section 22-165(e), the property owner shall be responsible for all maintenance, repair, replacement, cleaning and removal of blockages in the sewer connection lateral from the public sewer main to and including the building or other structure being serviced by such lateral.

(b) Except as provided in section 22-165(d), the property owner shall be responsible for locating, exposing and maintaining the property line cleanout for the purpose of inspection, cleaning, and removal of blockages in the sewer connection lateral.

(c) Except as provided in section 22-165(d), the property owner is responsible for all costs incurred in the cleaning, removal of the blockages, and verification of sewer connection lateral breakage or damage from the building or structure being served to the sewer main.

(d) Except when performing work by agreement or contract with the City, no person or other entity other than the City shall excavate for or otherwise expose any

portion of a sewer-connection lateral within a public right-of-way with the exception that where a property-line cleanout has been installed in public property, the cleanout cap or cover may be exposed for maintenance purposes provided that the covering materials are replaced in kind and in the same condition, or better, as existed before the excavation was made.

(e) The maintenance of the sewer lateral, up to and including the connection to the main, is the sole responsibility of the private property owner. The City may be responsible for repairs of the sewer connection lateral from the property line to the sewer main only upon proof by the property owner to the satisfaction of a qualified City wastewater maintenance employee that damage to the sewer connection lateral was the result of work performed by the City or a licensed contractor working for the City. This must be proven by video inspection from a ground level cleanout or breakout opening in the building lateral in the presence of said city employee. The City reserves the sole right to determine when and where to conduct video inspections of sewer connection laterals.

(f) When any maintenance relation violation occurs or an illegal discharge has occurred, the property owner or management company must have the sewer lateral cleaned and televised by a licensed plumber. A copy of the televising and inspection, (DVD only) must be given to the City for their review to insure the sewer lateral has been cleaned properly and there are no obstructions, damages or failure associated with that sewer lateral. After reviewing the DVD of lateral televising, the Director or designee will require that any deficiencies or necessary repairs observed on the video be made at the business/property owner's expense, within the timeframe designated by the pretreatment department. All repairs are to be made per the most recently adopted version of the Uniform Plumbing Code, all permits for the repairs are to be obtained from the City's building department prior to performance of repairs.

(g) Compliance with all applicable laws is a condition of connecting the City's wastewater system. Any violation or failure to comply with applicable regulations shall be grounds for termination of the connection.

**Sec. 22-166. Cleanouts.**

Cleanouts shall be installed in accordance with the building code of the City.

**Secs. 22-167 - 22-168. Reserved.**

SECTION 8. Escondido Municipal Code Chapter 22, Article 8 is hereby amended

in its entirety to read as follows:

## **ARTICLE 8. INDUSTRIAL WASTEWATERS**

### **Sec. 22-169. Purpose.**

This article sets forth requirements for the City to comply with all applicable State and Federal laws, including the Clean Water Act and the General Pretreatment Regulations (Title 40 CFR Part 403). The purpose of this article is to prevent the introduction of pollutants that interfere with the operation of the HARRF, prevent pass through the HARRF, provide for the maximum possible beneficial public use of the City's wastewater collection system, brine, and treatment facilities through adequate regulations and permit requirements governing nonresidential discharges, to provide for equitable distribution of the city's costs, to promote reuse and recycling, and to provide procedures for complying with requirements placed upon the city by other regulator agencies.

### **Sec. 22-170. Superseding previous regulations.**

This article shall supersede all previous regulations and policies of the City governing items covered in this article.

### **Sec. 22-171. Reserved.**

### **Sec. 22-172. Industrial User(s).**

(a) Industrial users are broken down into five categories and mean the following:

**(1) Class I - Significant Industrial User (SIU's).** All industries that are currently regulated under Federal Categorical Pretreatment Standards under 40 CFR 403.6 and 40CFR chapter I subchapter N., or any industrial users that discharge an average of 25,000 gallons per day or more of process wastewater to the HARRF, designated as such by the City on the basis that has a reasonable potential for adversely affecting the HARRF's operation or for violating any pretreatment standard or requirement. All must be permitted, inspected and sampled.

**(2) Class II – Non-Categorical.** These are the non-SIU dischargers who are required to have pretreatment. Usually interceptors, grease traps, clarifiers, sand oil separators, amalgam separator, silver recovery system, and or any type of source control equipment. This classification is primarily automotive service establishments, food service establishments, and industrial and commercial facilities.

**(3) Class III – Non Permitted.** Non permitted is defined as industries that has no potential to adversely affect the wastewater treatment process and

operation at the HARRF and do not violate any pretreatment standard, prohibition or requirement of this Chapter and flow discharges are less than 25,000GPD and are not required to treat before discharging.

**(4) Class IV – Non-Significant Categorical Industrial Users.** Non-significant categorical industrial users is defined as any industrial or categorical industrial user that has a manufacturing or production process or procedure that generates wastewater and/or waste and that wastewater and/or waste is not discharged to the HARRF due to the user reclamation recycling segregation and/or off-site disposal of the wastewater or waste; or a user subject to categorical pretreatment standard (excluding sanitary non-contact cooling and boiler blow down wastewater) and has:

- (i) Consistent compliance with all applicable pretreatment categorical pretreatment standard and requirement.
- (ii) Has submitted a certification statement required by 40CFR Part 403.12(q) together with any additional information necessary to support the certification statement.
- (iii) And discharges more than 100 gallons per day of total categorical wastewater (excluding domestic waste, non-contact cooling and blowdown wastewater) or never discharged any untreated or treated concentrated process wastewater.

**(5) Class V – Ground water or batch discharge.** Ground water or batch discharge is defined as ground water remediation sites, and/or ground water dewatering site or facility that has a need to discharge to the HARRF. The discharger shall meet all the City's local discharge limits at the end of the pipe before it discharges into the City sewage system. May or may not require pretreatment and will be charged sewer use fees based on loading and current wastewater rates.

(b) Users shall provide wastewater treatment as necessary to comply with this Chapter and shall achieve compliance with all categorical pretreatment standards, local limits, and prohibitions set out in this Chapter within the time limits specified by EPA, the State or the City, whichever is more stringent. Any facilities necessary for compliance shall be provided, operated and maintained at the user's expense. Detailed plans describing such facilities and operating procedures shall be submitted to the City for review, and shall be acceptable to the City before such facilities are constructed. The review of such plans and operating procedures shall in no way relieve the user from the responsibility of modifying such facilities as necessary to produce a discharge acceptable to the City under the provisions of this Chapter.

(c) Whenever deemed necessary, the City may require users to restrict their discharge during peak flow periods, designate that certain wastewater be discharged only into specific sewers, relocate and/or consolidate points of discharge, separate sewage wastestreams from industrial wastestream, and such other conditions as may



be necessary to protect the POTW and determine the users' compliance with the requirements of this Chapter.

(d) The City may require any person discharging into the POTW to install and maintain on their property and at their expense a suitable storage and flow-control facility to ensure equalization of flow.

(e) All non-domestic dischargers are required to have a current business license with the City.

(f) Industrial users in significant noncompliance. An industrial user is in significant noncompliance if its violation meets one or more of the following criteria:

- (1) Chronic violations of wastewater discharge limits, defined here as those in which 66 percent or more of all the measurements taken for the same pollutant parameter during a 6-month period exceed (by any magnitude) a numeric pretreatment standard or requirement, including instantaneous limits, as defined by 40 CFR 302.2(l);
- (2) Technical Review Criteria (TRC) violations, defined here as those in which 33 percent or more of all of the measurements taken for the same pollutant parameter during a 6-month period equal or exceed the product of the numeric pretreatment standard or requirement including instantaneous limits, as defined by 40 CFR 403.3(l) multiplied by the applicable TRC (TRC=1.4 for biochemical oxygen demand ("BOD"), total suspended solids ("TSS"), fats, oil, and grease, and 1.2 for all other pollutants except pH);
- (3) Any other violation of a pretreatment standard or requirement as defined by 40 CFR 403.3(l) (daily maximum, long-term average, instantaneous limit, or narrative standard) that the POTW determines has caused, alone or in combination with other discharges, interference or pass through (including endangering the health of POTW personnel or the general public);
- (4) Any discharge of a pollutant that has caused imminent endangerment to human health, welfare or to the environment or has resulted in the POTW's exercise of its emergency authority to halt or prevent such a discharge;
- (5) Failure to meet, within 90 days after the schedule date, a compliance schedule milestone contained in a local control mechanism or enforcement order for starting construction, completing construction, or attaining final compliance;

- (6) Failure to provide, within 45 days after the due date, required reports such as baseline monitoring reports, 90-day compliance reports, periodic self-monitoring reports, and reports on compliance with compliance schedules;
- (7) Failure to accurately report noncompliance;
- (8) Any other violation(s) or group of violations, which may include a violation of best management practices, which the POTW determines will adversely affect the operation of implementation of the local pretreatment program.

**Sec. 22-173. Prohibited discharges.**

The following general prohibitions apply to all users of the HARRF whether or not they are subject to categorical pretreatment standards or any other National, State, or local pretreatment standards or requirement. No facility or person shall, discharge, deposit, or cause or allow to be discharged or deposited or passed through into the City's wastewater system or industrial brine collection system any wastewater containing or exhibiting the following:

- (a) Pollutants which create a fire or explosive hazard in the POTW, including, but not limited to, wastestreams with a closed-cup flash point of less than one hundred forty (140) degrees Fahrenheit (sixty (60) degrees Celsius) using the test methods specified in 40 CFR 261.21;
- (b) Any toxic or poisonous solids, liquids or gases in such quantities that, alone or in combination with other waste substances, may create pass through or interference as defined by section 22-1, or create a hazard for humans, animals or the local environment, interfere detrimentally with wastewater treatment processes, cause a public nuisance, or cause any hazardous condition to occur in the wastewater system;
- (c) A pH lower than 6.0 or having any corrosive or detrimental characteristic that may cause injury to wastewater treatment or maintenance personnel or may cause damage to structures, equipment or other physical facilities of the wastewater system;
- (d) Any solids or viscous substance of such size or character, or in such quantity that they may cause obstruction to flow in the collection system or be detrimental to proper wastewater treatment plant operations. Any particulate material that has not been ground sufficiently to pass through a three-eighths (3/8) inch screen;
- (e) Any rainwater, storm water, ground water, street drainage, subsurface drainage, roof drainage, yard drainage, water from yard fountains, ponds or lawn sprays or any other uncontaminated water;

- (f) Any water added for the purpose of diluting wastes as a partial or complete substitute for adequate treatment to achieve compliance with this Chapter;
- (g) Any refined petroleum products, gasoline, mercury, kerosene, naphtha, benzene, toluene, xylene, ethers, alcohols, ketones, aldehydes, peroxides, chlorates, perchlorates, bromates, carbides, hydrides, solvents, pesticides, lubricants, stripping agent and coolant;
- (h) Any dispersed petroleum or mineral based cutting oils, biodegradable oils, fats or greases in excessive concentrations that would tend to cause adverse effects on the wastewater system;
- (i) Any unreasonably large amount of suspended solids;
- (j) Pollutants, including oxygen-demanding pollutants (BOD, etc.), released in a discharge at a flow rate and/or pollutant concentration which, either singly or by interaction with other pollutants, will cause interference with the POTW;
- (k) Any strongly odorous compounds or compounds tending to create odors;
- (l) Dissolved sulfides above a concentration of one-tenth (0.1) milligram/liter;
- (m) Any material inducing a high pH (pH greater than 10 .0) which causes incrustations, scale or precipitates on sewer walls or other adverse effects on the wastewater system;
- (n) Any substance promoting or causing the promotion of toxic gases;
- (o) Any flow having a temperature of one hundred and four (104) degrees Fahrenheit or higher;
- (p) Any material requiring an excessive quantity of chlorine or other chemical compound used for disinfecting purposes;
- (q) Any excessive amounts of chlorinated hydrocarbon or organic phosphorus type compounds;
- (r) Any deionized water, steam condensate, distilled water, reverse osmosis backwash or anything creating brine in amounts that the control authority deems excessive;
- (s) Any substance that may precipitate, solidify, gel, polymerize or become viscous under conditions normally found in the wastewater treatment plant effluent;

- (t) Any wastewater containing pigment which is removed in the ordinary HARRF treatment process and which creates a visual contrast with the material appearance of the HARRF discharge observable at the point of HARRF discharge;
- (u) Medical wastes, except as specifically authorized by the City in an individual wastewater discharge permit;
- (v) Any detergents, surface-active agents or other substances in quantities sufficient to cause foaming in the wastewater system;
- (w) Any radioactive wastes in excess of federal, state or county regulations;
- (x) Any trucked or hauled pollutants; and
- (y) Any discharge in violation of the Escondido Municipal Code.

**Sec. 22-174. Limitations on discharges.**

(a) General Limitations. No person shall discharge or convey, or permit or allow to be discharged or conveyed, to the City wastewater system any pollutants of such character or quantity that will:

- (1) Not be susceptible to treatment or interfere with the process of efficiency of the treatment system;
- (2) Constitute a hazard to human or animal life, or to the stream or watercourse receiving the treatment plant effluent;
- (3) Violate any federal, state or local pretreatment standards, including federal categorical pretreatment standards found at 40 CFR Chapter I, Subchapter N, Parts 405-471;
- (4) Any material or quantity of material which will cause or have the potential to cause the HARRF's effluent to exceed the concentration limits of its NPDES permit as established by the San Diego regional water quality control board, and any subsequent amendments as are duly adopted from time to time by the Regional Water Quality Control Board.

(b) City of Escondido local limits shall apply to all discharges to the City's sewage system. The local limits may be allocated among industrial user classes or individual users as uniform or non uniform concentration limits and mass loading limits. The industry being issued daily maximum concentrations may vary depending on the type of industry, flow and loading that may impact the HARRF and will be issued limits applicable to that specific industry. The following values represent the daily maximum

concentration levels limits of specific contaminants which may be present in a user's discharge to the City sewage system.

Discharge Local Limits

| Parameter    | Local Limits<br>Daily<br>Maximum |
|--------------|----------------------------------|
|              | mg/L                             |
| Arsenic (T)  | 0.1                              |
| Cadmium (T)  | 0.107                            |
| Chromium (T) | 0.96                             |
| Copper (T)   | 1.05                             |
| Lead (T)     | 0.58                             |
| Mercury (T)  | 0.8                              |
| Nickel (T)   | 1.34                             |
| Silver (T)   | 0.214                            |
| Zinc (T)     | 2.63                             |
| Cyanide (T)  | 0.207                            |
| TTO          | 2.13                             |
| Boron        | 3.0                              |
| Manganese    | 2.9                              |
| Fluoride     | 6.4                              |
| Oil & Grease | 100                              |
| pH           | 6.0-10.0                         |

**Sec. 22-175. Prohibited discharge locations.**

(a) It is unlawful for any person to discharge or cause to be discharged into any storm drain or storm water channel or natural watercourse, whether currently carrying water or not, or into any pipe or waterway leading to such drain, channel or watercourse, any solid or fluid material which will or has the potential to impair the useful functioning of such drain, channel or water course or cause expense to the city, or other public agency, in maintaining the proper functioning of same, or cause public nuisance or public hazard or cause detrimental pollution of natural surface or subsurface waters.

(b) It is unlawful for any person to deposit or discharge into any sump which is not impermeable or into any pit or well, or onto the ground, or into any storm drain or watercourse any material which, by seeping underground or by being leached or by reacting with the soil, is detrimental to the usable underground waters and exceeds the range of the effects of ordinary nonindustrial land uses on underground waters into

which such wastes seep, or which violate any requirements of the San Diego regional water quality control board.

**Sec. 22-176. Permit requirement.**

Permits must be obtained by all nondomestic users whose wastewater contains or may contain pollutants not normally found or in concentrations in excess of those normally found in domestic wastewater. Those users requiring permits shall include, but not be limited to, the following categories:

(a) Users whose wastewater contains or may contain any substance which would cause the wastewater to be considered a prohibited discharge under this article;

(b) Any user that meets the criteria set forth in 40 CFR 403.3, is designated as a significant industrial user and is categorized as a Class I category in Sec. 22-172;

(c) Any other users determined by the Director to require special regulation or source control;

(d) Non-domestic discharges of wastewater to the sewer system is prohibited unless the discharger obtains a discharger permit or other authorization to discharge from the city;

(e) Class I, Class IV, and Class V dischargers are required to obtain a sewer use permit from the City prior to initiating discharge;

(f) The Director or designee is authorized to make the determination as to which discharge class the discharger will be assigned, and

(g) The Director is authorized to require each discharger to submit a discharge permit application in accordance with section 22-177.

**Sec. 22-177. Application.**

(a) Any users required to obtain an individual wastewater discharge permit who have a permit and have been discharging wastewater into the POTW prior to the effective date of this ordinance and who wish to continue such discharges in the future, shall, within 180 days before permit expired, apply to the industrial waste program division for an individual wastewater discharge permit. Proposed new users shall apply at least ninety (90) days prior to connecting to or contributing to the City's wastewater system. The application may require information including, but not limited to: estimated wastewater strength; estimated wastewater flow; average and peak wastewater discharge flow rates for each side sewer; locations of side sewers; sampling points and pretreatment facilities; description of activity; facilities and plant processes on the premises; including raw materials, processes and types of materials which are or could be discharged; SIC number; total product produced, by type; number and

responsibilities of employees; and any other information the Director may deem necessary to evaluate the permit application.

(b) Incomplete or inaccurate applications will not be processed and will be returned to the discharger for revision.

(c) The Director or designee shall notify the discharger when the application is deemed to be complete.

(d) The Director or designee will approve or deny the completed application within ninety (90) days of receipt.

(e) Application signatories and certification. All wastewater permit applications and user reports must be signed by an authorized representative of the user and contain the following certification statement:

I certify under penalty of law that this document and all attachments were prepared under my direction or supervision in accordance with a system designed to assure that qualified personnel properly gather and evaluate the information submitted. Based on my inquiry of the person or persons who manage the system, or those persons directly responsible for gathering the information, the information submitted is, to the best of my knowledge and belief, true, accurate, and complete. I am aware that there are significant penalties for submitting false information, including the possibility of fine and imprisonment.

**Sec. 22-178. Terms and conditions of permit.**

(a) Terms. All wastewater discharge permits shall be expressly subject to all provisions of this article. All permits shall contain the following terms:

- (1) A group classification designation;
- (2) Monitoring requirements;
- (3) Requirements for reports of initial and continuing compliances;
- (4) Requirements for pretreatment facilities; and

(5) A statement of all applicable civil and criminal penalties for violation of this article, and any applicable compliance schedule.

(b) Conditions. Wastewater discharge permits shall be expressly subject to all provisions of this article and all other applicable regulations established by the City. Permits may contain the following:

- (1) A permit application fee;

(2) Limitations on wastewater strength for the flow in each side sewer, including average and maximum concentrations of the wastewater constituents and characteristics;

(3) Limits on average and maximum rate of discharge, restriction of discharge to certain hours of the day, or requirements for flow regulation and equalization;

(4) Requirements for the installation of flow measurement or other facilities;

(5) Requirements for installation and maintenance of inspection and sampling facilities, including City access to the facilities;

(6) Specifications for monitoring programs which may include sampling locations, method of sampling, those chemical constituents to be reported upon, frequency of sampling, number, types and standards for tests;

(7) Requirements for submission of technical reports or discharge reports, and authority for the Director or designee to copy all such reports kept at the premises of the user;

(8) Requirements for maintaining and retaining plant records relating to wastewater discharge as specified by the city, and affording access to the city for the purposes of inspection and copying; and/or

(9) Requirements for facilities to prevent accidental discharge or slug discharge of prohibited materials or other wastes regulated by this article.

**Sec. 22-179. Permit duration.**

Permits shall be issued for a time period not to exceed five (5) years and shall be stated to expire on a specific date. The user shall apply for permit reissuance a minimum of one hundred and eighty (180) days prior to the expiration of the user's existing permit.

**Sec. 22-180. Change of permit terms and conditions.**

(a) The City may change the terms and conditions of a wastewater discharge permit, including changing the average limits on the elements of wastewater strength, from time to time as circumstances may require. The City shall allow a user reasonable time to comply with any City required changes in the permit.

(b) Any user desiring to make alterations of connections to the wastewater collection system, or desiring to modify its industrial plant, process or wastewater treatment facilities in a manner which would increase or decrease the flow rate or alter the quality of the wastewater discharge described in its wastewater discharge permit shall first apply for an amended permit and obtain a revised wastewater discharge



permit approved by the Director or designee prior to the commencement of any construction of new facilities or operation of modified facilities. The Director or designee shall treat this in the same manner as an original application under section 22-178 of this article.

(c) Upon promulgation of a national categorical pretreatment standard, the Director shall notify by registered letter all users who may be subject to such standard, including the applicable reporting requirements under 40 CFR Section 403.12. Within one hundred eighty (180) days after the promulgation of a national categorical pretreatment standard, all applicable users shall make an application to the Director or designee for a wastewater discharge permit. Likewise, applicable users with an existing wastewater discharge permit shall make application to the Director or designee for a revised permit within one hundred eighty (180) days after the promulgation of such standard. The City shall respond by issuing new or revised wastewater discharge permits to the applicants. The new or revised permit shall be issued within three (3) months of the promulgation of the National Categorical Pretreatment Standard, and shall require compliance with such standard within the time frame prescribed by the standard.

**Sec. 22-181. Transfer of permit prohibited.**

Wastewater discharge permits are issued to a specific user for a specific operation. A wastewater discharge permit shall not be reassigned or transferred or sold to a new owner, new user, different premises or a new or changed operation unless approved by the Director.

**Sec. 22-182. Revocation of permit.**

(a) Any user, who violates the following conditions of its permit or of this article, or of applicable state and federal regulations, is subject to having its permit revoked by the Director or designee upon a minimum notice of three (3) days.

(b) Violations subjecting a user to possible revocation of its permit include, but are not limited to, the following:

- (1) Failure of a user to accurately report the wastewater constituents and characteristics of its discharge;
- (2) Failure of the user to report significant changes in operations or wastewater constituents and characteristics;
- (3) Refusal of reasonable access to the user's premises for the purpose of inspection or monitoring; or
- (4) Violation of conditions of the permit.

**Sec. 22-183. Unusual conditions, special agreements and waivers.**

(a) No statement contained in this article prevents any special agreement or arrangement between the City and any industrial concern whereby a nonresidential waste of unusual strength or character may be accepted by the city for treatment.

(b) If any discharge contains or may contain constituents which cause it to fail to conform to any of the requirements set forth in section 22-175, but the Director finds that:

- (1) The discharge will not cause harm to the wastewater system nor unreasonably or inequitably burden the operations of the system; and
- (2) When considered together with similar excesses in discharges of other limited herein will not materially affect the ability of the City to meet the requirements of the regional water quality control board on the City's wastewater treatment plant effluent (NPDES permit), the Director shall grant approval for discharge to the sewer with waiver or modifications of the requirements which would not be met, and so indicate on the user's permit.

(c) The Director shall not grant a waiver of any requirement set forth by federal or state regulation.

**Sec. 22-184. Administrative authority.**

(a) The Director is charged with responsibility for the City's wastewater control program, the administration and enforcement of the provisions of this article, and the City of Escondido municipal industrial waste program enforcement response procedures.

(b) To effectively administer and enforce the provisions of these regulations, the Director or designee may require any discharger to comply with any or all of the requirements of this Chapter.

**Sec. 22-185. Pretreatment.**

(a) Pretreatment requirements for food service establishments, automotive service establishments, and other commercial/industrial establishments.

- (1) Each establishment shall have their own separate FOG removal equipment.
- (2) Any tenant improvement, addition of fixtures or remodel of an existing facility shall require install or upgrade of F.O.G. removal equipment. F.O.G. removal equipment sizing will be determined by the most recently adopted version of the Uniform Plumbing Code by the Building Standards Commission, as well as any other requirements mandated by the pretreatment department. Any equipment added must be

approved by the pretreatment department prior to the installation of F.O.G. removal equipment. Any establishment that uses oil shall have a grease recycling container with a locking lid supplied and serviced by a certified waste hauler. Hauling and disposal manifests shall be kept on-site and readily available for inspection at all times. Falsified maintenance records shall result in an administrative citation and any other enforcement action.

- (3) Interceptors, grease traps, clarifiers and sand/oil separators shall be provided when, in the expert view of the Director or designee, they are necessary for the proper handling of liquid wastes containing grease in excessive amounts, or regulated wastes, sand and other harmful or potentially harmful materials; except that such interceptors shall not be required for private living quarters or dwelling units. All interceptors shall be of a type and capacity as required by the most recently approved Uniform Plumbing Code (UPC) and approved by the Director or designee and located so as to be readily and easily accessible for cleaning and inspection. The requirement for installation of an interceptor, grease trap, clarifier or sand oil separator shall be indicated in the user's wastewater discharge permit. Interceptors, grease traps, clarifiers and sand oil separators shall be constructed of impervious materials capable of withstanding abrupt and extreme changes in temperature. They shall be of substantial construction, watertight, and equipped with easily removable covers which when bolted in place shall be gastight and watertight. All interceptors, grease traps, clarifiers and sand oil separators deemed necessary shall be installed and maintained at the owner's expense. Interceptors, grease traps, clarifiers and sand oil separators shall be in efficient operation at all times. Maintenance records must be current, kept onsite and available for inspection. Each individual discharger shall retain their own maintenance records for pretreatment equipment, even when there is existing communal pretreatment equipment onsite.
- (4) Any maintenance service establishment that generates automotive waste shall have a proper California Hazardous Waste Permanent ID number provided by the Department of Toxic Substances Control. All generated waste shall be disposed of properly through a licensed hauler for the automotive wastes generated onsite including, but not limited to, motor oil, oil filter, antifreeze, transmission fluid, and paint waste wet and dry. Hauling manifests shall be kept onsite and available for inspection at all times. Falsified maintenance records shall result in an administrative citation and any other enforcement action.

(b) Mercury Reduction Program. The City may require onsite silver recovery and/or mercury pretreatment at photographic, medical, dental facilities or the like, in order to insure compliance with the City's local limits for silver and mercury. The City will regulate these industries under Class II permits.

**Sec. 22-186. Protection from accidental/slug discharge.**

(a) The City shall evaluate whether each significant industrial user needs an accidental discharge/slug discharge control plan or other action to control slug discharges. The City may require any user to develop, submit for approval, and implement such a plan or take such other action that may be necessary to control slug discharges.

(b) Each nonresidential user shall provide protection from accidental discharge of prohibited materials or other wastes regulated by this article. Facilities to prevent accidental discharge of such materials shall be provided and maintained at the user's expense. Detailed plans showing facilities and operation procedures to provide this protection shall be submitted to the Director or designee for review, and shall be approved by the Director or designee before construction of the facility. Review and approval of such plans and operating procedures shall not relieve the industrial user from the responsibility to modify its facility as necessary to meet the requirements of this article.

(c) Each user required to provide facilities for protection from accidental discharge shall be identified in the user's wastewater discharge permit. Permit provisions shall describe the extent of facilities required and shall outline a compliance schedule.

(d) If, for any reason, a facility does not comply with or is unable to comply with the protection from accidental discharge limitations of this article, the facility responsible for such discharge shall immediately notify the POTW or appropriate response authority so that corrective action may be taken to protect the treatment system.

(e) In the event of any accidental discharge, a written report addressed to the Director or designee detailing the date, time and cause of the accidental discharge, the quantity and characteristics of the discharge and corrective action taken to prevent future discharges, shall be filed by the responsible nonresidential facility within five (5) days of the occurrence of the noncomplying discharge.

(f) At least once every two (2) years, the Director or designee shall evaluate whether each significant industrial user needs an accidental discharge/sludge control plan. The Director or designee may require any user to develop, submit for approval, and implement such a plan. Alternatively, the director or designee may develop such a plan for any user. An accidental discharge/slug control plan shall address, at a minimum, the following:

- (1) Description of discharge practices, including non-routine batch discharges;
- (2) Description of stored chemicals;

(3) Procedures for immediately notifying the Director of any accidental or slug discharge, as required by this section; and

(4) Procedures to prevent adverse impact from any accidental or slug discharge. Such procedures include, but are not limited to, inspection and maintenance of storage areas, handling and transfer of materials, loading and unloading operations, control of plant site runoff, worker training, building of containment structures or equipment, measures for containing toxic organic pollutants, including solvents, and/or measures and equipment for emergency response.

(g) Significant industrial users are required to notify the POTW immediately of any changes at its facility affecting the potential for a slug discharge.

### **Sec. 22-187. Discharge reports.**

The Director or designee may require discharge reports including, but not limited to questionnaires, technical reports, sampling reports, and test analyses, and periodic reports of wastewater discharge. Reporting requirements shall be as specified in the user's wastewater discharge permit.

When a report filed by a user pursuant to this section is not adequate in the judgment of the Director, such user may be required to supply additional information as deemed necessary.

The discharge report may include, but shall not be limited to, the nature of the process, volume and rates of wastewater flow, a lab analysis of wastewater samples, elements, constituents and characteristics of the wastewater, together with any information required in an application for wastewater discharge permit.

All costs associated with preparation of discharge reports, including the costs of wastewater analysis, shall be the responsibility of the user.

Those users subject to national categorical pretreatment standards shall comply with all reporting requirements in accordance with the general pretreatment regulations for existing and new sources of pollution (Title 40 CFR Part 403). All reports specifically set forth in 40 CFR Part 403 shall be required pursuant to this article. These include, but are not limited to:

#### **(a) Baseline Monitoring Reports.**

(1) Within either one hundred eighty (180) days after the effective date of a categorical pretreatment standard, or the final administrative decision on a category determination under 40 CFR 403.6(a)(4), whichever is later, existing categorical users currently discharging to or scheduled to discharge to the POTW shall submit to the Director or designee a report which contains the information listed in paragraph (2) below. At least ninety (90) days prior to

commencement of their discharge, new sources, and sources that become categorical users subsequent to the promulgation of an applicable categorical standard, shall submit to the Director or designee a report which contains the information listed in paragraph (2), below. A new source shall report the method of pretreatment it intends to use to meet applicable categorical standards. A new source also shall give estimates of its anticipated flow and quantity of pollutants to be discharged.

(2) Users described above shall submit the information set forth below.

(A) Identifying Information. The name and address of the facility, including the name of the operator and owner;

(B) Environmental Permits. A list of any environmental control permits held by or for the facility;

(C) Description of Operations. A brief description of the nature, average rate of production, and standard industrial classifications of the operation(s) carried out by such user. This description should include a schematic process diagram which indicates points of discharge to the POTW from the regulated processes;

(D) Flow Measurement. Information showing the measured average daily and maximum daily flow, in gallons per day, to the POTW from regulated process streams and other streams, as necessary, to allow use of the combined wastestream formula set out in 40 CFR 403.6(e);

(E) Measurement of Pollutants.

(i) The categorical pretreatment standards applicable to each regulated process,

(ii) The results of sampling and analysis identifying the nature and concentration, and/or mass, where required by the standard or by the Director or designee, of regulated pollutants in the discharge from each regulated process. Instantaneous, daily maximum, and long-term average concentrations, or mass, where required, shall be reported. The sample shall be representative of daily operations and shall be analyzed in accordance with procedures set out in Section 22-190 (b);

(F) Certification. A statement, reviewed by the user's authorized representative and certified by a qualified professional, indicating whether pretreatment standards are being met on a consistent basis, and, if not, whether additional operation and maintenance (O&M) and/or

additional pretreatment is required to meet the pretreatment standards and requirements;

(G) Compliance Schedule. If additional pretreatment and/or O&M will be required to meet the pretreatment standards, the shortest schedule by which the user will provide such additional pretreatment and/or O&M. The completion date in this schedule shall not be later than the compliance date established for the applicable pretreatment standard. A compliance schedule pursuant to this section must meet the requirements set out in subsection (b) of this section;

(H) Signature and Certification. All baseline monitoring reports must be signed and certified in accordance with section 22-177(e) of this article.

(b) Compliance Schedule Progress Reports. The following conditions shall apply to the compliance schedule required by subsection (a)(2)(G) of this section:

(1) The schedule shall contain progress increments in the form of dates for the commencement and completion of major events leading to the construction and operation of additional pretreatment required for the user to meet the applicable pretreatment standards (such events include, but are not limited to, hiring an engineer, completing preliminary and final plans, executing contracts for major components, commencing and completing construction, and beginning and conducting routine operation);

(2) No increment referred to above shall exceed nine (9) months;

(3) The user shall submit a progress report to the Director or designee no later than fourteen (14) days following each date in the schedule and the final date of compliance including, as a minimum, whether or not it complied with the increment of progress, the reason for any delay, and, if appropriate, the steps being taken by the user to return to the established schedule; and

(4) In no event shall more than nine (9) months elapse between such progress reports to the Director or designee.

(c) Reports on Compliance with Categorical Pretreatment Standard Deadline. Within ninety (90) days following the date for final compliance with applicable categorical pretreatment standards, or in the case of a new source following commencement of the introduction of wastewater into the POTW, any user subject to pretreatment standards and requirements shall submit to the Director or designee a report containing the information described in subsections (a)(2)(D)—(F) of this section. For users subject to equivalent mass or concentration limits established in accordance with the procedures in 40 CFR 403.6(c), this report shall contain a reasonable measure of the user's long-term production rate. For all other users subject to categorical pretreatment standards expressed in terms of allowable pollutant discharge per unit of

production (or other measure of operation), this report shall include the user's actual production during the appropriate sampling period. All compliance reports must be signed and certified in accordance with Section 22-177(e) of this article.

(d) Periodic Compliance Reports.

(1) All significant industrial users shall, at a frequency determined by the Director or designee, but in no case less than two (2) times per year (in June and December, unless otherwise stated), submit a report indicating the nature and concentration of pollutants in the discharge which are limited by pretreatment standards and the measured or estimated average and maximum daily flows for the reporting period. All periodic compliance reports must be signed and certified in accordance with section 22-177(e) of this article.

(2) All wastewater samples must be representative of the user's discharge. Wastewater monitoring and flow measurement facilities shall be properly operated, kept clean, and maintained in good working order at all times. The failure of a user to keep its monitoring facility in good working order shall not be grounds for the user to claim that sample results are unrepresentative of its discharge.

(3) If a user subject to the reporting requirement in this section monitors any pollutant more frequently than required by the Director or designee, using the procedures prescribed in subsection (j) of this section, the results of this monitoring shall be included in the report.

(e) Reports of Changed Conditions. Each user must notify the Director or designee of any planned significant changes to the user's operations or system which might alter the nature, quality or volume of its wastewater at least ninety (90) days before the change.

(1) The Director or designee may require the user to submit such information as may be deemed necessary to evaluate the changed condition, including the submission of a wastewater discharge permit application under section 22-177 of this article.

(2) The Director or designee may issue a wastewater discharge permit under section 22-176 of this article or modify an existing wastewater discharge permit under section 22-180 in response to changed conditions or anticipated changed conditions.

(3) For purposes of this requirement, significant changes include, but are not limited to, flow increases of twenty (20) percent or greater, and the discharge of any previously reported pollutants.

(f) Reports of Potential Problems.



- (1) In the case of any discharge, including, but not limited to, accidental discharges, discharges of a nonroutine, episodic nature, a noncustomary batch discharge, or a slug load, that may cause potential problems for the POTW, the user shall immediately telephone and notify the Director or designee of the incident. This notification shall include the callers name, phone number, location of the discharge, type of waste, concentration and volume, if known, and corrective actions taken by the user.
- (2) Within five (5) days following such discharge, the user shall, unless waived by the Director or designee, submit a detailed written report describing the cause(s) of the discharge and the measures to be taken by the user to prevent similar future occurrences. Such notification shall not relieve the user of any expense, loss, damage or other liability which may be incurred as a result of damage to the POTW, natural resources, or any other damage to person or property; nor shall such notification relieve the user of any fines, penalties or other liability which may be imposed pursuant to this article.
- (3) A notice shall be permanently posted on the user's bulletin board or other prominent place advising employees whom to call in the event of a discharge described in paragraph (f)(1) above. Employers shall ensure that all employees, who may cause such a discharge to occur, are advised of the emergency notification procedure.
- (4) Significant industrial users are required to notify the City immediately of any change at its facility affecting the potential for a slug discharge.
- (g) Reserved.
- (h) Reports from Unpermitted Users. All users not required to obtain a wastewater discharge permit shall provide appropriate reports, including manifests or any other requested information, to the Director or designee as the Director may require.
- (i) Notice of Violation/Repeat Sampling and Reporting. If sampling performed by a user indicates a violation, the user must notify the Director or designee within twenty-four (24) hours of becoming aware of the violation. The user shall also repeat the sampling and analysis and submit the results of the repeat analysis to the Director within thirty (30) days after becoming aware of the violation.
- (j) Analytical Requirements. All pollutant analyses, including sampling techniques, to be submitted as part of a wastewater discharge permit application or report shall be performed in accordance with the techniques prescribed in 40 CFR Part 136, unless otherwise specified in an applicable categorical pretreatment standard. If 40 CFR Part 136 does not contain sampling or analytical techniques for the pollutant in question, sampling and analyses must be performed in accordance with procedures approved by EPA. Non-detectable results may be used only as demonstration that the

pollutant is not present if EPA approved method from 40 CFR Part 136 with the lowest minimum detection level for the pollutant was used in the analysis.

(1) The reports required in paragraphs (a), (c), and (d) of this section must be based upon data obtained through sampling and analysis performed during the period covered by the report, which data are representative of conditions occurring during the reporting period. The POTW shall require that frequency of monitoring necessary to assess and assure compliance by industrial users with applicable pretreatment standards and requirements. Grab samples must be used for pH, cyanide, total phenols, oil and grease, sulfide, and volatile organic compounds. For all other pollutants, 24-hour composite samples must be obtained through flow-proportional composite sampling techniques, unless time-proportional composite sampling or grab sampling is authorized by the POTW. Where time-proportional composite sampling or grab sampling is authorized by the POTW, the samples must be representative of the discharge and the decision to allow the alternative sampling must be documented in the industrial user file for that facility or facilities. Using protocols (including appropriate preservation) specified in 40 CFR part 136 and appropriate EPA guidance, multiple grab samples collected during a 24-hour period may be composited prior to the analysis as follows: For cyanide, total phenols, and sulfides the samples may be composited in the laboratory or in the field; for volatile organics and oil & grease the samples may be composited in the laboratory. Composite samples for other parameters unaffected by the compositing procedures as documented in approved EPA methodologies may be authorized by the POTW, as appropriate.

(2) Dischargers are exempt from the requirements of paragraph (p)(1) of this section during a calendar month in which they discharge no more than fifteen kilograms of hazardous wastes, unless the wastes are acute hazardous wastes as specified in 40 CFR 261.30(d) and 261.33 (e). Discharge of more than fifteen kilograms on non-acute hazardous wastes in a calendar month, or of any quantity of acute hazardous wastes as specified in 40 CFR 261.30(d) and 261.33(e), requires a one-time notification.

Subsequent months during which the industrial user discharges more than such quantities of any hazardous waste do not require additional notification.

(3) In the case of any new regulations under section 3001 of RCRA identifying additional characteristics of hazardous waste or listing any additional substance as hazardous waste, the industrial user must notify the POTW, the EPA Regional Waste Management Waste Division Director, and State hazardous waste authorities of the discharge of such substance within 90 days of the effective date of such regulations.

(4) In the case of any notification made under Section 22-194, the industrial user shall certify that it has a program in place to reduce the volume and toxicity of hazardous wastes generated to the degree it has determined to be economically practical.

(k) Sample Collection.

(1) Except as indicated by paragraph (k)(2) below, the user must collect wastewater samples using flow proportional composite collection techniques. In the event flow proportional sampling is infeasible, the Director may authorize the use of time proportional sampling or a minimum of four (4) grab samples where the user demonstrates that this will provide a representative sample of the effluent being discharged. In addition, grab samples may be required to show compliance with instantaneous discharge limits.

(2) Samples for oil and grease, temperature, pH, cyanide, phenols, sulfides, and volatile organic compounds must be obtained using grab collection techniques.

(3) For sampling required in support of baseline monitoring and ninety (90) day compliance reports; a minimum of four (4) individual grab samples must be used for pH, cyanide, total phenols, oil and grease, sulfide and volatile organic compounds for facilities for which historical sampling data does not exist. For facilities for which historical sampling data are available, the City may authorize a lower minimum. For the reports required by 40CFR 403.12(e) and 403.12(h), the industrial user is required to collect the number of grab samples necessary to assess and assure compliance by with applicable pretreatment standards and requirements.

(l) Date of Receipt of Reports. Written reports will be deemed to have been submitted on the date postmarked. For reports which are not mailed, postage prepaid, into a mail facility serviced by the United States Postal Service, the date of receipt of the report shall govern.

(m) Record Keeping. Users subject to the reporting requirements of this article shall retain, and make available for inspection and copying, all records of information obtained pursuant to any monitoring activities required by this article and any additional records of information obtained pursuant to monitoring activities undertaken by the user independent of such requirements and documentation associated with best management practices. Records shall include the date, exact place, method, and time of sampling, and the name of the person(s) taking the samples; the dates analyses were performed; who performed the analyses; the analytical techniques or methods used; and the results of such analyses. These records shall remain available for a period of at least five (5) years. This period shall be automatically extended for the duration of any litigation concerning the user or the City of Escondido, or where the user has been specifically notified of a longer retention period by the Director or designee.

(n) Significant Noncompliance. The City shall publish at any time during the previous twelve (12) months, in a newspaper(s) of general circulation that provides

meaningful public notice of the industrial users which were in significant noncompliance with applicable pretreatment standards and requirements. This procedure shall be as specified in 40 CFR Section 403.8(f)(2)(viii).

(o) Notification of Changed Discharge. All industrial users shall promptly notify the Director or designee in advance of any substantial change in the volume or character of pollutants in their discharge, including the listed or characteristic hazardous wastes for which the industrial user has submitted initial notification under section 22-194.

(p) Certification Statements

- 1) Certification of permit applications, user reports and initial monitoring waiver. The following certification statement is required to be signed and submitted users submitting baseline monitoring reports under section 22-187(a) and must be signed by an authorized representative:

I certify under penalty of law that this document and all attachments were prepared under my direction or supervision in accordance with a system designed to assure that qualified personnel properly gather and evaluate the information submitted. Based on my inquiry of the person or persons who manage the system, or those persons directly responsible for gathering the information, the information submitted is, to the best of my knowledge and belief, true, accurate, and complete. I am aware that there are significant penalties for submitting false information, including the possibility of fine and imprisonment for knowing violations.

The following annual certification statement must be signed by an authorized representative. Based on my inquiry of the person or persons directly responsible for managing compliance with the categorical Pretreatment Standards under 40 CFR \_\_\_\_, I certify that, to the best of my knowledge and belief that during the period from \_\_\_\_\_, \_\_\_\_\_ to \_\_\_\_\_, \_\_\_\_\_ (months, days, year); (a) The facility described as \_\_\_\_\_ (facility name) met the definition of a Non-Significant Categorical Industrial User as described in Sec 22-172(4). (b) The facility complied with all applicable Pretreatment Standards and requirements during this reporting period; and the facility never discharge more than 100 gallons of total categorical wastewater on any given day during this reporting period.

**Sec. 22-188. Monitoring and inspection facility.**

(a) The City may require to be provided and operated at the user's own expense, monitoring facilities to allow inspection, sampling and flow measurement of the building sewer and/or internal drainage systems. The monitoring facility should normally be situated on the user's premises, but the City may, when such a location would be impractical or cause undue hardship on the user, allow the facility to be

constructed in the public street or sidewalk area and located so that it will not be obstructed by landscaping or parked vehicles.

There shall be ample room in or near such a facility to allow accurate sampling and preparation of samples for analysis. The facility, sampling and measuring equipment shall be maintained at all times in a safe and proper operating condition at the expense of the user.

Whether constructed on public or private property, the sampling and monitoring facilities shall be provided in accordance with the city's requirements and all applicable local construction standards and specifications shall be met. Construction shall be completed within ninety (90) days following written notification by the City. Such notification may be as indicated in the user's wastewater discharge permit.

(b) The monitoring program may require the user to conduct a sampling and analysis program of a frequency and type specified in the user's waste-water discharge permit to demonstrate compliance with prescribed wastewater discharge limits. As specified in the user's wastewater discharge permit, the user shall either:

(1) Conduct his or her own sampling and analysis program provided he or she demonstrates to the Director or designee that he or she has the necessary qualifications and facilities to perform the work; or

(2) Engage a private laboratory, certified by the state of California Department of Public Health.

#### **Sec. 22-189. Inspection of facilities.**

(a) The City shall have the right to enter the premises of any user to determine whether the user is complying with all requirements of this Chapter and any individual wastewater discharge permit. The City may inspect the facilities of any user to ascertain whether the purpose of this article and all requirements are being met. Persons or occupants of premises where nonresidential wastewater is discharged, have the potential of being discharged or are suspected of being discharged shall allow the City access at all times to all parts of the premises for the purposes of inspection, photographing, video recording, sampling, records examination and copying, or any other form of inspection or documentation required in the performance of any of their duties. The City shall have the right to set up on the user's property such devices as are necessary to conduct sampling, inspection, compliance monitoring and/or metering operations. Where a user has security measures in force which would require proper identification and clearance before entry into their premises, the user shall make necessary arrangements so that upon presentation of suitable identification, personnel from the City, the EPA or their authorized representatives will be permitted to enter, without delay, for the purposes of performing their specific responsibilities.

(b) The City shall randomly sample and analyze the effluent from nonresidential users to identify, independently of self-monitoring information supplied by the user, occasional and continuing noncompliance with the user's permit or other regulations set forth by this article.

(c) The City shall investigate instances of noncompliance as indicated in the user's self-monitoring reports or random inspection and surveillance activities described in this section. Sample collection and analysis and the acquisition of other information shall be performed with sufficient care to produce evidence admissible in enforcement proceedings or in judicial actions, and the user so investigated shall be liable for all charges incurred by the City for such investigation.

(d) The City may adopt reasonable fees for reimbursement of costs of setting up and operating the city's pretreatment program, which may include:

(1) Fees for wastewater discharge permit applications, including the cost of processing such applications;

(2) Fees for monitoring, inspection and surveillance procedures including the cost of collection and analyzing a user's discharge, and reviewing monitoring reports submitted by users;

(3) Fees for reviewing and responding to accidental discharge procedures and construction;

(4) Fees for filing appeals; and

(5) Other fees as the City may deem necessary to carry out the requirements contained herein. These fees relate solely to the matters covered by this article and are separate from all other fees, fines and penalties chargeable by the City. These fees may be set from time to time by resolution of the City Council.

#### **Sec. 22-190. Sampling.**

(a) The point of determining compliance with the provisions of this article (and of the user's wastewater discharge permit, if applicable) at the point of the discharge to the public wastewater system or such other upstream sampling point on the private lateral as mutually agreed upon by the nonresidential user and the Director or designee. Where multiple discharge points to the City wastewater collection system are regulated by a waste-water discharge permit, sampling must be carried out at an acceptable location for each permitted discharge. Where certain wastes are critical, the Director or designee may specify, through the provisions of the user's permit, procedures for obtaining necessary samples and require that any persons discharging industrial wastewater install a measuring device and that samples be analyzed and

measurements of flow taken and reported to the City, and such sampling and measuring device shall be made accessible to the Director or designee.

Unless otherwise specified in the provisions of the user's wastewater discharge permit, compliance with the requirements of this article are based on the mean values obtained from analysis of composite industrial waste samples representative of the quality and quantity of discharge to the sewer. All such samples shall be weighted with the flow at the sampling point to furnish values weighted with time and quantity for each required chemical constituent. The frequency of monitoring shall be as prescribed in the user's wastewater discharge permit.

(b) Sampling and analysis shall be performed in accordance with Section 304(g) of the Federal Water Pollution Control Act and contained in 40 CFR Part 136 and amendments thereto or with any other test procedures approved by the Director or designee. Where 40 CFR Part 136 does not include a sampling of analytical technique for pollutant in question, sampling and analysis shall be performed in accordance with the procedures set forth in the EPA publication "Sampling and Analysis Procedures for Screening of Industrial Effluents for Priority Pollutants," April, 1977, and amendments thereto, or with any other sampling and analytical procedures approved by the Director.

#### **Sec. 22-191. Confidential information.**

Information and data on a user obtained from reports, surveys, wastewater discharge permit applications, wastewater discharge permits and monitoring programs, and from the Director or designee inspection and sampling activities, shall be available to the public without restriction, unless the user specifically requests, and is able to demonstrate to the satisfaction of the Director or designee, that the release of such information would divulge information, processes or methods of production entitled to protection as trade secrets under applicable state law. Any such request must be asserted at the time of submission of the information or data. When requested and demonstrated by the user furnishing a report that such information should be held confidential, the portions of a report which might disclose trade secrets or secret processes shall not be made available for inspection by the public, but shall be made available immediately upon request to governmental agencies for uses related to the NPDES program or pretreatment program, and in enforcement proceedings involving the person furnishing the report. Wastewater constituents and characteristics and other "effluent data" as defined by 40 CFR 2.302 will not be recognized as confidential information and will be available to the public without restriction.

#### **Sec. 22-192. Enforcement.**

In addition to the enforcement and remedy provisions set forth in Article 1, the City may adopt procedures and rules for the implementation and administration of this article. The city shall enforce the provisions of this article, including all requirements established or permits issued pursuant to this article.

(a) Requiring Discharger to Submit Schedule of Remedial or Preventive Measures. When the Director finds that a discharge of wastewater is taking place, has taken place, or is threatening to take place that has violated, violates or will violate prohibitions or limits prescribed by this article or wastewater source control requirements or the provisions of a wastewater discharge permit, the Director may require the user to submit for approval of the Director, with such modifications as deemed necessary, a detailed time schedule of specific actions the user shall take to correct or prevent a violation of this Chapter.

(b) Issuance of Cease and Desist Order. When the Director finds that a discharge of wastewater has taken place, is taking place or threatening to take place in violation of prohibitions or limits of this article or wastewater source control requirements or the provisions of a wastewater discharge permit, the Director may issue an order to cease and desist and direct that those users not complying with such prohibitions, limits, requirements or provisions to (1) comply forthwith, (2) comply in accordance with a time schedule set up by the Director, or (3) in the event of a threatened violation, take appropriate remedial or preventative action.

#### **Sec. 22-193. Appeal procedure.**

(a) Any permit applicant, permit holder or other user affected by any decision, action or determination, including cease and desist orders, made by the Director in interpreting or implementing the provisions of this article, or any permit issued hereunder, may file with the Director written request for reconsideration within ten (10) days of such a decision, action or determination, setting forth in detail the facts supporting the request. The Director may elect to hold a hearing on the request. The request for reconsideration shall be acted upon by the Director within ten (10) days from the date of filing or the close of the reconsideration hearing. The decision, action or determination shall remain in effect during such period of review by the Director.

(b) If the ruling made by the Director is unsatisfactory to the user requesting reconsideration, he may, within ten (10) days after notice of the action by the Director, file a written appeal to the City Council.

(c) The written appeal shall state all pertinent aspects of the matter and shall include the hearing record if one was requested. The City Council may amend, modify, confirm or reject any decision, judgment or finding (including waivers) of the Director provided the purpose and intent of this article is not violated.

#### **Sec. 22-194. Industrial User Discharge Notification Requirements.**

The industrial user shall notify the POTW, the EPA Regional Waste Management Division Director, and State hazardous waste authorities in writing of any discharge into the POTW of a substance, which, if otherwise disposed of, would be a hazardous waste under 40 CFR part 261. Such notification must include the name of the hazardous waste as set forth in 40 CFR part 261, the EPA hazardous waste number,



and the type of discharge (continuous, batch, or other). If the industrial user discharges more than 100 kilograms of such waste per calendar month to the POTW, the notification shall also contain the following information to the extent such information is known and readily available to the industrial user: An identification of the hazardous constituents contained in the wastes, and estimation of the mass and concentration of such of such constituents in the wastestream discharged during that calendar month, and an estimation of the mass of constituents in the wastestream expected to be discharged during the following twelve months. All notifications shall be provided no later than 180 days after the discharge of the listed or characteristic hazardous waste. Any notification under this paragraph needs to be submitted only once for each hazardous waste discharged. However, notifications of changed discharges must be submitted under 40 CFR 403.12(j). The notification requirement in this section does not apply to pollutants already reported under the self-monitoring requirements of 40 CFR 403.12 (b), (d), and (e).

**Secs. 22-195. Reserved.**

SECTION 9. Escondido Municipal Code Chapter 22, Article 9 is hereby amended in its entirety to read as follows:

**ARTICLE 9. INDUSTRIAL BRINE COLLECTION SYSTEM (ICBS)**

**Sec. 22-196. Purpose.**

The City constructed the Industrial Brine Collection System (IBCS) to allow qualified industrial dischargers to discharge certain industrial brine wastewater into the IBCS. These industrial processes create concentrated dissolved minerals and salts that naturally exist in potable water and recycled water supplies, resulting in elevated concentrations of total dissolved solids (TDS) in the discharge. Brine industrial wastewater discharged into the IBCS is not be treated by the HARRF preliminary, primary, or secondary treatment facilities. The purpose of this article is to minimize the discharge of salts to the sewer system and wastewater treatment plant. These dischargers are subject to individual NPDES permits, under regulations of the California State Water Resources Control Board.

**Sec. 22-197. Industrial brine users.**

Industrial brine users are permitted to discharge the following into the IBCS:

- (a) Brine wastewater or blowdown from evaporative cooling processes, and
- (b) Brine from reverse osmosis, water softener, and other types of water treatment processes.

**Sec. 22-198. Prohibited discharges.**

It is unlawful for any user to discharge any waste that does not meet the following criteria:

- (a) Compliance with Discharge Prohibitions of the California Ocean Plan.
- (b) Compliance with applicable Discharge Prohibitions contained in the Basin Plan.
- (c) Any flow discharge entering the IBCS must be below 104 degree Fahrenheit.

**Sec. 22-199. Limitations on discharges.**

The discharger of effluent through the IBCS shall comply with the following:

- (a) Waste management systems that discharge to the Pacific Ocean through IBCS must be designed and operated in a manner that will maintain the indigenous marine life and a healthy and diverse marine community.
- (b) Waste discharged to the Pacific Ocean through IBCS must be free of:
  - (1) Material that is floatable or will become floatable upon discharge;
  - (2) Settleable material or substances that may form sediments, which will degrade benthic communities or other aquatic life;
  - (3) Substances, which will accumulate to toxic levels in marine waters, sediments, or biota;
  - (4) Substances that significantly decrease the natural light to benthic communities and other marine life; and
  - (5) Materials that result in aesthetically undesirable discoloration of the ocean surface.
- (c) Waste that contains pathogenic organisms or viruses shall be discharged through the IBCS at a sufficient distance from shellfishing and water contact sports areas to maintain applicable bacterial standards without disinfection. Where conditions are such that an adequate distance cannot be attained, reliable disinfection in conjunction with a reasonable separation of the discharge point from the area of use must be provided. Disinfection procedures shall be used that do not increase effluent toxicity and that constitute the least environmental and human hazard.
- (d) The discharge of effluent shall not result in the increase in the natural water temperature exceeding 4 °F at (a) the shoreline, (b) the surface of any ocean substrate, or (c) the ocean surface beyond 1,000 feet from the discharge system.
- (e) The discharge of effluent shall not affect the natural temperature of designated areas of special biological significance.
- (f) The discharger shall not cause pollution, contamination, or nuisance, as those terms are defined in Clean Water Act Section 13050, as a result of the treatment or discharge of wastes.

- (g) Collected screenings, sludges, and other solids removed from liquid wastes shall be disposed of in a manner approved by the San Diego Regional Water Quality Control Board.
- (h) Any material or quantity of material which will cause HARRF effluent to exceed the concentration limits of its NPDES permit as established by the San Diego Regional Water Quality Control Board, and any subsequent amendments as are duly adopted from time to time by the Regional Water Quality Control Board.

**Sec. 22-200. Required reports.**

- (a) Discharge reports. The Director or designee may require discharge reports including, but not limited to, technical reports, sampling reports, test analysis, and periodic reports of IBCS wastewater discharge.
- (b) Reports of Potential Problems. In the case of any discharge, including, but not limited to, accidental discharges, non-routine discharges, a noncustomary batch discharge, or a slug load, that may cause potential problems, the user shall immediately telephone and notify the Director or designee of the incident. This notification shall include the caller's name, phone number, location of the discharge, type of waste, concentration and volume, if known, and corrective actions taken by the user.
- (c) Notice of violation/repeat sampling and reporting. If sampling performed by a user indicates a violation, the user must notify the Director or designee within twenty-four (24) hours of becoming aware of the violation.
- (d) Certification statements. The following certification statement must be signed by an authorized representative on all reports required under this section:

I certify under penalty of law that this document and all attachments were prepared under my direction or supervision in accordance with a system designed to assure that qualified personnel properly gather and evaluate the information submitted. Based on my inquiry of the person or persons who manage the system, or those persons directly responsible for gathering the information, the information submitted is, to the best of my knowledge and belief, true, accurate, and complete. I am aware that there are significant penalties for submitting false information, including the possibility of fine and imprisonment.

**Sec. 22-201. Inspection of facilities.**

The City shall have the right to enter a user's facility at any time. The City shall have the right to set up on the user's property such devices as are necessary to conduct sampling. If a user has security measures which require proper identification and clearance before entry onto their facilities, the user shall make necessary arrangements so that upon presentation of suitable identification, personnel from the City, the EPA or their authorized representatives will be permitted to enter, without delay.

**Sec. 22-202. Confidential information.**

Information and data on a user obtained from reports, surveys, wastewater discharge permit applications, discharge permits and monitoring programs, and from the Director or designees inspection and sampling activities, shall be available to the public without restriction unless the user specifically requests, and is able to demonstrate to the satisfaction of the Director or designee, that the release of such information would divulge information, processes or methods of production entitled to protection as trade secrets under applicable state law. Any such request must be asserted at the time of submission of the information or data. When requested and demonstrated by the user furnishing a report that such information should be held confidential, the portions of a report which might disclose trade secrets or secret processes shall not be made available for inspection by the public, but shall be made available immediately upon request to governmental agencies for uses related to the NPDES program or pretreatment program, and in enforcement proceedings involving the person or facility furnishing the report. Wastewater constituents and characteristics and other "effluent data" as defined by 40 CFR 2.302 will not be recognized as confidential information and will be available to the public without restriction.

**Sec. 22-203. Reserved.**

SECTION 10. SEPARABILITY. If any section, subsection sentence, clause, phrase or portion of this ordinance is held invalid or unconstitutional for any reason by any court of competent jurisdiction, such portion shall be deemed a separate, distinct and independent provision and such holding shall not affect the validity of the remaining portions.

SECTION 11. That as of the effective date of this ordinance, all ordinances or parts of ordinances in conflict herewith are hereby repealed.

SECTION 12. That the City Clerk is hereby directed to certify to the passage of this ordinance and to cause the same or a summary to be published one time within 15 days of its passage in a newspaper of general circulation, printed and published in the City of Escondido.



# CITY COUNCIL

For City Clerk's Use:

APPROVED  DENIED

Reso No. \_\_\_\_\_ File No. \_\_\_\_\_

Ord No. \_\_\_\_\_

**Agenda Item No.: 13**  
**Date: December 7, 2011**

**TO:** Honorable Mayor and Members of the City Council

**FROM:** Jeffrey R. Epp, City Attorney

**SUBJECT:** Establishment of Regular Meetings for the Escondido Joint Powers Financing Authority

RECOMMENDATION:

It is requested that the City Council, acting as the Escondido Joint Powers Financing Authority, adopt EJPFA Resolution No. 2011-01 establishing regular meeting dates.

BACKGROUND:

The City of Escondido created the Escondido Joint Powers Financing Authority on November 20, 1991. This Authority is a separate legal entity consisting of the City of Escondido and the Escondido Community Development Commission. By means of Resolution No. EJPFA 91-1, the Authority adopted Rules and Regulations governing procedures and actions of the Authority. In addition, so-called "conduit financing agencies" are regulated by California state law, particularly in terms of the manner in which such entities make information and available and conduct their business. Under the Marks-Roos Local Bond Pooling Act of 1985, a joint exercise of powers authority may issue or purchase bonds to assist local agencies in financing public capital improvements, working capital, liability, or other insurance needs, or projects whenever there are significant public benefits for taking that action.

In the 2009 Legislative session, the California legislature adopted SB 99, Chapter 557, which made certain amendments to the Marks-Roos Local Bond Pooling Act of 1985, which is found at California Government Code Section 5870 et. seq. This bill would require additional reporting and public disclosures by specified public entities that issue certain revenue bonds, including conduit revenue bonds, as defined. This bill would require entities formed under the Joint Exercise of Powers Act, and related officers, that fail or refuse to make required reports to forfeit specified amounts to the state, and would authorize, under certain conditions, the Attorney General to prosecute an action for these forfeitures. In particular, Government Code Section 6592.1 has now been amended to require that any resolution authorizing bonds or any issuance of bonds or accepting the benefit of any bonds or the proceeds of bonds shall be adopted by an authority during a regular meeting held pursuant to California Government Code Section 54954 (the Ralph M. Brown Act). Under the Brown Act, all meetings of the legislative body of a local agency must, subject to designated exceptions, be open and public. That act requires the legislative body to hold regular meetings, and permits the legislative body to hold special and emergency meetings, requiring certain notices and agendas.

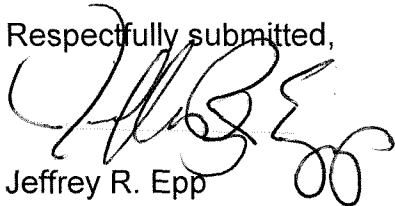
December 7, 2011

Page 2

When the EJPFA was created, regular meetings were not contemplated. Indeed, the Rules and Regulations of the Authority only provide that meetings shall be at times fixed by resolution. No resolutions of the EJPFA have been adopted establishing a "regular meeting" of the Authority.

EJPFA Resolution 2011-01 both establishes that the regular meetings of the Escondido City Council shall also be the regular meetings of the EJPFA, which will both address the meeting issue from when the Authority was created, and comply with the recent amendments to Government Code Section 6592.1.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "J. R. Epp", written over the typed name.

Jeffrey R. Epp  
City Attorney

## EJPFA RESOLUTION NO. 2011-01

A RESOLUTION OF THE ESCONDIDO JOINT  
POWERS FINANCING AUTHORITY ESTABLISHING  
REGULAR MEETING DATES

WHEREAS, the Escondido Joint Powers Financing Authority ("Authority") is a joint exercise of powers authority organized and existing under Article 1 and Article 4 of Chapter 5 of Division 7 of Title 1 of the Government Code of the State of California (the "JPA Act") for the purpose of assisting the City of Escondido (the "City") in the financing and refinancing of the construction, reconstruction, modernization and equipping of certain capital improvements on behalf of the City; and

WHEREAS, the Authority was formed by EJPFA Resolution No. 91-1 on November 20, 1991, and has had meetings periodically since that time for the purpose of reviewing, approving, and participating in financings of public improvements; and

WHEREAS, to fulfill its purposes, the Authority, from time to time, authorizes the issuance of bonds; and

WHEREAS, Government Code Section 6592.1 provides that the Authority may adopt a resolution authorizing bonds or any issuance of bonds or accepting the benefit of any bonds or the proceeds of bonds only during a regular meeting of the Authority held pursuant to Government Code Section 54954; and

WHEREAS, the Authority desires to adopt this resolution in accordance with the provisions of Government Code Section 54954 to establish regular meeting dates.

NOW, THEREFORE, the Board of Directors of the Authority does hereby resolve as follows:

SECTION 1. Recitals. Each of the foregoing recitals is true and correct.

SECTION 2. Regular Meeting Dates. Notwithstanding any provision to the contrary in the joint powers agreement establishing the Authority, any bylaws of the Authority or in any prior resolutions or actions of the Board of Directors of the Authority, from the date hereof, the regular meetings of the Authority shall be held at 4:30 p.m. on the second and fourth Wednesday of each month, and may be held as a joint meeting with the City Council of the City; provided, however, if the regular meetings dates and times of the City Council of the City are changed such that the second and fourth Wednesday of each month is no longer a regular meeting date of the City Council, then the regular meetings of the Authority shall, without further action by the Board of Directors, be changed to be the same date and time as the first regular City Council meeting of each month. In the event that the Secretary determines that there is no business of the Authority to be conducted at a regular meeting, then the Chair, the Secretary and other officers of the Authority are authorized to take whatever actions are required by law to cancel such regularly scheduled meeting.

SECTION 3. Other Actions. The Chair, Vice Chair, Executive Director, Chief Financial Officer, Secretary and other officers of the Authority are authorized and directed, jointly and severally, to do any and all things which they may deem necessary or advisable in order to effectuate the purposes of this Resolution, and such actions previously taken by such officers are hereby ratified and confirmed.



**CITY COUNCIL**

For City Clerk's Use:

**APPROVED**       **DENIED**

Reso No. \_\_\_\_\_ File No. \_\_\_\_\_

Ord No. \_\_\_\_\_

**Agenda Item No.:** 14

**Date:** December 7, 2011

**TO:** Honorable Mayor and Members of the City Council

**FROM:** Richard O'Donnell, Deputy Director of Maintenance and Operations  
Robert Blackburn, Fleet Maintenance Department Specialist

**SUBJECT:** Purchase of Equipment and Installation for Thirteen (13) Police Interceptors.

RECOMMENDATION:

Staff recommends Council approve the purchase and installation of the safety equipment for thirteen (13) Crown Victoria Patrol cars from American Emergency Products (A.E.P) formally Thunder Works of San Diego as a sole-source.

FISCAL ANALYSIS:

The cost of this equipment and installation, including pick up, delivery and tax is \$132,395.67. Sufficient funds have already been approved in the fiscal year 2011-2012 budget to pay for the outfitting of eleven of these vehicles in the Vehicle Replacement account number 5208-653-715. Additionally, the two other vehicles to be outfitted will be paid for with grant funds from Escondido Police account number 5208-451-500-OSPG11.

PREVIOUS ACTION:

Thirteen Ford Crown Victoria Police Interceptors were purchased from Downtown Ford in October 2011 and have been delivered to our facility. They still need to be outfitted with lighting, radio, and safety equipment.

BACKGROUND:

American Emergency Products have prepared all of our Police and Fire vehicles for the past three (3) years. They use technology that far surpasses their competitors. A.E.P. constructs custom made wire harnesses for our units that meets or exceeds all manufactures specifications. These harnesses are protected to prevent damage from heat or abrasion, and they are shielded to prevent radio interference. Every wire is labeled to identify its function every six (6) inches. Each harness is assembled with the assistance of a computer program that insures uniformity and is thoroughly tested before being installed. These harnesses are used in conjunction with a Patrol Power, power distribution center that mounts under the hood of the car to protect our electronic equipment. A.E.P. also has the expertise to interface our radio, computer aid dispatch, and G.P.S. systems required by our officers to do their jobs safely and efficiently. A.E.P. will be preparing twelve (12) patrol vehicles

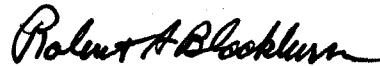
Award the purchase of equipment and installation for Police Interceptors  
Page 2

and one (1) K-9 unit. It will take A.E.P approximately two to three weeks to build all thirteen (13) units. Staff is recommending Council approve the purchase and installation of the equipment for thirteen (13) 2011 Ford Crown Victoria Police Interceptors from American Emergency Products (A.E.P.).

Respectfully submitted,



Richard O'Donnell  
Deputy Director of Maintenance and Operations



Robert Blackburn  
Fleet Maintenance Dept. Specialist

## ORDINANCE NO. 2011-17

AN ORDINANCE OF THE CITY COUNCIL OF  
THE CITY OF ESCONDIDO, CALIFORNIA,  
AMENDING ESCONDIDO MUNICIPAL CODE  
CHAPTER 16A

WHEREAS, the City of Escondido may make and enforce within its limits all local police, sanitary and other regulations not in conflict with general laws; and

WHEREAS, California Business and Professions Code section 4612 expressly authorizes a city to adopt reasonable health and safety requirements with respect to massage establishments including, but not limited to, requirements for cleanliness of massage rooms, towels and linens, and reasonable attire and personal hygiene requirements for persons providing massage services; and

WHEREAS, the City Council passed Escondido Ordinance 2000-12 to enact the current Escondido Municipal Code Chapter 16A – Massages, Massage Establishments and Alternative Health Care Practitioners; and

WHEREAS, in September 2009, the California Legislature adopted Senate Bill 731 to create a state-organized non-profit organization the California Massage Therapy Council (“CAMTC”) and authorized CAMTC to issue certificates to massage technicians; and

WHEREAS, the Escondido Police Department has worked closely with City staff to simplify and standardize regulation of massage establishments and has recommended adopting the state CAMTC certification as the only acceptable licensing standard for massage technicians in the City of Escondido; and

A COMPLETE COPY OF THIS ORDINANCE  
IS ON FILE IN THE OFFICE OF THE  
CITY CLERK FOR YOUR REVIEW.

## RENT REVIEW BOARD

For City Clerk's Use:

**APPROVED**       **DENIED**

Reso No. RRB \_\_\_\_\_ file No. \_\_\_\_\_

Ord No. RRB \_\_\_\_\_

**Agenda Item No.:** 16

**Date:** December 7, 2011

**TO:** Honorable Chairman and Members of the Rent Review Board  
**FROM:** Jerry Van Leeuwen, Director of Community Services  
**SUBJECT:** Ponderosa Mobilehome Park Short-form Rent Increase Application

### RECOMMENDATION:

- Consider the short-form rent increase application submitted by Ponderosa Mobilehome Park.
- If approved, adopt Rent Review Board Resolution No. 2011-09 granting an increase of 75% of the change in the Consumer Price Index, or 3.601% (an average of \$20.32), for the period of June 30, 2009, to June 30, 2011.

The application meets the eligibility criteria for submittal of a short-form rent increase application.

### INTRODUCTION:

Ponderosa 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 ("Ordinance") and the short-form procedures as outlined in the Rent Review Board Guidelines. The application and staff report have been made available to the Board for review and consideration prior to the hearing.

### THE RENT INCREASE APPLICATION:

Ponderosa is an all age mobilehome park located at 1575 West Valley Parkway in Escondido. The Park contains 104 spaces, and 60 spaces are subject to rent control. The Park has requested an increase for 59 spaces, and a zero increase for one space where residents recently moved in. The remaining spaces are either subject to a long-term lease or are vacant.

Common facilities include a clubhouse, swimming pool, and RV parking. Laundry facilities are available to residents for a fee.

**PARK OWNER'S REQUEST:**

The Park owner is requesting an increase of 75% of the change in the Consumer Price Index for the past two years. The CPI period covered by the application is June 30, 2009, to June 30, 2011. Seventy-five percent (75%) of the change in the CPI for the period of consideration is 3.601%, and \$564.44 is the current average monthly space rent of the spaces affected by the increase request. The average increase requested is approximately \$20.32 per space, per month.

**RENT INCREASE HISTORY:**

This is the 15th application for a rent increase filed by the Park since the Ordinance was implemented. The Park last came before the Rent Review Board in July 2009. At that time, the Board granted an average rent increase of \$12.85 per space per month, or 2.37% based on an average space rent of \$542.26. The period of consideration for the last rent increase ended as of December 2008.

Ponderosa currently has one resident participating in the City of Escondido Mobilehome Park Space Rent Subsidy Program.

**RESIDENT MEETING AND COMMENTS:**

The resident meeting was held the evening of November 1, 2011. The meeting was attended by nine residents. The residents were briefed on the short-form procedures and the process, including their need to appear at the hearing and sign-in if they wish to protest the short-form application. The meeting was also attended by the Park owner's representatives, Laura Slobojan and Sue Brown, Park manager, Joe Camacho and consultant Michelle Henderson.

Resident issues and concerns included maintenance of the Park and the need to slow down the vehicle traffic. The presence of rats in the palm trees was also of concern and was discussed during the Health and Safety Code Inspection.

The resident representative, Toni Showerman informed the residents that she had asked Don Greene, of the Coalition of Escondido Mobile/Manufactured Home Voters and a resident of Town and Country Club Park, to assist her as representative for the short-form process. Ms. Showerman indicated that they would hold another meeting for the residents to discuss any other issues and concerns they wanted to express.

This additional meeting was held on November 14 and November 23. The resident representatives and Laura Slobojan, the Park owner's representative, met to discuss concerns, issues and proposals

voiced by the residents. "Exhibit B" is list of topics discussed at this meeting and the responses from the Park owner's representative.

**CODE ENFORCEMENT ISSUES:**

The Code Enforcement Division conducted a health and safety inspection of the common areas of the Park and noted a few existing code violations. A copy of the Code Inspection Report is attached as "Exhibit A". The Park owner's representative, resident manager and resident representatives received a copy of the report and are aware that no increase, if granted, may be implemented until the health and safety code violations have been cleared.

**ADDITIONAL FACTORS AFFECTING THE APPLICATION:**

The decision of the Rent Review Board will be finalized by adoption of the Resolution confirming the findings of the Public Hearing, and the Notice of Determination will be mailed to the applicant and residents upon adoption of the Resolution. The 90-day notice of any rent increase granted may be sent to the residents upon the adoption of the Resolution.

Respectfully Submitted,




Jerry Van Leeuwen  
Director of Community Services



**DATE:** NOVEMBER 16, 2011

**TO:** HONORABLE CHAIRMAN AND MEMBERS OF THE RENT CONTROL BOARD

**FROM:** BRIAN GUSTAFSON, CODE ENFORCEMENT MANAGER 

**SUBJECT:** PONDEROSA MOBILEHOME PARK RENT CONTROL

Ponderosa Mobilehome Park was inspected on November 8, 2011, with the lighting inspection conducted the morning of November 2, 2011, the result of an application for a rent increase having been filed. Three general violations were found and noted in the attached inspection report.

The resident representative for the park was contacted and attended the resident meeting on November 1, 2011 along with eight other residents. She advised the residents were planning an additional meeting to discuss issues in the park.

On November 8, 2011, the Resident Representative Report Form was turned into the code officer. Standing water was indicated by space 48, where a small amount of water was observed. This is being monitored throughout the rainy period to determine if any work is required of the park to expedite the flow of water. The report indicated "lighting could be better in streets away from clubhouse area". The lighting in the park meets the requirement of Title 25 and no enforcement is warranted. The individual lot identification was a concern but this is not an area addressed in the rent control process; it is handled during the state inspections or by the park on a case by case basis. Resident concerns over rodents should be directed to the county of San Diego Vector Control Department; code has addressed overgrown and hazardous vegetation.

Of the five code enforcement cases in this park during the past year, four were the responsibility of the park (three tree issues with one violation found and one involving a deteriorated driveway). The fifth complaint by a resident concerning trees was unfounded. Currently, there are two open violations that remain the responsibility of the park (the deteriorated driveway and dead/hazardous growth on a tree).

CC: Barbara Redlitz, Director of Community Development  
Michelle Henderson, Rent Control Administration



November 15, 2011

**MOBILEHOME PARK RENT CONTROL**  
**CODE ENFORCEMENT INSPECTION REPORT**

**Park Name:** Ponderosa Mobile Home Park  
1575 W. Valley Parkway  
Escondido, CA 92029

**Park Owner:** Ponderosa Group L P  
924 Westwood Blvd., Ste. 910  
Los Angeles, CA 90024

**Park Manager:** Joe Camacho                      **Phone:** (760) 746-3041

**Inspection Date:** 11/08/11                      **Inspector:** S. Moore

The following report is based on the inspection of the mobile home park conducted under provisions outlined in the California Health & Safety Code, Division 13, Part 2.1; the California Code of Regulations, Title 25; the Escondido Zoning Code, Article 45; and the Escondido Municipal Code. This inspection report only addresses health and safety issues related to the common facilities and areas in the mobile home park for which maintenance, repair and operations is the responsibility of the owners and managers of the park.

**General Violations:**

1. Replace the required screen venting in the water heater enclosure next to the laundry building. 25 CCR 1605 (e)
2. Repair/replace the drainage grate on the roadway near the laundry building. 25 CCR 1102 (a)



3. Repair the cracked/broken roadways where necessary, particularly in the vicinity of spaces 48 and 100. 25 CCR 1116 (a)

**Areas of the park needing illumination per 25 CCR 1108  
(Lighting Inspection; 11-02-11)**

No lighting violations were found.

# MOBILEHOME PARK RENT REVIEW

## RESIDENT REPRESENTATIVE REPORT FORM

Park Name: Ponderosa  
Date of Inspection: 11/8/2011  
Resident Representative Don Greene

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.

Don Greene  
Print Name of Resident Representative

[Signature]  
Signature

11/8/2011  
Date

619) 645-6426  
Space # / Phone Number

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.

*N/A OK*

**Rubbish, accumulation of waste material:** The park shall be kept clean and free of the accumulation of refuse, garbage, rubbish, excessive dust or debris.

*N/A OK*

**Drainage:** The park common areas and roadways shall be graded and sloped to provide storm drainage runoff. Standing water should evaporate within 72 hours.

*STANDING WATER ON A CONSISTANT BASIS NEAR SPACE #48 AND OTHER AREAS*

**Building and park lighting:** During hours of darkness, artificial lighting shall be maintained in accordance with requirements of Title 25.

*LIGHTING COULD BE BETTER IN STREETS AWAY FROM CUBHOUSE AREA*

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**Lot address identification:** Each lot shall be identified by letters, numbers or a street address mounted in a conspicuous place facing the roadway.

*SOME ARE ILLEGIBLE BUT MOST ARE ACCEPTABLE*

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**Permanent park buildings:** Park buildings, structures and facilities shall be maintained free from hazards.

*OK*

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**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

*OK*

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**Other questions, comments or concerns:**

RESIDENTS HAVE DEEP CONCERN FOR RAT INFESTATION. REPORTS OF  
RATS IN HOMES, IN TREES ALL OVER PARK - MOSTLY PALM TREES.

ROADS HAVE NOT BEEN SURFED OR REPAIRED IN A NUMBER OF YEARS.

**Subject:** Ponderosa MHP - Resident Concerns and Park Responses

I met with Toni Showerman (Resident Representative), Don Greene (Resident Representative and EMPAC) and Joe Camacho (Community Manager) on Wednesday November 23rd at 9:00 a.m. This meeting is in response to a meeting the residents held on November 14th to voice their concerns and issues concerning the park's short form application for a rent increase through the City of Escondido's Rent Control Ordinance. Their concern's are listed below:

Opening Remark - Residents want repairs and upgrades to the park in order to approve the 3.601% increase otherwise they are offering 1%.

Park's Response - The park has not received or requested an increase in over 2.5 years and is confident the City Council will agree that general maintenance and expenses over time have increased as evidenced by the increase in the CPI. Increases include general cost of operations for a park that is over 40 years old and in various insurances. Furthermore, the requested short form increase is not subject to major capital improvements but based upon the acceptance that CPI is an indicator of increasing costs. Additionally, as evidenced by the City's inspection, the park is not in disrepair. Ponderosa is well maintained and in good repair.

Item 1 - Rats in the trees

Park's response - As noted in the City's inspection - "concerns over rodents should be directed to the county of San Diego Vector Control Department". Additionally, we noted the rats are fruit rats and not "sewer "rats. Close proximity to open areas and other habitat invite the rats to the park and surrounding neighborhood. The park will inspect community trees and where necessary will trim or remove to deter rodents. Also noted by the manager is that there have been no prior reports from the residents of rats as a concern.

Item 2 - Utilities - shut off notices

A. Water shut off without sufficient notice.

Park's response - From time to time there arise emergency situations where a water main or pipe is in need of immediate repair. In these instances it would cause greater damage to property if the problem was not promptly fixed upon discovery. Unfortunately this causes a disruption for the residents. It was agreed and understood by all in attendance that a serious water main break should be repaired quickly. It was noted that all repairs that can be scheduled are done so with care given to residents work and home schedules and sufficient notice is given to them as required by law.

B. Broken Pipes

Park's response - The park was not aware of residents who had a trouble with water being turned back on. We encouraged the Representative to have the resident come to the park with their specific problem.

C. Electrical - Ms. Showerman acknowledged that the electrical is better and understands the park is old and therefore more prone to items in need of repairs.

Item 3 - Residents want Capital Improvements

A. Driveways to be replaced

Park's Response - The park had previously surveyed the driveways and determined 20 or so were in need of repair. The park has obtained 3 bids from vendors and will be releasing the job by January after owner approval. The Representative said only 20 was not good and they want the driveways replaced with concrete. So they were not really satisfied with our current action. As most of the driveways are asphalt and are in need of repair only, replacing with concrete is not a prudent financial option. The park did let the representative know that residents can install their own concrete driveway(s) if they choose.

B. Repair Streets / Park Owners in the City of Escondido slurry streets an average of every 3 years

Park's Response - The City of Escondido's inspection noted two minor areas of repair and stated in our walk of the park that the streets are good and well maintained. The two areas noted in the report have since been repaired. The park will keep an eye on a pine tree and root that may cause a problem in the future but is not posing a problem today. As for "repairing" the streets - the streets are not in disrepair and are well maintained. The park routinely and as needed, applies an asphalt crack sealant designed to prevent cracking. The streets may not be pretty but they are well maintained, as confirm by the city.

Item 4 - Poor Communication

Park's Response - Many instances given related to the previous manager who was replaced in October 2010. The management company welcomes concerns from the residents in order to improve communication. The names and contact information for the corporate office are posted in the clubhouse and in the park magazine. We also provide "Resident Concern Forms" as a vehicle for concerns to be voiced, tracked and responded to.

Item 5 - Gophers, Squirrels and Rats

Park's Response - These are wild animals and residents should do their part to not invite them into their yard - i.e. keep trash can lids closed, maintain their skirting to be free of holes and other entrances, and to not leave food outside for pets. As for the gophers, the park believes the affected resident(s) should take steps to eradicate them in an effort to keep them from destroying their landscaping. Everyone did agree that they are universal problem in the Escondido area and it would be hard to get rid of them but that all should do their part to not encourage the critters.

Item 6 - Space 8 not increased - would we waive the increase for the other new move ins in 2011?

Park's Response - The park completed the Short Form correctly and conferred with Michelle Henderson regarding the two columns in question. As for space 8 - they moved in August 2011 and would not have been a resident for more than ten months when the increase went into effect. Therefore, we elected not to request an increase for that space.

Item 7 - Trees - trimming or removal of resident's trees

Park's Response - Based on the conversation with the City of Escondido Inspector there are some trees that the residents are responsible to maintain. There are others that the park is to maintain. The park reviews each space regarding trees and make a determination based on the City's instruction on trimming or removal and whether it is to be done by the park or the resident. The park trims common area trees regularly and has bids in hand for work to be done in January upon owners approval.

General Comments made by Mr. Greene:

-- "The City Inspection is not a Title 25 inspection or an HCD inspection" - The park responded stating it was the only inspection required for the request at hand.

-- The park "shouldn't get more unless they do more" Feels maintenance is "just enough". The park's response is as stated above, the cost to maintain the community and it's facilities is rising. Maintaining the nice appearance of the property is never ending and costly.

Submitted By: Laura Slobojan, Regional Manager  
Mobile Community Management Company

## RESOLUTION NO. RRB 2011-09

A RESOLUTION OF THE ESCONDIDO  
MOBILEHOME RENT REVIEW BOARD  
MAKING FINDINGS AND GRANTING A RENT  
INCREASE FOR PONDEROSA 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 October 5, 2011, by Mobile Community Management Co., the representative of the owner of Ponderosa Mobilehome Park ("Park") located at 1575 West Valley Parkway in Escondido. The Application applies to 60 of the 104 spaces, with the Park requesting a zero increase for one space with residents who just moved into the Park in August 2011; and

WHEREAS, this is the 15th rent increase application filed by the Park since the Ordinance became effective in 1988. The last rent increase was granted by the Board in Rent Review Board Resolution 2009-05, on July 15, 2009, for 2.37%, or approximately \$12.85 per space, per month; and

WHEREAS, at the time of the current application, the average monthly space rent was \$564.44 for the 59 spaces subject to a 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 June 30, 2009, through June 30, 2011, in accordance with the Rent Review Board short-form policy guidelines. The application estimated this amount to be an average of \$20.32 (3.601%) 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 November 8, 2011, 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 December 7, 2011, 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 increase of 3.601%, an average of \$20.32 per space, per month for the 59 spaces which are subject to a 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 June 30, 2009, through June 30, 2011, would amount to 3.601%, which averages \$20.32 per space, per month, for the 59 spaces that are subject to a rent increase.

4. That the Board concluded that an increase of 3.601%, an average of \$20.32 per space, per month, is consistent with the Guidelines and is a fair, just, and reasonable increase in light of the information presented by all parties.

5. 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.



**(PUBLIC HEARING:)** BID AWARD, BUDGET ADJUSTMENT AND  
AMENDMENT TO FISCAL YEAR 2012-2016 TRANSNET PROGRAM OF  
PROJECTS FOR MAPLE STREET PEDESTRIAN PLAZA

**THIS ITEM HAS BEEN CONTINUED TO 12/14/2011**

**CITY COUNCIL**

For City Clerk's Use:

APPROVED  DENIED

Reso No. \_\_\_\_\_ File No. \_\_\_\_\_

Ord No. \_\_\_\_\_

Agenda Item No.: 18

Date: December 7, 2011

**TO:** Honorable Mayor and Members of the City Council  
**FROM:** Edward N. Domingue, Director of Engineering Services  
Debra Lundy, Real Property Manager  
**SUBJECT:** Street Vacation: Portions of North Broadway

RECOMMENDATION:

It is recommended that the City Council conduct a public hearing and adopt Resolution 2011-148 vacating portions of North Broadway.

PREVIOUS ACTION:

On November 2, 2011, City Council adopted Resolution 2011-134 setting the Public Hearing date of December 7, 2011.

FISCAL ANALYSIS:

The \$1,200 processing fee has been paid into the General Fund.

BACKGROUND:

As a condition for approval of a Conditional Use Permit Modification for the Meadowbrook Village Retirement Community, the Engineering Services Department required that the developer construct North Broadway to a full-width collector road between Village Road and Vista Avenue, dedicate same for public right of way, and vacate any excess right of way. The dedications have been made and this street vacation will serve to fulfill the developer's requirement to vacate excess right of way.

A public utility easement will be reserved in the event that utilities are identified which must remain in place. Neither the City nor the utility companies require that this area remain as a public street. An exhibit and legal description of the proposed vacation area is attached to Resolution 2011-148.

Respectfully submitted,

  
Edward N. Domingue, P.E.  
Director of Engineering Services

  
Debra Lundy  
Real Property Manager

## RESOLUTION NO 2011-148

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ESCONDIDO, CALIFORNIA, TO VACATE AND ABANDON PORTIONS OF A PUBLIC STREET KNOWN AS NORTH BROADWAY HEREIN SPECIFICALLY DESCRIBED

(Public Hearing December 7, 2011)

WHEREAS, the City Council of the City of Escondido, California, on November 2, 2011, passed its Resolution No. 2011-134 declaring its intention to order the vacation, abandonment and closing to public use portions of a public street known as North Broadway, as hereinafter described, located within the City of Escondido; and

WHEREAS, on Wednesday December 7, 2011, the City Council duly heard all evidence offered by all persons interested in or objecting to the proposed vacation, abandonment and closing; and

WHEREAS, all other acts and things required by law, particularly Sec. 8320 *et seq.* of the Streets & Highways Code of the State of California, to confer jurisdiction upon the City Council to order said street vacation have been done; and

WHEREAS, pursuant to the provisions of Sec. 8340 of the Streets & Highways Code of the State of California, existing or proposed utilities do require the reservation of utility easements over portions of the area to be vacated;

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 makes the following findings of fact:
  - (a) That the portions of North Broadway proposed for vacation are not being utilized.
  - (b) That the portions of vacated streets are unnecessary for present or prospective public street purposes.
  - (c) That the Director of Engineering Services supports the street vacation as proposed and recommends approval of the street vacation.
  - (d) That the proposed vacation is recommended because this land is not needed for the ultimate design of any street.
  - (e) That the vacated portions of rights-of-way are not useful as bikeways.
  - (f) That the vacation area is needed for public utility purposes.
3. That in view of the above findings and the applicable law, this City Council finds, from all evidence submitted, that the portions of North Broadway, as described and depicted on Exhibit "A," which is attached to this Resolution and incorporated by this reference, meets the requirements for vacation as set forth in Sec. 8320 *et seq.* of the Streets & Highway Code of the State of California.
4. That the City Council does hereby order the portions of public streets described and delineated on the attached Exhibit "A," within the City of Escondido closed and vacated.

5. That a public utility easement shall be reserved from this vacation.
6. That this order shall take effect immediately.
7. That the City Clerk is hereby directed and authorized to record this notice in the office of the County Recorder of San Diego County as required by law.

**EXHIBIT "A"**  
**LEGAL DESCRIPTION**  
STREET VACATION OF A PORTION OF  
NORTH BROADWAY

Resolution No. 2011-148  
EXHIBIT A  
Page 1 of 6

**PARCEL A:**

THAT PORTION OF NORTH BROADWAY (100 FEET WIDE) IN THE CITY OF ESCONDIDO, COUNTY OF SAN DIEGO, STATE OF CALIFORNIA ACCORDING TO MAP THEREOF NO. 723 FILED AUGUST 13, 1892 IN THE OFFICE OF THE COUNTY RECORDER, MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT THE SOUTHWEST CORNER OF LOT 4 OF BLOCK 413 OF SAID MAP 723; THENCE ALONG THE EASTERLY RIGHT-OF-WAY LINE OF SAID NORTH BROADWAY NORTH 07°15'39" WEST 227.32 FEET TO THE **TRUE POINT OF BEGINNING**; THENCE LEAVING SAID EASTERLY RIGHT-OF-WAY LINE SOUTH 82°44'21" WEST 8.00 FEET TO A LINE LYING 8.00 FEET WESTERLY OF, MEASURED AT RIGHT ANGLES, AND PARALLEL WITH SAID EASTERLY RIGHT-OF-WAY LINE; THENCE ALONG SAID PARALLEL LINE NORTH 07°15'39" WEST 367.32 FEET TO THE WESTERLY PROLONGATION OF THE NORTHERLY LINE OF SAID LOT 4; THENCE ALONG SAID WESTERLY PROLONGATION NORTH 82°44'26" EAST 8.00 FEET TO SAID EASTERLY RIGHT-OF-WAY LINE; THENCE ALONG SAID EASTERLY RIGHT-OF-WAY LINE SOUTH 07°15'39" EAST 367.32 FEET TO THE **TRUE POINT OF BEGINNING**.

CONTAINING 2,938 SQUARE FEET, MORE OR LESS.

**PARCEL B:**

THAT PORTION OF NORTH BROADWAY (100 FEET WIDE) IN THE CITY OF ESCONDIDO, COUNTY OF SAN DIEGO, STATE OF CALIFORNIA ACCORDING TO MAP THEREOF NO. 723 FILED AUGUST 13, 1892 IN THE OFFICE OF THE COUNTY RECORDER, MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT THE NORTHWEST CORNER OF LOT 1 OF BLOCK 420 OF SAID MAP 723; THENCE ALONG THE NORTH LINE OF SAID LOT 1 NORTH 82°49'01" EAST 20.27 FEET TO A POINT OF CUSP WITH A 20.00 FOOT RADIUS CURVE, CONCAVE



**EXHIBIT "A"**  
**LEGAL DESCRIPTION**  
**STREET VACATION OF A PORTION OF**  
**NORTH BROADWAY**

Resolution No. 2011-148  
EXHIBIT A  
Page 2 of 6

SOUTHEASTERLY, A RADIAL LINE TO SAID POINT BEARS NORTH 07°10'59" WEST;  
AND THE **TRUE POINT OF BEGINNING**; THENCE LEAVING SAID NORTH LINE  
SOUTHWESTERLY ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 90°04'40"  
AN ARC DISTANCE OF 31.44 FEET TO THE EASTERLY RIGHT-OF-WAY LINE OF SAID  
NORTH BROADWAY; THENCE ALONG SAID EASTERLY RIGHT-OF-WAY LINE SOUTH  
07°15'39" EAST 890.51 FEET; THENCE LEAVING SAID EASTERLY RIGHT-OF-WAY LINE  
NORTH 08°43'54" WEST 311.69 FEET TO A LINE A LYING 8.00 FEET WESTERLY OF,  
MEASURED AT RIGHT ANGLES, AND PARALLEL WITH SAID EASTERLY RIGHT-OF-  
WAY LINE; THENCE ALONG SAID PARALLEL LINE NORTH 07°15'39" WEST 578.93  
FEET TO THE BEGINNING OF A 20.00 FOOT RADIUS CURVE, CONCAVE  
SOUTHEASTERLY; THENCE NORTHEASTERLY ALONG SAID CURVE THROUGH A  
CENTRAL ANGLE OF 90°04'40" AN ARC DISTANCE OF 31.44 FEET TO SAID NORTH  
LINE; THENCE ALONG SAID NORTH LINE NORTH 82°49'01" EAST 8.00 FEET TO THE  
**TRUE POINT OF BEGINNING.**

CONTAINING 6,038 SQUARE FEET, MORE OR LESS.

THIS LEGAL DESCRIPTION WAS PREPARED BY ME OR UNDER MY DIRECTION.



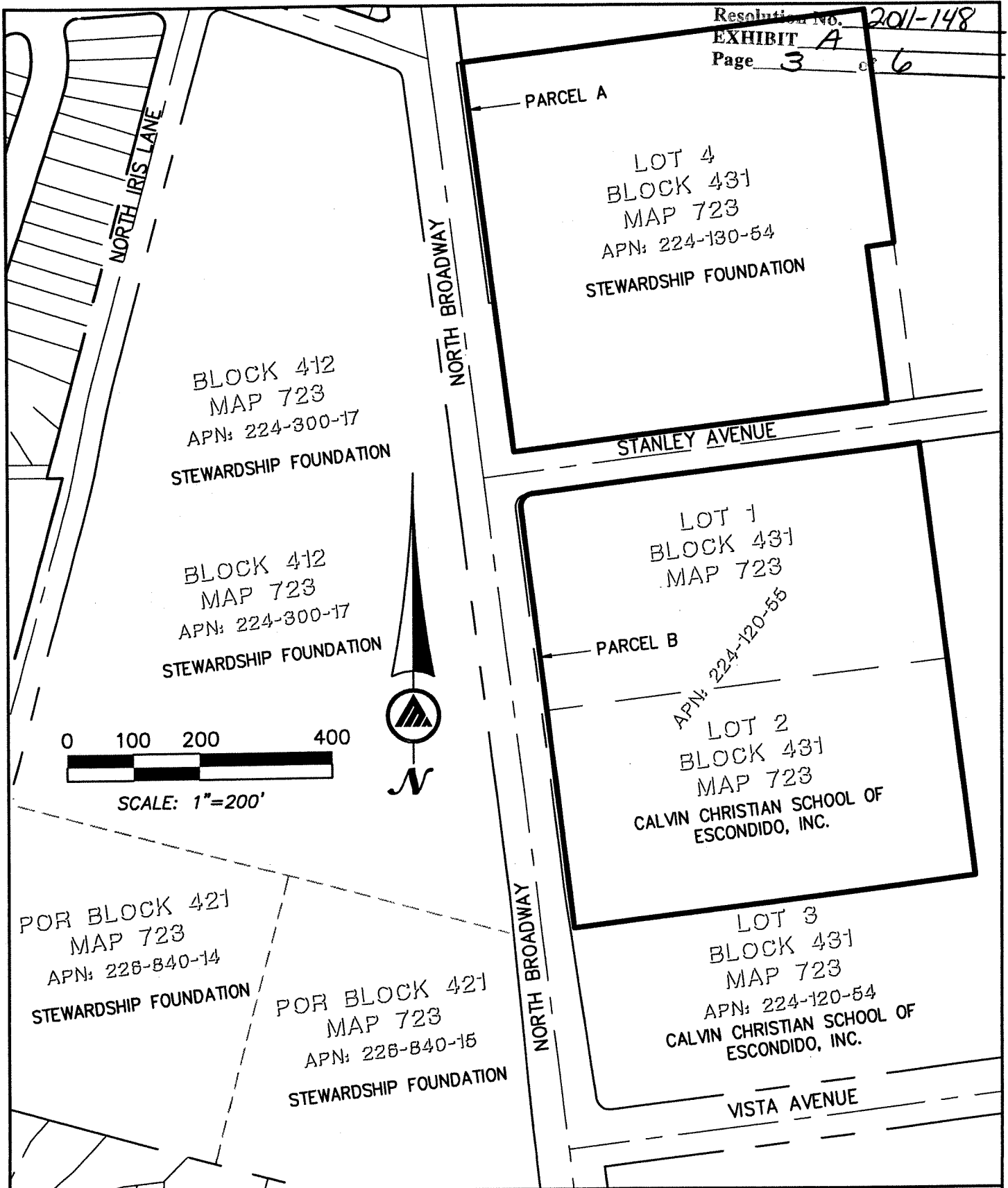
John P. Gervais 11-17-10  
JOHN P. GERVAIS DATE  
P.L.S. 8674  
EXPIRES: 12-31-2011

EXHIBIT 'A'

Resolution No. 2011-148

EXHIBIT A

Page 3 of 6



**Prepared by:** 200 East Washington Ave.  
Escondido, CA 92025  
(760) 741-3570  
www.masson-assoc.com

**MASSON & ASSOCIATES, INC.**

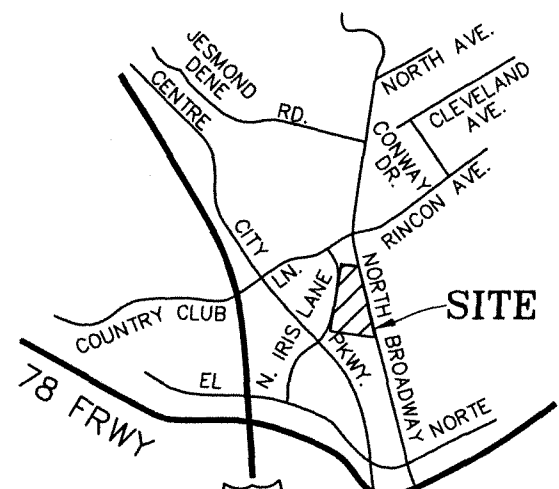
**Date** 11/10/10  
ESCONDIDO MURRIETA

Engineering Services  
201 North Broadway, CA 92025 (760) 839-4651

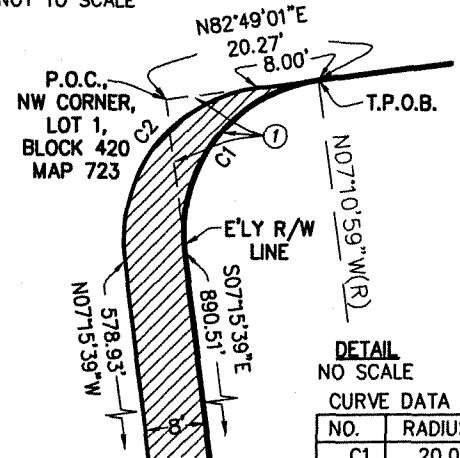
**STREET VACATION OF A PORTION OF NORTH BROADWAY**



DOC NO:  
SHEET: 3 OF 4



VICINITY MAP  
NOT TO SCALE



DETAIL  
NO SCALE  
CURVE DATA

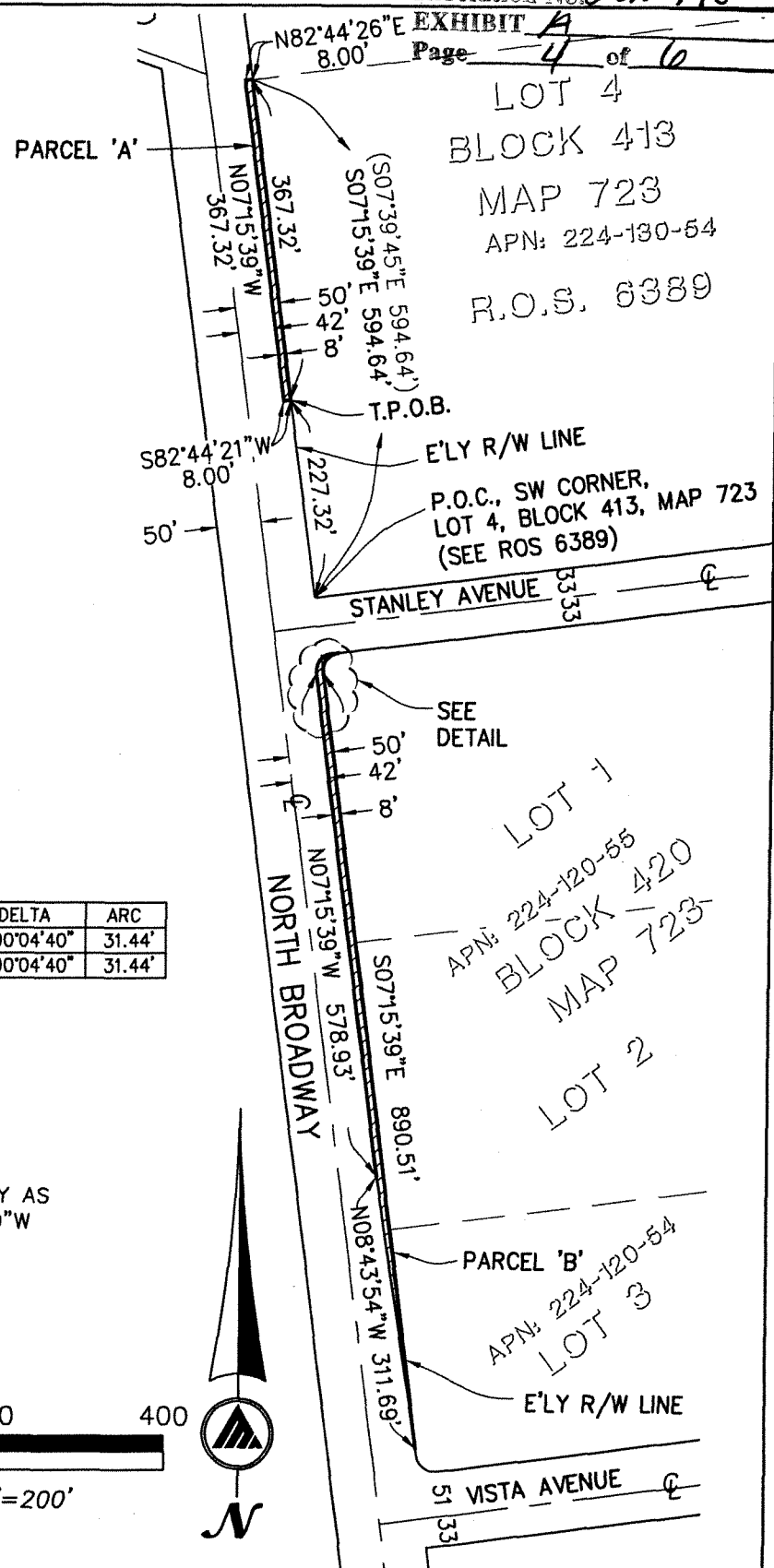
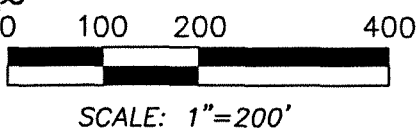
| NO. | RADIUS | DELTA     | ARC    |
|-----|--------|-----------|--------|
| C1  | 20.00' | 90°04'40" | 31.44' |
| C2  | 20.00' | 90°04'40" | 31.44' |

LEGEND:

- INDICATES PROPOSED STREET VACATION  
PARCEL 'A' AREA = 2,938 S.F.  
PARCEL 'B' AREA = 6,038 S.F.
- ① INDICATES PORTION OF NORTH BROADWAY DEDICATED PER DOC NO. 88-495528 RECORDED SEPTEMBER 29, 1988
- BASIS OF BEARINGS IS THE WESTERLY RIGHT-OF-WAY LINE OF NORTH BROADWAY AS SHOWN ON PER ROS 20331, I.E. N07°15'39"W
- ( ) INDICATES RECORD DATA PER ROS 6389



*Berard*



Prepared by: 200 East Washington Ave.  
Escondido, CA 92025  
(760) 741-3570  
www.masson-assoc.com

11/10/10  
Date

ESCONDIDO  
MURRIETA

Engineering Services  
201 North Broadway, CA 92025 (760) 839-4651

STREET VACATION OF A PORTION OF  
NORTH BROADWAY

DOC NO:  
SHEET: 4 OF 4

**EXHIBIT "A"**  
**LEGAL DESCRIPTION**  
**STREET VACATION OF A PORTION OF**  
**NORTH BROADWAY**

Page 1 of 2  
Resolution No. 2011-148  
EXHIBIT A  
Page 5 of 6

THAT PORTION OF NORTH BROADWAY (100 FEET WIDE) IN THE CITY OF ESCONDIDO, COUNTY OF SAN DIEGO, STATE OF CALIFORNIA ACCORDING TO MAP THEREOF NO. 723 FILED AUGUST 13, 1892 IN THE OFFICE OF THE COUNTY RECORDER, MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT THE POINT OF INTERSECTION OF THE SOUTHERLY RIGHT-OF-WAY LINE OF VILLAGE ROAD (40 FEET WIDE) AND THE WESTERLY RIGHT-OF-WAY LINE OF NORTH BROADWAY (100 FEET WIDE) AS SHOWN ON RECORD OF SURVEY 20331 RECORDED OCTOBER 20, 2008 IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY, OFFICIAL RECORDS; THENCE ALONG SAID WESTERLY RIGHT-OF-WAY LINE SOUTH 07°15'39" EAST 21.65 FEET TO A POINT ON A NON-TANGENT 20.00 FOOT RADIUS CURVE, CONCAVE SOUTHWESTERLY, A RADIAL LINE TO SAID POINT BEARS NORTH 29°36'33" EAST AND THE **TRUE POINT OF BEGINNING**; THENCE LEAVING SAID WESTERLY RIGHT-OF-WAY LINE SOUTHEASTERLY ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 53°07'48" AN ARC DISTANCE OF 18.55 FEET TO A LINE LYING 8.00 FEET EASTERLY OF, MEASURED AT RIGHT ANGLES, AND PARALLEL WITH SAID WESTERLY RIGHT-OF-WAY LINE; THENCE ALONG SAID PARALLEL LINE SOUTH 07°15'39" EAST 1246.54 FEET; THENCE LEAVING SAID PARALLEL LINE SOUTH 05°47'53" EAST 313.41 FEET TO SAID WESTERLY RIGHT-OF-WAY LINE; THENCE ALONG SAID WESTERLY RIGHT-OF-WAY LINE NORTH 07°15'39" WEST 1575.84 FEET MORE OR LESS TO THE **TRUE POINT OF BEGINNING**.

CONTAINING 11,315 SQUARE FEET, MORE OR LESS.

THIS LEGAL DESCRIPTION WAS PREPARED BY ME OR UNDER MY DIRECTION.




John P. Gervais 11-17-10  
JOHN P. GERVAIS DATE  
P.L.S. 8674  
EXPIRES: 12-31-2011

**EXHIBIT 'A'**

Resolution No. 2011-148  
EXHIBIT A

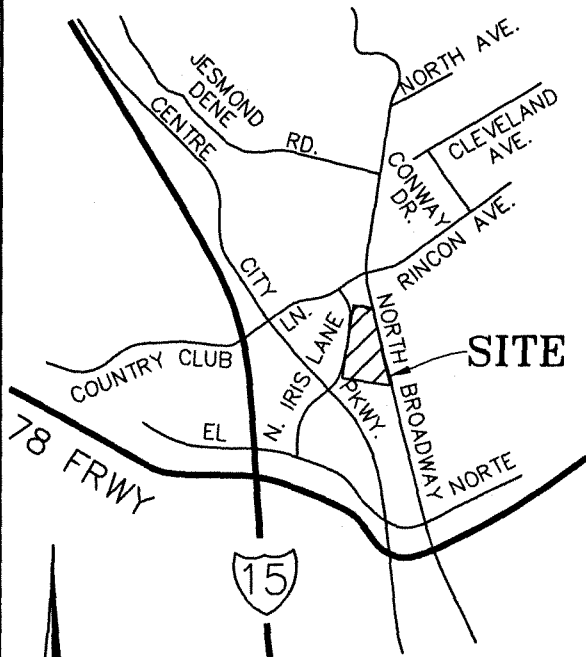
**LEGEND:**

 INDICATES PROPOSED STREET VACATION  
AREA = 11,315 S.F. ±

ALL BEARING AND DISTANCES SHOWN HEREON PER ROS 20331

**CURVE DATA**

| NO. | RADIUS | DELTA     | ARC    |
|-----|--------|-----------|--------|
| C1  | 20.00' | 53°07'48" | 18.55' |



**VICINITY MAP**

NOT TO SCALE



GRAPHIC SCALE  
SCALE: 1"=200'



S'LY R/W LINE

VILLAGE ROAD

P.O.C.

S07°15'39"E  
21.65'

N29°36'33"E(R)  
T.P.O.B.

NORTH IRIS LANE

224-300-17

W'LY R/W LINE

MAP 723  
BLOCK 412

STANLEY

100'  
50'  
8'  
42'

S07°15'39"E 1246.54'

N07°15'39"W 1575.84'

NORTH BROADWAY

S05°47'53"E  
313.41'

ROS 20331

BLOCK 421

226-840-14

226-840-15

Prepared by: 200 East Washington Ave.  
Escondido, CA 92025  
(760) 741-3570  
www.masson-assoc.com



11/10/10

Date

ESCONDIDO  
MURRIETA

Engineering Services  
201 North Broadway, CA 92025 (760) 839-4651

STREET VACATION OF A PORTION OF  
NORTH BROADWAY



DOC NO:

SHEET: 2 OF 2

**CITY COUNCIL**

For City Clerk's Use:

**APPROVED**       **DENIED**

Reso No. \_\_\_\_\_ File No. \_\_\_\_\_

Ord No. \_\_\_\_\_

**Agenda Item No.: 19**  
**Date: December 7, 2011**  
**Continued from November**  
**16, 2011**

**TO:** Honorable Mayor and Members of the City Council  
**FROM:** Jerry Van Leeuwen, Director of Community Services  
**SUBJECT:** Report on Outsourcing Opportunities: Consideration of Studies on Fueling Services, Street Sweeping and Street Striping

RECOMMENDATION:

It is requested that Council direct staff to issue Request for Proposals for Fueling, Street Sweeping and Street Striping Services.

FISCAL ANALYSIS:

Potential for savings, if any, through outsourcing will be determined upon receipt of proposals for the various services.

BACKGROUND:

In April staff presented an outline of decision criteria and guiding principles for the investigation of outsourcing various City services. Three areas, Fueling, Street Sweeping and Street Striping, have been analyzed and are ready for consideration by the City Council. These three areas were selected primarily for their impact on the new Maintenance and Operations Facility. If these services are continued through City staff, it will be necessary to incorporate their operations into the new Maintenance and Operations Facility. The plans for the new facility are moving forward and a determination is needed for additional planning efforts.

Attached to this report are two studies: Street Sweeping and Street Striping. Staff will provide information about fueling services at the Council meeting. Staff is recommending that RFP's be issued for all areas in order to objectively determine the potential financial benefits of outsourcing.

Respectfully submitted,

  
Jerry Van Leeuwen  
Director of Community Services

# **City of Escondido**

Department of Public Works

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## **Street Sweeping Services** Costs of Operation

24 October 2011  
Escondido CA 92025  
Prepared by Jeff Wyner

## Introduction

By direction of City Council, the City is to explore the possibility of outsourcing some of its routine functions. Whereas, the City has determined that it is in the public's interest of safety to provide regular street sweeping services throughout the community; and whereas the National Pollutant Discharge Elimination System (NPDES) as managed state-wide by the California Environmental Protection Agency's State Water Resources Control Board requires periodic sweeping of streets to reduce pollutant contaminants in stormwater runoff; therefore, the Public Works Department is exploring the area of Street Sweeping Services.

To determine the cost effectiveness of outsourcing street sweeping services for the City of Escondido, it is necessary to determine what it costs the City currently. It is important to note that street sweeping is a high-maintenance service. All figures are for the 2010-2011 fiscal year (July 1, 2010 – June 30, 2011). Future costs could change depending on maintenance and replacement costs, salary and benefit costs as well as whether or not a newer, more efficient vehicle is purchased. Personnel costs were obtained from the Payroll Department. Vehicle figures were provided by Fleet Services. Publication 946 from the Internal Revenue Service provided the depreciation rates.

## Personnel

The City currently employs one full-time employee for street sweeping and uses ≈25% of a second employee's time. Employee costs can change in the future depending on who is assigned, negotiated salary and benefit costs and frequency of the sweeps. The following figures represent full-time hours, i.e. no loss of wages due to furlough hours, etc. or overtime.

| Personnel Costs               |                   |           |                |            |
|-------------------------------|-------------------|-----------|----------------|------------|
| Position                      | Salary + Benefits | Cost/hour | Hours sweeping | Cost       |
| Lead Maintenance Technician   | \$ 82,903         | \$ 39.86  | 1,976          | \$ 78,760  |
| Senior Maintenance Technician | \$ 86,727         | \$ 41.69  | 520            | \$ 21,680  |
| TOTAL                         |                   |           | 2,496          | \$ 100,440 |

## Vehicles

The City owns three street sweepers. Yearly costs include parts & labor (both internal and external) and fuel.



| Vehicle #                    | 3227       | 3228       | 3271       | TOTALS     |
|------------------------------|------------|------------|------------|------------|
| Yearly cost                  | \$ 39,435  | \$ 33,665  | \$ 14,050  | \$ 87,150  |
| Yearly miles                 | 5,954      | 2,908      | 1,281      | 10,143     |
| Yearly fuel (Gal.)           | 3,090      | 1,110      | 495        | 4,695      |
| Cost new                     | \$ 166,080 | \$ 166,080 | \$ 139,715 | \$ 471,875 |
| Lifetime costs - June 2011   | \$ 181,335 | \$ 150,860 | \$ 185,480 | \$ 517,675 |
|                              | \$ 347,415 | \$ 316,940 | \$ 325,195 | \$ 989,550 |
| Lifetime miles - June 2011   | 38,868     | 23,944     | 48,469     | 111,281    |
| Date acquired                | 2/23/2006  | 2/23/2006  | 10/25/2001 | 6/30/2011  |
| Years in service - June 2011 | 5.35       | 5.35       | 9.68       | 20.39      |
| Cost / Year                  | \$ 64,930  | \$ 59,235  | \$ 33,575  | \$ 48,540  |
| Cost / Mile                  | \$ 8.94    | \$ 13.24   | \$ 6.71    | \$ 8.89    |

The above chart assumes 100% vehicle depreciation with no residual value. Any funds obtained from the sale of a vehicle would be subtracted from the lifetime costs, thus reducing those costs. Street sweeping, as mentioned earlier, is a high-maintenance service. These vehicles need constant servicing because of the dirty environment in which they operate. For optimal service and cost-efficiency, street sweepers, on average, need to be replaced every five years.

### Up-front totals

Total operating costs for fiscal year 2010-2011:

|                 |                   |
|-----------------|-------------------|
| Personnel Costs | \$ 100,440        |
| Vehicle Costs   | \$ 87,150         |
| <b>TOTAL</b>    | <b>\$ 187,590</b> |

### Cost per mile

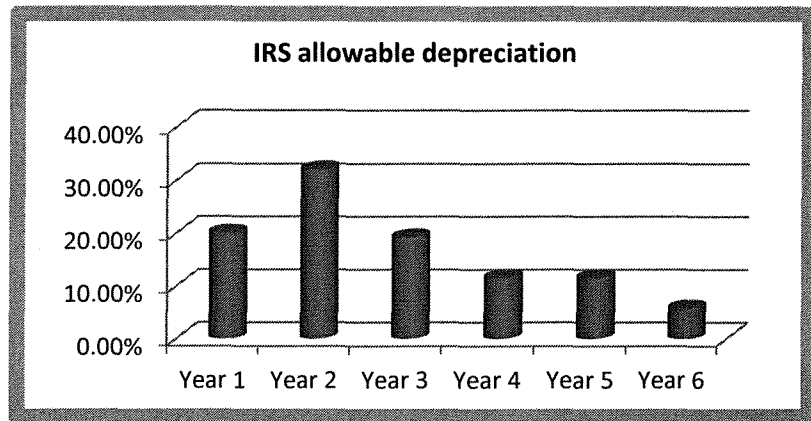
The cost per mile figure changes depending on two primary factors, 1. Total vehicle miles driven; and 2. Actual miles swept (this figure is somewhat flexible as it is estimated that actual broom miles is ~80-90% of total miles driven. As such, the following demonstrates the City's current costs using these estimates:

|                    | Sweeping miles | Cost per mile |
|--------------------|----------------|---------------|
| Total miles driven | 10,143.00      | \$18.49       |
| 90% broom miles    | 9,128.70       | \$20.55       |
| 80% broom miles    | 8,114.40       | \$23.12       |

## Depreciation

However, the above figures do not account for depreciation of the street sweeping vehicles. This figure is a bit harder to pin down. It will be assumed that any prospective, outsourced company would purchase a new street sweeper. According to IRS rules, such a vehicle has a 5-year depreciation life, but because of the way the IRS applies its rules, this actually takes place over six tax years. The IRS rate of depreciation follows.

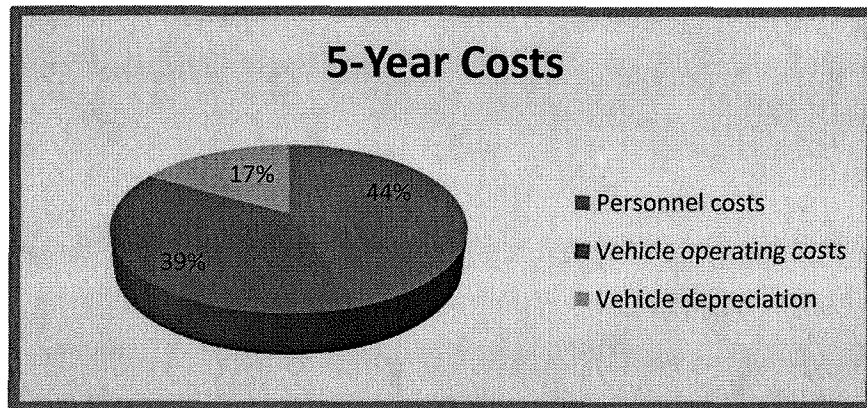
|        |        |
|--------|--------|
| Year 1 | 20.00% |
| 2      | 32.00% |
| 3      | 19.20% |
| 4      | 11.52% |
| 5      | 11.52% |
| 6      | 5.76%  |



## 5-Year totals

Assuming the cost of a new street sweeper to be \$200,000, the above rate of depreciation will be applied to the chart that follows, which will be extended out for five years. Five years is being used for two primary reasons, 1. According to the proposed RFP, a prospective contractor cannot have a primary sweeping vehicle more than five years old (a back-up vehicle may be older), and 2. This is the anticipated length of a street sweeping contract because of the investment costs involved. Although residual value of a vehicle would reduce these costs, it will be ignored as it is very difficult to determine this value. Besides, a prospective contractor may keep it as a back-up.

| Costs of Street Sweeping |                   |                   |                   |                   |                   |                     |
|--------------------------|-------------------|-------------------|-------------------|-------------------|-------------------|---------------------|
|                          | Year 1            | Year 2            | Year 3            | Year 4            | Year 5            | TOTAL               |
| Personnel costs          | \$ 100,440        | \$ 100,440        | \$ 100,440        | \$ 100,440        | \$ 100,440        | \$ 502,200          |
| Vehicle operating costs  | \$ 87,150         | \$ 87,150         | \$ 87,150         | \$ 87,150         | \$ 87,150         | \$ 435,750          |
| Vehicle depreciation     | \$ 40,000         | \$ 64,000         | \$ 38,400         | \$ 23,040         | \$ 23,040         | \$ 188,480          |
| <b>TOTAL</b>             | <b>\$ 227,590</b> | <b>\$ 251,590</b> | <b>\$ 225,990</b> | <b>\$ 210,630</b> | <b>\$ 210,630</b> | <b>\$ 1,126,430</b> |
| \$/mile                  | \$ 22.44          | \$ 24.80          | \$ 22.28          | \$ 20.77          | \$ 20.77          | \$ 22.21            |
| \$/broom mile (90%)      | \$ 24.93          | \$ 27.56          | \$ 24.76          | \$ 23.07          | \$ 23.07          | \$ 24.68            |
| \$/broom mile (80%)      | \$ 28.05          | \$ 31.01          | \$ 27.85          | \$ 25.96          | \$ 25.96          | \$ 27.76            |



**Conclusion**

Assuming the City purchases a new street sweeper, based on current costs the 5-year, average annual cost to the City would be \$225,286. If current furlough hours for the operators were to be applied to the overall costs, the total, average, annual cost to the City would be reduced by a mere one percent. Based on the presentation and recommendation made to City Council by Jerry Van Leeuwen, Director of Community Services, a service should be considered a good candidate for outsourcing if it can surpass a threshold of saving at least \$25,000 per year. It would be in the best interest of the City, therefore, to consider outsourcing Street Sweeping Services only if a vendor can provide the services on a 5-year average for \$200,000 or less per year. For each year the City believes that it can operate street sweeping services without purchasing a new sweeper, the contract threshold drops to \$162,000.

# **City of Escondido**

Department of Public Works

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## **Road Striping Services** Costs of Operation

24 October 2011  
Escondido CA 92025  
Prepared by Jeff Wyner

## Introduction

By direction of City Council, the City is to explore the possibility of outsourcing some of its routine functions. Whereas, the City has determined that it is in the public's interest toward safety to maintain clearly defined and visible street lane markings; and whereas, well-maintained lines present a positive image of the City; therefore, the Public Works Department is exploring the area of Road Striping Services.

To determine the cost effectiveness of outsourcing road striping services for the City of Escondido, it is necessary to determine what it costs the City currently. It is important to note that road striping in Escondido has not been done on a regular basis, particularly since the most recent economic turmoil has descended upon the City. Even when performed on a regular basis, road striping services are not performed every working day of the year. Rather it is generally accomplished periodically over a six-month period. All vehicle use figures are from the 6-month period, January 1, 2011 – June 30, 2011. Future costs could change depending on cost of materials (consumables), salary and benefit costs, and maintenance costs as well as whether or not a newer vehicle is purchased. Personnel costs were obtained from the Payroll Department. Vehicle figures were provided by Fleet Services. The rate at which paint and reflective beads are dispersed was obtained by calculations of provided information and confirmed by M-B companies, Inc. of Salem, Oregon. Publication 946 from the Internal Revenue Service provided the depreciation rates.

Due to a number of conditions, traffic being the most prevalent, some lines wear out faster than others. What this means is that some lines need to be repainted more than once per year, while others probably do not need an annual touch-up. The number of lineal feet needing painting per year will be calculated as if every line were repainted only once per year, and it is based on this calculation that the ensuing costs will be estimated.

As mentioned above, due to the recent economic conditions that have plagued the City, road striping has not been maintained at an optimal level. All costs below will, however, be given as if the desired level will be maintained; that is, every traffic line will be painted once per year.

## Personnel

It is difficult to determine an exact personnel cost as the make-up of a road striping crew varies. In general, the crew consists of three individuals: one Senior Maintenance Technician (Tech IV) and two Lead Maintenance Technicians (Tech III). A fourth person may be included during the colder times of the year to set cones, as it takes longer for the paint to dry. Depending on who is assigned, the second Lead Maintenance Technician may be replaced with a Maintenance Technician II (Tech II). Always using a Tech III and a Tech II instead of two Tech III's would save

≈\$1,700 annually, but the more costly option will be used in the personnel cost estimates. Similarly, the fourth person could be a Tech III (costing ≈\$92 more annually) or a Tech II, but in this case, the less costly option will be used.

When in full operation, road striping is usually performed over a six month period. The employees assigned to this spend some of their time actively engaged in other activities. Based on the most recent data available the striping crew works at a rate of ≈5.4 miles per day. With an estimated 296 miles of road striping to be accomplished it would take a crew approximately 55 days; at nine hours per day, this is 495 hours of work. It is further estimated that a fourth person is assigned to the crew only three days (27 hours) each year.

Some employee costs vary depending on the particular individual who is assigned. Because the crew members can vary it was necessary to use an average cost for each position; these numbers, in the form of a Benefits Matrix, were supplied by the Payroll department.

Employee costs can change in the future depending on who is assigned, negotiated salary and benefit costs and frequency of the striping. The following figures represent full-time, road striping hours, i.e. no loss of wages due to furlough hours, etc. or overtime.

| Personnel Costs               |                   |           |                |          |
|-------------------------------|-------------------|-----------|----------------|----------|
| Position                      | Salary + Benefits | Cost/hour | hours striping | Cost     |
| Senior Maintenance Technician | \$ 96,245         | \$ 46.27  | 495            | \$22,905 |
| Lead Maintenance Technician   | \$ 88,455         | \$ 42.53  | 495            | \$21,050 |
| Lead Maintenance Technician   | \$ 88,455         | \$ 42.53  | 495            | \$21,050 |
| Maintenance Technician II     | \$ 81,400         | \$ 39.13  | 27             | \$1,055  |
| TOTAL                         |                   |           | 1,512          | \$66,065 |

## Vehicles

The City owns one road striper. Yearly costs include parts & labor (both internal and external) and fuel. Although the vehicle itself is still in operable condition, the painting equipment is potentially in need of replacement. Unfortunately, due to the mechanics of how the equipment is incorporated into the vehicle, it may be easier, and possibly just as cost-effective, to replace the entire configuration rather than attempting to replace only the painting equipment. Additionally, it must be noted, as can be seen in the chart below, that the paint striping vehicle (#3250) has been used for little more than 1,000 miles per year, on average.

Vehicle #3250 is used only for road striping. The other two vehicles are used interchangeably as chase vehicles, but their 6-month stated costs are for all operations, not just for road striping.

| Vehicle #                    | 3250       | 3214      | 3273      | TOTALS     |
|------------------------------|------------|-----------|-----------|------------|
| 6-month* cost                | \$ 2,545   | \$ 1,605  | \$ 5,605  | \$ 9,755   |
| 6-month* miles               | 400        | 2,000     | 1,155     | 3,555      |
| 6-month* fuel (Gal.)         | 270        | 225       | 230       | 725        |
| Cost new                     | \$ 199,780 | \$ 19,835 | \$ 51,815 | \$ 271,430 |
| Painting equipment repair†   | \$ 6,170   |           |           | \$ 6,170   |
| Lifetime costs - June 2011   | \$ 25,035  | \$ 23,975 | \$ 8,555  | \$ 57,560  |
|                              | \$ 230,985 | \$ 43,810 | \$ 60,370 | \$ 335,165 |
| Lifetime miles - June 2011   | 9,525      | 50,238    | 2,386     | 62,149     |
| Date acquired                | 2/27/2003  | 7/1/2001  | 10/1/2009 | 6/30/2011  |
| Years in service - June 2011 | 8.34       | 10.00     | 1.75      | 20.09      |
| Cost / Year                  | \$ 27,690  | \$ 4,380  | \$ 34,590 | \$ 66,660  |
| Cost / Mile                  | \$ 24.25   | \$ 0.87   | \$ 25.30  | \$ 5.39    |

\*January 1, 2011 – June 30, 2011 †not reported to Fleet Maintenance

**Cost per mile**

During a 6-month period (January – June 2011), as stated above, 86.4 miles of roadway were striped over 16 working days for an average of 5.4 miles/day. It is from this time period that all vehicle costs were extrapolated. It is assumed that the two chase vehicles were used equally, thus each vehicle’s road striping mileage is half of the striper itself. Total mileage driven is greater than the actual striped mileage, which is reflected in the numbers below.

| vehicle | miles             | cost      |
|---------|-------------------|-----------|
| 3250    | 401               | \$ 2,915  |
| 3214    | 201               | \$ 160    |
| 3273    | 201               | \$ 975    |
|         |                   | \$ 4,050  |
|         | Cost/mile         | \$ 10.10  |
|         | Cost/day          | \$ 253.10 |
|         | Cost/painted mile | \$ 46.87  |

As can be seen in the chart above, the cost/painted mile is higher than the general cost/mile. The cost/mile is reflective of not only the actual striped miles, but also all ancillary driving required to complete the task including commuting miles to and from the job site. The cost/painted mile is higher to reflect the full-recovery cost that would be similar to that of an outside contractor; they only bid by painted mile, but must recover all of their costs.

By projection, if the road striping had covered the entire 296 miles, the total yearly vehicle costs would have been **\$13,875**.

### Consumables

Other than petroleum products, the most used consumable is paint. Three colors of paint are used: yellow, white, and black. All of the yellow and some of the white paints are applied in 4-inch line widths, some solid, some dashed (aka skip lines); the remaining white paint is applied in either 6-inch or 8-inch line widths; the black is applied in a 3-inch line width. All lines are applied in accordance with Caltrans Standard Plans (A20A-A20D). Detail 21, double-yellow, no-passing zone centerlines are painted with a black line between the two yellow lines so that when repainting is applied, the lines do not inadvertently appear as one, massively-wide, yellow line.

Unlike house paint that often covers up to around 400 sq. ft. per gallon, road paint covers  $\approx 103.5$  sq. ft. per gallon. Paint currently varies in price at \$12.00-13.00 per gallon. The following charts show the costs using the higher (\$13.00) cost.

Also, the City has decided that it is best for the white and yellow lines to be reflective, making it easier to see the lines at night. Therefore, in addition to the paint cost, there is an added cost for reflective beads. They are applied at a rate of  $\approx 7$  pounds per gallon of paint. Current cost for #1 Potters double-coated Traffic Paint Beads is around \$16 per 50-pound bag.

| Paint and Bead costs |         |                |                 |                 |                  |
|----------------------|---------|----------------|-----------------|-----------------|------------------|
|                      | Sq. Ft. | Gallons        | Pounds          | Cost/Gal or lb. | Totals           |
| White line           | 219,267 | 2,117.9        |                 | \$ 13.00        | \$ 27,535        |
| Yellow line          | 307,692 | 2,972.0        |                 | \$ 13.00        | \$ 38,635        |
| Black line           | 58,344  | 563.6          |                 | \$ 13.00        | \$ 7,325         |
| Beads                | 526,959 |                | 35,629.6        | \$ 0.32         | \$ 11,400        |
| <b>TOTAL</b>         |         | <b>5,653.5</b> | <b>35,629.6</b> |                 | <b>\$ 84,895</b> |

### **Up-front totals**

Total projected, annual, operating costs for striping the entire city is based on the 6-month (Jan. – June 2011) costs and is presented in the chart below:

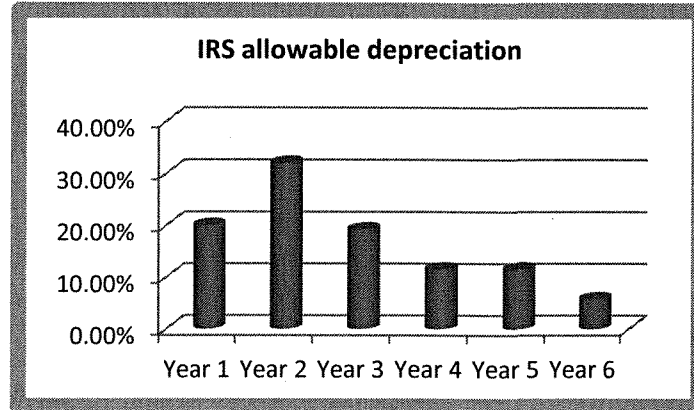
|                    |                   |
|--------------------|-------------------|
| Personnel Costs    | \$ 66,065         |
| Paint & Bead Costs | \$ 84,895         |
| Vehicle Costs      | \$ 13,875         |
| <b>TOTAL</b>       | <b>\$ 164,835</b> |



### Depreciation

However, the above figures do not account for depreciation of the road striping vehicle. This figure is a bit harder to pin down. It will be assumed that any prospective, outsourced company may purchase a new road striper. According to IRS rules, such a vehicle has a 5-year depreciation life, but because of the way the IRS applies its rules, this actually takes place over six tax years. The IRS rate of depreciation follows.

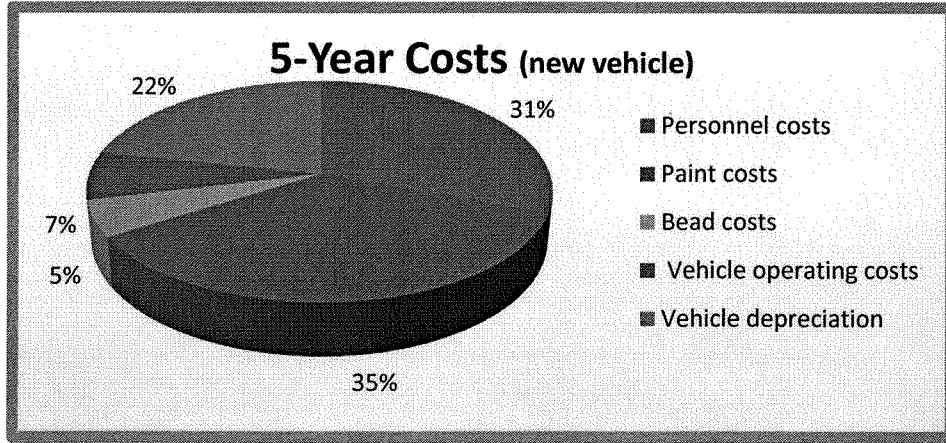
|        |        |
|--------|--------|
| Year 1 | 20.00% |
| 2      | 32.00% |
| 3      | 19.20% |
| 4      | 11.52% |
| 5      | 11.52% |
| 6      | 5.76%  |



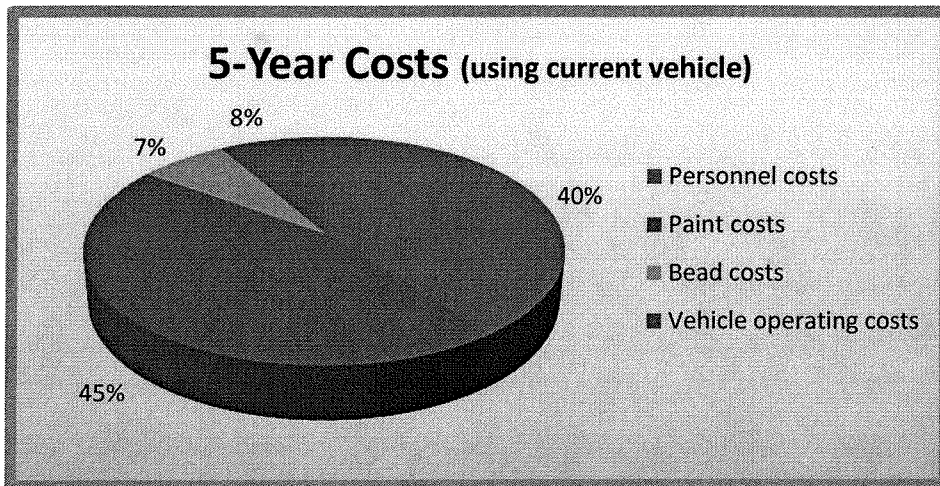
### 5-Year totals

Assuming the cost of a new road striper to be \$250,000, the above rate of depreciation will be applied to the chart that follows, which will be extended out for five years. Five years is being used for two reasons, 1. This is the length of allowable depreciation as dictated by the IRS, and 2. If the City were to purchase a new vehicle, the entire cost would be borne by the City. Although residual value of a vehicle would reduce these costs, it will be ignored as it is very difficult to determine this value. Besides, a prospective company may keep it as a back-up. Additionally, the depreciation cost would most likely be spread over other projects in which the contractor is engaged. In fact, considering the projected time needed to complete Escondido's road striping project (55 working days @9 hours/day [or ≈62 8-hour days]), a contractor may be able to use this same striper for up to four additional, similar-sized projects, thus reducing their depreciation costs to the City to around one-fifth of those listed below.

| Costs of Road Striping (new vehicle) |                   |                   |                   |                   |                   |                     |
|--------------------------------------|-------------------|-------------------|-------------------|-------------------|-------------------|---------------------|
|                                      | Year 1            | Year 2            | Year 3            | Year 4            | Year 5            | 5-Year TOTAL        |
| Personnel costs                      | \$ 66,065         | \$ 66,065         | \$ 66,065         | \$ 66,065         | \$ 66,065         | \$ 330,325          |
| Paint costs                          | \$ 73,495         | \$ 73,495         | \$ 73,495         | \$ 73,495         | \$ 73,495         | \$ 367,475          |
| Bead costs                           | \$ 11,400         | \$ 11,400         | \$ 11,400         | \$ 11,400         | \$ 11,400         | \$ 57,000           |
| Vehicle operating costs              | \$ 13,875         | \$ 13,875         | \$ 13,875         | \$ 13,875         | \$ 13,875         | \$ 69,375           |
| Vehicle depreciation                 | \$ 50,000         | \$ 80,000         | \$ 48,000         | \$ 28,800         | \$ 28,800         | \$ 235,600          |
| <b>TOTAL</b>                         | <b>\$ 214,835</b> | <b>\$ 244,835</b> | <b>\$ 212,835</b> | <b>\$ 193,635</b> | <b>\$ 193,635</b> | <b>\$ 1,059,775</b> |
| \$/mile                              | \$ 725.79         | \$ 827.15         | \$ 719.04         | \$ 654.17         | \$ 654.17         | \$ 716.06           |
| Average \$/lineal foot               | \$ 0.1375         | \$ 0.1567         | \$ 0.1362         | \$ 0.1239         | \$ 0.1239         | \$ 0.1356           |



| Costs of Road Striping (using current vehicle) |                   |                   |                   |                   |                   |                   |
|--|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
|  | Year 1            | Year 2            | Year 3            | Year 4            | Year 5            | 5-Year TOTAL      |
| Personnel costs                                | \$ 66,065         | \$ 66,065         | \$ 66,065         | \$ 66,065         | \$ 66,065         | \$ 330,325        |
| Paint costs                                    | \$ 73,495         | \$ 73,495         | \$ 73,495         | \$ 73,495         | \$ 73,495         | \$ 367,475        |
| Bead costs                                     | \$ 11,400         | \$ 11,400         | \$ 11,400         | \$ 11,400         | \$ 11,400         | \$ 57,000         |
| Vehicle operating costs                        | \$ 13,875         | \$ 13,875         | \$ 13,875         | \$ 13,875         | \$ 13,875         | \$ 69,375         |
| <b>TOTAL</b>                                   | <b>\$ 164,835</b> | <b>\$ 164,835</b> | <b>\$ 164,835</b> | <b>\$ 164,835</b> | <b>\$ 164,835</b> | <b>\$ 824,175</b> |
| \$/mile  | \$ 556.88         | \$ 556.88         | \$ 556.88         | \$ 556.88         | \$ 556.88         | \$ 556.88         |
| Average \$/lineal foot                         | \$ 0.1055         | \$ 0.1055         | \$ 0.1055         | \$ 0.1055         | \$ 0.1055         | \$ 0.1055         |



## Cost per lineal foot

Using the current striper, the chart presented here represents the City's current cost per lineal foot, rounded to the nearest penny, for each Detail type. This is presented to act as a comparison to any potential bid by an outside contractor since a similar presentation would be requested as part of the bidding process in a RFP.

| Detail #             | Cost/lineal foot |
|----------------------|------------------|
| 1                    | \$ 0.07          |
| 8                    | \$ 0.07          |
| 21                   | \$ 0.18          |
| 24                   | \$ 0.10          |
| 27B                  | \$ 0.10          |
| 31                   | \$ 0.22          |
| 37B                  | \$ 0.07          |
| 38                   | \$ 0.15          |
| 39<br>(includes 39A) | \$ 0.15          |

## Conclusion

Nearly all the information presented to this point is based on the assumption that the City will do a complete painting of all road stripes once-per-year, every year. This has not been the case in the last few years because of economic conditions experienced by the City. This translates to an actual cost increase to the City whether or not the service is outsourced or kept in-house since less-than-all striping has been done for a number of years. Even though a properly-worded contract would allow the City to not paint all lines, a good faith effort should be made for complete road striping else it could be viewed in such a way that it could harm the City's ability to obtain good bids in the future.

Assuming the City purchases a new road striper, the 5-year, average annual cost to the City would be \$211,955. Based on the presentation and recommendation made to City Council by Jerry Van Leeuwen, Director of Community Services, a service should be considered a good candidate for outsourcing if it can surpass a threshold of saving at least \$25,000 per year. It would be in the best interest of the City, therefore, to consider outsourcing Road Striping Services only if a vendor can provide the services on a 5-year average for \$187,000 or less per year. For each year the City believes that it can operate road striping services without purchasing a new striper, the contract threshold drops to \$140,000.

Since the road striping vehicle (#3250) itself is in reasonably, good condition, this last figure (\$140,000) may make the most sense. However, this really depends on the condition of the painting equipment, and how often, and for what cost, it can be repaired before needing to be replaced.

**CITY COUNCIL**

For City Clerk's Use:

**APPROVED**       **DENIED**

Reso No. \_\_\_\_\_ file No. \_\_\_\_\_

Ord No. \_\_\_\_\_

**Agenda Item No.: 20**  
**Date: December 7, 2011**

**TO:** Honorable Mayor and Members of the City Council  
**FROM:** Christopher W. McKinney, Director of Utilities  
**SUBJECT:** Indirect/direct Potable Reuse Program Implementation Study Program Manager

RECOMMENDATION:

The Utilities Department requests that the City Council adopt Resolution No. 2011-152 authorizing issue of a Request For Proposals for a Program Manager consultant for the Indirect/Direct Potable Reuse Program Implementation Study.

FISCAL ANALYSIS:

At this time there is no fiscal impact. After selection of a consultant, staff will return to the City Council with full fiscal details of a proposed contract and a request to award that contract. Funds are available in the Wastewater Fund.

PREVIOUS ACTION:

At the regular City Council meeting on February 16, 2011, the Council approved the conceptual plan developed by the Utilities Department to address wastewater capacity issues and to help ensure water reliability.

BACKGROUND:

The selection of a consultant as the Program Manager for the Indirect/Direct Potable Reuse Program Implementation Study is the next step in the process to address wastewater capacity issues and to help ensure water reliability for Escondido. The Hale Avenue Resource Recovery Facility (HARRF) is approaching 75% of its permitted capacity. National Pollutant Discharge Elimination System (NPDES) permits require submission of a report and a plan of action to the Regional Water Quality Control Board (RWQCB) when the average flows reach 75% of capacity. Plans must be developed quickly to design and build facilities to guarantee sufficient future capacity. Also, water supply reliability and quality remain significant concerns for Escondido and all of Southern California. Imported water rates continue to rise and imported water availability is subject to political and agency influences outside the City's control.

The Program Manager will work with staff to identify incremental projects required to achieve an optimal long term plan to insure continued regulatory compliance. As the intended contract will be a task order based contract, the City Council will be asked to authorize intermediate tasks and to approve progressive projects as the program continues. The Program Manager will also help to identify potential funding, to identify grant opportunities, to monitor evolving regulatory and institutional requirements, to evaluate evolving technologies, and to generate alternatives for a system wide approach. The Program manager will also evaluate siting and space requirements for future required facilities.

The Utilities staff has already developed a conceptual plan that will address both the wastewater capacity issues and also help ensure reliability of our water supply.

#### Key Elements of the Proposed Plan:

##### Short Term:

- Increase use of recycled water for industrial/irrigation purposes to effectively reduce the discharge to the ocean through the outfalls.
- Work with Agriculture to provide a recycled water product that is viable for their purposes.
- Bring recycled water irrigation to more schools and parks.
- Continue to look for new opportunities for recycled water use.

##### Current Short Term Status:

- Staff continues to work with Agriculture to extend recycled pipelines into new areas.
- A design consultant is under contract to extend a recycled water pipeline easterly along Escondido Creek from Grape Day Park towards Eagle Crest, approximately 6 miles.

##### Long Term:

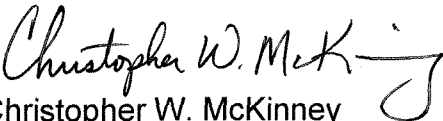
- Work toward 100% reuse of wastewater.
- Expand the backbone of purple pipe for large water users to provide a source of water that is reliable and somewhat less expensive than imported water.
- Obtain approval for indirect/direct potable reuse (IPR/DPR) of recycled water, similar to ongoing efforts by the City of San Diego.
- Reduce flow in the outfall and generate revenue by using the pipeline as a regional brine line.
- Retain wet weather discharge permit.

##### Benefits of this approach:

- Less costly than upsizing outfalls.
- Provides for more water within the community.
- Keeps water within the community rather than discharging to the ocean.
- Diversifies our water supply.

- Cheaper than desalination.
- Provides for a higher quality drinking water.
- Helps our community reach goals of the state's 20/20 plan, mandating a 20% reduction in water use by the year 2020.
- Reduces carbon footprint by reducing pumping of imported water.
- Significant benefit to Escondido's Agricultural businesses by providing a less expensive water supply.
- Abundance of grant funding for this approach.

Respectfully submitted,

  
Christopher W. McKinney  
Director of Utilities

## RESOLUTION NO. 2011-152

A RESOLUTION OF THE CITY COUNCIL OF  
THE CITY OF ESCONDIDO, CALIFORNIA,  
AUTHORIZING THE DIRECTOR OF  
UTILITIES TO ISSUE A REQUEST FOR  
PROPOSAL FOR THE INDIRECT/DIRECT  
POTABLE REUSE PROGRAM  
IMPLEMENTATION STUDY PROGRAM  
MANAGER

WHEREAS, the Escondido City Council on February 16, 2011 approved the conceptual plan developed by the Utilities Department to address wastewater capacity issues and to help to ensure water reliability; and

WHEREAS, the Director of Utilities has determined that an Indirect/Direct Potable Reuse Program Implementation Study is the best way to address wastewater capacity and to help to ensure water reliability; and

WHEREAS, the Director of Utilities has determined that the most efficient means to complete such a study would be to retain the services of an engineering consultant to serve a Program Manager; and

WHEREAS, this City Council desires at this time and deems it to be in the best public interest to proceed with an Indirect/Direct Potable Reuse Program Implementation Study.

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 authorizes the Utilities Department to issue a Request For Proposal to consultants for the Indirect/Direct Potable Reuse Program Implementation Study Program Manager.





**FUTURE CITY COUNCIL AGENDA ITEMS**  
**November 30, 2011**

*AGENDA ITEMS AND COUNCIL MEETING DATES ARE SUBJECT TO CHANGE. CHECK WITH THE CITY CLERK'S OFFICE AT 839-4617*

Green Sheet Due by Noon on Monday, 11/28/11  
 Staff Reports/Resos due by Noon on Tuesday 12/6/11

|                          |  |
|--------------------------|--|
| <b>DECEMBER 14, 2011</b> |  |
| <b>4:30 p.m.</b>         |  |
|                          | <b>CONSENT CALENDAR</b>  |
|                          | <p><b>CalPERS Industrial Disability Retirement of Timothy Kelly</b><br/>         (S. Bennett)</p> <p><i>Approval of the Industrial Disability Retirement of Timothy Kelly.</i></p>   |
|                          | <p><b>Notice of Completion for Secondary Clarifiers Rehabilitation Project</b><br/>         (C. McKinney)</p> <p><i>This project was to install pre-purchased mechanical equipment to rehabilitate two secondary clarifiers originally built in 1984 at the Hale Avenue Resource Recovery Facility.</i></p>  |
|                          | <p><b>FY 2012 Office of Traffic Safety Sobriety Checkpoint Mini-Grant</b><br/>         (J. Maher)</p> <p><i>The California Office Traffic Safety, through the National Highway Safety Administration, funds mobilization grants for sobriety checkpoints throughout California. Grant funds will cover supply costs (Preliminary alcohol-screening device) and overtime costs for approximately six sobriety checkpoints from December 16, 2011 through September 4, 2012.</i></p>                     |
|                          | <p><b>FY 2009 Buffer Zone Protection Plan (BZPP) Grant</b><br/>         (J. Maher)</p> <p><i>The Buffer Zone Protection Program provides grant funding from the Department of Homeland Security to enhance security and risk-management capabilities. If approved, grant funds will be used to purchase security equipment and barriers.</i></p>   |
|                          | <p><b>Asset Forfeiture Fund Budget Adjustment</b><br/>         (J. Maher)</p> <p><i>The U.S. Dept. of Justice allocates a percent of assets to the city which have been seized by officers during local operations. Funds may be used for law enforcement equipment, services or training. The Police Department proposes to allocate funds for officer overtime, a canine, canine handler school, motor officer school, dispatcher training, a radar unit, a scanner, a plotter and printers.</i></p> |

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|--------------------------|--|
| <b>DECEMBER 14, 2011</b> |  |
| <b>Continued</b>         |  |
|                          | <p><b>Amendment to the Existing Lease with the Escondido Fish &amp; Game Association</b><br/>(D. Lundy)</p> <p><i>As part of the discussions for renewing the lease agreement in 2007 (via Reso No. 2007-17), the Lessee initiated several improvements that they wanted to make to the site, including demolition and rebuilding of the Clubhouse. These improvements were incorporated into the Lease Agreement and were required to be substantially completed within five years (by Feb. 2012). Lessee has completed all of the improvements with the exception of the demolition and rebuilding of the Clubhouse. They are now asking to remove this requirement altogether and plan to make certain upgrades to the existing Clubhouse. All upgrades will be in compliance with current codes. Staff does not believe these upgrades are time sensitive or that the current condition of the existing clubhouse poses any health or safety concerns.</i></p> |
|                          | <p><b>Destruction of Police Records</b><br/>(R. Zornado)</p> <p><i>All the listed records have completed their full retention period and are eligible for destruction. These records have no further value to the City.</i></p>  |
| <b>PUBLIC HEARINGS:</b>  |  |
|                          | <p><b>Proposed Change in Water Rates and Fees</b><br/>(C. McKinney)</p> <p><i>Water rate adjustments for 2012.</i></p>   |
|                          | <p><b>Code Amendment AZ 11-0002</b><br/>(B. Redlitz)</p> <p><i>This code amendment implements one of the goals listed in the Economic Development component of the 2011-2012 Council Action Plan to streamline City regulations by consolidating the Design Review Board with the Planning Commission.</i></p>   |
|                          | <p><b>Bid Award for Maple Street Pedestrian Plaza (continued from 12/7/11)</b><br/><b>(R. Zaino)</b></p> <p><i>Maple Street Pedestrian Plaza is a festival street planned between Grand Avenue and West Valley Parkway. Funding includes a \$945,000 SGIP Grant from SANDAG. It is the first phase of the Downtown Pedestrian Corridor Master Plan. The project includes decorative concrete pavers, colored LED lighting, large central oak tree with compass rose, water feature, numerous art features, trellises, gateways, kiosks and a traffic signal at West Valley Parkway and Maple Street.</i></p>   |

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| <b>DECEMBER 14, 2011</b><br><b>Continued</b> |   |
|  | <p><b>Recommendations for Allocation of Federal HOME Investment Partnerships (HOME) Program Funds</b><br/>(J. VanLeeuwen)</p> <p><i>Staff Recommends allocating up to \$1,000,000 of HOME CHDO and Housing Development funds to the El Norte Apartments, a 36-unit affordable housing complex under development by Community HousingWorks. These funds may be used solely for affordable housing purposes (including pre-development costs).</i></p>                                      |
| <b>CURRENT BUSINESS</b>                      |   |
|  | <p><b>Stone Brewery</b><br/>(J. VanLeeuwen)</p> <p><i>(Need Green Sheet)</i></p>  |
|  | <p><b>Modification to Fund Balance Policy and Consulting Agreement for Economic Development Master Plan and CEDS</b><br/>(J. Masterson)</p> <p><i>Through the 2011-2012 City Council Action Plan, the Council directed staff to contract with a consultant to build upon the draft Economic Development element of the General Plan to create a comprehensive Economic Development Plan for Escondido that includes baselines of existing jobs and types of properties available.</i></p> |
|  | <p><b>Building Maintenance Fund Balance</b><br/>(J. VanLeeuwen)</p> <p><i>The Building Maintenance Fund has a positive balance available to fund significant improvements needed for various City facilities. Staff is requesting authorization to move forward on making these deferred maintenance items with City staff or via contract.</i></p>   |
|  | <p><b>Facility Rental Fees for City Facilities and Program Fees for Recreation Programs</b><br/>(J. Van Leeuwen)</p> <p><i>Per Council direction, facility and program fees have been reviewed and recommendation for adjustments will be presented.</i></p>  |
|  | <p><b>Consideration of adjustment to City Council Salary compensation as required by City Council Rules and Procedures, Section (B)(9)</b><br/>(S. Abed &amp; M. Morasco)</p>   |
| <b>Future Agenda Items (M. Whalen)</b>       |   |

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| <b>DECEMBER 21, 2011</b><br><b>NO MEETING (Christmas)</b> |
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