



Council Meeting Agenda

FEBRUARY 1, 2017
CITY COUNCIL CHAMBERS
3:30 P.M. Closed Session; 4:30 P.M. Regular Session
201 N. Broadway, Escondido, CA 92025

MAYOR	Sam Abed
DEPUTY MAYOR	John Masson
COUNCIL MEMBERS	Olga Diaz Ed Gallo Michael Morasco
CITY MANAGER	Graham Mitchell
CITY CLERK	Diane Halverson
CITY ATTORNEY	Jeffrey Epp
DIRECTOR OF COMMUNITY DEVELOPMENT	Bill Martin
DIRECTOR OF ENGINEERING SERVICES	Julie Procopio

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

**February 1, 2017
3:30 P.M. Meeting**

Escondido City Council

CALL TO ORDER

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

ORAL COMMUNICATIONS

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

CLOSED SESSION: (COUNCIL/SUCCESSOR AGENCY/RRB)

- I. CONFERENCE WITH LEGAL COUNSEL-- EXISTING LITIGATION (Government Code 54956.9(d)(1))**
- Case Name:** Nicolas Dapice v. City of Escondido
Case No: WCAB Case No. ADJ6914844
- II. CONFERENCE WITH REAL PROPERTY NEGOTIATOR (Government Code §54956.8)**
- a. **Property:** Horse Arena, 3400 Valley Center Road
City Negotiator: Graham Mitchell, City Manager
Negotiating Parties: Sergio Contreras, President, Association de Charros de El Caballo Park
Under Negotiation: Lease Renewal Terms
- b. **Property:** 901 West Washington Avenue
City Negotiator: Graham Mitchell, City Manager
Under Negotiation: Possible sale, lease, or transfer

- III. PUBLIC EMPLOYMENT PERSONNEL MATTERS (Government Code §54957(b)(1))**
- a. **City Manager**
 - b. **City Attorney**

ADJOURNMENT

A black and white photograph of the Escondido City Council Building, a large, classical-style structure with a prominent dome and arched windows. An American flag flies on a tall pole in front of the building. The scene is framed by a thick, double-lined border.

Council Meeting Agenda

**February 1, 2017
4:30 P.M. Meeting**

Escondido City Council

CALL TO ORDER

MOMENT OF REFLECTION:

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

FLAG SALUTE

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

ORAL COMMUNICATIONS

The public may address the Council on any item that is not on the agenda and that is within the subject matter jurisdiction of the legislative body. State law prohibits the Council from discussing or taking action on such items, but the matter may be referred to the City Manager/staff or scheduled on a subsequent agenda. (Please refer to the back page of the agenda for instructions.) NOTE: Depending on the number of requests, comments may be reduced to less than 3 minutes per speaker and limited to a total of 15 minutes. Any remaining speakers will be heard during Oral Communications at the end of the meeting.

CONSENT CALENDAR

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

1. **AFFIDAVITS OF PUBLICATION, MAILING AND POSTING (COUNCIL/SUCCESSOR AGENCY/RRB)**
2. **APPROVAL OF WARRANT REGISTER (Council/Successor Agency)**
3. **[APPROVAL OF MINUTES: Regular Meeting of January 11, 2017](#)**

4. **[FISCAL YEAR 2015-16 URBAN AREA SECURITY INITIATIVE GRANT AND BUDGET ADJUSTMENT -](#)**

Request the City Council approve accepting \$569,126 in Federal grant funding from the San Diego Office of Homeland Security (SD OHS) for the FY 2015-16 Urban Area Security Initiative (UASI) grant; authorize the Chief of Police or his designee to execute grant documents on behalf of the City; and approve budget adjustments needed to spend grant funds.

Staff Recommendation: **Approval (Police Department: Craig Carter)**

5. **[WALMART COMMUNITY GRANT AND BUDGET ADJUSTMENT -](#)**

Request the City Council approve authorizing the Escondido Police Department to accept a Walmart Community Grant in the amount of \$500; authorize the Chief of Police or his designee to execute grant documents on behalf of the City; and approve budget adjustments needed to spend grant funds.

Staff Recommendation: **Approval (Police Department: Craig Carter)**

6. **[STATE OF CALIFORNIA 911 FOR KIDS FUNDING AND BUDGET ADJUSTMENT -](#)**

Request the City Council approve authorizing the Escondido Police Department to accept \$2,634.94 in funds from the State of California 911 Emergency Communications Office; authorize the Chief of Police or his designee to execute grant documents on behalf of the City; and approve budget adjustments needed to spend grant funds.

Staff Recommendation: **Approval (Police Department: Craig Carter)**

7. **[AWARD OF BID FOR THE PURCHASE OF TWENTY-SEVEN FLEET REPLACEMENT VEHICLES -](#)**

Request the City Council approve the bid award for the purchase of twenty-seven 2017 Fleet Replacement Vehicles to North County Ford in the amount of \$954,196.06. The bid amount includes sales tax, documentation, California State Tire Recycling fees, and a 1.5% discount if paid within 15 days of the invoice date. This purchase is necessary to replace twenty-three vehicles and add four vehicles for various City departments per Exhibit "A." The existing vehicles have been in service between eight (8) and sixteen (16) years, and are being replaced due to exceeding their standard service life expectancy, excessive mileage, and rundown condition.

Staff Recommendation: **Approval (Finance Department: Sheryl Bennett)**

RESOLUTION NO. 2015-15

8. **HOUSING-RELATED PARKS PROGRAM GRANT APPLICATION -**
Request the City Council approve authorizing the Public Works Director or his designee to submit an application to the California Department of Housing and Community Development (HCD) for a Housing-Related Parks (HRP) Program Grant and if approved, authorize the Public Works Director or his designee to enter into, execute, and deliver a State of California Standard Agreement and any and all other documents required or deemed necessary or appropriate to secure the HRP Program Grant
- Staff Recommendation: **Approval (Public Works Department: Ed Domingue)**
RESOLUTION NO. 2017-16
9. **FIRST AMENDMENT TO ESCONDIDO COUNTRY CLUB CONSULTING AGREEMENT AND BUDGET ADJUSTMENT -**
Request the City Council approve authorizing the City Manager to amend an agreement for professional services with Michael Baker International Inc. and approve a Planning Division budget adjustment of \$147,200.
- Staff Recommendation: **Approval (Community Development Department: Bill Martin)**
A) RESOLUTION NO. 2017-17 B) RESOLUTION NO. 2017-21
10. **EMERGENCY REPAIR OF THE SEWER PIPELINE ON NORTH HALE AVENUE -**
Request the City Council approve declaring that pursuant to the terms of Sections 22050 of the California Public Contract Code, the City Council affirms that it was appropriate for City staff to forego normal bidding procedures and to award a contract for emergency repairs of a failed sewer main on Hale Avenue. The resolution, which must be passed by four-fifths vote, also declares that public interest and necessity demand the immediate expenditure to safeguard life, health, or property.
- Staff Recommendation: **Approval (Utilities Department: Christopher W. McKinney)**
RESOLUTION NO. 2017-22

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

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

PUBLIC HEARINGS

11. TAX EQUITY AND FISCAL RESPONSIBILITY ACT PUBLIC HEARING FOR FINANCING BY ESCONDIDO BIOENERGY, LLC, OF A BIOGAS COGENERATION PROJECT AT THE HALE AVENUE RESOURCE RECOVERY FACILITY -

Request the City Council approve the issuance of revenue bonds by the California Municipal Finance Authority. The aggregate principal amount of the bonds is not to exceed \$7,000,000. The Loan will be issued to Escondido Bioenergy, LLC, in order to: (1) finance the construction and equipping of a biogas cogeneration project located onsite at the City of Escondido's Hale Avenue Resource Recovery Facility, to be owned and operated by the Borrower and located within the City of Escondido; and (2) pay certain expenses incurred in connection with the issuance of the Loan, pay capitalized interest, and fund a debt service reserve fund.

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

RESOLUTION NO. 2017-18

12. WATER AND WASTEWATER RATE ADJUSTMENTS FOR 2017 THROUGH 2021 -

Request the City Council approve utility rate adjustments, effective March 1, 2017, to increase Water Fund revenue by 5.5 percent and Wastewater Fund revenue by 5.5 percent; approve future utility rate adjustments, effective March 1 of each year from 2018 through 2021, to increase Water Fund revenue by an additional 5.5 percent annually and Wastewater Fund revenue by an additional 5.5 percent annually; approve annual adjustments through 2021 for two "pass-through" charges: (1) the Infrastructure Access Charge levied by the San Diego Water Authority, and (2) the Readiness-to-Serve Charge levied by the Metropolitan Water District of Southern California; and approve future adjustments through 2021 for "pass-through" volumetric charges imposed by the San Diego County Water Authority for water supplies imported into Escondido.

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

RESOLUTION NO. 2017-14

CURRENT BUSINESS

13. ESCONDIDO BMX COURSE POSSIBLE SITE LOCATIONS -

Request the City Council provide input and direction regarding the establishment of a BMX course at one of four possible sites: Kit Carson Park (2 areas), Mountain View Park, and Jesmond Dene Park; and provide direction on next steps to secure a developer/operator of a BMX course.

Staff Recommendation: **Provide Direction (City Manager's Office: Graham Mitchell)**

FUTURE AGENDA

14. [FUTURE AGENDA -](#)

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

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

COUNCIL MEMBERS' SUBCOMMITTEE REPORTS

CITY MANAGER'S UPDATE/BRIEFING

The most current information from the City Manager regarding Economic Development, Capital Improvement Projects, Public Safety and Community Development.

- [CITY MANAGER'S UPDATE -](#)

ORAL COMMUNICATIONS

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ADJOURNMENT

UPCOMING MEETING SCHEDULE

Date	Day	Time	Meeting Type	Location
February 8	-	-	No Meeting	-
February 15	Wednesday	12:30 PM	City Council Action Plan	Mitchell Room
February 22	Wednesday	8:00 AM	State of the City	CCAE
March 1	Wednesday	3:30 & 4:30 PM	Regular Meeting	Council Chambers

TO ADDRESS THE COUNCIL

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

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

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

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

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

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

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

LIVE BROADCAST

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

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

**The City Council is scheduled to meet the first four Wednesdays
of the month at 3:30 in Closed Session and 4:30 in Open Session.
(Verify schedule with City Clerk's Office)**

**Members of the Council also sit as the Successor Agency to the CDC, Escondido Joint Powers
Financing Authority and the Mobilehome Rent Review Board.**

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



If you need special assistance to participate in this meeting, please contact our ADA Coordinator at 839-4643. Notification 48 hours prior to the meeting will enable the City to make reasonable arrangements to ensure accessibility.

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

CITY OF ESCONDIDO
January 11, 2017
3:30 P.M. Meeting Minutes
Escondido City Council

CALL TO ORDER

The Regular Meeting of the Escondido City Council was called to order at 3:30 p.m. on Wednesday, January 11, 2017 in the Mitchell Room at City Hall with Mayor Abed presiding.

ATTENDANCE:

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

ORAL COMMUNICATIONS

CLOSED SESSION: (COUNCIL/SUCCESSOR AGENCY/RRB)

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

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

a. **Agency Negotiator:** Sheryl Bennett and Graham Mitchell
Employee Organization: Escondido Police Officers' Association

II. CONFERENCE WITH LEGAL COUNSEL-- EXISTING LITIGATION (Government Code 54956.9(d)(1))

Case Name: Nicolas Dapice v. City of Escondido
Case No: WCAB Case No. ADJ6914844

III. 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

City Negotiator: The City of Escondido
Negotiating Parties: Craig Clark
Under Negotiation: Price and Terms of Agreement

- b. **Property:** 272 East Via Rancho Parkway
City Negotiator: The City of Escondido
Negotiating Parties: Westfield
Under Negotiation: Price and Terms of Agreement

Item II was not discussed.

ADJOURNMENT

Mayor Abed adjourned the meeting at 4:50 p.m.

MAYOR

CITY CLERK

DEPUTY CITY CLERK

CITY OF ESCONDIDO
January 11, 2017
4:30 P.M. Meeting Minutes

Escondido City Council

CALL TO ORDER

The Regular Meeting of the Escondido City Council was called to order at 4:52 p.m. on Wednesday, January 11, 2017 in Salon 1 at the California Center for the Arts, Escondido with Mayor Abed presiding.

MOMENT OF REFLECTION:

Scott Smith led the Moment of Reflection.

FLAG SALUTE

Deputy Mayor Masson led the Flag Salute.

ATTENDANCE:

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

Also present were: Graham Mitchell, City Manager; Jeffrey Epp, City Attorney; Bill Martin, Director of Community Development; Julie Procopio, Director of Engineering Services; Diane Halverson, City Clerk; and Jennifer Ekblad, Deputy City Clerk.

ORAL COMMUNICATIONS

CONSENT CALENDAR

MOTION: Moved by Deputy Mayor Masson and seconded by Councilmember Diaz to approve the following Consent Calendar items. Motion carried unanimously.

- 1. AFFIDAVITS OF PUBLICATION, MAILING AND POSTING (COUNCIL/SUCCESSOR AGENCY/RRB)**
- 2. APPROVAL OF WARRANT REGISTER (Council/Successor Agency)**
- 3. APPROVAL OF MINUTES: A) Regular Meeting of September 14, 2016 B) Regular Meeting of December 7, 2016 C) Special Meeting of December 14, 2016**
- 4. APPROVAL OF CALPERS INDUSTRIAL DISABILITY RETIREMENT FOR BEVERLY HOLTZ - Request the City Council approve the California Public Employees' Retirement System (CalPERS) Industrial Disability Retirement for Police Officer Beverly Holtz. (File No. 0170-57)**

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

RESOLUTION NO. 2017-01

5. MEMORANDUM OF UNDERSTANDING BETWEEN THE CITY OF ESCONDIDO AND THE POLICE OFFICERS' ASSOCIATION - NON-SWORN BARGAINING UNIT AND BUDGET ADJUSTMENT -

Request the City Council approve the execution of a Memorandum of Understanding between the City of Escondido and the Police Officers' Association Non-Sworn Bargaining Unit, for a one-year term commencing July 1, 2016 through June 30, 2017 and approve a budget adjustment appropriating \$56,055 to cover increased contract costs. The Fiscal Year 2016-17 General Fund Operating Budget did not allocate funds for contract increases, but it is anticipated that budgetary savings at year end will cover these increased costs. (File No. 0740-30)

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

RESOLUTION NO. 2017-09

6. FINAL MAP, ESCONDIDO TRACT 877, LOCATED AT 1995 BERNARDO AVENUE -

Request the City Council approve the Final Map for Tract 877, a 13-Lot Residential Subdivision located at 1995 Bernardo Avenue. (File No. 0800-10)

Staff Recommendation: **Approval (Engineering Services Department: Julie Procopio)**

7. REJECT ALL BIDS FOR THE JIM STONE POOL RENOVATION PROJECT -

Request the City Council approve rejecting all bids for the Jim Stone Pool Renovation Project and authorize staff to re-bid the project. (File No. 0600-10 [A-3206])

Staff Recommendation: **Approval (Engineering Services Department: Julie Procopio)**

RESOLUTION NO. 2017-08

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

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

PUBLIC HEARINGS

8. TWO ALTERNATIVE MASTER AND PRECISE DEVELOPMENT PLANS AND ZONE CHANGE FOR A PROPOSED INDUSTRIAL DEVELOPMENT AT 1925 HARMONY GROVE ROAD (PHG 16-0012 AND ENV 16-0008) -

Request the City Council approve two alternative Master and Precise Development Plans and a Zone Change from R-1-7 (Single-Family Residential) to PD-I (Planned Development-Industrial) for a proposed industrial development on Harmony Grove Road, south of Enterprise Street, east of Pacific Oaks Place (APN 235-050-58). The two alternative plans are mutually exclusive. Master and Precise Development Plan A would consist of one 98,500 square-foot industrial building, and Master and Precise Development Plan B would consist of three industrial buildings and 86,010 total square feet. The proposal also includes the adoption of the environmental determination prepared for the project. (File No. 0800-40)

Staff Recommendation: **Approval (Community Development Department: Bill Martin)**

ORDINANCE NO. 2017-02 (First Reading and Introduction)

Deputy Mayor John Masson abstained and left the dais.

Bill Martin, Director of Community Development, introduced Mike Strong, Assistant Director of Planning, who presented the staff report utilizing a PowerPoint presentation.

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

Scott Merry, applicant, was available to answer questions and provided information on the project.

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 Diaz and seconded by Councilmember Morasco to approve two alternative Master and Precise Development Plans and a Zone Change from R-1-7 (Single-Family Residential) to PD-I (Planned Development-Industrial) for a proposed industrial development on Harmony Grove Road, south of Enterprise Street, east of Pacific Oaks Place (APN 235-050-58). The two alternative plans are mutually exclusive. Master and Precise Development Plan A would consist of one 98,500 square-foot industrial building, and Master and Precise Development Plan B would consist of three industrial buildings and 86,010 total square feet. The proposal also includes the adoption of the environmental determination prepared for the project. Ayes: Diaz, Gallo, Morasco, Abed. Noes: None. Masson Abstained. Motion carried.

9. APPEAL OF PLANNING COMMISSION DECISION TO APPROVE A CONDITIONAL USE PERMIT FOR A MEMBRANE FILTRATION/REVERSE OSMOSIS FACILITY (MF/RO) LOCATED AT 1201 EAST WASHINGTON AVENUE (PHG 16-0014) -

Request the City Council affirm the Planning Commission's approval of a Conditional Use Permit for the development of a Membrane Filtration/Reverse Osmosis facility (MF/RO) located at 1201 East Washington Avenue. (File No. 0800-40)

Staff Recommendation: **Deny the appeal and affirm the decision of the Planning Commission (Community Development Department: Bill Martin)**

RESOLUTION NO. 2017-07

Adam Finestone, Principal Planner, presented the staff report utilizing a PowerPoint presentation.

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

Russell Nakaoka, Escondido, appellant, spoke in opposition to the proposed location of the project.

Dolores M. McQuiston, Escondido, spoke in opposition to the project and suggested staff should have worked more with the community.

Katherine B. Fromm, Escondido, spoke in opposition to the project at this site.

Marshall Byer, Escondido, spoke in support of the project.

Pamela Stahl, Escondido, read excerpts from an Escondido Creek Conservancy statement.

Geraldine Teutsch, Escondido, spoke in opposition to the proposed location of the facility and suggested the Public Works Yard as an alternative site.

Barbara Takahara, Escondido, spoke in favor of the facility, but opposed the proposed location and suggested alternative uses for the site.

Stewart Taylor, Escondido, spoke in support of the proposed facility.

Juliet M. Taylor, Escondido, spoke in support of the proposed facility.

Alfred Roebuck, Escondido, voiced support for the project, but opposed the proposed location of the facility.

Bob Serrano, Escondido, spoke in opposition to the proposed facility's location near his restaurant.

Norman Maxwell, Escondido, commented in opposition to the proposed facility.

Marilyn Gallegos Ramirez, Escondido, shared support for the need for water recycling use, but opposed the proposed location; suggested delaying the project to look for alternative locations.

Arie de Jong, Escondido, recommended low-income/mixed-use housing for the property.

Chris Nava, Escondido, spoke in favor of the facility, but opposed the proposed location.

David Dryden, Escondido, commented in opposition to the project.

Steve Dickson, Rancho Santa Fe, commented in support of the facility, but opposed to the proposed location.

Randall Roberts, Escondido, shared his concerns with public health & safety issues at the proposed facility.

Consuelo Martinez, Escondido, commented that the local community is opposed to the proposed location; suggested the Public Works Yard as an alternative location; and spoke in opposition to the project at this site.

Arthur Devine, Escondido, suggested the former Police Station, vacant land around the Hale Avenue Resource Recovery Facility, and the Public Works Yard as alternative sites; voiced his opposition to the proposed location.

Stacy Weber, Escondido, spoke in favor of the facility, but opposed to the proposed location.

Cesar Serrano, Escondido, spoke in opposition to the proposed location of the facility

Patricia Borchmann, Escondido, shared various slides of other locations and findings for issuing a CUP.

David Puchta, Escondido, suggested an alternative location for the proposed facility.

Edward Grangetto, Escondido, supports continuation of agriculture in business community and spoke in favor of the proposed facility.

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.

Councilmember Diaz, appellant, reiterated support for agricultural community; voiced opposition to the proposed location of the facility.

MOTION: Moved by Councilmember Morasco and seconded by Deputy Mayor Masson to deny the appeal and affirm the Planning Commission's approval of a Conditional Use Permit for the development of a Membrane Filtration/Reverse Osmosis facility (MF/RO) located at 1201 East Washington Avenue. Ayes: Gallo, Masson, Morasco, Abed. Noes: Diaz. Motion carried.

CURRENT BUSINESS

10. APPOINTMENT TO PLANNING COMMISSION -

Request the City Council ratify the Mayor's appointments to the Planning Commission. (File No. 0120-10)

Staff Recommendation: **Ratify Appointments (City Clerk's Office: Diane Halverson)**

Joe Garcia, Escondido, addressed the Council concerning his experience and was available to answer questions.

Consuelo Martinez, Escondido, shared her concern that the applicant lacks planning background.

MOTION: Moved by Mayor Abed and seconded Councilmember Morasco by to ratify the Mayor's appointment of Joe Garcia to the Planning Commission. Ayes: Gallo, Masson, Morasco, Abed. Noes: Diaz. Motion carried.

11. REVIEW AND UPDATE OF CURRENT COUNCIL SUBCOMMITTEE AND MEMBER ASSIGNMENTS -

Request the City Council make determinations and ratify members to serve on the Council/Mayoral appointed subcommittees per the attached listing. (File No. 0610-55)

Staff Recommendation: **None**

MOTION: Moved by Deputy Mayor Masson and seconded by Councilmember Morasco to maintain the current listing of the Council Appointed Regional Subcommittees, Mayoral Appointed Regional Subcommittees, Mayoral Appointed Local Subcommittees, and Mayoral Appointed Ad Hoc Committees. Ayes: Diaz, Gallo, Masson, Morasco, Abed. Noes: None. Motion carried.

FUTURE AGENDA

12. FUTURE AGENDA -

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

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

COUNCIL MEMBERS' SUBCOMMITTEE REPORTS

Councilmember Morasco reported on the Regional Solid Waste Committee meeting in regards to potential State mandates for processing organic waste.

Deputy Mayor Masson reported on the League of California Cities meeting to take place in Sacramento next week.

Councilmember Gallo reported that the North County Transit District's nominating committee appointed a chair and vice chair.

Mayor Abed reported in that SANDAG Board of Directors approved active transportation funding for Escondido; discussed the failure to pass Transnet Proposition A; and discussed the I-5 and 78 expansion projects.

CITY MANAGER'S UPDATE/BRIEFING

The most current information from the City Manager regarding Economic Development, Capital Improvement Projects, Public Safety and Community Development.

- **CITY MANAGER'S UPATE -**

ORAL COMMUNICATIONS

ADJOURNMENT

Mayor Abed adjourned the meeting at 7:31 p.m.

MAYOR

CITY CLERK

DEPUTY CITY CLERK

**CITY OF ESCONDIDO
SUBCOMMITTEE & AD HOC APPOINTMENTS
2017 - 2018**

CITY COUNCIL APPOINTED (REGIONAL) SUBCOMMITTEES			
NAME OF AGENCY	COUNCIL REPRESENTATIVE	STAFF LIAISON	NOTES
NORTH COUNTY TRANSIT DISTRICT	Ed Gallo Michael Morasco (Alternate)	Ed Domingue	
SANDAG	Sam Abed John Masson (Alternate) Ed Gallo (2 nd Alternate)	Julie Procopio Bill Martin	
SAN DIEGUITO RIVER VALLEY Regional Open Space Park JPA Board	Olga Diaz Mike Morasco (Alternate)	Loretta McKinney	
MAYORAL APPOINTED (REGIONAL) SUBCOMMITTEES			
NAME OF AGENCY	COUNCIL REPRESENTATIVE	STAFF LIAISON	NOTES
ABAG	Sam Abed		Voting delegate is the Mayor who may appoint alternates (Reso 98-262)
LEAGUE OF CALIFORNIA CITIES	John Masson	City Manager	
REGIONAL SOLID WASTE ASSOCIATION BOARD	Mike Morasco	Laura Robinson	Initial appointment 9/17/03
ESCONDIDO CREEK WATERSHED ALLIANCE (ECWA)	Olga Diaz	Chris McKinney	Cities of Encinitas, Solana Beach; San Diego County; Escondido Creek Conservancy; San Elijo Lagoon Conservancy; state & federal agencies <i>(Meets Quarterly)</i>
SAN DIEGO COUNTY WATER AUTHORITY	Ed Gallo	Chris McKinney	Initial appointment 4/10/13; Reappointed on 9/14/16.

CITY OF ESCONDIDO
SUBCOMMITTEE & AD HOC APPOINTMENTS
2017 – 2018

MAYORAL APPOINTED (LOCAL) SUBCOMMITTEES			
NAME OF COMMITTEE	COUNCIL REPRESENTATIVE	STAFF LIAISON	NOTES
ANNUAL AWARD SELECTIONS <i>Mayor's State Of City Address</i>	John Masson Mike Morasco	Teresa Collins	Meets annually
CCAЕ	Ed Gallo Mike Morasco	Chris McKinney	<i>(Established 12-16-09 - former ad hoc committee)</i>
ECONOMIC DEVELOPMENT	Sam Abed John Masson	Michelle Geller	
SCHOOL SUBCOMMITTEE	Mike Morasco Olga Diaz	City Manager	
UTILITIES SUBCOMMITTEE	Ed Gallo Mike Morasco	Chris McKinney	Originally established 9/19/07 as an ad hoc; became permanent 2/24/10
MAYORAL APPOINTED AD HOC COMMITTEES			
NAME OF COMMITTEE	COUNCIL REPRESENTATIVE	STAFF LIAISON	NOTES <i>Not subject to Brown Act</i>
DOWNTOWN PARKING <i>(Established. 4/6/05)</i>	Olga Diaz Ed Gallo	Julie Procopio	Temporary liaison to make recommendations on interim and long-term parking concerns.



CITY COUNCIL

For City Clerk's Use:

APPROVED DENIED

Reso No. _____ File No. _____

Ord No. _____

Agenda Item No.: 4
Date: February 1, 2017

TO: Honorable Mayor and Members of the City Council

FROM: Craig Carter, Chief of Police

SUBJECT: FY 2015-16 Urban Area Security Initiative (UASI) Grant

RECOMMENDATION:

It is requested that the City Council accept \$569,126 in Federal grant funding from the San Diego Office of Homeland Security (SD OHS) for the FY 2015-16 Urban Area Security Initiative (UASI) grant; authorize the Chief of Police or his designee to execute grant documents on behalf of the City; and approve budget adjustments needed to spend grant funds.

FISCAL ANALYSIS:

This action will have no impact on the General Fund Budget. Funds allocated to the City will be used to cover mandatory updates for dispatch equipment and for Police and Fire training.

PREVIOUS ACTION:

On April 6, 2016, the City Council accepted \$19,508 in funds from a FY 2014-15 Urban Area Security Initiative (UASI) grant.

SUMMARY:

The Escondido Police and Fire Departments received a total of \$569,126 in FY 2015-16 UASI Grant funds. The funding must be spent on the following: \$550,000 to cover mandatory updates for dispatch equipment, and \$19,126 for Police and Fire training.

Respectfully submitted,

Craig Carter
Chief of Police



CITY OF ESCONDIDO
BUDGET ADJUSTMENT REQUEST

Date of Request: January 23, 2017
Department: Police
Division: Administration
Project/Budget Manager: Lisa Rodelo 4905
Council Date (if applicable): February 1, 2017

For Finance Use Only
Log # BA 02-03
Fiscal Year 2017
Budget Balances
General Fund Accts
Revenue
Interfund Transfers
Fund Balance

Table with 4 columns: Project/Account Description, Account Number, Amount of Increase, Amount of Decrease. Contains entries for Revenue and Police Grants.

Explanation of Request:
A budget adjustment is needed to spend FY 2015-16 UASI funds.

APPROVALS
Department Head: [Signature] 1/24/17
Finance: [Signature] 1/24/17
City Manager: _____ Date
City Clerk: _____ Date

Distribution (after approval): Original: Finance

CITY COUNCIL

For City Clerk's Use:

APPROVED **DENIED**

Reso No. _____ File No. _____

Ord No. _____

Agenda Item No.: 5
Date: February 1, 2017

TO: Honorable Mayor and Members of the City Council

FROM: Craig Carter, Chief of Police

SUBJECT: Walmart Community Grant

RECOMMENDATION:

It is requested that the City Council authorize the Escondido Police Department to accept a Walmart Community Grant in the amount of \$500; authorize the Chief of Police or his designee to execute grant documents on behalf of the City; and approve budget adjustments needed to spend grant funds.

FISCAL ANALYSIS:

This action will have no impact on the General Fund Budget. Funds allocated to the City will be used to purchase community supplies.

PREVIOUS ACTION:

No previous action

BACKGROUND:

The Escondido Police Department received a Walmart Community Grant in the amount of \$500. Grant funds will be used to purchase Police Department supplies for community events including Crusin' Grand, the Escondido Street Faire, the Grape Day Celebration, and the Independence Day Celebration.

Respectfully submitted,


Craig Carter
Chief of Police



CITY OF ESCONDIDO
BUDGET ADJUSTMENT REQUEST

Date of Request: January 23, 2017
 Department: Police
 Division: Administration
 Project/Budget Manager: Lisa Rodelo 4905
 Name Extension
 Council Date (if applicable): February 1, 2017
 (attach copy of staff report)

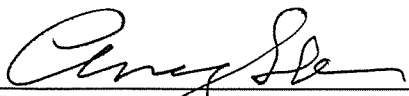
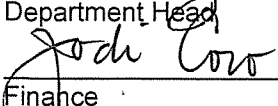
For Finance Use Only
 Log # BA 02-04
 Fiscal Year 2017
 _____ Budget Balances
 _____ General Fund Accts
 _____ Revenue
 _____ Interfund Transfers
 _____ Fund Balance

Project/Account Description	Account Number	Amount of Increase	Amount of Decrease
Revenue	4126-450-New Project Number	\$500	Revenue
Police Grants	450-New Project Number	\$500	Police Grants

Explanation of Request:

A budget adjustment is needed to spend FY 2016-17 Walmart Grant for community supplies.

APPROVALS


 Department Head _____ Date _____

 Finance _____ Date 1/24/17

City Manager _____ Date _____
 City Clerk _____ Date _____

Distribution (after approval): Original: Finance



CITY COUNCIL

For City Clerk's Use:

APPROVED DENIED

Reso No. _____ File No. _____

Ord No. _____

Agenda Item No.: 6

Date: February 1, 2017

TO: Honorable Mayor and Members of the City Council

FROM: Craig Carter, Chief of Police

SUBJECT: State of California 9-1-1 For Kids Funding

RECOMMENDATION:

It is requested that the City Council authorize the Escondido Police Department to accept \$2,634.94 in funds from the State of California 9-1-1 Emergency Communications Office; authorize the Chief of Police or his designee to execute grant documents on behalf of the City; and approve budget adjustments needed to spend grant funds.

FISCAL ANALYSIS:

This action will have no impact on the General Fund Budget. Funds allocated to the City will be used to purchase 9-1-1 educational materials.

PREVIOUS ACTION:

On November 18, 2015, the City Council accepted \$2,601.90 in funds from the State of California 9-1-1 Emergency Communications Office for the 9-1-1 For Kids program.

BACKGROUND:

The Escondido Police Department has qualified for funding to reimburse costs for 9-1-1 education materials. Each year Escondido Public Safety Dispatchers visit local schools and provide information about how students can correctly use 9-1-1. The 9-1-1 For Kids educational material focuses on appropriate reasons to call 9-1-1, how to properly dial 9-1-1 and what to say to the 9-1-1 dispatcher.

Respectfully submitted,


Craig Carter
Chief of Police



CITY OF ESCONDIDO
BUDGET ADJUSTMENT REQUEST

Date of Request: January 23, 2017
Department: Police
Division: Administration
Project/Budget Manager: Lisa Rodelo 4905
Name Extension
Council Date (if applicable): February 1, 2017
(attach copy of staff report)

For Finance Use Only
Log # BA 02-02
Fiscal Year 2017
 Budget Balances
 General Fund Accts
 Revenue
 Interfund Transfers
 Fund Balance

Project/Account Description	Account Number	Amount of Increase	Amount of Decrease
Revenue	4127-451-911KID	\$2,634.94	Revenue
Police Grants	451-911KID	\$2,634.94	Police Grants

Explanation of Request:

A budget adjustment is needed to spend FY 2016-17 State of California 9-1-1 For Kids Funds for 9-1-1 educational material.

APPROVALS

[Signature] 1/24/17
Department Head Date
[Signature] 1/24/17
Finance Date

City Manager Date

City Clerk Date

Distribution (after approval): Original: Finance



CITY COUNCIL

For City Clerk's Use:

APPROVED DENIED

Reso No. _____ File No. _____

Ord No. _____

Agenda Item No.: 7
Date: February 1, 2017

TO: Honorable Mayor and Members of the City Council
FROM: Sheryl Bennett, Director of Administrative Services
Joan Ryan, Assistant Finance Director
SUBJECT: Award of Bid for the Purchase of Twenty-Seven Fleet Replacement Vehicles

RECOMMENDATION:

It is requested that the City Council adopt Resolution No. 2017-15, approving the bid award for the purchase of twenty-seven 2017 Fleet Replacement Vehicles to North County Ford in the amount of \$954,196.06. The bid amount includes sales tax, documentation, California State Tire Recycling fees, and a 1.5 percent discount if paid within 15 days of the invoice date. This purchase is necessary to replace twenty-three vehicles and add four additional vehicles for various City departments per Exhibit "A," which is attached to this staff report. The existing vehicles have been in service between eight (8) and sixteen (16) years, and are being replaced due to exceeding their standard service life expectancy, excessive mileage, and rundown condition.

FISCAL ANALYSIS:

Sufficient funds are available in the Fleet Services Vehicle Replacement Fund.

BACKGROUND:

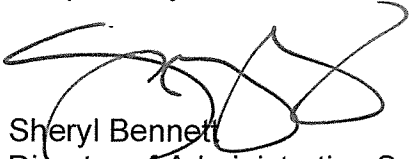
Requests for bids were sent to nine vendors on December 15, 2016, including our local vendor Ford of Escondido. Three bids were received and opened on January 5, 2017. The bid results are as follows:

Vendor	Amount Bid
Ken Grody Ford	\$910,557.27
North County Ford	\$954,196.06
Kearny Pearson Ford	\$979,729.54

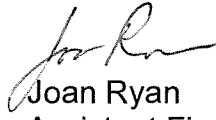
Joe Goulart, Fleet Superintendent, reviewed the bids and recommends the bid award to North County Ford in the amount of \$954,196.06. Although the bid received from Ken Grody Ford appeared to be the lowest, it did not conform to the City's bid specifications. The bid excluded required additional Key Fobs and Extended Power Train Warranty for each vehicle. The bid was deemed incomplete and was disqualified as non-responsive. North County Ford was determined to be the next lowest responsive and responsible bidder who conformed to the City's bid specifications and requirements.

Award of Bid for the Purchase of Twenty-Seven Fleet Replacement Vehicles
February 1, 2017
Page 2

Respectfully submitted,



Sheryl Bennett
Director of Administrative Services



Joan Ryan
Assistant Finance Manager

Award of Bid for the Purchase of Twenty-Seven Fleet Replacement Vehicles
 February 1, 2017
 Page 3

Exhibit "A"

Description	Quantity	Department	Disposition
New 2017 Ford C-MAX Hybrid SE (P5A), 2.0L iVCT Atkinson Hybrid Engine (99U) eCVT Transmission (44J)	1	Environmental	Replacement
New 2017 Ford Fusion Hybrid SE (POL), 2.0L iVCT Atkinson Hybrid Engine (99U) eCVT Transmission (44J)	4	(3) Police (1) HARRF	Replacement Replacement
New 2017 Ford Flex SEL AWD (K6C), 3.5L Ti-VAC V6, 6-Speed Select Shift Transmission (998/44J)	1	Police	Replacement
New 2017 Ford Transit Connect SWB Van XL, Cargo Van/Rear Lift gate with Fixed Glass (E6E)	1	City Clerk	NEW
New 2017 Ford Transit 8-Passenger Wagon XL, Medium Roof, (K1C), 3.5L EcoBoost V6 (99G), 6-Speed Transmission (446), 3.31 Rear Axle (X31), Vinyl Front and Rear Floor Covering	1	Recycling	Replacement
New 2017 Ford F-150 SuperCrew XLT 4X2, 6.5' Box, 157" Wheelbase (W1C), 3.5L EcoBoost V6 (99G), 10-Speed Auto Transmission (44G), 3.55 Electronic Locking Rear Axle (XL9)	1	Police	Replacement
New 2017 Ford F-250 Super Duty, Crew Cab, 4X4, 160" Wheelbase, 6 ¾" Box (W2B), 6.7L Power Stroke Diesel (99T), 6-Speed Automatic Transmission (44W), 3.55 Electronic Locking Rear Axle (X3J)	1	Fire	Replacement
New 2017 Ford F-150 XL SuperCab 4X2, 145" Wheelbase, 6.5' Box (X1C), 5.0L Flex-Fuel V8 (99F), 6-Speed Automatic Transmission (446), 3.55 Electronic Locking Rear Axle (XL9)	7	(3) Water (3) HARRF (1) Environmental	Replacement Replacement Replacement

Award of Bid for the Purchase of Twenty-Seven Fleet Replacement Vehicles
 February 1, 2017
 Page 4

New 2017 Ford F-150 XL SuperCrew, 4X4, 157" Wheelbase, 6.5" Box (W1E), 5.0L Flex-Fuel V8 (99F), 6-Speed Automatic Transmission (446), 3.55 Electronic Locking Rear Axle (XL9)	2	(1) HARRF (1) WTP	Replacement NEW
New 2017 Ford F-250 XL Super Duty, Regular Cab 4X2, 142" Wheelbase, 8' Box (F2A), 6.2L V8 and 6-Speed Automatic Transmission (996/44S), 3.73 Electronic Locking Rear Axle (X3E)	1	Streets	Replacement
New 2017 Ford E-450 Cutaway Chassis, 158" Wheelbase (E4F), 6.8L V8 (99S), Electronic 6-speed Automatic Transmission with Tow/Haul mode (44P), 4.56 Limited-Slip Rear Axle (XF3), Air Conditioning, Vinyl Flooring.	1	Police	NEW
New 2017 Ford F-350 XL Super Duty Chassis Cab, Regular Cab 4X2, 60" CA, 145" Wheelbase, SRW (F3E), 6.2L V8 and 6-Speed Automatic Transmission (996/44P), 3.73 Electronic Locking Rear Axle (X3E), with a 9' Utility Service Body mounted to the F-350.	1	Streets	Replacement
New 2017 Ford F-350 XL Super Duty Chassis Cab, Super Cab 4X2, 60" CA, 168" Wheelbase, SRW (X3E), 6.2L V8 and 6-Speed Automatic Transmission (996/44P), 3.73 Electronic Locking Rear Axle (X3E), with a 9' Utility Service Body mounted to the F-350.	4	(3) Streets (1) HARRF	Replacement Replacement
New 2017 Ford F-550 XL Super Duty Chassis Cab, Regular Cab 4X2, 60 CA, 145" Wheelbase, DRW (F5G), 6.8L V10 and 6-Speed Automatic Transmission (99Y/44P),	1	WTP	NEW

Award of Bid for the Purchase of Twenty-Seven Fleet Replacement Vehicles
February 1, 2017
Page 5

4.88 Limited-Slip Rear Axle (X8L)), with a 9' Utility Service Body mounted to the F-550.			
Total Vehicle Purchase:	27		

RESOLUTION NO. 2017-15

A RESOLUTION OF THE CITY COUNCIL OF
THE CITY OF ESCONDIDO, CALIFORNIA,
AUTHORIZING THE CITY COUNCIL TO
APPROVE THE BID AWARD FOR THE
PURCHASE OF TWENTY-SEVEN FLEET
REPLACEMENT VEHICLES TO NORTH
COUNTY FORD

WHEREAS, the City of Escondido routinely replaces its fleet vehicles based on their years in service, mileage, and conditions; and

WHEREAS, sufficient funds are available in the Fleet Services Vehicle Replacement Fund; and

WHEREAS, the City of Escondido duly published an invitation for bids for twenty-seven (27) fleet replacement vehicles, which included detailed bid specifications; and

WHEREAS, three (3) bids were received and evaluated on January 5, 2017; and

WHEREAS, North County Ford was determined to be the lowest responsive and responsible bidder who conformed to the City's bid specifications and requirements; and

WHEREAS, staff recommends awarding the bid to North County Ford in the amount of \$954,196.06; and

WHEREAS, the City Council desires at this time and deems it to be in the best public interest to award the bid to North County Ford.

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 staff and finds North County Ford to be the lowest responsive and responsible bidder who conformed to the City's bid specifications and requirements.
3. That the City Council is authorized to approve on behalf of the City, the bid award to North County Ford for the purchase of twenty-seven (27) 2017 fleet replacement vehicles.

CITY COUNCIL

For City Clerk's Use:

APPROVED **DENIED**

Reso No. _____ File No. _____

Ord No. _____

Agenda Item No.: 8
Date: February 1, 2017

TO: Honorable Mayor and Members of the City Council

FROM: Edward N. Domingue, Public Works Director
Karen Youel, Management Analyst

SUBJECT: Housing-Related Parks Program Grant Application

RECOMMENDATION:

It is requested that the City Council adopt Resolution No. 2017-16, authorizing the Public Works Director or his designee to submit an application to the California Department of Housing and Community Development (HCD) for a Housing-Related Parks (HRP) Program Grant. It is additionally requested that if the application is approved, the Public Works Director or his designee be authorized to enter into, execute, and deliver a State of California Standard Agreement and any and all other documents required or deemed necessary or appropriate to secure the HRP Program Grant.

FISCAL ANALYSIS:

The requested grant will provide up to \$1,207,000 to be used for park and recreation facility rehabilitation. No match is required.

CORRELATION TO THE CITY COUNCIL ACTION PLAN:

This item relates to the City Council's Action Plan regarding Neighborhood Improvement.

PREVIOUS ACTION:

The City received \$251,750 in HRP funds in 2012. The funds were used for improvements to Grape Day Park, Jim Stone Pool and Washington Park.

The City received \$674,850 in HRP funds in 2014. The funds were used for improvements to Jim Stone Pool, Washington Park Pool and East Valley Community Center.

The City received \$685,450 in HRP funds in 2015. The funds have been reserved for improvements to Park Avenue Community Center, East Valley Community Center, Grape Day Park, Washington Park Pool and Recreation Center, Jim Stone Pool and Oak Hill Activity Center.

The City received \$161,600 in HRP funds in 2016. The funds have been reserved for improvements to Jim Stone Pool, Washington Park Pool and playgrounds at Westside Park and Grove Park.

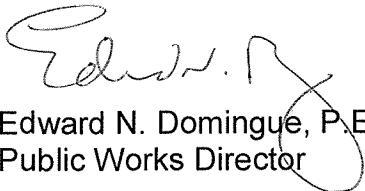
BACKGROUND:

The CA Department of Housing and Community Development (HCD) has released revised program guidelines (Guidelines) for funding through the Housing-Related Parks (HRP) Program (Program). The HRP Program is designed to encourage cities and counties to develop new residential housing by rewarding those jurisdictions that approve housing affordable to lower-income households. The HRP Program was funded through Proposition 1C, the Housing and Emergency Shelter Trust Fund Act of 2006, Health and Safety Code Section 53545, subdivision (d), and originally established pursuant to Chapter 641, Statutes of 2008 (AB 2494, Caballero), at Chapter 8 of Part 2 of Division 31 of the Health and Safety Code (commencing with Section 50700), and subsequently amended pursuant to Chapter 779, Statutes 2012 (AB 1672, Torres).

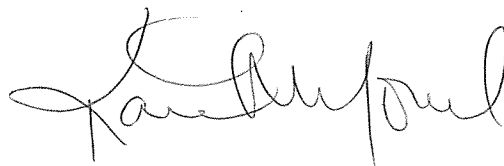
The HRP Program awards funds on a per-bedroom basis for each residential unit affordable to very low and low-income households permitted during the designated Program year. Due to City investment in Cypress Cove, the Solutions for Change project, and state investment in Summit Rose Apartments, the City is now able to apply for up to \$1,207,000 in order to construct, rehabilitate, or acquire capital assets and/or costs incidental to park and recreation facility creation, development, or rehabilitation. The application does not obligate the City for any future activity but acknowledges past efforts. As this is the final cycle of the HRP Program, HCD may award grants less than the requested amount.

The City of Escondido has seven parks and five centers in low-moderate income, park deficient neighborhoods. As the grant can be used for renovations, staff recommends submitting the application focusing on rehabilitation efforts at the Mathes Center, Park Avenue Community Center, East Valley Community Center, and Don Anderson Community Building; as well as restroom upgrades, CPTED projects, and playground improvements at Washington Park, Westside Park, Grove Park, Grape Day Park and Elmwood Park.

Respectfully submitted,



Edward N. Domingue, P.E.
Public Works Director



Karen Youel
Housing & Neighborhood Services Manager

RESOLUTION NO. 2017-16

A RESOLUTION OF THE CITY COUNCIL OF
THE CITY OF ESCONDIDO, CALIFORNIA,
AUTHORIZING AN APPLICATION FOR A
HOUSING RELATED PARKS PROGRAM
GRANT

WHEREAS, the State of California, Department of Housing and Community Development (Department) has issued a Notice of Funding Availability dated November 16, 2016 (NOFA), under its Housing-Related Parks (HRP) Program; and

WHEREAS, the City of Escondido ("Applicant") desires to apply for a HRP Program Grant and submit the 2016 Designated Program Year Application Package released by the Department for the HRP Program; and

WHEREAS, the Department is authorized to approve funding allocations for the HRP Program, subject to the terms and conditions of the NOFA, Program Guidelines, Application Package, and Standard Agreement.

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

1. That the above recitations are true.
2. That the Applicant is hereby authorized and directed to apply for and submit to the Department the HRP Program Application Package released November 2016, for the 2016 Designated Program Year in an amount not to exceed \$1,210,000.00. If the application is approved, the Applicant is hereby authorized and directed to enter into,

execute, and deliver a State of California Standard Agreement (“Standard Agreement”) in an amount not to exceed \$1,210,000.00, and any and all other documents required or deemed necessary or appropriate to secure the HRP Program Grant from the Department, and all amendments thereto (collectively, the “HRP Grant Documents”).

3. That the Applicant shall be subject to the terms and conditions as specified in the Standard Agreement. Funds are to be used for allowable capital asset project expenditures to be identified in Exhibit “A” of the Standard Agreement. The application in full is incorporated as part of the Standard Agreement. Any and all activities funded, information provided, and timelines represented in the application are enforceable through the Standard Agreement. Applicant hereby agrees to use the funds for eligible capital asset(s) in the manner presented in the application as approved by the Department and in accordance with the NOFA and Program Guidelines and Application Package.

4. That the Director of Public Works or his designee is authorized to execute in the name of the Applicant, the HRP Program Application Package and the HRP Grant Documents as required by the Department for participation in the HRP Program.



CITY COUNCIL

For City Clerk's Use:

APPROVED DENIED

Reso No. _____ File No. _____

Ord No. _____

Agenda Item No.: 9
Date: February 1, 2017

TO: Honorable Mayor and Members of the City Council
FROM: Bill Martin, Director of Community Development
SUBJECT: First Amendment to Escondido Country Club Consulting Agreement

RECOMMENDATION:

It is requested that the City Council adopt Resolution No. 2017-17, authorizing the City Manager to amend an agreement for professional services with Michael Baker International Inc. and adopt Resolution No. 2017-21, approving a Planning Division budget adjustment of \$147,200.

DESCRIPTION OF REQUEST:

The City is requesting the City Council approve an amendment to a professional services agreement to provide additional services for the City's review of the Escondido Country Club project proposal ("First Amendment"). Approval of the request will increase the budget for professional services and authorize an amendment to the agreement for additional work. Authorizing this request does not have a legally binding effect on any possible future discretionary action.

FISCAL ANALYSIS:

The First Amendment would provide additional support to help facilitate the City's review of the development plan proposals. The services to be provided under the original agreement and this First Amendment will be fully funded by the project applicant, with no cost to the City.

The estimated total cost of the professional services is \$147,200. The project applicant, New Urban West Inc., has already deposited \$57,600 into a holding account and entered into an agreement to pay for the total cost of the professional services. City Council Resolution No. 2017-21 approves a budget adjustment of \$147,200 to transfer funds into Account Number 5131-001-200 (Professional Services). After the City Council authorizes the budget appropriation, the project applicant will deposit any outstanding balance to the City.

BACKGROUND:

Currently, the City's Planning Division is experiencing an increase in development applications, which impacts staff resources. Staff has made every effort to minimize delays and is evaluating

opportunities to maintain and promote organizational effectiveness and efficiency. One such strategy is through the use of professional consultants. Consultants are not employees of the City, but are used as a third-party resource to help expedite planning services, environmental services, and project case file management during temporary increases in the volume of applications. Council previously approved a similar agreement to accommodate review of the Safari Highlands project proposal.

Previously, the City entered into an agreement with Michael Baker International for professional services based on the demonstrated competence the professional qualifications necessary for the satisfactory performance of the services. A copy of the original agreement is provided in Exhibit A.

This First Amendment is needed to provide additional services of approximately \$89,600, increasing the overall contract budget for professional services from \$57,600 to \$147,200. Resolution No. 2017-21 has been submitted to the City Council to approve a total budget appropriation of \$147,200, which includes the total estimated costs for the professional services. Through a deposit agreement, New Urban West Inc. will fund the remaining balance of the contract fee amount.

Respectfully Submitted,



Bill Martin
Director of Community Development



Mike Strong
Assistant Planning Director

EXHIBIT "A"



CITY OF ESCONDIDO
CONSULTING AGREEMENT

This Agreement is made this 16th day of November, 2016.

Between: CITY OF ESCONDIDO
a Municipal Corporation
201 N. Broadway
Escondido, California 92025
Attn: Bill Martin, Director of Community Development
760-839-4557
("CITY")

And: Michael Baker International, Inc.
9755 Clairemont Mesa Blvd.
San Diego, CA 92124
Attn: Kristin M. Blackson
Kristin.blackson@mbakerintl.com
858 614-5007
("CONSULTANT")

Witness that whereas:

- A. It has been determined to be in the CITY's best interest to retain the professional services of a CONSULTANT to conduct the Planning Division review of the New Urban West, Inc. Environmental and Discretionary Permit General Applications submitted to the CITY on October 31, 2016 (CITY Planning Case Numbers SUB 16-0009, ENV 16-0010, and PHG 16-0018); and
- B. The CONSULTANT is considered competent to perform the necessary professional services for CITY;

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

1. Services. The CONSULTANT will furnish all of the services as described in "Attachment A" which is attached and incorporated by this reference.
2. Compensation. The CITY will pay the CONSULTANT in accordance with the conditions specified in "Attachment A," in the sum **not to exceed \$571600**. Any breach of this Agreement will relieve CITY from the obligation to pay CONSULTANT, if CONSULTANT has not corrected the breach after CITY provides notice and a reasonable time to correct it. If this Agreement is amended at any time, additional compensation of CONSULTANT contained in subsequent amendment(s) shall not exceed \$100,000.

3. Scope of Compensation. The CONSULTANT will be compensated for performance of tasks specified in "Attachment A" only. No compensation will be provided for any other tasks without specific prior written consent from the CITY.
4. Duties. CONSULTANT will be responsible for the professional quality, technical accuracy, timely completion, and coordination of all reports and other services furnished by the CONSULTANT under this Agreement, except that the CONSULTANT will not be responsible for the accuracy of information supplied by the CITY.
5. Personnel. The performance of services under this Agreement by certain professionals is significant to the CITY. CONSULTANT will assign the persons listed on "Attachment B," which is attached and incorporated by this reference, to perform the Services described in Paragraph 1, and will not add or remove persons from the list without the prior written consent of the CITY, which shall not be unreasonably withheld. If no designation is made, then CONSULTANT may not assign services without obtaining the advance written consent of the CITY. CONSULTANT will not subcontract any tasks under this Agreement without obtaining the advance written consent of the CITY.
6. Termination. Either CONSULTANT or the CITY may terminate this Agreement with thirty (30) days advance written notice. In the event of termination pursuant to this section, CITY shall pay CONSULTANT for all services performed up to and including the date of termination, provided that the services are not the subject of a claim of breach of contract.
7. City Property. All original documents, drawings, electronic media, and other material prepared by CONSULTANT under this Agreement immediately becomes the exclusive property of the CITY, and may not be used by CONSULTANT for any other purpose without prior written consent of the CITY.
8. Insurance.
 - a. The CONSULTANT shall secure and maintain at its own cost, for all operations, the following insurance coverage, unless reduced by the City Attorney:
 - (1) General liability insurance. Occurrence basis with minimum limits of \$1,000,000 each occurrence, \$2,000,000 General Aggregate, and \$1,000,000 Products/Completed Operations Aggregate; and
 - (2) Automobile liability insurance of \$1,000,000 combined single-limit per accident for bodily injury and property damage, unless waived as provided in 8(b) below; and
 - (3) Workers' compensation and employer's liability insurance as required by the California Labor Code, as amended, or certificate of sole proprietorship; and
 - (4) Errors and Omissions professional liability insurance with minimum coverage of \$1,000,000.
 - b. It is the parties' understanding that the use of a motor vehicle is not a primary subject of this Agreement. CONSULTANT acknowledges that operating a motor vehicle is outside the scope of this Agreement and occurs only at the convenience of the CONSULTANT. A waiver of automobile liability insurance is only effective if both sets of initials appear below, otherwise such insurance is required.

Acknowledged by CONSULTANT _____

Waiver appropriate by CITY _____

- c. Each insurance policy required above must be acceptable to the City Attorney.
 - (1) Each policy must provide for written notice within no more than thirty (30) days if cancellation or termination of the policy occurs. Insurance coverage must be provided by an A.M. Best's A- rated, class V carrier or better, admitted in California, or if non-admitted, a company that is not on the Department of Insurance list of unacceptable carriers.
 - (2) All non-admitted carriers will be required to provide a service of suit endorsement in addition to the additional insured endorsement.
 - (3) Both the General Liability and the Automobile Liability policies must name the CITY specifically as an additional insured under the policy on a separate endorsement page. The CITY includes its officials, employees, and volunteers. The endorsement must be ISO Form CG 20 10 11 85 edition or its equivalent for General Liability endorsements and CA 20 01 for Automobile Liability endorsements.
 - (4) The General Liability policy must include coverage for bodily injury and property damage arising from CONSULTANT's work, including its on-going operations and products-completed operations hazard.
 - (5) The General Liability policy must be primary and noncontributory and any insurance maintained by CITY is excess.
 - d. In executing this Agreement, CONSULTANT agrees to have completed insurance documents on file with the CITY within fourteen (14) days after the date of execution. Failure to comply with insurance requirements under this Agreement will be a material breach of this Agreement, resulting in immediate termination at CITY's option.
9. Indemnification. CONSULTANT (which in this paragraph 9 includes its agents, employees and subcontractors, if any) agrees to indemnify, defend, and hold harmless the CITY from all claims, lawsuits, damages, judgments, loss, liability, or expenses, including attorneys' fees, for any of the following:
- a. Any claim of liability arising out of the negligence or any acts or omissions of CONSULTANT in the performance of this Agreement;
 - b. Any personal injuries, property damage or death that CONSULTANT may sustain while using CITY-controlled property or equipment, while participating in any activity sponsored by the CITY, or from any dangerous condition of property; or
 - c. Any injury or death which results or increases by any action taken to medically treat CONSULTANT.
10. Anti-Assignment Clause. The CONSULTANT may not assign, delegate or transfer any interest or duty under this Agreement without advance written approval of the CITY, and any attempt to do so will immediately render this entire Agreement null and void. Unless CONSULTANT assigns this entire Agreement, including all rights and duties herein, to a third party with the CITY'S written consent, CONSULTANT shall be the sole payee

under this Agreement. Any and all payments made pursuant to the terms of this Agreement are otherwise not assignable.

11. Costs and Attorney's Fees. In the event that legal action is required to enforce the terms and conditions of this Agreement, the prevailing party will be entitled to reasonable attorneys' fees and costs.
12. Independent Contractor. CONSULTANT is an independent contractor and no agency or employment relationship, either express or implied, is created by the execution of this Agreement.
13. Merger Clause. This Agreement and its Attachments, if any, are the entire understanding of the parties, and there are no other terms or conditions, written or oral, controlling this matter. In the event of any conflict between the provisions of this Agreement and any of its Attachments, the provisions of this Agreement must prevail.
14. Anti-Waiver Clause. None of the provisions in this Agreement will be waived by CITY because of previous failure to insist upon strict performance, nor will any provision be waived by CITY because any other provision has been waived, in whole or in part.
15. Severability. The invalidity in whole or in part of any provision of this Agreement will not void or affect the validity of any other provisions of this Agreement.
16. Choice of Law. This Agreement is governed by the laws of the State of California. Venue for all actions arising from this Agreement must be exclusively in the state or federal courts located in San Diego County, California.
17. Multiple Copies of Agreement/Counterparts. Multiple copies and/or counterparts of this Agreement may be executed, including duplication by photocopy or by computerized scanning device. Each duplicate will be deemed an original with the same effect as if all the signatures were on the same instrument. However, the parties agree that the Agreement on file in the office of the Escondido City Clerk is the copy of the Agreement that shall take precedence should any differences exist among copies or counterparts of the document.
18. Provisions Cumulative. The foregoing provisions are cumulative and in addition to and not in limitation of any other rights or remedies available to the CITY.
19. Notices to Parties. Any statements, communications or notices to be provided pursuant to this Agreement must be sent to the attention of the persons indicated below. Each party agrees to promptly send notice of any changes of this information to the other party, at the address first above written.
20. Business License. The CONSULTANT is required to obtain a City of Escondido Business License prior to execution of this Agreement.
21. Compliance with Applicable Laws, Permits and Licenses. CONSULTANT shall keep itself informed of and comply with all applicable federal, state, and local laws, statutes, codes, ordinances, regulations, and rules in effect during the term of this Agreement. CONSULTANT shall obtain any and all licenses, permits, and authorizations necessary to perform services set forth in this Agreement. Neither CITY, nor any elected nor

appointed boards, officers, officials, employees, or agents of CITY shall be liable, at law or in equity, as a result of any failure of CONSULTANT to comply with this section.

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

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

Date: 12-7-16

CITY OF ESCONDIDO



Graham Mitchell
City Manager

Date: 11/21/2016

MICHAEL BAKER INTERNATIONAL, INC.



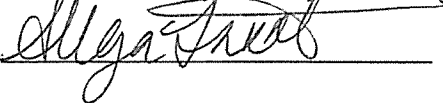
Steve Wragg

STEVE WRAGG V.P.

Name & Title (please print)

APPROVED AS TO FORM:

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

By: 

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

ATTACHMENT A

1. SCOPE OF SERVICES

- a. Initial extension of staff contract to support expedited processing of the planning application to be submitted by NUWI Country Club, LLC, ("Developer") to address the redevelopment of the former Country Club property ("Project"). Developer has agreed to pay for subcontracted services, as an extension of CITY staff, which will be solely dedicated to processing Developer's planning application in a timely manner.

- b. As specific services are needed, the CITY will provide CONSULTANT with a task list work to be accomplished. The CONSULTANT will confirm their ability to provide the task list, prepare a written plan to achieve the required tasks and will submit a budget estimate, addressing the personnel time and materials, to complete the required tasks. Upon written approval of CONSULTANT'S plan and proposed budget by the CITY, CONSULTANT may commence the actual work.
 - 1) Initial planning services
 - (a) Initial TM plan check / review
 - (b) Initial SP plan check / review
 - (c) Attend meetings associated with the Project.
 - 2) Initial Environmental services
 - (a) Initial scope of the EIR – Schedule, content, outline, format, threshold, and methodology.
 - (b) Notice of Preparation and associated requirements
 - (c) Attend meetings associated with the Project.

- c. Prior to approval of a proposed task list plan and budget, CITY shall ensure the Project Developer has deposited adequate funds in the appropriate CITY account to fund the proposed tasks. CITY shall have no right to control the manner or means in which CONSULTANT accomplishes the agreed upon tasks. The CITY shall not be obligated to pay any amount not documented, budgeted, and approved in advance of CONSULTANT commencing the specified tasks.

d. This Agreement will expire in 120 days.

2. COMPENSATION

- a. Compensation shall be provided on a time-and-materials, not-to-exceed basis in accordance with individual budgets established for each task order.
- b. Billing rates shall be in accordance with the table below. Blueprinting, reproduction, messenger service and other direct expenses will be charged as an additional cost plus 10%. Vehicle mileage will be charged as an additional cost at the IRS approved rate. Travel time to and from meetings shall not be compensated unless specifically authorized by the CITY in writing. Rates may be adjusted annually subject to approval by the CITY.
- c. Invoices shall be submitted monthly with a detailed, description of services and hours associated with each description of services provided. CITY shall pay CONSULTANT within thirty (30) days of receipt of CONSULTANT'S invoice.

ATTACHMENT B

<u>OFFICE PERSONNEL (November 1, 2016 – February 28, 2017)</u>	<u>\$/ Hour</u>
Senior Environmental Planner (<i>Kristin Blackson</i>).....	160.00



CERTIFICATE OF LIABILITY INSURANCE

DATE(MM/DD/YYYY)
09/02/2016

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

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

PRODUCER Aon Risk Services Central, Inc. Pittsburgh PA Office Dominion Tower, 10th Floor 625 Liberty Avenue Pittsburgh PA 15222-3110 USA	CONTACT NAME: PHONE (A/C. No. Ext): (866) 283-7122 FAX (A/C. No.): (800) 363-0105	
	E-MAIL ADDRESS:	
INSURED Michael Baker International, Inc. PO Box 57057 Irvine CA 92619-7057 USA	INSURER(S) AFFORDING COVERAGE	
	INSURER A: Liberty Mutual Fire Ins Co	23035
	INSURER B: Liberty Insurance Corporation	42404
	INSURER C: National Union Fire Ins Co of Pittsburgh	19445
	INSURER D: Lloyd's Syndicate No. 2623	AA1128623
	INSURER E:	
	INSURER F:	

COVERAGES **CERTIFICATE NUMBER: 570063542239** **REVISION NUMBER:**

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

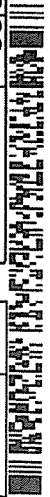
INSR LTR	TYPE OF INSURANCE	ADDL INSD	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS
A	<input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS-MADE <input checked="" type="checkbox"/> OCCUR <input checked="" type="checkbox"/> Contractual Liability GEN'L AGGREGATE LIMIT APPLIES PER: <input type="checkbox"/> POLICY <input checked="" type="checkbox"/> PRO-JECT <input checked="" type="checkbox"/> LOC <input type="checkbox"/> OTHER:			TB2681004145716	08/30/2016	08/30/2017	EACH OCCURRENCE \$2,000,000 DAMAGE TO RENTED PREMISES (Ea occurrence) \$100,000 MED EXP (Any one person) \$5,000 PERSONAL & ADV INJURY \$2,000,000 GENERAL AGGREGATE \$4,000,000 PRODUCTS - COMP/OP AGG \$4,000,000
A	AUTOMOBILE LIABILITY <input checked="" type="checkbox"/> ANY AUTO <input type="checkbox"/> OWNED AUTOS ONLY <input type="checkbox"/> SCHEDULED AUTOS <input type="checkbox"/> HIRED AUTOS ONLY <input type="checkbox"/> NON-OWNED AUTOS ONLY			AS2-681-004145-726	08/30/2016	08/30/2017	COMBINED SINGLE LIMIT (Ea accident) \$2,000,000 BODILY INJURY (Per person) BODILY INJURY (Per accident) PROPERTY DAMAGE (Per accident)
C	<input checked="" type="checkbox"/> UMBRELLA LIAB <input checked="" type="checkbox"/> OCCUR <input type="checkbox"/> EXCESS LIAB <input type="checkbox"/> CLAIMS-MADE DED <input checked="" type="checkbox"/> RETENTION \$10,000			BE060476715	08/30/2016	08/30/2017	EACH OCCURRENCE \$10,000,000 AGGREGATE \$10,000,000
B	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR / PARTNER / EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) If yes, describe under DESCRIPTION OF OPERATIONS below	Y/N	N/A	WA768D004145776 AOS WC7681004145786 WI	08/30/2016 08/30/2016	08/30/2017 08/30/2017	<input checked="" type="checkbox"/> PER STATUTE <input type="checkbox"/> OTHER E.L. EACH ACCIDENT \$1,000,000 E.L. DISEASE-EA EMPLOYEE \$1,000,000 E.L. DISEASE-POLICY LIMIT \$1,000,000
D	E&O-PL-Primary			QC1602675 Professional & Pollution SIR applies per policy terms & conditions	08/31/2016	08/31/2017	Per Claim \$5,000,000 Aggregate \$5,000,000

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)
 Re: All Operations. City of Escondido, its officials, employees and volunteers are included as Additional Insured on the General Liability and Auto Liability policies, but only with respect to work performed by or on behalf of the insured as required by written contract. General Liability coverage evidenced herein is primary and noncontributory to any insurance maintained by the City of Escondido.

CERTIFICATE HOLDER City of Escondido 201 N. Broadway Escondido CA 92025 USA	CANCELLATION SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS. AUTHORIZED REPRESENTATIVE <i>Aon Risk Services Central, Inc.</i>
---	--

Holder Identifier : ABCDEFGH

Certificate No : 570063542239



Policy Number TB2-681-004145-716
 Issued by Liberty Mutual Fire Insurance Co.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

BLANKET ADDITIONAL INSURED

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE FORM

SECTION II - WHO IS AN INSURED is amended to include as an insured any person or organization for whom you have agreed in writing to provide liability insurance. But:

The insurance provided by this amendment:

1. Applies only to "bodily injury" or "property damage" arising out of (a) "your work" or (b) premises or other property owned by or rented to you;
2. Applies only to coverage and minimum limits of insurance required by the written agreement, but in no event exceeds either the scope of coverage or the limits of insurance provided by this policy; and
3. Does not apply to any person or organization for whom you have procured separate liability insurance while such insurance is in effect, regardless of whether the scope of coverage or limits of insurance of this policy exceed those of such other insurance or whether such other insurance is valid and collectible.

The following provisions also apply:

1. Where the applicable written agreement requires the insured to provide liability insurance on a primary, excess, contingent, or any other basis, this policy will apply solely on the basis required by such written agreement and Item 4. Other Insurance of SECTION IV of this policy will not apply.
2. Where the applicable written agreement does not specify on what basis the liability insurance will apply, the provisions of Item 4. Other Insurance of SECTION IV of this policy will govern.
3. This endorsement shall not apply to any person or organization for any "bodily injury" or "property damage" if any other additional insured endorsement on this policy applies to that person or organization with regard to the "bodily injury" or "property damage".
4. If any other additional insured endorsement applies to any person or organization and you are obligated under a written agreement to provide liability insurance on a primary, excess, contingent, or any other basis for that additional insured, this policy will apply solely on the basis required by such written agreement and Item 4. Other Insurance of SECTION IV of this policy will not apply, regardless of whether the person or organization has available other valid and collectible insurance. If the applicable written agreement does not specify on what basis the liability insurance will apply, the provisions of Item 4. Other Insurance of SECTION IV of this policy will govern.

POLICY NUMBER: TB2-681-004145-716

COMMERCIAL GENERAL LIABILITY
CG 24 04 05 09

WAIVER OF TRANSFER OF RIGHTS OF RECOVERY AGAINST OTHERS TO US

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART
PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE PART

The following is added to Paragraph 8, Transfer Of Rights Of Recovery Against Others To Us of Section IV - Conditions:

We waive any right of recovery we may have against the person or organization shown in the Schedule below because of payments we make for injury or damage arising out of your ongoing operations or "your work" done under a contract with that person or organization and included in the "products-completed operations hazard". This waiver applies only to the person or organization shown in the Schedule below.

SCHEDULE

Name Of Person Or Organization:

As required by a written contract or agreement entered into prior to loss

Policy Number TB2-681-004145-716
 Issued by **LIBERTY MUTUAL FIRE INSURANCE COMPANY**

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

NOTICE OF CANCELLATION TO THIRD PARTIES

This endorsement modifies insurance provided under the following:

- BUSINESS AUTO COVERAGE PART
- MOTOR CARRIER COVERAGE PART
- GARAGE COVERAGE PART
- TRUCKERS COVERAGE PART
- EXCESS AUTOMOBILE LIABILITY INDEMNITY COVERAGE PART
- SELF-INSURED TRUCKER EXCESS LIABILITY COVERAGE PART
- COMMERCIAL GENERAL LIABILITY COVERAGE PART
- EXCESS COMMERCIAL GENERAL LIABILITY COVERAGE PART
- PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE PART
- LIQUOR LIABILITY COVERAGE PART
- COMMERCIAL LIABILITY - UMBRELLA COVERAGE FORM

Schedule		
Name of Other Person(s) / Organization(s):	Email Address or mailing address:	Number Days Notice:
Per schedule on file with the company	Per schedule on file with the company	30

- A. If we cancel this policy for any reason other than nonpayment of premium, we will notify the persons or organizations shown in the Schedule above. We will send notice to the email or mailing address listed above at least 10 days, or the number of days listed above, if any, before the cancellation becomes effective. In no event does the notice to the third party exceed the notice to the first named insured.
- B. This advance notification of a pending cancellation of coverage is intended as a courtesy only. Our failure to provide such advance notification will not extend the policy cancellation date nor negate cancellation of the policy.

All other terms and conditions of this policy remain unchanged.

Policy Number: AS2-681-004145-726
Issued by: Liberty Mutual Fire Insurance Co.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

DESIGNATED INSURED - NONCONTRIBUTING

This endorsement modifies insurance provided under the following:

**BUSINESS AUTO COVERAGE FORM
GARAGE COVERAGE FORM
MOTOR CARRIERS COVERAGE FORM
TRUCKERS COVERAGE FORM**

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

This endorsement identifies person(s) or organization(s) who are "insureds" under the Who Is An Insured Provision of the Coverage Form. This endorsement does not alter coverage provided in the Coverage form.

Schedule

Name of Person(s) or Organizations(s):

Any person or organization whom you have agreed in writing to add as an additional insured, but only to coverage and minimum limits of insurance required by the written agreement, and in no event to exceed either the scope of coverage or the limits of insurance provided in this policy.

Regarding Designated Contract or Project:

Each person or organization shown in the Schedule of this endorsement is an "insured" for Liability Coverage, but only to the extent that person or organization qualifies as an "insured" under the Who Is An Insured Provision contained in Section II of the Coverage Form.

The following is added to the Other Insurance Condition:

If you have agreed in a written agreement that this policy will be primary and without right of contribution from any insurance in force for an Additional Insured for liability arising out of your operations, and the agreement was executed prior to the "bodily injury" or "property damage", then this insurance will be primary and we will not seek contribution from such insurance.

POLICY NUMBER: AS2-681-004145-726

COMMERCIAL AUTO
CA 04 44 10 13

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

**WAIVER OF TRANSFER OF RIGHTS OF RECOVERY
AGAINST OTHERS TO US (WAIVER OF SUBROGATION)**

This endorsement modifies insurance provided under the following:

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

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

SCHEDULE

<p>Name(s) Of Person(s) Or Organization(s): _____</p> <p>Any person or organization with whom you have agreed in writing to waive any right of recovery prior to a loss.</p> <p>Premium: \$ INCL</p>
<p>Information required to complete this Schedule, if not shown above, will be shown in the Declarations.</p>

The Transfer Of Rights Of Recovery Against Others To Us condition does not apply to the person(s) or organization(s) shown in the Schedule, but only to the extent that subrogation is waived prior to the "accident" or the "loss" under a contract with that person or organization.

Policy Number: AS2-681-004145-726
 Issued By: Liberty Mutual Fire Insurance Co.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

NOTICE OF CANCELLATION TO THIRD PARTIES

This endorsement modifies insurance provided under the following:

- BUSINESS AUTO COVERAGE PART
- MOTOR CARRIER COVERAGE PART
- GARAGE COVERAGE PART
- TRUCKERS COVERAGE PART
- EXCESS AUTOMOBILE LIABILITY INDEMNITY COVERAGE PART
- SELF-INSURED TRUCKER EXCESS LIABILITY COVERAGE PART
- COMMERCIAL GENERAL LIABILITY COVERAGE PART
- EXCESS COMMERCIAL GENERAL LIABILITY COVERAGE PART
- PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE PART
- LIQUOR LIABILITY COVERAGE PART

Schedule	
Name of Other Person(s)/ Organization(s):	Email Address:
Per schedule on file with the Company	Per schedule on file with the Company

- A. If we cancel this policy for any reason other than nonpayment of premium, we will notify the persons or organizations shown in the Schedule above by email as soon as practical after notifying the first Named Insured.
- B. This advance email notification of a pending cancellation of coverage is intended as a courtesy only. Our failure to provide such advance notification will not extend the policy cancellation date nor negate cancellation of the policy.

All other terms and conditions of this policy remain unchanged.

WAIVER OF OUR RIGHT TO RECOVER FROM OTHERS ENDORSEMENT

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

This agreement shall not operate directly or indirectly to benefit anyone not named in the Schedule.

Not applicable in Alaska, Kentucky, New Hampshire and New Jersey

Schedule

Where required by contract or written agreement prior to loss and allowed by law.

In the states of Alabama, Arizona, Arkansas, Colorado, Dist. Of Col, Georgia, Idaho, Illinois, Indiana, Michigan, Mississippi, Missouri, Montana, Nevada, New Mexico, North Carolina, Oklahoma, Pennsylvania, Rhode Island, South Carolina, South Dakota, Vermont, West Virginia the premium charge is 2% of the total manual premium, subject to a minimum premium of \$100 per policy.

In the states of Connecticut, Florida, Iowa, Maryland, Nebraska, Oregon the premium charge is 1% of the total manual premium subject to a minimum premium of \$250 per policy.

In the state of Louisiana the premium charge is 2% of the total standard premium subject to a minimum premium of \$250 per policy. In the state of Massachusetts the premium charge is 1% of the total manual premium.

In the state of New York the premium charge is 2% of the total manual premium, subject to a minimum premium of \$250 per policy.

In the state of Tennessee there is no premium charge.

In the state of Virginia the premium charge is 5% of the total manual premium, subject to a minimum premium of \$250 per policy.

Issued by Liberty Insurance Corporation 21814

For attachment to Policy No. WA7-68D-004145-776 Effective Date 08/30/2016 Premium \$

Issued to Michael Baker International, Inc.

NOTICE OF CANCELLATION TO THIRD PARTIES

- A. If we cancel this policy for any reason other than nonpayment of premium, we will notify the persons or organizations shown in the Schedule below. We will send notice to the email or mailing address listed below at least 10 days, or the number of days listed below, if any, before cancellation becomes effective. In no event does the notice to the third party exceed the notice to the first named insured.
- B. This advance notification of a pending cancellation of coverage is intended as a courtesy only. Our failure to provide such advance notification will not extend the policy cancellation date nor negate cancellation of the policy.

Schedule

Name of Other Person(s) / Organization(s):	Email Address or mailing address:	Number Days Notice:
Per schedule on file with the company		30

All other terms and conditions of this policy remain unchanged.

Issued by Liberty Insurance Corporation 21814

For attachment to Policy No. WA7-68D-004145-776

Premium \$

Issued to Michael Baker Corporation

RESOLUTION NO. 2017-17

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ESCONDIDO, CALIFORNIA, AUTHORIZING THE CITY MANAGER TO EXECUTE, ON BEHALF OF THE CITY, A FIRST AMENDMENT TO THE CONSULTING AGREEMENT WITH MICHAEL BAKER INTERNATIONAL (MBI) FOR REVIEW OF THE ESCONDIDO COUNTRY CLUB DEVELOPMENT PROPOSAL

WHEREAS, a verified application consisting of a request for a General Plan Amendment, Zone Change, Specific Plan, and Tentative Map was submitted to, and is currently being processed by the Planning Division for the property located in the northwest portion of the City of Escondido, addressed as 1800 W. Country Club Lane; and

WHEREAS, the Project applicant has requested and the City has agreed to utilize a contract planner as extension of Planning Division staff services to facilitate the review of the Escondido Country Club project proposal; and

WHEREAS, extension staff professional services provides an administrative activity to help facilitate the City's and public's review of development plan proposals; and

WHEREAS, Kristin Blackson of Michael Baker International ("MBI") has been selected to perform the extension staff professional services to review the Escondido Country Club project proposal; and

WHEREAS, a Consulting Agreement ("Agreement") between Michael Baker International ("MBI") and the City of Escondido was fully executed on December 7,

2016, and at this time the City Council desires to amend the Agreement to allow extension staff services to continue.

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

1. That the above recitations are true.
2. That the City Council of the City of Escondido does, hereby, authorize the City Manager to execute a First Amendment to the Agreement with Michael Baker International ("MBI") and undertake the planning services as summarized in Exhibit "A." A copy of the First Amendment to the Consulting Agreement is attached as Exhibit "A" and is incorporated by this reference.



CITY OF ESCONDIDO
FIRST AMENDMENT TO CONSULTING AGREEMENT

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

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

And: Michael Baker International, Inc.
 9755 Clairemont Mesa Blvd.
 San Diego, CA 92124
 Attn: Kristin M. Blackson
 858-614-5007
 ("CONSULTANT")

Witness that whereas:

- A. CITY and CONSULTANT entered into an agreement on 16th Day or November, 2016 ("Agreement"), wherein CITY retained CONSULTANT to provide services to conduct Planning Division review of the New Urban West, Inc. Environmental and Discretionary Permit General Applications submitted to the City on October 31, 2016 (CITY Planning Case Numbers SUB 16-0009, ENV 16-0010, and PHG 16-0018); and

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

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

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

- 2. CITY will compensate the CONSULTANT in an additional amount not to exceed \$89,600, increasing the overall contract budget for professional services from

\$57,600 to \$147,200, pursuant to the conditions contained in "Attachment A" to this Amendment.

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

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

CITY OF ESCONDIDO

Date: _____

Graham Mitchell, City Manager

Date: _____

MICHAEL BAKER INTERNATIONAL, INC.

[Same Person from the Company Here]
[Their Current Title]

(The above signature should be notarized)

APPROVED AS TO FORM:

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

By: _____

ATTACHMENT A

1. SCOPE OF SERVICES

- Initial extension of staff contract to support expedited processing of the planning application to be submitted by NUWI Country Club, LLC, (“Developer”) to address the redevelopment of the former Country Club property (“Project”). Developer has agreed to pay for subcontracted services, as an extension of CITY staff, which will be solely dedicated to processing Developer’s planning application in a timely manner.

- As specific services are needed, the CITY will provide CONSULTANT with a task list work to be accomplished. The CONSULTANT will confirm their ability to provide the task list, prepare a written plan to achieve the required tasks and will submit a budget estimate, addressing the personnel time and materials, to complete the required tasks. Upon written approval of CONSULTANT’S plan and proposed budget by the CITY, CONSULTANT may commence the actual work.

TASK	FEE
1) Planning Services	\$31,300
a) Discretionary Permit Review including: <ul style="list-style-type: none"> • General Plan Amendment (GPA) • Rezone • Specific Plan (SP) • Tentative Map (VTM) 	
b) Manage Administrative Record	
c) Draft Conditions	
d) Draft Staff Report	
e) Attend all project related hearings/meetings	
2) Environmental Services	\$31,300
a) Coordination and Review of Draft EIR	
b) Public Review of Draft EIR	
c) Responses to Comments	
d) Final EIR – CEQA Findings	
3) Project Management/Attend Project Meetings	\$27,000
TOTAL FEE	\$89,600

- Prior to approval of a proposed task list plan and budget, CITY shall ensure the Project Developer has deposited adequate funds in the appropriate CITY account to fund the proposed tasks. CITY shall have no right to control the manner or means in which CONSULTANT accomplishes the agreed upon tasks. The CITY shall not be obligated to pay any amount not documented, budgeted, and approved in advance of CONSULTANT commencing the specified tasks.
- This Agreement will expire in 300 days.

2. COMPENSATION

- a. Compensation shall be provided on a time-and-materials, not-to-exceed basis in accordance with individual budgets established for each task order.
- b. Billing rates shall be in accordance with the table below. Blueprinting, reproduction, messenger service and other direct expenses will be charged as an additional cost plus 10%. Vehicle mileage will be charged as an additional cost at the IRS approved rate. Travel time to and from meetings shall not be compensated unless specifically authorized by the CITY in writing. Rates may be adjusted annually subject to approval by the CITY.
- c. Invoices shall be submitted monthly with a detailed, description of services and hours associated with each description of services provided.

OFFICE PERSONNEL (November 1, 2016 – December 31, 2017)

\$/ Hour

Senior Environmental Planner (*Kristin Blackson*) 160.00

RESOLUTION NO. 2017-21

**A RESOLUTION OF THE CITY COUNCIL OF
THE CITY OF ESCONDIDO, CALIFORNIA,
AUTHORIZING THE CITY COUNCIL TO
APPROVE AMENDING THE FISCAL YEAR
2016-2017 BUDGET**

WHEREAS, on June 8, 2016 the City of Escondido City Council adopted Resolution 2016-84 appropriating the budget for Fiscal Years 2016-17 and 2017-18; and

WHEREAS, changes in anticipated revenues and/or expenditures of the City of Escondido necessitates a revision of the appropriations for Fiscal Years 2016-17 and 2017-18; and

WHEREAS, the City Council has reviewed the proposed Fiscal Years 2016-17 and 2017-18 budget amendments.

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

1. That the above recitations are true.
2. That the City Council of the City of Escondido does, hereby, adopt the amendments for Fiscal Years 2016-17 and 2017-18 as summarized herein and reflected in Exhibit "A," which is attached to this Resolution and incorporated by this reference.



CITY OF ESCONDIDO
BUDGET ADJUSTMENT REQUEST

Resolution No. 2017-21
EXHIBIT A
Page 1 of 1

Date of Request: 1/19/17
Department: Community Development
Division: Planning
Project/Budget Manager: Mike Strong 4556
Name Extension
Council Date (if applicable): 2/1/17
(attach copy of staff report)

For Finance Use Only
Log # BA 02-05
Fiscal Year 2017
Budget Balances
General Fund Accts
Revenue
Interfund Transfers
Fund Balance

Table with 4 columns: Project/Account Description, Account Number, Amount of Increase, Amount of Decrease. Rows include Professional Services, Deposit from the Developer, and Reimbursement from Outside Agencies.

Explanation of Request:

The applicant will be paying \$147,200.00 for the cost of extension of Planning Division staff services to facilitate review of the Escondido Country Club project proposal.

APPROVALS
Department Head: [Signature] 1/24/17 Date
Finance: [Signature] 1/25/17 Date
City Manager: _____ Date
City Clerk: _____ Date

Distribution (after approval): Original: Finance

CITY COUNCIL

For City Clerk's Use:

APPROVED **DENIED**

Reso No. _____ File No. _____

Ord No. _____

Agenda Item No.: 10
Date: February 1, 2017

TO: Honorable Mayor and Members of the City Council
FROM: Christopher W. McKinney, Director of Utilities
SUBJECT: Emergency Repair of the Sewer Pipeline in North Hale Avenue

RECOMMENDATION:

It is requested that the City Council adopt Resolution No. 2017-22, declaring that pursuant to the terms of 22050 of the California Public Contract Code, the City Council affirms that it was appropriate for City staff to forego normal bidding procedures and to award a contract for emergency repairs of a failed sewer main on Hale Avenue. The resolution, which must be passed by four-fifths vote, also declares that public interest and necessity demand the immediate expenditure to safeguard life, health, or property.

FISCAL ANALYSIS:

Funding for this emergency sewer pipeline work is available in the Wastewater Fund. The contract is a time and materials contract, meaning that the contractor will bill for staff time, equipment, and construction materials necessary to complete the repairs. The contract value is not to exceed \$350,000 without further City approval. The "not to exceed" value is based on a preliminary estimate of the work required. However, given the urgent nature of the project, a detailed engineering analysis has not been completed. When work begins, the contractor and staff will be able to better assess conditions around the pipeline and refine the cost estimate.

BACKGROUND:

The existing sewer pipeline on North Hale Avenue is a 24-inch diameter reinforced concrete pipe, which was installed in 1959. This pipeline conveys raw sewage from approximately 30 percent of the City of Escondido to the Hale Avenue Resource Recovery Facility.

During the early morning hours of January 21, 2017, City staff received an alarm that a manhole containing a SmartCover device was surcharging. Upon responding and finding that several manholes were surcharging, further field investigation determined that the section of 24-inch pipe along North Hale Avenue between North Tulip Street and the railroad tracks was blocked. Video footage of the inside of the pipeline, taken the afternoon of January 21, revealed that a portion of the pipeline had collapsed and that the blockage was due to the debris from the collapsed pipe material.

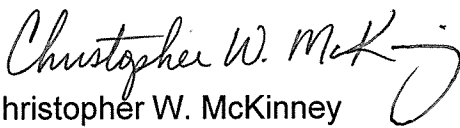
Emergency Repair of the Sewer Pipeline in North Hale Avenue
February 1, 2017
Page 2

Staff installed a temporary, above ground pump and pipe for sewage to bypass the section of damaged pipeline until repairs can be made.

Repair of the existing 24-inch sewer pipeline is complicated by several factors. The existing 24-inch sewer pipeline is approximately 15 feet deep and is paralleled by one low-pressure and two high-pressure gas mains. The pipeline is located within the travel lanes of North Hale Avenue, which will require traffic control during construction. The pipeline is partially located within the North County Transit District (NCTD) Right-of-Way, requiring coordination with NCTD.

Shaw Equipment Rentals, Inc. has the staff expertise and equipment to immediately mobilize to repair the sewer pipeline on a time and material basis.

Respectfully submitted,


Christopher W. McKinney
Director of Utilities

RESOLUTION NO. 2017-22

A RESOLUTION OF THE CITY COUNCIL OF
THE CITY OF ESCONDIDO, CALIFORNIA,
ACCEPTING THE RECOMMENDATION OF
THE DIRECTOR OF UTILITIES THAT AN
EMERGENCY REQUIRES THE IMMEDIATE
REPAIR OF THE ESCONDIDO SEWER
PIPELINE IN NORTH HALE AVENUE

WHEREAS, the City Council recognizes that a portion of the 24-inch sewer pipeline on North Hale Avenue between North Tulip Avenue and the railroad tracks has suffered a catastrophic failure; and

WHEREAS, the sewer flows are temporarily bypassing the damaged pipeline with mobile pumps and above ground temporary pipelines in order to avoid a sewer spill; and

WHEREAS, pursuant to California Public Contract Code Section 22035 and Section 10-131 of the Escondido Municipal Code, when repairs or replacements are necessary to permit the continued conduct of the operation or services of the city, or to avoid danger to life or property, the City Manager or his or her designee may proceed at once to purchase services without adopting plans, specifications, working details, or giving notice of bids to award contracts; and

WHEREAS, the Director of Utilities, in consultation with the City Manager, has determined that the failure of the sewer pipeline in North Hale Avenue constitutes an immediate risk to the health of the public and the continued services of the sewer system, requiring immediate action that will not permit the delay that would result from a competitive bidding process; and

WHEREAS, Shaw Equipment Rentals, Inc. has the ability and expertise to design and construct the repair for the sewer pipeline; and

WHEREAS, the Director of Utilities has recommended that emergency funds be expended on the immediate repair of the sewer pipeline in North Hale Avenue by Shaw Equipment Rentals, Inc. and a Public Improvement Agreement ("Agreement") has been entered into with Shaw Equipment Rentals, Inc. in an amount not to exceed three hundred fifty thousand dollars (\$350,000); and

WHEREAS, pursuant to Section 22050 of the Public Contract Code, the City Council must review the emergency action at its next regularly scheduled meeting and determine by a four-fifths vote there is a need to continue the action; and

WHEREAS, this City Council desires at this time and deems it to be in the best public interest to accept the recommendation of the Director of Utilities and authorize the emergency expenditure of an amount not to exceed three hundred fifty thousand dollars (\$350,000);

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 determination by the Director of Utilities that the failure of the sewer pipeline in North Hale Avenue is a public health and safety emergency; that this emergency will not permit the delay that would result from

a competitive bidding process; and that the proposed action is necessary to respond to the emergency requiring immediate repair of the sewer pipeline.

3. That the Mayor and City Council accepts the recommendation of the Director of Utilities and that it is in the best public interest to authorize the Director of Finance to issue a Purchase Order to Shaw Equipment Rentals, Inc., in an amount not to exceed \$350,000, to fund this emergency repair. A copy of the Agreement is attached as Exhibit "A" to this Resolution 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, INC.** (hereinafter referred to as "CONTRACTOR").

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

1. The complete contract includes the attached Project Document; and General Conditions, 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

EMERGENCY REPAIR OF 24-INCH SEWER PIPELINE

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 COSTS OF TIME AND MATERIALS NOT TO EXCEED THREE HUNDRED FIFTY THOUSAND DOLLARS (\$ 350,000.00).**
4. The work shall commence **IMMEDIATELY** and shall proceed until the emergency repair is complete.
5. Time is of the essence. If the work is not completed in accordance with Paragraph 4 above, it is understood that the CITY will suffer damage. It being impractical and infeasible to determine the amount of actual damage(s), in accordance with Government Code Section 53069.85, it is agreed that CONTRACTOR shall pay to CITY as fixed and liquidated damages, and not as a penalty, the sum(s) indicated in the LIQUIDATED DAMAGES SCHEDULE below for each calendar day of

delay until work is completed and accepted. This amount shall be deducted from any payments due to or to become due to CONTRACTOR. CONTRACTOR and CONTRACTOR'S surety shall be liable for the amount thereof. Time extensions may be granted by the CITY as provided in the General Conditions.

Liquidated damages schedule:

If the overall project is delayed **one (1) calendar day or more through the fault of the contractor, in the opinion of the CITY'S UTILITIES CONSTRUCTION PROJECT MANAGER, the CITY will mobilize another contractor to continue with the work.**

Acknowledged:


Initials of Principal

6. In the event CONTRACTOR, for a period of **ten (10) calendar days** after receipt of written demand from CITY to do so, fails to furnish tools, equipment, or labor in the necessary quantity or quality, or to prosecute said work and all parts thereof in a diligent and workmanlike manner, or after commencing to do so within said **ten (10) calendar days**, fails to continue to do so, then the CITY may exclude the CONTRACTOR from the premises, or any portion thereof, and take possession of said premises or any portion thereof, together with all material and equipment thereon, and may complete the work contemplated by this Agreement or any portion of said work, either by furnishing the tools, equipment, labor or material necessary, or by letting the unfinished portion of said work, or the portion taken over by the CITY to another contractor, or demanding the surety hire another contractor, or by any combination of such methods. In any event, the procuring of the completion of said work, or the portion thereof taken over by the CITY, shall be a charge against the CONTRACTOR, and may be deducted from any money due or to become due to CONTRACTOR from the CITY, or the CONTRACTOR shall pay the CITY the amount of said charge, or the portion thereof unsatisfied. The sureties provided for under this Agreement shall become liable for payment should CONTRACTOR fail to pay in full any said cost incurred by the CITY. The permissible charges for any such procurement of the completion of said work should include actual costs and fees incurred to third party individuals and entities (including, but not limited to consultants, attorneys, inspectors, and designers) and actual costs incurred by CITY for the increased dedication of time of CITY employees to the Project.
7. To the fullest extent permitted by law, the CONTRACTOR agrees to and does hereby agree to fully defend, indemnify and hold the CITY, its governing board, officers, agents, Project design team members (architect and consulting engineers), consultants, attorneys, and employees harmless of and from each and every claim, assertion, action, cause of action, arbitration, suit, proceedings, or demand made, and every liability, loss, judgment, award, damage, or expense, of any nature whatsoever (including attorneys' fees, consultant costs), which may be incurred by reason of:
 - (a) Asserted and/or actual liability arises from claims for and/or damages resulting from damages for:
 - (1) Death or bodily injury to persons.
 - (2) Injury to, loss or theft of tangible and/or intangible property/ e.g. economic loss.
 - (3) Any other loss, damage or expense arising under either (1) or (2) above, sustained by the CONTRACTOR upon or in connection with the work called for in this Project,

except for liability resulting from the sole active negligence, or willful misconduct of the CITY.

- (b) Any injury to or death of any person(s) or damage, loss or theft of any property caused by any act, neglect, default or omission of the CONTRACTOR, or any person, firm, or corporation employed by the CONTRACTOR, either directly or by independent contract, arising out of, or in any way connected with the work covered by this Agreement, whether said injury or damage occurs on or off City property.
- (c) Any and all liabilities, claims, actions, causes of action, proceedings, suits, administrative proceedings, damages, fines, penalties, judgments, orders, liens, levies, costs and expenses of whatever nature, including reasonable attorneys' fees and disbursements, arising out of any violation, or claim of violation of the San Diego Municipal Storm Water Permit (Order No. 2001-01), and updates or renewals, of the California Regional Water Quality Control Board Region 9, San Diego, which the CITY might suffer, incur, or become subject by reason of or occurring as a result of or allegedly caused by the construction, reconstruction, maintenance, and/or repair of the work under this Agreement.

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

8. 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 than **\$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: [Signature]
Graham Mitchell, City Manager

APPROVED AS TO FORM:

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

By: _____

CONTRACTOR

By: _____
Signature

Print Name

Title

By: [Signature]
Signature*

Daniel B. Shaw
Print Name

President
Title

(Second signature required only for corporation)

By: [Signature]
Signature**

Carol Shaw
Print Name

CFO
Title

(CORPORATE SEAL OF CONTRACTOR, if corporation)

469708A
Contractor's License No.

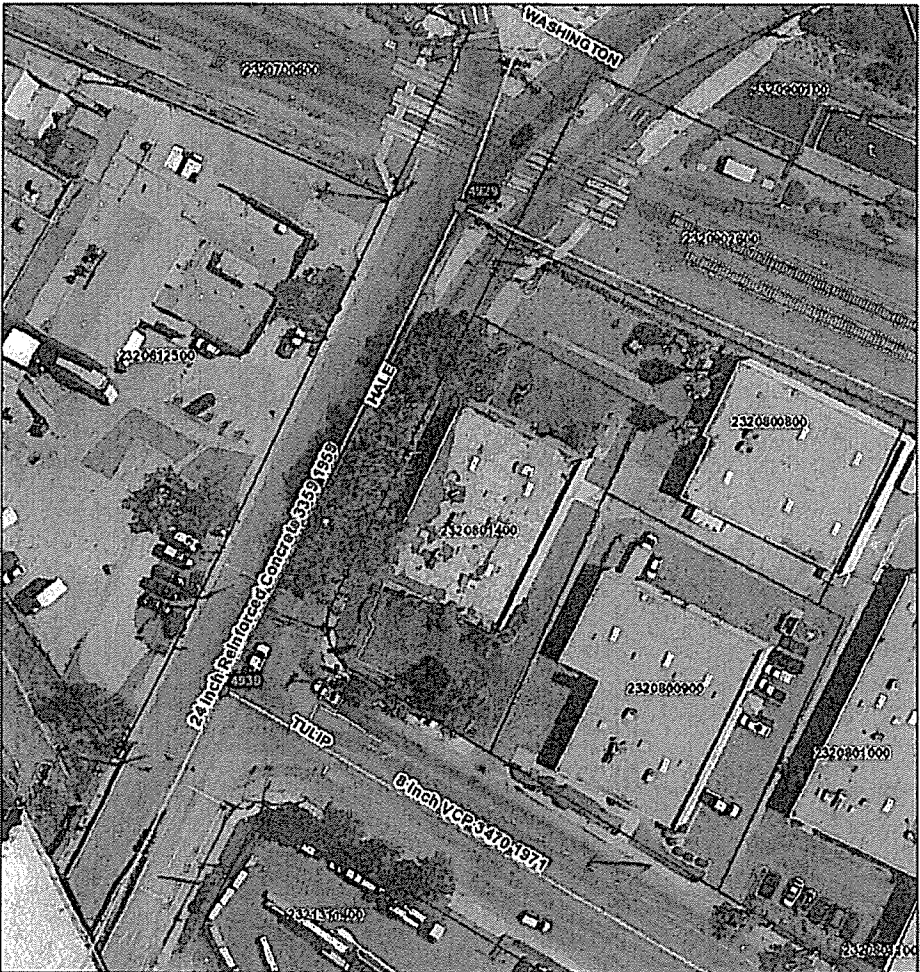
33-0018242
Tax ID/Social Security No.

*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.

PROJECT DOCUMENT
EMERGENCY REPAIR OF 24-INCH SEWER PIPELINE

The work includes the replacement of approximately 300 feet of 24-inch Reinforced Concrete sewer pipeline between manholes 4929 and 4930 in North Hale Avenue between North Tulip Street and the railroad tracks. The new pipeline shall be connected to manholes 4929 and 4930.



Bond No. 024070484
Premium: \$10,500.00

SECTION A-00610 - FAITHFUL PERFORMANCE BOND

KNOW ALL MEN BY THESE PRESENT,

That Shaw Equipment Rentals, Inc. ("Contractor") and The Ohio Casualty Insurance Company ("Surety") are held and firmly bound unto the CITY OF ESCONDIDO ("Owner") in the sum of Three Hundred Fifty Thousand and 00/100 (\$350,000.00) 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,

EMERGENCY REPAIR OF 24-INCH SEWER PIPELINE

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,

City of Escondido
EMERGENCY REPAIR OF 24-INCH SEWER
PIPELINE

FAITHFUL PERFORMANCE BOND

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.

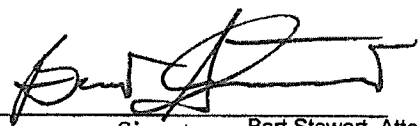
SIGNED AND SEALED, this 24th day of January, 2017.

Shaw Equipment Rentals, Inc.
Contractor

The Ohio Casualty Insurance Company
Surety
790 The City Drive South Ste. 200, Orange, CA 92868
Address
714-634-5732
Phone No.

(SEAL)

BY 
Signature


Signature Bart Stewart, Attorney-in-Fact

(SEAL AND NOTARIAL ACKNOWLEDGEMENT OF SURETY)

APPROVED AS TO FORM:

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

By: _____

THIS POWER OF ATTORNEY IS NOT VALID UNLESS IT IS PRINTED ON RED BACKGROUND.

This Power of Attorney limits the acts of those named herein, and they have no authority to bind the Company except in the manner and to the extent herein stated.

Certificate No. 6725282

American Fire and Casualty Company
The Ohio Casualty Insurance Company

Liberty Mutual Insurance Company
West American Insurance Company

Resolution No. 2017-22
EXHIBIT A
Page 9 of 14

POWER OF ATTORNEY

KNOWN ALL PERSONS BY THESE PRESENTS: That American Fire & Casualty Company and The Ohio Casualty Insurance Company are corporations duly organized under the laws of the State of New Hampshire, that Liberty Mutual Insurance Company is a corporation duly organized under the laws of the State of Massachusetts, and West American Insurance Company is a corporation duly organized under the laws of the State of Indiana (herein collectively called the "Companies"), pursuant to and by authority herein set forth, does hereby name, constitute and appoint, Bart Stewart; Brittany Aceves; Molly Cashman

all of the city of Encinitas, state of CA each individually if there be more than one named, its true and lawful attorney-in-fact to make, execute, seal, acknowledge and deliver, for and on its behalf as surety and as its act and deed, any and all undertakings, bonds, recognizances and other surety obligations, in pursuance of these presents and shall be as binding upon the Companies as if they have been duly signed by the president and attested by the secretary of the Companies in their own proper persons.

IN WITNESS WHEREOF, this Power of Attorney has been subscribed by an authorized officer or official of the Companies and the corporate seals of the Companies have been affixed thereto this 30th day of September, 2014



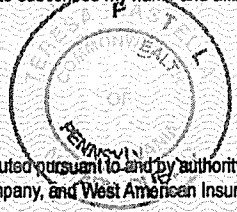
American Fire and Casualty Company
The Ohio Casualty Insurance Company
Liberty Mutual Insurance Company
West American Insurance Company

By: David M. Carey
David M. Carey, Assistant Secretary

STATE OF PENNSYLVANIA ss
COUNTY OF MONTGOMERY

On this 30th day of September, 2014, before me personally appeared David M. Carey, who acknowledged himself to be the Assistant Secretary of American Fire and Casualty Company, Liberty Mutual Insurance Company, The Ohio Casualty Insurance Company, and West American Insurance Company, and that he, as such, being authorized so to do, execute the foregoing instrument for the purposes therein contained by signing on behalf of the corporations by himself as a duly authorized officer.

IN WITNESS WHEREOF, I have hereunto subscribed my name and affixed my notarial seal at Plymouth Meeting, Pennsylvania, on the day and year first above written.



By: Teresa Pastella
Teresa Pastella, Notary Public

This Power of Attorney is made and executed pursuant to and by authority of the following By-laws and Authorizations of American Fire and Casualty Company, The Ohio Casualty Insurance Company, Liberty Mutual Insurance Company, and West American Insurance Company which resolutions are now in full force and effect reading as follows:

ARTICLE IV – OFFICERS – Section 12. Power of Attorney. Any officer or other official of the Corporation authorized for that purpose in writing by the Chairman or the President, and subject to such limitation as the Chairman or the President may prescribe, shall appoint such attorneys-in-fact, as may be necessary to act in behalf of the Corporation to make, execute, seal, acknowledge and deliver as surety any and all undertakings, bonds, recognizances and other surety obligations. Such attorneys-in-fact, subject to the limitations set forth in their respective powers of attorney, shall have full power to bind the Corporation by their signature and execution of any such instruments and to attach thereto the seal of the Corporation. When so executed, such instruments shall be as binding as if signed by the President and attested to by the Secretary. Any power or authority granted to any representative or attorney-in-fact under the provisions of this article may be revoked at any time by the Board, the Chairman, the President or by the officer or officers granting such power or authority.

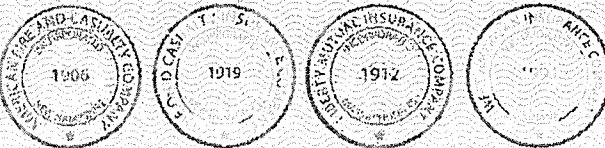
ARTICLE XIII – Execution of Contracts – SECTION 5. Surety Bonds and Undertakings. Any officer of the Company authorized for that purpose in writing by the chairman or the president, and subject to such limitations as the chairman or the president may prescribe, shall appoint such attorneys-in-fact, as may be necessary to act in behalf of the Company to make, execute, seal, acknowledge and deliver as surety any and all undertakings, bonds, recognizances and other surety obligations. Such attorneys-in-fact subject to the limitations set forth in their respective powers of attorney, shall have full power to bind the Company by their signature and execution of any such instruments and to attach thereto the seal of the Company. When so executed such instruments shall be as binding as if signed by the president and attested by the secretary.

Certificate of Designation – The President of the Company, acting pursuant to the Bylaws of the Company, authorizes David M. Carey, Assistant Secretary to appoint such attorneys-in-fact as may be necessary to act on behalf of the Company to make, execute, seal, acknowledge and deliver as surety any and all undertakings, bonds, recognizances and other surety obligations.

Authorization – By unanimous consent of the Company's Board of Directors, the Company consents that facsimile or mechanically reproduced signature of any assistant secretary of the Company, wherever appearing upon a certified copy of any power of attorney issued by the Company in connection with surety bonds, shall be valid and binding upon the Company with the same force and effect as though manually affixed.

I, Gregory W. Davenport, the undersigned, Assistant Secretary, of American Fire and Casualty Company, The Ohio Casualty Insurance Company, Liberty Mutual Insurance Company, and West American Insurance Company do hereby certify that the original power of attorney of which the foregoing is a full, true and correct copy of the Power of Attorney executed by said Companies, is in full force and effect and has not been revoked.

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed the seals of said Companies this 24th day of January, 2017



By: Gregory W. Davenport
Gregory W. Davenport, Assistant Secretary

Not valid for mortgage, note, loan, letter of credit, currency rate, interest rate or residual value guarantees.

To confirm the validity of this Power of Attorney call 1-610-832-8240 between 9:00 am and 4:30 pm EST on any business day.

ALL- PURPOSE CERTIFICATE OF ACKNOWLEDGMENT

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


State of California }

County of San Diego }

On 01/24/2017 before me, Brittany Aceves, Notary Public
(Here insert name and title of the officer)

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

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

WITNESS my hand and official seal.


 Notary Public Signature



(Notary Public Seal)

ADDITIONAL OPTIONAL INFORMATION

DESCRIPTION OF THE ATTACHED DOCUMENT

 (Title or description of attached document)

 (Title or description of attached document continued)

Number of Pages _____ Document Date _____

CAPACITY CLAIMED BY THE SIGNER

Individual (s)
 Corporate Officer

 (Title)

Partner(s)
 Attorney-in-Fact
 Trustee(s)
 Other _____

INSTRUCTIONS FOR COMPLETING THIS FORM

This form complies with current California statutes regarding notary wording and, if needed, should be completed and attached to the document. Acknowledgments from other states may be completed for documents being sent to that state so long as the wording does not require the California notary to violate California notary law.

- State and County information must be the State and County where the document signer(s) personally appeared before the notary public for acknowledgment.
- Date of notarization must be the date that the signer(s) personally appeared which must also be the same date the acknowledgment is completed.
- The notary public must print his or her name as it appears within his or her commission followed by a comma and then your title (notary public).
- Print the name(s) of document signer(s) who personally appear at the time of notarization.
- Indicate the correct singular or plural forms by crossing off incorrect forms (i.e. ~~he~~/she/they-, is /are) or circling the correct forms. Failure to correctly indicate this information may lead to rejection of document recording.
- The notary seal impression must be clear and photographically reproducible. Impression must not cover text or lines. If seal impression smudges, re-seal if a sufficient area permits, otherwise complete a different acknowledgment form.
- Signature of the notary public must match the signature on file with the office of the county clerk.
 - ❖ Additional information is not required but could help to ensure this acknowledgment is not misused or attached to a different document.
 - ❖ Indicate title or type of attached document, number of pages and date.
 - ❖ Indicate the capacity claimed by the signer. If the claimed capacity is a corporate officer, indicate the title (i.e. CEO, CFO, Secretary).
- Securely attach this document to the signed document with a staple.

Bond No. 024070484

Premium: Included in Perf. Bond

SECTION A-00620 - LABOR AND MATERIAL BOND

KNOW ALL MEN BY THESE PRESENT,

That Shaw Equipment Rentals, Inc. as Contractor, and The Ohio Casualty Insurance Company as Surety, are held and firmly bound unto the CITY OF ESCONDIDO, hereinafter called Owner, in the sum of Three Hundred Fifty Thousand and 00/100 (\$350,000.00) 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,

EMERGENCY REPAIR OF 24-INCH SEWER PIPELINE

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.

City of Escondido
EMERGENCY REPAIR OF 24-INCH SEWER
PIPELINE

LABOR AND MATERIAL BOND

SIGNED AND SEALED, this 24th day of January, 2017.

Shaw Equipment Rentals, Inc.
Contractor

The Ohio Casualty Insurance Company
Surety

790 The City Drive South Ste. 200, Orange, CA 92868
Address

714-634-5732
Phone No.

(SEAL)
BY [Signature]
Signature

[Signature]
Signature Bart Stewart, Attorney-in-Fact

(SEAL AND NOTARIAL ACKNOWLEDGEMENT OF SURETY)

APPROVED AS TO FORM:

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

By: _____

THIS POWER OF ATTORNEY IS NOT VALID UNLESS IT IS PRINTED ON RED BACKGROUND.

This Power of Attorney limits the acts of those named herein, and they have no authority to bind the Company except in the manner and to the extent herein stated. 2017-22
Resolution No. _____ Certificate No. 6725283 A

American Fire and Casualty Company
The Ohio Casualty Insurance Company

Liberty Mutual Insurance Company
West American Insurance Company

EXHIBIT

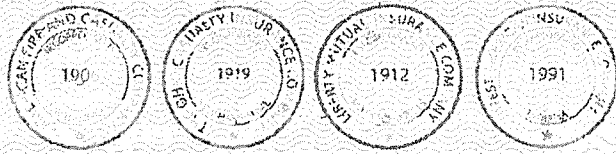
Page 13 of 14

POWER OF ATTORNEY

KNOWN ALL PERSONS BY THESE PRESENTS: That American Fire & Casualty Company and The Ohio Casualty Insurance Company are corporations duly organized under the laws of the State of New Hampshire, that Liberty Mutual Insurance Company is a corporation duly organized under the laws of the State of Massachusetts, and West American Insurance Company is a corporation duly organized under the laws of the State of Indiana (herein collectively called the "Companies"), pursuant to and by authority herein set forth, does hereby name, constitute and appoint, Bart Stewart; Brittany Aceves; Molly Cashman

all of the city of Encinitas, state of CA each individually if there be more than one named, its true and lawful attorney-in-fact to make, execute, seal, acknowledge and deliver, for and on its behalf as surety and as its act and deed, any and all undertakings, bonds, recognizances and other surety obligations, in pursuance of these presents and shall be as binding upon the Companies as if they have been duly signed by the president and attested by the secretary of the Companies in their own proper persons.

IN WITNESS WHEREOF, this Power of Attorney has been subscribed by an authorized officer or official of the Companies and the corporate seals of the Companies have been affixed thereto this 30th day of September, 2014.



American Fire and Casualty Company
The Ohio Casualty Insurance Company
Liberty Mutual Insurance Company
West American Insurance Company

By: David M. Carey
David M. Carey, Assistant Secretary

STATE OF PENNSYLVANIA ss
COUNTY OF MONTGOMERY

On this 30th day of September, 2014, before me personally appeared David M. Carey, who acknowledged himself to be the Assistant Secretary of American Fire and Casualty Company, Liberty Mutual Insurance Company, The Ohio Casualty Insurance Company, and West American Insurance Company, and that he, as such, being authorized so to do, execute the foregoing instrument for the purposes therein contained by signing on behalf of the corporations by himself as a duly authorized officer.

IN WITNESS WHEREOF, I have hereunto subscribed my name and affixed my notarial seal at Plymouth Meeting, Pennsylvania, on the day and year first above written.



TERESA PASTELLA, Notary Public
Plymouth Meeting, Montgomery County
Commission Expires March 2, 2017
Pennsylvania Association of Notaries

By: Teresa Pastella
Teresa Pastella, Notary Public

This Power of Attorney is made and executed pursuant to and by authority of the following By-laws and Authorizations of American Fire and Casualty Company, The Ohio Casualty Insurance Company, Liberty Mutual Insurance Company, and West American Insurance Company which resolutions are now in full force and effect reading as follows:

ARTICLE IV – OFFICERS – Section 12. Power of Attorney. Any officer or other official of the Corporation authorized for that purpose in writing by the Chairman or the President, and subject to such limitation as the Chairman or the President may prescribe, shall appoint such attorneys-in-fact, as may be necessary to act in behalf of the Corporation to make, execute, seal, acknowledge and deliver as surety any and all undertakings, bonds, recognizances and other surety obligations. Such attorneys-in-fact, subject to the limitations set forth in their respective powers of attorney, shall have full power to bind the Corporation by their signature and execution of any such instruments and to attach thereto the seal of the Corporation. When so executed, such instruments shall be as binding as if signed by the President and attested to by the Secretary. Any power or authority granted to any representative or attorney-in-fact under the provisions of this article may be revoked at any time by the Board, the Chairman, the President or by the officer or officers granting such power or authority.

ARTICLE XIII – Execution of Contracts – SECTION 5. Surety Bonds and Undertakings. Any officer of the Company authorized for that purpose in writing by the chairman or the president, and subject to such limitations as the chairman or the president may prescribe, shall appoint such attorneys-in-fact, as may be necessary to act in behalf of the Company to make, execute, seal, acknowledge and deliver as surety any and all undertakings, bonds, recognizances and other surety obligations. Such attorneys-in-fact subject to the limitations set forth in their respective powers of attorney, shall have full power to bind the Company by their signature and execution of any such instruments and to attach thereto the seal of the Company. When so executed such instruments shall be as binding as if signed by the president and attested by the secretary.

Certificate of Designation – The President of the Company, acting pursuant to the Bylaws of the Company, authorizes David M. Carey, Assistant Secretary to appoint such attorneys-in-fact as may be necessary to act on behalf of the Company to make, execute, seal, acknowledge and deliver as surety any and all undertakings, bonds, recognizances and other surety obligations.

Authorization – By unanimous consent of the Company's Board of Directors, the Company consents that facsimile or mechanically reproduced signature of any assistant secretary of the Company, wherever appearing upon a certified copy of any power of attorney issued by the Company in connection with surety bonds, shall be valid and binding upon the Company with the same force and effect as though manually affixed.

I, Gregory W. Davenport, the undersigned, Assistant Secretary, of American Fire and Casualty Company, The Ohio Casualty Insurance Company, Liberty Mutual Insurance Company, and West American Insurance Company do hereby certify that the original power of attorney of which the foregoing is a full, true and correct copy of the Power of Attorney executed by said Companies, is in full force and effect and has not been revoked.

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed the seals of said Companies this 24th day of January, 2017



By: Gregory W. Davenport
Gregory W. Davenport, Assistant Secretary

Not valid for mortgage, note, loan, letter of credit, currency rate, interest rate or residual value guarantees.

To confirm the validity of this Power of Attorney call 1-610-832-8240 between 9:00 am and 4:30 pm EST on any business day.



CITY COUNCIL

For City Clerk's Use:

APPROVED DENIED

Reso No. _____ File No. _____

Ord No. _____

Agenda Item No.: 11

Date: February 1, 2017

TO: Honorable Mayor and Members of the City Council

FROM: Christopher McKinney, Director of Utilities

SUBJECT: Tax Equity and Fiscal Responsibility Act Public Hearing for Financing by Escondido Bioenergy, LLC, of a Biogas Cogeneration Project at the Hale Avenue Resource Recovery Facility (HARRF)

RECOMMENDATION:

It is requested that the City Council hold a public hearing pursuant to the Tax Equity and Fiscal Responsibility Act (TEFRA) and adopt Resolution No. 2017-18 to approve the issuance of revenue bonds by the California Municipal Finance Authority (the "CMFA"). The aggregate principal amount of the bonds (the "Loan") is not to exceed \$7,000,000. The Loan will be issued to Escondido Bioenergy, LLC, (the "Borrower") in order to: (1) finance the construction and equipping of a biogas cogeneration project located onsite at the City of Escondido's Hale Avenue Resource Recovery Facility (the "Project"), to be owned and operated by the Borrower and located within the City of Escondido (the "City"); and (2) pay certain expenses incurred in connection with the issuance of the Loan, pay capitalized interest, and fund a debt service reserve fund.

FISCAL ANALYSIS:

There is no fiscal impact to the City. The public hearing will allow the City Council to receive public comment on the proposed financing as a member agency of the CMFA, and to adopt the resolution to approve the issuance of revenue bonds by the CMFA for the Project. The CMFA will then conduct its own process to actually issue the bonds, and investors will look only to the Escondido Bioenergy Facility, LLC (the "Borrower") for repayment of the bonds. The City, therefore, has no financial or legal obligation, nor liability or responsibility for the repayment of the bonds issued pursuant to this Resolution.

The Board of Directors of the California Foundation for Stronger Communities, a California non-profit public benefit corporation (the "Foundation"), acts as the Board of Directors for the CMFA. Through its issuance activities, the CMFA shares a portion of the fees it receives with its member communities and donates a portion of these fees to the Foundation for the support of local charities. With respect to the City of Escondido, it is expected that a portion of the issuance fee will be granted by the CMFA to the general fund of the City. Such grant may be used for any lawful purpose of the City.

PREVIOUS ACTION:

On December 11, 2013, the City Council adopted Resolution No. 2013-170, authorizing execution of a Joint Exercise of Powers Agreement relating to the City's membership in the CMFA. The City is therefore an authorized CMFA member and an "applicable elected representative," and a City Council meeting is a suitable venue to conduct this hearing.

On July 8, 2015, the City Council adopted Resolution No. 2015-107, authorizing the Mayor and City Clerk to execute a twenty-year power purchase agreement (PPA) with Escondido Bioenergy Facility, LLC, and authorizing the Director of Utilities to execute a Site License Agreement with Escondido Bioenergy Facility, LLC, for constructing and operating a cogeneration facility at the HARRF.

BACKGROUND:

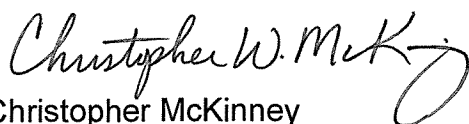
Escondido Bioenergy Facility, LLC, a Delaware limited liability company, has requested that the California Municipal Finance Authority issue tax-exempt revenue bonds in the maximum principal amount of \$7 million to the Borrower to provide funding to the Project. The Project consists of two pre-packaged combined heat and power systems, the required gas conditioning and emissions control equipment, and certain ancillary, and related equipment and facilities, to be owned and operated by the Borrower and located within the City of Escondido

In order for the interest on the Bonds to be tax-exempt to investors, Section 147(f) of the Internal Revenue Code of 1986, as amended (the "Code"), requires that an "applicable elected representative" of the governmental unit, in the geographic jurisdiction where the site of facilities to be financed with the proceeds of the Bonds is located, hold a public hearing on the issuance of the Bonds and approve the issuance of the Bonds following such hearing.

The City of Escondido is a member agency of CMFA, and CMFA has the authority to serve as the issuer of these tax-exempt revenue bonds, to obtain funds to make loans to finance projects for healthcare, education, cultural facilities, and waste-to-energy facilities. The CMFA was created on January 1, 2004, and is a public entity, separate and apart from its members, so the debts, liabilities, and obligations of CMFA do not constitute debts, liabilities, or obligations of its members. CMFA provides that any member may withdraw from the Agreement upon written notice to the Board of Directors of the CMFA at any time.

Staff recommends that the City Council adopt Resolution No. 2017-18, approving CMFA's issuance of revenue bonds for the purpose of the acquisition, construction, improvement, and equipping of a certain biogas cogeneration project for the Escondido Bioenergy Facility, LLC.

Respectfully submitted,



Christopher McKinney
Director of Utilities

RESOLUTION NO. 2017-18

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ESCONDIDO APPROVING THE ISSUANCE OF THE CALIFORNIA MUNICIPAL FINANCE AUTHORITY 2017 TAX EXEMPT LOAN IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$7,000,000 FOR THE PURPOSE OF FINANCING THE ACQUISITION, CONSTRUCTION, IMPROVEMENT AND EQUIPPING OF A BIOGAS COGENERATION PROJECT AND CERTAIN OTHER MATTERS RELATING THERETO

WHEREAS, Escondido Bioenergy Facility, LLC, a Delaware limited liability company (the "Borrower"), has requested that the California Municipal Finance Authority (the "Authority") participate in the issuance of one or more series of tax exempt loans pursuant to a plan of finance in an aggregate principal amount not to exceed \$7,000,000 (the "Loan") to: (1) finance the acquisition, construction, improvement and equipping of a certain biogas cogeneration project located onsite at the City of Escondido's Hale Avenue Resource Recovery Facility ("HARRF"), consisting of two pre-packaged Combined Heat and Power systems and the required gas conditioning and emissions control equipment and certain ancillary and related equipment and facilities (the "Project"), to be owned and operated by the Borrower and located within the City of Escondido (the "City"); and (2) pay certain expenses incurred in connection with the issuance of the Loan, pay capitalized interest and fund a debt service reserve fund.

WHEREAS, pursuant to Section 147(f) of the Internal Revenue Code of 1986 (the "Code"), the issuance of the Loan by the Authority must be approved by the City because the Project is to be located within the territorial limits of the City; and

WHEREAS, the City Council of the City (the "City Council") is the elected legislative body of the City and is one of the "applicable elected representatives" required to approve the issuance of the Loan under Section 147(f) of the Code; and

WHEREAS, the Authority has requested that the City Council approve the issuance of the Loan by the Authority in order to satisfy the public approval requirement of Section 147(f) of the Code and the requirements of Section 4 of the Joint Exercise of Powers Agreement Relating to the California Municipal Finance Authority, dated as of January 1, 2004 (the "Agreement"), among certain local agencies, including the City; and

WHEREAS, pursuant to Section 147(f) of the Code, the City Council has, following notice duly given, held a public hearing regarding the issuance of the Loan, and now desires to approve the issuance of the Loan by the Authority;

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

SECTION 1. The foregoing recitals are true and correct.

SECTION 2. The City Council hereby approves the issuance of the Loan by the Authority. It is the purpose and intent of the City Council that this resolution constitute approval of the issuance of the Loan by the Authority, for the purposes of (a) Section 147(f) of the Code by the applicable elected representative of the governmental unit having jurisdiction over the area in which the Project is to be located, in accordance with said Section 147(f) and (b) Section 4 of the Agreement.

SECTION 3. The issuance of the Loan shall be subject to approval of the Authority of all financing documents relating thereto to which the Authority is a party. The Loan and the obligation to pay principal of and interest thereon and any redemption premium with respect thereto do not constitute indebtedness or an obligation of the City of Escondido.

SECTION 4. The adoption of this Resolution shall not obligate the City or any department thereof to (i) provide any financing with respect to the Project; (ii) approve any application or request for or take any other action in connection with any planning approval, permit or other action necessary with respect to the Project; (iii) make any contribution or advance any funds whatsoever to the Authority; or (iv) take any further action with respect to the Authority or its membership therein.

SECTION 5. The officers of the City are hereby authorized and directed, jointly and severally, to do any and all things and to execute and deliver any and all documents which they deem necessary or advisable in order to carry out, give effect to and comply with the terms and intent of this resolution and the financing transaction approved hereby.

SECTION 6. This Resolution shall take effect immediately upon its adoption.

CITY COUNCIL

For City Clerk's Use:

APPROVED **DENIED**

Reso No. _____ File No. _____

Ord No. _____

Agenda Item No.: 12
Date: February 1, 2017

TO: Honorable Mayor and Members of the City Council
FROM: Christopher W. McKinney, Director of Utilities
SUBJECT: Water and Wastewater Rate Adjustments for 2017 through 2021

Recommendation:

It is requested that the City Council adopt Resolution No. 2017-14, approving:

1. Utility rate adjustments, effective March 1, 2017, to increase Water Fund revenue by 5.5 percent and Wastewater Fund revenue by 5.5 percent.
2. Future Utility rate adjustments, effective March 1 of each year from 2018 through 2021, to increase Water Fund revenue by an additional 5.5 percent annually and Wastewater Fund revenue by an additional 5.5 percent annually.
3. Annual adjustments through 2021 for two "pass-through" charges: (1) the Infrastructure Access Charge levied by the San Diego County Water Authority, and (2) the Readiness-to-Serve Charge levied by the Metropolitan Water District of Southern California.
4. Future adjustments through 2021 for "pass-through" volumetric charges imposed by the San Diego County Water Authority (SDCWA) for water supplies imported into Escondido.

It is additionally requested that the City Council receive and file a five-year update to the City's "Water and Wastewater Cost of Service Rate Study," which is available on the City's website at <https://www.escondido.org/Data/Sites/1/media/PDFs/Utilities/water/EscondidoWaterandWastewaterReport-1-17-17Final.pdf>.

These rate adjustment recommendations were developed using the City's Utility Rate Models for the Water Fund and the Wastewater Fund.

Fiscal Analysis:

The City's Utility Rate Models evaluate the costs to provide water and wastewater service to all user classifications. The models are important tools for analyzing revenues and expenditures so that revenue needs may be projected several years into the future. The rates developed are necessary to provide safe, reliable, and sustainable utility service to our customers. The update of the City's Utility Rate Model focused particularly on the Cost of Service (COS) for each customer class, and developed rates for each customer class that reflected each class' individual COS. **Note: More analysis of the fiscal impacts of the rate proposals and COS adjustments can be found later in this report.**

Pass-Through Charges

The Metropolitan Water District's (MWD's) Readiness-to-Serve charge recently decreased from \$2.78 to \$2.46 per meter, per month in 2017. This charge includes a "Delta Surcharge" to cover costs to obtain water lost to environmental restrictions on the Sacramento River Delta. Since 2009 the City of Escondido has passed through adjustments to the Readiness-to-Serve charge. Annual changes are effective July 1 of each year.

The SDCWA Infrastructure Access Charge increased from \$2.76 to \$2.87 per meter, per month in 2017. Since 2009 the City of Escondido has passed through adjustments to the Infrastructure Access Charge. Annual changes are effective January 1 of each year.

In 2015 the City Council extended the pass-through adjustments of both the MWD Readiness-to-Serve and the SDCWA Infrastructure Access Charge through 2019. Staff recommends extending the pass-through of both these charges for an additional two years, through 2021.

Staff also recommends pass-through of future adjustments to the SDCWA volumetric water supply charges. Escondido imports the majority of its water supply via the SDCWA. One of several fees and charges paid by the City to the SDCWA is a charge for unit volume of water imported (presently at \$1,267 per acre-foot of water). Past increases in the rate charged by the SDCWA have not been passed on to customers until the next rate hearing. This has meant that some money collected to fund the Department's critical water infrastructure projects has instead been diverted to water supply purchases, thus delaying funding for critical Capital Improvement Projects (CIPs). It is unknown when the SDCWA will again raise its volumetric supply rate. When it does raise the rate, staff will notify the City Council before any notices are sent to customers. These customer notices must be sent 30 days prior to the effective date of the rate change. Staff recommends authorizing pass-through of future adjustments to the SDCWA volumetric water supply charge through 2021.

Primary Drivers of the Proposed Rate Adjustments

The most significant drivers of the revenue increases, as with past requested increases, are: (1) the funding needs of the Water and Wastewater Capital Improvement Programs (CIPs); and (2) operational costs, including imported water, materials, equipment replacement, and employee services. Of these two factors, CIP funding is the dominant driver, accounting for more than two-thirds of the requested increase. Unlike past revenue increases, meeting past debt obligations is not a driver of this increase. The Water Fund and Wastewater Fund emergency reserves and debt reserves are fully funded, and annual net revenues are in excess of the minimum required to make debt service payments as required by the Funds' bond covenants. Past rate increases designed to build CIP reserves have also generated additional revenue for debt coverage. Therefore, debt coverage - while critical - is no longer a primary driver of rate increases.

Future borrowing needs, if approved by the City Council at a later date, have been considered when making these rate recommendations. Future borrowing will target low-interest loan options to save long-term borrowing costs and minimize rate increases driven by debt coverage.

Utility Capital Improvement Program (CIP)

Following is a summary of the projects that are driving the need for additional revenue. The rate models used to develop these rates assume that money collected via past rate increases will be used to partially fund these projects on a pay-as-you-go, or PAYGO basis. However, the cost of the CIP is so large that insufficient funds are available to fund these projects on an entirely PAYGO basis. Future borrowing will be required. The models assume low interest loans of 3.5 percent annual interest or less for future borrowing. Although the municipal bond markets are presently offering rates a few percent higher than 3.5 percent, the City is eligible for low interest loan programs such as those offered by the Department of Water Resources State Revolving Fund (SRF) and the California Infrastructure Bank (I-Bank). Given already awarded and anticipated grant funding, and the Utility Funds good credit rating, staff projects that future borrowing will carry an interest rate at 3.5 percent or lower.

Projected borrowing amounts used in the rate model are as follows. The majority of planned Wastewater Fund borrowing is comprised of SRF loans, so an unknown amount of this borrowing may be reduced by grant funding and loan forgiveness under State Proposition 1 programs.

<u>Water Fund</u>	<u>Wastewater Fund</u>
\$25 million in 2017	\$42 million in 2017
\$30 million in 2019	\$27 million in 2018
\$20 million in 2021	\$25 million in 2020

A partial summary of projects included in the rate model are listed below:

Capital Improvement Program – Water Fund

The Water Fund is moving forward with several important CIP projects in the next five years. These projects replace aging infrastructure, restore important water storage capability, and secure Escondido’s access to its local water supplies. Several of the more important and costly future projects are:

<u>Project</u>	<u>Est. Cost</u>	<u>Status</u>
Emergency Treated Water Connection	\$ 1.5 M	Design
Escondido Canal Undergrounding	\$23.0 M	Design
Lindley Reservoir Replacement	\$10.0 M	Design
Lake Wohlford Dam Project	\$35.0 M	Design
A-11 Reservoir Replacement	\$ 1.2 M	Design

The emergency treated water connection will build a connection between the City’s system and the Vallecitos Water District. This connection will make both agencies’ systems more reliable

by allowing for transfer of treated water when one of the two agencies suffers a treated water supply deficit. The water tank replacement projects will increase storage capacity and provide for two smaller tanks at each site rather than one larger tank. A single tank complicates maintenance because it can never be taken completely out of service without disruption to water service. Dual tanks allow for taking one tank out of service for maintenance while the other continues to provide service, thus increasing the lifetime of the tanks. The new Wohlford Dam will restore capacity lost when the existing dam's upper portion was found to be seismically unstable. Once restored, Escondido will have an additional 3,800 acre-feet of local water storage that will allow the City to avoid increased water imports during future droughts. The undergrounding of portions of the Escondido Canal where it traverses the San Pasqual Indian Reservation is a term of the recently ratified San Luis Rey Basin Water Rights Agreement. The project will reroute several miles of the existing canal through the reservation into an underground pipeline.

Capital Improvement Program – Wastewater Fund

The City Council approved the concepts behind the Recycled Water and Potable Reuse Program (the Program) on April 2, 2014. This ambitious program will solve Escondido's treated wastewater land outfall capacity issues by redirecting the majority of treated water away from the outfall and toward recycled water customers in the City's water service area. The Program benefits wastewater customers by avoiding the substantial cost of expanding the outfall, and the increased supply of recycled water will significantly reduce the City's dependence on imported water. By the end of 2022, the Utilities Department's goal is completion of recycled water distribution to the Hogback/Cloverdale, La Honda, and Hidden Trails areas. These areas contain most of Escondido's agricultural land and the customers there represent the bulk of future recycled water customers.

While the drinking water portion of the Program will not be completed for more than 10 years, the goal for the next five years includes completion of the recycled water delivery system. Several important future projects within that system are:

Project	Est. Cost	Status
HARRF Digester Replacement	\$ 7.9 M	Planning
HARRF RW Filter – Chlorine Contact Basin	\$ 8.2 M	Planning
HARRF Secondary Treatment Capacity	\$30.0 M	Planning
Lift Station #1 Rehabilitation and Force Main	\$ 9.5 M	Planning
Hogback RW Tank, Distribution, and Pump Station	\$ 7.0 M	Design
RW Easterly Main Brine Return	\$ 5.0 M	Design
RW MFRO (Desalting Facility) and Pump Station	\$32.0 M	Design

The list above does not include potable reuse projects because those projects are scheduled to begin in the mid-2020s and are not included in the rate calculations under consideration at this time.

Proposed Rate Structure for Wastewater Service and Recycled Water Service

Staff recommends adjusting all wastewater charges and recycled water charges to those illustrated in Attachment 1. The tables show proposed rates to take effect on March 1 of each year from 2017 through 2021. The recommended adjustments in Water and Wastewater rates will increase revenue by 5.5 percent annually for 5 years. Further increases after 2021 will require another publicly noticed hearing in compliance with the requirements of California Proposition 218. Utilities staff is not recommending any increase in the recycled water volume rate charged to existing retail customers. The volume rate for recycled water is presently \$3.85 per 1,000 gallons.

Summary of Finding of the Water and Wastewater Rate Study

The primary goal of the update to the rate study was development of rates for each water and wastewater customer class that would generate revenue consistent with the cost of supplying service to each class. Each customer class has a unique cost of service based on its unique volume demands, peak use, water quality requirements, wastewater loading, etc. Staff, working with our rate consultant, divided all the utility funds' costs into various categories and allocated these costs to each customer class depending on the class' contribution to the cost. Once this allocation was complete, rates were generated to collect enough revenue from a customer class to cover its cost of service, consistent with the requirements of California Proposition 218.

The update comes five years after the original study completed in December 2011. Rate increases since 2011 have been so-called "across the board" increases, meaning that all rates – regardless of customer class – were raised by the same fixed percentage. These across the board increases are not inconsistent with Proposition 218 as long as the resulting rates are not largely divergent from the cost of service. Thus, periodic updates – usually every five years – are recommended. This update showed that adjustments to the rate schedule are needed to ensure that rates continue to align with the cost of service.

The rates proposed to the City Council in Attachments 1, 2, and 3 would bring Escondido's water utility rates into alignment with the cost of service over a three-year period. The City Council has the option to approve rates that would restore alignment immediately, but staff recommends against this option as it would magnify the rate increase for some customer classes, notably Tier 2 Single Family Residential Customers and Agricultural Customers. Instead, staff is recommending that certain rate adjustments be phased in.

Bill Impacts of Rate Increase Options for Single Family Residential Customers

The tables at the end of this report show the impacts of the proposed rate increases on Single Family Residential customers in 2017. These sample customers' monthly water consumption volumes are 7,000 gallons; 10,000 gallons; 15,000 gallons; 20,000 gallons; and 25,000 gallons. These volumes

Water and Wastewater Rates and Fees

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represent customers whose consumption is completely within Tier 1 (up to 7,000 gallons per month), partially within Tier 2 (>7,000 gallons to 15,000 gallons per month); and partially within Tier 3 (more than 15,000 gallons per month). Please note that customers who consume water in the higher tiers still pay the lower tier rate for water for the first water consumed in a billing cycle. For example, the customer consuming 20,000 gallons per month will pay the Tier 1 rate for 7,000 gallons, the Tier 2 rate for the next 8,000 gallons, and the Tier 3 rate for the last 5,000 gallons.

As seen in the tables, customers who limit consumption to Tier 1 (the 7,000-gallon customer) will see a total utility bill (water and wastewater) increase of \$7.14 per month in 2017. Customers who limit consumption to Tier 2 (the 15,000-gallon customer) will see a total utility bill (water and wastewater) increase of \$11.54 per month in 2017. A customer whose consumption is well into Tier 3 (the 25,000-gallon customer) will see a total utility bill (water and wastewater) increase of \$13.90 per month in 2017. Customers consuming different volumes in the same tier will experience slightly different bill impacts. The sample Tier 3 customer's bill increases by a smaller amount than the sample Tier 2 customer for two reasons: (1) the Tier 3 water use has no impact on the wastewater bill, and (2) the percentage increase for Tier 3 is smaller than Tier 2 to correct the cost-of-service alignment.

Rate Comparisons:

City staff surveyed water rates to gain insight into the Department's pricing policies compared to other local San Diego County water agencies. Based on publicly available rates published by other agencies in the region, staff compared Escondido current rates and proposed 2017 rates to current rates of regional water and wastewater agencies. Staff compared the projected monthly water charge for customers consuming 10,000 gallons and 20,000 gallons, and the projected monthly wastewater charge for customers consuming 10,000 gallons of potable water.

If the Council approves the recommended rate increase, the water charges for a 10,000-gallon consumer would rank 10th out of 22 (where 1st is highest and 22nd is lowest). The water charges for a 20,000-gallon consumer would rank 4th out of 22. The wastewater charges for a 10,000-gallon consumer would rank 10th out of 13 (where 1st is highest and 13th is lowest). As in past years, some agencies will raise water and wastewater rates later in the year, so the results of this comparison may change in only a few months.

Setting Future Rates for Agricultural Customers Using Advanced Treated Recycled Water

The City continues to move forward with a plan to expand recycled water distribution. The expansion will, among other things, generate a new supply of lower-salinity, recycled water for delivery to a new customer base, namely agricultural users. The cost of this service may rightly be distributed to two customer bases – agricultural users who will receive delivery of the new supply and wastewater rate payers – because both will directly benefit from the projects. Wastewater ratepayers should share in the cost of the expansion because the main driver is avoiding replacing the HARRF land outfall. The cost to replace the land outfall would far exceed the cost of the recycled water and eventual drinking water expansion. The avoided CIP cost for the Wastewater Fund is approximately \$230 million. Thus, the Wastewater Fund is a clear beneficiary of the expansion. The proposed rate of \$3.00 per 1,000 gallons (also shown in Attachment 2) collects some revenue from agricultural users to fund the

CIP expansion and to cover operating costs. The remainder of the cost is built into the proposed wastewater rate increases.

Proposition 218 Notification:

In compliance with Article XIII(D) of the California State Constitution and the Proposition 218 Omnibus Implementation Act, the City of Escondido mailed a notification of the proposed utility rate adjustments to all utility customers before December 16, 2016, more than 45 days prior to the date of the rate hearing. Additionally, notices were published in the Daily Transcript on December 16, 2016, more than 45 days prior to the date of the rate hearing, and again on January 20, 2017. Written protests to the rate adjustments have been collected through the City Clerk's office and will be summarized at the rate hearing. **A copy of the notice sent via regular mail has been included for reference at the end of this document as Attachment 4.**

Though not being requested today, rate increases for Calendar Year 2022 and beyond may be necessary. Additional notices under Proposition 218, as well as public hearings, will be required for any future proposed increase. All staff and consultant work on the current proposal has been conducted to meet the requirements of Proposition 218, which requires that rates and fees be justified by the costs to provide the service. Rates different from those proposed, whether adopted now or in the future, would have to meet the same legal test for relationship between the commodities and services provided, and the costs to provide these commodities and services.

Respectfully submitted,



Christopher W. McKinney
Director of Utilities

Attachments:

1. Proposed Wastewater and Recycled Water Rates
2. Proposed Water Consumption Charges
3. Proposed Water Fixed Charges
4. Proposition 218 Notice Sent to All Customers in December 2016

**TABLE 1: PROJECTED UTILITY BILL IMPACTS
 PROPOSED RATE INCREASES – 2017 and 2018
 ASSUMING RECOMMENDED REVENUE INCREASE
 (5.5% - Water, 5.5% - Wastewater)**

ESTIMATED BILL UNDER EXISTING RATES

WATER USE →	7,000	10,000	15,000	20,000	25,000
Monthly Service	\$30.11	\$30.11	\$30.11	\$30.11	\$30.11
Tier 1 Charges	\$37.31	\$37.31	\$37.31	\$37.31	\$37.31
Tier 2 Charges	\$0.00	\$20.64	\$55.04	\$55.04	\$55.04
Tier 3 Charges	\$0.00	\$0.00	\$0.00	\$43.75	\$87.50
TOTAL WATER	\$67.42	\$88.06	\$122.46	\$166.21	\$209.96
WASTEWATER					
Monthly Service	\$19.91	\$19.91	\$19.91	\$19.91	\$19.91
Volume Charge	\$26.88	\$38.40	\$38.40	\$38.40	\$38.40
TOTAL WASTEWATER	\$46.79	\$58.31	\$58.31	\$58.31	\$58.31
TOTAL UTILITY BILL	\$114.21	\$146.37	\$180.77	\$224.52	\$268.27

ESTIMATED BILL AS OF MARCH 1, 2017

WATER USE →	7,000	10,000	15,000	20,000	25,000
Monthly Service	\$32.44	\$32.44	\$32.44	\$32.44	\$32.44
Tier 1 Charges	\$39.39	\$39.39	\$39.39	\$39.39	\$39.39
Tier 2 Charges	\$0.00	\$22.02	\$58.72	\$58.72	\$58.72
Tier 3 Charges	\$0.00	\$0.00	\$0.00	\$44.95	\$89.90
TOTAL WATER	\$71.82	\$93.84	\$130.54	\$175.49	\$220.40
WASTEWATER					
Monthly Service	\$20.97	\$20.97	\$20.97	\$20.97	\$20.97
Volume Charge	\$28.56	\$40.80	\$40.80	\$40.80	\$40.80
TOTAL WASTEWATER	\$49.53	\$61.77	\$61.77	\$61.77	\$61.77
TOTAL UTILITY BILL	\$121.35	\$155.61	\$192.31	\$237.26	\$282.17

TABLE 1 IS CONTINUED ON PAGE 9.

**TABLE 1 (CONTINUED): PROJECTED UTILITY BILL IMPACTS
 PROPOSED RATE INCREASES – 2017 and 2018
 ASSUMING RECOMMENDED REVENUE INCREASE
 (5.5% - Water, 5.5% - Wastewater)**

ESTIMATED BILL AS OF MARCH 1, 2018

WATER USE →	7,000	10,000	15,000	20,000	25,000
Monthly Service	\$34.76	\$34.76	\$34.76	\$34.76	\$34.76
Tier 1 Charges	\$41.46	\$41.46	\$41.46	\$41.46	\$41.46
Tier 2 Charges	\$0.00	\$23.40	\$62.40	\$62.40	\$62.40
Tier 3 Charges	\$0.00	\$0.00	\$0.00	\$46.15	\$92.30
TOTAL WATER	\$76.23	\$99.63	\$138.63	\$184.78	\$230.93
WASTEWATER					
Monthly Service	\$22.09	\$22.09	\$22.09	\$22.09	\$22.09
Volume Charge	\$30.45	\$43.50	\$43.50	\$43.50	\$43.50
TOTAL WASTEWATER	\$52.54	\$65.59	\$65.59	\$65.59	\$65.59
TOTAL UTILITY BILL	\$128.77	\$165.22	\$204.22	\$250.37	\$296.52

Note: SDCWA and MWD Pass-Through charges are not included in the above tables. These charges totaled \$5.54 in 2016 and \$5.33 in 2017 for Single Family Residences with a 5/8 or 3/4-meter service (pending Council approval of the pass through).

ATTACHMENT 1- REVISED

PROPOSED WASTEWATER RATES

ADOPTION RECOMMENDED BY STAFF

PROPOSED RATES IN THIS ATTACHMENT SHOW INCREASES OF 5.5% ANNUALLY FOR FIVE YEARS. THE PROPOSED INCREASES TAKE EFFECT ON MARCH 1 EACH YEAR, THROUGH 2021.

Customer Class	Rates per 1000 gal Unit	Current Rate	As of March 1, 2017	As of March 1, 2018	As of March 1, 2019	As of March 1, 2020	As of March 1, 2021
FIXED MONTHLY (ALL CLASSES)		\$19.91/mo. (fixed)	\$20.97/mo. (fixed)	\$22.09/mo. (fixed)	\$23.27/mo. (fixed)	\$24.55/mo. (fixed)	\$25.90/mo. (fixed)
Single Family Residential	per unit/mo.	\$3.84	\$4.08	\$4.35	\$4.62	\$4.87	\$5.14
Multi-Family Dwelling	per dwelling unit/mo.	\$3.19	\$3.37	\$3.57	\$3.77	\$3.98	\$4.20
Mobile Homes	per mobile home/mo.	\$2.20	\$2.24	\$2.27	\$2.32	\$2.44	\$2.58
Car Wash/Soft Water Service	per acct/mo.	\$6.21	\$6.41	\$6.60	\$6.81	\$7.19	\$7.58
Hotel/Motel without dining	per acct/mo.	\$7.09	\$7.42	\$7.76	\$8.13	\$8.57	\$9.04
Hotel/Motel with dining	per acct/mo.	\$10.26	\$10.73	\$11.23	\$11.75	\$12.39	\$13.08
Repair Shop/Service Station	per acct/mo.	\$6.53	\$6.73	\$6.93	\$7.15	\$7.55	\$7.96
Commercial Laundry	per acct/mo.	\$7.36	\$7.66	\$7.96	\$8.29	\$8.74	\$9.22
Laundromats	per acct/mo.	\$6.47	\$6.73	\$7.00	\$7.28	\$7.68	\$8.11
Hospital	per acct/mo.	\$6.92	\$7.21	\$7.51	\$7.83	\$8.26	\$8.71
Grocery Store with Meat Dept.	per acct/mo.	\$11.16	\$11.95	\$12.80	\$13.69	\$14.44	\$15.24
Industrial	per acct/mo.	\$9.27	\$9.83	\$10.43	\$11.06	\$11.67	\$12.31
Restaurant	per acct/mo.	\$10.99	\$11.78	\$12.63	\$13.52	\$14.26	\$15.04
All Other Commercial	per acct/mo.	\$7.27	\$7.59	\$7.92	\$8.27	\$8.73	\$9.21
Discharges to Brine Line	per acct/mo.	\$0.90	\$0.86	\$0.81	\$0.77	\$0.81	\$0.85

ATTACHMENT 1- REVISED (CONTINUED)

PROPOSED WASTEWATER RATES (CONTINUED)

ADOPTION RECOMMENDED BY STAFF

ALL PROPOSED RATES IN THIS ATTACHMENT SHOW INCREASES OF 5.5% ANNUALLY FOR FIVE YEARS. THE PROPOSED INCREASES TAKE EFFECT ON MARCH 1 EACH YEAR, THROUGH 2021.

Customer Class		Per Unit Cost	As of March 1, 2017	As of March 1, 2018	As of March 1, 2019	As of March 1, 2020	As of March 1, 2021
	Unit						
Senior High Schools	per student/yr.	\$28.46	\$29.67	\$30.92	\$32.24	\$34.02	\$35.89
Elementary & Middle Schools	per student/yr.	\$18.98	\$19.79	\$20.61	\$21.49	\$22.67	\$23.92
Churches	per 100 seats/mo.	\$39.54	\$41.22	\$42.94	\$44.78	\$47.24	\$49.84

Customer Class		Wastewater Flow (Per Unit Cost)	As of March 1, 2017	As of March 1, 2018	As of March 1, 2019	As of March 1, 2020	As of March 1, 2021
	Unit						
Brewery - Flow	1,000 gal.	\$5.73	\$5.89	\$6.03	\$6.20	\$6.54	\$6.90
Brewery - BOD	lb.	\$0.44	\$0.54	\$0.56	\$0.60	\$0.63	\$0.67
Brewery - TSS	lb.	\$0.44	\$0.48	\$0.52	\$0.57	\$0.60	\$0.63

PROPOSED RECYCLED WATER RATES

ADOPTION RECOMMENDED BY STAFF

THERE ARE NO PROPOSED INCREASES IN RECYCLED WATER RATES.

Recycled Water Commodity Rate (\$/1,000 gal)	Current Rate	As of March 1, 2017	As of March 1, 2018	As of March 1, 2019	As of March 1, 2020	As of March 1, 2021
	\$3.85	\$3.85	\$3.85	\$3.85	\$3.85	\$3.85
Recycled Water for Agriculture		\$3.00	\$3.00	\$3.00	\$3.00	\$3.00

ATTACHMENT 2- REVISED

**SUMMARY OF PROPOSED RATE STRUCTURE FOR RESOLUTION 2017-14 (February 1, 2017)
PROPOSED VOLUMETRIC CHARGES (PER 1,000 GALLONS CONSUMED)**

STAFF RECOMMENDATION							
CUSTOMER CLASS	Consumption Range (where applicable)	Current Rate	New Rate March 1, 2017	New Rate March 1, 2018	New Rate March 1, 2019	New Rate March 1, 2020	New Rate March 1, 2021
SINGLE FAMILY RESIDENTIAL	TIER 1 (0 to 7,000 gal.)	\$5.33	\$5.63	\$5.92	\$6.22	\$6.57	\$6.94
	TIER 2 (>7,000, up to 15,000 gal.)	\$6.88	\$7.34	\$7.80	\$8.26	\$8.72	\$9.20
	TIER 3 (more than 15,000 gal.)	\$8.75	\$8.99	\$9.23	\$9.47	\$10.00	\$10.55
RESIDENTIAL/AGRICULTURAL USE	TIER 1 (0 to 7,000 gal.)	\$5.33	\$5.58	\$5.82	\$6.07	\$6.41	\$6.77
	TIER 2 (more than 7,000 gal.)	\$7.00	\$7.49	\$7.98	\$8.47	\$8.94	\$9.44
MULTI-FAMILY RESIDENTIAL	TIER 1 (0 to 5,000 gal.)	\$5.33	\$5.60	\$5.88	\$6.15	\$6.49	\$6.85
	TIER 2 (>5,000, up to 7,000 gal.)	\$6.89	\$7.23	\$7.57	\$7.91	\$8.35	\$8.81
	TIER 3 (more than 7,000 gal.)	\$8.73	\$8.76	\$8.79	\$8.82	\$9.31	\$9.83
COMMERCIAL/INDUSTRIAL/SCHOOL		\$6.66	\$7.00	\$7.35	\$7.69	\$8.12	\$8.57
IRRIGATION/INSTITUTIONAL/LANDSCAPE DISTRICT		\$7.18	\$7.50	\$7.81	\$8.13	\$8.58	\$9.06
SAN DIEGO ZOO SAFARI PARK		\$6.66	\$7.23	\$7.80	\$8.37	\$8.84	\$9.33
SPECIAL UNFILTERED		\$4.12	\$4.99	\$5.86	\$6.73	\$7.11	\$7.51
AGRICULTURAL		\$3.31	\$3.64	\$4.00	\$4.36	\$4.65	\$4.91

ATTACHMENT 3- REVISED

**SUMMARY OF PROPOSED RATE STRUCTURE FOR RESOLUTION 2017-14 (February 1, 2017)
PROPOSED FIXED CHARGES (PER ACCOUNT PER MONTH)**

STAFF RECOMMENDATION						
METER SIZE	Current Rate	New Rate March 1, 2017	New Rate March 1, 2018	New Rate March 1, 2019	New Rate March 1, 2020	New Rate March 1, 2021
5/8" and 3/4"	\$30.11	\$32.44	\$34.76	\$37.09	\$39.13	\$41.29
1"	\$47.31	\$50.91	\$54.51	\$58.11	\$61.31	\$64.69
1 1/2"	\$90.32	\$96.96	\$103.60	\$110.24	\$116.31	\$122.71
2"	\$141.90	\$152.27	\$162.65	\$173.02	\$182.54	\$192.58
3"	\$305.29	\$327.55	\$349.81	\$372.07	\$392.54	\$414.13
4"	\$546.06	\$585.71	\$625.35	\$665.00	\$701.58	\$740.17
6"	\$1,208.21	\$1,295.78	\$1,383.35	\$1,470.92	\$1,551.83	\$1,637.19
8"	\$2,068.12	\$2,217.86	\$2,367.60	\$2,517.34	\$2,655.80	\$2,801.87
3/4" x 3"	\$427.40	\$408.96	\$390.51	\$372.07	\$392.54	\$414.13
1" x 4"	\$649.25	\$654.50	\$659.75	\$665.00	\$701.58	\$740.17
1 1/2" x 6"	\$1,294.33	\$1,353.19	\$1,412.06	\$1,470.92	\$1,551.83	\$1,637.19
3/4" x 3" x 6"	\$1,294.33	\$1,353.19	\$1,412.06	\$1,470.92	\$1,551.83	\$1,637.19
1" x 4" x 8"	\$2,068.25	\$2,217.95	\$2,367.64	\$2,517.34	\$2,655.80	\$2,801.87
2" x 6"	\$1,294.33	\$1,353.19	\$1,412.06	\$1,470.92	\$1,551.83	\$1,637.19
2" x 8"	\$2,068.25	\$2,217.95	\$2,367.64	\$2,517.34	\$2,655.80	\$2,801.87
Detector Check	\$51.27	\$54.09	\$57.06	\$60.20	\$63.51	\$67.01

**NOTICE OF PUBLIC HEARING
PROPOSED CHANGES IN WATER, WASTEWATER, AND
RECYCLED WATER RATES AND FEES**

The City of Escondido (City) will conduct a public hearing on Wednesday, February 1, 2017 at 4:30 p.m. at 201 North Broadway, Escondido, California in the City Council Chambers to consider the adoption of changes in water rates, wastewater rates, and recycled water rates. The Council will also consider all written protests to these changes. (Further details about the protest process can be found at the end of this notice.)

At the hearing, Utilities staff will propose annual water and wastewater revenue increases of 5.5% for five years to take effect on March 1 of each year from 2017 through 2021. Utilities staff will not propose a recycled water rate increase and will give the City Council options that may decrease recycled water rates. Additionally, rate changes will be proposed to better align rates charged to individual customer classes with the cost to provide service to those customers, in accordance with provisions of Proposition 218.

Background and General Information

The City annually evaluates its water, wastewater, and recycled water rates to insure that its revenues are sufficient to honor its commitment to long-term planning and appropriate infrastructure investment. This evaluation considers many factors that impact the cost of providing water and wastewater services. Among these factors are: the cost of imported water; requirements to maintain sufficient revenue to cover the City's water and wastewater debt service costs; the cost of operations, including employee and materials costs; the cost of future projects to maintain service reliability; and the cost of planned infrastructure maintenance and expansion. The City's Rate Study guides the completion of the rate evaluation.

The proposed changes to **water rates** in this notice apply to all customers who receive potable and recycled water service from the City of Escondido. *These proposed water rate changes will not impact customers who receive potable and recycled water service from the Rincon del Diablo Municipal Water District.* The proposed changes to **wastewater rates** in this notice apply to all customers within the City of Escondido served by its municipal wastewater system.

Rate Increases – A Means to Increase Revenue

Throughout this notice, the terms "Rate Increase" and "Revenue Increase" are used. While these terms may seem to be interchangeable, they are different in that many possible rate increase scenarios will generate the same revenue increase. For example, to achieve a *revenue* increase of 5.5%, the City Council could choose to increase all *rates* by 5.5%. However, the same revenue increase could be achieved by increasing fixed monthly charges by less than 5.5% and increasing variable volumetric charges (based on the amount of water delivered to the customer) by more than 5.5%. Any increase in rates must be consistent with the cost-of-service principles of Proposition 218.

At the hearing on February 1, Utilities Department staff will present proposals to the City Council for annual rate increases to take effect on March 1 in each of the five years from 2017 through 2021. If the City Council approves any increases, the specific rate increases will be determined at the hearing. Staff will present several different options to the City Council concerning the rate increases and the City Council may choose, at its discretion, to enact increases that are smaller or larger than those recommended by staff. The City Council may also choose to enact no increase at all. In no case will the City Council enact rates that are greater than those detailed in the tables on the following pages.

One Department, Two Financial Funds - The Water and Wastewater Funds

Services provided by the City are funded by money collected from ratepayers for those services. **The Escondido Utilities Department (Water and Wastewater) receives no funding from property taxes.** Under California law, money collected from wastewater ratepayers may be used only to fund wastewater services and money collected from water ratepayers may be used only to fund water services. Transfer of money between these funds is prohibited except as payment for services provided (for instance, potable water service at a wastewater treatment facility or as part of a loan that will be repaid over time with interest). Likewise, Utility Fund money may not be used to fund General Fund activities except as payment for services provided. Most City of Escondido Utility customers receive both water and wastewater services from the City, and therefore have separate line items on their bills for those services. However, some customers receive only water service from the City (for example, those who use septic systems) and some customers receive only wastewater service from the City (for example, those who receive their water service from the Rincon del Diablo Municipal Water District). For these reasons, it is important to consider separate rate increases – and the benefits and impacts of them – for each Fund.

Water Rates

The City has increased water rates annually since 2011. Rate increases in 2012, 2013, and 2014 raised revenues by 12% each year. Rate increases in 2015 and 2016 raised revenues by 5.5% each year. Past rate increases were necessary in large part to insure that the Water Fund had sufficient revenue to honor its debt service obligations; to fund its Capital Improvement Program; and to pay for large increases in the cost of imported water. **For 2017 through 2021, staff will propose annual revenue increases of 5.5% for the Water Fund.** More information concerning the reasoning behind these increases can be found on page 4 under *Reasons for Proposed Rate Increases*.

Wastewater Rates

The City increased wastewater rates in 2013 and 2014 by an average of 4% per year. Rate increases in 2015 and 2016 raised revenues by 6% each year. Past rate increases were necessary primarily to insure that the Wastewater Fund had sufficient revenue to honor its debt service obligations; to fund its Capital Improvement Program; and to cover anticipated increases in chemical and sludge hauling costs. **For 2017 through 2021, staff will propose annual revenue increases of 5.5% for the Wastewater Fund.** More information concerning the reasoning behind these increases can be found on page 4 under *Reasons for Proposed Rate Increases*.

Recycled Water Rates

Presently, recycled water volume rates are 72% of the lowest potable water rate charged to Single-Family-Residential customers. The Utilities Department is embarking on an ambitious Recycled Water and Potable Reuse Program which will expand the recycled water distribution system over the next five years. Projected sales of recycled water will increase significantly as the recycled water system connects new customers, with most new recycled water deliveries going to commercial agricultural customers. Staff will not propose a recycled water rate increase and will give the City Council options that may decrease recycled water rates. Recycled water rates may decrease because the recycled water system expansion is driven by two main factors: (1) the need for new, reliable, local water supply; and (2) the need to discharge less treated wastewater from the City's wastewater treatment plant to the ocean due to capacity constraints in the treated wastewater outfall. **Thus, the cost of the expansion could be borne by two sets of ratepayers: the new recycled water customers and the wastewater customers.** Wastewater ratepayers will benefit from the recycled water expansion because the expansion will allow these ratepayers to avoid the cost of expanding capacity in the HARRF's outfall pipeline. The cost of this expansion is projected to be in excess of \$500 million, not including environmental mitigation costs, and will not generate any future revenue. In contrast, the recycled water

expansion is projected to cost about \$280 million to construct and will generate revenue via water sales and avoided cost from reduced water imports. The City Council will consider authorizing the rate change to take effect on the date that service is available to new customers on the expanded system. The date that service to new customers will be available, and therefore the exact effective date of the new recycled water rate, is unknown.

Specific Water Rate Issues and Pass-Through Costs

Volumetric (Water Use) Rate Increases for Imported Water

Historically, the City purchases about 75% of its water from the San Diego County Water Authority (SDCWA). The ongoing drought in California has reduced local water supply so that water imports via the SDCWA currently account for 95% of Escondido's water. The SDCWA purchases much of its water supply from the Metropolitan Water District (MWD). MWD imports water from two sources: the Colorado River via the Colorado River Aqueduct and Northern California via the California Aqueduct. Rainfall has been well below average since the winter of 2010-2011. Many reservoirs in the State Water Project and along the Colorado River remain at levels well below average. Projects meant to further secure our water supply – for instance through additional storage, more recycling, and local supply development – will be beneficial in the long term, but will also apply upward pressure on water rates.

Metropolitan Water District – Readiness-to-Serve Charge (RTS)

The increase of the MWD Readiness-to-Serve charge in 2017 is unknown at this time. The RTS charge decreased in 2016. If this charge increases in 2017, the increase should be no more than a few cents per meter per month. This charge includes a "Delta Surcharge" to cover costs to obtain water lost to environmental restrictions on the Sacramento River Delta. Since 2009, the City of Escondido has passed through changes in the Readiness-to-Serve charge. In 2015, the City Council extended this pass-through for five years, with possible increases taking effect each year through 2019. At the rate hearing, the Council will consider extending this pass-through for an additional 2 years, making increases to this charge possible through 2021. Annual changes are effective July 1 of each year.

San Diego County Water Authority - Infrastructure Access Charge (IAC) and Supply Reliability Charge (SRC)

The SDCWA Infrastructure Access Charge is scheduled to increase from \$2.76 to \$2.87 per meter per month in 2017. Since 2009, the City of Escondido has passed through increases in the Infrastructure Access Charge. In 2015, the City Council extended this pass-through for five years, with possible increases taking effect each year through 2019. In 2016, the CWA introduced the Supply Reliability Charge (SRC). At the rate hearing, the Council will consider pass-through of the IAC for an additional 2 years, making increases to this charge possible through 2021. The City Council will also consider pass-through of the SRC through 2021. In 2016, the SRC was \$2.33 per meter per month, but was not included on customer bills. Annual changes are effective January 1 of each year.

Increased Cost of Water Purchases from the SDCWA

Staff will propose a pass-through rate increase to cover the higher cost of imported water. Over the last five years, imported water costs have risen from \$997 per acre-foot to \$1,181 per acre-foot. In the past, the City of Escondido has absorbed these increases until the next scheduled rate hearing, sometimes more than one year later. Utilities staff will propose that any future SDCWA imported water volume rate increases will be passed-through to customers automatically when the new SDCWA rate takes effect and with at least 30-day public notice. This new, proposed automatic pass-through increase would be effective for a five-year period, at which time it would end unless renewed by the City Council. The SDCWA may increase both fixed costs (for instance, the Infrastructure Access Charge and supply charges, which are based on a per meter charge), and volumetric charges. Staff will recommend continuation of the policy to pass-through increases in fixed charges, and staff will recommend pass-through of increases in volumetric rates charged by the SDCWA. The exact amount of future pass-through of rate increases for volumetric charges is not known because these rates must be determined after future SDCWA rate increases take effect.

Reasons for Proposed Rate Increases

Many factors drive Utility rate increases. The proposed rate increases over the next five years will provide necessary funds to:

WATER FUND

- Increase the volume of imports (that is, more gallons imported due to dwindling local supply);
- Continue building Capital Improvement Program (CIP) reserves to fund future water tank replacement, water treatment plant rehabilitation, and aging tank removal projects;
- Construct a new Wohlford Dam to replace the existing dam;
- Provide funds to replace portions of the Escondido Canal running through the San Pasqual Indian Reservation with an underground pipeline;
- Continue the repair and replacement program for at-risk water mains throughout the City;
- Cover increasing costs of chemicals, replacement equipment, and materials used for treating potable water.

WASTEWATER FUND

- Continue building CIP reserves to fund projects as part of the ongoing Recycled Water and Potable Reuse Program;
- Construct additional treatment processes at the Hale Avenue Resource Recovery Facility, including new secondary treatment capacity, recycled water filters, disinfection treatment, sludge digester replacement, and recycled water pump station improvements;
- Construct recycled water distribution expansion projects, including several miles of additional distribution mains; an MFRO treatment facility for recycled water; a recycled water storage tank; an emergency storage tank for use during extreme rain events; and smaller diameter recycled water distribution projects;
- Continue the repair and replacement program for at-risk wastewater collection pipelines; replace pipelines to address capacity issues identified in the Wastewater Master Plan; and replace aging laboratory and plant equipment.

These activities and investments are designed to increase the reliability of water and wastewater services, meet and exceed public health standards and goals, address new regulations, and further improve financial health.

Proposed Rate Increases

The rates in the following tables represent the maximum rate increase options to be presented to the City Council for its consideration. The proposed annual revenue increases are 5.5% for Water and 5.5% for Wastewater. Some rates shown below reflect larger increases because the City Council will be presented with options that will increase volume rates by larger percentages and fixed monthly charges by lower percentages. The Council may – at its discretion – develop other options for water and wastewater rates at the hearing. In no case will rates be adopted that increase projected revenue by more than 5.5% for Water and 5.5% for Wastewater.

In addition to the proposed rates listed on the following pages, the automatic pass-through adjustments described above will be applied if approved by Council. If the SDCWA increases the volumetric rate it charges for water imports to Escondido, the additional pass-through charge would further increase the volumetric rates above the rates approved by the City Council. Pass-through charges, if necessary, will be applied pursuant to Gov Code Sec. 53756 and customers would be notified at least 30 days before any pass-through rate increases would take effect.

Proposed Volumetric Rates for Potable Water (rate per 1,000 gallons)

		Current Rate	As of March 1, 2017	As of March 1, 2018	As of March 1, 2019	As of March 1, 2020	As of March 1, 2021
WATER RATES 1,000 gal							
Single Family Residential							
Tier 1	0 to 7	\$5.33	\$5.61	\$5.91	\$6.22	\$6.57	\$6.94
Tier 2	7 to 15	\$6.88	\$7.30	\$7.78	\$8.26	\$8.72	\$9.20
Tier 3	15 +	\$8.75	\$8.98	\$9.22	\$9.47	\$10.00	\$10.55
Residential/Agricultural Use							
Tier 1	0 to 7	\$5.33	\$5.56	\$5.81	\$6.07	\$6.41	\$6.77
Tier 2	7 +	\$7.00	\$7.45	\$7.96	\$8.47	\$8.94	\$9.44
Multi-Family Residential							
Tier 1	0 to 5	\$5.33	\$5.58	\$5.86	\$6.15	\$6.49	\$6.85
Tier 2	5 to 7	\$6.89	\$7.21	\$7.55	\$7.91	\$8.35	\$8.81
Tier 3	7 +	\$8.73	\$8.78	\$8.79	\$8.82	\$9.31	\$9.83
Commercial, Industrial & School		\$6.66	\$6.98	\$7.33	\$7.69	\$8.12	\$8.57
Irrigation & LMD		\$7.18	\$7.48	\$7.80	\$8.13	\$8.58	\$9.06
SD Zoo Safari Park		\$6.66	\$7.18	\$7.77	\$8.37	\$8.84	\$9.33
Special Unfiltered		\$4.12	\$4.90	\$5.81	\$6.73	\$7.11	\$7.51
Agricultural Use		\$3.31	\$3.64	\$4.02	\$4.40	\$4.65	\$4.91

LMD = Landscape maintenance district

Proposed Monthly Water Availability Charge

	Current Rate	As of March 1, 2017	As of March 1, 2018	As of March 1, 2019	As of March 1, 2020	As of March 1, 2021
5/8" and 3/4"	\$30.11	\$33.48	\$36.50	\$39.94	\$43.65	\$47.64
1"	\$47.31	\$52.47	\$57.20	\$62.59	\$68.40	\$74.66
1 1/2"	\$90.32	\$99.54	\$108.51	\$118.72	\$129.73	\$141.59
2"	\$141.90	\$156.24	\$170.31	\$186.34	\$203.61	\$222.22
3"	\$305.29	\$335.98	\$366.23	\$400.69	\$437.83	\$477.84
4"	\$546.06	\$600.50	\$654.57	\$716.15	\$782.53	\$854.04
6"	\$1,208.21	\$1,328.26	\$1,447.85	\$1,584.06	\$1,730.87	\$1,889.04
8"	\$2,068.12	\$2,273.20	\$2,477.87	\$2,710.98	\$2,962.23	\$3,232.92
3/4" x 3"	\$427.40	\$412.60	\$404.54	\$400.69	\$437.83	\$477.84
1" x 4"	\$649.25	\$656.81	\$682.72	\$716.15	\$782.53	\$854.04
1 1/2" x 6"	\$1,294.33	\$1,353.10	\$1,460.27	\$1,584.06	\$1,730.87	\$1,889.04
3/4" x 3" x 6"	\$1,294.33	\$1,353.10	\$1,460.27	\$1,584.06	\$1,730.87	\$1,889.04
1" x 4" x 8"	\$2,068.25	\$2,273.20	\$2,477.87	\$2,710.98	\$2,962.23	\$3,232.92
2" x 6"	\$1,294.33	\$1,353.10	\$1,460.27	\$1,584.06	\$1,730.87	\$1,889.04
2" x 8"	\$2,068.25	\$2,273.20	\$2,477.87	\$2,710.98	\$2,962.23	\$3,232.92

Proposed Monthly Wastewater Rates

Customer Class		Current Rate \$/1,000 gal.	As of March 1, 2017	As of March 1, 2018	As of March 1, 2019	As of March 1, 2020	As of March 1, 2021
	Unit						
FIXED MONTHLY (ALL CLASSES)		\$19.91/mo. (fixed)	\$20.91/mo. (fixed)	\$22.09/mo. (fixed)	\$23.27/mo. (fixed)	\$24.55/mo. (fixed)	\$25.90/mo. (fixed)
Single Family Residential	per unit/mo.	\$3.84	\$4.08	\$4.35	\$4.62	\$4.87	\$5.14
Multi-Family Dwelling	per dwelling unit/mo.	\$3.19	\$3.37	\$3.57	\$3.77	\$3.98	\$4.20
Mobile Homes	Per mobile home/mo.	\$2.20	\$2.24	\$2.27	\$2.32	\$2.44	\$2.58
Car Wash/Soft Water Service	per acct/mo.	\$6.21	\$6.41	\$6.60	\$6.81	\$7.19	\$7.58
Hotel/Motel without dining	per acct/mo.	\$7.09	\$7.42	\$7.76	\$8.13	\$8.57	\$9.04
Hotel/Motel with dining	per acct/mo.	\$10.26	\$10.73	\$11.23	\$11.75	\$12.39	\$13.08
Repair Shop/Service Station	per acct/mo.	\$6.53	\$6.73	\$6.93	\$7.15	\$7.55	\$7.96
Commercial Laundry	per acct/mo.	\$7.36	\$7.66	\$7.96	\$8.29	\$8.74	\$9.22
Laundromats	per acct/mo.	\$6.47	\$6.73	\$7.00	\$7.28	\$7.68	\$8.11
Hospital	per acct/mo.	\$6.92	\$7.21	\$7.51	\$7.83	\$8.26	\$8.71
Grocery Store with Meat Dept.	per acct/mo.	\$11.16	\$11.95	\$12.80	\$13.69	\$14.44	\$15.24
Industrial	per acct/mo.	\$9.27	\$9.83	\$10.43	\$11.06	\$11.67	\$12.31
Restaurant	per acct/mo.	\$10.99	\$11.78	\$12.63	\$13.52	\$14.26	\$15.04
All Other Commercial	per acct/mo.	\$7.27	\$7.59	\$7.92	\$8.27	\$8.73	\$9.21
Discharges to Brine Line	per acct/mo.	\$0.90	\$0.86	\$0.81	\$0.77	\$0.81	\$0.85

Proposed Monthly Wastewater Rates

Customer Class		Per Unit Cost	As of March 1, 2017	As of March 1, 2018	As of March 1, 2019	As of March 1, 2020	As of March 1, 2021
	Unit	\$/unit					
Senior High Schools	per student/yr.	\$28.46	\$29.67	\$30.92	\$32.24	\$34.02	\$35.89
Elementary & Middle	per student/yr.	\$18.98	\$19.79	\$20.61	\$21.49	\$22.67	\$23.92
Churches	per 100 seats/mo.	\$39.54	\$41.22	\$42.94	\$44.78	\$47.24	\$49.84

Proposed Monthly Wastewater Rates

Customer Class		Wastewater Flow	As of March 1, 2017	As of March 1, 2018	As of March 1, 2019	As of March 1, 2020	As of March 1, 2021
	Unit	\$/Unit					
Brewery - Flow	1,000 gal.	\$5.73	\$5.57	\$5.87	\$6.20	\$6.54	\$6.90
Brewery - BOD	lb.	\$0.44	\$0.54	\$0.56	\$0.60	\$0.63	\$0.67
Brewery - TSS	lb.	\$0.44	\$0.51	\$0.53	\$0.57	\$0.60	\$0.63

BOD = Biochemical oxygen demand

TSS = Total suspended solids

Proposed Volumetric Rates for Recycled Water

The recycled water monthly service charge is the same as the potable water monthly service charge. The volumetric rates below reflect the maximum rates that the City Council may approve at the hearing. Utilities staff will make recommendations that include significant reductions of the volumetric rate of up to 25%.

Recycled Water Volumetric Rate (\$/kgal)	Current Rate	As of March 1, 2017	As of March 1, 2018	As of March 1, 2019	As of March 1, 2020	As of March 1, 2021
	\$3.85	\$3.85	\$3.85	\$3.85	\$3.85	\$3.85

Public Hearing

The City of Escondido will conduct a public hearing on Wednesday, February 1, 2017 at 4:30 p.m. at 201 North Broadway, Escondido, California 92025 in the City Council Chambers to consider the adoption of changes in water, wastewater, and recycled water rates, and all written protests.

Written Protests Accepted Prior to the Public Hearing

Protests must be submitted in writing to the City Clerk's office by 5:30 p.m. on Tuesday, January 31, 2017, or may be submitted at the public hearing on February 1, 2017. All written protests must be signed by the owner or tenant and contain a description of the property (address and/or Assessor Parcel Number). You may also fax your protests to 760-735-5782 or send your written protest to:

**City of Escondido
Office of the City Clerk
201 North Broadway
Escondido, CA 92025**

Important note: Please do not send protests by e-mail. They will not be accepted.

At the time of the public hearing, the City Council will receive a final tabulation of all written protests received by the City Clerk. The Council will then carefully consider the public input. The rate increases and future pass-through adjustments may be approved by the City Council unless a majority of customers file written protests.



PRSRT STD
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City of Escondido
201 North Broadway
Escondido, CA 92025

IMPORTANT INFORMATION ENCLOSED REGARDING YOUR WATER RATES

12/21/16

ESCONDIDO CITY CLERK
16 DEC 23 PM 12:17:09

TO: CITY of ESCONDIDO
Office of the City Clerk,

This is MARIA GOMEZ, a resident of 908 W 15th Ave ESCONDIDO CA 92025 is hereby against the increase of water rates that will take effect next year on 1/17.

Hoping for your kind Consideration.

Thank you,
MARIA GOMEZ
no. Queen / by
CRISANTO GOMEZ

Danny Escalona & Christine Wong

1180 Laura Lane, Escondido, CA 92025

December 27, 2016

City of Escondido
Office of the City Clerk
201 North Broadway
Escondido, CA 92025
Fax: 760-735-5782

I'm writing to protest the water rate increase. We live in the Canyon Creek Estates and all the residents have a minimum one acre parcel. The rate increase will have a significant impact on those that have large properties like ours. Most of us have swimming pools. We have water wise and succulent plants and installed drip irrigation but no matter how we try to conserve water, we're faced with the fact that we have large parcel of land. This is a very prestigious neighborhood so curb appeal is very important to keep the property values up. We take meticulous care in our landscape. Please don't increase the water rates. Currently, the water service, trash & sewer fees makes up 40% of our waterbill. If we don't turn on a drop of water, we have a fixed \$130 per month on these fees which is very high.

Sincerely,

Danny Escalona & Christine Wong

Danny Escalona & Christine Wong

1180 Laura Lane, Escondido, CA 92025

December 27, 2016

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Office of the City Clerk
201 North Broadway
Escondido, CA 92025
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Office of the City Clerk
201 North Broadway
Escondido, CA 92025
Fax: 760-735-5782**

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Sincerely,

Danny Escalona & Christine Wong

ESCONDIDO CITY CLERK
'17 JAN 3 PM 1:13:57

Proposition 218 Protest Vote

I, ANGELA & ANDREAS DENK
[insert name of person on water bill or property owner]

submit this protest vote to oppose the proposed rate increase by

CITY OF ESCONDIDO on behalf of the
[insert the name of your water provider]

following property:

583 S HIDDEN TRAILS ROAD
[insert address or parcel number of property]

ESCONDIDO, CA 92027
[insert address or parcel number of additional property]

Signed,


[Sign here]

12/24/16
[Insert Date]

ANGELA & ANDREAS DENK
[Print name of person on water bill or property owner]

ESCONDIDO CITY CLERK
17 JAN 3 AM 7:32:31

Jan. 2, 2017

To whom it may concern:

I, Eushaunda Wells of 720 S. Midway Dr here in Escondido, CA 92027, am writing this letter to protest against the rate increase.

-Eushaunda L. Wells

To Whom it may concern:

I, Timothy Wells Jr, of 720 S Midway Dr. Escondido, CA 92027 disagree with the increase of rates and fees. I do not support this proposal

T. Wells

Fax Message

To: Office of the City Clerk
Fax: +1 760 7355782

From: Eushaunda Wells
Phone: 3365545872
Email: Tieuwiz1@hotmail.com
Date: 2017/01/02 18:07 Pacific Time
Pages: 1 of 2 (including this page)

ESCONDIDO CITY CLERK
17 JAN 3 AM 7:59:43

LETTER PROTESTING CITY OF ESCONDIDO RATE INCREASE

To: City of Escondido

Subject: Protest Against Proposed Water Rate Increase:

I write to you today to protest against the proposed water rate increase that I was informed of through a letter of "Notice of Public Hearing Regarding Proposed Changes in Water, Wastewater, and Recycled Water Rate and Fees." I understand that there will be a Public Hearing on February 1, 2017 at 4:30 p.m. I also understand that if written protests against the proposed water rate increase are presented by a majority of owners or ratepayers subject to the increase, the City shall not impose the increase.

Consider this letter my formal written protest against the proposed water rate increase.

Sincerely,

Andrea Kubernus

3198 Crystal Court

Escondido, 92025



01/01/2017

Jan Bigelbach
2308 Oak Hill Drive
Escondido, CA
92027

January 27, 2016

Dear Water Department,

We received your letter about increased water rates that have been proposed and we are worried that we can't stay in our home for long with more and more increases to continue to live in this house. We have lived here for 45 years and have enjoyed every year. Now we are on social security. Our last bill was \$386.00. I called your office because of this high charge. We always pay our bills the day we get them and none of this was from another month and we are not aware of any leaks. This is the second time this year I have had to call you. My husband is 81 and I am 78 and we cannot get around well. I want to request a new meter and someone to get all the ants out of the meter well. I think that is why the meter reader didn't read the meter properly and this is your responsibility. I will be at the meeting on February 1st and I will try to get other neighbors to come with me to discourage you from increasing our charges. My husband is ill and won't be able to come.

Sincerely,

Jan Bigelbach



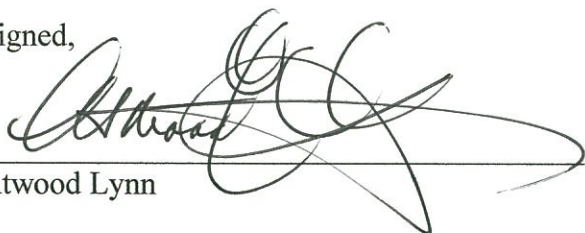
Proposition 218 Protest Vote

I, Atwood Lynn, submit this protest vote to oppose the proposed rate increase

by the City of Escondido on behalf of the following property/service address:

3274 Meadowside Pl., Escondido, CA 92027

Signed,

A handwritten signature in black ink, appearing to read "Atwood Lynn", written over a horizontal line.

Atwood Lynn

12-30-16
Date

Proposition 218 Protest Vote

I, David Milne
[insert name of person on water bill or property owner]

submit this protest vote to oppose the proposed rate increase by

City of Escondido on behalf of the
[insert the name of your water provider]

following property:

3190 Willow Tree Ln., Escondido, CA 92027
[Insert address or parcel number of property]

[Insert address or parcel number of additional property]

Signed,

 1/2/17
[Sign here] [Insert Date]

David Milne
[Print name of person on water bill or property owner]

12/30/16

City of Escondido
Office of the City Clerk
201 North Broadway
Escondido, CA 92025

I would like to submit a protest regarding the the proposed water rate hikes.

We are all tired of the water rates going up and up. I realize the cost of water is going up, but that doesn't justify continual water rate increases.

Have you cut budgets, salaries, staff, pensions, benefits???? The easy solution is to just increase rates, that way everyone keeps their unjustified salaries and benefits. How about making some cuts to cover the increase in the cost of water, instead of raising the rates.

Of course there will have be all sorts of excuses about why cuts can't be made, but it would be nice if for once, you made cuts instead of raising rates.

Roberta Effenberger
2347 Mountain View Drive
Escondido, CA 92027
Parcel #234-022-33-00



ESCONDIDO CITY CLERK
17 JAN 5 AM 11:54:02

Norman & Clarita Clayton
2498 Quail Creek Place
Escondido, CA 92027

January 4, 2017

To: City of Escondido, City Council Members

Subject: Protest Against Proposed Water Rate Increase

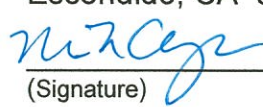
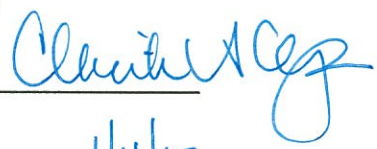
To Whom It May Concern:

I write to you today to **protest against** the proposed water rate increase that I was informed of through a letter of "Notice of Public Hearing Regarding Proposed Water Rate Increases." I understand that there will be a Public Hearing on Wednesday, February 1, 2017 at 4:30 p.m. at the City of Escondido City Council Chambers at 201 North Broadway, Escondido, CA 92025. I also understand that if written protests against the proposed water rate Increase are presented by a majority of owners or ratepayers subject to the increase, the Council will then carefully consider the public input.

Consider this letter my formal written protest against the proposed water rate increase.

Sincerely,

Norman and Clarita Clayton
2498 Quail Creek Place
Escondido, CA 92027

(Signature)

1-4-17

(Date)

1/4/17

Gary R. Boucher
PO Box 300512
Escondido, CA 92030

January 6, 2017

City of Escondido
Office of the City Clerk
201 North Broadway
Escondido, CA 92025

Ref. Proposed Changes in Water Rates
Parcel Number: 240-111-10-00

Dear Escondido City Council:

I am writing in protest of the proposed increase in water rates for Agricultural Use as recommended by the Utilities Department staff. I own an 8 acre avocado grove located at 3140 Slivkoff Drive in Escondido. The cost of water is by far the largest expense that I have. I have worked to improve my water efficiency and was successful in meeting the water use reduction target that the city set for last year. However, the finances for this avocado operation are very marginal. I cannot afford to have increases in this major expense item that rise significantly faster than the rate of general inflation.

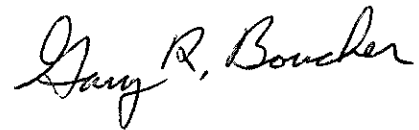
I was shocked to see that the recommended increase in water rate for Agricultural Use was significantly higher over that five-year period than for any other use category except for Unfiltered water. Over the five-year period, Agricultural Use water rates increase by 48.3%! It appears that the Utilities Department staff is dedicated to eliminating agriculture from Escondido. The comparison to proposed rate increases for Residential, Multi-Family Residential, Residential/Ag and Commercial/Industrial uses shows a distinct bias against Agriculture.

In addition any rate increases for water purchased by Escondido from San Diego County Water Authority are to be a pass-through and will increase the City proposed rates even further. The proposed rates are to fund operating expenses and capital projects of the City. I ask that the City Council seek to improve the efficiency of the City staff in order to keep cost growth more in line with inflation. It's difficult to reign in the desires of staff to grow in size and expand their scope of authority. It's up to the City Council to keep this at a reasonable level.

In addition, it seems that the proposed rate increases are greatest to the users who use the city water infrastructure most efficiently. High volume users like Agriculture and the SD Zoo are going to have the least cost for infrastructure services on a per 1000-gallon basis. There is one meter, one billing and one connection to manage a million gallons per month for my property during the summer. This has to cost a lot less per gallon than the residential users.

Finally, in the past, the City Council has recognized a benefit to the public of being able to maintain a greenbelt around the perimeter of the City. I hope that this will continue to be appreciated by the City Council.

Thank you,

A handwritten signature in black ink that reads "Gary R. Boucher". The signature is written in a cursive style with a large, prominent "G" and "B".

Gary R. Boucher

Today's Date: JAN 18, 2017

City of Escondido
Office of the Clerk
201 North Broadway
Escondido, CA. 92025


RE: PROTEST to Proposed Changes in Water, Wastewater, & Recycled Water Rates & Fees.

As a Resident of Escondido, I am PROTESTING the Proposed Changes (INCREASES) by the City of Escondido, to Water, Wastewater, and Recycled Water RATES and FEES.

My Place of Residence / Address is:

734 NANCY ST, Escondido, CA. 92027

My name is: SHAWN MENDOZA

Signature:  DATE: JAN 18, 2017

Today's Date: 1/19/17

City of Escondido
Office of the Clerk
201 North Broadway
Escondido, CA. 92025


RE: PROTEST to Proposed Changes in Water, Wastewater, & Recycled Water Rates & Fees.

As a Resident of Escondido, I am PROTESTING the Proposed Changes (INCREASES) by the City of Escondido, to Water, Wastewater, and Recycled Water RATES and FEES.

My Place of Residence / Address is:

734 Nancy St. Escondido, CA. 92027

My name is: Silvia Y Mendoza

Signature:  DATE: 1/19/17

to the City of Escondido offices
I do NOT SUPPORT the increase
of Rates since 2011 has been —
increases of the Rates that is
no fare. I still getting the
same income ~~fair~~ its not
fair an increase of the
Utility Bill, I do NOT support it

Christopher Sanchez #661481-8768
1326 York Avenue Escondido CA
92027
Christopher Sanchez

To: City of Escondido
Office of the City Clerk
201 North Broadway
Escondido, CA 92025

From: Tri T Vo
837 Socin Court
Escondido, CA 92027

January 23, 2017

Dear Sir/Madam:

I am writing this letter to protest the proposed changes (increases) in water, wastewater and recycled water rates and fees in your public hearing on Wednesday, February, 2017.

The cost of utilities is already so high. Especially, the water meter monthly "rental" fee and the sewage "service" fee are ridiculously high. My living is totally based on the Social Security income which does not increase or negligibly increase per year. So I do not understand, and do not support, why the City increase their utility bill?

I strongly believe if these utilities are managed by a private company, there is no need to increase the fees, on the contrast, they may be much lower. So if the City cannot handle these utilities efficiently I suggest to privatize this business.

Sincerely,



Tri Tinh Vo

City of Escondido
Office of the City Clerk
201 North Broadway
Escondido, CA 92025
Re: Water Rates

January 23, 2017

City of Escondido,

Regarding the Public Hearing of proposed water/waste rates changing, my wife and I will be attending the meeting. If for some unscheduled reason we don't make the meeting we will try to briefly express our feelings now.

We moved to Escondido June of 2012 for many reasons, one of large influence was the overhead of owning a pool at the previous house. Upon moving into the Escondido home we did an entire new landscaping at much expense primarily with water conservation in mind: drip system watering; small front lawn of drought tolerant paspalum grass; automatic sprinkler control for optimum efficient watering; and many drought tolerant plants. We have seen water-rate increases annually since moving in and they're becoming outrageous. When we were younger, you were told the huge advantage of saving and the advantage of interest compounding. Guess what, the reverse of that theory is putting the big squeeze on our fixed senior retired income.

I'm shaking my head at your 'entitlement' to project out for five years and an annual 5.5% increase. Obviously your planners don't have a clue about realistic needs, ergo, the unprecedented rain during the months of December and January. Hiding behind the catch-all Capital Improvement Program makes one suspicious of the increase.

Least of all, we've always been opposed the Wastewater Rates tied to water usage, as unfortunate as it is, the majority of our water usage goes on the yard. Wastewater should be a flat rate for single-family residences.

Dennis Fetscher
Susan Fetscher
136 Camino Del Postigo
Escondido, CA 92029
Tel: 760 294-0745

Handwritten signatures of Dennis Fetscher and Susan Fetscher in blue ink.

ESCONDIDO CITY CLERK
17 JAN 30 AM 11:37:48

302 Amparo Drive
Escondido, CA 92025

January 29, 2017

SUBJ: Letter of Protest

Dear Escondido City Council:

I am writing this letter in protest to the rate increases proposed for water and sewer rates. I believe there are several factors to consider and I will do my best to articulate them in this letter. Here is my list of concerns:

1. The City of Escondido elected and non-elected officials have a fiduciary responsibility to the rate payers and the residents of Escondido.
2. Burden of rate increase costs are placed on the citizens of Escondido.
3. Water fund should be separate from pass through costs.
4. Capital costs are exaggerated and therefore rationalized to fund expensive and possibly unnecessary capital projects.
5. Studies, reports, and any supporting information should be made available for independent review and opinion.

Item 1- Fiduciary Responsibility

I believe this is self-explanatory. I ask that the City officials fully understands the ramifications of the rate increases. I also ask that the City officials understands what the proposed capital projects and maintenance costs will be. For example, the MFRO facility will be a high maintenance facility and will need trained technicians to operate. How will these technicians be funded? Is this facility for demonstration purposes only? I believe it will be maintenance intensive and that comes at a high cost for something that people may not want. How do you tell a low income family that they will have a new recycled water demonstration facility when they will not be able to afford their water and sewer fees? The water rate increase will total over 100% (since 2011) and sewer nearly 68% (since 2013) at full term based on the figures provided in the notice.

Item 2 – Burden of Costs on Residents

This will not only increase the cost of the individual homeowners, it will also increase the cost on businesses and low income families. Low income families who do not pay water/sewer rates will see their increases in the form of higher rents. Apartments and rental homes are already high priced and I am not even sure how some will manage to pay the high rents. It appears that the people who will benefit from the increases will be

the City of Escondido and commercial agricultural customers. The City benefits from bigger funds to pay for increased staff and capital projects and as stated in the notice, the ag producers will benefit from lower water cost. It was stated that recycled water rates will go down while the people of Escondido will shoulder the burden of the costs.

Item 3 – Water Fund and Pass Through Costs

I understand the pass through costs and the two proposed funds. The notice is blending the two together. Please correct me if I am wrong but pass through costs are passed through and should not be listed in the water fund.

Item 4 – Exaggerated Costs to Fund Expensive Unnecessary Projects

What is the basis of the outfall costs? With the drought and conservation, shouldn't the outfall capacity be less? This goes back to fiduciary responsibility. Should we not look at the engineering reports with a critical eye to make sure we are protecting the rate payers? I read the notice as a \$280 million HARRF expansion versus a \$0.5 billion outfall cost as a bargain. What about the new demonstration MFRO facility? Is that part of the \$280 million? It appears there is a manipulation of costs so that the increases can push through without comments. My fear is that the lower income residents who depend on Escondido as their home may not fully understand what is being proposed.


Item 5 – Studies, Reports and Supporting Information

I have not asked but I assume that the supporting information is available for review. I propose that an independent group study and understand all the information available. My fear is that there have been staff changes, outdated reports and information that are too spread out to make sound logical decisions.

In the end, it might make sense to increase the rates as proposed. I am not comfortable at this time to blindly accept the proposal. I respectfully request that we defer the decision to raise rates until the proposed independent group makes a determination. I just want to make sure we are making the right decisions for the people of Escondido.

If you have any questions, please feel free to call me at 760-670-7285.

Respectfully yours,


Eric Magee
Torrie Magee

11/30/17

TO: CITY of ESCONDIDO
Office of the City Clerk

760-735-5782

FROM: ERIC MAGEE
302 Amparo Dr
Esccondido, CA 92025
760-670-7285

Subj: LETTER of PROTEST

Please see attached.



Escondido City Council,

I would like to formally protest the new water increases that are being proposed at this time.

After the last four days (January 20 through January 24, 2017) of rain I believe the drought is over and the reservoirs are near normal capacity. There is no need to increase the price of water when levels are near normal.

Thank you,

Brian Fischer

2755 Jody Place

Escondido, CA 92027

ESCONDIDO CITY CLERK
17 JAN 30 PM 2:10:29

RESOLUTION NO. 2017-14R

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ESCONDIDO, CALIFORNIA, ESTABLISHING NEW WATER AND WASTEWATER SERVICE RATES, CHARGES AND FEES; AUTHORIZING FUTURE PASS THROUGH OF WHOLESAL WATER AND INFLATION CHARGES; AND AUTHORIZING PASS THROUGH OF FUTURE SDCWA VOLUME CHARGE INCREASES

WHEREAS, the Escondido Municipal Code authorizes the City Council to set and adjust water and wastewater rates and service charges from time to time by duly adopted resolution; and

WHEREAS, the City Council previously directed staff to review and analyze the costs of providing water and wastewater services related to such fees on a regular basis; and

WHEREAS, staff thoroughly analyzed the cost of providing water and wastewater services related to such fees and has provided such analysis to the City Council; and

WHEREAS, City staff has corresponded with representatives of the public, and the business and farming community, and the City Council has conducted a public hearing and has considered comments and input from interested parties; and

WHEREAS, forty-five days prior to the public hearing, the proposed fees were noticed to all water and wastewater customers in accordance with Proposition 218; and

WHEREAS, the City Council desires at this time and deems it to be in the best public interest to establish new rates and fee schedules for 2017 through 2021; and

WHEREAS, Section 53756 of the Government Code (AB 3030, Chapter 611) provides that “An agency providing water, sewer or refuse collection service may adopt a schedule of fees or charges authorizing automatic adjustments that pass through increases in wholesale charges for water or adjustments for inflation under specific circumstances;” and

WHEREAS, Section (a) of Government Code Section 53756 allows the City to adopt the schedule of fees or charges and inflationary adjustments for a period up to five years; and

WHEREAS, Section (d) of Government Code Section 53756 requires notice of any adjustment pursuant to the schedule shall be given not less than 30 days before the effective date of the adjustment; and

WHEREAS, the City Council desires at this time and deems it to be in the public interest to allow automatic adjustments that pass through the adopted increases or decreases in the wholesale charges for water, and provides a specific formula for inflationary adjustments.

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 water and wastewater rates and fees set forth in Exhibit “1,” attached to this resolution and incorporated by this reference, will supersede all prior rates and fees for services as set forth on Exhibit “1.”
3. That the water and wastewater rates and fees set forth in Exhibit “1” for

2017 will be effective for all charges that become due on or after March 1, 2017.

4. That the water and wastewater rates and fees set forth in Exhibit "1" for 2018 will be effective for all charges that become due on or after March 1, 2018.

5. That the water and wastewater rates and fees set forth in Exhibit "1" for 2019 will be effective for all charges that become due on or after March 1, 2019.

6. That the water and wastewater rates and fees set forth in Exhibit "1" for 2020 will be effective for all charges that become due on or after March 1, 2020.

7. That the water and wastewater rates and fees set forth in Exhibit "1" for 2021 will be effective for all charges that become due on or after March 1, 2021.

8. That water rate and fee adjustments for years beyond 2021 will be noticed according to Proposition 218 requirements and will be brought before Council for a public hearing.

9. That the Agriculture Use Rate, accounts for discounts from the San Diego County Water Authority Transitional Special Agriculture Water Rate ("TSAWR"), and the City of Escondido Agriculture Discount.

10. That the City of Escondido Agriculture Discount shall only apply to customers participating in the San Diego County Water Authority's Special Agricultural Water Rate program.

11. That the City Council hereby authorizes automatic adjustments that pass through increases and decreases in the wholesale charges for water, if prescribed conditions are met, including, but not limited to, the schedule of fees or charges does not exceed a period of five years and that the schedule has been adopted pursuant to existing law; and that such automatic adjustment include adjustments to the

Metropolitan Water District's Readiness to Serve Charge, the San Diego County Water Authority's Infrastructure Access Charge, and the San Diego County Water Authority's volume based charges for imported water deliveries to the City of Escondido.

EXHIBIT "1"- REVISED

POTABLE WATER CONSUMPTION CHARGES

		Current Rate	As of March 1, 2017	As of March 1, 2018	As of March 1, 2019	As of March 1, 2020	As of March 1, 2021
WATER RATES	<u>1,000 gal</u>						
Single Family Residential							
Tier 1	0 to 7	\$5.33	\$5.63	\$5.92	\$6.22	\$6.57	\$6.94
Tier 2	7 to 15	\$6.88	\$7.34	\$7.80	\$8.26	\$8.72	\$9.20
Tier 3	15 +	\$8.75	\$8.99	\$9.23	\$9.47	\$10.00	\$10.55
Residential/Agricultural Use							
Tier 1	0 to 7	\$5.33	\$5.58	\$5.82	\$6.07	\$6.41	\$6.77
Tier 2	7 +	\$7.00	\$7.49	\$7.98	\$8.47	\$8.94	\$9.44
Multi-Family Residential							
Tier 1	0 to 5	\$5.33	\$5.60	\$5.88	\$6.15	\$6.49	\$6.85
Tier 2	5 to 7	\$6.89	\$7.23	\$7.57	\$7.91	\$8.35	\$8.81
Tier 3	7 +	\$8.73	\$8.76	\$8.79	\$8.82	\$9.31	\$9.83
Commercial, Industrial & School		\$6.66	\$7.00	\$7.35	\$7.69	\$8.12	\$8.57
Irrigation – Institutional – Landscape District		\$7.18	\$7.50	\$7.81	\$8.13	\$8.58	\$9.06
San Diego Zoo Safari Park		\$6.66	\$7.23	\$7.80	\$8.37	\$8.84	\$9.33
Special Unfiltered		\$4.12	\$4.99	\$5.86	\$6.73	\$7.11	\$7.51
Agricultural Use*		\$3.31	\$3.64	\$4.00	\$4.36	\$4.65	\$4.91

RECYCLED WATER CONSUMPTION CHARGES

Recycled Water Commodity Rate (\$/1,000 gal)	Current Rate	As of March 1, 2017	As of March 1, 2018	As of March 1, 2019	As of March 1, 2020	As of March 1, 2021
	\$3.85	\$3.85	\$3.85	\$3.85	\$3.85	\$3.85
Recycled Water for Ag		\$3.00	\$3.00	\$3.00	\$3.00	\$3.00

WATER SERVICE CHARGES

NOTE: These water service charges will also apply to recycled water meters of the corresponding size.

METER SIZE	Current Rate	March 1, 2017	March 1, 2018	March 1, 2019	March 1, 2020	March 1, 2021
5/8" and 3/4"	\$30.11	\$32.44	\$34.76	\$37.09	\$39.13	\$41.29
1"	\$47.31	\$50.91	\$54.51	\$58.11	\$61.31	\$64.69
1 1/2"	\$90.32	\$96.96	\$103.60	\$110.24	\$116.31	\$122.71
2"	\$141.90	\$152.27	\$162.65	\$173.02	\$182.54	\$192.58
3"	\$305.29	\$327.55	\$349.81	\$372.07	\$392.54	\$414.13
4"	\$546.06	\$585.71	\$625.35	\$665.00	\$701.58	\$740.17
6"	\$1,208.21	\$1,295.78	\$1,383.35	\$1,470.92	\$1,551.83	\$1,637.19
8"	\$2,068.12	\$2,217.86	\$2,367.60	\$2,517.34	\$2,655.80	\$2,801.87
3/4" x 3"	\$427.40	\$408.96	\$390.51	\$372.07	\$392.54	\$414.13
1" x 4"	\$649.25	\$654.50	\$659.75	\$665.00	\$701.58	\$740.17
1 1/2" x 6"	\$1,294.33	\$1,353.19	\$1,412.06	\$1,470.92	\$1,551.83	\$1,637.19
3/4" x 3" x 6"	\$1,294.33	\$1,353.19	\$1,412.06	\$1,470.92	\$1,551.83	\$1,637.19
1" x 4" x 8"	\$2,068.25	\$2,217.95	\$2,367.64	\$2,517.34	\$2,655.80	\$2,801.87
2" x 6"	\$1,294.33	\$1,353.19	\$1,412.06	\$1,470.92	\$1,551.83	\$1,637.19
2" x 8"	\$2,068.25	\$2,217.95	\$2,367.64	\$2,517.34	\$2,655.80	\$2,801.87
Detector Check	\$51.27	\$54.09	\$57.06	\$60.20	\$63.51	\$67.01

WASTEWATER RATES

Customer Class	Rates per 1000 gal	Current Rate	As of March 1, 2017	As of March 1, 2018	As of March 1, 2019	As of March 1, 2020	As of March 1, 2021
	Unit						
FIXED MONTHLY (ALL CLASSES)		\$19.91/mo. (fixed)	\$20.97/mo. (fixed)	\$22.09/mo. (fixed)	\$23.27/mo. (fixed)	\$24.55/mo. (fixed)	\$25.90/mo. (fixed)
Single Family Residential	per unit/mo.	\$3.84	\$4.08	\$4.35	\$4.62	\$4.87	\$5.14
Multi-Family Dwelling	per dwelling unit/mo.	\$3.19	\$3.37	\$3.57	\$3.77	\$3.98	\$4.20
Mobile Homes	per mobile home/mo.	\$2.20	\$2.24	\$2.27	\$2.32	\$2.44	\$2.58
Car Wash/Soft Water Service	per acct/mo.	\$6.21	\$6.41	\$6.60	\$6.81	\$7.19	\$7.58
Hotel/Motel without dining	per acct/mo.	\$7.09	\$7.42	\$7.76	\$8.13	\$8.57	\$9.04
Hotel/Motel with dining	per acct/mo.	\$10.26	\$10.73	\$11.23	\$11.75	\$12.39	\$13.08
Repair Shop /Service Station	per acct/mo.	\$6.53	\$6.73	\$6.93	\$7.15	\$7.55	\$7.96
Commercial Laundry	per acct/mo.	\$7.36	\$7.66	\$7.96	\$8.29	\$8.74	\$9.22
Laundromats	per acct/mo.	\$6.47	\$6.73	\$7.00	\$7.28	\$7.68	\$8.11
Hospital	per acct/mo.	\$6.92	\$7.21	\$7.51	\$7.83	\$8.26	\$8.71
Grocery Store with Meat Dept.	per acct/mo.	\$11.16	\$11.95	\$12.80	\$13.69	\$14.44	\$15.24
Industrial	per acct/mo.	\$9.27	\$9.83	\$10.43	\$11.06	\$11.67	\$12.31
Restaurant	per acct/mo.	\$10.99	\$11.78	\$12.63	\$13.52	\$14.26	\$15.04
All Other Commercial	per acct/mo.	\$7.27	\$7.59	\$7.92	\$8.27	\$8.73	\$9.21
Discharges to Brine Line	per acct/mo.	\$0.90	\$0.86	\$0.81	\$0.77	\$0.81	\$0.85

WASTEWATER RATES continued

Customer Class		Per Unit Cost	As of March 1, 2017	As of March 1, 2018	As of March 1, 2019	As of March 1, 2020	As of March 1, 2021
	Unit						
Senior High Schools	per student/yr.	\$28.46	\$29.67	\$30.92	\$32.24	\$34.02	\$35.89
Elementary & Middle Schools	per student/yr.	\$18.98	\$19.79	\$20.61	\$21.49	\$22.67	\$23.92
Churches	per 100 seats/mo.	\$39.54	\$41.22	\$42.94	\$44.78	\$47.24	\$49.84

Customer Class		Wastewater Flow (Per Unit Cost)	As of March 1, 2017	As of March 1, 2018	As of March 1, 2019	As of March 1, 2020	As of March 1, 2021
	Unit						
Brewery - Flow	1,000 gal.	\$5.73	\$5.89	\$6.03	\$6.20	\$6.54	\$6.90
Brewery - BOD	lb.	\$0.44	\$0.54	\$0.56	\$0.60	\$0.63	\$0.67
Brewery - TSS	lb.	\$0.44	\$0.48	\$0.52	\$0.57	\$0.60	\$0.63

CITY COUNCIL

For City Clerk's Use:

APPROVED **DENIED**

Reso No. _____ File No. _____

Ord No. _____

Agenda Item No.: 13
Date: February 1, 2017

TO: Honorable Mayor and Members of the City Council

FROM: Graham Mitchell, City Manager
Jeff Wyner, Management Analyst

SUBJECT: Escondido BMX Course Possible Site Locations

RECOMMENDATION:

Staff recommends that the City Council provide direction regarding the establishment of a BMX course within the City and authorize the release of a Request for Proposal (RFP) to solicit proposals from possible BMX course operators.

FISCAL ANALYSIS:

The cost of a BMX course is unknown at this time and varies for each site. If the City were to issue a RFP, staff will be able to develop a project budget in consultation with local BMX course operators.

CORRELATION TO THE CITY COUNCIL ACTION PLAN:

This item relates to the Council's Action Plan regarding Neighborhood Improvement.

PREVIOUS ACTION:

None.

BACKGROUND:

Bicycle motocross, more popularly referred to as BMX, began as a sport in the early 1970s in southern California. Over the years it has grown in popularity not only in the United States, but throughout the world. It has grown to such an extent that it is now an official Olympic sport, which saw its first Olympic competition in the 2008 Summer Olympic Games in Beijing, China.

Currently, there are over 370 BMX parks throughout the United States, of which nearly 10 percent are in California. Locally, the nearest BMX parks to Escondido are Kearny Moto Park (26 miles), Cactus Park BMX in Lakeside (27 miles), the BMX Development Track at the Chula Vista Olympic Training Center (48 miles), and Lake Perris BMX (59 miles) in Riverside County.

Escondido is geographically positioned well for a BMX course to attract local riders, grow local usage of the park, and attract from the Southern California region. If the City developed a BMX course, it has the opportunity to establish a state-of-the-art course. Depending on the size, as well as the location and amenities, Escondido has the potential to host district, state, regional, and perhaps national events.

ANALYSIS

Staff has analyzed possible locations of a BMX course based on general BMX requirements. Staff has also researched various methods of course operations. In short, a BMX course requires between 1 and 3 acres of land for a track. Including features such as spectator facilities and a pump course add to the space needs. Based on its research and tours of BMX courses, staff identified various sites for a BMX course throughout the City.

Staff recommends that the City consider establishing a relationship with a BMX course operator to manage the day-to-day operations of the venue. Because there are various ways an operator agreement can be managed, staff recommends that these options be explored through the RFP process.

The RFP will ask potential BMX course operators to:

- 1) Identify sites within the City to operate a BMX course with an explanation for why the site(s) are preferred,
- 2) Identify site preparation and construction costs,
- 3) Identify how the operator will finance construction costs,
- 4) Present a business model to operate the course, including hours of operation, times open to the public, entry costs, frequency of competitions (local and regional),
- 5) Present additional programming and outreach activities,
- 6) Identify the annual lease rate.

Staff believes that the RFP will help the City determine which operator best serves the needs of the community as well as operate a facility that would be perceived as a community asset. The RFP process will also determine construction costs and financing options to be considered.

Respectfully submitted,



Graham Mitchell
City Manager



Jeff Wyner
Management Analyst



FUTURE CITY COUNCIL AGENDA ITEMS
Updated January 25, 2017

*AGENDA ITEMS AND CITY COUNCIL MEETING DATES ARE SUBJECT TO CHANGE.
CHECK WITH THE CITY CLERK'S OFFICE AT 839-4617*

February 8, 2017
NO MEETING (SANDAG)

February 15, 2017
12:30 – Special Meeting
City Council Action Plan (Mitchell Room)



City Manager's **WEEKLY UPDATE** to City Council

January 26, 2017

SPECIAL EVENTS

- **Cal South State Cup youth soccer tournament**
Saturday, January 28, 8:00 a.m. to 4:30 p.m. and Sunday, January 29, 8:00 a.m. to 4:30 p.m.
The tournament brings 120 teams and approximately 1,800 families to Escondido from all over Southern California. Cal South will be using all 8 fields for the 9 and above and 10 and above boys and girls divisions. Families will be dining, shopping, and lodging in Escondido and surrounding areas.
- **2017 State of the City Address**
Wednesday, February 22, 8:00 a.m. with an optional breakfast at 7:30 a.m.
Escondido's Annual State of the City Address by Mayor Sam Abed will be held in the Conference Center of the California Center for the Arts, Escondido. The optional breakfast is available for \$20 per person by prior reservation. The deadline to reserve breakfast is 5:00 p.m. on February 17. Persons wishing to attend only the program may do so at no cost, and no reservation is required. To purchase a ticket for breakfast visit www.escondido.org/state-of-the-city-address
- **Dine Out Escondido!**
The fourth annual Dine Out Escondido! Restaurant Week is happening now through January 28. Thirty restaurants are participating this year. The City produces this event through Visit Escondido and in conjunction with Visit California's January California Restaurant Month, enabling Escondido to leverage the vast reach of the statewide program. New to the program this year is a partnership with the North County Food Bank. All restaurant participants are donating \$1 from each special sold to the Food 4 Kids Backpack program which benefits Lincoln Elementary.
- For information about other activities taking place in Escondido, please visit www.visitescondido.com

ECONOMIC DEVELOPMENT

The San Diego Regional Economic Development Corporation just launched a new research product this week called San Diego's Economic Pulse. It includes comprehensive data on employment, new businesses, job postings and which companies are hiring throughout the San Diego region. [Read this month's edition](#)

For more information, contact Michelle Geller, Economic Development Manager, at mgeller@escondido.org or 760-839-4587



City Manager's **WEEKLY UPDATE** to City Council

COMMUNITY DEVELOPMENT

Major Projects Update

Commercial / Office:

1. Escondido Research and Technology Center – East (ERTC) (Developer: James McCann) – *No change from the following update reported last week:* This is a 72,000 square foot medical office building proposed on the east side of Citracado Parkway across from Palomar Medical Center located at 2130 Citracado Parkway. A grading permit has been issued by the Engineering Division. Building plans have been submitted for plan check. The applicant has recently requested to install a temporary paved parking lot in this area to serve the hospital. A grading plan for the temporary parking lot was approved June 13, 2016. Revisions to that plan are currently being reviewed.
2. Escondido Research and Technology Center – West (ERTC) (Developer: James McCann) – *No change from the following update reported last week:* This is a 144,000 sq. ft. development involving two medical office buildings proposed on the west side of Citracado Parkway across from Palomar Medical Center located at 2097 – 2175 Citracado Parkway. A grading permit has been issued by the Engineering Division. Esgil and the Planning Division have approved the building plans. A fee deferral agreement has been signed and the building permit was issued June 23, 2016. A tentative parcel map (TPM) for office condominiums was approved on July 12, 2016. A Final Parcel Map was submitted by the applicant on July 25, 2016, and is currently being reviewed by Planning and Engineering. A modified building permit to add a linear accelerator has been approved.
3. Centerpointe 78 Commercial (Developer: Lars Andersen, Pacific Development) – *No change from the following update reported last week:* This project is a 45,650 sq. ft. supermarket and restaurant located at 925 N. Broadway. The project was approved by the City Council on December 9, 2015. Demolition of the former auto dealership has been completed down to the foundation. Grading plans have been submitted to Engineering and Planning for review. Building plans for the supermarket were submitted to the Building Division on September 14, 2016, and are being reviewed by Building and Planning staff. A boundary adjustment application to place the two buildings on separate parcels went to Planning on October 14, 2016.
4. Westfield Theater (Developer: Kim Brewer, Westfield) – *No change from the following update reported last week:* This project is a 10-auditorium movie theater totaling 57,600 sq. ft. located on the north side of the Westfield Mall. The project was approved by the City Council on November 4, 2015.

City Manager's **WEEKLY UPDATE** to City Council

5. Felicita Development, LLC (Developer: Katherine Park, Creative Design Associates) – *No change from the following update reported last week:* This project is a 140-unit hotel, and a gas station or office/residential care facility at the southeast corner of Felicita Rd. and Gamble Lane. The applicant and staff met with the architect to discuss building elevations, five-story height limitations and site design issues given the existing wetland constraints on the property. Additional technical analysis and coordination is needed to address traffic, biology, water and sewer service, geotechnical and storm water concerns, along with a market study for the proposed uses. The applicant met with the wildlife agencies and is responding to technical studies needed to complete the application.
6. Springhill Suites (Developer: Raj Patel, San Bernardino Hospitality LLC) – *No change from the following update reported last week:* This project is a four-story, 105-suite hotel totaling 73,300 sq. ft. located at 200 La Terraza Drive. The hotel includes a small conference room and an enlarged lobby for serving continental breakfast. A revised set of grading plans has been approved since February and grading for the hotel site has now started. Building plans have been approved and permit fees were paid before the end of the year clearing the way for construction to commence. On January 3, a new ownership group met with the City Council Economic Development Subcommittee and staff to discuss renewing the now-expired Economic Incentive Agreement that had been granted to the original developer. The City Council approved an Economic Incentive Agreement on January 25.
7. Escondido Auto Park Association (Developer: Tim Brecht, Escondido Auto Park Association) – The association is proposing to upgrade the existing electronic message sign along I-15. An application for a new regional market sign and an amendment to the Sign Ordinance to increase the allowable display area for a regional market sign was submitted to the Planning Division on May 6, 2016. The proposed sign would be located in the same location as the existing sign at a slightly lower height (73.5 feet) with approximately the same overall dimensions. The Planning Commission recommended approval of the new regional market sign and amendment to the Sign Ordinance on July 12, 2016. The City Council approved the new regional market sign and amendment to the Sign Ordinance on August 17, 2016. A building permit for the sign was issued on January 19.
8. Downtown Courtyard Marriott Hotel (Developer: Craig Clark) – *No change from the following update reported last week:* A modification to a Master Plan and a Precise Plan for a revised downtown hotel design consisting of 154 rooms in four stories over ground-level parking. The majority of the building would be located in the parking lot between City Hall and the CCAE conference center. The primary entry to the hotel would be from a redesigned entry drive with new porte cochere on Escondido Boulevard. The hotel would operate the conference center and would provide a bistro and bar area for guests. The application was submitted on November 18, 2016 for processing and review. During the course of review, City staff transmitted comments incrementally to the applicant. A final letter summarizing all requested revisions and/or corrections was sent to the applicant on December 22, 2016. City staff met with the development team on January 10, to discuss the staff comment letter. Revised plans are expected to be resubmitted soon.

City Manager's **WEEKLY UPDATE** to City Council

Industrial

1. StorQuest (Developer: The William Warren Group, Inc.) – *No change from the following update reported last week:* This proposed project at 220 W. Mission Avenue involves a 102,500 sq. ft., four-story self-storage facility development with three in-line shops and a small office. The Planning Commission voted to recommend approval of the proposed General Plan Amendment, Planned Development and Zone Change on August 9, 2016. The project was approved by the City Council on September 14, 2016. A grading plan was submitted for review on November 3, 2016. Building plans were submitted during the week of December 19, 2016.
2. Victory Industrial Development (Developer: Scott Merry, Badiee Development) – *No change from the following update reported last week:* This project involves two industrial buildings totaling 91,000 sq. ft. (one building 55,500 sq. ft., second building 35,500 sq. ft.) located at 2005 Harmony Grove Road and a zone change from residential to Planned Industrial consistent with the updated General Plan. The Planning Commission voted to recommend approval of the proposed General Plan Amendment, Planned Development and Zone Change on August 9, 2016. It was approved by the City Council on September 14, 2016. Building plans were submitted into plan check the following day and are now being reviewed by staff. Staff is still awaiting submittal of a proposed boundary adjustment application with three property owners in the adjacent Harmony Grove Business Park that is needed to implement the project design.
3. Micro-Filtration Reverse Osmosis (Developer: City of Escondido Utilities Department) – *No change from the following update reported last week:* The proposed project involves a Conditional Use Permit (CUP) for the development of a new City facility to provide advanced treatment for recycled water produced at the City of Escondido's Hale Avenue Resource Recovery Facility (HARRF) for agricultural uses with the capacity for future treatment for indirect potable reuse. The facility would be sized for a total production capacity of 2 million gallons per day (mgd). A previous proposal for development of the facility at 2512 East Washington Avenue has now been shelved while staff pursues development of the facility on an alternative site located on the southeastern corner of Washington Avenue and Ash Street. On July 20, 2016, the City Council approved a first-phase design contract with Black and Veatch for the design effort need to bring the new site design to the Planning Commission for CUP consideration. Site and building design concepts have been developed and two neighborhood meetings were held on October 12, 2016 and November 3, 2016. A 30-day public review period for the proposed Mitigated Negative Declaration ended on November 27, 2016. The Planning Commission approved the proposed CUP on December 13, 2016. An appeal of that decision was filed and the City Council denied the appeal on January 11, and affirmed the Planning Commission's decision to approve the project.

City Manager's **WEEKLY UPDATE** to City Council

4. Wastewater Collections Yard Expansion (Developer: City of Escondido Utilities Department)
– *No change from the following update reported last week:* The project involves development of 1.8 acres of a larger, approximately 15.4-acre site for the construction of a new wastewater collections yard and maintenance facility for the City's Hale Avenue Resource Recovery Facility (HARRF) at 1521 S. Hale Avenue. The proposed facilities will consist of three separate pre-fabricated metal buildings 3,735 sq. ft. - 5,670 sq. ft. for collections; work bays and workshops for regular maintenance of vehicles and equipment. The project would require the processing of a Conditional Use Permit (CUP) and rezone. The Planning Commission held a public hearing and recommended approval on May 10, 2016. It was approved by the City Council on June 15, 2016. Grading, building and landscape plans are now being reviewed by staff for permit issuance.

5. Escondido Self-Storage Facility (Developer: Brandywine Homes, Inc.) – *No change from the following update reported last week:* A modification to a Master and Precise Development Plan for revisions to the design of a previously approved, but not yet constructed, self-storage facility with direct access to Brotherton Road near the intersection with Cranston Drive. The proposed project was submitted on May 11, 2016, and proposes approximately 77,500 SF of storage area in two buildings. The larger building is two stories over a basement with all interior loading. The smaller building is one-story with some exterior roll-up doors. The project site is also part of a five-lot Tentative Map for four residential lots and one commercial lot (Tract 900) that is concurrently being processed for an extension of time. The project was recommended for approval by the Planning Commission on September 13, 2016, and the City Council approved the project on October 12, 2016. Building plans were submitted the week of December 11, 2016. Grading and landscape plans and the final map have also been submitted and are being reviewed by staff.

6. Innovative Industrial Development (Developer: Scott Merry, Badiee Development) – *No change from the following update reported last week:* This project involves a unique proposal in which two potential industrial development scenarios were analyzed for the 5.76-acre site located at 1925 Harmony Grove Road, directly in front of the "Victory Industrial Development" described above. The first development scenario involves a single tenant building with 98,500 square feet and 197 parking spaces. The alternative scenario envisions three industrial buildings roughly within the same footprint as the single tenant proposal. The three industrial buildings would include a total of 86,000 square feet with 234 parking spaces. An industrial planned development application has been submitted along with a zone change from residential to Planned Industrial consistent with the updated General Plan. A Mitigated Negative Declaration was issued on November 7, 2016 and the public review period closed on November 28, 2016. The Planning Commission voted to recommend approval of this project on December 13, 2016. The City Council approved the proposal as recommended by the Planning Commission on January 11.

City Manager's WEEKLY UPDATE to City Council

7. HARRF Biogas to Energy Project (Developer: City of Escondido Utilities Department) – *No change from the following update reported last week:* This project is a proposed Conditional Use Permit that will utilize the existing digester gas created during the sewage treatment process to power two generators with a combined output of 1,200 kW of power. The gas which is currently being flared on the site will be redirected for a useful purpose and used to offset the HARRF's demand on utility natural gas and electricity from SDG&E. A Conditional Use Permit for the project was approved by the Planning Commission December 13, 2016.
8. North American Self-Storage (Developer: Russ Colvin) – *No change from the following update reported last week:* This project at 852 Metcalf proposes a 132,556 square foot, self-storage facility consisting of four stories over a full basement level on a 1.12-acre site in the M-1 zone. A Plot Plan application was submitted to Planning on September 14, 2016 and was extensively reviewed by all departments. The Planning Division issued a conditional letter of approval on December 21, 2016. An erosion control and demo permit has been approved.

Institutional

1. Escondido United Reformed Church (Developer: Brent Cooper) – *No change from the following update reported last week:* The project is an expansion for a phased, multi-year, master construction/development plan for a new 12,250 SF two-story sanctuary, conversion of existing buildings to a social hall, demolition of an existing social hall/classroom building (approx. 4,620 SF) and construction of approximately 5,250 SF for a nursery, multi-purpose room, classrooms for Sunday school at 1864 N. Broadway. Revised architectural plans were unanimously approved by the Planning Commission on June 14, 2016. The grading plans are now in plan check.
2. Emmanuel Faith Community Church (Developer: Jim North, EFCC) – *No change from the following update reported last week:* The project is a phased, multi-year construction and renovation program for the Emmanuel Faith campus that includes demolishing the existing children's rooms and constructing a new nursery and children's building for up to 200 children, construction of a two-story training center/youth complex, renovation of the existing high school/college building, conversion of the existing education center into an office and meeting room building, demolition of the existing café and construction of a new café, demolition and construction of a new maintenance building, construction of a new gathering plaza with baptismal outdoor water feature, and reconstruction and expansion of the existing worship center from 1,600 seats to 2,000 seats. The Planning Commission approved the proposed modification to the Conditional Use Permit for the campus on June 9, 2015. Grading, building and landscape plans for the first phase (45,414 square foot new children's building) are being reviewed by staff and Esgil.

City Manager's WEEKLY UPDATE to City Council

Residential

1. Oak Creek (Developer: Jason Han, New Urban West) – *No change from the following update reported last week:* This project is a 65-unit single family development located at the southeastern corner of Felicita Road and Hamilton Lane approved by the City Council in 2015. The LAFCO Board unanimously approved the annexation on October 5, 2015, and the annexation has been recorded. No grading or improvement plans have been submitted by the developer at this time.
2. Amanda Estates (Developer: Jason Han, New Urban West) – *No change from the following update reported last week:* This project is a 22-unit single family development on Amanda Lane approved by the City Council in 2015. The LAFCO Board approved the reorganization (annexation) at their meeting on August 3, 2015, and the annexation has been recorded. No grading or improvement plans have been submitted by the developer at this time.
3. Pradera (Developer: Moses Kim, Lennar Homes) – *No change from the following update reported last week:* This project consists of a 70-unit single family development located at the northeastern corner of Ash Street and Lehner Avenue. The developer has obtained building permits for six phases involving 52 homes and those phases are under construction. Homebuyer interest in the product remains high and sales are progressing. All five final maps in the project have now recorded. Precise grading plans for all phases have now been approved. Phases 7 and 8 for the construction of 11 additional homes were received on December 12, 2016.
4. Lexington (Zenner) (Developer: Eric Johnston, KB Homes) – The project is a 40-unit, single-family development at the northeastern corner of Lehner Avenue and Vista Avenue. The three model homes on the eastern side of Ash Street are now open and sales are progressing as expected. A rough grading permit was issued for the project site on August 18, 2016 and grading is underway. The final map has been approved by City Council. The precise grading plan for Phase 1 has been approved. Building plans for Phase 1 were submitted into plan check on December 20, 2016 and permits were issued before the end of the year. On January 24, the Planning Commission approved a variance request from KB Homes to reduce perimeter wall setbacks for residential five lots.
5. Stella Park Condominiums (Developer: Edward Kaen, ETP, LLC) – This project is a 65-unit, three-story townhome Planned Development located at 2516 S. Escondido Blvd. The project includes three separate recreation areas for residents. The City Council approved the project on April 27, 2016. A Substantial Conformance TM and proposed modification to the Precise Development Plan was filed by Lyon Homes on December 12, 2016. All departments are working steadily to provide necessary information to meet Lyon's timeline and a staff letter covering both tentative map and architectural comments was provided to Lyon Homes on January 6. Revised plans were submitted on January 13, and are now being reviewed by staff. It is anticipated the Planning Commission will consider the Precise Development Plan on February 14.

City Manager's WEEKLY UPDATE to City Council

6. Wohlford (Developer: Jack Henthorne) – *No change from the following update reported last week:* This project is a 55-unit single family development located on Bear Valley Parkway east of Encino Drive. A Specific Alignment Plan for Bear Valley Parkway detailing the proposed roadway design is under review. The EIR consultant has submitted the first screencheck version of the Draft EIR for staff review. Staff has provided comments and a second screencheck is expected by the end of January. An application for a Development Agreement has recently been submitted by the applicant.
7. Latitude II (Developer: Peter Zak, Lyon/NCA) – *No change from the following update reported last week:* This project is a 112-unit multi-family development, located at the northeastern corner of Centre City Parkway and Washington Avenue, and approved by the City Council on August 19, 2015. A Final Subdivision Map has been submitted for review and is awaiting approval of a boundary adjustment for a property exchange with the adjacent motel owner. The Final Map is scheduled for City Council approval on March 1. Grading and building plans are nearing approval.
8. Canyon Grove Estates Tract 932 (Developer: John Vance, Shea Homes) – *No change from the following update reported last week:* This project is a 179-lot single family residential development on the north side of Vista Avenue east of Conway Drive. The final architectural design and landscaping plans for the Precise Plan application were approved by the Planning Commission on June 14, 2016. Building plans for the construction of eight model homes have been issued and construction is underway. Building permits for 16 additional homes are nearly ready to issue and the remainder of the homes are now in for building plan check. The applicant is coordinating the plan review for off-site street improvements on Ash Street with the County's Department of Public Works.
9. Safari Highlands Ranch (SHR) (Developer: Jeb Hall, Concordia Homes) – *No change from the following update reported last week:* This project is a 550-unit single family development located east of the Rancho San Pasqual community and north of the San Diego Safari Park. The project involves 1,100 acres including annexation and a Sphere of Influence update for a master planned community with parks, trails, recreation center, fire station and open space. Planning and Engineering extensions of staff have been funded by the applicant and retained to assist the City in processing the project. The City Council approved the consultant contract for preparing the EIR on March 23, 2016. The contract planner has been meeting with the consultant, Michael Baker International (MBI), and has started review of first draft sections of the EIR. While the EIR is generally on schedule, there have been some changes to the site plan, which will affect the EIR schedule. The changes include the elimination of the "water factory" for wastewater treatment, elimination of the public park, changes to the entry road which would now be private instead of public, and relocation of the fire station to the former public park site. These changes will require the applicant's civil engineer to make a number of revisions to the tentative map, but are not anticipated to affect the proposed development envelope or the number of proposed lots. A revised tentative map

City Manager's WEEKLY UPDATE to City Council

depicting the site plan changes was submitted on October 17, 2016, and is being reviewed by staff and the contract planner.

10. High Pointe Tract 693-J (Developer: Russell Schaeffer, True Life Communities) – *No change from the following update reported last week:* This project is a custom-home development with 39 estate lots accessed from Mesa Rock Road. Staff has prepared a bond and fee letter based on the proposed grading and landscape plans, and has sent it to the applicant.
11. Del Prado (Developer: Kerry Garza, Touchstone Communities) – *No change from the following update reported last week:* This project is a 113-unit townhome-style Planned Development located at the southwestern corner of Brotherton Road and the Centre City Parkway frontage road. The project includes a recreational facility, pool, and open space areas. Staff worked through various site design and utility issues with the applicant prior to scheduling the project for a public hearing. The City Council approved the project on May 11, 2016. No grading or improvement plans have been submitted by the developer at this time.
12. 701 San Pasqual Valley Rd (Developer: Bob Stewart) – *No change from the following update reported last week:* This project is a 19-unit single family development located at 701 San Pasqual Rd/1201 E. 5th Avenue (formerly Tract 898) on 7.2 acres. The application is under review and a letter detailing additional comments and submittal requirements was forwarded to the applicant. Additional information and revised plans were submitted to the Planning Division on June 13, 2016. Planning Division has reviewed the submittal and informed the applicant that it is still incomplete.
13. Veterans Village (Developer: Veterans Village of San Diego) – *No change from the following update reported last week:* This project is a mixed-use development involving a 54-unit affordable multi-family residential apartment project for military veterans and their families. It includes on-site administration office, business center, club house and other support spaces for the residents; and a small commercial component to support training opportunities offered at the facility at 1556 S. Escondido Boulevard. Building plans have been submitted for review and comment; the grading plans and landscaping plans have been approved. Demolition has been completed.
14. Escondido Gateway (Developer: Greg Waite, Integral Communities) – *No change from the following update reported last week:* This project is a mixed-use development involving 126 residential units within three, 4-5 story buildings with indoor and outdoor recreational areas and an opportunity for a small (1,000 sq. ft.) commercial/flex space on 2.6 acres (48 dwelling units/acre) located at 700 W. Grand Avenue (former Police Station) across the street from the Escondido Transit Center. Plans were submitted for the project involving a Specific Plan Amendment, Tentative Map, Planned Development and Development Agreement. The City Council approved the project on October 12, 2016. Grading plans and a final map were submitted on November 17 and November 21, 2016, and are currently being reviewed by staff. The Development Agreement has been recorded. Building plans were submitted into plan check the week of December 11, 2016.

City Manager's WEEKLY UPDATE to City Council

15. The Villages at Escondido Country Club (Developer: Jason Han, New Urban West, Inc.) – The project would redevelop the former 109.3-acre Escondido Country Club golf course property with a new residential development consisting of 392 dwelling units including single-family detached and attached duplex units. The proposed project density is 3.6 dwelling units per acre with a minimum residential lot size of 2,555 square feet. The development would include 46 acres of open space including a landscaped greenbelt with a four-mile trail system linking park features. Other proposed amenities include a new clubhouse building, swimming pool, gym, tennis/pickle ball court, restaurant and bar and banquet facilities. The proposed General Plan Amendment, Specific Plan, Vesting Tentative Map and Zone Change applications and plans were submitted to the Planning Division on October 31, 2016. The developer has retained Dudek to prepare the Draft EIR for the project. The developer will fund a contract planner working under the direction of the Planning Division to assist the City in processing the project. A kick-off meeting was held on November 15, 2016, to commence project-related discussions between Planning staff and their contract planner, the applicant and the EIR consultant. A letter indicating the project application is incomplete was sent to the applicant on November 30, 2016. City staff met with the applicant on December 22nd to review the comment letter. It was conveyed to City staff that the applicant will resubmit in early 2017. A Notice of Preparation (NOP) for the EIR was issued on January 25 for a 30-day review period ending on February 24. The NOP includes notification of a public scoping meeting to be held on February 13. Planning staff has developed a new section on the city's website for ECC project-related documents and plans. The information can be accessed at the following link: [ECC - City of Escondido](#)
16. Ivy/Valley Parkway Mixed-Use Development (Developer: Abad Rahan Pars Inc./ Norm Wieme, Architect) – This project consists of a plot plan application to construct a four-story building with 20 two-bedroom apartment units and approximately 3,000 square feet of commercial space on a vacant 0.5-acre parcel located at 113 N. Ivy Street. The conditional letter of approval for the plot plan was approved and issued on September 19, 2016. The applicant has indicated that grading and building plans are expected to be submitted into plan check soon.

Building Division:

1. The Building Division issued 76 permits on this short holiday week with a total valuation of \$1,130,031.
2. Twenty photovoltaic permits were issued for the week. The Building Division has issued 42 solar permits this year compared to 65 issued for the same time last year.
3. Counter technicians assisted, on average, 33 customers per day with 23 customers on Friday.
4. Building inspections averaged 23 inspections per day with 24 inspections on Friday.

City Manager's **WEEKLY UPDATE** to City Council

5. Projects nearing permit issuance are:
 - a. Latitude 2, a 112-unit apartment complex consisting of six, three-story buildings at 610-660 Centre City Parkway.
 - b. Veterans Village, at 1540 S. Escondido Blvd., a 40,000 square foot, three-story apartment building providing affordable housing for veterans and their families.
6. The construction of the City Plaza three-story mixed use building at 300 S. Escondido Blvd. has completed the podium slab and second floor wall framing is progressing.
7. The Solutions for Change affordable housing project at 1560 S. Escondido Blvd. has started wall framing for the project.
8. Roof framing is proceeding at The Meadowbrook three-story apartment building with underground garage at 2081 Garden Valley Glen.
9. SDG&E is completing a utilities upgrade at Greencrest Mobile Home Park at 541 W. 15th Avenue and will be starting upgrades soon at Town and Country Mobile Home Park at 2280 E. Valley Pkwy and Citrus Gardens at 211 S. Citrus Ave.
10. Escondido Disposal is receiving underground inspections for their conveyer pits associated with their large expansion and remodel.
11. The Shea Homes 178-lot Lexington and Estates single-family residential development has received exterior frame and roof sheathing inspections for eight model homes.
12. The Calvin Christian new chapel and auditorium at 2000 N. Broadway has received masonry grout inspections for their exterior walls and roof framing is proceeding.
13. Permits were issued for the rebuild of the church destroyed by fire at 950 Ohio Ave.
14. Plans were submitted for three new single family dwellings on Tangelo Way.

City Manager's **WEEKLY UPDATE** to City Council

Code Enforcement:

1. As of January 24, the total number of open code enforcement cases is 646 cases. During the prior week, 62 new cases were opened, and 80 cases were closed, with a backlog of an additional 37 cases not yet opened for assignment and investigation.
2. A total of 35 illegal signs were confiscated during the weekend.
3. Last week, the Business License Division issued 57 new licenses and received 27 new applications, in addition to 102 renewals. Thirteen (13) businesses closed and/or closed out their business licenses.

ENGINEERING

CAPITAL IMPROVEMENTS

2015/2016 Street Rehabilitation and Maintenance Project

The contractor may resume striping operations along with the placement of pavement legends on Thursday, January 26 during a break in this week's rain events. The resubmittal of the remaining striping plan is expected this week with final striping being installed on these streets in the coming weeks. The tree planting has not begun at this time due to the heavy rains being experienced in the area.

PRIVATE DEVELOPMENT

Pradera - Lennar Communities

No changes from the following reported last week: Final pavement installation has been delayed due to the multiple rain events being experienced this month. All work when scheduled will be performed during off peak hours and in conjunction with the other two projects in the area.

Lexington Model Homes - KB Homes

The installation of the sewer system along Ash Street between Lehner Avenue and Vista Avenue is completed which includes the placement of temporary hot asphalt resurfacing of the multiple trenches to ensure public safety. The contractor is onsite managing the 6" of rain that the area experienced over this past weekend.

Escondido Boulevard at 3rd Avenue

No changes from the following reported last week: The contractor has removed the false work on the first floor and preparing to move to the second floor. Lane closures along 3rd Avenue will be a regular occurrence to allow for the lifting of construction materials to the newly completed second floor.



City Manager's **WEEKLY UPDATE** to City Council

Tract 932 - Canyon Grove Shea Homes Community

The importing of material has been halted until the project can address the saturated soil and water condition present on site from this last weekend's 6" rain event. Work on the new traffic signal installation at the Ash Street and Sheridan Avenue intersection will resume later this week after a period of drying.

Quantum Academy at Falconer Road

Escondido Elementary School District is installing a new water main to the existing facility. The contractor is working onsite and will not be in the public right of way until after January 28th.

Veterans Village 1556 S. Escondido Boulevard

No changes from the following reported last week: The grading of the project has begun.

Latitude II Condominiums by a Lyon Homes Partnership: Washington Avenue at Centre City Parkway

The contractor resumed installation of the water quality devices last week in advance of the anticipated storm. The project is once again under water from the 6" rain event that the area experienced this past weekend. No activity can be expected until the project has a period of time to dry out.

Westminster Theological Seminary Graduate Student Housing: Boyle Avenue at Bear Valley Parkway

The contractor is installing the new water main along the Bear Valley Parkway side of the project this week.

Talk of the Town

The contractor has been delayed from constructing the two ornamental street lights along Centre City Parkway. The project will resume after a period of drying out.

Tract 877 – Bernardo Ave. by Ambient Communities

The project is a 13 lot single family residential project located at the cul-de-sac end of Bernardo Avenue. The project is idled due to the period of rain the area has been experiencing. The contractor performing the construction of water and sewer services may start this week after a period of drying out.

Palomar Medical Center

To help facilitate construction of new facilities on the main campus, on street parking will be permitted temporarily along Citracado Parkway from Auto Parkway to Harveson Place for the next 7 months. The hospital provides free shuttle service during normal business hours.

City Manager's WEEKLY UPDATE to City Council

POLICE

INCIDENTS

- On 01/15/17 at 09:44 hours, witnesses called police to advise that a male lit a sign on fire at Grand Avenue and Maple Street. He reportedly sprayed the sign with an accelerant and ignited it. A description of the suspect was obtained and broadcasted by dispatch. Officers located the male suspect and arrested him for Felony Arson. Fire responded to the scene to render it safe. The crime was partially captured on city video cameras. The victim is John Paul the Great Catholic University and there is no indication that this is a hate crime. The total loss value is estimated to be \$10,000.
- On 01/15/17 at 22:38 hours, an officer contacts two subjects for being in the flood control channel after hours. The male subjects refused to comply with commands and walked away from him eastbound. The subjects separated and one headed toward Soapy Joe's car wash while the second continued in the flood control channel. An officer located the male at the car wash parking lot who ignored several verbal commands. The officer requested Code-3 cover and, after a minor use of force, gained control of the suspect and places him under arrest. The second suspect was also located and placed under arrest. There were no injuries sustained by the officers or the suspects. Charges include Possession of a Controlled Substance, Felony Warrant, Resisting Arrest and Public Intoxication.
- On 1/17/17 around 02:51 hours, officers were dispatched to Super Cuts at 501 W. Felicita Ave for an audible alarm. Officers arrived on scene in 2 minutes to find the west facing window broken out. The owner was notified and responded. There is no suspect information at this time.
- On 1/17/17 around 03:03 hours, officers were dispatched to Pegah's Kitchen, 912 S. Redwood Street for an audible alarm. Officers arrived on scene in three minutes to find a glass door broken out. After an interior search, no suspects were located.
- On 01/19/17 at approximately 14:14 hours, officers were dispatched to the area of Jordan and Kenora regarding a fight in progress involving multiple subjects armed with hammers. Officers arrived on scene and located two juvenile male victims. It was determined that a group of possibly four or more suspects approached the victims, asked them who they ran with and then began assaulting them with a hammer and possibly other objects. Officers arrived on scene a short time later and detained a male suspect who was identified as being involved. He was arrested for Assault with a Deadly Weapon. The two victims were transported to Palomar Medical Center to be treated for their injuries.
- On 01/20/17 at approximately 18:15 hours, three black males, one wearing a red track jacket and two wearing black hooded sweatshirts, took nineteen iPhones from the display tables at the Apple store at Westfield Mall. In what appeared to be a coordinated theft, the suspects forcefully removed the phones from their security cords, causing the alarm to be activated. The three suspects quickly exited the store and headed toward the mall exit near the Cheesecake factory.

City Manager's WEEKLY UPDATE to City Council

- On 01/21/17 at approximately 19:14 hours, an unidentified black male entered the Subway at 331 W. Mission Avenue and produced what appeared to be a black semi-automatic handgun. The suspect demanded cash from the register. The employee complied, and the suspect exited the store and fled on foot in an unknown direction. The suspect was described as wearing a black t-shirt and gray pants. A search of the area was unsuccessful.
- On 01/21/17 at 20:35 hours, dispatch received a call for service referencing an armed robbery at the Holiday Wine Cellar. The subject matched the description of the earlier armed robbery suspect from the Subway restaurant. Patrol units arrived on scene rapidly, and were advised that the suspect had fled on foot to a room at the Palm Tree Lodge. Units established a perimeter around the motel. Officers on scene utilized the Bearcat and after several PA announcements and phone calls into the room, the suspect exited and was taken into custody without incident. He was booked into the Vista Detention Facility on both counts of Armed Robbery.

EVENTS

- On Sunday, 1/15/17, Chief Carter, Captain Loarie, Captain Kogler, Sergeant Leso, Officer Mougier, Officer Kluka and members from the Explorer Post represented the City in the annual San Diego Martin Luther King Jr. parade.



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