



**NOTICE AND CALL
CITY COUNCIL / SUCCESSOR AGENCY / STANTON HOUSING AUTHORITY
SPECIAL MEETING**

TO THE MEMBERS OF THE CITY COUNCIL / SUCCESSOR AGENCY / STANTON HOUSING AUTHORITY FOR THE CITY OF STANTON AND TO THE CITY CLERK / SECRETARY:

NOTICE IS HEREBY GIVEN that a Special Meeting of the City Council / Successor Agency / Stanton Housing Authority for the City of Stanton is hereby called by the Mayor / Chairman, to be held on September 12, 2023, commencing at 5:30 p.m. at 7800 Katella Avenue, Stanton, CA 90680.

The Agenda for the Special Meeting is attached to this Notice and Call.

Dated: September 7, 2023

s/ Patricia A. Vazquez, City Clerk / Secretary

PUBLIC ACCESS IN-PERSON AND VIA TELECONFERENCE
(Electronically / Telephonically)

Attendance by the members of the public may view the meeting live in one of the following ways:

- Attend in person - City Council Chambers: 7800 Katella Avenue, California 90680.
- Via Teleconference (electronically / telephonically) - Zoom:

In order to join the meeting via telephone please follow the steps below:

1. Dial the following phone number +1 (669) 444-9171 (US).
2. Dial in the following **Meeting ID: (839 1378 4986)** to be connected to the meeting.

In order to join the meeting via electronic device please utilize the Zoom URL link below:

- <https://us02web.zoom.us/j/83913784986?pwd=RXVEcDFqNEVVRm1yb1A0WmpwbTVMZz09>

ANY MEMBER OF THE PUBLIC WISHING TO PROVIDE PUBLIC COMMENT FOR ANY ITEM ON THE AGENDA MAY DO SO AS FOLLOWS:

- Attend in person and complete and submit a request to speak card to the City Clerk.
- Via Teleconference (electronically / telephonically) – Zoom.
- E-Mail your comments to Pvazquez@StantonCA.gov with the subject line “PUBLIC COMMENT ITEM #” *(insert the item number relevant to your comment)*. Comments received no later than 5:00 p.m. before the scheduled meeting will be compiled, provided to the City Council, and made available to the public before the start of the meeting. Staff will not read e-mailed comments at the meeting. However, the official record will include all e-mailed comments received until the close of the meeting.

Should you have any questions related to participation in the City Council Meeting, please contact the City Clerk's Office at (714) 890-4245 or via e-mail at Pvazquez@StantonCA.gov.

IN COMPLIANCE WITH THE AMERICANS WITH DISABILITIES ACT, IF YOU NEED SPECIAL ASSISTANCE TO PARTICIPATE IN THIS MEETING, PLEASE CONTACT THE OFFICE OF THE CITY CLERK AT (714) 890-4245. NOTIFICATION PRIOR TO THE MEETING WILL ENABLE THE CITY TO MAKE REASONABLE ARRANGEMENTS TO ENSURE ACCESSIBILITY TO THIS MEETING.



AGENDA
CITY COUNCIL/SUCCESSOR AGENCY/STANTON HOUSING AUTHORITY
SPECIAL & JOINT REGULAR MEETING
STANTON CITY HALL, 7800 KATELLA AVENUE, STANTON, CA

TUESDAY, SEPTEMBER 12, 2023
SPECIAL CLOSED SESSION - 5:30 P.M.
JOINT REGULAR SESSION - 6:30 P.M.

PUBLIC ACCESS IN-PERSON AND VIA TELECONFERENCE
(Electronically / Telephonically)

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In compliance with the Americans With Disabilities Act, if you need special assistance to participate in this meeting, please contact the Office of the City Clerk at (714) 890-4245 or via e-mail at Pvazquez@StantonCA.gov. Notification prior to the meeting will enable the City to make reasonable arrangements to assure accessibility to this meeting.

The City Council agenda and supporting documentation is made available for public review and inspection during normal business hours in the Office of the City Clerk, 7800 Katella Avenue, Stanton California 90680 immediately following distribution of the agenda packet to a majority of the City Council. Packet delivery typically takes place on Thursday afternoons prior to the regularly scheduled meeting on Tuesday. The agenda packet is also available for review and inspection on the city's website at www.StantonCA.gov.

1. CLOSED SESSION (5:30 PM)

- 2. ROLL CALL** Council / Agency / Authority Member Taylor
Council / Agency / Authority Member Torres
Council / Agency / Authority Member Warren
Mayor Pro Tem / Vice Chairperson Van
Mayor / Chairman Shawver

3. PUBLIC COMMENT ON CLOSED SESSION ITEMS

Closed Session may convene to consider matters of purchase / sale of real property (G.C. §54956.8), pending litigation (G.C. §54956.9(a)), potential litigation (G.C. §54956.9(b)) or personnel items (G.C. §54957.6). Records not available for public inspection.

4. CLOSED SESSION

4A. CONFERENCE WITH LEGAL COUNSEL- EXISTING LITIGATION

Pursuant to Government Code section 54956.9(d)(1)
Number of cases: 1

Case Name: Tina Pacific Residents Association, et al. v. City of Stanton
Case Number: OCSC 39-2023-01316300-CU-WM-CXC

4B. PUBLIC EMPLOYEE PERFORMANCE EVALUATION

(Pursuant to Government Code Section 54957.6)

Title: City Attorney

4C. CONFERENCE WITH LEGAL COUNSEL- ANTICIPATED LITIGATION

Initiation of litigation pursuant to Government Code section 54956.9(d)(4)
Number of potential cases: 1

5. CALL TO ORDER STANTON CITY COUNCIL / SUCCESSOR AGENCY / HOUSING AUTHORITY JOINT REGULAR MEETING (6:30 PM)

6. ROLL CALL Council / Agency / Authority Member Taylor
Council / Agency / Authority Member Torres
Council / Agency / Authority Member Warren
Mayor Pro Tem / Vice Chairperson Van
Mayor / Chairman Shawver

7. PLEDGE OF ALLEGIANCE

8. SPECIAL PRESENTATIONS AND AWARDS

Presentation of proclamation declaring the month of September 2023 as Hunger Action Month in the City of Stanton.

9. CONSENT CALENDAR

All items on the Consent Calendar may be acted on simultaneously, unless a Council/Board Member requests separate discussion and/or action.

CONSENT CALENDAR

9A. MOTION TO APPROVE THE READING BY TITLE OF ALL ORDINANCES AND RESOLUTIONS. SAID ORDINANCES AND RESOLUTIONS THAT APPEAR ON THE PUBLIC AGENDA SHALL BE READ BY TITLE ONLY AND FURTHER READING WAIVED

RECOMMENDED ACTION:

City Council/Agency Board/Authority Board waive reading of Ordinances and Resolutions.

9B. APPROVAL OF WARRANTS

City Council approve demand warrants dated August 11, 2023 – August 24, 2023, in the amount of \$1,546,346.40.

9C. APPROVAL OF MINUTES

1. City Council/Successor Agency/Housing Authority approve Minutes of Joint Special and Regular Meeting – August 22, 2023; and
2. City Council/Successor Agency/Housing Authority approve Minutes of Joint Special Meeting – August 30, 2023.

9D. JULY 2023 INVESTMENT REPORT

The Investment Report as of July 31, 2023, has been prepared in accordance with the City's Investment Policy and California Government Code Section 53646.

RECOMMENDED ACTION:

1. City Council find that this item is not subject to California Environmental Quality Act ("CEQA") pursuant to Sections 15378(b)(5) (Organizational or administrative activities of governments that will not result in direct or indirect physical changes in the environment); and
2. Receive and file the Investment Report for the month of July 2023.

9E. JULY 2023 INVESTMENT REPORT (SUCCESSOR AGENCY)

The Investment Report as of July 31, 2023, has been prepared in accordance with the City's Investment Policy and California Government Code Section 53646.

RECOMMENDED ACTION:

1. Successor Agency find that this item is not subject to California Environmental Quality Act ("CEQA") pursuant to Sections 15378(b)(5) (Organizational or administrative activities of governments that will not result in direct or indirect physical changes in the environment); and
2. Receive and file the Investment Report for the month of July 2023.

9F. EXECUTE A GRANT AGREEMENT WITH THE DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT (HUD) FOR THE ORANGEWOOD AVENUE COMPLETE STREETS PROJECT

In March 2023, the City received an award letter from the U.S. Department of Housing and Urban Development (HUD) confirming the award of FY 2022 Community Project Funding (CPF) for the proposed Oranewood Avenue Complete Streets Project. HUD is requiring the agreement and application be submitted by September 29, 2023.

RECOMMENDED ACTION:

1. City Council declare this project to be categorically exempt under the California Environmental Quality Act, Section 15378(b)(5) – Organizational or administrative activities of governments that will not result in direct or indirect physical change in the environment; and
2. Accept the HUD FY 2022 Community Project Funding in the amount of \$850,000; and
3. Authorize the City Manager to sign the FY 2022 Community Project Funding Grant Agreement (NO. B-22-CP-CA-0124).

END OF CONSENT CALENDAR

10. PUBLIC HEARINGS

10A. CONDUCT A PUBLIC HEARING AND CONSIDER ADOPTION OF RESOLUTION NO. 2023-25, “A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF STANTON, CALIFORNIA, APPROVING AN AMENDED AND RESTATED FRANCHISE AGREEMENT FOR SOLID WASTE COLLECTION SERVICES WITH CR&R INCORPORATED AND ADOPTING MAXIMUM PERMITTED SERVICE CHARGES”

The City of Stanton has an exclusive franchise with CR&R, Inc. (“CR&R”) for the collection, disposal, recycling, and processing of solid waste within the City. CR&R is proposing to increase the rates it charges for the collection and handling of solid waste within the City in order to account for the increased cost of complying with certain new organic waste mandates. The attached Resolution would, if approved and adopted by the City Council, implement these rate increases (proposed as 3.5% for single family residential customers and 8.3% for commercial customers). Out of an abundance of caution, and without conceding the applicability of Proposition 218 (Prop. 218) to solid waste rate changes, a notice was mailed for a public hearing set for this evening’s regular meeting of the City Council to discuss the proposed solid waste rate increases called for by the first amendment to the CR&R franchise agreement.

RECOMMENDED ACTION:

1. City Council conduct a public hearing to accept written protests and verbal comments against the increased solid waste fees, track the number of valid written protests and, if the number of written protests received by the close of the public comment portion of the hearing is not sufficient to constitute a majority, make a finding that there is not a majority protest by property owners and/or tenants; and
2. Approve Resolution No. 2023-25, entitled:

“A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF STANTON, CALIFORNIA, APPROVING AN AMENDED AND RESTATED FRANCHISE AGREEMENT FOR SOLID WASTE COLLECTION SERVICES WITH CR&R INCORPORATED AND ADOPTING MAXIMUM PERMITTED SERVICE CHARGES”; and

3. Authorize the City Manager to execute the Amended and Restated Franchise Agreement with CR&R Incorporated.

11. UNFINISHED BUSINESS None.

12. NEW BUSINESS

12A. RATIFICATION OF OPERATING MEMORANDUM RELATING TO A DEVELOPMENT AGREEMENT BETWEEN THE CITY OF STANTON AND LIFE ILLUMINATED, LLC FOR THE “VRV” PROJECT, LOCATED AT 12736 BEACH BOULEVARD, AND INITIATION OF A DEVELOPMENT AGREEMENT AMENDMENT BETWEEN THE CITY OF STANTON AND BONANNI DEVELOPMENT COMPANY III, LLC RELATING TO THE PAYMENT OF PUBLIC BENEFIT FEES FOR THE VRV PROJECT

In June 2020, the City and Life Illuminated, LLC, the developer of the VRV mixed-use project at 12736 Beach Boulevard, entered into a Development Agreement (“VRV Agreement”). Among other things, the Agreement provided the developer a vested right to construct the project in exchange for the payment of certain development impact and public benefit fees. Recently, the developer reached out to the City regarding its financial hardship and requested an alternative schedule to pay for a portion of the fees. The VRV Agreement allows the parties to agree to a different payment schedule for public benefit fees. Tonight, the Council will: (1) consider ratifying an Operating Memorandum between the City and developer that would memorialize an alternative payment schedule for a portion of the public benefit fees, and (2) consider directing staff to initiate an amendment to the Development Agreement between the City and Bonanni Development Company III, LLC, whose “Bigsby” project at 12200 Beach Boulevard would be used as collateral for the VRV fees.

RECOMMENDED ACTION:

1. City Council declare this project to be categorically exempt under the California Environmental Quality Act, Section 15378(b)(5) – Organizational or administrative activities of governments that will not result in direct or indirect physical change in the environment; and
2. Staff recommends that the City Council consider and ratify an Operating Memorandum relating to the VRV Agreement, and direct Staff to begin processing an amendment to the Development Agreement between the City of Stanton and Bonanni Development Company III, LLC.

13. ORAL COMMUNICATIONS - PUBLIC

At this time members of the public may address the City Council/Successor Agency/Stanton Housing Authority regarding any items within the subject matter jurisdiction of the City Council/Successor Agency/Stanton Housing Authority, provided that NO action may be taken on non-agenda items.

- Members of the public wishing to address the Council/Agency/Authority during Oral Communications-Public or on a particular item are requested to fill out a REQUEST TO SPEAK form and submit it to the City Clerk. Request to speak forms must be turned in prior to Oral Communications-Public.
- When the Mayor/Chairman calls you to the microphone, please state your Name, slowly and clearly, for the record. A speaker's comments shall be limited to a three (3) minute aggregate time period on Oral Communications and Agenda Items. Speakers are then to return to their seats and no further comments will be permitted.
- Remarks from those seated or standing in the back of chambers will not be permitted. All those wishing to speak including Council/Agency/Authority and Staff need to be recognized by the Mayor/Chairman before speaking.

14. WRITTEN COMMUNICATIONS None.

15. MAYOR/CHAIRMAN COUNCIL/AGENCY/AUTHORITY INITIATED BUSINESS

15A. COMMITTEE REPORTS/ COUNCIL/AGENCY/AUTHORITY ANNOUNCEMENTS

At this time Council/Agency/Authority Members may report on items not specifically described on the agenda which are of interest to the community provided no discussion or action may be taken except to provide staff direction to report back or to place the item on a future agenda.

15B. COUNCIL/AGENCY/AUTHORITY INITIATED ITEMS FOR A FUTURE MEETING

At this time Council/Agency/Authority Members may place an item on a future agenda.

15C. COUNCIL/AGENCY/AUTHORITY INITIATED ITEMS FOR A FUTURE STUDY SESSION

At this time Council/Agency/Authority Members may place an item on a future study session agenda.

Currently Scheduled: None.

15D. CITY COUNCIL INITIATED ITEM — DISCUSSION REGARDING REDISTRICTING

At the August 22, 2023, City Council meeting, Council Member Taylor requested that this item be agendized for discussion. Council Member Taylor is requesting to discuss changing the composition of the current four (4) City Council Member Districts with a directly-elected Mayor to a five (5) Council Member Districts with no directly-elected Mayor.

RECOMMENDED ACTION:

City Council provide direction to staff.

16. ITEMS FROM CITY ATTORNEY/AGENCY COUNSEL/AUTHORITY COUNSEL

17. ITEMS FROM CITY MANAGER/EXECUTIVE DIRECTOR

17A. ORANGE COUNTY FIRE AUTHORITY

At this time the Orange County Fire Authority will provide the City Council with an update on their current operations.

18. ADJOURNMENT in memory and honor of Mr. Glen Sprowl Jr.

I hereby certify under penalty of perjury under the laws of the State of California, the foregoing agenda was posted at the Post Office, Stanton Community Services Center and City Hall, not less than 72 hours prior to the meeting. Dated this 7th day of September, 2023.

s/ Patricia A. Vazquez, City Clerk/Secretary



CITY OF STANTON

PROCLAMATION

HUNGER ACTION MONTH

SEPTEMBER, 2023

WHEREAS, hunger and poverty are issues of vital concern in California, where 10.5% of Californians face food insecurity on a daily basis and one in every seven California children do not know where their next meal will come from; and

WHEREAS, everyone needs nutritious food to thrive, and people are working hard to provide for themselves and their families—yet over 267,000 individuals, including over 64,000 children, here in Orange County are food insecure; and

WHEREAS, the City of Stanton is committed to taking steps to combat hunger in every part of our community and to provide additional resources that those in the City of Stanton need; and

WHEREAS, the City of Stanton is committed to working with Abound Food Care, Orange County Food Bank, and Second Harvest Food Bank, collectively known as the Orange County Hunger Alliance, in educating people about the role and importance of food banks and food care in addressing hunger and raising awareness of the need to devote more resources and attention to hunger issues; and

WHEREAS, in the first half of 2023, Orange County Food Bank and Second Harvest Food Bank collectively recorded an average of 888,057 food distribution visits per month from our neighbors facing food insecurity; and

WHEREAS, in the first half of 2023, Orange County Food Bank and Second Harvest Food Bank have collectively distributed 33,661,205 million pounds of food through its partner network of food pantries, soup kitchens, shelters, senior centers, schools, colleges, universities, and other community organizations; and

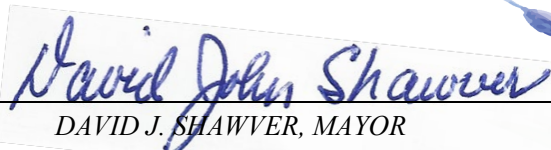
WHEREAS, in the first half of 2023, Abound Food Care has recovered 307,430 pounds of food, reducing food waste and diverting that food to those who need it; and

WHEREAS, the month of September has been designated “**HUNGER ACTION MONTH**” in order to bring attention to food insecurity in our communities and to enlist the public in the movement to end hunger by taking action – including volunteer shifts, social media shares, and donations – to ensure every community, and everybody in it, has the food they need to thrive; and

WHEREAS, food banks and other organizations across the country, including the members of the Orange County Hunger Alliance (Abound Food Care, Orange County Food Bank, and Second Harvest Food Bank) will host numerous events throughout the month of September to bring awareness and help end food insecurity in our local community.

NOW, THEREFORE, LET IT BE RESOLVED, that I, David J. Shawver, Mayor of the City of Stanton and on behalf of the entire City Council do hereby declare the month of September, 2023 to be **HUNGER ACTION MONTH** throughout the City of Stanton, and in doing so encourage the citizens of this community to join with me to take part in creating change for the future in raising public awareness and education about the role and importance of food banks, food care, and the need to devote more resources and attention to hunger issues in every part of our community.

IN WITNESS WHEREOF, I HAVE HEREUNTO SET MY HAND AND CAUSED TO BE AFFIXED THE SEAL OF THE CITY OF STANTON THIS 12TH DAY OF SEPTEMBER, 2023.


DAVID J. SHAWVER, MAYOR

Item: 9B

Click here to return to the agenda.

CITY OF STANTON ACCOUNTS PAYABLE REGISTER

August 11, 2023 - August 24, 2023

Electronic Transaction Nos.	2770-2793	\$	1,315,586.60
Check Nos.	136922-136969**	\$	230,759.80

TOTAL	\$	1,546,346.40
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** - Check Number 136961 was not issued due to printing error.

**Demands listed on the attached registers
conform to the City of Stanton Annual
Budget as approved by the City Council.**

**Demands listed on the attached
registers are accurate and funds
are available for payment thereof.**

/s/ Hannah Shin-Heydorn
City Manager

/s/ Michelle Bannigan
Finance Director

Accounts Payable

Checks by Date - Detail by Check Number

User: MBannigan
Printed: 8/31/2023 4:59 PM



Check No	Vendor No Invoice No	Vendor Name Description	Check Date Reference	Check Amount
2770	SOC2734	SO CAL EDISON	08/11/2023	
	07/31/23	Stanton District Light - July		42.49
	07/31/23	Electric Service - Medians - July		198.68
	07/31/23	Electric Service - Signals - July		82.40
Total for Check Number 2770:				323.57
2771	GOL1321	GOLDEN STATE WATER COMPANY	08/11/2023	
	July 20	Water Services Median - June 08-July 12		419.31
Total for Check Number 2771:				419.31
2772	OCA2137	COUNTY OF ORANGE TREASURER- T.	08/11/2023	
	SH 65683	AFIS (Fingerprinting) July, 2023		1,425.00
	SH 65969	AFIS (Fingerprinting) August, 2023		1,425.00
	SH 65986	Sheriff Contract Services August - 2023		695,502.82
	SH 65986	Sheriff Contract Services (Crime Prevention Spe		9,519.25
	SH 65986	Sheriff Contract Services August - 2023		370,625.00
	SH 65986	Sheriff Contract Services (Office Specialist Fron		8,926.67
	SH 65986	.25% Early Payment Discount		-2,711.43
Total for Check Number 2772:				1,084,712.31
2773	ABS16273	ABSOLUTE SECURITY INTERNATIONAL,	08/11/2023	
	2020107995	Security for Hall Rentals on 7/2, 7/9, 7/16, 7/23,		1,634.01
Total for Check Number 2773:				1,634.01
2774	JEN14424	ANA JENSEN	08/11/2023	
	PPE 07/29/23	Wage Garnishment PPE 07/29/23		400.00
Total for Check Number 2774:				400.00
2775	PUB15477	PUBLIC AGENCY RISK SHARING AUT	08/11/2023	
	PPE 07/29/2023	PARS - PPE 07/29/2023		1,704.26
Total for Check Number 2775:				1,704.26
2776	HOP16467	HOPE CENTER OF ORANGE COUNTY	08/11/2023	
	2023-0016	North OC Regional Outreach & Engagment Serv		37,941.92
Total for Check Number 2776:				37,941.92
2777	soc2734	SO CAL EDISON	08/15/2023	
	July 27	Jun 5 - Jun 30 Electric Services Housing Authori		103.43
Total for Check Number 2777:				103.43
2778	soc2734	SO CAL EDISON	08/15/2023	
	08/08/23	Electric Service-SCP		5,505.70
	08/08/23	Electric Service-Signals July		1,138.98

Check No	Vendor No Invoice No	Vendor Name Description	Check Date Reference	Check Amount
	08/08/23	Stanton District Light July		11,303.63
	08/08/23	Electric Service-Parks July		912.33
	July 27	Jul 1 - Jul 6 Electric Housing Authority		23.87
Total for Check Number 2778:				18,884.51
2779	OCA2137 STC002410	COUNTY OF ORANGE TREASURER- T. 800Mhz 1st Quarter ST0 Jul-Sept FY 23/24	08/18/2023	10,182.25
Total for Check Number 2779:				10,182.25
2780	Cal15478 ENVIR01284 FEE00170	CALIFORNIA JOINT POWERS INSURANCE Pollution Liability Insurance Program 2023-24 Excess Liability Program Admin Fee 7/1/23 - 6/2	08/18/2023	2,382.00 8,932.00
Total for Check Number 2780:				11,314.00
2781	soc2734 08/10/23 08/10/23 August 21	SO CAL EDISON Electric Service-Building July Electric Service-Parks July Jun 28 - Jul 30 Electric Services Housing Author	08/18/2023	4,304.68 973.15 5.85
Total for Check Number 2781:				5,283.68
2782	int1569 8/17/2023 8/17/2023 8/17/2023	INTERNAL REVENUE SERVICE (FD) Federal Tax Withholding (MC) Medicare - Employee Share (ME) Medicare - City Share	08/18/2023	19,538.86 2,616.44 2,616.44
Total for Check Number 2782:				24,771.74
2783	edd1067 8/17/2023 8/17/2023	EDD State Unemployment State Tax Withholding	08/18/2023	137.00 7,375.44
Total for Check Number 2783:				7,512.44
2784	mis16496 PPE 08/12/2023	MISSIONSQUARE PPE 08/12/2023- #302393	08/18/2023	2,165.00
Total for Check Number 2784:				2,165.00
2785	CAS680 PPE 08/17/23 PPE 08/17/23 PPE 08/17/23 PPE 08/17/23 PPE 08/17/23 PPE 08/17/23 PPE 08/17/23 PPE 08/17/23 PPE 08/17/23 PPE 08/17/23	CA ST PERS 103 PERS - Employee New T3 PERS - Employee Classic T2 PERS - Employee's Share T1 PERS - Survivor New T3 PERS - City's Share T1 PERS - City's Share-Classic T2 PERS - Survivor Classic T2 PERS - Survivor (Employee) T1 PERS - City's Share-New T3 PERS - Employee Buy Back	08/21/2023	5,963.60 3,944.39 1,860.63 25.11 3,314.57 5,691.20 8.37 7.44 5,909.78 49.69
Total for Check Number 2785:				26,774.78
2786	USB3019 Amazon Amazon Amazon Amazon Amazon	US BANK Ipad storage unit FRC Supplies (OST) FRC Supplies (OST) Security Hardware/ Storage/ Internal Hard Drive FRC Supplies (Decor)	08/21/2023	176.27 383.39 31.50 212.66 10.86

Check No	Vendor No Invoice No	Vendor Name Description	Check Date Reference	Check Amount
	Amazon	Office chair/ Code Enf.		139.18
	Amazon	Charging cables for senior ipads		12.92
	Amazon	Credit - Return Boots		-87.00
	Amazon	Summer camp - Terrarium activity		75.38
	Amazon	Summer camp - large bandaids		140.05
	Amazon	FRC cell phone case, FRC ipad charges		58.11
	Amazon	Summer camp supplies		573.25
	Amazon	Summer camp - Large sponges (2/2)		9.56
	Amazon	Portfolio & craft supplies for MUTS		116.40
	Amazon	Refund for FRC phone case		-23.69
	Amazon	Summer camp -label maker and DVD player		29.28
	Amazon	Summer camp - July 3 workshop deposit		7.75
	Amazon	Pens, Band aids, monitor handles, and cable ties		29.84
	Amazon	FRC Supplies (OST, First Aid)		224.59
	Amazon	Summer camp - Band aids, binder dividers, ice p		147.27
	Amazon	FRC Supplies (Decor)		97.86
	Amazon	Drinking cups and pens for staff office		26.43
	Amazon	FRC Supplies (Extension cords, cleaning supplie		585.70
	Amazon	Summer camp skewers for creaf (1/2)		7.59
	Amazon	FRC Supplies (OST)		15.03
	Amazon	Office chair for office		215.71
	Amazon	Supplies/ Code Enf. Trailer/ Lift Assit		249.61
	Amazon	FRC Supplies (Kitchen, OST, Decor)		582.16
	Amazon	Boots		87.00
	Amazon	Movie night DVDs, mousepad, and notebook		66.98
	Amazon	Summer camp - Decoration		6.50
	Amazon	Laptop bag - A. Massey		36.96
	Amazon	Mischarge - CalCard Personal Use		84.99
	Amazon	(2) Bulletin board paper rolls for storyboard		59.52
	Amazon	Ziplock bags, trash picker, balls, craft supplies, &		165.87
	Amazon	FRC Supplies (OST, Kitchen, Decor)		390.46
	Autozone	Supplies/ Code Enf. Trailer/ Plug/ Adapter		14.13
	Chapman Ave Car	Car wash		44.99
	Chapman Ave Car	Car wash		42.99
	Chevron	OCSO Motor Officer/ Motorcycle Gas		28.70
	Chevron	OCSO Motor Officer/ Motorcycle Gas		26.07
	Chevron	OCSO Motor Officer/ Motorcycle Gas		29.37
	Costco	Pantry items: chicken noodles, tuna, crackers		135.28
	Costco	Summer camp snacks		176.55
	Costco	Snack for summer camp		262.81
	Costco	Office supplies/ homeless outreach/ batteries		58.15
	Daiso	Summer camp supplies		87.22
	Dixie Orange Co	Emergency Hotel Assistance (7 Nights)		510.00
	Dollar Tree	Table Covers for Movie Night Series		27.04
	Dollar Tree	Summer camp: terrarium activity		46.06
	Dollar Tree	Summer camp: stones, mesh bags, buckets, cloth		32.53
	Eds Janitorial	Vacuum/ Public Safety Supplies		290.93
	Fiesta Fantasti	June KNO contractor remaining balance		100.00
	Food 4 Less	EA: GC for T. Lopez		200.00
	Fusion Corner	City Council Closed Session Expense		113.81
	Harbor Freight	Supplies/ Code Enf. Trailer/ Pin		19.91
	Home Depot	(5) BBQ Brushes		43.39
	Home Depot	Rubber mullet and tools for special event box		64.54
	Home Depot	(2) Extension Cords		130.43
	Home Depot	Utility Cart		118.49
	Home Depot	Code Enf Equipment/ Utility Carts/ Canopy		837.66
	Home Depot	Part for SCP repairs		227.67
	Home Depot	Part for repair of SCP tennis court		48.26
	Lyft, Inc	Homeless outreach transportation assistance/ can		5.00

Check No	Vendor No Invoice No	Vendor Name Description	Check Date Reference	Check Amount
	Millenium Biltm	Caled Conference Parking		25.00
	Motel 6	Emergency hotel assistance (3 nights)		281.22
	Pauls Place	OCSD Meals		164.66
	Pershing Square	Caled Conference Parking		20.00
	Sheraton Fairpl	Parking/ League of CA Cities Policy Committee		7.00
	Smart & Final	EA - GC for Vigil family		140.00
	Smart & Final	Summer camp: cereal, milk, ice cream, tablecloth		182.07
	Smart & Final	Summer camp - table cloth, milk, cheese		58.17
	Staples	Chair		227.14
	Staples	Chair		-227.14
	Staples	FRC Supplies (Office furniture, desk supplies)		706.57
	Staples	Dust mop heads		35.80
	Staples	FY 22/23/ Misc office supplies/ file folders/ hani		234.18
	Staples	Cleaning supplies, plotter supplies		409.10
	Staples	FRC Supplies (Cork boards)		95.45
	Staples	(3) Laminated a-frame signs for the park		36.00
	Staples	Supplies/ Code Enf/ Camera Memory Card		17.23
	Starbucks	OCSD Meals		60.00
	Suns Tools	Parts for jack hammer		31.54
	Target	EA: GC for A. Xuan		200.00
	Target	DVD for movie night and water hose storage		62.47
	Target	Summer camp: scissors, sunscreen, markers		33.99
	Target	Office supplies, homeless outreach		35.91
	Target	Marker, scissors, and tape		50.58
	Target	Hygiene items: shirts, socks, baby wipes		96.95
	Target	Office supplies, homeless outreach		12.47
	Uline	Vinyl basket for movie screen holder. 95 gal can		726.01
	Uline	(4) Soap Dispensers for indoor room		128.39
	Walgreens	Photos for first two days of summer camp		20.32
Total for Check Number 2786:				12,539.00
2787	USB3019	US BANK	08/21/2023	
	5.11, Inc.	clothing/ HOCs		224.12
	5.11, Inc.	Pants for Kevin		353.42
	Adobe Inc.	Adobe Pro Annual Subscription 6/30/23-6/29/24		239.88
	Amazon	Personal fan - V. Holguin		32.61
	Amazon	Personal fan - M. Bannigan		32.61
	Amazon	Name tags for summer camp		5.49
	Amazon	File Folders		18.48
	Amazon	Projector for movie nights		207.89
	Amazon	IT Hardware/ electronics/ (4) power strip surge p		173.92
	Amazon	Office Supplies/ CM's Dept		62.63
	Amazon	Summer Employee Luncheon/ Supplies/ Raffles		106.86
	Amazon	The Bad Guys DVD for National Night Out		11.72
	Amazon	National Night Out ID Kit Ink		17.24
	Amazon	Personal fan - J. Rodriguez		32.61
	Amazon	Surface pro cover bag		13.90
	Amazon	Electronics Dusters		19.58
	Amazon	Personal fan - A. Luong		32.61
	Azadero Mexican	OCSD Meals		684.40
	Bricks4Kiz	Summer camp - July 3 workshop		125.00
	Bricks4Kiz	Summer camp - July 3 workshop deposit		125.00
	Canva	Monthly Subscription		12.99
	CAPIO	Annual Membership Renewal		275.00
	Chapman Ave Car	Car Wash		42.99
	Chapman Ave Car	Car Wash		44.99
	Chevron	OCSD Motor Officer/ Motorcycle Gas		29.99
	Chevron	OCSD Motor Officer/ Motorcycle Gas		33.41
	Chevron	OCSD Motor Officer/ Motorcycle Gas		30.93

Check No	Vendor No Invoice No	Vendor Name Description	Check Date Reference	Check Amount
	Chevron	OCSD Motor Officer/ Motorcycle Gas		28.86
	Chicas Tacos	Lunch for Interview Panel - CS Coordinator		12.40
	City Clerks As	Membership Dues 23/24: P. Vazquez		250.00
	Command Link	Internet Coverage for City/ JUL-2023		3,230.83
	Constant Contra	Monthly Subscription		41.00
	Costco	OCSD Meals		251.54
	Costco	Summer camp - week 5 snacks		113.02
	Costco	Summer camp - week 4/5 snacks		54.26
	D&H Donuts	Comm. Svcs. Coordinator Interview Panel Suppl		13.25
	Digital Space	JUL-2023/ Domain hosting service		22.00
	Embassy Consult	Customer service training		35.00
	Expedia	EA - Motel Stay for Dietz		479.37
	First Choice Co	Coffee for yard		416.79
	Food 4 Less	EA - GC for A. Tran (on \$191.15) receipt		150.00
	Food 4 Less	3 Cases of water for volunteers for food distribut		19.49
	Food 4 Less	EA - Gas card for Baez		50.00
	Food 4 Less	Parenting class snacks (on \$191.15) receipt		41.15
	GFOA	Annual GAAP Update Nov 2023		135.00
	Google LLC Apps	Work order program usage fee 7/5/23-8/5/23		450.00
	Google LLC Apps	CE App/ oversized vehicle permit prog./ Annual		108.00
	Grainger	HVAC Motor		106.45
	Graphic Tees In	New Shirts for Manuel (Senior Public Works Ins		206.63
	Harbor Freight	Parts for Public Works Trailer		52.18
	Home Depot	Part of repair of SCP Tennis Court		136.73
	Home Depot	Back belts for crew		141.27
	Home Depot	Parts to repair street light		22.36
	Home Depot	Parts to repair bridge		29.88
	Home Depot	Supplies/ Code Enf.		8.53
	Home Depot	Miscellaneous Screws		249.87
	Home Depot	Parts for SCP repairs		374.56
	Home Depot	Keys for Stanton park		25.90
	Home Depot	Water jugs		76.05
	Home Depot	Portable AC for Sheriff		488.29
	Home Depot	Parts for tennis court repair		34.47
	Home Depot	Supplies/ OCSD		43.39
	Home Depot	Parts for SCP repair		30.66
	Home Depot	Cleaning supplies/ Public Safety		42.35
	Home Depot	(4) Trash can containers for events		108.62
	International I	Annual Membership Dues: P. Vazquez through C		225.00
	League of CA Ci	LOCC Annual Conf Sep-2023/ Registration/ Cou		1,950.00
	Lyft, Inc.	Homeless outreach transportation assistance		18.20
	Magic Jump Rent	Deposit for Magic Jump Rentals		51.26
	Millennium	Pants for Hilario		344.80
	Millennium	Pants for Gus and Jorge		635.73
	NATW.ORG	National Night Out Giveaways		209.00
	NATW.ORG	National Night Out Child Identification Kits		220.00
	O Reilly Auto P	Supplies/ Code Enf. Trailer/ Adapter		17.39
	Oriental Tradin	White craft rolls for movie night craft		45.62
	Panda Express	Parenting class dinner		59.38
	Pizza D Amore	City Council Closed Session Expense		125.03
	Public Treasury	Public Treasury Institute/ Cashier Training/ Y. G		120.00
	Recycle Away	New trash can to meet new diversion requiremen		4,391.49
	Red Wing	New Shoes for Manuel (Senior Public Works Ins		200.00
	REDKAP	New Uniform for Manuel (Senior Public Works I		255.51
	Rush Translate	Stanton Express Vietnamese Translation		49.90
	Sams Club	Sam's Membership/ OCSD		118.53
	Senor Bagels &	CJPIA Training/ Food Allowance		40.78
	Shoeteria	Boots for Gus		193.94
	Shoeteria	Boots for Jorge		165.65

Check No	Vendor No Invoice No	Vendor Name Description	Check Date Reference	Check Amount
	Shoeteria	Boots for Kevin W.		156.23
	Shootz	Lunch for Interview Panel - CS Coordinator		48.35
	Smart & Final	OCSO Meals		75.05
	Smart & Final	Supplies/ Public Safety		13.99
	Stanton 76	Supplies/ Public Safety		30.02
	Staples	FRC Office Supplies		27.86
	Staples	Misc. office supplies/sanitizer/disinfect/pentil/er:		22.37
	Staples	FRC Office Supplies		38.27
	Staples	Office Supplies, Homeless Outreach		293.45
	Studio 6	Emergency Tina Pacific Relocation		829.02
	Studio 6	Emergency Tina Pacific Relocation		790.52
	Swank	Movie license fee		480.00
	Swank	Movie license fee		960.00
	Target	Misc. Supplies		7.75
	Target	Tower fan (A. Massey)		75.41
	Target	Popsicles for Popsicle day ar SCP		40.12
	Target	Misc. Supplies		9.90
	Target	Misc. Supplies		14.11
	Target	Misc. Supplies		8.93
	Target	Sunscreen for summer camp		9.79
	Target	Misc. Supplies		5.47
	TK Burgers	Summer Employee Lunch/ Supplies/ Raffle		500.00
	Walmart	Summer camp - kleenex and sunscreen		25.58
	Walmart	Summer camp - bowls and cups		8.92
	Women in Public	Annual Membership Dues		25.00
Total for Check Number 2787:				25,003.74
2788	afl187	AFLAC-FLEX ONE	08/22/2023	
	845896	Aug 23 Employee (Aflac)		266.10
	845896	Aug 23 Employee (Life Ins & Disability Ins)		149.41
	845896	Employee July 23 Premium Correction		45.50
Total for Check Number 2788:				461.01
2789	Soc2734	SO CAL EDISON	08/22/2023	
	August 22	Jun 30 - Aug 01 Electric Services Hoursing Auth		14.68
	August 24	Jul 07 - Aug 03 Electric Services Housing Autho		114.24
Total for Check Number 2789:				128.92
2790	CAS683	CA ST PERS-HEALTH BENEFIT	08/22/2023	
	SEP-23	Sept 23 Health Ins-Employee		4,870.71
	SEP-23	Sept 23 Retiree Insurance		3,225.00
	SEP-23	Sept 23 Health Ins-City Share		32,784.30
	SEP-23	Sept 23 Admin Services - Health Ins		120.50
	SEP-23	Sept 23 Admin Services - Retiree		26.54
Total for Check Number 2790:				41,027.05
2791	CAL12493	CALPERS	08/22/2023	
	100000017250729	Fees for GASB-86 Reports and Schedules		1,400.00
Total for Check Number 2791:				1,400.00
2792	GOL1321	GOLDEN STATE WATER COMPANY	08/23/2023	
	August 1	Water Services Median June 30 - Jul1 31		366.26
	August 1	Water Services Building June 30 - Jul1 31		186.04
Total for Check Number 2792:				552.30

Check No	Vendor No Invoice No	Vendor Name Description	Check Date Reference	Check Amount
2793	GOL1321 August 02	GOLDEN STATE WATER COMPANY Water Services Park Jul 03-Aug 01	08/24/2023	347.37
Total for Check Number 2793:				347.37
136922	AME15118 535070	AMERICAN RENTALS, INC Rental of Scissor lift to repair movable wall	08/24/2023	858.00
Total for Check Number 136922:				858.00
136923	ATT377 8/17/2023 8/8/2023 8/8/2023 8/8/2023	AT&T Corporate Yard - August Cerritos/Dale- July Cerritos/Magnolia- July Cerritos/Knott- July	08/24/2023	413.41 25.50 1.23 24.50
Total for Check Number 136923:				464.64
136924	BEA14942 19732	BEAR ELECTRICAL SOLUTIONS, INC Replace pole at Dale and Chanticleer	08/24/2023	22,916.00
Total for Check Number 136924:				22,916.00
136925	bio16716 INV-10433	BIONERDS Summer Camp Program (7/17 - 7/21)	08/24/2023	4,730.00
Total for Check Number 136925:				4,730.00
136926	boy13501 2087	BOYS & GIRLS CLUBS OF GARDEN GI Contractual Services - Invoice for Boys and Girl:	08/24/2023	5,168.27
Total for Check Number 136926:				5,168.27
136927	c3o13388 INV164474 INV164474	C3 TECHNOLOGY SERVICES Sharp Copiers/All Facilities/Overage 7/9/23 - 8/8/23 Sharp Copiers/All Facilities/Rental Supplies 8/9/23	08/24/2023	1,805.60 1,679.00
Total for Check Number 136927:				3,484.60
136928	Caa556 32360 32940	CA AUTO & BRAKE INC Repairs to the P&R van Repairs to the P&R van	08/24/2023	528.78 747.29
Total for Check Number 136928:				1,276.07
136929	cas662 673907	CA ST DEPT OF JUSTICE July 2023/Fingerprints	08/24/2023	49.00
Total for Check Number 136929:				49.00
136930	CER13623 77781	CERTIFIX LIVE SCAN July / live scan rolling fees	08/24/2023	99.00
Total for Check Number 136930:				99.00
136931	CIT14662 PD005156	CITY OF ANAHEIM Officer Assigned Blue Light Camera Install 6/3/23	08/24/2023	1,510.43
Total for Check Number 136931:				1,510.43
136932	COU15550 PW230077 PW230077	COUNTY OF ORANGE Concrete and Road Maintenance for June 2023 Concrete and Road Maintenance for June 2023	08/24/2023	46,668.10 6,491.53

Check No	Vendor No Invoice No	Vendor Name Description	Check Date Reference	Check Amount
	PW230077a	Alley clean up northwest of Beach and Katella		839.41
			Total for Check Number 136932:	53,999.04
136933	dis16517 23-187	DISABILITY ACCESS CONSULTANTS, ADA Self-Evaluation and Transition Plan	08/24/2023	4,345.00
			Total for Check Number 136933:	4,345.00
136934	dvt16648 15477 15477 15477	DV MFTG Documentation Fee Dump Trailer Tire Fee	08/24/2023	85.00 11,907.00 8.00
			Total for Check Number 136934:	12,000.00
136935	ecs1065 18051	ECS IMAGING INC Annual Support/Consulting/Public Portal for Las	08/24/2023	6,150.00
			Total for Check Number 136935:	6,150.00
136936	fed1155 8-205-56821	FEDEX Delivery Services/S.Kang/City of Brea	08/24/2023	28.60
			Total for Check Number 136936:	28.60
136937	fer14172 47	FERNWOOD MOBILE HOME PARK Lease agreement for property along Stanton Cen	08/24/2023	2,575.00
			Total for Check Number 136937:	2,575.00
136938	fro13927 8/8/23	FRONTIER City Hall frame relay port-Aug	08/24/2023	159.20
			Total for Check Number 136938:	159.20
136939	gol16311 258276 258302 259996	GOLDENWEST LAWNMOWERS Return parts for Chainsaw Parts to repair chainsaw and weedwacker Supplies for maintenance repairs	08/24/2023	-28.28 98.27 30.07
			Total for Check Number 136939:	100.06
136940	har1416 23-0695	HARTZOG & CRABILL INC On-Call Traffic Signal Services Ops. For July	08/24/2023	3,284.24
			Total for Check Number 136940:	3,284.24
136941	HAW16718 58412514	ANDREA HAWKINS Cancelled reservation.	08/24/2023	365.00
			Total for Check Number 136941:	365.00
136942	hdl1429 SIN030602	HDL COREN & CONE 2022-23 ACFR Statistical Package	08/24/2023	695.00
			Total for Check Number 136942:	695.00
136943	hil1466 84107	HILL'S BROS LOCK & SAFE INC Door repair at SCP	08/24/2023	282.62
			Total for Check Number 136943:	282.62

Check No	Vendor No Invoice No	Vendor Name Description	Check Date Reference	Check Amount
136944	HUB16655 232669	HUB COLLECTIVE LTD. Research and Brand Strategy	08/24/2023	18,000.00
Total for Check Number 136944:				18,000.00
136945	inf1555 2023070024	IRC, INC Background Checks from 07/01-08/01/2023	08/24/2023	217.21
Total for Check Number 136945:				217.21
136946	kdm16406 7581	KDM MERIDIAN Prepare Legal Description & Plan for Norm Ros:	08/24/2023	3,000.00
Total for Check Number 136946:				3,000.00
136947	lif16289 57573999	LIFE CHRISTIAN CHURCH OF ORANG Deposit Refund from 8/6/23.	08/24/2023	400.00
Total for Check Number 136947:				400.00
136948	mad15269 1366	MAD SCIENCE Summer Camp, July 10-24	08/24/2023	5,800.00
Total for Check Number 136948:				5,800.00
136949	mas16381 0823	MASTER JANITORIAL SERVICE, LLC City Janitorial Services-Aug	08/24/2023	4,377.00
Total for Check Number 136949:				4,377.00
136950	min15024 38465	MINUTEMAN PRESS Business Card Order A.Nguyen	08/24/2023	53.81
Total for Check Number 136950:				53.81
136951	onw16569 7073	ONWARD ENGINEERING Inspection service for Western and Katella	08/24/2023	840.00
Total for Check Number 136951:				840.00
136952	ORA16580 48825	ORANGE COAST PLUMBING, HEATING Replace toilet at Sheriff Station	08/24/2023	1,248.96
Total for Check Number 136952:				1,248.96
136953	PHA12971 53671	PARS June 2023/ PARS/ Administrator Services	08/24/2023	487.59
Total for Check Number 136953:				487.59
136954	pol16722 Permit 2023-429	JESSICA POLDRUGO Construction and Demolition deposit	08/24/2023	330.00
Total for Check Number 136954:				330.00
136955	pyr12632 10007915	PYRO-COMM SYSTEMS INC. Quarterly Monitoring Fees - Fire Alarm @ Sheri	08/24/2023	135.00
Total for Check Number 136955:				135.00
136956	REI16726 Ref. Inv.# KC87	STEVEN REISS Reimbursment/Appraisal for 8971 Pacific Ave	08/24/2023	695.00

Check No	Vendor No Invoice No	Vendor Name Description	Check Date Reference	Check Amount
Total for Check Number 136956:				695.00
136957	res2489 3639822	RESOURCE BUILDING MATERIALS New wheelbarrows for crew	08/24/2023	520.47
Total for Check Number 136957:				520.47
136958	ryd15391 PS-INV110627	RYDIN New 2024/2025 Parking Permits	08/24/2023	2,973.65
Total for Check Number 136958:				2,973.65
136959	san2611 FY 2023-24	SANTA ANA RIVER FLOOD FY23-24/SARFPA Dues/Torres	08/24/2023	1,300.00
Total for Check Number 136959:				1,300.00
136960	sky16010 192812R1	SKYHAWKS SPORTS ACADEMY LLC Summer Camp at SCP , July 3-21	08/24/2023	7,625.00
Total for Check Number 136960:				7,625.00
136962	spa15432 4096775 071423 4096775 071423 4096775 081123	SPARKLETTS FY 23-24/Breakroom Water Delivery Svc 7-12-2 FY 22-23/Breakroom Water Delivery Svc 6-28-2 FY 23-24/Breakroom Water Delivery Svc 7-26-2	08/24/2023	73.90 90.88 220.70
Total for Check Number 136962:				385.48
136963	spe14381 12363080123	SPECTRUM Cable Services / AUG-2023	08/24/2023	102.34
Total for Check Number 136963:				102.34
136964	Sta2817 1650150720 1650150720 1650150720 1650150720 1650150720	STAPLES BUSINESS CREDIT FY 23-24/Office Supplies/HR FY 23-24/Office Supplies/Park & Rec FY 23-24/Office Supplies/Public Safety FY 23-24/Supplies/Building Maintenance FY 22-23/Supplies/Building Maintenance	08/24/2023	58.96 211.67 111.62 1,224.00 801.77
Total for Check Number 136964:				2,408.02
136965	SUN14720 5	SYA FOUNDATION Regional CBO - Focus Area #1 - Jan-Jun 2023	08/24/2023	44,150.00
Total for Check Number 136965:				44,150.00
136966	tra15678 07-04988 07-04988	TRACKER FY 23-24/Additional Module-Market Price Uploa FY23-24/Online Investment Portfolio Mngmt Su	08/24/2023	480.00 4,740.00
Total for Check Number 136966:				5,220.00
136967	tri16721 Permit 2023-244	REYNALDO TRINIDAD Construction and Demolition deposit	08/24/2023	360.00
Total for Check Number 136967:				360.00
136968	tpx16519 172048098-0 173136898	U.S. TELEPACIFIC CORP UCaaS/JUL-23 Billing Adjustment Firewall Management Svcs/AUG-2023	08/24/2023	-148.91 1,340.72

Check No	Vendor No Invoice No	Vendor Name Description	Check Date Reference	Check Amount
	173136898-0	Unified-Communications-as-a-Service/AUG-202		2,074.39
			Total for Check Number 136968:	3,266.20
136969	VIS3077	VISTA PAINT CORP	08/24/2023	
	2023-089813-00	Graffiti removal supplies - white paint		269.72
	2023-091713-00	Graffiti removal - spice beige		1,645.07
	2023-092850-00	Graffiti removal supplies - white paint		274.99
	2023-103664-00	Graffiti removal supplies		25.59
	2023-120342-00	graffiti removal supplies		108.93
			Total for Check Number 136969:	2,324.30
			Report Total (71 checks):	1,546,346.40

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Click here to return to the agenda.

MINUTES OF THE CITY COUNCIL / SUCCESSOR AGENCY / HOUSING AUTHORITY
OF THE CITY OF STANTON AUGUST 22, 2023

SPECIAL CITY COUNCIL / SUCCESSOR AGENCY / HOUSING AUTHORITY MEETING
(5:00 PM)

JOINT REGULAR CITY COUNCIL / SUCCESSOR AGENCY / HOUSING AUTHORITY MEETING
(6:30 PM)

1. CALL TO ORDER / CLOSED SESSION

The City Council / Successor Agency / Housing Authority meeting was called to order at 5:00 p.m. by Mayor Pro Tem / Chairperson Van.

2. ROLL CALL

Present: Council/Agency/Authority Member Taylor, Council/Agency/Authority Member Torres, Council/Agency/Authority Member Warren, and Mayor Pro Tem/Vice Chairperson Van.

Absent: None.

Excused: Mayor/Chairman Shawver.

3. PUBLIC COMMENT ON CLOSED SESSION ITEMS None.

4. CLOSED SESSION

The members of the City Council / Successor Agency / Housing Authority of the City of Stanton proceeded to closed session at 5:01 p.m. for discussion regarding:

4A. CONFERENCE WITH LEGAL COUNSEL- EXISTING LITIGATION

Pursuant to Government Code section 54956.9(d)(1)

Number of cases: 1

Case Name: Tina Pacific Residents Association, et al. v. City of Stanton

Case Number: OCSC 39-2023-01316300-CU-WM-CXC

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4B. CONFERENCE WITH LEGAL COUNSEL- EXISTING LITIGATION

Pursuant to Government Code section 54956.9(d)(1)

Number of cases: 1

Case Name: Stanton Housing Authority v. Ramirez, et al.

Case Number: OCSC 30-2023-01313034-CL-UD-CJC

4C. PUBLIC EMPLOYEE PERFORMANCE EVALUATION (Pursuant to Government Code Section 54957.6)

Title: City Attorney

4D. CONFERENCE WITH LEGAL COUNSEL-ANTICIPATED LITIGATION Significant exposure to litigation pursuant to Government Code Section 54956.9 (d)(2)

Number of Potential Cases: 1

5. CALL TO ORDER / SUCCESSOR AGENCY / STANTON HOUSING AUTHORITY MEETING

The City Council / Successor Agency / Housing Authority reconvened in open session at 6:33 p.m.

6. ROLL CALL

Present: Council/Agency/Authority Member Taylor, Council/Agency/Authority Member Torres, Council/Agency/Authority Member Warren, and Mayor Pro Tem/Vice Chairperson Van.

Absent: None.

Excused: Mayor/Chairman Shawver.

7. PLEDGE OF ALLEGIANCE

Led by Mr. Kenneth Bloom.

The City Attorney / Agency Counsel reported that the Stanton City Council / Successor Agency / Housing Authority met in closed session from 5:01 to 6:30 p.m.

The City Attorney / Agency Counsel reported that there was no reportable action.

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8. SPECIAL PRESENTATIONS AND AWARDS

A. Captain Charles L. Walters introduced newly assigned Orange County Sheriff's Department Stanton deputies to the City Council:

- Deputy A. Garcia-Rodriguez
- Deputy A. Manrique
- Deputy C. Cardenas
- Deputy G. Chacon-Ramos
- Deputy S. Gallardo

Captain Charles L. Walters announced, recognized, and introduced the Deputies of the Year for 2021 and 2022 to the City Council:

- Sergeant Juan Lopez
- Deputy Eric Peevey

B. Presentation by Mr. Eric O'Donnell, Deputy Director, Townsend Public Affairs, providing the City Council with an update on State and Federal Legislation.

9. CONSENT CALENDAR

Motion/Second: Taylor/Torres

ROLL CALL VOTE:	Council/Agency/Authority Member Taylor	AYE
	Council/Agency/Authority Member Torres	AYE
	Council/Agency/Authority Member Warren	AYE
	Mayor Pro Tem/Vice Chairperson Van	AYE
	Mayor/Chairman Shawver	ABSENT

Motion unanimously carried:

CONSENT CALENDAR

9A. MOTION TO APPROVE THE READING BY TITLE OF ALL ORDINANCES AND RESOLUTIONS. SAID ORDINANCES AND RESOLUTIONS THAT APPEAR ON THE PUBLIC AGENDA SHALL BE READ BY TITLE ONLY AND FURTHER READING WAIVED

The City Council/Agency Board/Authority Board waived reading of Ordinances and Resolutions.

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9B. APPROVAL OF WARRANTS

The City Council approved demand warrants dated July 28, 2023 – August 10, 2023, in the amount of \$1,478,438.88.

9C. APPROVAL OF MINUTES

The City Council/Successor Agency/Housing Authority approved Minutes of Joint Special and Regular Meeting – July 11, 2023.

9D. JUNE 2023 INVESTMENT REPORT

The Investment Report as of June 30, 2023, has been prepared in accordance with the City's Investment Policy and California Government Code Section 53646.

1. The City Council finds that this item is not subject to California Environmental Quality Act ("CEQA") pursuant to Sections 15378(b)(5) (Organizational or administrative activities of governments that will not result in direct or indirect physical changes in the environment); and
2. Received and filed the Investment Report for the month of June 2023.

9E. JUNE 2023 INVESTMENT REPORT (SUCCESSOR AGENCY)

The Investment Report as of June 30, 2023, has been prepared in accordance with the City's Investment Policy and California Government Code Section 53646.

1. The Successor Agency finds that this item is not subject to California Environmental Quality Act ("CEQA") pursuant to Sections 15378(b)(5) (Organizational or administrative activities of governments that will not result in direct or indirect physical changes in the environment); and
2. Received and filed the Investment Report for the month of June 2023.

9F. APPROVAL OF PROFESSIONAL SERVICES AGREEMENTS FOR BROCHURE DESIGN AND PRINTING SERVICES

Staff recommends that City Council approve the contracts with DSYL and Southwest Offset Printing for the design and printing of the Stanton Express recreation brochure.

1. The City Council declared that the project is not subject to CEQA in accordance with Section 15061(b)(3) as the activity is covered by the general rule that CEQA applies only to projects which have the potential for causing significant effect on the environment. Where it can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment, the activity is not subject to CEQA; and

DRAFT

2. Approved a Professional Services Agreement with DSYL for the design of the Stanton Express recreation brochure; and
3. Approved a Professional Services Agreement with Southwest Offset Printing for the printing of the Stanton Express recreation brochure; and
4. Authorized the City Manager to bind the City of Stanton and DSYL and Southwest Offset Printing in contracts to provide these services.

9G. APPROVE COOPERATIVE AGREEMENT BETWEEN THE CITY OF STANTON AND THE CITY OF GARDEN GROVE FOR THE FISCAL YEAR 2022/2023 CITYWIDE RESURFACING PROJECT

A portion of the intersection of Katella Avenue and Dale Avenue is within the City of Garden Grove. In order to fully rehabilitate the intersection, the City Engineer recommends including the City of Garden Grove's portion into the scope of work for the Fiscal Year 2022/2023 Citywide Street Resurfacing Project. As such, staff worked collaboratively with the City of Garden Grove to develop a cooperative agreement for the construction.

1. The City Council finds that that the project is categorically exempt under the California Environmental Quality Act ("CEQA"), Class 1, Section 15301(c) as repair, maintenance, and minor alteration of existing streets, sidewalks, gutters, and similar facilities; and
2. Approved the Cooperative Agreement between the City of Stanton and the City of Garden Grove for the Fiscal Year 2022/2023 Citywide Street Resurfacing Project; and
3. Authorized the City Manager to execute the Cooperative Agreement.

9H. APPROVAL OF SECOND AMENDMENT TO AGREEMENT FOR TREE MAINTENANCE, PLANTING, AND REMOVAL SERVICES

Great Scott Tree Service (GSTS) has been trimming and maintaining the City's trees since 2011. The term of the current agreement is July 1, 2018 to June 30, 2024. The current not-to-exceed annual compensation is \$90,000 and the total contract not-to-exceed compensation is \$480,000, as established in the First Amendment approved on June 28, 2022. Based on GSTS's satisfactory service and competitive rates, staff is recommending a second amendment to extend the term of the Agreement to June 30, 2026, increase the annual not-to-exceed compensation to \$100,000, and increase the total contract not-to-exceed compensation to \$780,000.

1. The City Council declared this project to be categorically exempt under the California Environmental Quality Act, Class 1, Section 15301(h) as maintenance of existing landscaping; and

DRAFT

2. Approved the Second Amendment to the existing agreement with Great Scott Tree Service and allowed the City Attorney to make minor edits as necessary prior to the execution of the Second Amendment; and
3. Authorized the City Manager to execute the Second Amendment to the existing Agreement with Great Scott Tree Service.

9I. CITY OF STANTON QUALIFIED CONTRACTORS LIST FOR CALIFORNIA UNIFORM PUBLIC CONSTRUCTION COST ACCOUNTING ACT

The City of Stanton's Qualified Contractors List has been prepared in accordance with the California Uniform Public Construction Cost Accounting Act (CUPCCAA) guidelines and associated Public Contract Codes.

1. The City Council declared this action to be categorically exempt under the California Environmental Quality Act, Section 15378(b)(5) (Organizational or administrative activities of governments that will not result in direct or indirect physical changes in the environment); and
2. Received and filed the Qualified Contractors List (Attachment A).

END OF CONSENT CALENDAR

10. PUBLIC HEARINGS None.

11. UNFINISHED BUSINESS

11A. APPROVAL OF ORDINANCE NO. 1132

This Ordinance was introduced at the regular City Council meeting of August 8, 2023.

Staff report by Ms. Patricia A. Vazquez, City Clerk.

Motion/Second: Warren/Taylor

ROLL CALL VOTE:	Council/Agency/Authority Member Taylor	AYE
	Council/Agency/Authority Member Torres	NO
	Council/Agency/Authority Member Warren	AYE
	Mayor Pro Tem/Vice Chairperson Van	AYE
	Mayor/Chairman Shawver	ABSENT

Motion carried:

DRAFT

1. The City Clerk read the title of Ordinance No. 1132, entitled:

“AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF STANTON, CALIFORNIA, AMENDING SECTION 5.74.045 OF CHAPTER 5.74 OF TITLE 5 OF THE STANTON MUNICIPAL CODE REGARDING REGULATIONS ON SIDEWALK VENDING”; and

2. The City Council adopted Ordinance No. 1132.

12. NEW BUSINESS

12A. CITY SPONSORSHIP REQUEST – FRIENDS OF FAMILIES FUNDRAISER FOR MAUI RELIEF

Per the City's Sponsorship Program, Friends of Families is requesting co-sponsorship of a fundraiser to support relief efforts for Maui. The sponsorship request is for in-kind consideration of marketing and outreach. At its meeting on August 23, 2022, the City Council directed staff to bring all sponsorship requests to the Council for consideration until further notice.

Staff report by Ms. Hannah Shin-Heydorn, City Manager.

Motion/Second: Warren/Taylor

Motion carried by the following vote:

AYES: 4 (Taylor, Torres, Van, and Warren)
NOES: None
ABSTAIN: None
ABSENT: 1 (Shawver)

Motion unanimously carried:

1. The City Council declared this project to be categorically exempt under the California Environmental Quality Act, Class 1, Section 15301c; and
2. Approved the Friends of Families sponsorship request for co-sponsorship.

12B. FIRST AMENDMENT TO CITY MANAGER EMPLOYMENT AGREEMENT, APPROPRIATION OF FUNDS, AND RESOLUTION REGARDING AMENDMENT TO EMPLOYEE BENEFITS AND SALARY RATES

For consideration is the First Amendment to Employment Agreement between the City and Hannah Shin-Heydorn regarding the position of City Manager. If the amendment is approved, then funds should be accordingly appropriated, and the City's employee benefits and salary rates resolution should also be amended.

DRAFT

Staff report by Ms. HongDao Nguyen, City Attorney.

Motion/Second: Warren/Torres

Motion carried by the following vote:

AYES: 4 (Taylor, Torres, Van, and Warren)

NOES: None

ABSTAIN: None

ABSENT: 1 (Shawver)

Motion unanimously carried:

1. The City Council declared that the project is exempt from the California Environmental Quality Act ("CEQA") under Section 15378(b)(2) - continuing administrative or maintenance activities, such as purchase of supplies, personnel-related actions, general policy, and procedures making; and
2. Authorized the Mayor to approve and execute the First Amendment to Employment Agreement with Hannah Shin-Heydorn; and
3. Appropriated \$5,100 from the General Fund (#101) available fund balance and \$900 from the Housing Authority Fund (#285) available fund balance for Fiscal Year 2023/24; and
4. Adopted Resolution No. 2023-24 amending the Employee Benefits and Salary Rates, entitled:

"A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF STANTON, CALIFORNIA, REGARDING EMPLOYEE BENEFITS AND SALARY RATES FOR ALL CLASSES OF EMPLOYMENT".

12C. PARTICIPATION IN THE ORANGE COUNTY SHERIFF'S DEPARTMENT (OCSD) FUSUS PILOT PROGRAM

The OCSD is partnering with Fusus, LLC (Fusus) to conduct a pilot program to enhance intelligence-led policing (ILP) efforts throughout Orange County. The OCSD has identified the City of Stanton as an ideal candidate for the pilot program. The City Council will consider approving participation in the pilot program.

Staff report by Ms. Hannah Shin-Heydorn, City Manager.

DRAFT

Public Comment:

- (Via E-Mail) Mr. Doug Makino, resident spoke in opposition to the program. Mr. Makino stated that the City should take additional time to fully explore the potential consequences of implementing a surveillance system like FUSUS before participating in the pilot program and that the adoption and creation of a broad surveillance network that blurs the lines between public and private raises questions about privacy for the people of the city. Mr. Makino further stated that he implores the City Council to not move forward with approval of the pilot program, take additional time before approving such a program, take the appropriate steps to fully address the possible privacy concerns, make a concerted effort to engage the public for feedback, and to consider a model integrating Community Control over Police Surveillance.
- Ms. Sandra Vurdugo, resident, spoke in favor of the program and inquired as to camera recommendations and placement.

Motion/Second: Warren/Taylor

Approve the City's participation in the OCSD Fusus pilot program.

Request for Substitute Motion (Torres):

Hold a Study Session with the Orange County Sheriff's Department and FUSUS, LLC to provide a presentation along with efficacy data to the City Council and Stanton Community prior to the City's approval of participation in the FUSUS pilot program.

Motion/Second: Torres/Van

ROLL CALL VOTE:	Council Member Taylor	NO
	Council Member Torres	AYE
	Council Member Warren	NO
	Mayor Pro Tem Van	AYE
	Mayor Shawver	ABSENT

Motion failed:

Final Motion (Van):

City Council approve proposed recommended action items 1 and 2, hold a Study Session with the Orange County Sheriff's Department and FUSUS, LLC to provide a presentation along with efficacy data to the City Council and Stanton Community, advertise the presentation/study session on the City's social media platforms, and provide the City with authority to authorize revocation of approval from the program at any point in time should it be deemed necessary.

DRAFT

Motion/Second: Van/Taylor

ROLL CALL VOTE:	Council Member Taylor	AYE
	Council Member Torres	NO
	Council Member Warren	AYE
	Mayor Pro Tem Van	AYE
	Mayor Shawver	ABSENT

Motion carried:

12D. CONSIDERATION OF TERM LIMITS FOR THE OFFICE OF DIRECTLY ELECTED MAYOR

Term limits were established for members of the City Council following the adoption of Measure RR in 2016. With the establishment of district-based elections in 2017, the City Council created the office of directly-elected Mayor to serve at-large. As the office of directly-elected Mayor is separate from the office of Member of the City Council, the term limits enacted in 2016 do not apply to the Mayor. The City Council has directed staff to provide a report on the process to establish term limits for the office of directly-elected Mayor.

Request to table item 12D until the Mayor with an excused absence is able to participate in the discussion of this item. The City Council determined to move forward with discussion of item 12D.

Staff report by Ms. Hannah Shin-Heydorn, City Manager.

Motion/Second: Taylor/Warren

ROLL CALL VOTE:	Council Member Taylor	AYE
	Council Member Torres	AYE
	Council Member Warren	AYE
	Mayor Pro Tem Van	AYE
	Mayor Shawver	ABSENT

Motion unanimously carried:

1. The City Council finds that this item is not subject to California Environmental Quality Act ("CEQA") pursuant to Sections 15378(b)(5)(Organizational or administrative activities of governments that will not result in direct or indirect physical changes in the environment); and
2. The City Council discussed and exercised City Council discretion in directing staff to prepare an ordinance establishing three four-year term limits for the office of directly-elected Mayor and expand term limits for the office of Council Member - Districts 1, 2, 3, and 4 to three four-year term limits to be placed on the November 2024 General Municipal Election.

DRAFT

13. ORAL COMMUNICATIONS – PUBLIC None.

14. WRITTEN COMMUNICATIONS None.

15. MAYOR/CHAIRMAN/COUNCIL/AGENCY/AUTHORITY INITIATED BUSINESS

15A. COMMITTEE REPORTS/COUNCIL/AGENCY/AUTHORITY ANNOUNCEMENTS

- Council Member Taylor reported on the Orange County Mosquito and Vector Control District's concerns with increased mosquito activity due to the recent storm/rains and reported on the Orange County Mosquito and Vector Control District's "Tip, Toss, and Take Action: FIGHT BACK OC!" campaign.

15B. COUNCIL/AGENCY/AUTHORITY INITIATED ITEMS FOR A FUTURE COUNCIL MEETING

- Council Member Taylor requested to agendize discussion regarding changing the composition of the current four (4) City Council Member Districts with a directly-elected Mayor to a five (5) Council Member Districts with no directly-elected Mayor.

15C. COUNCIL/AGENCY/AUTHORITY INITIATED ITEMS FOR A FUTURE STUDY SESSION

The City Council requested to hold a Study Session with the Orange County Sheriff's Department and FUSUS, LLC to provide a presentation along with efficacy data to the City Council and Stanton Community, advertise the presentation/study session on the City's social media platforms, and provide the City with authority to authorize revocation of approval from the program at any point in time should it be deemed necessary.

Due to the excused absence of Mayor Shawver, City Council Initiated Items, 15D, 15E, and 15F were tabled to be discussed at a future City Council meeting date.

~~15D. CITY COUNCIL INITIATED ITEM — DISCUSSION REGARDING THE AREA NEAR THE CA-22 FREEWAY AND GARDEN GROVE BOULEVARD~~

~~At the August 8, 2023, City Council meeting, Mayor Shawver requested that this item be agendized for discussion. Mayor Shawver is requesting to discuss what the City can do to assist the City's neighboring partner agencies and neighboring cities in regards to the area near the CA-22 Freeway and Garden Grove Boulevard.~~

~~RECOMMENDED ACTION:~~

~~City Council provide direction to staff.~~

DRAFT

~~15E. CITY COUNCIL INITIATED ITEM — DISCUSSION REGARDING HOMELESSNESS / HABITUAL TRANSIENTS WITHIN THE CITY~~

~~At the August 8, 2023, City Council meeting, Mayor Shawver requested that this item be agendaized for discussion. Mayor Shawver is requesting to discuss homelessness, habitual transients, provided services, and service resistance within the City.~~

~~RECOMMENDED ACTION:~~

~~City Council provide direction to staff.~~

~~15F. CITY COUNCIL INITIATED ITEM — DISCUSSION REGARDING PROSTITUTION ACTIVITY WITHIN THE CITY~~

~~At the August 8, 2023, City Council meeting, Mayor Shawver requested that this item be agendaized for discussion. Mayor Shawver is requesting to discuss prostitution activity (indecent exposure / impediment of traffic / traffic safety concerns) within the City.~~

~~RECOMMENDED ACTION:~~

~~City Council provide direction to staff.~~

16. ITEMS FROM CITY ATTORNEY/AGENCY COUNSEL/AUTHORITY COUNSEL

None.

17. ITEMS FROM CITY MANAGER/EXECUTIVE DIRECTOR

- Ms. Hannah Shin-Heydorn, City Manager, expressed her gratitude to Stanton employee, Mr. Gustavo Pena, Facilities Maintenance Worker II for his efforts in preparing and addressing the safety concerns of the City during the landfall of Hurricane Hilliary.
- Ms. Hannah Shin-Heydorn, City Manager reported on the following items:
 - Senior Scam Stopper Event - Hosted by Assemblyman Tri Ta and co-hosted with the City of Stanton, which is scheduled to be held on August 25, 2023, at 10:00 a.m. at Stanton City Hall – Stanton Civic Center Banquet Hall.
 - Opioid Town Hall Event - Sponsored by Supervisor Doug Chaffee, OC Health Care Agency, and the City of Stanton, which is scheduled to be held on August 30, 2023, at 6:30 p.m. at Stanton City Hall – Community Room.
 - Stanton Art Exhibit & Symphony on the Go, which is scheduled to be held on September 1, 2023, at 5:00 p.m. at Stanton Central Park.

DRAFT

17A. ORANGE COUNTY SHERIFF'S DEPARTMENT

At this time the Orange County Sheriff's Department will provide the City Council with an update on their current operations.

Captain Charles L. Walters provided the City Council with an update on their current operations.

18. ADJOURNMENT Motion/Second: Van/ Motion carried at 8:27 p.m.

HONG ALYCE VAN, MAYOR PRO TEM

ATTEST:

CITY CLERK/SECRETARY

DRAFT

MINUTES OF THE CITY COUNCIL / SUCCESSOR AGENCY / HOUSING AUTHORITY SPECIAL MEETING AUGUST 30, 2023

1. CALL TO ORDER

The meeting was called to order at 3:00 p.m. by Mayor Pro Tem Van.

2. ROLL CALL

Present: Council/Agency/Authority Member Taylor, Council/Agency/Authority Member Torres, Council/Agency/Authority Member Warren, and Mayor Pro Tem/Vice Chairperson Van.

Absent: None.

Excused: Mayor/Chairman Shawver.

3. PLEDGE OF ALLEGIANCE

Led by Council Member Gary Taylor.

4. PUBLIC COMMENT ON CLOSED SESSION ITEMS None.

The members of the City Council / Successor Agency / Housing Authority of the City of Stanton proceeded to closed session at 3:02 p.m. for discussion regarding:

5. CLOSED SESSION

5A. CONFERENCE WITH LEGAL COUNSEL- EXISTING LITIGATION

Pursuant to Government Code section 54956.9(d)(1)

Number of cases: 1

Case Name: Tina Pacific Residents Association, et al. v. City of Stanton

Case Number: OCSC 39-2023-01316300-CU-WM-CXC

5B. CONFERENCE WITH LEGAL COUNSEL-ANTICIPATED LITIGATION

Significant exposure to litigation pursuant to Government Code Section 54956.9(d)(2)

Number of Potential Cases: 2

DRAFT

The City Council / Successor Agency / Housing Authority reconvened in open session at 4:03 p.m.

The City Attorney / Agency Counsel reported that the Stanton City Council / Successor Agency / Housing Authority met in closed session from 3:02 to 4:03 p.m.

The City Attorney / Agency Counsel reported that there was no reportable action.

6. **ADJOURNMENT** Motion/Second: Van/
Motion carried at 4:04 p.m.

MAYOR PRO TEM

ATTEST:

CITY CLERK

CITY OF STANTON

REPORT TO THE CITY COUNCIL

TO: Honorable Mayor and Members of the City Council

DATE: September 12, 2023

SUBJECT: JULY 2023 INVESTMENT REPORT

REPORT IN BRIEF:

The Investment Report as of July 31, 2023, has been prepared in accordance with the City’s Investment Policy and California Government Code Section 53646.

RECOMMENDED ACTIONS:

1. City Council find that this item is not subject to California Environmental Quality Act (“CEQA”) pursuant to Sections 15378(b)(5) (Organizational or administrative activities of governments that will not result in direct or indirect physical changes in the environment); and
2. Receive and file the Investment Report for the month of July 2023.

BACKGROUND:

Changes in the City’s cash and investment balances during the month of July are summarized below:

	<u>Beginning Balance</u>	<u>Net Change</u>	<u>Ending Balance</u>
Cash and Investment Accounts (Pooled-All Funds)	\$ 64,142,833.17	\$ (1,882,523.26)	\$ 62,260,309.91
Cash (Non-Pooled)	4,308,696.45	95,338.25	4,404,034.70
Total Cash and Investments	<u>\$ 68,451,529.62</u>	<u>\$ (1,787,185.01)</u>	<u>\$ 66,664,344.61</u>

Between June 30, 2023, and July 31, 2023, the City’s total cash and investments decreased by \$1.8 million, primarily due to the payments made to the County of Orange for law enforcement contract costs and the Orange County Fire Authority for fire protection services. In addition, the City transferred \$584,925 in outstanding grant funds to the City of Brea for the North Orange County Public Safety Collaborative.

The City’s cash and investment balances by fund type are presented in Attachment A. A summary of the City’s investment portfolio is included as Attachment B. The detail of the City’s investments by type that are managed by City staff are shown in Attachment C. The detail of investments by type that are managed by Chandler Asset Management, LLC

(“Chandler”), of which we determined provide a net advantage to the City, are shown in Attachment D.

ANALYSIS:

The monthly cash and investment report provides a summary of the cash and investment accounts held by the City as of the end of that month. In order to manage its cash and investments, the City combines cash resources from all funds into a single pool consisting of a variety of accounts and securities. The balance in the pooled cash account includes cash and certain liquid investments that are available to meet the City’s current cash needs. Cash in excess of the City’s current cash needs is invested in interest-bearing investments with various maturities.

As of July 31, 2023, the market value of the City’s total investment portfolio was \$59.0 million, of which \$33.8 million (57%) was managed by City staff and \$25.2 million (43%) was managed by Chandler (Attachment B). Detailed information regarding the securities contained in the City’s investment portfolio is provided in Attachments C and D. As of July 31, 2023, City investments consisted of the following:

	Market Value as of July 31, 2023	Percentage of Portfolio Invested by Type	Maximum Percentage of Portfolio Permitted by Investment Policy	In Compliance?
Local Agency Investment Fund (LAIF)	\$ 29,429,238.20	49.88%	100.00%	Yes
U.S. Treasury Notes	9,963,160.81	16.89%	100.00%	Yes
Corporate Notes	6,438,129.18	10.91%	30.00%	Yes
Commercial Paper	246,530.83	0.42%	25.00%	Yes
Federal Agency Securities	3,905,192.30	6.62%	100.00%	Yes
Negotiable Certificates of Deposit	3,643,021.70	6.17%	30.00%	Yes
Asset Backed Securities	1,829,230.14	3.10%	20.00%	Yes
Collateralized Mortgage Obligations	2,581,127.19	4.37%	20.00%	Yes
Municipal Bonds	691,418.90	1.17%	100.00%	Yes
Supranational	231,697.63	0.39%	30.00%	Yes
Money Market Funds	40,606.06	0.07%	20.00%	Yes
Total Investments	<u>\$ 58,999,352.94</u>	<u>100.00%</u>		

The City’s investment portfolio is well-diversified with investments spread across nine different security types. Likewise, the average maturity of the City’s portfolio (except for LAIF) is approximately 2 years, which is within the 3.5 years target in the City’s investment policy.

FISCAL IMPACT:

All deposits and investments have been made in accordance with the City's Fiscal Year 2023/24 Investment Policy. The portfolio will allow the City to meet its expenditure requirements for the next six months. Staff remains confident that the investment portfolio is currently positioned to remain secure and sufficiently liquid.

ENVIRONMENTAL IMPACT:

None.

LEGAL REVIEW:

None.

PUBLIC NOTIFICATION:

Through the normal agenda posting process.

STRATEGIC PLAN OBJECTIVE ADDRESSED:

Obj. No. 4: Ensure fiscal stability and efficiency in governance.

Prepared by: Michelle Bannigan, Finance Director

Approved by: Hannah Shin-Heydorn, City Manager

Attachments:

- A. Cash and Investment Balances by Fund
- B. Investments Portfolio Summary
- C. Investment Portfolio Detail (Managed by City Staff)
- D. Investment Portfolio Detail (Managed by Chandler)

[Click here to return to the agenda.](#)

**CITY OF STANTON
CASH AND INVESTMENTS REPORT
MONTH ENDED JULY 31, 2023**

Fund/ Account No.	Fund/Account Name	Beginning Balance	Increases	Decreases	Ending Balance
101-various	General Fund	\$ 35,091,572.84	\$ 7,760,719.35	\$ (8,785,617.79)	\$ 34,066,674.40
102-111101	General Fund (Transactions & Use Tax)	(707,957.10)	503,359.81	(691,350.00)	(895,947.29)
210-111101	Certified Access Specialists (CASP) Program Fund	61,129.96	-	-	61,129.96
211-111101	Gas Tax Fund	1,799,129.46	98,938.06	(21,887.54)	1,876,179.98
215-111101	Road Maintenance and Rehabilitation act (RMRA) Fund	855,372.84	84,145.90	-	939,518.74
220-111101	Measure M Fund	922,123.31	121,099.01	(666.70)	1,042,555.62
222-111101	Community Development Block Grant Fund	(135,517.54)	405.13	-	(135,112.41)
223-111101	Protective Services Fund	(2,785.00)	8,843.54	(6,058.54)	-
224-111101	Lighting Maintenance 1919 Act Fund	1,281,161.50	13,895.25	(11,805.37)	1,283,251.38
225-111101	Lighting/Median Maintenance 1972 Act Fund	923,540.14	11,149.34	(15,676.78)	919,012.70
226-111101	Air Quality Improvement Fund	227,459.38	1,484.44	-	228,943.82
227-111101	Other Grants Fund	87,829.86	2,591.05	(221.79)	90,199.12
242-111101	Supplemental Law Enforcement Grant Fund	290,294.90	2,056.72	(13,333.33)	279,018.29
245-111101	Justice Assistance Grant (JAG) Grant Fund	-	61,829.26	(61,829.26)	-
250-111101	Families and Communities Together (FaCT) Grant Fund	(14,439.16)	33,495.70	(12,930.23)	6,126.31
251-111101	Senior Transportation Fund	68,079.60	8,067.76	(72.88)	76,074.48
257-111101	America Rescue Act Plan (ARPA) Fund	-	18,713.33	(18,713.33)	-
261-111101	Street Impact Fees Fund	108,818.22	1,092.30	-	109,910.52
262-111101	Traffic Signal Impact Fee	1,286.88	176.67	-	1,463.55
263-111101	Community Center Impact Fees Fund	175,636.23	1,454.45	-	177,090.68
264-111101	Police Services Impact Fees Fund	158,697.99	1,315.05	-	160,013.04
271-111101	Public Safety Task Force Fund (City Funds)	83,000.27	-	-	83,000.27
280-111101	Stanton Central Park Maintenance Fund	8,466.95	5,397.92	(6,826.55)	7,038.32
285-various	Stanton Housing Authority Fund	9,803,180.60	166,076.86	(45,432.92)	9,923,824.54
305-111101	Capital Projects Fund	313,275.15	1,258.12	(49,464.34)	265,068.93
310-111101	Park and Recreation Facilities Fund	3,922,404.77	36,760.00	(221.77)	3,958,943.00
501-111101	Sewer Maintenance Fund	6,572,308.38	64,520.28	(21,806.00)	6,615,022.66
502-111101	Sewer Capital Improvement Fund	2,983.69	20.28	-	3,003.97
602-111101	Workers' Compensation Fund	822,987.55	8,525.50	(60,849.47)	770,663.58
603-111101	Liability Risk Management Fund	32,710.84	277,962.83	(282,239.05)	28,434.62
604-111101	Employee Benefits Fund	330,330.54	95,221.85	(596,878.14)	(171,325.75)
605-111101	Fleet Maintenance Fund	509,547.74	17,829.40	(4,530.64)	522,846.50
801-111101	Expendable Deposits Fund	(34,722.42)	2,623.00	(214.20)	(32,313.62)
901-111101	North Orange County Public Safety Collaborative (NOC) Fund	584,924.80	-	(584,924.80)	-
Total Pooled Cash and Investments⁽¹⁾		\$ 64,142,833.17	\$ 9,411,028.16	\$ (11,293,551.42)	\$ 62,260,309.91
Less: Investments⁽¹⁾		\$ (64,415,320.19)	\$ (606,116.61)	\$ 6,022,083.86	\$ (58,999,352.94)
Cash - Bank of the West General Checking Account		\$ (272,487.02)	\$ 8,804,911.55	\$ (5,271,467.56)	\$ 3,260,956.97

CITY OF STANTON
CASH AND INVESTMENTS REPORT
MONTH ENDED JULY 31, 2023

Fund/ Account No.	Fund/Account Name	Beginning Balance	Increases	Decreases	Ending Balance
<u>CASH-NON-POOLED</u>					
xxx-111103	Payroll Account	\$ -	\$ 267,781.20	\$ (267,781.20)	\$ -
101-111109	Flexible Spending/AFLAC	6,654.27	-	(323.23)	6,331.04
101-111505	Petty Cash	600.00	-	-	600.00
285-111403	Cash with Property Management Company (QMG)	46,909.30	9,167.44	-	56,076.74
604-111404	Cash with Fiscal Agent (PARS) ⁽²⁾	4,254,532.88	88,518.680	(2,024.64)	4,341,026.92
	Total Cash-Non-Pooled	\$ 4,308,696.45	\$ 365,467.32	\$ (270,129.07)	\$ 4,404,034.70
<u>INVESTMENTS</u>					
	POOLED ALL FUNDS	\$ 64,415,320.19	\$ 606,116.61	\$ (6,022,083.86)	\$ 58,999,352.94
	Total Investments ⁽³⁾	\$ 64,415,320.19	\$ 606,116.61	\$ (6,022,083.86)	\$ 58,999,352.94
	TOTAL CASH AND INVESTMENTS	\$ 68,451,529.62	\$ 9,776,495.48	\$ (11,563,680.49)	\$ 66,664,344.61

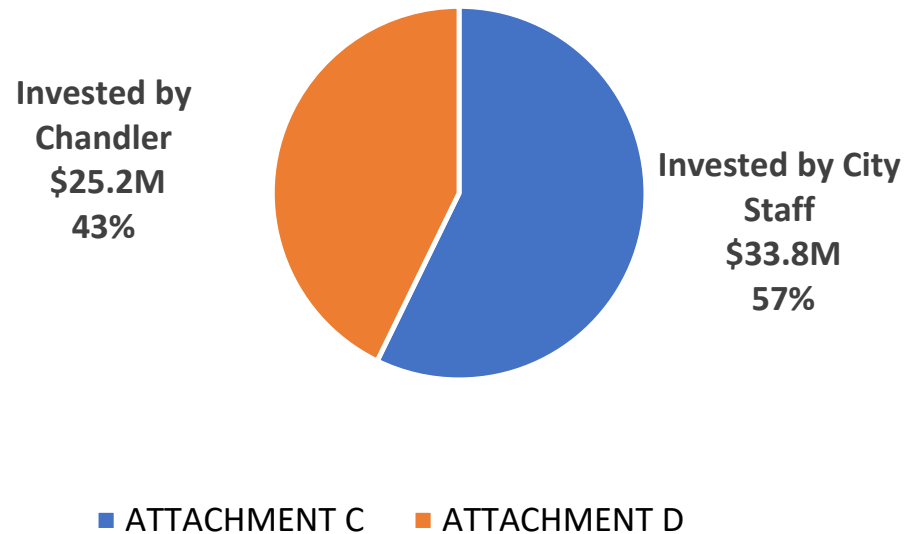
Notes:

⁽¹⁾ - Pooled cash includes: City's Bank of the West general checking, investment sweep, and safekeeping accounts, the City's Local Agency Investment Fund (LAIF) account, the Housing Authority's LAIF account, and the Public Agency Retirement Services (PARS) account.

⁽²⁾ - The Public Agency Retirement Services (PARS) account is an irrevocable trust that can be used for pension and other post employment benefits only. This fund is excluded from the compliance requirements set forth in the City's investment policy.

⁽³⁾ - The Portfolio Summary Report and Holdings by Security Type are included in Attachments B and C, respectively.

**Portfolio Summary
as of July 31, 2023
TOTAL = \$59.0M**



City of Stanton
Portfolio Holdings
Investment Portfolio | by Security Sector
Report Format: By Transaction
Group By: Security Sector
Average By: Face Amount / Shares
Portfolio / Report Group: All Portfolios
As of 7/31/2023

Description	CUSIP/Ticker	Settlement Date	YTM @ Cost	Face Amount/Shares	Cost Value	Book Value	Market Value	Maturity Date	Days To Maturity	Accrued Interest	% of Portfolio
Certificate Of Deposit											
Bank Hapoalim NY 2.9 3/25/2024	06251AW48	4/24/2019	2.900	250,000.00	250,000.00	250,000.00	246,102.50	3/25/2024	238	2,542.47	0.73
Bank of New England NH 2.65 5/23/2024	06426KBE7	5/23/2019	2.650	249,000.00	249,000.00	249,000.00	243,504.57	5/23/2024	297	144.62	0.73
Cornerstone Community Bank CA 2.6 5/17/2024	219240BY3	5/17/2019	2.600	249,000.00	249,000.00	249,000.00	243,529.47	5/17/2024	291	248.32	0.73
Evansville Teachers FCU IN 2.25 7/22/2024	299547AV1	7/22/2019	2.250	249,000.00	249,000.00	249,000.00	241,335.78	7/22/2024	357	138.14	0.73
First Technology FCU CA 3.35 9/27/2023	33715LCJ7	9/27/2018	3.350	240,000.00	240,000.00	240,000.00	239,340.00	9/27/2023	58	88.11	0.70
First Tier Bank NE 1.95 8/23/2024	33766LAJ7	8/23/2019	1.950	249,000.00	249,000.00	249,000.00	239,901.54	8/23/2024	389	106.42	0.73
Healthcare Systems FCU VA 2.65 4/25/2024	42228LAD3	4/25/2019	2.650	246,000.00	246,000.00	246,000.00	241,156.26	4/25/2024	269	1,732.45	0.72
Horizon Bank NE 1.7 8/29/2023	44042TBQ6	7/29/2019	2.101	249,000.00	245,090.70	248,924.01	248,417.34	8/29/2023	29	23.19	0.73
Main Street Bank VA 2.6 4/26/2024	56065GAG3	4/26/2019	2.600	249,000.00	249,000.00	249,000.00	243,962.73	4/26/2024	270	88.68	0.73
McGregor TX 2.3 6/28/2024	32112UDA6	7/12/2019	2.200	249,000.00	250,170.30	249,214.95	242,575.80	6/28/2024	333	47.07	0.73
Merrick Bank UT 2.6 8/23/2023	59013J7P8	4/23/2019	2.600	249,000.00	249,000.00	249,000.00	248,604.09	8/23/2023	23	141.90	0.73
Morgan Stanley NY 3.1 2/7/2024	61760AVJ5	2/7/2019	3.100	246,000.00	246,000.00	246,000.00	243,303.84	2/7/2024	191	3,635.41	0.72
Morgan Stanley UT 3.1 2/7/2024	61690UDW7	2/7/2019	3.100	246,000.00	246,000.00	246,000.00	243,303.84	2/7/2024	191	3,635.41	0.72
Raymond James Bank FL 2 8/23/2024	75472RAE1	8/23/2019	2.000	247,000.00	247,000.00	247,000.00	238,194.45	8/23/2024	389	2,138.41	0.72
Washington Federal Bank WA 1.95 8/28/2024	938828BN9	8/28/2019	1.950	249,000.00	249,000.00	249,000.00	239,789.49	8/28/2024	394	39.91	0.73
Sub Total / Average Certificate Of Deposit			2.531	3,716,000.00	3,713,261.00	3,716,138.96	3,643,021.70		248	14,750.51	10.89
Local Government Investment Pool											
LAIF City LGIP	LAIFCITY0895	2/29/2020	3.305	20,286,656.95	20,286,656.95	20,286,656.95	20,090,003.97	N/A	1		59.42
LAIF Housing Authority LGIP	LAIFHA0004	2/29/2020	3.305	9,430,652.24	9,430,652.24	9,430,652.24	9,339,234.23	N/A	1		27.62
Sub Total / Average Local Government Investment Pool			3.305	29,717,309.19	29,717,309.19	29,717,309.19	29,429,238.20		1	0.00	87.05
Municipal											
Fort Bragg CA 1.871 8/1/2024	347028JZ6	9/18/2019	1.750	205,000.00	206,150.05	205,237.25	197,636.40	8/1/2024	367	1,917.78	0.60

Description	CUSIP/Ticker	Settlement Date	YTM @ Cost	Face Amount/Shares	Cost Value	Book Value	Market Value	Maturity Date	Days To Maturity	Accrued Interest	% of Portfolio
Riverside Pension CA 2.75 6/1/2024	769036BD5	8/28/2019	2.030	250,000.00	258,120.00	251,428.82	244,430.00	6/1/2024	306	1,145.83	0.73
Stockton CA 2.5 9/1/2023	861403AU7	5/1/2019	2.600	250,000.00	248,975.00	249,979.29	249,352.50	9/1/2023	32	2,604.17	0.73
Sub Total / Average Municipal			2.151	705,000.00	713,245.05	706,645.36	691,418.90		227	5,667.78	2.07
Total / Average			3.197	34,138,309.19	34,143,815.24	34,140,093.51	33,763,678.80		33	20,418.29	100



| City of Stanton - Account #10991

MONTHLY ACCOUNT STATEMENT

JULY 1, 2023 THROUGH JULY 31, 2023

Chandler Team:

For questions about your account, please call (800) 317-4747,
or contact **operations@chandlerasset.com**

Custodian

US Bank
Alexander Bazan
(503) 402-5305

CHANDLER ASSET MANAGEMENT
chandlerasset.com

Information contained herein is confidential. We urge you to compare this statement to the one you receive from your qualified custodian. Please see Important Disclosures.



City of Stanton

Account #10991

Portfolio Summary

As of July 31, 2023

PORTFOLIO CHARACTERISTICS

Average Modified Duration	2.35
Average Coupon	3.24%
Average Purchase YTM	4.20%
Average Market YTM	4.99%
Average S&P/Moody Rating	AA/Aa2
Average Final Maturity	2.75 yrs
Average Life	2.54 yrs

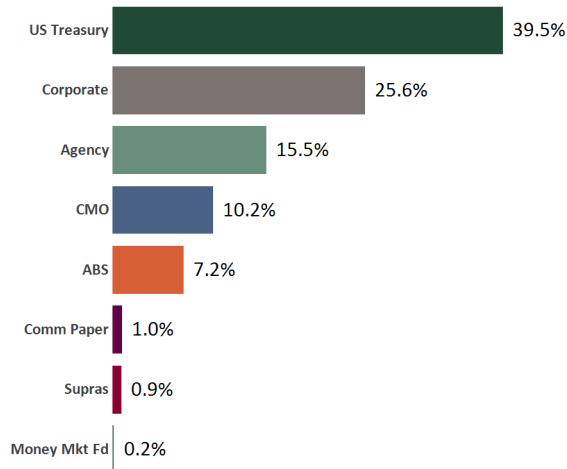
ACCOUNT SUMMARY

	Beg. Values as of 6/30/23	End Values as of 7/31/23
Market Value	25,170,952	25,235,674
Accrued Interest	168,708	193,962
Total Market Value	25,339,660	25,429,637
Income Earned	67,740	70,087
Cont/WD		-3,070
Par	26,144,431	26,184,710
Book Value	25,438,870	25,491,224
Cost Value	25,438,870	25,491,224

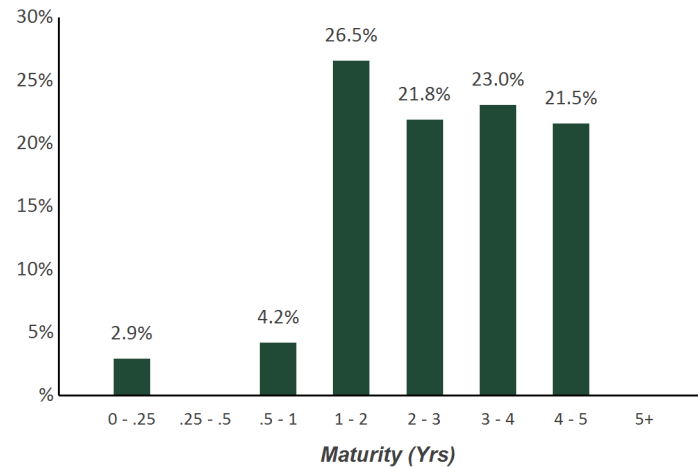
TOP ISSUERS

Government of United States	39.5%
Federal Home Loan Mortgage Corp	10.2%
Federal Farm Credit Bank	8.6%
Federal Home Loan Bank	4.5%
Federal National Mortgage Assoc	2.4%
JP Morgan Chase & Co	1.7%
Bank of America Corp	1.7%
Morgan Stanley	1.6%
Total	70.2%

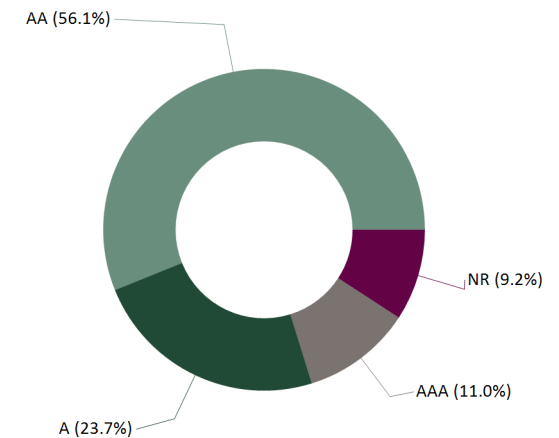
SECTOR ALLOCATION



MATURITY DISTRIBUTION



CREDIT QUALITY (S&P)



PERFORMANCE REVIEW

TOTAL RATE OF RETURN	1M	3M	YTD	1YR	Annualized				
					2YRS	3YRS	5YRS	10YRS	11/30/2022
City of Stanton	0.37%	-0.53%	1.59%	N/A	N/A	N/A	N/A	N/A	N/A
ICE BofA 1-5 Yr US Treasury & Agency Index	0.30%	-0.96%	1.25%	N/A	N/A	N/A	N/A	N/A	N/A



City of Stanton

Account #10991

Holdings Report

As of July 31, 2023

CUSIP	Security Description	Par Value/Units	Purchase Date Book Yield	Cost Value Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port. Gain/Loss	Moody/S&P Fitch	Maturity Duration
ABS									
58769KAD6	Mercedes-Benz Auto Lease Trust 2021-B A3 0.4% Due 11/15/2024	208,856.64	Various 4.62%	201,814.22 201,814.22	98.69 5.60%	206,122.29 37.13	0.81% 4,308.07	NR / AAA AAA	1.30 0.25
09690AAC7	BMW Vehicle Lease Trust 2021-2 A3 0.33% Due 12/26/2024	125,246.86	09/14/2022 4.00%	121,601.98 121,601.98	99.03 5.61%	124,031.59 6.89	0.49% 2,429.61	Aaa / NR AAA	1.41 0.18
43815PAC3	Honda Auto Receivables 2022-2 A3 3.73% Due 7/20/2026	350,000.00	09/21/2022 4.36%	345,625.00 345,625.00	97.47 5.58%	341,134.18 471.43	1.34% (4,490.82)	NR / AAA AAA	2.97 1.40
89238FAD5	Toyota Auto Receivables OT 2022-B A3 2.93% Due 9/15/2026	350,000.00	09/13/2022 4.13%	342,207.03 342,207.03	96.94 5.67%	339,298.40 455.78	1.34% (2,908.63)	Aaa / AAA NR	3.13 1.13
05522RDD7	Bank of America Credit Card Tr 2021-A1 A1 0.44% Due 9/15/2026	400,000.00	09/22/2022 4.45%	376,187.50 376,187.50	96.44 5.69%	385,742.80 78.22	1.52% 9,555.30	NR / AAA AAA	3.13 0.68
02582JIT8	American Express Credit Trust 2022-2 A 3.39% Due 5/17/2027	350,000.00	09/13/2022 4.18%	343,382.81 343,382.81	96.77 5.35%	338,685.20 527.33	1.33% (4,697.61)	NR / AAA AAA	3.80 1.69
47800BAC2	John Deere Owner Trust 2022-C A3 5.09% Due 6/15/2027	95,000.00	10/12/2022 5.15%	94,992.63 94,992.63	99.17 5.65%	94,215.68 214.91	0.37% (776.95)	Aaa / NR AAA	3.88 1.63
Total ABS		1,879,103.50	4.35%	1,825,811.17 1,825,811.17	5.58%	1,829,230.14 1,791.69	7.20% 3,418.97	Aaa / AAA AAA	2.94 1.05
AGENCY									
3130ASHK8	FHLB Note 3.125% Due 6/14/2024	650,000.00	09/13/2022 3.85%	642,128.50 642,128.50	98.05 5.45%	637,330.20 2,651.91	2.52% (4,798.30)	Aaa / AA+ NR	0.87 0.84
3133ENJ84	FFCB Note 3.375% Due 8/26/2024	650,000.00	09/13/2022 3.83%	644,540.00 644,540.00	98.02 5.30%	637,134.55 9,445.31	2.54% (7,405.45)	Aaa / AA+ AAA	1.07 1.02
3133ENP79	FFCB Note 4.25% Due 9/26/2024	650,000.00	09/22/2022 4.25%	649,948.00 649,948.00	98.83 5.30%	642,421.00 9,592.01	2.56% (7,527.00)	Aaa / AA+ AAA	1.16 1.09
3133ENP95	FFCB Note 4.25% Due 9/30/2025	650,000.00	09/23/2022 4.31%	648,875.50 648,875.50	98.65 4.91%	641,212.65 9,285.07	2.56% (7,662.85)	Aaa / AA+ AAA	2.17 2.01
3135G0Q22	FNMA Note 1.875% Due 9/24/2026	650,000.00	09/14/2022 3.73%	605,208.50 605,208.50	92.20 4.56%	599,294.15 4,299.48	2.37% (5,914.35)	Aaa / AA+ AAA	3.15 2.98
3130ATS57	FHLB Note 4.5% Due 3/10/2028	500,000.00	03/22/2023 4.04%	510,315.00 510,315.00	100.41 4.40%	502,071.50 8,812.50	2.01% (8,243.50)	Aaa / AA+ AAA	4.61 4.05



City of Stanton

Account #10991

Holdings Report

As of July 31, 2023

CUSIP	Security Description	Par Value/Units	Purchase Date Book Yield	Cost Value Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port. Gain/Loss	Moody/S&P Fitch	Maturity Duration
AGENCY									
3133EPGW9	FFCB Note 3.875% Due 4/25/2028	250,000.00	04/24/2023 3.76%	251,255.00 251,255.00	98.29 4.28%	245,728.25 2,583.33	0.98% (5,526.75)	Aaa / AA+ AAA	4.74 4.23
Total Agency		4,000,000.00	3.99%	3,952,270.50 3,952,270.50	4.97%	3,905,192.30 46,669.61	15.54% (47,078.20)	Aaa / AA+ AAA	2.24 2.06
CMO									
3137BN6G4	FHLMC K053 2.995% Due 12/25/2025	350,000.00	09/16/2022 4.23%	338,064.45 338,064.45	95.31 5.18%	333,575.20 873.54	1.32% (4,489.25)	NR / NR AAA	2.41 2.11
3137BTUM1	FHLMC K061 A2 3.347% Due 11/25/2026	350,000.00	09/22/2022 4.37%	337,435.55 337,435.55	94.87 5.10%	332,028.55 976.21	1.31% (5,407.00)	NR / NR AAA	3.32 2.91
3137BVZ82	FHLMC K063 3.43% Due 1/25/2027	350,000.00	09/13/2022 3.97%	342,412.11 342,412.11	95.33 4.93%	333,656.40 1,000.42	1.32% (8,755.71)	NR / NR AAA	3.49 3.08
3137F2LJ3	FHLMC K066 A2 3.117% Due 6/25/2027	350,000.00	09/13/2022 3.97%	337,640.63 337,640.63	93.94 4.88%	328,790.35 909.13	1.30% (8,850.28)	NR / NR AAA	3.90 3.46
3137FAWS3	FHLMC K067 A2 3.194% Due 7/25/2027	310,000.00	09/22/2022 4.28%	295,856.25 295,856.25	94.44 4.74%	292,778.26 825.12	1.15% (3,077.99)	Aaa / NR NR	3.99 3.60
3137FBU79	FHLMC K069 A2 3.187% Due 9/25/2027	500,000.00	05/18/2023 4.65%	480,292.97 480,292.97	93.94 4.84%	469,707.50 1,327.92	1.85% (10,585.47)	NR / AAA NR	4.16 3.68
3137FG6X8	FHLMC K077 A2 3.85% Due 5/25/2028	510,000.00	05/24/2023 4.65%	500,636.72 500,636.72	96.19 4.74%	490,590.93 327.25	1.93% (10,045.79)	NR / NR AAA	4.82 4.22
Total CMO		2,720,000.00	4.34%	2,632,338.68 2,632,338.68	4.90%	2,581,127.19 6,239.59	10.17% (51,211.49)	Aaa / AAA AAA	3.81 3.37
COMMERCIAL PAPER									
62479MWN9	MUFG Bank Ltd/NY Discount CP 5.43% Due 9/22/2023	250,000.00	06/22/2023 5.58%	246,530.83 246,530.83	98.61 5.58%	246,530.83 1,508.33	0.98% 0.00	P-1 / A-1 NR	0.15 0.14
Total Commercial Paper		250,000.00	5.58%	246,530.83 246,530.83	5.58%	246,530.83 1,508.33	0.98% 0.00	P-1 / A-1 NR	0.15 0.14



City of Stanton

Account #10991

Holdings Report

As of July 31, 2023

CUSIP	Security Description	Par Value/Units	Purchase Date Book Yield	Cost Value Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port. Gain/Loss	Moody/S&P Fitch	Maturity Duration
CORPORATE									
89115A2J0	Toronto-Dominion Bank Note 4.285% Due 9/13/2024	200,000.00	09/15/2022 4.57%	198,938.00 198,938.00	98.48 5.70%	196,962.40 3,285.17	0.79% (1,975.60)	A1 / A AA-	1.12 1.06
12572QAG0	CME Group Inc. Callable Note Cont 12/15/2024 3% Due 3/15/2025	250,000.00	09/16/2022 4.26%	242,670.00 242,670.00	96.59 5.22%	241,471.50 2,833.33	0.96% (1,198.50)	Aa3 / AA- AA-	1.62 1.54
808513BB0	Charles Schwab Corp Callable Note Cont 2/24/2025 4.2% Due 3/24/2025	250,000.00	09/16/2022 4.36%	249,015.00 249,015.00	97.83 5.57%	244,583.75 3,791.67	0.98% (4,431.25)	A2 / A- A	1.65 1.57
78016EZ59	Royal Bank of Canada Note 3.375% Due 4/14/2025	200,000.00	09/16/2022 4.49%	194,656.00 194,656.00	96.46 5.58%	192,918.40 2,006.25	0.77% (1,737.60)	A1 / A AA-	1.71 1.61
756109AV6	Realty Income Corp Callable Not Cont 2/15/2025 3.875% Due 4/15/2025	250,000.00	09/13/2022 4.47%	246,425.00 246,425.00	97.33 5.53%	243,335.00 2,852.43	0.97% (3,090.00)	A3 / A- NR	1.71 1.60
14913R2V8	Caterpillar Financial Service Note 3.4% Due 5/13/2025	125,000.00	09/21/2022 4.39%	121,940.00 121,940.00	97.02 5.16%	121,281.00 920.83	0.48% (659.00)	A2 / A A+	1.79 1.69
06368D3S1	Bank of Montreal Note 3.7% Due 6/7/2025	350,000.00	09/13/2022 4.50%	342,912.50 342,912.50	96.79 5.55%	338,765.35 1,942.50	1.34% (4,147.15)	A2 / A- AA-	1.85 1.75
63743HFE7	National Rural Utilities Note 3.45% Due 6/15/2025	250,000.00	09/19/2022 4.42%	243,805.00 243,805.00	96.39 5.50%	240,970.25 1,102.08	0.95% (2,834.75)	A2 / A- A	1.88 1.77
91324PCP5	United Health Group Inc Note 3.75% Due 7/15/2025	125,000.00	09/21/2022 4.36%	122,981.25 122,981.25	97.46 5.13%	121,821.13 208.33	0.48% (1,160.12)	A2 / A+ A	1.96 1.85
89236TKF1	Toyota Motor Credit Corp Note 3.65% Due 8/18/2025	350,000.00	09/13/2022 4.23%	344,498.00 344,498.00	97.15 5.13%	340,014.50 5,784.24	1.36% (4,483.50)	A1 / A+ A+	2.05 1.91
24422EWJ4	John Deere Capital Corp Note 4.05% Due 9/8/2025	125,000.00	09/21/2022 4.36%	123,933.75 123,933.75	97.80 5.16%	122,252.38 2,010.94	0.49% (1,681.37)	A2 / A A+	2.11 1.95
69371RS23	Paccar Financial Corp Note 4.95% Due 10/3/2025	250,000.00	09/27/2022 4.95%	250,020.00 250,020.00	100.00 4.95%	249,997.50 4,056.25	1.00% (22.50)	A1 / A+ NR	2.18 2.01
713448FQ6	Pepsico Inc. Callable Note Cont 1/13/26 4.55% Due 2/13/2026	65,000.00	02/13/2023 4.57%	64,962.30 64,962.30	99.68 4.68%	64,794.47 1,363.74	0.26% (167.83)	A1 / A+ NR	2.54 2.25
46647PCZ7	JP Morgan Chase & Co Callable Note Cont 4/26/2025 4.08% Due 4/26/2026	200,000.00	09/13/2022 5.39%	195,980.00 195,980.00	97.64 5.51%	195,288.00 2,153.33	0.78% (692.00)	A1 / A- AA-	2.74 1.63



City of Stanton

Account #10991

Holdings Report

As of July 31, 2023

CUSIP	Security Description	Par Value/Units	Purchase Date Book Yield	Cost Value Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port. Gain/Loss	Moody/S&P Fitch	Maturity Duration
CORPORATE									
61747YET8	Morgan Stanley Callable Note Cont 7/17/2025 4.679% Due 7/17/2026	200,000.00	09/13/2022 5.37%	199,302.00 199,302.00	98.03 5.75%	196,056.20 363.92	0.77% (3,245.80)	A1 / A- A+	2.96 1.84
06051GLA5	Bank of America Corp Callable Note Cont 7/22/2025 4.827% Due 7/22/2026	200,000.00	09/13/2022 5.49%	199,336.00 199,336.00	98.68 5.53%	197,362.80 241.35	0.78% (1,973.20)	A1 / A- AA-	2.98 1.86
06406RBJ5	Bank of NY Mellon Corp Callable Note 1X 7/24/2025 4.414% Due 7/24/2026	350,000.00	Various 5.11%	348,501.00 348,501.00	98.11 5.42%	343,386.40 300.40	1.35% (5,114.60)	A1 / A AA-	2.98 1.87
74340XBK6	Prologis LP Callable Note Cont 7/1/2026 3.25% Due 10/1/2026	250,000.00	09/14/2022 4.30%	240,397.50 240,397.50	94.75 5.06%	236,873.50 2,708.33	0.94% (3,524.00)	A3 / A NR	3.17 2.92
26442CAS3	Duke Energy Carolinas Callable Note Cont 9/1/2026 2.95% Due 12/1/2026	250,000.00	09/16/2022 4.31%	237,035.00 237,035.00	94.28 4.83%	235,703.75 1,229.17	0.93% (1,331.25)	Aa3 / A NR	3.34 3.10
46647PCB0	JP Morgan Chase & Co Callable Note Cont 4/22/2026 1.578% Due 4/22/2027	250,000.00	09/15/2022 5.36%	221,377.50 221,377.50	90.03 5.56%	225,080.25 1,084.88	0.89% 3,702.75	A1 / A- AA-	3.73 2.59
91324PEG3	United Health Group Inc Callable Note Cont 4/15/2027 3.7% Due 5/15/2027	250,000.00	09/13/2022 4.21%	244,607.50 244,607.50	96.59 4.69%	241,485.75 1,952.78	0.96% (3,121.75)	A2 / A+ A	3.79 3.46
89115A2C5	Toronto-Dominion Bank Note 4.108% Due 6/8/2027	200,000.00	09/13/2022 4.73%	194,794.00 194,794.00	96.07 5.25%	192,141.60 1,209.58	0.76% (2,652.40)	A1 / A NR	3.86 3.48
61747YEC5	Morgan Stanley Callable Note Cont 7/20/2026 1.512% Due 7/20/2027	250,000.00	09/15/2022 5.32%	219,305.00 219,305.00	88.84 5.64%	222,098.50 115.50	0.87% 2,793.50	A1 / A- A+	3.97 2.83
06051GJS9	Bank of America Corp Callable Note Cont 6/21/2027 1.734% Due 7/22/2027	250,000.00	09/15/2022 5.48%	219,722.50 219,722.50	89.60 5.57%	223,995.00 108.38	0.88% 4,272.50	A1 / A- AA-	3.98 2.83
78016FZS6	Royal Bank of Canada Note 4.24% Due 8/3/2027	200,000.00	09/13/2022 4.73%	195,794.00 195,794.00	96.78 5.14%	193,562.60 4,192.89	0.78% (2,231.40)	A1 / A AA-	4.01 3.55
14913R3A3	Caterpillar Financial Service Note 3.6% Due 8/12/2027	250,000.00	09/13/2022 4.27%	242,635.00 242,635.00	96.29 4.62%	240,719.00 4,225.00	0.96% (1,916.00)	A2 / A A+	4.04 3.63
023135BC9	Amazon.com Inc Callable Note Cont 5/22/2027 3.15% Due 8/22/2027	250,000.00	09/14/2022 4.17%	238,730.00 238,730.00	94.34 4.70%	235,859.50 3,478.13	0.94% (2,870.50)	A1 / AA AA-	4.06 3.69



City of Stanton

Account #10991

Holdings Report

As of July 31, 2023

CUSIP	Security Description	Par Value/Units	Purchase Date Book Yield	Cost Value Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port. Gain/Loss	Moody/S&P Fitch	Maturity Duration
CORPORATE									
24422EWK1	John Deere Capital Corp Note 4.15% Due 9/15/2027	250,000.00	09/13/2022 4.29%	248,480.00 248,480.00	97.70 4.77%	244,252.50 3,919.44	0.98% (4,227.50)	A2 / A A+	4.13 3.68
58933YBH7	Merck & Co Callable Note Cont 4/17/2028 4.05% Due 5/17/2028	300,000.00	Various 4.08%	299,617.50 299,617.50	98.37 4.43%	295,096.20 2,497.51	1.17% (4,521.30)	A1 / A+ NR	4.80 4.27
Total Corporate		6,690,000.00	4.63%	6,492,371.30 6,492,371.30	5.22%	6,438,129.18 61,938.35	25.56% (54,242.12)	A1 / A A+	2.89 2.44
MONEY MARKET FUND									
31846V203	First American Govt Obligation Fund Class Y	40,606.06	Various 4.87%	40,606.06 40,606.06	1.00 4.87%	40,606.06 0.00	0.16% 0.00	Aaa / AAA AAA	0.00 0.00
Total Money Market Fund		40,606.06	4.87%	40,606.06 40,606.06	4.87%	40,606.06 0.00	0.16% 0.00	Aaa / AAA AAA	0.00 0.00
SUPRANATIONAL									
45950KDD9	International Finance Corp Note 4.5% Due 7/13/2028	230,000.00	07/06/2023 4.53%	229,744.70 229,744.70	100.74 4.33%	231,697.63 517.50	0.91% 1,952.93	Aaa / AAA NR	4.96 4.39
Total Supranational		230,000.00	4.53%	229,744.70 229,744.70	4.33%	231,697.63 517.50	0.91% 1,952.93	Aaa / AAA NR	4.96 4.39
US TREASURY									
912797GG6	US Treasury Bill 5.223% Due 8/15/2023	450,000.00	07/27/2023 5.31%	448,824.83 448,824.83	99.74 5.31%	448,824.83 261.15	1.77% 0.00	P-1 / A-1+ F-1+	0.04 0.04
91282CEX5	US Treasury Note 3% Due 6/30/2024	425,000.00	09/15/2022 3.91%	418,342.78 418,342.78	97.85 5.44%	415,852.73 1,108.70	1.64% (2,490.05)	Aaa / AA+ AAA	0.92 0.88
91282CFG1	US Treasury Note 3.25% Due 8/31/2024	650,000.00	09/21/2022 4.00%	640,935.55 640,935.55	97.79 5.38%	635,603.80 8,840.35	2.53% (5,331.75)	Aaa / AA+ AAA	1.09 1.03
9128283P3	US Treasury Note 2.25% Due 12/31/2024	650,000.00	09/15/2022 3.85%	627,351.56 627,351.56	95.98 5.23%	623,898.60 1,271.74	2.46% (3,452.96)	Aaa / AA+ AAA	1.42 1.36
9128284F4	US Treasury Note 2.625% Due 3/31/2025	650,000.00	09/14/2022 3.80%	631,667.97 631,667.97	96.11 5.08%	624,736.45 5,734.12	2.48% (6,931.52)	Aaa / AA+ AAA	1.67 1.59



City of Stanton

Account #10991

Holdings Report

As of July 31, 2023

CUSIP	Security Description	Par Value/Units	Purchase Date Book Yield	Cost Value Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port. Gain/Loss	Moody/S&P Fitch	Maturity Duration
US TREASURY									
9128284M9	US Treasury Note 2.875% Due 4/30/2025	650,000.00	09/22/2022 4.15%	629,789.06 629,789.06	96.40 5.05%	626,614.95 4,722.66	2.48% (3,174.11)	Aaa / AA+ AAA	1.75 1.66
91282CEU1	US Treasury Note 2.875% Due 6/15/2025	650,000.00	09/15/2022 3.89%	632,962.89 632,962.89	96.27 4.98%	625,726.40 2,399.76	2.47% (7,236.49)	Aaa / AA+ AAA	1.88 1.79
91282CFE6	US Treasury Note 3.125% Due 8/15/2025	650,000.00	09/13/2022 3.75%	638,802.74 638,802.74	96.62 4.88%	628,037.15 9,370.68	2.51% (10,765.59)	Aaa / AA+ AAA	2.04 1.92
91282CFK2	US Treasury Note 3.5% Due 9/15/2025	650,000.00	09/19/2022 3.90%	642,712.89 642,712.89	97.30 4.85%	632,480.55 8,593.07	2.52% (10,232.34)	Aaa / AA+ AAA	2.13 1.99
9128286L9	US Treasury Note 2.25% Due 3/31/2026	650,000.00	09/14/2022 3.75%	617,880.86 617,880.86	94.19 4.59%	612,244.10 4,914.96	2.43% (5,636.76)	Aaa / AA+ AAA	2.67 2.52
9128287B0	US Treasury Note 1.875% Due 6/30/2026	650,000.00	09/15/2022 3.78%	606,632.81 606,632.81	92.92 4.49%	603,992.35 1,059.78	2.38% (2,640.46)	Aaa / AA+ AAA	2.92 2.78
9128282A7	US Treasury Note 1.5% Due 8/15/2026	650,000.00	09/13/2022 3.72%	597,923.83 597,923.83	91.55 4.50%	595,080.20 4,497.93	2.36% (2,843.63)	Aaa / AA+ AAA	3.04 2.89
91282CEF4	US Treasury Note 2.5% Due 3/31/2027	650,000.00	09/14/2022 3.66%	618,591.80 618,591.80	93.77 4.36%	609,476.40 5,461.07	2.42% (9,115.40)	Aaa / AA+ AAA	3.67 3.42
91282CFH9	US Treasury Note 3.125% Due 8/31/2027	650,000.00	09/13/2022 3.57%	636,822.26 636,822.26	95.62 4.31%	621,537.15 8,500.34	2.48% (15,285.11)	Aaa / AA+ AAA	4.09 3.73
91282CGC9	US Treasury Note 3.875% Due 12/31/2027	350,000.00	01/24/2023 3.59%	354,470.70 354,470.70	98.48 4.26%	344,668.10 1,179.35	1.36% (9,802.60)	Aaa / AA+ AAA	4.42 4.00
91282CGH8	US Treasury Note 3.5% Due 1/31/2028	500,000.00	02/22/2023 4.12%	486,269.53 486,269.53	97.00 4.24%	484,980.50 47.55	1.91% (1,289.03)	Aaa / AA+ AAA	4.51 4.11
91282CGT2	US Treasury Note 3.625% Due 3/31/2028	350,000.00	04/24/2023 3.61%	350,259.77 350,259.77	97.53 4.21%	341,359.55 4,263.83	1.36% (8,900.22)	Aaa / AA+ AAA	4.67 4.19
91282CHE4	US Treasury Note 3.625% Due 5/31/2028	500,000.00	06/22/2023 4.02%	491,308.59 491,308.59	97.61 4.18%	488,047.00 3,070.36	1.93% (3,261.59)	Aaa / AA+ AAA	4.84 4.35
Total US Treasury		10,375,000.00	3.90%	10,071,550.42 10,071,550.42	4.76%	9,963,160.81 75,297.40	39.48% (108,389.61)	Aaa / AA+ AAA	2.57 2.39
TOTAL PORTFOLIO		26,184,709.56	4.20%	25,491,223.66 25,491,223.66	4.99%	25,235,674.14 193,962.47	100.00% (255,549.52)	Aa2 / AA AAA	2.75 2.35
TOTAL MARKET VALUE PLUS ACCRUED						25,429,636.61			

CITY OF STANTON

REPORT TO THE SUCCESSOR AGENCY TO THE STANTON REDEVELOPMENT AGENCY

TO: Honorable Chairman and Members of the Successor Agency

DATE: September 12, 2023

SUBJECT: JULY 2023 INVESTMENT REPORT (SUCCESSOR AGENCY)

REPORT IN BRIEF:

The Investment Report as of July 31, 2023, has been prepared in accordance with the City's Investment Policy and California Government Code Section 53646.

RECOMMENDED ACTIONS:

1. Successor Agency find that this item is not subject to California Environmental Quality Act ("CEQA") pursuant to Sections 15378(b)(5) (Organizational or administrative activities of governments that will not result in direct or indirect physical changes in the environment); and
2. Receive and file the Investment Report for the month of July 2023.

BACKGROUND:

The attached report summarizes the Successor Agency's investment and deposit balances as of July 2023. During the month of July, the Successor Agency's cash and investments decreased by \$5,493. During the month of July, the Successor Agency reimbursed the City \$5,500 for administrative costs per the approved Recognized Obligation Payment Schedule (ROPS). The Successor Agency's cash and investment balances by fund are presented in Attachment A. The Successor Agency's investments and deposits by financial institution are included as Attachment B.

ANALYSIS:

The Successor Agency's share of the City's investment in the State Treasurer's Local Agency Investment Fund (LAIF) continues to be available on demand. The effective yield on LAIF for the month of July 2023 was 3.31%.

The Successor Agency's investments are shown on Attachment B and have a weighted investment yield of 3.31%, which is equal to the benchmark LAIF return of 3.31%, as the entire portfolio (excluding funds held with the bond fiscal agents) represents the

Successor Agency's portion of LAIF and Bank of the West funds invested by the City. With a completely liquid portfolio, the weighted average maturity of the Successor Agency's investments on July 31, 2023, was 1 day. LAIF's average maturity on July 31, 2023, was approximately 251 days.

FISCAL IMPACT:

All deposits and investments have been made in accordance with the City's Fiscal Year 2023/24 Investment Policy.

The portfolio will allow the Successor Agency to meet its expenditure requirements for the next six months.

ENVIRONMENTAL IMPACT:

None.

LEGAL REVIEW:

None.

PUBLIC NOTIFICATION:

Through the agenda posting process.

Prepared by: Michelle Bannigan, Finance Director

Approved by: Hannah Shin-Heydorn, City Manager

Attachments:

- A. Cash and Investment Balances by Fund
- B. Investments and Deposits

[Click here to return to the agenda.](#)

**SUCCESSOR AGENCY TO THE STANTON REDEVELOPMENT AGENCY
CASH AND INVESTMENTS REPORT
MONTH ENDED JULY 31, 2023**

Fund/ Account No.	Fund/Account Name	Beginning Balance	Increases	Decreases	Ending Balance
<u>CASH-POOLED</u>					
712-111101	Redevelopment Obligation Retirement Fund	\$ 3,362,300.73	\$ -	\$ (1,953,956.55)	\$ 1,408,344.18
	Total Cash-Pooled⁽¹⁾	\$ 3,362,300.73	\$ -	\$ (1,953,956.55)	\$ 1,408,344.18
<u>CASH-RESTRICTED (with Fiscal Agent)</u>					
712-111423	2016 Tax Allocation Bonds, Series A and B	\$ 437,513.60	\$ 713,921.90	\$ -	\$ 1,151,435.50
712-111425	2016 Tax Allocation Bonds, Series C and D	620,023.50	1,234,539.00	-	1,854,562.50
712-111426	2020 Tax Allocation Refunding Bonds, Series A	686,254.10	2.82	-	686,256.92
	Total Cash-Restricted (with Fiscal Agent)	\$ 1,743,791.20	\$ 1,948,463.72	\$ -	\$ 3,692,254.92
	TOTAL CASH AND INVESTMENTS	\$ 5,106,091.93	\$ 1,948,463.72	\$ (1,953,956.55)	\$ 5,100,599.10

Note:

⁽¹⁾ - Includes the Successor Agency's share of the City's Bank of the West checking account and Local Agency Investment Fund (LAIF).

**SUCCESSOR AGENCY TO THE STANTON REDEVELOPMENT AGENCY
INVESTMENTS AND DEPOSITS
MONTH ENDED JULY 31, 2023**

Investment Type	Institution	Issuer/ Broker		Date of Maturity	Interest Rate			Cost	Market Value	MV Source
LAIF and BOW General Acct	State of California/ BOW	State of California		On Demand	3.31%	N/A		\$ 1,408,344	\$ 1,408,344	LAIF

Total Cash Investments and Deposits

1	3.31%
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\$ 1,408,344	\$ 1,408,344
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Weighted Average Weighted Average

Bond Funds Held by Trustees:

Maturity (days) Yield

Investment Type	Institution	Issuer/ Broker	CUSIP Number	Date of Maturity		Interest Rate	Par Value	Cost	Market Value	MV Source
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2016 Series A and B										
Debt Service:										
Cash Equivalents	US Bank Money Market	US Bank	9AMMF05B2	On Demand		0.02%	\$ 1,151,434	\$ 1,151,434	\$ 1,151,434	US Bank
Interest:										
Cash Equivalent	US Bank Money Market	US Bank	9AMMF05B2	On Demand		0.02%	1	1	1	US Bank
Principal:										
Cash Equivalent	US Bank Money Market	US Bank	9AMMF05B2	On Demand		0.02%	1	1	1	US Bank

Total 2016 Series A and B

\$ 1,151,436 \$ 1,151,436

Investment Type	Institution	Issuer/ Broker	CUSIP Number	Date of Maturity		Interest Rate	Par Value	Cost	Market Value	MV Source
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2016 Series C and D										
Debt Service:										
Cash Equivalent	US Bank Money Market	US Bank	9AMMF05B2	On Demand		0.02%	\$ 1,854,560	\$ 1,854,560	\$ 1,854,560	US Bank
Interest:										
Cash Equivalent	US Bank Money Market	US Bank	9AMMF05B2	On Demand		0.02%	1	1	1	US Bank
Principal:										
Cash Equivalent	US Bank Money Market	US Bank	9AMMF05B2	On Demand		0.02%	1	1	1	US Bank

Total 2016 Series C and D

\$ 1,854,562 \$ 1,854,562

Investment Type	Institution	Issuer/ Broker	CUSIP Number	Date of Maturity		Interest Rate	Par Value	Cost	Market Value	MV Source
2020 Tax Allocation Refunding Bonds										
Special Fund:										
Cash Equivalent	US Bank Money Market	US Bank	9AMMF05B2	On Demand		0.02%	\$ 686,257	\$ 686,257	\$ 686,257	US Bank

Total 2020 Tax Allocation Bonds (Tax-Exempt)

\$ 686,257 \$ 686,257

Total Bond Fund Investments and Deposits (3)

\$ 3,692,255 \$ 3,692,255

TOTAL - ALL CASH AND INVESTMENTS

\$5,100,599 \$5,100,599

Notes:

- (1) - There have been no exceptions to the Investment Policy.
- (2) - The Successor Agency is able to meet its expenditure requirements for the next six months.
- (3) - Restricted Bond Funds are held by the fiscal agent.

CITY OF STANTON

REPORT TO CITY COUNCIL

TO: Honorable Mayor and Members of the City Council

DATE: September 12, 2023

SUBJECT: EXECUTE A GRANT AGREEMENT WITH THE DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT (HUD) FOR THE ORANGEWOOD AVENUE COMPLETE STREETS PROJECT

REPORT IN BRIEF:

In March 2023, the City received an award letter from the U.S. Department of Housing and Urban Development (HUD) confirming the award of FY 2022 Community Project Funding (CPF) for the proposed Orangewood Avenue Complete Streets Project. HUD is requiring the agreement and application be submitted by September 29, 2023.

RECOMMENDED ACTIONS:

1. City Council declare this project to be categorically exempt under the California Environmental Quality Act, Section 15378(b)(5) – Organizational or administrative activities of governments that will not result in direct or indirect physical change in the environment; and
2. Accept the HUD FY 2022 Community Project Funding in the amount of \$850,000; and
3. Authorize the City Manager to sign the FY 2022 Community Project Funding Grant Agreement (NO. B-22-CP-CA-0124).

BACKGROUND:

In March 2023, both the Parks, Recreation and Community Services Commission and the City Council were advised of the reprogramming of federal funding from the Orangewood Parkette towards additional traffic calming measures on Orangewood Avenue. The Orangewood Complete Streets Project includes a series of improvements to public infrastructure that serves the needs of residents, students, and workers.

Orangewood Avenue is a 2- and 4-lane east-west collector road that serves residents and bypass traffic. The segment joins City of Garden Grove limits on the eastside and leads to an end in a local neighborhood at Santa Rosalia Street on the westside. Santa Rosalia Street is a two-way north-south local street that primarily serves neighborhood

residents. Orangewood Avenue and Santa Rosalia Street are planned for in the Stanton Active Transportation Plan for inclusion of bicycle facilities to provide a connection to existing local and regional bicycle facilities.

ANALYSIS/JUSTIFICATION:

Staff conducted multiple investigations and analyses of Orangewood Avenue and Santa Rosalia Street to identify specific improvements. The investigations support the introduction of traffic calming measures, sidewalks and pedestrian facilities, bicycle facilities, street lighting improvements, parkways and landscaping, a roadway diet, high-visibility markings and signage, and pavement restoration.

The project proposes to implement roadway features that include a road diet for the installation of a Class II Bicycle Lane on Orangewood Avenue and a Class I Shared-Use Path on Santa Rosalia Street. The project further proposes upgrading the existing outdated Stanton Storm Channel Bridge on the north-end of Santa Rosalia Street to establish a suitable multi-use connection. These facilities will effectively bridge a connection to existing bicycle infrastructure within the City and with neighboring cities. The project also proposes the installation of bulb-outs along both roadway segments, upgrades for ADA compliant curb ramps, parkways and landscaping, installation of high visibility roadway markings such as continental crosswalks and bicycle markings, signage upgrades, street lighting upgrades, traffic signal modifications, replacement of sidewalks, curb and gutters, cross gutters, and a complete grind and overlay of both street segments.

The HUD CPF grant agreement stipulates a deadline of August 31, 2030 to spend down all project funds made available under the executed grant agreement to complete the project.

The next step is to execute the agreement with HUD to secure the funds. Upon execution of the agreement, staff will prepare and release a Request for Proposal (RFP) for engineering services to prepare design and specification documents for the construction of this project.

FISCAL IMPACT:

There is no fiscal impact associated with the recommended action.

ENVIRONMENTAL IMPACT:

None.

LEGAL REVIEW:

None.

STRATEGIC PLAN OBJECTIVE ADDRESSED:

Obj. No. 3: Provide a quality infrastructure.

Prepared by: Elias Garcia, P.E., T.E., Assistant City Engineer

Reviewed by: Cesar Rangel, P.E., Director of Public Works/City Engineer

Approved by: Hannah Shin-Heydorn, City Manager

Attachments:

A. HUD CPF Grant Agreement No. B-22-CP-CA-0124

**FY 2022 COMMUNITY PROJECT FUNDING
GRANT AGREEMENT NO. B-22-CP-CA-0124**

Grantee Name: City of Stanton

Grantee Address: 7800 Katella Avenue Staton, CA 90680

Grantee's Unique Entity Identifier (UEI):

Grantee's Employer Identification Number (EIN)

Federal Award Identification Number (FAIN) B-22-CP-CA-0124

Assistance Listing Number and Name 14.251 Economic Development Initiative,
Community Project Funding, and Miscellaneous Grants

Period of Performance/Budget Period Start Date Date of grant obligation

Period of Performance/Budget Period End Date August 31, 2030

This Grant Agreement between the Department of Housing and Urban Development (HUD) and City of Stanton (the Grantee) is made pursuant to the authority of the Consolidated Appropriations Act, 2022 (Public Law 117-103); and the Explanatory Statement for Division L of that Act, which was printed in the House section of the Congressional Record on March 9, 2022 (Explanatory Statement); and superseding provisions of the Consolidated Appropriations Act, 2023 (Public Law 117-328).

In reliance upon and in consideration of the mutual representations and obligations under this Grant Agreement, HUD and the Grantee agree as follows:

ARTICLE I. Definitions

The definitions at 2 CFR 200.1 apply to this Grant Agreement, except where this Grant Agreement specifically states otherwise.

Budget period is defined in 2 CFR 200.1 and begins and ends on the dates specified above for the Period of Performance/Budget Period Start Date and Period of Performance/Budget Period End Date.

Period of Performance is defined in 2 CFR 200.1 and begins and ends on the dates specified above for the Period of Performance/Budget Period Start Date and Period of Performance/Budget Period End Date.

ARTICLE II. Total Grant Amount

Subject to the provisions of the Grant Agreement, HUD will make grant funds in the amount of \$850,000 available to the Grantee.

ARTICLE III. Award-Specific Requirements

A. Federal Award Description. The Grantee must use the Federal funds provided under this Grant Agreement (Grant Funds) to carry out the Grantee's "Project." Unless changed in accordance with Article III, section C of this Grant Agreement, the Grantee's Project shall be as described in the Project Narrative that is approved by HUD as of the date that HUD signs this Grant Agreement. For reference, HUD will attach this approved Project Narrative as Appendix 1 to the Grant Agreement on the date that HUD signs this Grant Agreement.

B. Approved Budget. The Grantee must use the Grant Funds as provided by the Approved Budget. Unless changed in accordance with Article III, section C of this Grant Agreement, the Approved Budget shall be the line-item budget that is approved by HUD as of the date that HUD signs this Grant Agreement. For reference, HUD will attach this approved line-item budget as Appendix 2 to this Grant Agreement on the date that HUD signs this Grant Agreement.

C. Project and Budget Changes. All changes to the Grantee's Project or Approved Budget must be made in accordance with 2 CFR 200.308 and this Grant Agreement. To request HUD's approval for a change in the Project or Approved Budget, the Grantee must submit a formal letter to the Director of HUD's Office of Economic Development - Congressional Grants Division through the assigned Grant Officer. The letter must be submitted by email to the assigned Grant Officer and must provide justification for the change. The email submitting the letter must also include a revised project narrative or revised line-item budget, as applicable, that includes the requested change. The Grantee is prohibited from making project or budget changes that would conflict with the Applicable Appropriations Act Conditions described in Article III, section D of this Grant Agreement. The assigned Grant Officer for this grant is provided in the Award Letter for this grant and found on HUD's website. The HUD Office of Economic Development – Congressional Grants Division will notify the Grantee in writing, by email, whether HUD approves or disapproves the change. Before the Grantee expends Grant Funds in accordance with any change approved by HUD or otherwise allowed by 2 CFR 200.308, the Grantee must update its grant information in Disaster Recovery Grant Reporting (DRGR) to reflect that change.

D. Applicable Appropriations Act Conditions. The conditions that apply to the Grant Funds as provided by the Consolidated Appropriations Act, 2022, the Explanatory Statement, and the Consolidated Appropriations Act, 2023 are hereby incorporated and made part of this Grant Agreement. In the event of a conflict between those conditions, the conditions provided by the later Act will govern. The Grant Funds are not subject to the Community Development Block Grants regulations at 24 CFR part 570 or Title I of the Housing and Community Development Act of 1974.

E. In accordance with 2 CFR 200.307(b), costs incidental to the generation of program income may be deducted from gross income to determine program income, provided these costs have not been charged to the grant. As authorized under 2 CFR 200.307(e)(2), program income may be treated as an addition to the Federal award, provided that the Grantee uses that income for allowable costs under this Grant Agreement. In accordance with 2 CFR 200.307(b), costs incidental to the generation of program income may be deducted from gross income to determine program income, provided these costs have not been charged to the grant. Any program income that cannot be expended on allowable costs under this Grant Agreement must be paid to HUD before closeout of the grant, unless otherwise specified by an applicable Federal statute.

F. The Grantee must use the Grant Funds only for costs (including indirect costs) that meet the applicable requirements in 2 CFR part 200 (including appendices). The Grantee's indirect cost rate information is as provided in Appendix 3 to this Grant Agreement. Unless the Grantee is an Institution of Higher Education, the Grantee must immediately notify HUD upon any change in the Grantee's indirect cost rate during the Period of Performance, so that HUD can amend the Grant Agreement to reflect the change if necessary. Consistent with 2 CFR part 200, Appendix III (C.7), if the Grantee is an Institution of Higher Education and has a negotiated rate in effect on the date this Grant Agreement is signed by HUD, the Grantee may use only that rate for its indirect costs during the Period of Performance.

G. The Grantee must comply with any specific award conditions that HUD may attach to this Grant Agreement as provided by 2 CFR 200.208. If applicable, these conditions will be listed or added as Appendix 5 to this Grant Agreement.

H. The Grantee is responsible for managing the Project and ensuring the proper use of the Grant Funds. The Grantee is also responsible for ensuring the completion of the Project, the grant closeout, and compliance with all applicable federal requirements. The Grantee may subaward all or a portion of its funds to one or more subrecipients, as identified in the Project Narrative (Appendix 1) or as may be approved by HUD in accordance with 2 CFR 200.308. All subawards made with funding under this Grant Agreement are subject to the subaward requirements under 2 CFR art 200, including 2 CFR 200.332, and other requirements provided by this Grant Agreement. The Grantee is responsible for ensuring each subrecipient complies with all requirements under this Grant Agreement, including the general federal requirements in Article IV. A subaward may be made to a for-profit entity only if HUD expressly approves that subaward, and the for-profit entity is made subject to the same Federal requirements that apply to all other subrecipients, including the requirements 2 CFR part 200 provides for a "non-Federal entity" that receives a subaward.

ARTICLE IV. General Federal Requirements

A. If the Grantee is a unit of general local government, a State, an Indian Tribe, or an Alaskan Native Village, the Grantee is the Responsible Entity (as defined in 24 CFR part 58) and agrees to assume all of the responsibilities for environmental review and decision-making and action, as specified and required in regulations issued by the Secretary pursuant to section 305(c) of the Multifamily Housing Property Disposition Reform Act of 1994 and published in 24 CFR art 58.

B. If the Grantee is a housing authority, redevelopment agency, academic institution, hospital or other non-profit organization, the Grantee shall request the unit of general local government, Indian Tribe or Alaskan Native Village, within which the Project is located and which exercises land use responsibility, to act as Responsible Entity and assume all of the responsibilities for environmental review and decision-making and action as specified in paragraph A above, and the Grantee shall carry out all of the responsibilities of a grantee under 24 CFR art 58.

C. After Grantee's receipt of the Letter of Invitation for this grant, neither the Grantee nor any of its contractors, subrecipients and other funding and development partners may undertake, or commit or expend Grant Funds or local funds for, project activities (other than for planning, management, development and administration activities), unless a contract requiring those activities was already executed prior to the Letter of Invitation, until one of the following occurs: (i) the Responsible Entity has completed the environmental review procedures required by 24 CFR part 58, and HUD has approved the environmental certification and given a release of funds; (ii) the Responsible Entity has determined and documented in its environmental review record that the activities are exempt under 24 CFR 58.34 or are categorically excluded and not subject to compliance with environmental laws under 24 CFR 58.35(b); or (iii) HUD has performed an environmental review under 24 CFR part 50 and has notified Grantee in writing of environmental approval of the activities.

D. Following completion of the environmental review process, the Grantee (recipient) shall exercise oversight, monitoring, and enforcement as necessary to assure that decisions and mitigation measures adopted through the environmental review process are carried out during project development and implementation.

E. The Grantee must comply with the generally applicable HUD and CPD requirements in 24 CFR part 5, subpart A, including all applicable fair housing, and civil rights requirements. If the Grantee is a Tribe or a Tribally Designated Housing Entity (TDHE) as established under 24 CFR 1000.206, the Grantee must comply with the nondiscrimination requirements in 24 CFR 1000.12 in lieu of the nondiscrimination requirements in 24 CFR 5.105(a). The Grantee must report data on the race, color, religion, sex, national origin, age, disability, and family characteristics of persons and households who are applicants for, participants in, or beneficiaries or potential beneficiaries of the Grantee's Project, consistent with the instructions and forms provided by HUD in order to carry out its responsibilities under the Fair Housing Act, Executive Order 11063, Title VI of the Civil Rights Act of 1964, and Section 562 of the Housing and Community Development Act of 1987 (e.g. HUD-27061).

F. The Grantee must comply with the Uniform Administrative Requirements, Cost Principles, and Audit Requirements in 2 CFR part 200, as may be amended from time to time. If 2 CFR part 200 is amended to replace or renumber sections of part 200 that are cited specifically in this Grant Agreement, the part 200 requirements as renumbered or replaced by the amendments will govern the obligations of HUD and the Grantee after those amendment become effective.

G. The Grantee must comply with the Award Term in Appendix A to 2 CFR part 25 ("System for Award Management and Universal Identifier Requirements") and the Award Term in Appendix A to 2 CFR part 170 ("Reporting Subawards and Executive Compensation"), which are hereby incorporated into and made part of this Grant Agreement.

H. If the Total Grant Amount, as provided in Article II of this Grant Agreement, is greater than \$500,000, the Grantee must comply with the Award Term and Condition for Grantee Integrity and Performance Matters in Appendix 4 to this Grant Agreement.

I. Unless the Grantee is exempt from the Byrd Amendment as explained below, the Grantee must comply with the provisions of Section 319 of Public Law 101-121, 31 U.S.C. 1352, (the Byrd Amendment) and 24 CFR part 87, which prohibit recipients of Federal contracts, grants, or loans from using appropriated funds for lobbying the executive or legislative branches of the Federal Government in connection with a specific contract, grant, loan, or cooperative agreement. The Grantee must include in its award documents for all sub-awards at all tiers (including subcontracts, subgrants, and contracts under grants, loans, and cooperative agreements), the requirements for the certification required by Appendix A to 24 CFR part 87 and for disclosure using Standard Form- LLL (SF-LLL), "Disclosure of Lobbying Activities." In addition, the Grantee must obtain the executed certification required by Appendix A and an SF-LLL from all covered persons. "Person" is as defined by 24 CFR part 87. Federally recognized Indian tribes and TDHEs established by Federally recognized Indian tribes as a result of the exercise of the tribe's sovereign power are excluded from coverage of the Byrd Amendment. State-recognized Indian tribes and TDHEs established only under state law must comply with this requirement.

J. The Grantee must comply with drug-free workplace requirements in Subpart B of 2 CFR part 2429, which adopts the governmentwide implementation (2 CFR part 182) of sections 5152-5158 of the Drug-Free Workplace Act of 1988, Pub. L. 100-690, Title V, Subtitle D (41 U.S.C. 701-707).

K. The Grantee must comply with the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (URA) as implemented by regulations at 49 CFR part 24. The URA applies to acquisitions of real property and relocation occurring as a direct result of the acquisition, rehabilitation, or demolition of real property for Federal or Federally funded programs or projects. Real property acquisition that receives Federal financial assistance for a program or project, as defined in 49 CFR 24.2, must comply with the acquisition requirements contained in 49 CFR part 24, subpart B. Unless otherwise specified in law, the relocation requirements of the URA and its implementing regulations at 49 CFR part 24, cover any displaced person who moves from real property or moves personal property from real property as a direct result of acquisition, rehabilitation, or demolition for a program or project receiving HUD financial assistance

L. If Grant Funds are used for purchase, lease, support services, operation, or work that may disturb painted surfaces, of pre-1978 housing, you must comply with the lead-based paint evaluation and hazard reduction requirements of HUD's lead- based paint rules (Lead Disclosure; and Lead Safe Housing (24 CFR part 35)), and EPA's lead- based paint rules (e.g., Repair, Renovation and Painting; Pre-Renovation Education; and Lead Training and Certification (40 CFR part 745)).

M. The Grantee must comply with Section 3 of the Housing and Urban Development Act of 1968 (Section 3), 12 U.S.C. 1701u, and HUD's regulations at 24 CFR part 75, as applicable, including the reporting requirements in 24 CFR 75.25. Grants made to Tribes and TDHEs are subject to Indian Preference requirements in Section 7(b) of the Indian Self-Determination and Education Assistance Act (25 U.S.C. 5307(b)). As stated in 24 CFR 75.3(c), grants to Tribes and TDHEs are subject to Indian Preference requirements in lieu of Section 3. Grantees that are not exempt from Section 3 must submit annual reports of Section 3

accomplishment Performance Measures in DRGR in January of the calendar year. This report reflects Section 3 accomplishments for the previous calendar year.

N. The Grantee must not use any Grant Funds to support any Federal, state, or local project that seeks to use the power of eminent domain, unless eminent domain is employed only for a public use. Public use includes use of funds for mass transit, railroad, airport, seaport, or highway projects, and utility projects which benefit or serve the general public (including energy-related, communication-related, water-related, and waste water-related infrastructure), other structures designated for use by the general public or with other common-carrier or public-utility functions that serve the general public and are subject to regulation and oversight by the government, and projects for the removal of an immediate threat to public health and safety or brownfields, as defined in the Small Business Liability Relief and Brownfields Revitalization Act (Pub. L. 107-118). Public use does not include economic development that primarily benefits private entities.

O. The Grantee must not use any Grant Funds to maintain or establish a computer network that does not block the viewing, downloading, and exchanging of pornography. This requirement does not limit the use of funds necessary for any Federal, State, tribal, or local law enforcement agency or any other entity carrying out criminal investigations, prosecution, or adjudication activities.

P. The Grantee must administer its Grant Funds in accordance with the Conflict of Interest requirements set forth in Appendix 6 of this Grant Agreement.

Q. The Grantee must comply with the governmentwide debarment and suspension requirements in 2 CFR part 180 as incorporated and supplemented by HUD's regulations at 2 CFR part 2424.

R. The Grantee must comply with the award term and condition regarding trafficking in persons in Appendix 7 of this Grant Agreement.

S. The assurances and certifications the Grantee has made and submitted to HUD are incorporated by this reference and made part of this Grant Agreement.

ARTICLE V. Drawdown Requirements

A. The Grantee may not draw down Grant Funds until HUD has received and approved any certifications and disclosures required by 24 CFR 87.100 concerning lobbying, if applicable.

B. The Grantee must use HUD's Disaster Recovery Grant Reporting (DRGR) system to draw down Grant Funds and report to HUD on activities.

C. The Grantee must enter activity and budget information in DRGR that is consistent with the Project and Approved Budget as described in Article III, sections A and B of this Grant Agreement and complies with HUD's instructions for entering information in DRGR found in

the document titled “Grant Award Instructions” that accompanies the Grant Agreement. The Grantee must only enter activities in DRGR that are described in the Approved Budget.

D. The Grantee must expend all Grant Funds in accordance with the activity and budget information in DRGR.

E. Each drawdown of Grant Funds constitutes a representation by the Grantee that the funds will be used in accordance with this Grant Agreement.

F. The Grantee must use DRGR to track the use of program income and must report the receipt and use of program income in the reports the Grantee submits to HUD under Article VI of this Grant Agreement. The Grantee must expend program income before drawing down Grant Funds through DRGR.

G. Notwithstanding any other provision of this grant agreement, HUD will not be responsible for payment of any Grant Funds after the date Treasury closes the account in accordance with 31 U.S.C. § 1552. Because Treasury may close the account up to one week before the September 30 date specified by 31 U.S.C. § 1552, the grantee is advised to make its final request for payment under the grant no later than September 15, 2030.

ARTICLE VI. Program-Specific Reporting Requirements

In addition to the general reporting requirements that apply under other provisions of this Agreement, the following program-specific reporting requirements apply to the Grantee:

A. The Grantee must submit a performance report in DRGR on a semi-annual basis and must include a completed Federal financial report as an attachment to each performance report in DRGR. Performance reports shall consist of a narrative of work accomplished during the reporting period. During the Period of Performance, the Grantee must submit these reports in DRGR no later than 30 calendar days after the end of the 6-month reporting period. The first of these reporting periods begins on the first of January or June (whichever occurs first) after the date this Grant Agreement is signed by HUD.

B. The performance report must contain the information required for reporting program performance under 2 CFR 200.329(c)(2) and (d), including a comparison of actual accomplishments to the objectives of the Project as described in Article III, section A of this Grant Agreement; the reasons why established goals were not met, if appropriate; and additional pertinent information including, when appropriate, analysis and explanation of cost overruns or high unit costs.

C. Financial reports must be submitted using DRGR or such future collections HUD may require and as approved by OMB and listed on the Grants.gov website (<https://www.grants.gov/web/grants/forms/post-award-reporting-forms.html>).

D. The performance and financial reports will undergo review and approval by HUD. If a report submission is insufficient, HUD will reject the report in DRGR and identify the corrections the Grantee must make.

E. No drawdown of funds will be allowed through DRGR while the Grantee has an overdue performance or financial report.

F. The Grantee must report and account for all property acquired or improved with Grant Funds as provided by 2 CFR part 200 using the applicable common forms approved by OMB and provided on the Grants.gov website (<https://www.grants.gov/web/grants/forms/post-award-reporting-forms.html>). This reporting obligation includes submitting status reports on real property at least annually as provided by 2 CFR 200.330, accounting for real and personal property acquired or improved with Grant Funds as part of Project Closeout, and promptly submitting requests for disposition instructions as provided by 2 CFR 200.311(c), 200.313(e), and 200.314(a).

ARTICLE VII. Project Closeout

A. The grant will be closed out in accordance with 2 CFR part 200, as may be amended from time to time, except as otherwise specified in this Grant Agreement.

B. The Grantee must submit to HUD a written request to closeout the grant no later than 30 calendar days after the Grantee has drawn down all Grant Funds and completed the Project as described in Article III, section A of this Grant Agreement. HUD will then send the Closeout Agreement and Closeout Certification to the Grantee.

C. At HUD's option, the Grantee may delay initiation of project closeout until the resolution of any findings as a result of the review of semi-annual activity reports in DRGR. If HUD exercises this option, the Grantee must promptly resolve the findings.

D. The Grantee recognizes that the closeout process may entail a review by HUD to determine compliance with the Grant Agreement by the Grantee and all participating parties. The Grantee agrees to cooperate with any HUD review, including reasonable requests for on-site inspection of property acquired or improved with Grant Funds. E. No

1. A Certification of Project Completion.
2. A Grant Closeout Agreement.
3. A final financial report giving the amount and types of project costs charged to the grant (that meet the allowability and allocability requirements of 2 CFR part 200, subpart E); a certification of the costs; and the amounts and sources of other project funds.

4. A final performance report providing a comparison of actual accomplishments with the objectives of the Project as described in Article III, section A of this Grant Agreement, the reasons for slippage if established objectives were not met and additional pertinent information including explanation of significant cost overruns.
5. A final property report, if specifically requested by HUD at the time of closeout.

ARTICLE VIII. Default

A default under this Grant Agreement shall consist of any use of Grant Funds for a purpose other than as authorized by this Grant Agreement, any noncompliance with statutory, regulatory, or other requirements applicable to the Grant Funds, any other material breach of this Grant Agreement, or any material misrepresentation in the Grantee's submissions to HUD in anticipation of this award. If the Grantee fails to comply with the terms and conditions of the Grant Agreement, HUD may adjust specific conditions of this Grant Agreement as described in 2 CFR part 200, as may be amended from time to time. If HUD determines that noncompliance cannot be remedied by imposing additional conditions, HUD may take one or more of the remedies for noncompliance described in 2 CFR part 200, as may be amended from time to time. HUD may also terminate all or a part of this award as provided by 2 CFR 200.340 and other applicable provisions of 2 CFR part 200, as may be amended from time to time. Nothing in this Grant Agreement shall be construed as creating or justifying any claim against the Federal government or the Grantee by any third party.

ARTICLE IX. HUD Contact Information

Except where this Grant Agreement specifically states otherwise, all requests, submissions, and reports the Grantee is required to make to HUD under this Grant Agreement must be made in writing via email to CPFGGrants@hud.gov.

This agreement is hereby executed on behalf of the Grantee and HUD as follows:

GRANTEE

City of Stanton

(Name of Organization)

BY:

(Signature of Authorized Official)

Hannah Shin-Heydorn, City Manager

(Typed Name and Title of Authorized Official)

(Date)

HUD

BY:

Robin J. Keegan,

Deputy Assistant Secretary for Economic Development

(Date)

APPENDIX 1 – Project Narrative



**Office of Community
Planning and
Development**
*Congressional Grants
Division*

**U.S. Department of
Housing and Urban
Development**
Washington, DC
20410-7000



7800 Katella Avenue
Stanton, CA 90680



P | (714) 379-9222
F | (714) 890-1443



Stanton@StantonCA.gov
StantonCA.gov

FY22 Community Project Funding Grant Agreement Project Summary – Orangewood Complete Streets Project

Orangewood Complete Streets Project

Orangewood Avenue is a 2 and 4 lane east-west collector road that serves residents and bypass traffic in the City of Stanton. The segment joins City of Garden Grove limits on the eastside and leads to an end in a local neighborhood at Santa Rosalia Street on the westside. Santa Rosalia Street is a two-way north-south local street that primarily serves neighborhood residents. Orangewood Avenue and Santa Rosalia Street are planned for in the Stanton Active Transportation Plan for inclusion of bicycle facilities to provide a connection to existing local and regional bicycle facilities. The project corridors connect to range of local key destinations that include Stanton City Hall, multiple K-12 schools, Stanton Park, Stanton Storm Channel, the Family Resource Center, the Boys & Girls Club, and commercial districts along Beach Boulevard, Katella Avenue, and Chapman Avenue.

The project proposes to implement roadway features that include a road diet for the installation of a Class II Bicycle Lane on Orangewood Avenue and a Class I Shared-Use Path on Santa Rosalia Street. The project further proposes upgrading the existing outdated Stanton Storm Channel Bridge on the north-end of Santa Rosalia Street to establish a suitable multi-use connection. These facilities will effectively bridge a connection to existing bicycle infrastructure within the City and with neighboring Cities. The project also proposes the installation of bulb-outs along both roadway segments, upgrades for ADA compliant curb ramps, parkways and landscaping, installation of high visibility roadway markings such as continental crosswalks and bicycle markings, signage upgrades, street lighting upgrades, traffic signal modifications, replacement of sidewalks, curb & gutters, and cross gutters, and a complete grind & overlay of both street segments.

APPENDIX 2 – Approved Budget



**Office of Community
Planning and
Development**
Congressional Grants
Division

**U.S. Department of
Housing and Urban
Development**
Washington, DC
20410-7000



7800 Katella Avenue
Stanton, CA 90680



P | (714) 379-9222
F | (714) 890-1443



Stanton@StantonCA.gov
StantonCA.gov

FY22 Community Project Funding Grant Approved Budget – Orangewood Complete Streets Project

Total Project Budget / Cost Estimate	
Item	Estimated Cost
<i>Pre-Construction (costs incurred prior to breaking ground, examples include: design, permits, CEQA)</i>	
CEQA, NEPA, and Consultant Fees	\$50,000.00
Engineering Design and Construction Documents	\$350,000.00
Permits	\$15,000.00
Contract Administration and Staff Oversight	\$50,000.00
<i>Construction + Contingency</i>	
Demolition	\$110,000.00
Construction	\$3,990,000.00
Total Cost Estimate	\$4,565,000.00
Total CALL	\$4,570,000.00

FY2022 Community Project Funding	
Item	Estimated Cost
<i>Pre-Construction (costs incurred prior to breaking ground, examples include: design, permits, CEQA)</i>	
CEQA, NEPA, and Consultant Fees	\$50,000.00
Engineering Design and Construction Documents	\$350,000.00
Permits	\$15,000.00
Contract Administration and Staff Oversight	\$50,000.00
<i>Construction + Contingency</i>	
Demolition	\$110,000.00
Construction	\$271,320.00
Total Cost Estimate	\$846,320.00
Total CALL	\$850,000.00
FY2022 Community Project Funding Amount	\$850,000.00

Other Funding	
Item	Estimated Cost
<i>Construction + Contingency</i>	
Construction	\$3,718,680.00
Total Cost Estimate	\$3,718,680.00
Total CALL	\$3,720,000.00
Other Funding	\$3,720,000.00

APPENDIX 3 – Grantee’s Indirect Cost Rate Information

Subject to the applicable requirements in 2 CFR part 200 (including its appendices), the Grantee will use an indirect cost rate as represented by the Grantee below:

- ? The Grantee will not use an indirect cost rate to charge its indirect costs to the grant.
- ? The Grantee will use the indirect cost rate(s) identified in the table below to charge its indirect costs to the grant.

Agency/Dept./Major Function	Indirect cost rate	Direct Cost Base
_____	_____ %	_____
_____	_____ %	_____

[PLEASE NOTE: The grantee must check one of the two boxes above. If the second box is checked, the corresponding table must be filled out as described below.

The table must include each indirect cost rate that will be used to calculate the Grantee’s indirect costs under the grant. The table must also specify the type of direct cost base to which each included rate applies (for example, Modified Total Direct Costs (MTDC)). Do not include indirect cost rate information for subrecipients.

For government entities, enter each agency or department that will carry out activities under the grant, the indirect cost rate applicable to each department/agency (including if the de minimis rate is used per 2 CFR 200.414), and the type of direct cost base to which the rate will be applied.

For nonprofit organizations that use the Simplified Allocation Method for indirect costs or elects to use the de minimis rate of 10% of Modified Total Direct Costs in accordance with 2 CFR 200.414, enter the applicable indirect cost rate and type of direct cost base in the first row of the table.

For nonprofit organizations that use the Multiple Allocation Base Method, enter each major function of the organization for which a rate was developed and will be used under the grant, the indirect cost rate applicable to that major function, and the type of direct cost base to which the rate will be applied.]

APPENDIX 4 – Award Term and Condition for Grantee Integrity and Performance Matters

Reporting of Matters Related to Grantee Integrity and Performance

1. General Reporting Requirement

If the total value of the Grantee's currently active grants, cooperative agreements, and procurement contracts from all Federal awarding agencies exceeds \$10,000,000 for any period of time during the period of performance of this Federal award, then during that period of time the Grantee must maintain the currency of information reported to the System for Award Management (SAM) that is made available in the designated integrity and performance system (currently the Federal Awardee Performance and Integrity Information System (FAPIIS)) about civil, criminal, or administrative proceedings described in paragraph 2 of this award term and condition. This is a statutory requirement under section 872 of Public Law 110-417, as amended (41 U.S.C. 2313). As required by section 3010 of Public Law 111-212, all information posted in the designated integrity and performance system on or after April 15, 2011, except past performance reviews required for Federal procurement contracts, will be publicly available.

2. Proceedings About Which Grantee Must Report

During any period of time when the Grantee is subject to the requirement in paragraph 1 of this award term and condition, the Grantee must submit the information required about each proceeding that:

- a. Is in connection with the award or performance of a grant, cooperative agreement, or procurement contract from the Federal Government;
- b. Reached its final disposition during the most recent five-year period; and
- c. Is one of the following:
 - (1) A criminal proceeding that resulted in a conviction, as defined in paragraph 5 of this award term and condition;
 - (2) A civil proceeding that resulted in a finding of fault and liability and payment of a monetary fine, penalty, reimbursement, restitution, or damages of \$5,000 or more;
 - (3) An administrative proceeding, as defined in paragraph 5. of this award term and condition, that resulted in a finding of fault and liability and the Grantee's payment of either a monetary fine or penalty of \$5,000 or more or reimbursement, restitution, or damages in excess of \$100,000; or
 - (4) Any other criminal, civil, or administrative proceeding if:
 - (i) It could have led to an outcome described in paragraph 2.c.(1), (2), or (3) of this award term and condition;

(ii) It had a different disposition arrived at by consent or compromise with an acknowledgment of fault on the Grantee's part; and

(iii) The requirement in this award term and condition to disclose information about the proceeding does not conflict with applicable laws and regulations.

3. Reporting Procedures

During any period of time when the Grantee is subject to the requirement in paragraph 1 of this award term and condition, the Grantee must enter in the SAM Entity Management area the information that SAM requires about each proceeding described in paragraph 2 of this award term and condition. The Grantee does not need to submit the information a second time under assistance awards that the Grantee received if the Grantee already provided the information through SAM because the Grantee was required to do so under Federal procurement contracts that the Grantee was awarded.

4. Reporting Frequency

During any period of time when the Grantee is subject to the requirement in paragraph 1 of this award term and condition, the Grantee must report proceedings information through SAM for the most recent five-year period, either to report new information about any proceeding(s) that the Grantee has not reported previously or affirm that there is no new information to report. If the Grantee has Federal contract, grant, and cooperative agreement awards with a cumulative total value greater than \$10,000,000, the Grantee must disclose semiannually any information about the criminal, civil, and administrative proceedings.

5. Definitions

For purposes of this award term and condition:

a. Administrative proceeding means a non-judicial process that is adjudicatory in nature in order to make a determination of fault or liability (e.g., Securities and Exchange Commission Administrative proceedings, Civilian Board of Contract Appeals proceedings, and Armed Services Board of Contract Appeals proceedings). This includes proceedings at the Federal and State level but only in connection with performance of a Federal contract or grant. It does not include audits, site visits, corrective plans, or inspection of deliverables.

b. Conviction, for purposes of this award term and condition, means a judgment or conviction of a criminal offense by any court of competent jurisdiction, whether entered upon a verdict or a plea, and includes a conviction entered upon a plea of nolo contendere.

c. Total value of currently active grants, cooperative agreements, and procurement contracts includes—

(1) Only the Federal share of the funding under any Federal award with a cost share or match requirement; and

(2) The value of all expected funding increments under a Federal award and options, even if not yet exercised.

APPENDIX 5 – Specific Award Conditions
NONE.

APPENDIX 6 – Conflict of Interest Requirements

1. *Conflicts Subject to Procurement Regulations.* When procuring property or services, the grantee and its subrecipients shall comply with the applicable conflict-of-interest rules in 2 CFR 200.317 and 2 CFR 200.318(c). In all cases not governed by 2 CFR 200.317 and 2 CFR 200.318(c), the Grantee and its subrecipients must follow the requirements contained in paragraphs 2-5 below.

2. *General prohibition.* No person who is an employee, agent, consultant, officer, or elected or appointed official of the Grantee or subrecipient and who exercises or has exercised any functions or responsibilities with respect to assisted activities, or who is in a position to participate in a decision making process or gain inside information with regard to such activities, may obtain a financial interest or benefit from the activity, or have a financial interest in any contract, subcontract, or agreement with respect thereto, or the proceeds thereunder, either for himself or herself or for those with whom he or she has immediate family or business ties, during his or her tenure or for one year thereafter. Immediate family ties include (whether by blood, marriage or adoption) the spouse, parent (including a stepparent), child (including a stepchild), sibling (including a stepsibling), grandparent, grandchild, and in-laws of a covered person.

3. *Exceptions.* HUD may grant an exception to the general prohibition in paragraph (ii) upon the Grantee's written request and satisfaction of the threshold requirements in paragraph (iv), if HUD determines the exception will further the Federal purpose of the award and the effective and efficient administration of the Grantee's project, taking into account the cumulative effects of the factors in paragraph (v).

4. *Threshold requirements for exceptions.* HUD will consider an exception only after the Grantee has provided the following documentation:

- a. A disclosure of the nature of the conflict, accompanied by an assurance that there has been public disclosure of the conflict and a description of how that disclosure was made; and
- b. An opinion of the Grantee's attorney that the interest for which the exception is sought would not violate state or local law.

5. *Factors to be considered for exceptions.* In determining whether to grant a requested exception after the Grantee has satisfactorily met the threshold requirements in paragraph (iii), HUD will consider the cumulative effect of the following factors, where applicable:

- a. Whether the exception would provide a significant cost benefit or an essential degree of expertise to the program or project that would otherwise not be available;
- b. Whether an opportunity was provided for open competitive bidding or negotiation;
- c. Whether the person affected is a member of a group or class of low- or moderate-income persons intended to be the beneficiaries of the assisted activity, and the exception

will permit such person to receive generally the same interests or benefits as are being made available or provided to the group or class;

d. Whether the affected person has withdrawn from his or her functions or responsibilities, or the decision-making process regarding the assisted activity in question;

e. Whether the interest or benefit was present before the affected person was in a position as described in paragraph (ii);

f. Whether undue hardship will result either to the Grantee or the person affected when weighed against the public interest served by avoiding the prohibited conflict; and

g. Any other relevant considerations.

6. *Disclosure of potential conflicts of interest.* The Grantee must disclose in writing to HUD any potential conflict of interest.

APPENDIX 7 – Award Term and Condition Regarding Trafficking in Persons

The following award term and condition, which is required by 2 CFR part 175, applies as written:

a. Provisions applicable to a grantee that is a private entity.

1. You as the grantee, your employees, subrecipients under this award, and subrecipients' employees may not—
 - i. Engage in severe forms of trafficking in persons during the period of time that the award is in effect;
 - ii. Procure a commercial sex act during the period of time that the award is in effect; or
 - iii. Use forced labor in the performance of the award or subawards under the award.
2. We as the Federal awarding agency may unilaterally terminate this award, without penalty, if you or a subrecipient that is a private entity:
 - i. Is determined to have violated a prohibition in paragraph a.1 of this award term; or
 - ii. Has an employee who is determined by the agency official authorized to terminate the award to have violated a prohibition in paragraph a.1 of this award term through conduct that is either—

A. Associated with performance under this award; or

B. Imputed to you or the subrecipient using the standards and due process for imputing the conduct of an individual to an organization that are provided in 2 CFR Part 180, “OMB Guidelines to Agencies on Governmentwide Debarment and Suspension (Nonprocurement),” as implemented by HUD at 2 CFR 2424.

b. Provision applicable to a grantee other than a private entity.

We as the Federal awarding agency may unilaterally terminate this award, without penalty, if a subrecipient that is a private entity—

1. Is determined to have violated an applicable prohibition in paragraph a.1 of this award term; or
2. Has an employee who is determined by the agency official authorized to terminate the award to have violated an applicable prohibition in paragraph a.1 of this award term through conduct that is either:

- i. Associated with performance under this award; or
- ii. Imputed to the subrecipient using the standards and due process for imputing the conduct of an individual to an organization that are provided in 2 CFR part 180, “OMB Guidelines to Agencies on Governmentwide Debarment and Suspension (Nonprocurement),” as implemented by HUD at 2 CFR 2424.

c. Provisions applicable to any grantee.

- 1. You must inform us immediately of any information you receive from any source alleging a violation of a prohibition in paragraph a.1 of this award term.
- 2. Our right to terminate unilaterally that is described in paragraph a.2 or b of this section:
 - i. Implements section 106(g) of the Trafficking Victims Protection Act of 2000 (TVPA), as amended (22 U.S.C. 7104(g)), and
 - ii. Is in addition to all other remedies for noncompliance that are available to us under this award.
- 3. You must include the requirements of paragraph a.1 of this award term in any subaward you make to a private entity.

d. Definitions. For purposes of this award term:

- 1. “Employee” means either:
 - i. An individual employed by you or a subrecipient who is engaged in the performance of the project or program under this award; or
 - ii. Another person engaged in the performance of the project or program under this award and not compensated by you including, but not limited to, a volunteer or individual whose services are contributed by a third party as an in-kind contribution toward cost sharing or matching requirements.
- 2. “Forced labor” means labor obtained by any of the following methods: the recruitment, harboring, transportation, provision, or obtaining of a person for labor or services, through the use of force, fraud, or coercion for the purpose of subjection to involuntary servitude, peonage, debt bondage, or slavery.

3. “Private entity”:

i. Means any entity other than a State, local government, Indian tribe, or foreign public entity, as those terms are defined in 2 CFR 175.25.

ii. Includes:

A. A nonprofit organization, including any nonprofit institution of higher education, hospital, or tribal organization other than one included in the definition of Indian tribe at 2 CFR 175.25(b).

B. A for-profit organization.

4. “Severe forms of trafficking in persons,” “commercial sex act,” and “coercion” have the meanings given at section 103 of the TVPA, as amended (22 U.S.C. 7102).

CITY OF STANTON

REPORT TO CITY COUNCIL

TO: Honorable Mayor and Members of the City Council

DATE: September 12, 2023

SUBJECT: CONDUCT A PUBLIC HEARING AND CONSIDER ADOPTION OF RESOLUTION NO. 2023-25, “A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF STANTON, CALIFORNIA, APPROVING AN AMENDED AND RESTATED FRANCHISE AGREEMENT FOR SOLID WASTE COLLECTION SERVICES WITH CR&R INCORPORATED AND ADOPTING MAXIMUM PERMITTED SERVICE CHARGES”

REPORT IN BRIEF:

The City of Stanton has an exclusive franchise with CR&R, Inc. (“CR&R”) for the collection, disposal, recycling, and processing of solid waste within the City. CR&R is proposing to increase the rates it charges for the collection and handling of solid waste within the City in order to account for the increased cost of complying with certain new organic waste mandates. The attached Resolution would, if approved and adopted by the City Council, implement these rate increases (proposed as 3.5% for single family residential customers and 8.3% for commercial customers). Out of an abundance of caution, and without conceding the applicability of Proposition 218 (Prop. 218) to solid waste rate changes, a notice was mailed for a public hearing set for this evening’s regular meeting of the City Council to discuss the proposed solid waste rate increases called for by the first amendment to the CR&R franchise agreement.

RECOMMENDED ACTION:

1. City Council conduct a public hearing to accept written protests and verbal comments against the increased solid waste fees, track the number of valid written protests and, if the number of written protests received by the close of the public comment portion of the hearing is not sufficient to constitute a majority, make a finding that there is not a majority protest by property owners and/or tenants; and
2. Approve Resolution No. 2023-25, entitled:

“A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF STANTON, CALIFORNIA, APPROVING AN AMENDED AND RESTATED FRANCHISE AGREEMENT FOR SOLID WASTE COLLECTION SERVICES WITH CR&R INCORPORATED AND ADOPTING MAXIMUM PERMITTED SERVICE CHARGES”; and

3. Authorize the City Manager to execute the Amended and Restated Franchise Agreement with CR&R Incorporated.

BACKGROUND:

The City has an exclusive franchise agreement with CR&R for the collection and handling of refuse, recyclable materials, and organic waste (green waste and food scrap waste) within the City (collectively, "Solid Waste Service"). All properties within the City are required to subscribe to the Solid Waste Service provided by CR&R. Pursuant to the franchise agreement, Solid Waste Service Fees are imposed on customers within the City who receive Solid Waste Service from CR&R. CR&R bills customers directly for Solid Waste Service. The revenues from the charges are used to pay CR&R for the Solid Waste Service provided. CR&R has provided Solid Waste Service since at least 2012 under the terms of the current franchise agreement. This agreement has been amended three times: (1) 2015 to add organics services, (2) 2016 to include additional programs, and (3) to include a third cart and provide rate adjustments.

The rate structure for the Solid Waste Service has two customer classes — residential and commercial (which includes industrial customers). CR&R bills single-family residential customers quarterly for cart service and bills multi-family and commercial customers monthly for bin service. Single-family residential customers and some multi-family residential customers receive a set of carts for refuse, recycling, and organic waste. For residential customers subscribing to cart service, the rates for the Solid Waste Service are calculated based on a complete set of Solid Waste Containers (i.e., refuse, recyclable materials, and organic waste), with additional charges for additional carts requested. For multi-family residential and commercial customers, the rates for the Solid Waste Service Charges are calculated on: the basis of the size (in cubic yards) of the Solid Waste containers that they use (i.e., bins or roll-off containers); the type of material collected in the container (refuse, recyclable materials, or organic waste); and the number of pick-ups per week.

Commercial customers may request more pick-ups than are scheduled and may also request the delivery of temporary extra bins to their property. A separate, temporary "extra bin pick up fee" and "bin delivery fee" is imposed on any customer who requests these services.

ANALYSIS/JUSTIFICATION:

The franchise agreement establishes a process for revising the amount that CR&R will charge for the Solid Waste Service it provides within the City. CR&R is proposing to increase the rates it charges for Solid Waste Service. The franchise agreement provides that the rates may be adjusted annually to account for inflationary increases. CR&R has requested an increase in costs due to CR&R's cost of complying with organic waste mandates, such as regulations implementing SB 1383 (Chapter 395,

Statutes of 2016), which is the most significant change in solid waste law in 30 years. These regulations took effect in January 2022 and require CR&R to incur new costs for organic waste collection and processing, contamination monitoring, and public outreach.

In an abundance of caution, the City has elected to conduct a Proposition 218 Hearing prior to allowing CR&R to charge the new rates.

Summarized below is the Proposition 218 majority protest process and requirements:

1. At least 45 days in advance of the public hearing, a Public Notice is mailed out to all property owners and customers responsible for payment of the charges proposed to be increased. The Notice must include, at a minimum, the following information:
 - a. A description of the reasons for the cost increase(s);
 - b. The proposed rate increase(s); and
 - c. The Public Hearing date and time.
2. The Proposition 218 Hearing must be held in accordance with California Constitution Article XIII D. At the hearing, the City Council shall consider all written and oral comments received. Written comments are a formal protest; oral comments are not a formal protest and will not be counted in the calculation of whether a majority protest exists. Only one written protest is allowed per identified address or parcel number. The written protest must include, at a minimum, the following information:
 - a. State that the identified property owner or tenant opposes the proposed fee increases to the solid waste collection rates;
 - b. Provide the location of the identified parcel (by street address or assessor parcel number); and
 - c. Include the name and signature of the property owner or tenant submitting the protest.
3. If protests against the rate increase are not received from a majority of the property owners and/or tenants, the City Council will be authorized to approve the proposed rate changes, as adopted by the Resolution.

If the Resolution is adopted, the new rates go into effect on September 1, 2023. A copy of the proposed new rates is attached to the Resolution. Any rate adjustment thereafter would be subject to the Competitive Rate Guarantee described below.

Annual Adjustments

- **CPI Adjustment:** The proposed maximum Solid Waste Service Charges attached to the Resolution account for inflation. Beginning September 1, 2024, and each September 1 thereafter for a five-year period, through and including September 1, 2028, the Solid Waste Service Charges shall be adjusted by an amount not to exceed the actual 12-month annual percentage change (April of the prior year through March of the current year) in the Consumer Price Index for All Urban Consumers (CPI-U), Not Seasonally Adjusted, All Items, Los Angeles-Long Beach-Anaheim, CA ("CPI"), as maintained and published by the United States Department of Labor, U.S. Bureau of Labor Statistics.
- **Competitive Rate Guarantee:** CR&R has agreed to a Competitive Rate Guarantee for residential and commercial solid waste collection service. Rates for residential and commercial solid waste collection service shall be equal to or less than the 50th percentile of comparable rates for Solid Waste Service, as of July 1 each year, charged by the following thirteen (13) cities in north Orange County: Anaheim, Brea, Buena Park, Cypress, Fountain Valley, Fullerton, Garden Grove, La Habra, La Palma, Los Alamitos, Placentia, Seal Beach, and Westminster (Midway Sanitary District). Comparable rates shall be the rates charged to ratepayers, less any amount attributable to fees (e.g., franchise fees, AB 939 fees, admin fees, etc.) paid to or collected by each of the jurisdictions (with the exception of Administration and Environmental Impact Fees), and less any amount for non-Solid Waste related services. The 50th percentile of each of the rates shall be determined by examining the comparable rates of the above-listed jurisdictions, and, for each type of rate, identifying the rate of the seventh-ranked jurisdiction.
- Notwithstanding any rate adjustment resulting from the annual CPI adjustment, City shall apply the Competitive Rate Guarantee so that the Solid Waste Service rates shall not exceed the median of the rates for similar services among the thirteen north Orange County cities listed above. In other words, under the Competitive Rate Guarantee, the maximum Solid Waste Service Charges will first be adjusted by the annual CPI adjustment, then specific rates for the solid waste collection service will be reduced if the 50th percentile of comparable rates among the thirteen jurisdictions in north Orange County listed above is less than the CPI-adjusted rate. The rates will be adjusted each September 1 in this way.

FISCAL IMPACT:

The proposed rate increases would enable CR&R to continue to provide the Solid Waste Service at current levels, while also ensuring compliance with organic waste mandates. Residential and commercial solid waste customers should expect to pay the rates identified in the rate sheet attached to the Resolution, as further adjusted by the CPI Adjustment and limited by the Competitive Rate Guarantee.

ENVIRONMENTAL IMPACT:

The approval of the Resolution is not subject to the requirements of the California Environmental Quality Act ("CEQA"). This approval is not a "project" within the meaning of Section 15378 of Title 14 of the California Code of Regulations ("State CEQA Guidelines") because it has no potential for resulting in direct or indirect physical change in the environment. The approval of the Resolution is exempt from CEQA review because it does not constitute a project under CEQA pursuant to Section 15378(b)(5) of the State CEQA Guidelines, which provides that organizational and administrative activities of governments that will not result in physical changes in the environment are not considered projects for CEQA purposes.

PUBLIC NOTIFICATION:

In an abundance of caution, public notice pursuant to the requirements of a Proposition 218 hearing was given by mailing out, at least 45 days in advance of the hearing, a Public Notice (attached to this staff report) to all property owners and customers responsible for payment of the charges proposed to be increased.

STRATEGIC PLAN OBJECTIVES:

Obj. No. 3: Promote a quality infrastructure.

Obj. No. 5: Provide a high quality of life.

Obj. No. 6: Maintain and promote a responsive, high quality and transparent government.

Prepared by: HongDao Nguyen, City Attorney

Reviewed by: Cesar Rangel P.E., Director of Public Works/City Engineer

Fiscal Impact Reviewed by: Michelle Bannigan, Finance Director

Approved by: Hannah Shin-Heydorn, City Manager

Attachments:

- A. Resolution No. 2023-25
- B. Public Notice
- C. Amended and Restated Franchise Agreement

RESOLUTION NO. 2023-25

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF STANTON, CALIFORNIA, APPROVING AN AMENDED AND RESTATED FRANCHISE AGREEMENT FOR SOLID WASTE COLLECTION SERVICES WITH CR&R INCORPORATED AND ADOPTING MAXIMUM PERMITTED SERVICE CHARGES

THE CITY COUNCIL OF THE CITY OF STANTON DOES HEREBY RESOLVE AS FOLLOWS:

WHEREAS, CR&R Incorporated (“CR&R”) a California corporation, provides refuse, recyclables, and organic waste (including green waste and food waste) (collectively, “solid waste”) collection, transportation, recycling, processing, composting, and disposal services to the City of Stanton (“City”) pursuant to an exclusive franchise agreement with the City (“Agreement”); and

WHEREAS, CR&R is required to provide such solid waste services (“Services”) as set forth in the Agreement; and

WHEREAS, the City desires to amend and restate the Agreement with CR&R to provide for additional services and updated rates for Services; and

WHEREAS, the rate structure for solid waste collection is based on the container size, number of containers, type of materials accepted in the containers, and frequency of collection; and

WHEREAS, the City has determined that it is necessary to impose new, increased or modified rates for its solid waste service charges (collectively herein, the “Charges”); and

WHEREAS, the amount of the Charges will not exceed the proportional cost of the service attributable to each parcel upon which they are proposed for imposition; and

WHEREAS, the Charges will not be imposed on a parcel unless the services are actually used by, or immediately available to, the owner or tenant of the parcel; and

WHEREAS, California Constitution article XIII D, section 6 (“Article XIII D”) requires that prior to imposing any increase to the Charges, the City shall provide written notice (the “Notice”) by mail of: (1) the proposed increases to such Charges to the record owner of each parcel upon which the Charges are proposed for imposition and any tenant directly liable for payment of the Charges; (2) the amount of the Charges proposed to be imposed on each parcel; (3) the basis upon which the Charges were calculated; (4) the reason for the Charges; and (5) the date, time, and location of a public hearing (the “Hearing”) on the proposed Charges; and

WHEREAS, pursuant to Article XIII D such Notice is required to be provided to the affected property owners and any tenant directly liable for the payment of the Charges not less than 45 days prior to the Hearing on the proposed Charges; and

WHEREAS, the Notice was mailed in accordance with Article XIII D; and

WHEREAS, the Hearing was held on this day, September 12, 2023; and

WHEREAS, at the Hearing the City Council heard and considered all oral testimony, written materials, and written protests concerning the establishment and imposition of the proposed Charges, and at the close of the Hearing the City did not receive written protests against the establishment and imposition of the proposed rate increases for the Charges from a majority of the affected property owners upon which the Charges are proposed for imposition or any tenants directly liable for the payment of the Charges; and

WHEREAS, the City Council now desires to establish and impose the proposed Charges. The City is voluntarily complying with Proposition 218 as noted above in an abundance of caution and without conceding the applicability of Proposition 218.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF STANTON, CALIFORNIA, DOES RESOLVE, DECLARE, DETERMINE AND ORDER AS FOLLOWS:

SECTION 1: That the foregoing Recitals are true and correct and are incorporated herein by this reference.

SECTION 2: The City Council hereby approves the Charges, effective September 1, 2023, for solid waste service at the maximum rates as set forth in Exhibit A, attached hereto and incorporated herein by this reference.

SECTION 3: Beginning September 1, 2024, and each September 1 thereafter for a five-year period, through and including July 1, 2028, the solid waste Charges shall be adjusted by an amount not to exceed the actual 12-month annual average percentage change (April through March of the prior year) in the Consumer Price Index for All Urban Consumers (CPI-U), Not Seasonally Adjusted, All Items, Los Angeles-Long Beach-Anaheim, CA ("CPI"), as maintained and published by the United States Department of Labor, U.S. Bureau of Labor Statistics. In no event may an annual adjustment exceed the City's cost of providing solid waste services.

SECTION 4: All residential and commercial rates shall be equal to or less than the 50th percentile of comparable rates for solid waste service, as of July 1 each year, charged by the following Anaheim, Brea, Buena Park, Cypress, Fountain Valley, Fullerton, Garden Grove, La Habra, La Palma, Los Alamitos, Placentia, Seal Beach, and Westminster (Midway Sanitary District). Comparable rates shall be the rates charged to ratepayers, less any amount attributable to fees paid to or collected by each of the jurisdictions (with the exception of Administration and Environmental Impact Fees), and less any amount for non-solid waste related services. The 50th percentile of each of the rates shall be

determined by examining the comparable rates of the above-listed jurisdictions, and, for each type of rate, identifying the rate of the seventh-ranked jurisdiction. Notwithstanding any rate adjustment resulting from the annual CPI adjustment in Section 3, City shall apply the competitive rate guarantee so that the solid waste service Charges shall not exceed the median of the rates for similar services among the thirteen (13) north Orange County cities. In other words, the maximum solid waste service rates will be adjusted by the annual CPI adjustment, with specific rates reduced if the 50th percentile of comparable rates among the 13 cities in north Orange County listed above are less than the CPI-adjusted rate. The rates would be adjusted each September 1 to account for both the CPI adjustment and any rate reduction under this section.

SECTION 5: To the extent any Charges established by this Resolution are inconsistent with any Charges previously adopted by the City Council, it is the explicit intention of the City Council that the Charges adopted pursuant to this Resolution shall prevail.

SECTION 6: The City Council hereby approves the Amended and Restated Franchise Agreement between the City of Stanton and CR&R Incorporated for Solid Waste Collection Services with CR&R Incorporated, attached hereto as Exhibit B and incorporated herein by this reference.

SECTION 7: In accordance with the California Environmental Quality Act (CEQA) and the CEQA Guidelines, the City Council has determined that the increases in solid waste service Charges are not a project subject to CEQA pursuant to Section 15378(b)(4) because the Charges constitute the creation of a funding mechanism or other governmental fiscal activity which does not involve any commitment to any specific project which may result in a potentially significant physical impact on the environment. In addition, even if the action is considered a “project” subject to CEQA, it is exempt under Section 15273 of the CEQA Guidelines and Public Resources Code section 21080(b)(8) because the increased charges are for the purpose of meeting operational and maintenance expenses of the aforementioned Services. The documents and materials that constitute the record of proceedings on which these findings have been based are located at 7800 Katella Avenue, Stanton, CA 90680. The custodian for these records is the City Clerk of the City.

SECTION 8: If any section, subsection, subdivision, sentence, clause, or phrase in this Resolution or any part thereof is for any reason held to be unconstitutional, invalid, or ineffective by any court of competent jurisdiction, such decision shall not affect the validity or effectiveness of the remaining portions of this Resolution or any part thereof. The City Council hereby declares that it would have adopted each section irrespective of the fact that any one or more subsections, subdivisions, sentences, clauses, or phrases be declared unconstitutional, invalid, or ineffective.

SECTION 9: This Resolution shall take effect immediately upon its adoption.

SECTION 10: The City Clerk shall attest and certify to the passage and adoption thereof.

ADOPTED, SIGNED AND APPROVED this 12th day of September, 2023.

HONG ALYCE VAN, MAYOR PRO TEM

APPROVED AS TO FORM:

HONGDAO NGUYEN, CITY ATTORNEY

ATTEST:

I, Patricia A. Vazquez, City Clerk of the City of Stanton, California DO HEREBY CERTIFY that the foregoing Resolution, being Resolution No. 2023-25 has been duly signed by the Mayor Pro Tem and attested by the City Clerk, all at a regular meeting of the Stanton City Council, held on September 12, 2023, and that the same was adopted, signed, and approved by the following vote to wit:

AYES: _____

NOES: _____

ABSENT: _____

ABSTAIN: _____

PATRICIA A. VAZQUEZ, CITY CLERK

EXHIBIT A

MAXIMUM PERMITTED SOLID WASTE COLLECTION SERVICE CHARGES

EXHIBIT B

AMENDED AND RESTATED FRANCHISE AGREEMENT BETWEEN THE CITY OF
STANTON AND CR&R INCORPORATED FOR SOLID WASTE COLLECTION
SERVICES



**NOTICE OF PUBLIC HEARING
CONCERNING PROPOSED RATE INCREASES
TO SOLID WASTE SERVICE CHARGES**

NOTICE IS HEREBY GIVEN that the City Council of the City of Stanton (the “City”) will conduct a Public Hearing on **September 12, 2023, at 6:30 p.m., in the City Council Chamber in the City Hall, located at 7800 Katella Ave., Stanton, CA 90680**, or as soon thereafter as the matter may be heard, to consider adopting increases and adjustments in the current rates for Solid Waste Service. Members of the public may view the hearing live by either attending in-person or via teleconference (electronically/telephonically) through Zoom. Any member of the public wishing to provide public comment may do so by either attending the meeting in-person or by e-mail to Pvazquez@StantonCA.gov. Staff will not read e-mailed comments at the meeting. However, the official record will include all e-mailed comments received until the close of the meeting. The City will provide public access information pertaining to the Public Hearing, via the City Council agenda, which will be posted to the City’s website when such information becomes available (www.StantonCA.gov/agenda)

REASONS FOR THE PROPOSED INCREASES

The City has an exclusive franchise agreement with CR&R Inc. (“CR&R”) for the collection and handling of refuse, recyclable materials, and organic waste (green waste and food scrap waste) within the City (collectively, “Solid Waste Service”). All properties within the City are required to subscribe to the Solid Waste Service provided by CR&R. Pursuant to the franchise agreement, Solid Waste Service Fees are imposed on customers within the City who receive Solid Waste Service from CR&R. CR&R bills customers directly for Solid Waste Service. The revenues from the charges are used to pay CR&R for the Solid Waste Service provided.

The franchise agreement establishes a process for revising the amount that CR&R will charge for the Solid Waste Service it provides within the City. CR&R is proposing to increase the rates it charges for Solid Waste Service. The franchise agreement provides that the rates may be adjusted annually to account for inflationary increases.

CR&R has requested an increase in costs to due to CR&R’s cost of complying with organic waste mandates, such as regulations implementing SB 1383 (Chapter 395, Statutes of 2016), which is the most significant change in solid waste law in 30 years. These regulations took effect in January 2022 and require CR&R to incur new costs for organic waste collection and processing, contamination monitoring, and public outreach. To recover the increased costs of providing Solid Waste Service as described above, the City has determined that it is necessary to increase the rates for the Solid Waste Service it imposes on its Solid Waste customers.

PROPOSED SOLID WASTE SERVICE CHARGES

The rate structure for the Solid Waste Service has two customer classes — residential and commercial (which includes industrial customers). CR&R bills single-family residential customers quarterly for cart service, and bills multi-family and commercial customers monthly for bin service. Single-family residential customers and some multi-family residential customers receive a set of carts for refuse, recycling, and organic waste. For residential customers subscribing to cart service, the rates for the Solid Waste Service are calculated based on a complete set of Solid Waste Containers (i.e., refuse, recyclable materials, and organic waste), with additional charges for additional carts requested. For multi-family residential and commercial customers, the rates for the Solid Waste Service Charges are calculated on: the basis of the size (in cubic yards) of the Solid Waste containers that they use (i.e., bins or roll-off containers); the type of material collected in the container (refuse, recyclable materials, or organic waste); and the number of pick-ups per week.

Commercial customers may request more pick-ups than are scheduled, and may also request the delivery of temporary extra bins to their property. A separate, temporary “extra bin pick up fee” and “bin delivery fee” is imposed on any customer who requests these services.

If adopted, the proposed maximum Solid Waste Service rates in the attached Exhibit “A” will take effect **beginning September 1, 2023**, subject to the Competitive Rate Guarantee described below.

Annual Adjustments

- **CPI Adjustment:** The proposed maximum Solid Waste Service Charges in Exhibit “A” account for inflation. Beginning September 1, 2024, and each September 1 thereafter for a five-year period, through and including September 1, 2028, the Solid Waste Service Charges shall be adjusted by an amount not to exceed the actual 12-month annual percentage change (April of the prior year through March of the current year) in the Consumer Price Index for All Urban Consumers (CPI-U), Not Seasonally Adjusted, All Items, Los Angeles-Long Beach-Anaheim, CA (“CPI”), as maintained and published by the United States Department of Labor, U.S. Bureau of Labor Statistics.
- **Competitive Rate Guarantee:** CR&R has agreed to a Competitive Rate Guarantee for residential and commercial solid waste collection service. Rates for residential and commercial solid waste collection service shall be equal to or less than the 50th percentile of comparable rates for Solid Waste Service, as of July 1 each year, charged by the following thirteen (13) cities in north Orange County: Anaheim, Brea, Buena Park, Cypress, Fountain Valley, Fullerton, Garden Grove, La Habra, La Palma, Los Alamitos, Placentia, Seal Beach, and Westminster (Midway Sanitary District). Comparable rates shall be the rates charged to ratepayers, less any amount attributable to fees (e.g., franchise fees, AB 939 fees, admin fees, etc.) paid to or collected by each of the jurisdictions (with the exception of Administration and Environmental Impact Fees), and less any amount for non-Solid Waste related services. The 50th percentile of each of the rates shall be determined by examining the comparable rates of the above-listed jurisdictions, and, for each type of rate, identifying the rate of the seventh-ranked jurisdiction.
- Notwithstanding any rate adjustment resulting from the annual CPI adjustment, City shall apply the Competitive Rate Guarantee so that the Solid Waste Service rates shall not exceed the median of the rates for similar services among the thirteen north Orange County cities listed above. In other words, under the Competitive Rate Guarantee, the maximum Solid Waste Service Charges will first be adjusted by the annual CPI adjustment, then specific rates for the solid waste collection service will be reduced if the 50th percentile of comparable rates among the thirteen jurisdictions in north Orange County listed above is less than the CPI-adjusted rate. The rates will be adjusted each September 1 in this way.

PUBLIC HEARING AND PROTESTS

Any property owner or any tenant (i.e., a customer of record) directly responsible for the payment of Solid Waste Service Charges may submit a written protest to the proposed rate increases to the City’s Solid Waste Service Charges; provided, however, only one written protest will be counted per identified parcel. Any written protest must: (1) state that the identified property owner or tenant is in opposition to the proposed rate increases to the Solid Waste Service Charges; (2) provide the location of the identified parcel (by street address or assessor’s parcel number); and (3) include the name and signature of the property owner or tenant submitting the protest. Written protests may be submitted by mail or in person to the City Clerk at **7800 Katella Ave, Stanton, CA 90680**, or at the Public Hearing (date and time noted above), provided they are received prior to the close of the public comment portion of the Public Hearing, which will occur when the public testimony on the proposed increases and adjustments is concluded. Any protest submitted via e-mail or other electronic means will not be accepted. Please identify on the front of the envelope for any written protest, whether mailed or submitted in person to the City Clerk, **“Attn: Public Hearing on Solid Waste Rate Increases.”**

IF YOU DO NOT OBJECT TO THE ADJUSTMENTS, NO ACTION IS REQUIRED.

The City Council will hear and consider all written protests and oral comments on the proposed rate increases at

the Public Hearing. Oral comments at the Public Hearing will not qualify as formal protests; only a written protest will count for the purposes of determining whether a majority protest exists. Upon the conclusion of the Public Hearing, if written protests against the proposed rate increases to the Solid Waste Service Charges as outlined above are not presented by a majority of property owners or tenants of the identified parcels, the City Council will be authorized to adopt the rate increases.

This protest hearing is being conducted in accordance with Article XIID of the California Constitution (also referred to as Proposition 218). Please note that a rate protest proceeding is not an election. To ensure transparency and accountability in the rate protest tabulation, protests shall constitute a disclosable public record from and after the time they are received. The City is conducting this Proposition 218 majority protest proceeding out of an abundance of caution and without conceding the applicability of Proposition 218 to Solid Waste Service.

For further details or questions regarding the basis and reasons for the proposed rate increases to the City's Solid Waste Service Charges, please contact the City at (714) 890-4203. For any questions you may have regarding your customer classification, please contact CR&R at (714) 372-8272.

Exhibit A

Maximum Solid Waste Service Charges

MONTHLY RATES

Residential Service	Current	Proposed	Commercial Service	Current	Proposed
90 gallon cart set	\$25.35	\$26.28	4 yard compactor 1x a week	\$380.39	\$412.08
Addl. 65 gal. recycle cart	\$0.00	\$0.00	4 yard compactor 2x a week	606.40	656.91
Addl. 65 gal. organics cart	\$0.00	\$0.00	4 yard compactor 3x a week	838.55	908.40
Addl 90 gallon refuse cart	\$21.73	\$22.52	4 yard compactor 4x a week	1,070.57	1,159.75
65 gallon senior discount	\$23.18	\$24.03	4 yard compactor 5x a week	1,302.80	1,411.32
Additional Pickup per Cart	\$20.56	\$21.31	4 yard compactor 6x a week	1,534.98	1,662.84
Cart redelivery/Re-start	\$13.24	\$13.72	2 yard recycle 1x a week	106.87	115.77
Cart replacement: lost	\$66.27	\$68.69	2 yard recycle 2x a week	172.58	186.96
Addl cart exch. 1x/yr.: per cart	\$43.38	\$44.96	2 yard recycle 3x a week	239.75	259.72
Cart Exchange/Damaged	\$64.55	\$66.91	2 yard recycle 4x a week	305.32	330.75
			2 yard recycle 5x a week	374.08	405.24
Commercial Service	Current	Proposed	2 yard recycle 6x a week	441.27	478.03
1 yard 1x a week	\$98.62	\$106.84	3 yard recycle 1x a week	130.85	141.75
1 yard 2x a week	159.93	173.25	3 yard recycle 2x a week	226.79	245.68
1 yard 3x a week	221.25	239.68	3 yard recycle 3x a week	315.02	341.26
1 yard 4x a week	281.50	304.95	3 yard recycle 4x a week	403.24	436.83
1 yard 5x a week	343.80	372.44	3 yard recycle 5x a week	491.39	532.33
1 yard 6x a week	435.76	472.06	3 yard recycle 6x a week	579.66	627.95
2 yard 1x a week	142.49	154.36	4 yard recycle 1x a week	173.75	188.22
2 yard 2x a week	230.11	249.28	4 yard recycle 2x a week	259.02	280.60
2 yard 3x a week	319.66	346.29	4 yard recycle 3x a week	344.27	372.95
2 yard 4x a week	407.09	441.00	4 yard recycle 4x a week	429.48	465.26
2 yard 5x a week	498.77	540.32	4 yard recycle 5x a week	514.77	557.65
2 yard 6x a week	588.36	637.37	4 yard recycle 6x a week	600.05	650.04
3 yard 1x a week	174.47	189.00	2 yard organics 1x a week	106.87	115.77
3 yard 2x a week	302.38	327.57	2 yard organics 2x a week	172.58	186.96
3 yard 3x a week	420.03	455.02	2 yard organics 3x a week	239.74	259.71
3 yard 4x a week	537.65	582.44	2 yard organics 4x a week	305.32	330.75
3 yard 5x a week	655.19	709.77	2 yard organics 5x a week	374.08	405.24
3 yard 6x a week	772.88	837.26	2 yard organics 6x a week	441.27	478.03
4 yard 1x a week	231.66	250.96	3 yard split bin 1x a week	189.81	205.62
4 yard 2x a week	345.36	374.13	3 yard split bin 2x a week	307.86	333.50
4 yard 3x a week	459.03	497.27	3 yard split bin 3x a week	425.88	461.36
4 yard 4x a week	572.64	620.34	3 yard split bin 4x a week	541.91	587.05
4 yard 5x a week	686.36	743.53	3 yard split bin 5x a week	661.87	717.00
4 yard 6x a week	\$800.07	\$866.72	3 yard split bin 6x a week	838.81	908.68
2 yard compactor 1x a week	\$201.24	\$218.00	4 yard split bin 1x a week	249.36	270.13
2 yard compactor 2x a week	341.54	369.99	4 yard split bin 2x a week	402.69	436.23
2 yard compactor 3x a week	483.56	523.84	4 yard split bin 3x a week	559.41	606.01
2 yard compactor 4x a week	623.80	675.76	4 yard split bin 4x a week	712.41	771.75
2 yard compactor 5x a week	768.62	832.65	4 yard split bin 5x a week	872.85	945.56
2 yard compactor 6x a week	910.56	986.41	4 yard split bin 6x a week	1,029.63	\$1,115.40

Exhibit A

Maximum Solid Waste Service Fees

MONTHLY RATES

Commercial Service	Current	Proposed	Commercial Service	Current	Proposed
35 gallon organics 1x a week	\$31.44	\$34.06	95 gallon recycling 1x a week	NA	\$39.00
35 gallon organics 2x a week	57.44	62.22	95 gallon recycling 2x a week	NA	78.00
35 gallon organics 3x a week	83.43	90.38	95 gallon recycling 3x a week	NA	117.00
35 gallon organics 4x a week	109.30	118.40	95 gallon recycling 4x a week	NA	156.00
35 gallon organics 5x a week	135.43	146.71	95 gallon recycling 5x a week	NA	195.00
35 gallon organics 6x a week	165.89	179.71	95 gallon refuse 1x a week	NA	52.00
65 gallon organics 1x a week	58.37	63.23	95 gallon refuse 2x a week	NA	104.00
65 gallon organics 2x a week	106.66	115.54	95 gallon refuse 3x a week	NA	156.00
65 gallon organics 3x a week	154.96	167.87	95 gallon refuse 4x a week	NA	208.00
65 gallon organics 4x a week	202.96	219.87	95 gallon refuse 5x a week	NA	260.00
65 gallon organics 5x a week	251.51	272.46			
65 gallon organics 6x a week	308.10	333.76			

Temporary Commercial Services

	Current	Proposed
Extra Pick up Fee	\$76.61	\$82.99
3yd Clean Up Bin per pickup: 7 day rental	206.02	223.18
3yd Clean Up Bin - Each Addt'l Day	6.68	7.24
3yd Clean Up Bin - Trip Charge	66.27	71.79
3yd Clean Up Bin - Overweight fee	80.47	87.17
Convert to locking lid bin	33.43	36.21
Locking Lid fee, monthly	6.62	7.17
Bin Steam Cleaning	99.41	107.69
Addt'l Bin Exchange: After 1x/yr	80.59	87.30
Bin Exchange Stolen/Burnt (customer damage)	525.00	568.73
Bulky Item Pickup - Commercial	66.44	71.97
Bulky Item Pickup - Multi-family	20.56	22.27
Additional Bulky Items 4+ on same visit	22.16	24.01

Temporary Rolloff Services

	Current	Proposed
10 Yard Roll-off - per pull (max. of 10 tons)	\$860.51	\$932.19
20 Yard Roll-off - per pull (max. of 5 tons)	578.52	626.71
40 Yard Roll-off - per pull (max. of 8 tons)	867.12	939.35
Compactor - per pull (max. of 8 tons)	867.12	939.35
Per ton Fee (for all tons over the max.)	74.41	80.61
Rolloff Delivery Fee	58.27	63.12
Rolloff Cleaning Fee	99.41	107.69
Additional Day	13.25	14.35
Relcoation	99.39	107.67
False Run	\$99.39	\$107.67



**Amended and Restated
Franchise Agreement
Between**

**the City of Stanton
And**

**CR&R Incorporated
For
Solid Waste Collection Services**

September 12, 2023

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the City of Stanton
and CR&R Incorporated
for Solid Waste Collection Service

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**AMENDED AND RESTATED AGREEMENT FOR
SOLID WASTE COLLECTION SERVICES**

This AMENDED AND RESTATED AGREEMENT FOR SOLID WASTE COLLECTION SERVICES ("Agreement") is entered into this ____ day of _____, 2023 ("Effective Date"), by and between the City of Stanton ("City"), a California municipal corporation and CR&R Incorporated, a California corporation ("CR&R" or "Contractor"), for the collection, transportation, recycling, processing, composting, and disposal of solid waste, recyclables and organic materials.

RECITALS

WHEREAS, the Legislature of the State of California, by enactment of the California Integrated Waste Management Act of 1989 ("AB 939") (California Public Resources Code Section 40000 et seq.), has declared that it is in the public interest to authorize and require local agencies to make adequate provisions for solid waste handling within their jurisdictions; and,

WHEREAS, the City is obligated to protect the public health and safety of the residents and businesses, and collection of solid waste should be undertaken in a manner consistent with the exercise of the City's obligations to protect public health and safety; and,

WHEREAS, pursuant to California Public Resources Code Section 40059(a)(2), the City has determined that the public health, safety, and well-being require that an exclusive franchise be awarded to a qualified contractor for the collection, transportation, recycling, processing, and disposal of solid waste and other services; and,

WHEREAS, state laws including, but not limited to: AB 939, which require local jurisdictions to implement programs to divert at least 50% of the waste generated in the jurisdiction; AB 341, which mandates that commercial waste generators arrange for recycling services; AB 1826, which mandates that commercial waste generators recycle their organic waste; AB 1594, which excludes organic material from being used as Alternative Daily Cover (ADC); and SB 1383, which requires jurisdictions to take significant measures to divert organic materials (including recoverable edible food) from being landfilled; and,

City of Stanton
Draft Solid Waste Collection Agreement

WHEREAS, Contractor represents and warrants to City that it has the experience, responsibility and qualifications to perform Solid Waste Collection Services to meet the City's obligations under all applicable federal, state, and local laws; and,

WHEREAS, the City's primary goals in entering into this agreement are to ensure that solid waste collection in the City is of the highest caliber, that customer satisfaction remains at the highest level, that the environment is protected, that maximum diversion levels are achieved, and that materials collected are put to the highest and best use; and,

WHEREAS, the Contractor and the City have determined that it is in their mutual best interest to enter into this Agreement.

NOW, THEREFORE, the Parties do hereby agree as follows:

1 Definitions

Whenever any term used in this Agreement has been defined by the provisions of the Stanton City Code or by Division 30, Part 1, Chapter 2 of the California Public Resources Code, the definitions in the Municipal Code or the Public Resources Code shall apply unless the term is otherwise defined in this Agreement, in which case this Agreement shall control.

Except as provided in this Article 1, words beginning with lower case letters are being used with their common ordinary meanings, not as defined terms. Otherwise, the following capitalized words and terms shall have the following meanings:

1.1 AB 341

"AB 341" means Assembly Bill 341 (Chapter 476, Statutes of 2011), as amended from time to time and which places requirements on commercial businesses and Multi-Family property owners that generate a specified threshold amount of solid waste to arrange for recycling services and requires cities to implement a mandatory commercial and Multi-Family recycling program.

1.2 AB 939

"AB 939" or "Act" means the California Integrated Waste Management Act of 1989 codified in part at Public Resources Code Sections 40000 et seq., as it may be amended.

1.3 AB 1826

"**AB 1826**" means Assembly Bill 1826 (Chapter 727, Statutes of 2014) as amended from time to time and which requires commercial businesses and Multi-Family property owners that generate a specified threshold amount of solid waste, recyclable materials, and organic materials per week to arrange for recycling services, and requires cities to implement a mandatory commercial and Multi-Family organic waste recycling program.

1.4 Affiliate

"Affiliate" means all businesses (including corporations, limited and general partnerships and sole proprietorships) which are directly or indirectly related to the Contractor by virtue of direct or indirect ownership interest or common management. An Affiliate shall include a business in which the Contractor owns a

City of Stanton
Draft Solid Waste Collection Agreement

direct or indirect ownership interest, a business which has a direct or indirect ownership interest in the Contractor and/or a business which is also owned, controlled or managed by any business or individual which has a direct or indirect ownership interest in the Contractor. For purposes of determining whether an indirect ownership interest exists, the constructive ownership provisions of Section 318(a) of the Internal Revenue Code of 1986, as in effect on the date of this Agreement, shall apply; provided, however, that (i) “ten percent (10%)” shall be substituted for “fifty percent (50%)” in Section 318(a)(2)(C) and in Section 318(a)(3)(C) thereof; and (ii) Section 318(a)(5)(C) shall be disregarded. For purposes of determining ownership under this paragraph and constructive or indirect ownership under Section 318(a), ownership interest of less than ten percent (10%) shall be disregarded and percentage interests shall be determined on the basis of the percentage of voting interest or value which the ownership interest represents, whichever is greater.

1.5 Agreement

“Agreement” means this Amended and Restated Franchise Agreement Between the City of Stanton and CR&R Incorporated for Solid Waste Collection Services including all exhibits and attachments.

1.6 Applicable Law

“Applicable Law” means all Federal, State, and local laws, regulations, rules, orders, judgments, decrees, permits, approvals, or other requirement of any governmental agency having jurisdiction over the Collection, Transportation, Processing, and Disposal of discarded materials that are in force on the Effective Date and as may be enacted, issued, or amended during the Term of this Agreement. Applicable Law includes, but is not limited to, AB 939, AB 341, AB 1594, AB 1826, and SB 1383, and their corresponding regulations.

1.7 Back-haul

“Back-haul” means Transporting Recyclable Materials or Organic Waste to a destination owned and operated by the Waste Generator using the Waste Generator’s own employees and equipment.

1.8 BASIC Score

“BASIC Score” means the Behavior Analysis and Safety Improvement Category percentile score assigned to motor carriers and determined by the Federal Motor Carrier Safety Administration’s Safety Measurement System to assess a carrier’s safety risk. BASIC Scores are also known as “CSA Scores.” BASIC scores are calculated on a zero to 100 percentile scale, with 100 indicating the worst performance and zero indicating the best performance.

1.9 Billings

“Billings” means any and all statements of charges for Solid Waste Collection Services performed by Contractor billed to Persons responsible for arranging for Solid Waste removal.

1.10 Bin

“Bin” means a metal Container with hinged lids and wheels serviced by a front-end loading truck with a capacity of 1.5 to 8 cubic yards.

1.11 Bin Collection Service

“Bin Collection Service” means using Bins to provide Solid Waste Collection Services to Residential, Commercial, and industrial facilities that require Bin Collection service on a regular and ongoing basis.

1.12 Blue Container

“Blue Container” has the same meaning as in 14 CCR Section 18982.2(a)(5) and shall be used for the purpose of storage and collection of Source Separated Recyclable Materials or Source Separated Blue Container Organic Waste.

1.13 Bulky Waste

“Bulky Waste” or “Bulky Goods” means and includes, but not by way of limitation, large and small household appliances, furniture, carpets, mattresses, White Goods, tires and oversized yard waste such as tree trunks and large branches no larger than four inches in diameter and four feet in length, discarded from Residential Premises.

1.14 C&D

“C&D” means Construction and Demolition Debris.

1.15 C&D Processing Facility

“C&D Processing Facility” means any Facility that is designed, operated and legally permitted for the purpose of receiving and Processing Construction and Demolition Debris.

1.16 CalRecycle

“CalRecycle” means the California Department of Resources Recycling and Recovery, which is the department designated with responsibility for developing, implementing, and enforcing SB 1383 Regulations.

1.17 California Code of Regulations or CCR

“CCR” means the State of California Code of Regulations. CCR references in this ordinance are preceded with a number that refers to the relevant Title of the CCR (e.g., “14 CCR” refers to Title 14 of CCR).

1.18 Cart

“Cart” means a plastic Container with a hinged lid and wheels serviced by an automated or semi-automated side-loading truck with a capacity no less than 35- and no greater than 101-gallons.

1.19 Cart Collection Service

“Cart Collection Service” means Solid Waste Collection Service using Carts. This includes service provided to Single-Family Premises (excluding those Single-Family Customers that elect to use Bin Collection Service), Commercial Customers that generate small quantities of Solid Waste and elect to use Cart Collection Service, and Multi-Family Customers with individual storage capacity to store Carts with access to curbside service from side-loading Collection vehicles.

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1.20 City

“City” means the City of Stanton, a California municipal corporation, and all the territory lying within the municipal boundaries of the City as presently existing or as such boundaries may be modified during the Term of this Agreement.

1.21 City Enforcement Official

“City Enforcement Official” means the City Manager or his or her Designee partially or wholly responsible for enforcing this Agreement.

1.22 City Manager

“City Manager” means a Person having that title in the employ of the City.

1.23 City Code

“City Code” means the Stanton Municipal Code.

1.24 Collect/Collection

“Collect” or “Collection” means the act of collecting Solid Waste, Recyclable Materials, Green Waste, Organic Waste, C&D, Bulky Waste, and other material from the designated Collection location in the City and delivering that material to a Disposal Facility, Material Recovery Facility, Organics Processing Facility, or other approved Facility pursuant to this Agreement.

1.25 Commercial Business or Commercial

“Commercial” or “Commercial Business” means a firm, partnership, proprietorship, joint-stock company, corporation, or association, whether for-profit or nonprofit, strip mall, industrial facility, a Multi-Family Residential Dwelling, or as otherwise defined in 14 CCR section 18982(a)(6). A Multi-Family Residential Dwelling that consists of fewer than five (5) units is not a Commercial Business.

1.26 Commercial Premises

“Commercial Premises” means all premises in the City, other than Residential Premises, where Solid Wastes are generated or accumulated. The term “Commercial Premises” is a reference to location, and not to ownership. The term includes, but is not limited to, stores; offices; federal, State, county and local governmental

institutions, including, but not limited to, schools, school districts, special districts and water districts, to the extent authorized by law; restaurants; rooming houses; hotels; motels; offices; manufacturing, processing, or assembling shops or plants; hospitals; clinics; nursing homes; convalescent centers; dormitories; barracks; and card rooms.

1.27 Commercial Edible Food Generators

“Commercial Edible Food Generator” includes a Tier One Commercial Edible Food Generator or a Tier Two Commercial Edible Food Generator as in 14 CCR section 18982(a)(73) and (a)(74). For the purposes of this definition, Food Recovery Organizations and Food Recovery Services are not Commercial Edible Food Generators pursuant to 14 CCR section 18982(a)(7).

1.28 Community Composting

“Community Composting” means any activity that Composts green material, agricultural material, food material, and vegetative food material, alone or in combination, and the total amount of feedstock and Compost on-site at any one time does not exceed 100 cubic yards and 750 square feet.

1.29 Compactor

“Compactor” means any Bin or Roll-off Box that has a compaction mechanism, whether stationary or mobile.

1.30 Complaint

“Complaint” means a communication received by Contractor from a Customer or City indicating services have not been performed in accordance with this Agreement, or otherwise expressing dissatisfaction with service.

1.31 Compliance Reviews

“Compliance Reviews” means reviews of records by the City to determine compliance with this Agreement or the Code.

1.32 Compost

“Compost” means the product resulting from the controlled biological decomposition of organic Solid Wastes that are Source Separated from the municipal Solid Waste

stream, or which are separated at a centralized Facility, or as otherwise defined in 14 CCR section 17896.2(a)(4).

1.33 Compostable Plastics

“Compostable Plastics” or “Compostable Plastic” means plastic materials that meet the ASTM D6400 standard for compostability, or as otherwise described in 14 CCR Section 18984.1(a)(1)(A) or 18984.2(a)(1)(C).

1.34 Construction and Demolition Debris

“Construction and Demolition Debris” means used or discarded materials removed from Premises during construction, renovation, remodeling, repair, or demolition operations on any pavement, Residential building, Commercial or industrial building, or other structure and shall include, but is not limited to concrete, asphalt paving, asphalt roofing, lumber, gypsum board, rock, soil and metal.

1.35 Containers

“Containers” means any and all types of Solid Waste receptacles, including Carts, Bins, Roll-off Boxes, and receptacles provided by Customers.

1.36 Container Contamination

“Container Contamination” or “Contaminated Container” means a Container that contains Prohibited Container Contaminants.

1.37 Contamination Fee

“Contamination Fee” shall mean an amount charged by Contractor to Customers to offset Contractor’s additional costs or diminished revenue due to Container Contamination.

1.38 Contractor

“Contractor” means CR&R Incorporated, a corporation organized and operating under the laws of the State of California and its officers, directors, employees, agents, companies, Affiliates and Subcontractors.

1.39 Contractor Compensation

“Contractor Compensation” means the revenue received by the Contractor from Billings in exchange for providing services in accordance with this Agreement.

1.40 CPI

“CPI” means the Consumer Price Index for All Urban Consumers, Series ID: CUURS49ASA0, Not Seasonally Adjusted, All items, Los Angeles-Long Beach-Anaheim, CA, as maintained and published by the Bureau of Labor Statistics, United States Department of Labor.

1.41 Customer

“Customer” means the Person who receives the Contractor’s Solid Waste Collection Services and to whom the Contractor submits its billing invoice to and collects payment from for Collection services provided to a Premise. The Customer may be either the occupant, Owner, or property manager of the Premises.

1.42 Designee

“Designee” means an entity that the City contracts with or otherwise arranges to carry out any of the City’s responsibilities as authorized in 14 CCR section 18981.2. A Designee may be a government entity, a hauler, a private entity, or a combination of those entities. Designee may also mean a person authorized by the City Manager to administer provisions of this Agreement.

1.43 Disaster

“Disaster” means a sudden regional, statewide, nationwide, or worldwide event, such as an accident or a natural catastrophe, that causes great damage or loss of life, and that significantly stops, or impacts the normal ongoing operations of Solid Waste Collection in the City. Disaster does not include labor unrest as described in Section 11.5.

1.44 Disposal

“Disposal” means the ultimate disposition of Solid Waste Collected by the Contractor, at a Landfill fully compliant with regulations.

1.45 Disposal Site(s)

“Disposal Site(s)” mean the Solid Waste handling Facility or facilities utilized for the ultimate Disposal of Solid Waste Collected by the Contractor. The Orange County Landfill System shall be the designated Disposal Site as of the Effective Date of this Agreement.

1.46 Diversion

“Diversion” means any combination of Recycling and Composting activities conducted that reduces waste disposed of at a Landfill.

1.47 Edible Food

“Edible Food” means food intended for human consumption, or as otherwise defined in 14 CCR section 18982(a)(18). For the purposes of this ordinance or as otherwise defined in 14 CCR section 18982(a)(18), ‘Edible Food’ is not Solid Waste if it is recovered and not discarded. Nothing in this ordinance or in 14 CCR, Division 7, Chapter 12 requires or authorizes the Recovery of Edible Food that does not meet the food safety requirements of the California Retail Food Code.

1.48 Effective Date

“Effective Date” means the date on which the Agreement becomes binding upon the parties.

1.49 Electronic Waste

“Electronic Waste” means discarded electronic goods that are conditionally exempt from classification as Hazardous Waste pursuant to 22 CCR) Section 66261.9, including but not limited to computers and peripherals, printer, cathode ray tube monitors, televisions, electronic equipment, and cathode ray tubes.

1.50 Environmental Laws

“Environmental Laws” means all federal, state, and local laws concerning public health, safety and the environment including, by way of example and not limitation, the Comprehensive Environmental Response, Compensation and Liability Act of 1980, 42 USC § 9601 et seq.; the Resource Conservation and Recovery Act, 42 USC § 6902 et seq.; the Federal Clean Water Act, 33 USC § 1251 et seq.; the Toxic Substances Control Act, 15 USC § 1601 et seq.; the Occupational Safety and Health Act, 29 USC §

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651 et seq.; the California Hazardous Waste Control Act, California Health and Safety Code § 25100 et seq.; the California Toxic Substances Control Act, California Health and Safety Code § 25300 et seq.; the Porter-Cologne Water Quality Control Act, California Water Code § 13000 et seq.; the Safe Drinking Water and Toxic Enforcement Act, California Health and Safety Code § 25249.5 et seq.; as currently in force or as hereafter amended, and all supporting rules and regulations.

1.51 Excluded Waste

“Excluded Waste” means Hazardous Substance, Hazardous Waste, infectious waste, designated waste, volatile, corrosive, medical waste, infectious, regulated radioactive waste, and toxic substances or material that approved/designated Facility operator(s) reasonably believe(s) would, as a result of or upon acceptance, Transfer, Processing, or Disposal, be a violation of local, State, or Federal law, including: land use restrictions or conditions, waste that cannot be disposed of in Class III Landfills or accepted at the Facility by permit conditions, waste that in Contractor’s reasonable opinion would present a significant risk to human health or the environment, cause a nuisance or otherwise create or expose Contractor or City to potential liability; but not including de minimis volumes or concentrations of waste of a type and amount normally found in Single-Family or Multi-Family Solid Waste after implementation of programs for the safe Collection, Processing, Recycling, treatment, and Disposal of batteries and paint in compliance with Sections 41500 and 41802 of the California Public Resources Code. Excluded Waste does not include used motor oil and filters, household batteries, Universal Waste, and/or latex paint when such materials are defined as allowable materials for Collection through this Agreement and the Waste Generator or Customer has properly placed the materials for Collection pursuant to instructions provided by the City or Contractor as set forth in this Agreement.

1.52 Facility

“Facility” means any plant or site, owned or leased and maintained, operated or used by the Contractor for purposes of performing services under this Agreement.

1.53 Food Recovery

“Food Recovery” means actions to Collect and distribute food for human consumption which otherwise would be disposed.

1.54 Food Recovery Organization

“Food Recovery Organization” means an entity that primarily engages in the Collection or receipt of Edible Food from Commercial Edible Food Generators and distributes that Edible Food to the public for Food Recovery either directly or through other entities, including, but not limited to:

- 1) A food bank as defined in Section 113783 of the Health and Safety Code;
- 2) A nonprofit charitable organization as defined in Section 113841 of the Health and Safety Code; and,
- 3) A nonprofit charitable temporary food facility as defined in Section 113842 of the Health and Safety Code.

If the definition in 14 CCR Section 18982(a)(25) for Food Recovery Organization differs from this definition, the definition in 14 CCR Section 18982(a)(25) shall apply to this Agreement.

1.55 Food Recovery Service

“Food Recovery Service” means a person or entity that collects and transports Edible Food from a Commercial Edible Food Generator to a Food Recovery Organization or other entities for Food Recovery, or as otherwise defined in 14 CCR section 18982(a)(26). A Food Recovery Service is not a Commercial Edible Food Generator.

1.56 Food Scraps

“Food Scraps” means all food such as, but not limited to, fruits, vegetables, meat, poultry, seafood, shellfish, bones, rice, beans, pasta, bread, cheese, and eggshells. Food Scraps excludes fats, oils, and grease when such materials are Source Separated from other Food Scraps.

1.57 Food Service Provider

“Food Service Provider” means an entity primarily engaged in providing food services to institutional, governmental, Commercial, or industrial locations of others based on contractual arrangements with these types of organizations.

1.58 Food Soiled Paper

“Food-Soiled Paper” means compostable paper material that has come in contact with food or liquid, such as, but not limited to, compostable paper plates, paper coffee cups, napkins, pizza boxes, and milk cartons.

1.59 Food Waste

“Food Waste” means Food Scraps, Food-Soiled Paper, and Compostable Plastics.

1.60 Franchise

“Franchise” means the exclusive right and privilege to provide Solid Waste Collection Services within the City granted by City to Contractor pursuant to the City’s authority under Article XI, Section 7 of the State of California Constitution, and Section 40059 of the Public Resources Code.

1.61 Franchise Fee

“Franchise Fee” means the fee imposed by the City on the Contractor for the privilege of providing Solid Waste Collection Services as a franchisee within the City.

1.62 Black Container

“Black Container” has the same meaning as in 14 CCR section 18982.2(a)(28) and shall be used for the purpose of storage and Collection of Black Container Waste.

1.63 Black Container Waste

“Black Container Waste” means Solid Waste that is collected in a Black Container that is part of a three-container organic waste Collection service that prohibits the placement of Organic Waste and Recyclable Materials in the Black Container as specified in 14 CCR Sections 18984.1(a) and (b). Black Container Waste shall have the same meaning as Refuse.

1.64 Green Container

“Green Container” has the same meaning as in 14 CCR Section 18982.2(a)(29) and shall be used for the purpose of storage and Collection of Source Separated Green Container Organic Waste.

1.65 Green Waste

“Green Waste” (also sometimes referred to as “yard waste”) means a form of Solid Waste composed of leaves, grass clippings, brush, branches and other forms of organic matter generated from maintenance or alteration of landscapes or gardens, including, but not limited to, yard clippings, leaves, tree trimmings, prunings, brush and weeds and incidental pieces of scrap lumber, Source Separated from other forms of Solid waste. Green Waste includes Christmas trees but does not include stumps or branches exceeding four inches in diameter or four feet in length, dirt, palm fronds, yucca or cactus.

1.66 Green Waste Processing Facility

“Green Waste Processing Facility” means any facility that is designed, operated and legally permitted for the purpose of receiving and processing Green Waste.

1.67 Grocery Store

“Grocery Store” means a store primarily engaged in the retail sale of canned food; dry goods; fresh fruits and vegetables; fresh meats, fish, and poultry; and any area that is not separately owned within the store where the food is prepared and served, including a bakery, deli, and meat and seafood departments.

1.68 Gross Receipts

“Gross Receipts” means any and all revenue receipts, or compensation in any form of Contractor or subsidiaries, parent companies or other affiliates of Contractor, for customer services provided pursuant to this Agreement, in accordance with Generally Accepted Accounting Principles, including, but not limited to customer fees, without subtracting Franchise Fees or any other cost of doing business. Revenue from the sale of Recyclable Materials is excluded from Gross Receipts for purposes of calculating Franchise Fees.

1.69 Hauler Route

“Hauler Route” means the designated itinerary or sequence of stops for each segment of the City’s Collection service area.

1.70 Hazardous Substance

“Hazardous Substance” shall mean any of the following: (a) any substances defined, regulated or listed (directly or by reference) as “Hazardous Substances”, “hazardous materials”, “Hazardous Wastes”, “toxic waste”, “pollutant” or “toxic substances” or similarly identified as hazardous to human health or the environment, in or pursuant to (i) the Comprehensive Environmental Response, Compensation and Liability Act of 1980, 42 USC §9601 et seq. (CERCLA); (ii) the Hazardous Materials Transportation Act, 49 USC §1802, et seq.; (iii) the Resource Conservation and Recovery Act, 42 USC §6901 et seq.; (iv) the Clean Water Act, 33 USC §1251 et seq.; (v) California Health and Safety Code §§25115-25117, 25249.8, 25281, and 25316; (vi) the Clean Air Act, 42 USC §7901 et seq.; or (vii) California Water Code §13050; (b) any amendments, rules or regulations promulgated thereunder to such enumerated statutes or acts currently existing or hereafter enacted; and (c) any other hazardous or toxic substance, material, chemical, waste or pollutant identified as hazardous or toxic or regulated under any other applicable federal, State or local Environmental Laws currently existing or hereinafter enacted, including, without limitation, friable asbestos, polychlorinated biphenyl’s (‘PCBs’), petroleum, natural gas and synthetic fuel products, and by-products.

1.71 Hazardous Waste

“Hazardous Waste” means all substances defined as Hazardous Waste, acutely Hazardous Waste, or extremely Hazardous Waste by the State of California in Health and Safety Code §25110.02, §25115, and §25117 or in the future amendments to or recodifications of such statutes or identified and listed as Hazardous Waste by the US Environmental Protection Agency (EPA), pursuant to the Federal Resource Conservation and Recovery Act (42 USC §6901 et seq.), all future amendments thereto, and all rules and regulations promulgated thereunder.

1.72 Household Hazardous Waste (HHW)

“Household Hazardous Waste” means hazardous waste generated at Residential Premises.

1.73 Household Sharps Waste

“Household Sharps Waste” means home-generated sharps, as defined in Section 117671 of the California Health & Safety Code, including hypodermic needles, pen needles, intravenous needles, lancets, and other devices that are used to penetrate

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the skin for the delivery of medications, which are generated by a Single-Family residence. Household Sharps Waste does not include any business generated waste or Medical Waste.

1.74 Landfill

“Landfill” means a “solid waste landfill” as defined by Public Resources Code Section 40195.1.

1.75 Large Event

“Large Event” means an event, including, but not limited to, a sporting event or a flea market, that charges an admission price, or is operated by a local agency, and serves an average of more than 2,000 individuals per day of operation of the event, at a location that includes, but is not limited to, a public, nonprofit, or privately owned park, parking lot, golf course, street system, or other open space when being used for an event.

1.76 Large Venue

“Large Venue” means a permanent venue facility that annually seats or serves an average of more than 2,000 individuals within the grounds of the facility per day of operation of the venue facility. For purposes of 14 CCR, Division 7, Chapter 12 and this Agreement, a venue facility includes, but is not limited to, a public, nonprofit, or privately owned or operated stadium, amphitheater, arena, hall, amusement park, conference or civic center, zoo, aquarium, airport, racetrack, horse track, performing arts center, fairground, museum, theater, or other public attraction facility. A site under common ownership or control that includes more than one Large Venue that is contiguous with other Large Venues in the site, is a single Large Venue.

1.77 Local Education Agency

“Local Education Agency” means a school district, charter school, or county office of education that is not subject to the control of City or county regulations related to Solid Waste.

1.78 Material Recovery Facility

“Material Recovery Facility” means a Facility licensed or permitted in accordance with AB 939 which separates Recyclable Materials, and processes them for sale to brokers and end users.

1.79 Mulch

“Mulch” means a layer of material applied on top of soil, and, for the purposes of the Agreement, mulch shall conform with the following conditions, or conditions as otherwise specified in 14 CCR Section 18993.1(f)(4):

- 1) Meets or exceeds the physical contamination, maximum metal concentration, and pathogen density standards for land application specified in 14 CCR Section 17852(a)(24.5)(A)(1) through (3).
- 2) Was produced at one or more of the following types of Facilities:
 - a) A compostable material handling operation or Facility as defined in 14 CCR Section 17852(a)(12), that is permitted or authorized under 14 CCR, Division 7, other than a chipping and grinding operation or Facility as defined in 14 CCR Section 17852(a)(10);
 - b) A Transfer/Processing Facility or Transfer/Processing operation as defined in 14 CCR Section 17402(a)(30) and (31), respectively, that is permitted or authorized under 14 CCR, Division 7; or,
 - c) A Solid Waste Landfill as defined in Public Resources Code Section 40195.1 that is permitted under 27 CCR, Division 2.

1.80 Multi-Family Residential Dwelling, Multi-Family Residential, or Multi-Family

“Multi-Family Residential Dwelling” “Multi-Family Residential” or “Multi-Family” means of, from, or pertaining to Residential Premises with five (5) or more dwelling units. Multi-Family premises do not include hotels, motels, or other transient occupancy facilities, which are Commercial Businesses.

1.81 Non-Collection Notice

“Non-Collection Notice” means a form developed by Contractor, and approved by City, to notify customers of the reason for non-collection of materials set out by the Customer for Collection.

1.82 Non-Compostable Paper

“Non-Compostable Paper” includes, but is not limited to, paper that is coated in a plastic material that will not breakdown in the composting process.

1.83 Non-Organic Recyclables

“Non-Organic Recyclables” means non-putrescible and non-hazardous recyclable wastes, including but not limited to bottles, cans, metals, plastics and glass.

1.84 Notice of Violation

“Notice of Violation” means a notice that a violation of the Solid Waste provisions of the Code or SB 1383 Regulations has occurred.

1.85 Orange County Landfill System

“Orange County Landfill System” means any Landfill, or Landfills, owned or operated by the County of Orange, including Olinda Alpha Landfill, Frank R. Bowerman Landfill, and Prima Deshecha Landfill.

1.86 Organic Waste

“Organic Waste” means Solid Wastes containing material originated from living organisms and their metabolic waste products, including but not limited to food, Green Waste, organic textiles and carpets, lumber, wood, Paper Products, Printing and Writing Papers, manure, biosolids, digestate, and sludges. Biosolids and digestate are defined by 14 CCR Section 18982(a).

1.87 Organic Waste Generator

“Organic Waste Generator” means a person or entity that is responsible for the initial creation of Organic Waste.

1.88 Owner

“Owner” means the person holding the legal title to the real property constituting the Premises to which Solid Waste Collection Services are to be provided under this Agreement or the person holding legal title to the disposal site, depending upon the context used in this Agreement.

1.89 Permanent Roll-off Box Service

“Permanent Roll-off Box Service” means the Collection of Solid Waste generated from ongoing operations at a Customer’s place of business using Roll-off Boxes or large compactors. This includes, for example, the Collection of Solid Waste from

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Commercial Premises that would otherwise be Collected using Bin Collection Service if the volume of Solid Waste generated were less. This does not include Roll-Off Box service used for occasional higher volumes of waste due to special clean-up or other projects, or on C&D sites.

1.90 Person

“Person” means any individual, firm, association, organization, partnership, corporation, business trust, or joint venture.

1.91 Premises

“Premises” means any land, or building in the City, where Solid Waste is generated or accumulated.

1.92 Process, Processed, or Processing

“Process”, “Processed”, or “Processing” means the controlled separation, Recovery, volume reduction, conversion, or Recycling of Solid Waste including, but not limited to, organized, manual, automated, or mechanical sorting, the use of vehicles for spreading of waste for the purpose of Recovery, and/or includes the use of conveyor belts, sorting lines, or volume reduction equipment.

1.93 Prohibited Container Contaminants

“Prohibited Container Contaminants” means the following: (i) discarded materials placed in the Blue Container that are not identified as acceptable Source Separated Recyclable Materials for the Blue Container; (ii) discarded materials placed in the Green Container that are not identified as acceptable Source Separated Green Container Organic Waste for the Green Container; (iii) discarded materials placed in the Black Container that are identified as acceptable Source Separated Recyclable Materials and/or Source Separated Green Container Organic Wastes to be placed in the Green Container and/or Blue Container; and, (iv) Excluded Waste placed in any Container.

1.94 Rate Year

“Rate Year” means the twelve-month period from July 1 to June 30, for each year of this Agreement.

1.95 Recovered Organic Waste Product

“Recovered Organic Waste Product” means products made from California, landfill-diverted recovered organic waste processed in a permitted or otherwise authorized Facility.

1.96 Recovery

“Recovery” means any activity or process described in 14 CCR section 18983.1(b).

1.97 Recycling

“Recycling” means any process by which materials which would otherwise become Solid Waste are Collected (Source Separated, comingled, or as mixed waste), separated and/or processed and returned to the economic mainstream in the form of raw materials or products or materials which are otherwise salvaged or recovered for reuse.

1.98 Recyclable Materials or Recyclables

“Recyclable Materials” or “Recyclables” means those materials which are capable of being recycled and which would otherwise be processed or disposed of as Refuse. Recyclable Materials include those materials defined by the City, including newsprint (including inserts); mixed paper (including magazines, catalogs, envelopes, junk mail, corrugated cardboard, brown bags and paper, paperboard, paper egg cartons, office ledger paper, and telephone books); glass containers; aluminum beverage containers; small scrap and cast aluminum (not exceeding forty (40) pounds in weight nor two (2) feet in any dimension for any single item); steel including tin cans, aerosol cans (empty, non-toxic products); bimetal containers; #1-7 plastics regardless of form or mold (including, but not limited to, plastic containers, bottles, wide mouth tubs, film plastic, and polystyrene), aseptic containers, aluminum foil and pans; and those materials added by Contractor from time to time.

1.99 Recycled Content Paper

“Recycled-Content Paper” means paper products and printing and writing papers that consists of at least 30 percent, by fiber weight, postconsumer fiber.

1.100 Refuse

“Refuse” means putrescible and non-putrescible solid waste or debris, except sewage, whether combustible or non-combustible. Refuse includes rubbish, and shall have the same meaning as Black Container Waste.

1.101 Renewable Natural Gas

“Renewable Natural Gas” or “RNG” means gas derived from Organic Waste that has been diverted from a Landfill and processed at an in-vessel digestion facility that is permitted or otherwise authorized by 14 CCR to recover Organic Waste.

1.102 Residential or Residential Premises

“Residential” or “Residential Premises” includes Single-Family residences and Multi-Family residences, including apartments and condominiums (in which each unit has separate cooking and bathing facilities) of five (5) or fewer units. The terms “Residential” or “Residential Premises” do not include hotels, motels, rooming houses, hospitals, nursing homes, convalescent centers, dormitories or barracks or other group living places using Commercial Bins for the temporary accumulation and Collection of Solid Waste.

1.103 Roll-off Box

“Roll-off Box” means an open-top Container serviced by a Roll-off truck with a capacity of 10 to 40 cubic yards.

1.104 Roll-off Collection Service

“Roll-off Collection Service” means providing Solid Waste Collection Services using Roll-off Boxes or Roll-off Compactors.

1.105 Roll-off Compactor

“Roll-off Compactor” means an enclosed container equipped with a hydraulic packing ram with a capacity from 10 to 40 yards, which is designed to be pulled onto a roll-off vehicle.

1.106 Route Review

“Route Review” means a visual inspection of Containers along a Hauler Route for the purpose of determining whether Prohibited Container Contaminants are in a Container, and may include mechanical inspection methods such as the use of cameras.

1.107 SB 1383

“SB 1383” means Senate Bill 1383 (Chapter 395, Statutes of 2016) , establishing methane emissions reduction targets in a statewide effort to reduce emissions of short-lived climate pollutants as amended from time to time.

1.108 SB 1383 Regulations

“SB 1383 Regulations” or refers to the Short-Lived Climate Pollutants (SLCP): Organic Waste Reductions regulations developed by CalRecycle and adopted in 2020 that created Chapter 12 of 14 CCR, Division 7 and amended portions of regulations of 14 CCR and 27 CCR.

1.109 Scavenging

“Scavenging” means the unauthorized removal of Recyclable Materials that have been set out for Collection.

1.110 Self-hauler (or Self-haul)

“Self-hauler” or “Self-haul” means a Person who hauls Solid Waste, Organic Waste, or recovered material he or she has generated to another Person. Self-hauler also includes a Person who Back-hauls waste, or as otherwise defined in 14 CCR section 18982(a)(66).

1.111 Service Level

“Service Level” refers to the number and size of a Customer’s Container(s) and the frequency of Solid Waste Collection Services, as well as ancillary services such as lock/unlock service, Container push/pull service, etc.

1.112 Single-Family Residential Dwelling, Single-Family Residential” or “Single-Family”

“Single-Family Residential Dwelling,” “Single-Family Residential,” or “Single-Family” means of, from, or pertaining to any Residential Premises with fewer than five (5) dwelling units.

1.113 Solid Waste

“Solid Waste” has the same meaning as defined in Public Resources Code section 40191, and means all putrescible and non-putrescible solid, semisolid, and liquid wastes, including trash, Refuse, rubbish, Recyclable Materials, Organic Waste, ashes, industrial wastes, C&D, abandoned vehicles and parts thereof, discarded home and industrial appliances, dewatered, treated, or chemically fixed sewage sludge which is not Hazardous Waste, manure, vegetable or animal solid and semisolid wastes, and other discarded solid and semisolid wastes, with the exception that Solid Waste does not include any of the following wastes:

- 1) Hazardous Waste, as defined in the Public Resources Code Section 40141.
- 2) Radioactive waste regulated pursuant to the Radiation Control Law (Chapter 8 (commencing with Section 114960) of Part 9 of Division 104 of the Health & Safety Code).
- 3) Medical waste regulated pursuant to the Medical Waste Management Act (Part 14 (commencing with Section 117600) of Division 104 of the State Health & Safety Code). Untreated medical waste shall not be disposed of in a Solid Waste Landfill, as defined in Public Resources Code Section 40195.1. Medical waste that has been treated and deemed to be Solid Waste shall be regulated pursuant to Division 30 of the Public Resources Code.

1.114 Solid Waste Facility

“Solid Waste Facility” means a Solid Waste transfer or Processing station, a Composting Facility, a gasification Facility, a Transformation Facility, or a Disposal Site.

1.115 Solid Waste Collection Services

“Solid Waste Collection Services” means the Collection, Transportation, storage, Transfer, Processing, and Disposal of all Solid Waste, including Refuse, Recyclables and Organic Waste.

1.116 Source Separated

“Source Separated” means materials, including commingled Recyclable Materials or Organic Waste, that have been separated or kept separate from the Solid Waste stream, at the point of generation, for the purpose of additional sorting or Processing those materials for Recycling or reuse in order to return them to the economic mainstream in the form of raw material for new, reused, or reconstituted products, which meet the quality standards necessary to be used in the marketplace, or as otherwise defined in 14 CCR Section 17402.5(b)(4). Source Separated shall include separation of materials by the Waste Generator, Owner, Owner’s employee, property manager, or property manager’s employee into the appropriate Containers in which the materials may be deposited for the purpose of Collection.

1.117 Source Separated Blue Container Organic Waste (SSBCOW)

“Source Separated Blue Container Organic Waste” or “SSBCOW” means Source Separated Organic Waste that can be placed in a Blue Container that is limited to the Collection of those Organic Wastes and Non-Organic Recyclables.

1.118 Source Separated Green Container Organic Waste (SSGCOW)

“Source Separated Green Container Organic Waste” or “SSGCOW” means Source Separated Organic Waste that can be placed in a Green Container, excluding SSBCOW, carpets, Non-Compostable Paper, and textiles.

1.119 Source Separated Recyclable Materials

“Source Separated Recyclable Materials” means Source Separated Non-Organic Recyclables and SSBCOW.

1.120 State

“State” means the State of California.

1.121 Term

“Term” means the term of this Agreement, including any agreed upon extension periods, as provided for in Section 2.3.

1.122 Tier One Commercial Edible Food Generators

‘Tier One Commercial Edible Food Generator’ means a Commercial Edible Food Generator that is one of the following, each as defined in 14 CCR Section 18982: Supermarket.

- 1) Grocery Store with a total facility size equal to or greater than 10,000 square feet.
- 2) Food Service Provider.
- 3) Food Distributor.
- 4) Wholesale Food Vendor.

1.123 Tier Two Commercial Edible Food Generators

‘Tier Two Commercial Edible Food Generator’ means a Commercial Edible Food Generator that is one of the following, each as defined in 14 CCR Section 18982:

- 1) Restaurant with 250 or more seats, or a total facility size equal to or greater than 5,000 square feet.
- 2) Hotel with an on-site food facility and 200 or more rooms.
- 3) Health facility with an on-site food facility and 100 or more beds.
- 4) Large Venue.
- 5) Large Event.
- 6) A State agency with a cafeteria with 250 or more seats or total cafeteria facility size equal to or greater than 5,000 square feet.
- 7) A Local Education Agency with an on-site food facility.

1.124 Temporary Bin Collection Service

“Temporary Bin Collection Service” means Collection of occasional accumulations of Solid Waste from Bins that is not generated from ongoing activities or operations, but which is either a) Solid Waste resulting from construction, remodeling, repair, demolition, site preparation, or grading; or b) other temporary Solid Waste Collection where a Bin is provided for no more than 30 consecutive days, or no more than 60 days in any 90-day period.

1.125 Temporary Roll-off Box Collection Service

“Temporary Roll-off Collection Service” means Collection of occasional accumulations of Solid Waste from Roll-off Boxes that is not generated from ongoing activities or operations, but which is either a) Solid Waste resulting from construction, remodeling, repair, demolition, site preparation, or grading; or b) other temporary Solid Waste Collection where a Roll-off Box is provided for no more than 30 consecutive days, or no more than 60 days in any 90-day period.

1.126 Transfer

“Transfer” means the act of transferring Solid Waste Collected by Contractor from Contractor’s Collection vehicles into larger vehicles at a Transfer Facility for Transport to other Facilities for Processing or Disposal of such materials.

1.127 Transformation

“Transformation” means incineration, pyrolysis, distillation, gasification, or biological conversion other than Composting. Transformation does not include Composting.

1.128 Transportation or Transport

“Transportation” or “Transport” means the act of conveying Collected materials from one location to another.

1.129 Transformation Facility

“Transformation Facility” means a facility whose principal function is to convert, combust, or otherwise Process Solid Waste by incineration, pyrolysis, distillation, or biological conversion other than Composting. A Transformation Facility does not include a Composting Facility or a biomass conversion Facility.

1.130 Universal Waste

“Universal Waste” shall mean those Hazardous Wastes identified as universal wastes in 22 CCR Section 66261.9, including, but not limited to, fluorescent bulbs and tubes; household batteries (e.g., D, AA, button-type, etc.); non-empty aerosol cans; electronic devices (e.g., televisions, computer monitors, cell phones, radios, video cassette recorders, etc.); and mercury containing devices (e.g., thermometers, thermostats, gauges, etc.), and generated by a Single-Family or Multi-Family residence. Universal Waste does not include any business generated waste.

1.131 Waste Evaluation

“Waste Evaluation” means a procedure in which representative samples of Refuse, Recyclable Materials, and Organic Waste are taken from vehicle loads and sorted at a permitted Facility to determine the degree to which the materials are contaminated.

1.132 Waste Generator

“Waste Generator” means the Owner, Customer, or occupant of a Premise whose act initially produces Solid Waste that is subject to collection under federal, State, or local law.

1.133 White Goods

“White Goods” means discarded enameled household appliances, such as refrigerators, freezers, stoves, washer/dryers, water heaters, dishwashers, trash compactors and similar items.

1.134 Work Day

“Work Day” means any day Monday through Saturday, which is not a holiday designated in Section 4.7.3 of this Agreement.

2 Grant and Acceptance of Franchise

2.1 Grant and Acceptance of Franchise

City hereby grants to Contractor an exclusive Franchise to Collect, Transfer, Transport, Recycle, Process, and Dispose of all Solid Waste accumulated in the City . This right shall include all Temporary and Permanent Roll-off Box and Cleanup Bin service. Contractor hereby accepts the Franchise pursuant to the terms and conditions set forth in this Agreement.

2.2 Exclusive Nature of Franchise

During the Term, except as otherwise provided in Section 2.5 , federal or State law, the rights granted to Contractor under this Agreement shall be exclusive to Contractor. The City shall protect Contractor's exclusive rights by ordinance. Contractor is responsible for taking legal action against third parties as it deems appropriate to protect the exclusive nature of its Franchise. Should the City elect to take administrative, law enforcement, or other legal action against any Person that infringes on Contractor's exclusive rights, Contractor shall reimburse the City for its administrative, law enforcement, or other legal costs related to any such action.

2.3 Term and Extension of this Agreement

The Term of this Agreement shall commence on the Effective Date and expire at midnight on October 31, 2037. Provided, however, that commencing November 1, 2023, and every year on November 1st thereafter, the existing Term shall automatically be extended by one (1) year so that the remaining Term shall remain between fourteen (14) and fifteen (15) years.

Should either party desire that this automatic one-year renewal and extension provision be terminated, that party must give the other party written notice of such termination at least thirty (30) days prior to November 1st of any year during the Term of the Agreement. Such notice shall terminate the automatic one-year term renewal and extension provision, and the Agreement shall remain in effect for the remainder of the then-existing Term.

2.4 Administration of Agreement

The City Manager or his or her Designee, shall be the authorized representative of City for the purpose of administering the provisions of this Agreement. If, at any time

during the Term, the City Manager issues any interpretation of this Agreement or any order or direction to Contractor that Contractor believes is not within the scope of the services required by this Agreement, Contractor may appeal the propriety of such interpretation, direction or order to the City Council of City for a resolution of such disagreement. The City Council, upon receipt of a written request for the resolution of such a dispute between Contractor and the City Manager shall review all relevant written material submitted by the Contractor and the City Manager, and resolve the dispute. A copy of such written determination by the City Council shall be served on Contractor and the City Manager promptly by the City Council. The determination of the City Council shall be final.

2.5 Limitations on Scope of Franchise

The exclusive Franchise, right and privilege to provide Solid Waste Collection Services at all Premises within City granted to Contractor by this Agreement specifically excludes the following services, which may be provided by Persons other than Contractor or which may be the subject of other permits, licenses, franchises or agreements issued or entered into by City:

- 1) The sale or donation of source-separated Recyclable Materials by the Waste Generator or Customer to any Person other than Contractor; provided, however, to the extent permitted by law, if the Waste Generator or Customer is required to pay monetary consideration for the Collection, Transportation, Transfer, or Processing of Recyclable Material that results in a net payment to that Person, then it shall not be considered a sale or donation.
- 2) The removal of Solid Waste, including Recyclable Materials and Organic Waste, from any Premises by the Waste Generator, and which is transported personally by such Waste Generator (or by his or her employees) to a processing Facility or Disposal Site in a manner consistent with all applicable laws and regulations.
- 3) The donation of Recyclable Materials, Organic Waste or Bulky Items that are Source Separated at any Premises by the Waste Generator.
- 4) The delivery of Recyclable Materials to a recycling center or drop-off station by the Waste Generator for Recycling under the California Beverage Container Recycling and Litter Reduction Act, pursuant to Public Resources Code Section 14500 et seq.

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- 5) The incidental removal of Bulky Waste from a Single-Family Residential Premise by a property cleanup or maintenance company as part of the overall cleanup or maintenance service provided rather than as a separate hauling service.
- 6) The removal of Green Waste from a Premise by a gardening, landscaping, or tree trimming contractor, utilizing its own equipment, as an incidental part of a total service offered by that contractor rather than as a separate hauling service.
- 7) The collection of animal by-products, fats, oils, or grease to be rendered and used as tallow.
- 8) The collection or processing of byproducts of sewage treatment, including sludge, sludge ash, grit and screenings.
- 9) The collection, transfer, transport, recycling, processing, or disposal of Hazardous Substances, Hazardous Waste, untreated Medical Waste, and radioactive waste regardless of its source.
- 10) The collection of C&D Debris by a duly-licensed Building Moving/Demolition Contractor (e.g., with a C-21 license issued by the Contractors State License Board) as part of a total service offered by said licensed contractor, where the licensed contractor utilizes its own loaders and dump trucks, and C&D Debris is not stored in Containers or Roll-off Boxes (e.g., the C&D Debris is loaded directly into a dump truck by a skip loader, etc.).
- 11) The collection, transfer, transport, recycling, processing, and disposal of Solid Waste by City through City officers or employees in the normal course of their City employment.
- 12) The collection of Solid Waste from governmental agencies other than City, which may have facilities in City, but which City has no jurisdiction over in connection with the regulation of Solid Waste.
- 13) The Self-Hauling of Solid Waste, Recyclable Materials, or Organic Materials by a business or Waste Generator that is generated in or on their own Premises.
- 14) The collection or transportation of Edible Food from a Waste Generator by other Person(s), such as a Food Recovery Organization or Food Recovery

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Service, for the purposes of Food Recovery; regardless of whether the Waste Generator donates, sells, or pays a fee to the other Person(s) to collect or receive the Edible Food.

15) The collection of Food Scraps discarded for lawful use as animal feed.

16) The collection or transportation of Organic Waste used in Community Composting.

The exclusive franchise, right and privilege to provide Solid Waste Collection Services within City granted to Contractor by this Agreement shall be interpreted to be consistent with all applicable State and federal laws, now in effect and adopted during the Term. The scope of this Agreement shall be limited by all applicable current and future laws and regulations. In the event that future interpretations of current law, future enactments or developing legal trends limit the ability of City to lawfully grant Contractor the scope of services as specifically set forth in this Agreement, the scope of this Agreement shall be limited to those services and materials which may be lawfully provided, and that City shall not be responsible for any lost profits claimed by Contractor resulting from any change in law.

2.6 City's Right to Direct Changes

2.6.1 General

City may direct the Contractor to perform additional services (including new programs, etc.) or modify the manner in which it performs existing services or bills for services. Pilot programs and innovative services that may entail new Collection methods, different kinds of services and/or new requirements for Customers, and alternative rate structures are included among the kinds of changes which the City may direct. The Contractor shall be entitled to an adjustment in its Contractor compensation for providing such additional or modified services pursuant to Section 2.6.2.

2.6.2 New Programs

In the event that the City desires to implement new programs, Contractor shall present, within 30 days of a request to do so by the City, a proposal to provide additional or expanded services. The proposal shall contain a complete description of the following:

- 1) Collection methodology to be employed (equipment, manpower, etc.).
- 2) Equipment to be utilized (vehicle number, types, capacity, age, etc.).
- 3) Labor requirements (number of employees by classification).
- 4) Type of materials Containers to be utilized.
- 5) Provision for program publicity/education/marketing.
- 6) Three-year projection of the financial results of the program's operations in an operating statement format including documentation of the key assumptions underlying the projections and the support for those assumptions.

City and Contractor shall meet and confer regarding the Contractor's proposal, and determine the terms and conditions under which the new services shall be provide, and determine the total cost and the corresponding change to Billings.

2.6.3 City's Right to Acquire Services

The Contractor acknowledges and agrees that the City may permit other Persons besides the Contractor to provide additional Solid Waste services not otherwise contemplated under this Agreement. If Contractor and the City cannot agree on terms and conditions of such additional or expanded services within ninety (90) days from the date when the City first requests a proposal from the Contractor to perform such services, Contractor acknowledges and agrees that the City may permit Persons other than Contractor to provide such services. In the event that City exercises its right to permit third party Persons to provide such services, and if such a decision reduces or eliminates Contractor's Solid Waste Collection Services as contemplated under this Agreement, Contractor shall reduce its Billings proportionately.

2.7 Contractor Status

Contractor represents and warrants that it is duly organized, validly existing and in good standing under Applicable Law. It is qualified to transact business in the State and has the power, qualifications and resources to provide the services required by this Agreement.

2.8 Contractor Authorization

Contractor and its signatories have the authority to enter into and perform its obligations under this Agreement. The Board of Directors or partners of Contractor (or the shareholders, if necessary) have taken all actions required by law, its articles of incorporation, its bylaws or otherwise to authorize the execution of this Agreement.

2.9 Annexations

This Agreement extends to any territory annexed to the City during the Term except to the extent that Collection by the Contractor within that annexed territory would violate the provisions of Public Resources Code Section 49520. In such event, this Agreement shall become effective as to such area at the earliest possible date permitted by law, and the City shall cooperate with Contractor to fulfill any requirement necessary for Contractor to serve the annexed area consistent with this paragraph.

3 Fees Paid to City by Contractor

In addition to any other consideration set forth in this Agreement, and for the exclusive Franchise right and privilege to provide Solid Waste Collection Services as specified in this Agreement, Contractor shall pay to City the following fees:

3.1 Franchise Fee

A Franchise Fee in the amount of ten percent (10%) of the Gross Receipts of Contractor (including any subcontractor of Contractor) from the Residential and Commercial services provided in the Agreement.

Contractor shall pay the Franchise Fee to City within thirty (30) days of the end of each month during the Term. With each Franchise Fee payment, Contractor shall provide to the City: 1) a schedule showing the Contractor's Gross Receipts, and showing the calculation of the Franchise Fees, and, 2) a written statement certifying that the Gross Receipts and Franchise Fees are accurate.

The failure of Contractor to provide payment of the Franchise Fee will be considered a material non-performance and the Agreement will be subject to termination pursuant to Section 11.2 of the Agreement.

3.2 Solid Waste Administration and Environmental Impact Fee

In consideration of the exclusive Franchise provided in this Agreement, and in conjunction with Contractor's operation of the Solid Waste transfer station and Materials Recovery Facility ("Contractor's Transfer Station") within the City, Contractor shall pay to City an Administration and Environmental Impact Fee (the "AEI Fee") per ton on all Solid Waste tons delivered to the Contractor's Transfer Station, to be calculated as follows, as to the first 2,475 tons per day.

Commencing on the Effective Date, a per ton fee equal to One Dollar and Seventy-Eight Cents (\$1.85).

Effective July 1, 2024, the AEI Fee shall be adjusted based on the annual percentage change in the Consumer Price Index (CPI) (April of the prior year through March of the current year).

Every July 1st thereafter during the term of this Agreement, the AEI Fee shall be increased based on the annual percentage change in the CPI, up to a maximum of

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three dollars (\$3.00) per ton. When the maximum AEI Fee has been reached, the AEI Fee shall remain at \$3.00 per ton for the remainder of the Term. For the purpose of this Section, Solid Waste shall mean any and all Commercial and Residential Solid Waste regardless of the characterization of its generation, including, but not limited to, Commercial or Residential Solid Waste, Recyclable Materials, Organic Waste, and C&D Debris.

When the capacity at the Contractor's Transfer Station exceeds 2,475 tons of Solid Waste per day, the AEI Fee shall be increased as agreed upon by both parties prior to the Contractor's Transfer Station accepting additional tons.

Contractor shall pay the AEI Fee to City within thirty (30) days of the end of each month during the Term. With each AEI Fee payment, Contractor shall provide to the City: 1) a schedule including the Contractor's monthly tons, and showing the calculation of the AEI Fees, and, 2) a written statement certifying that the monthly tons and AEI Fees are accurate.

The failure to provide payment of the AEI Fee will be considered a material non-performance and the Agreement will be subject to termination pursuant to Section 11.2 of the Agreement.

3.3 Program Fee

Contractor shall pay to City an annual Program Fee in an initial amount equal to One Hundred and Fifty Thousand Dollars (\$150,000). Contractor shall pay the first Program Fee payment within fifteen (15) days of the Effective Date. Thereafter, Contractor shall pay the Program Fee each July 1st during the Term. Beginning on July 1, 2024, and thereafter on each July 1st during the Term, the amount of the Program Fee shall be adjusted by the annual percentage change in CPI (April of the prior year through March of the current year).

3.4 Annual Report Preparation Fee

Contractor shall pay to City an Annual Report Preparation Fee to reimburse City for the cost of preparing the CalRecycle electronic annual report (EAR). Contractor shall remit to City the first Annual Report Preparation Fee in the amount of Seven Thousand Dollars (\$7,000.00) within fifteen (15) days of the Effective Date. Beginning on July 1, 2024, and thereafter on each July 1st during the Term, the amount of the Annual Report Preparation Fee shall be adjusted by the annual percentage change in CPI (April of the prior year through March of the current year).

3.5 Other Fees

The City shall reserve the right to set other fees, as it deems reasonably necessary. In the event that City sets new fees on Contractor's rates, City shall approve adjustments to Contractor's rates to compensate Contractor for the cost of any new fees.

4 Direct Services

4.1 General

Contractor shall furnish of all labor, supervision, equipment, materials, supplies, and all other items necessary to perform the services required by this Agreement. The enumeration of, and specification of requirements for, particular items of labor or equipment shall not relieve the Contractor of the duty to furnish all others, as may be required, whether or not they are enumerated elsewhere in the Agreement.

The work to be performed by Contractor pursuant to this Agreement shall be accomplished in a thorough and professional manner so that the residents and businesses within the City are provided reliable, courteous and high-quality Solid Waste Collection at all times.

4.2 Refuse Collection Services

4.2.1 Automated Residential Cart Collection

Contractor shall Collect Refuse from all Single-Family Customers, and Multi-Family Customers utilizing Cart Collection service. Contractor shall furnish each Customer with a 96-gallon black Refuse Cart which shall be maintained and, if needed, replaced by Contractor. Contractor shall Collect all Refuse that is properly placed for Collection at least once per week on the same day of the week that Contractor Collects Recyclable Materials and Organic Waste. If there is a dispute between a Customer and Contractor regarding the location for the proper placement of any Carts (Refuse, Recycling, or Organic Waste) for Collection, the City shall make the final determination.

Contractor may charge the Customer based on each Customer's size and number of Refuse Carts according to the monthly rates shown in Exhibit 1. Contractor shall furnish additional Carts upon request at the monthly rates for extra Carts shown in Exhibit 1.

4.2.2 Automated Commercial Cart Collection - Refuse

Contractor shall offer automated Refuse Cart Collection Service to Commercial Customers that do not have space for, or do not generate enough waste to require, Bin Collection Service. Contractor shall provide Refuse Cart Collection Service at least once per week at the rates shown in Exhibit 1.

4.2.3 Refuse Overage

Residential Cart Customers may periodically generate more Refuse than will fit in the Refuse Cart(s). Residential Customers are entitled to two pickups per calendar year of material that does not fit in the Refuse Cart(s) at no additional cost. One pickup shall consist of up to the equivalent of three (3) large 32-gallon bags, boxes or barrels of Refuse. Contractor shall Collect all Refuse put out for Collection in addition to the foregoing two (2) pickups to be provided at no charge. Residential Customers may be charged per pickup in accordance with the approved rate schedule for overage pickups exceeding the two (2) free pickups per year. In addition to the two (2) free pickups, Contractor shall Collect all additional Refuse placed out for Collection in the Residential Customer's own Containers (bags, barrels, etc.) at no additional charge for two weeks beginning each December 26. This service is limited to Refuse that could otherwise be placed in the Refuse Cart, and not Bulky Items.

Commercial Customers may request Cart overage Collections in accordance with the rates in Exhibit 1 but are not entitled to free overage Collections.

4.2.4 Commercial Bin Collection - Refuse

Contractor shall use front-loading Bin service to Collect Refuse from all Commercial Customers, and from all Multi-Family Customers without Cart service. Contractor shall Collect all Refuse that is properly placed in Bins from all Commercial and Multi-Family Customers at least once per week, or more frequently if needed to handle the amount of Refuse generated at the Premises, or to safeguard public health and safety. Contractor shall determine the location of Bins to ensure that the flow of traffic is not impeded. If Contractor and Customer have a disagreement regarding the location of any Bin (Refuse, Recycling, Organic Waste, etc.), or if City determines the Collection location is a nuisance or safety concern, City shall make the final determination as to where Bins shall be stored, and from where they will be Collected. Contractor shall provide the size and quantity of Bins or Carts requested by Customer, but may determine the size and quantity of Containers if the Customer's requested Service Level is insufficient to Collect the volume of Refuse generated.

4.2.5 Temporary Bin and Roll-off Box Service

Contractor shall offer Temporary Bin Collection Service and Permanent and Temporary Roll-off Box Collection Service to Single-Family, Multi-Family, and

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Commercial Premises for the Collection of Refuse or C&D Debris. Contractor shall deliver and Collect Temporary Bins and Roll-off Boxes at the direction of the Customer. Temporary Bins and Roll-off Boxes shall be free of graffiti and in good repair, and must be clearly marked and identifiable as belonging to the Contractor. In placing Temporary Bins and Roll-off Boxes, the Contractor shall not impede the flow of traffic. The designated Collection location, if disputed by the Customer or the Contractor, shall be determined by the City. Additionally, if in the City's opinion, the location of an existing Collection location is inappropriate for aesthetic or safety reasons, the City may require the Customer and/or Contractor to relocate the Collection location.

Contractor shall deliver all Permanent Roll-off Box Refuse loads to a Diversion Facility for Processing. Contractor shall deliver loads of concrete, dirt or any other recoverable material to Facilities that recover such materials. Mixed Refuse loads shall be delivered to a Materials Recovery Facility, City may instruct Contractor to deliver loads directly to a Landfill if Processing is not cost effective due to low anticipated Recovery. Contractor must obtain written approval from the City before directing specific loads, or loads from a specific Customer, to a Landfill without Processing. Contractor may charge no more than the per pull charge plus the actual Processing/Disposal cost per ton (net of any rebate for Recyclables), not to exceed the rates set forth in Exhibit 1.

4.2.6 On-Call Bulky Waste Pickup

Contractor shall provide for the unlimited Collection of Bulky Waste for Residential Premises that use curbside Solid Waste Collection on an on-call basis at no extra charge. Contractor shall provide for the free Collection of four (4) items per pickup of Bulky Waste for multi-family premises that do not have curbside service for Solid Waste Collection on an on-call basis, with subsequent pickups charged at the rates specified in Exhibit A. Bulky Waste shall include, but not be limited to, refrigerators, mattresses, rugs, water heaters and other items which can be handled by a two-man crew and which would otherwise not be accommodated within the automated Collection Container furnished by CR&R. Customers shall contact Contractor at least two business days in advance of their regular Collection day. Contractor shall Collect Bulky Items on the next regular Collection day after receiving a request from Customer. Contractor shall prepare, keep current, and provide to the public, information specifically describing the Bulky Waste Collection service.

4.2.7 Disposal of Electronic Waste

Contractor shall divert Electronic Waste or “e-waste,” Collected in accordance with Sections 4.2.6 (On-Call Bulky Waste Pickup) or 4.5.2 (Bulky Item Drop Off Event), or by other means under this Agreement, by taking these goods to a properly permitted Facility, and not by Landfilling.

4.3 Recycling Services

4.3.1 Automated Cart Collection - Recyclables

Contractor shall Collect Recyclable Materials from all Single-Family Customers, and Multi-Family Customers using Cart Collection Service. Contractor shall furnish each Customer with a 96-gallon automated Recycling Cart which shall be maintained and, if needed, replaced by Contractor. Contractor shall Collect all Recyclables that are properly placed for Collection at least once per week on the same day of the week that Contractor Collects Refuse and Organic Waste and transport Collected Recyclable Materials to a Materials Recovery Facility.

Upon Customer request, Contractor shall furnish up to one (1) additional Recycling Cart at no additional charge. For Customers that request and use more than a total of two (2) Recycling Carts, Contractor may charge the monthly rate shown in Exhibit 1 for each extra Recycling Cart. Customers may exchange their Cart sizes at no cost.

4.3.2 Commercial Bin Collection – Recyclables

Contractor shall use front-loading Bin service to Collect Recyclables from all Commercial Customers, and Multi-Family Customers without Recycling Cart Collection Service, unless they have been granted a waiver by the City. Contractor shall Collect all Recyclable Materials that are properly placed in Bins from all Commercial and Multi-Family Customers at least once per week, or more frequently if needed to handle the amount of Recyclable Materials generated at the premises, or to safeguard public health and safety. Contractor shall provide the size and quantity of Bins or Carts as requested by Customer. Contractor shall transport Collected Recyclable Materials to a Materials Recovery Facility.

Automated Commercial Cart Collection - Recyclables

Contractor shall offer automated Recyclables Cart Collection Service to Commercial Customers that do not have space for, or do not generate enough Recyclable

Materials to require Bin Collection Service. Contractor shall provide Recycling Cart service shall be provided at least once per week at the rates shown in Exhibit 1.

4.3.3 Multi-Family and Commercial Site Visits

Contractor will visit each Multi-Family and Commercial Customer within six months of the start of service under this Agreement for the purpose of establishing a recycling program. Contractor will provide a monthly log to the City, including the name and address of the Customer, the date of the visit, and the contact's name and phone number, demonstrating that the required visits have been made. At the end of the first six months of service, Contractor will provide City with two lists, one of Multi-Family and Commercial Recycling program participants and one of Multi-Family and Commercial Customer non-participants. Each list shall include Customer names and addresses, contact names and phone numbers, Refuse and Recycling Service Levels, including number and size of Containers and number of weekly pickups. Contractor will continue to conduct on-site visits to Multi-Family and Commercial Customers throughout the Term to implement and optimize Recycling programs for each Customer.

4.3.4 Construction Waste Recycling

Contractor shall make reasonable efforts to prevent C&D Debris that is suitable for Recycling from being taken to the Landfill by Transporting it to an alternate Facility where it will be Processed for reuse. Such efforts include, but are not limited to, contacting and educating building contractors about available Recycling and C&D services. City will provide Contractor with a list of building contractors to contact.

4.3.5 Warning Notice

Contractor shall issue warning notices to Customers and Waste Generators who have Prohibited Container Contaminants in their Containers. After two written warnings, if the Container continues to be contaminated, Contractor may charge Customers a Contamination Fee. The Contractor shall report monthly to the City any warning notices issued.

4.3.6 Marketing and Sale of Recyclable Materials

Contractor shall be responsible for the marketing and sale of all Recyclable Materials Collected pursuant to this Agreement. Contractor shall retain proceeds from the sale of Recyclable Materials.

4.4 Organic Waste and Green Waste Program

4.4.1 Automated Cart Collection – Organic Waste

Contractor shall Collect Organic Waste from all Single-Family Customers, and Multi-Family Customers without using Cart Collection Service. Contractor shall furnish each Customer with a 96-gallon automated Organic Waste Cart which shall be maintained and, if needed, replaced by Contractor. Contractor shall Collect all Organic Waste properly placed for Collection at least once per week on the same day of the week that Contractor Collects Refuse and Recyclables. Contractor shall transport Collected Organic Waste to an Organic Waste Processing Facility.

Upon Customer request, Contractor shall furnish up to one (1) additional Organic Waste Cart at no additional charge. For Customers that request and use more than a total of two (2) Organic Waste Carts, Contractor may charge the monthly rate shown in Exhibit 1 for each extra Organic Waste Cart. Customers may exchange their Cart sizes at no cost.

4.4.2 Automated Commercial Cart Collection – Food Waste

Contractor shall Collect Food Waste from all Commercial Customers that generate Food Waste using automated Cart service. Contractor shall furnish each Commercial Food Waste Customer with a 35- or 65-gallon automated Food Waste Cart which shall be maintained and, if needed, replaced by Contractor. Contractor shall Collect all Food Waste that is properly placed for Collection at least once per week on the same day of the week that Contractor Collects Refuse and Recyclables at the rates set in Exhibit 1. Contractor shall transport Collected Food Waste to an Organic Waste Processing Facility.

4.4.3 Commercial Bin Collection – Organic Waste

Contractor shall use front-loading Bin service to Collect Organics from all Commercial Customers, and Multi-Family Customers without Cart Collection Service, unless they have been granted a waiver by the City. Contractor shall Collect all Organic Waste that are properly placed in Bins from all Commercial and Multi-Family Customers at least once per week, or more frequently if needed to handle the Organic Waste generated at the Premises, or to safeguard public health and safety. Contractor shall provide the size and quantity of Bins or Carts as requested by Customer, but Contractor may determine the size and quantity of Containers if the Customer's requested Service Level is insufficient to Collect the volume of Organic Waste

generated. Contractor shall transport Collected Organic Waste to an Organic Waste Processing Facility.

4.4.4 Holiday Tree Collection Program

For the first two regularly scheduled pickup days after New Year's Day, Contractor shall, free of charge, pick up holiday trees placed out for Collection by Residential customers. Such trees shall be delivered to a proper Facility for Processing, rather than Disposal.

4.5 City Services

4.5.1 City Facilities Collection

Contractor shall provide Containers and receptacles, and Collect and Dispose of all Refuse, Recyclables, and Organic Waste from any and all City-owned or operated facilities and public parks, that currently exist or that may be acquired or developed in the future, at no charge.

4.5.2 Bulky Item Drop Off Event

Contractor shall provide, upon City request, in coordination with the City as to time and location, two Bulky Item drop-off events annually at no charge to City residents. Contractor shall request proof of City residency in the form of driver's license, utility bill or other such document sufficient to verify residency.

4.5.3 Abandoned Item Collection

Contractor shall provide for the Collection and Disposal of Bulky Waste and other trash or waste such as; furniture, appliances, tires and miscellaneous household items in streets, parkways, alleys and other public rights-of-way in the City on an on-call basis at no extra charge. Contractor shall respond to City requests for Collection of Bulky Waste or trash in the public rights-of-way within twenty (24) hours.

Contractor shall not be required to Collect abandoned vehicles and objects or appliances larger than conventional household furniture or appliances, or hazardous, special, and medical wastes. However, Contractor shall promptly report these exempt items found to be in the public rights-of-way to the City.

4.5.4 Emergency Collection and Disposal Service

Contractor will assist City at the City's request with emergency Collection and Disposal service (in the event of a major Disaster, such as an earthquake, storm, riot or civil disturbance), or as otherwise determined necessary by the City, by providing Collection vehicles and drivers normally assigned to the City, at the rate set forth in Exhibit 1.

4.5.5 Household Sharps Collection

Contractor shall implement and administer during the Term a household sharps waste disposal program at no cost to the resident. Under this program, residents will contact Contractor, via Contractor's website or customer service center, and request a Household Sharps container. Within seven (7) calendar days of request, Contractor shall mail or deliver Household Sharps container with pre-paid return postage to the resident. Resident will fill the container with Household Sharps material and mail it back to the designated vendor for proper treatment and disposal. There shall be no limit on the number of Household Sharps containers the Contractor shall provide.

4.6 Diversion Requirements

Contractor shall achieve a Diversion rate for City as a result of its operations hereunder such that the Diversion requirements established by the State of California and CalRecycle (currently 50%) are at all times met. City shall evaluate Contractor's Diversion performance at the end of each year. Should the City's Diversion not meet the requirement for its entire waste stream, including Self-hauled material disposed of directly by residents or businesses in the City, and should City determine, in its sole discretion, that Contractor has not maximized Diversion as contemplated under this Agreement, Contractor shall undertake reasonable efforts at its cost to implement programs and provide equipment necessary in order for the City to meet the Diversion goal as soon as possible. In addition, if CalRecycle determines that the City must improve or increase its diversion, Contractor shall undertake efforts at its cost to implement programs and provide equipment necessary in order for the City to meet the new Diversion goals, as soon as possible, and in all cases within any time frames required by CalRecycle.

If Diversion rate requirements, as established by the State of California and CalRecycle, are not achieved, Contractor is liable for penalties as established by Section 11.4 (Liquidated Damages).

4.7 Operations

4.7.1 Minimum Standards of Service

Contractor shall ensure that the following minimum standards of service are met:

- 1) after a Container has been emptied into a refuse truck, the Container shall be replaced in an upright position at the place presented for Collection;
- 2) Containers shall not be thrown from a truck to the ground, but placed on the ground in a manner that will prevent damage to the Container. Contractor shall ensure that Containers are treated by its employees and agents in a reasonable manner to prevent damage or destruction to Containers;
- 3) Contractor shall promptly clean up all spills occurring during the Collection process;

4.7.2 Schedules

To preserve peace and quiet, no Solid Waste shall be Collected between 6:00 p.m. and 7:00 a.m. on any day from any Single-Family Residential or Multi-Family Residential Premises, and from any Commercial Premises located within 600 feet of Residential Premises. No Solid Waste shall be Collected from Commercial Premises located 600 feet or more from Single-Family or Multi-Family Residential Premises shall be made between the hours of 6:00 p.m and 6:00 a.m. Residential Solid Waste shall be Collected Monday through Friday, unless the City approves Saturday Collection on a case-by-case basis. Residential Collection routes shall be designed such that Collection activities occur within contiguous Residential regions or individual neighborhoods on only one day each week. Commercial Solid Waste Collection shall be Collected Monday through Saturday, unless the City approves Sunday Collection on a case-by-case basis.

Contractor shall be prepared to review its operations plan outlining the Collection routes, intervals of Collection and Collection times for all materials Collected under this Agreement with the City once annually upon 30 days' written notice by City. More frequent reviews may be required if operations are not satisfactory based on documented observations or reports of Complaints. If the plan is determined to be inadequate by the City, the Contractor shall revise its plan incorporating any changes into a revised plan and review the revised plan with the City within thirty (30) calendar days.

4.7.3 Holidays

Contractor shall not Collect Solid Waste on the following holidays: New Year's Day, Memorial Day, Independence Day, Labor Day, Thanksgiving Day, and Christmas Day. In any week in which one of these holidays falls on a weekday, Collection services for the Holiday and each Work Day thereafter will be delayed one Work Day for the remainder of the week. Friday Collection services shall be performed on Saturday.

4.7.4 Missed Pickups

When notified of a missed pick-up, Contractor shall Collect Refuse, Recyclable Materials, and/or Organic/Green Waste within one (1) Work Day.

4.7.5 Vehicles

- 1) General. Contractor shall provide Collection vehicles sufficient in number and capacity to efficiently perform the work required by this Agreement. Contractor shall have available on Collection days sufficient back-up vehicles for each type of Collection vehicle used to respond to Complaints and emergencies.
- 2) Specifications – Fleet and Vehicle Age. Contractor shall furnish Collection vehicles used in the City such that the maximum age of any vehicle in the fleet, shall be less than ten (10) years.
- 3) Specifications – Fuel and Emissions. All route vehicles shall be powered by natural gas, or another alternative fuel used to minimize vehicle emissions. All Contractor's vehicles shall comply with SCAQMD Rule 1193, and the Air Resource Board's emission standards for Solid Waste removal vehicles, as well as other Federal, State, or regional vehicle emission laws and regulations that may be enacted during the term of this Agreement.
- 4) Specification – Water Tight Bodies/Cameras. All vehicles shall have water-tight bodies designed to prevent leakage, spillage and overflow. All vehicles shall be equipped to provide live video display to dispatch, two to three angle time-stamped video service records and GPS.
- 5) Vehicle Identification. Contractor's name, local telephone number, and a unique vehicle identification number designed by Contractor for each vehicle shall be prominently displayed on all vehicles, in letters and numbers no less

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than (3) three inches high. The Contractor shall not place City's name and/or any City logos on the Contractor's vehicles.

6) Cleaning and Maintenance

- a) Contractor shall maintain all of its properties, vehicles, facilities, and equipment used in providing service under this Agreement in a good, safe, neat, clean and operable condition at all times; City may instruct Contractor to remove a vehicle from service until repaired for not meeting cleaning and maintenance requirements. Reasons for removal from service may include dents or rust on the vehicle and other cosmetic problems, as well as operational problems.
- b) Vehicles used in the Collection of Refuse, Recyclable Materials, and Organic/Green Waste shall be painted, thoroughly washed, and thoroughly steam cleaned on a regular basis so as to present a clean appearance. The City may inspect vehicles at any time to determine compliance with this Agreement. The Contractor shall also make vehicles available to the Orange County Health Department for inspection, at any frequency it requests. Contractor shall replace or repair to the City's satisfaction, any vehicle which the City determines to be of unsightly appearance, leaking, or in unsatisfactory operating condition.
- c) Contractor shall repaint all vehicles used in the Collection of Refuse, Recyclable Materials and Organic/Green Waste within sixty (60) days' notice from the City, if the City determines that their appearance warrants painting.
- d) Contractor shall inspect each vehicle daily to ensure that all equipment is operating properly. Vehicles that are not operating properly, or vehicles in such a condition as to be unsafe or excessively noisy, shall be removed from service until repaired and operating properly. Contractor shall reasonably perform all scheduled maintenance functions in accordance with the manufacturer's specifications and schedule. Contractor shall keep accurate records of all vehicle maintenance, recorded according to date and mileage (or hours of operation) and shall make such records available to the City upon request.
- e) Contractor shall repair, or arrange for the repair of, all of its vehicles and equipment for which repairs are needed because of accident, breakdown

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or any other cause so as to maintain all equipment in a safe and operable condition. If an item of repair is covered by a warranty, Contractor shall obtain warranty performance. Contractor shall maintain accurate records of repair, which shall include the date and mileage (or hours of operation), nature of repair and the verification by signature of a maintenance supervisor that the repair has been properly performed.

- f) Upon request by the City, Contractor shall furnish the City a written inventory of all equipment, including Collection vehicles, used in providing service, and shall update the inventory annually. The inventory shall list all equipment by manufacturer, ID number, date of acquisition, type, and capacity.
- 7) Operation. Vehicles shall be operated in compliance with the California Vehicle Code, and all applicable laws. Contractor shall not load vehicles in excess of the manufacturer's recommendations or limitations imposed by Federal, State or local weight restrictions on vehicles.
- 8) Equipment shall comply with US EPA noise emission regulations, currently codified at 40 CFR Part 205 and other applicable noise control regulations, and shall incorporate noise control features throughout the entire vehicle. In no event shall the noise level of equipment used for Collection exceed 75 dBA when measured at a distance of 25 feet from the vehicle, five feet from the ground.
- 9) Contractor shall store all equipment in safe and secure locations in accordance with the City's applicable zoning regulations.
- 10) Subject to Section 9.1 (Indemnification), Contractor shall be responsible for any damage resulting from or directly attributable to any of its operations, and which it causes to: the City's driving surfaces, whether or not paved; associated curbs, gutters and traffic control devices; other public improvements; and private roads and alleys.
- 11) City Inspection Per Code. The City may cause any vehicle used in performance of this Agreement to be inspected and tested at any commercially reasonable time and in such manner as may be appropriate to determine that the vehicle is being maintained in compliance with the applicable provisions of the State

Vehicle Code, including all Vehicle Code sections regarding smog equipment requirements. The City may direct the removal of any vehicle from service if that vehicle is found to be in nonconformance with applicable codes. No vehicle directed to be removed from service by the City shall be returned to service until it conforms with, and its return to service has been approved by the City.

12) Vehicle Inspections. Each year with its Annual Report, Contractor shall submit to City a copy of:

- a) Its most recent BASIC Score determined by the Federal Motor Carrier Safety Administration, and,
- b) Any terminal inspection reports resulting from the California Highway Patrol's Basic Inspection of Terminals (BIT) program.

13) Vehicle BIT Inspections Less than Satisfactory. If Contractor receives a terminal rating below satisfactory, the Contractor is in violation of the Agreement. The Contractor has the time allowed by the Department of California Highway Patrol ("CHP") to cure violations and bring the terminal rating up to satisfactory. If the CHP does not adjust the rating to satisfactory or better within six (6) months, then the Contractor shall be considered in default of the Agreement and the City may terminate the Agreement.

14) Correction of Defects. Following any inspection, the Public Works Director shall have the right to cause Contractor, at its sole cost and expense, to recondition or replace any vehicle or equipment found to be unsafe, unsanitary or unsightly. The Public Works Director's determination may be appealed to the City Council, which decision shall be final.

4.7.6 Containers

4.7.6.1 Automated Carts

All Carts used in the City shall be maintained in good condition. The Carts shall be manufactured by injection or rotational molding. The Refuse, Recycling and Organic Carts will be differentiated by color and identified as follows: Refuse (black or gray), Recycling (blue) or Organic Waste (green). Colors will be uniform throughout the City, and be colorfast and resistant to fading as a result of weathering or ultraviolet degradation. Contractor shall provide Refuse, Recycling and Organic Carts in sizes of

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approximately 96 gallons. Recycling and Organic Carts shall be labeled, using both words and graphics to indicate what materials are to be placed in each Container. Contractor's name and phone number shall also be placed on the Carts.

Contractor shall repair and maintain, and replace lost, stolen or damaged carts at no charge to Residential customers. However, Contractor shall be entitled to charge customers for the replacement of any Cart that has been damaged by a Customer's willful neglect or abuse, ordinary wear and tear excepted, with such charges being subject to the City Manager's approval and at a fee no higher than Contractor's actual cost of repair and replacement. Notwithstanding the above, upon request and up to one time per calendar year, Contractor shall exchange a Customer's Cart for a new or "like new" Cart at no additional charge. Additional Customer requested exchanges shall be charged at the Cart replacement rate shown in Exhibit 1.

All Carts provided under this Agreement shall become the property of the City at the end of this Agreement, although the City retains the right to direct Contractor to remove and Dispose of the Carts at the end of the Term at no additional charge.

4.7.6.2 Cart Colors – SB 1383

Contractor shall furnish all new Carts in the City such that the colors of the new Carts are compliant with CalRecycle's SB 1383 regulations. Contractor shall phase out the brown Recycling Carts as they are replaced with blue Recycling Carts. After January 1, 2032, all Carts for Refuse shall be black; all Carts for Recyclables shall be blue; and all Carts for Organic shall be green.

4.7.6.3 Bins

The Contractor shall provide Commercial and Multi-Family Dwelling Unit Customers with Containers for the Collection of Solid Waste. The Contractor shall maintain its Containers in a clean, sound condition free from putrescible residue. Containers shall be constructed of heavy metal, or other suitable, durable material, and shall be watertight and well-painted. Wheels, side channels, and other appurtenances which were designed for movement, loading, or unloading of the Container shall be maintained in good repair.

Contractor shall at Commercial Customer's request annually refurbish, replace, and steam clean as necessary all Bins at no charge ; provided, however, City may require the steam cleaning or replacement of Bins utilized at restaurants, bars and Grocery Stores/markets more frequently if it determines such action is needed to protect

public health and safety. Additional steam cleaning shall be provided to any Customers who request it at the rate in Exhibit 1. Contractor may charge Customers for damaged Bins with such charges being subject to the City Manager's approval and at a fee no higher than Contractor's actual cost of repair and replacement.

4.7.7 Litter Abatement

- 1) Minimization of Spills. The Contractor shall use due care to prevent Solid Waste or fluids from leaking, being spilled and/or scattered during the Collection or Transportation process. If any Solid Waste or fluids leak or are spilled during Collection, the Contractor shall promptly clean up all such materials. Each Collection vehicle shall carry a broom and shovel at all times for this purpose.

The Contractor shall not transfer loads from one vehicle to another on any public street, unless it is necessary to do so because of mechanical failure, accidental damage to a vehicle, or a pre-approved method of Solid Waste transfer between vehicles, without prior written approval by the City.

- 2) Clean Up. During the Collection or Transportation Process, Contractor shall clean up litter in the immediate vicinity of any Solid Waste storage or Collection area whether or not Contractor has caused the litter. Contractor shall identify instances of repeated Customer-caused spillage contact the responsible Customer directly and report such instances to the City. City will attempt to rectify such situations with the Customer if the Contractor has already attempted to do so without success.
- 3) Covering of Loads. Contractor shall properly cover all open Roll-off Boxes during Transport to the Disposal Site.

4.7.8 Personnel

The Contractor shall furnish such qualified drivers, mechanical, supervisory, clerical, management and other personnel as may be necessary to provide the services required by this Agreement in a satisfactory, safe, economical and efficient manner. All drivers shall be trained and qualified in the operation of vehicles they operate and must possess a valid license, of the appropriate class, issued by the California Department of Motor Vehicles.

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Contractor also shall establish and vigorously enforce an educational program which will train the Contractor's employees in the identification of Hazardous Waste. Contractor's employees shall not knowingly place such Hazardous Waste in the Collection vehicles, nor knowingly dispose of such Hazardous Wastes at the Processing Facility or Disposal Site.

Contractor shall train its employees in Customer service, prohibit the use of profane language, and instruct Collection crews to perform the work quietly. Contractor shall use its best efforts to assure that all employees present a neat appearance and conduct themselves in a courteous manner. If any employee is found to be discourteous or not to be performing services in the manner required by this Agreement, Contractor shall take all necessary corrective measures including, but not limited to, transfer, discipline or termination. If City has notified Contractor of a Complaint related to discourteous or improper behavior, Contractor will consider reassigning the employee to duties not entailing contact with the public while Contractor is pursuing its investigation and corrective action process.

Contractor shall provide suitable operations, health and safety training for all of its employees who use or operate equipment or who are otherwise directly involved in Collection or other related operations.

4.7.9 Identification Required

The Contractor shall provide its employees, companies and subcontractors with identification for all individuals who may make personal contact with residents or businesses in the City. City may require Contractor to notify Customers yearly of the form of said identification. Contractor shall provide a list of current employees, companies, and subcontractors to the City upon request.

City reserves the right to perform a security and identification check through law enforcement agencies upon the Contractor and all its present and future employees, in accordance with accepted procedures established by the City, or for probable cause.

4.7.10 Fees and Gratuities

Contractor shall not, nor shall it permit any agent, employee, or subcontractors employed by it, to request, solicit, demand, or accept, either directly or indirectly, any gratuity for any of the services required in this Agreement.

4.7.11 Non-Discrimination

The Contractor shall not discriminate in the provision of service or the employment of Persons engaged in performance of this Agreement on account of race, color, creed, national origin, religion, sex, age, physical handicap or medical condition in violation of any applicable federal or State law.

In all solicitations or advertisements for employees placed by or on behalf of Contractor, and on its employment applications, in clear and easily readable print, Contractor shall state that all qualified applicants will receive consideration for employment without regard to race, sex, age, creed, color, religion, or national origin.

4.7.12 Change in Collection Schedule

Contractor shall notify the City forty-five (45) days prior to, and Single-Family Dwelling Unit Customers not later than fourteen (14) days prior to, any change in Single-Family Dwelling Unit Collection operations which results in a change in the day on which Solid Waste Collection occurs. Contractor will not permit any Customer to go more than seven (7) days without service in connection with a Collection schedule change. City's approval of any change in Single-Family Dwelling Unit Collection is required prior to such change, and such approval shall not be unreasonably withheld.

Any changes in the route map or Collection schedule shall require the prior approval of the City. City may require changes in the route map or Collection schedule, to improve service, to resolve Complaints or for other reasons.

4.7.13 Report of Accumulation of Solid Waste; Unauthorized Dumping

Contractor shall direct its drivers to note the addresses of any Premises at which they observe that Solid Waste is accumulating and is not being set out for Collection; and the address, or other location description, at which Solid Waste has been dumped in an apparently unauthorized manner. Contractor shall deliver the address or description to the City within five (5) working days of such observation. Contractor shall cooperate with City in the investigation and prosecution of any violations of the City Code.

4.7.14 Contamination Monitoring

Contractor shall implement a contamination monitoring program to minimize Prohibited Container Contaminants in a manner that complies with 14 CCR Section

18984.5 . Contractor may conduct its contamination monitoring requirements through either Route Reviews or Waste Evaluations, or a combination of the two methods. Contractor's contamination monitoring program shall include, but not be limited to, the following:

4.7.14.1 Route Reviews

For routes on which Contractor conducts Route Reviews (i.e., on-route observations of individual Containers), the routes must be reviewed at least once per year. Upon finding Prohibited Container Contaminates in a Container, Contractor shall notify the Customer of the violation. The notification shall include information regarding the Customer's obligation to properly Source Separate materials in the appropriate Containers and should include photographic evidence of the violation. Contractor shall either leave a Notice of Violation at the Customer's location, or mail, e-mail, or electronically message the Waste Generator.

4.7.14.2 Waste Evaluations

For routes on which Contractor performs Waste Evaluations (i.e., conducting waste characterizations of Collected material at the Processing Facility), Waste Evaluations shall be conducted at least twice per year for the Green Containers and Brown or Blue Containers, and at least once per quarter for the Black Containers. Waste Evaluations shall include samples of each Container type, and samples from different areas of the City, and from different seasons in the year. The Waste Evaluations shall include at least the number of samples required by 14 CCR Section 18984.5 (C)(1)(e).

If the sampled weight of Prohibited Container Contaminants in the Waste Evaluations exceeds twenty percent (25%) of the measured sample for any Container type, Contractor shall perform one of the following:

- 1) Notify all Waste Generators on the sampled routes of their requirement to properly separate materials into the appropriate Containers. Contractor may provide this information by placing a notice on the Waste Generator's Container, gate, or door, and/or by mail, e-mail, or electronic message to the Waste Generator.
- 2) Perform a targeted Route Review of Containers on the routes sampled for Waste Evaluations to determine the sources of contamination and notify those Waste Generators of their obligation to properly separate materials. Contractor may provide this information to these Waste Generators by placing

a notice on the Waste Generator's Container gate, or door, and/or by mail, e-mail, or electronic message to the applicable generators.

4.7.14.3 Recordkeeping and Reporting

Contractor shall collect and maintain following information and documents related to its contamination minimization program and provide it to City:

- 1) A description of Contractor's process for determining the level of Container Contamination.
- 2) Documentation of any of the Route Reviews it conducts.
- 3) Documentation of any Waste Evaluations performed including information about any targeted Route Reviews conducted as a result of the Waste Evaluations. The documentation shall at a minimum include dates of the studies, the location of the Solid Waste Facility where the study was performed, routes, source sector (e.g., Commercial or Residential), number of samples, weights and ratio of Prohibited Container Contaminants and total sample size, and of all notices issued to Waste Generators with Prohibited Container Contaminants.
- 4) Documentation of the number of Containers where the contents were disposed due to observation of Prohibited Container Contaminants.

Contractor shall continuously monitor the Single-Family Organic Waste Collection program for both participation and contamination such that each year, Contractor has opened the Cart lid and checked the contents of a minimum of five percent (5%) of all Single-Family and Multi-Family Cart Customers in the City to note contamination levels in the Carts. (Contractor shall develop a plan to randomly sample areas of City, which shall be submitted to City for approval annually.) When Contractor finds a household that is not participating, Contractor shall leave or direct mail the Customer education materials describing the program, and how to participate. When Contractor finds contamination, Contractor shall alert the Customer by leaving a hang-tag and by leaving public education materials concerning the acceptable materials for the program. Contractor shall recheck the Residences that were tagged within sixty (60) days to see if the contamination has been reduced or eliminated. Contractor's compensation for Collecting Organic Waste from Single-Family and Multi-Family Cart Customers shall be included in the maximum rate for automated

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Refuse, Recycling, and Organic Cart Collection Service in the schedule of Solid Waste rates approved by City.

4.8 Ownership of Solid Waste

Ownership of Solid Waste shall transfer to Contractor when it is picked up by Contractor. Contractor is hereby granted the right to retain, dispose of and otherwise use such Solid Waste, or any part thereof, in any fashion or for any lawful purpose desired by Contractor, and to retain any benefit or profit resulting therefrom. Solid Waste which is disposed of at a disposal site or sites (whether landfill or transfer station) shall become the property of the owner or operator of the disposal site or sites once deposited there by Contractor.

4.9 Transportation and Disposal of Refuse

Contractor shall Transport all Refuse Collected under Section 4.2 (Refuse Collection Services) to a transfer station, Materials Recovery Facility, Transformation Facility, a properly permitted e-waste Processing Facility or Disposal Site. The Disposal Site shall be the Orange County Landfill System. Contractor shall make all reasonable efforts to separate Recyclable Materials from Refuse for Diversion from Landfill Disposal. Contractor shall endeavor to dispose of all Solid Waste collected as cost effectively as possible. Contractor shall be responsible for all transfer station and Landfill charges.

Contractor shall maintain complete, accurate and up-to-date records of the quantities of Solid Waste Transported to the transfer station, Materials Recovery Facility, Transformation Facility, e-waste Processing Facility or Disposal Site and will cooperate with the City in any audits or investigations of such quantities.

4.10 Flow Control-Reservation of Rights

City reserves the right to select disposal facilities to which the Solid Waste to be Collected pursuant to this Agreement will be taken. In the event City directs Contractor to Transport Solid Waste to a particular disposal or other facility, City and Contractor agree to use their best efforts to obtain indemnification against Comprehensive Environmental Response. Compensation and Liability Act, or "CERCLA" Resource Conservation and Recovery Act or "RCRA", and related claims from the operator of the landfill or other destination to which Solid Waste Collected pursuant to this Agreement is taken for disposal. In the event City selects a transfer facility, Contractor or City as appropriate, shall be entitled to a rate adjustment to

offset for a substantiated increase or decrease in expenses resulting from the City's exercise of flow control.

4.11 Solid Waste, Transfer Station and Material Recovery Facility

At all times during the Term, Contractor shall maintain within the City an operational and operating Solid Waste Transfer Station and Materials Recovery Facility to Collect all Solid Waste, separate all Recyclable Materials and then accumulate all non-recyclable Solid Waste for transfer to disposal locations.

4.12 Status of Disposal Site

Any Disposal Site utilized by the Contractor shall be designed and constructed in accordance with 23 CCR Section 2510 et seq. ("Subchapter 15"). Any such Landfill must have been issued all permits from Federal, State, local agencies necessary for it to operate as a Class III Sanitary Landfill and is in full regulatory compliance with all such permits.

4.13 Commingling of Collection Routes

Contractor shall not commingle City Refuse, Recyclable Materials or Organic Waste Collection routes with other City or county routes. If this is not feasible, upon approval by the City, Contractor may commingle routes, but must use a reasonable measurement method to allocate the weight of materials among routes shared with other jurisdictions.

4.14 Annual Route Audit

At least once annually, within sixty (60) days of the anniversary of this Agreement, Contractor shall complete an audit of its Commercial Collection routes (Bin and Permanent Roll-off Box Customers) in the City. Once during the Term, City may require the route audit to include all Customers, including Residential Cart Customers. The timing of this complete, City-wide route audit is at the City's discretion. The route audit, at minimum, shall consist of an independent physical observation by Person(s) other than the route driver or route supervisor of each Customer in the City. The route audit information shall include, as a minimum, the following information for each account:

- Route Number;

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- Truck Number;
- Account Name;
- Account Number;
- Account Service Address;
- Service Level per Billing System (quantity, size, frequency);
- Service Level per Routing System;
- Observed Containers (quantity, type and size);
- Container condition;
- Proper signage; and,
- Graffiti.

Within 30 days after the completion of the route audit, Contractor shall submit to the City a report summarizing the results of the annual audit. This summary shall include:

- Identification of the routes;
- Truck numbers;
- Number of accounts, by route and in total;
- Types of exceptions observed;
- Number of exceptions by type;
- Total monthly Billing, pre-audit;
- Total monthly Billing, post-audit (subsequent to corrections of identified exceptions);
- Percentage of exceptions:
- Percentage of the number of accounts with errors to the total number of accounts served;

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- Percentage of the “net” change in monthly Billing as a result of the audit to the total pre-audit monthly Billing; and,
- Percentage of the “absolute” change in net monthly Billing as a result of the audit to the total “pre-audit” monthly Billing.

The report shall include a description of the procedures followed to complete the annual route audit. This description shall include the names and titles of those supervising the route audits and the name and titles of those performing the observations. Additionally, the report shall include a description of the pre-audit training of the route auditors, particularly if temporary personnel are used.

The report shall also include a description of the changes and Contractor’s plans to resolve the exceptions. The results of the audit shall be available for review by the City or its representative.

Contractor shall annually conduct annually residential audits of at a minimum five percent (5%) of the Residential Customers to determine either 1) Contamination of Refuse or Organic Waste in the Recycling Cart 2) Contamination of Recyclable Materials or Organic Waste in the Refuse Cart or 3) Recyclable Materials or Organic Waste in the Refuse Cart. Contractor shall inspect Carts and leave notification tags in English and Spanish on the Cart informing Customers of proper sources separation procedures. Tags must be approved by City in advance and shall leave a positive message to Customer to improve Recycling or diversion habits. Contractor shall report results of each annual audit, including results from a second follow up inspection to those Premises previously “tagged” and report to City in its Annual Report.

4.15 Service Exceptions; Hazardous Waste Notifications

A. Failure to Collect. When Solid Waste is not Collected from any Customer, Contractor shall notify the Customer in writing, at the time Collection is not made, through the use of a “tag” or otherwise, of the reasons why the Collection was not made.

B. Hazardous Waste Inspection and Reporting. Contractor reserves the right and has the duty under law to inspect Solid Waste put out for Collection and to reject and not Collect Solid Waste observed to be contaminated with Hazardous Waste.

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Contactor shall notify all agencies with jurisdiction, if appropriate, including the Orange County Fire Authority, the California Department of Toxic Substances Control, and or National Response Center of reportable quantities of Hazardous Waste, found or observed in Solid Waste anywhere within the City.

In addition to other required notifications, if Contractor observes any substances which it or its employees reasonably believe or suspect to contain Hazardous Wastes unlawfully disposed of or released on any City property, including storm drains, streets or other public rights of way, the Contractor will immediately notify the Public Works Director or his or her Designee.

C. Hazardous Waste Diversion Records. Contractor shall maintain records showing the types and quantities, if any, of Hazardous Waste found in Solid Waste and which was inadvertently Collected from Customers within the City, but diverted from Landfilling.

4.16 Disaster Preparedness Plan

If requested by the City, Contractor shall submit to City within sixty (60) days of the request, a written contingency plan demonstrating Contractor's arrangement to provide vehicles and personnel and to maintain uninterrupted service during breakdowns, and in case of natural Disaster or other emergency (not including a labor dispute), including the events described in Section 11.5 (Excuse from Performance).

5 Other Services

5.1 Services and Customer Billing

5.1.1 Service Description

Contractor shall annually, at least thirty (30) days prior to the effective date of a rate adjustment, prepare and distribute, subject to the direction of the City, a notice to each Customer listing the Contractor's new Collection rates and effective dates, rates for other services, annual holiday schedule, Recycling and Organic Waste programs offered, and a general summary of services required to be provided in this Agreement and optional service which may be furnished by the Contractor. Such notice shall be in a form subject to the City's approval prior to its distribution. For Customers billed by Contractor, notice may be included with Billings. The notice may also be included as part of the Contractor's public education plan described below in Section 5.3.1 (Public Education - General).

5.1.2 Billing

Contractor shall invoice all Customers.

5.1.2.1 Customer Billing

Residential Customers shall be billed every three months in advance, approximately one week prior to the three-month service period. Customers who have not remitted payments within thirty (30) days after the date of Billing shall be notified on forms approved by the City. Final notices will be sent sixty (60) days after Billing and shall state that service may be discontinued if payment is not made within fifteen (15) days. Service will not be discontinued until it is at least seventy-five (75) days after billing, if no payment is made within that time. Contractor must also notify City fifteen (15) days prior to the last date of Collection. Upon payment of delinquent fees, Contractor shall resume Collection on the next regularly scheduled Collection Day. Contractor may charge a maximum Resumption of Service Charge as shown in Exhibit 1, but may not charge for service during the period it was suspended.

5.1.3 Residential Billing Discount

Contractor shall reduce Residential monthly Collection fees by ten percent (10%) for senior citizen residents receiving Cart service at no cost to Customers. The following criteria must be met in order for the resident to receive the discount: (1) must be 65 years of age or older, (2) must provide proof of being the head of household, and (3) must agree to reduce Cart size to 65-gallon capacity. Contractor may request verification of senior citizen discount eligibility once a year. Contractor shall notify residents of the available discount at least once a year through the normal billing statement.

5.1.3.1 Bin Customers

Bin Customers shall be billed monthly, during the period in which the service is rendered and shall not be considered past due until thirty (30) days after the date of the Billing statement. To start service, new Customers will pay for one billing period's service in advance. Customers who have not remitted payments within thirty (30) days after the date of Billing shall be notified on forms approved by the City. The form shall state that service may be discontinued fifteen (15) days from the date of notice if payment is not made before that time. Contractor must also notify City fifteen (15) days prior to last date of Collection. Contractor will not discontinue service until seventy-five (75) days after invoice date, if payment is still delinquent. Upon payment of delinquent fees, Contractor shall resume Collection on the next regularly scheduled Collection Day. Contractor may charge a maximum Resumption of Service Charge as shown in Exhibit 1 for Commercial and Industrial Customers, but may not charge for service during the period it was suspended.

5.1.3.2 Roll-off Box Customers

For Single-Family Dwelling Unit Customers who request Roll-off Collection Service, Contractor shall accept major credit cards for payment. Single-Family Dwelling Unit Customers that do not use credit cards may be required by the Contractor to post a security deposit or pay on a "Cash on Delivery" (C. O. D.) basis. Any unused portion of a security deposit shall be refunded to the Customer within five (5) business days of the termination of service.

For all other Roll-off Box Customers, Contractor shall invoice monthly or semi-monthly in arrears with payment due within fifteen (15) or thirty (30) days from the invoice date (i.e., the beginning of the month or the inception of service). Delinquent accounts shall be handled in the same manner as Bin Customers, see above.

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Contractor may require a security deposit for Temporary Roll-off Boxes, with the unused portion refunded to the Customer within five (5) Work Days of the termination of service.

5.1.4 Review of Billings

Contractor shall review its Billings to Customers under Section 5.1.2 (Billing). The purpose of the review is to determine that the amount which the Contractor is billing each Customer is correct in terms of the level of service being provided to such Customer by Contractor. Contractor shall review Customer accounts annually, and submit to City a written report of that review annually on the anniversary of the Effective Date of this Agreement.

Contractor shall maintain copies of said Billings and receipts, each in chronological order, for a period of five (5) years after the date of service for inspection by the City upon request. Contractor may, at its option, maintain those records in electronic form, or in any other manner, provided that the records can be preserved and retrieved for inspection and verification in a timely manner, are sufficient to verify accuracy of Franchise Fees and any other compensation owed to City, and may be produced in a form and manner sufficient to establish the existence of Customer obligations in a court of competent jurisdiction.

5.1.5 Refunds

Contractor shall refund to each subscriber, on a pro rata basis, any advance service payments made by such subscriber for service not provided when service is discontinued by the subscriber.

5.1.6 Delinquent Accounts

Contractor may discontinue service as set forth in this section, subject to prior approval of City. Persons who have not remitted required payments within forty-five (45) days after the date of billing shall be notified on forms approved by City. Said forms shall contain a statement that services may be discontinued thirty (30) days from the date of notice if payment is not made before that time. Upon payment of the delinquent fees, Contractor shall resume Collection on the next regularly scheduled Collection day.

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Contractor may charge a redelivery fee for Containers removed due to nonpayment, and may also require payment in advance for reinstatement of future service. All such fees and payments shall be subject to the approval of City, and are noted in Exhibit 1.

Contractor shall be responsible for Collecting delinquent charges for services it renders to Customers. Contractor shall employ measures, consistent with federal and California laws regulating the Collection of debts, to obtain payment of charges including use of its own employees to obtain judgments in Small Claims Court and to enforce such judgments. Contractor may suspend or terminate Solid Waste Collection services to any Premises if the Owner or occupant thereof (or other party responsible for payment) is delinquent in payment of Contractor's bills to the extent permitted by State and Federal law and as is otherwise consistent with this Agreement.

5.2 Customer Service

5.2.1 Office Hours

Contractor shall maintain an office within the City, or within reasonable proximity to the City, through which Contractor's representatives can be contacted. Said office shall be equipped with a sufficient number of telephones to ensure that subscribers have adequate access. The telephones shall be operator answered during the hours of 8:00 a.m. to 5:00 p.m. on all regular Collection days. The local telephone line shall be available to the residents of City toll-free. An automatic answering device or service shall be operable.

5.2.2 Complaint Documentation

All service Complaints shall be directed to the Contractor. Daily logs of Complaints concerning Collection of Solid Waste, Recyclable Materials and Organic Waste shall be retained for a minimum of twenty-four (24) months and shall be available to the City at all times upon request.

Contractor shall log all Complaints received by telephone and said log shall include the date and time the Complaint was received, name, address and telephone number of caller, description of Complaint, employee recording Complaint and the action taken by the Contractor to respond to and remedy Complaint. All written Customer Complaints and inquiries shall be date-stamped when received. All Complaints shall be initially responded to within one (1) Work Day of receipt. The Contractor shall log action taken by the Contractor to respond to and remedy all Complaints.

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All Customer service records and logs kept by the Contractor shall be available to the City upon request and at no cost to the City. The City shall, at any time during regular Contractor business hours, have access to the Contractor's Customer service department for purposes that may include monitoring the quality of Customer service or researching Customer Complaints.

5.2.3 Resolution of Customer Complaints

Contractor is responsible for resolving Customer Complaints. Missed pickups must be Collected within one Work Day. All other Complaints must be initially addressed (i.e., Customer is contacted by phone and given a course of action to resolve Complaint) within one Work Day, and resolved within five (5) Work Days.

City shall have the right, but not the obligation, to resolve disputes between Contractor and its Customers regarding the services provided in accordance with this Agreement. Any such resolution by the City shall be final and binding. Should Contractor and Customers not be able to establish a mutually acceptable fee to be charged for special hauling services, the matter shall be determined by the City, and the City's decision shall be final.

Intervention by the City is not a condition precedent to any rights or remedies third parties might otherwise have in any dispute with the Contractor. Nothing in this section is intended to affect the remedies of third parties against Contractor. To the extent that remedies are warranted through this Agreement, this Agreement shall apply.

5.2.4 Contractor Representative

Contractor shall designate a qualified person to act as its representative. Contractor shall notify the City of the name and position of Contractor's representative. Contractor's representative shall be responsible for working with the City and/or the City's designated representative(s) to administer the Agreement and to resolve Customer Complaints.

City shall have the right to approve the Contractor's choice for a representative. In the event Contractor's representative is changed for any reason, Contractor shall notify the City Manager within forty-eight (48) hours of the change. In addition, the City Manager may request that Contractor change its representative by notifying Contractor in writing, stating the reasons for such a request.

5.3 Education and Public Awareness

5.3.1 Public Education - General

Contractor acknowledges and agrees that education and public awareness are critical, key and essential elements of any efforts to achieve the requirements of AB 939, AB 341, AB 1594, AB 1826, and SB 1383 and their implementing regulations. Accordingly, Contractor shall implement a public education program to expand public and Customer awareness concerning the need to and methods of reducing, reusing and recycling Solid Waste. Contractor shall cooperate fully with City in this regard. A Public Education Plan shall be submitted to the City for review within sixty (60_ days of the Effective Date of this Agreement. The plan shall address the items described in this section. The Public Education Plan shall be updated as needed by mutual agreement of the Parties.

Contractor shall maintain its own program of providing information relevant to Billing and Solid Waste services, issues and needs to Customers. All public education materials shall be approved in advance by City.

City may request the Contractor to perform mailing services and if so able, provide not less than thirty (30) days' notice to the Contractor prior to the mailing date of any proposed mailing to permit the Contractor to make appropriate arrangements for inclusion of the City's materials with billing statements. The City will provide Contractor the mailers at least fifteen (15) days prior to the mailing date of the billing statements. City shall bear the expense of production and distribution of such additional information only to the extent it is clearly in excess of the Contractor's normal billing costs and represents services beyond the approved public education plan.

Contractor will provide a minimum of the following public education items to be developed and distributed at Contractor's expense:

- 1) Instructional Packet Accompanying Contractor-Provided Containers – An information packet shall be attached to each set of Carts or Bins distributed to a Customer. This packet shall: describe available services, including available Recycling and Diversion programs; provide instructions for proper use of the Carts and Bins provided (such as how to place Containers for Collection, the

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types of materials to be placed in each Container); detail Holiday Collection schedules; and provide Contractor's Customer service phone number.

- 2) Container Labels – Recyclable Materials, Organic Waste, Refuse, and Landfill Containers shall carry stickers/labels or other identifying markings in both English and Spanish indicating the materials that should and should not be placed in each Container.
- 3) How-To Brochure – Contractor will prepare and distribute a brochure packet to new Customers when they start service. This packet will contain updated information on how to use the Contractor-provided Containers, when, where and how to place Solid Waste for Collection, and who to contact with service or Billing questions.
- 4) Annual Brochures – Contractor shall prepare three (3) separate brochures informing Customers of how to use available services for Single-Family Customers, one for Multi-Family Customers, and one for Commercial and Industrial Customers.
- 5) Quarterly Billing Inserts/Notices – Contractor is responsible for sending four (4) quarterly notices per year, each calendar quarter in which the annual brochure is not distributed, promoting and explaining programs and Collection schedules to all Customers, at the City's request and with City's review and approval of the materials. Notice shall include Holiday Collection schedules and Customer service numbers. Notices may be inserted in the Billings for Customers billed directly by the Contractor.
- 6) Corrective Action Notice – Contractor shall issue Corrective Action Notices when the Customer sets out inappropriate materials.
- 7) Special Clean-up Notice – Contractor shall provide notice to all residents of the special clean-up day at least two (2) weeks prior to the designated date.
- 8) Website – Contractor shall dedicate one page of a Contractor's website to City services, which shall include at least the following information: a listing of contact names and numbers for Customer Service; information on Bulky Item Collection; Collection schedules, including Holiday schedules; and the

procedures to begin and terminate services. Contractor shall assist the City in establishing a link to this web page from the City's website.

- 9) Recycling and Organic Waste Curriculum – Contractor shall provide a Recycling and Organic Waste education curriculum for use in classroom visits and workshops, and shall develop materials for use with such curriculum such as posters, coloring books, puzzles and quizzes.
- 10) Representative - Contractor shall provide a representative able to visit civic groups, homeowners' associations, and building managers at Multi-Family complexes and Commercial Businesses to promote and explain the Recycling and Organic Waste programs.
- 11) Part-time Recycling Coordinator - Contractor will maintain a part-time Recycling coordinator on staff that performs at least 20 hours per week for the City for the Term of this Agreement that will be available for the development, implementation, public outreach and monitoring of City Recycling programs. Contractor shall provide City with monthly reports (due on the 15th for the previous calendar month) regarding the number of hours and tasks the Recycling Coordinator performed. For any calendar year for which the Recycling Coordinator performs less than 20 hours per week, Contractor shall pay City an amount equal to the Recycling Coordinator's fully loaded salary, as compensation and reimbursement to the City for the hours that the Recycling Coordinator was required to perform but did not.

All brochures, mailings, and other educational materials are to be approved by the City in advance of distribution, and if approved, shall bear the City seal.

5.3.2 Community Events

At the direction of City, Contractor shall participate in and promote Recycling and other Diversion techniques at community events and local activities. Such participation would normally include providing, without cost to City, Collection of Solid Waste at the event and educational information promoting the goals of the City's Solid Waste Diversion or Recycling program.

5.4 Waste Generation/Characterization Studies

Contractor acknowledges that the City may be required to perform Solid Waste generation and Disposal characterization studies periodically to comply with AB 939 or other waste Diversion requirements. Contractor shall participate and cooperate with the City and its agents and to accomplish such studies at no additional cost the City.

5.5 Free Compost Give-A-Way

Contractor will provide residents with free bagged Compost at one give-away event per year.

5.6 Procurement of Products with Recycled and Organic Contents

The Contractor shall comply with the purchasing and recordkeeping requirements in this Section.

5.6.1 Recycled-Content Paper.

Contractor shall procure Paper Products and Printing and Writing Paper for invoices, billing statements and inserts, reports, and public education materials, consistent with the requirements of the Public Contract Code (PCC) Sections 22150 through 22154. Additionally, Paper Products and Printing and Writing Paper procured by Contractor shall be eligible to be labeled with an unqualified recyclable label, as defined in 16 Code of Federal Regulations (CFR) Section 260.12 (2013). Contractor shall state on all materials prepared with post-consumer recycled content the following: "Printed on Recycled Paper." In accordance with 14 CCR Section 18993.3(c), Contractor shall require all businesses from whom it purchases Paper Products and Printing and Writing Paper to certify in writing:

- 1) The minimum percentage, if not the exact percentage, of postconsumer material in the Paper Products and Printing and Writing Paper offered or sold to Contractor. The certification shall be furnished under penalty of perjury in a form and manner determined by the Contractor and approved by the City. The City may waive the certification requirement if the percentage of postconsumer material in the Paper Products, Printing and Writing Paper, or both can be verified by a product label, catalog, invoice, or a manufacturer or vendor internet website; and,

- 2) That the Paper Products and Printing and Writing Paper offered or sold to the Contractor are eligible to be labeled with an unqualified recyclable label as defined in 16 CFR Section 260.12).

5.6.2 Provision of Recovered Organic Waste Product

Contractor shall procure and provide on the City's behalf Recovered Organic Waste Product in an amount that satisfies the City's annual Recovered Organic Waste Procurement target pursuant to 14 CCR Section 18993.1. Contractor shall deliver Mulch or Compost in Roll-off Boxes or via dump truck within thirty (30) calendar days of request to any accessible location within the City limits. Upon request, Contractor shall provide the City with Mulch or Compost lab results and specifications. All Mulch or Compost provided by Contractor must meet or exceed State requirements for Mulch quality, including those standards regarding Mulch or Compost maturity, reduction of pathogens, elimination of weed seeds, and concentrations of physical contaminants such as glass, plastic, metal, and other Non-Organic Recyclables. All Mulch or Compost provided by Contractor must be suitable for use in landscaping, parks, sports fields, and community gardens, and must be suitable for distribution to the general public. Contractor shall also maintain records related to its procurement of Recovered Organic Waste Product on the City's behalf in accordance with 14 CCR Section 18993.2 and provide such records to City upon request.

5.6.3 Renewable Natural Gas

If requested by City, Contractor shall provide the name, location, and contact information of each entity, operation, or Facility from whom Contractor procured Renewable Natural Gas (RNG). If requested by City, Contractor shall provide the total amount of RNG procured by the Contractor for use in Contractor vehicles in the City, in diesel gallon equivalents (DGE), including copies of any receipts, invoices, or other similar documentation.

5.6.4 Recordkeeping Requirements.

Contractor shall maintain records that demonstrate ongoing compliance with these requirements, including, but not limited to, copies of receipts, invoices, or other proof of purchase that describe the products purchased, by volume and type for all products specified in this section; and copies of certifications or other verifications required by this Agreement. Contractor shall submit these records, upon the City request.

5.7 Edible Food Recovery Program

To support the City's efforts to fight food insecurity, reduce the amount of Edible Food sent to landfills, and to comply with SB 1383, Contractor shall implement and maintain during the Term of this Agreement an Edible Food Recovery Program in the City, either using Contractor's own resources, or through a subcontractor. City and Contractor agree that the initial cost of the program will be approximately twelve thousand dollars (\$12,000.00) per year.

1. Edible Food Recovery Program shall consist of Contractor, or its subcontractor, performing the following tasks: Conduct targeted and recorded Outreach pertaining to the recovery of excess edible food to all Commercial Edible Food Generators. Outreach touchpoints will be prioritized as follows:
 - a. Tier I and Tier II food waste generators as defined by SB 1383 (4-6 touchpoints in year 1)
 - b. Top permitted food waste generators in the city (6 touchpoints in year 1)
 - c. All permitted food waste generators (minimum 2 touchpoints in year 1).
2. Provide Outreach campaigns through an online customer relationship management platform. Record and provide to City documentation of all shared touchpoint efforts made to Commercial Edible Food Generators using one or more technology platforms in compliance with municipal requirements mandated in SB 1383. Through use of approved food recovery technology platforms, record all recovered excess Edible Food donated within the City and collected from all Commercial Edible Food Generators and Food Recovery Organizations located within the City in compliance with SB 1383.
3. As directed by the City, work with all applicable City departments and public agencies to inform potential Commercial Edible Food Generators about food recovery and the City's Edible Food Recovery program. This includes the City's Community Development, Parks and Recreation, and Public Works departments, the Public Library, and schools, colleges and universities. Provide safe food handling training which may include third party inspection services to non-profit food pantries operating within the City.

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4. As directed by the City, assist in the development of assets and resources needed to reduce Edible Food waste at non-profit food pantries operating within the City. These efforts may include, but are not limited to food repurposing kitchens, educational partnerships, food insecurity screening by medical care providers, and joint grant opportunities.
5. Provide updated mapping of Commercial Edible Food Generators and Food Recovery Organizations serving the food insecure population within the City.
6. Provide monthly reports to City such that Contractor will ensure that the City is always in compliance with the Edible Food Recovery education, outreach, and reporting requirements of SB 1383.

6 Contractor Compensation and Rates

6.1 General

Contractor Compensation provided for in this Article shall be the full, entire and complete compensation due to the Contractor pursuant to this Agreement for all labor, equipment, materials and supplies, taxes, insurance, bonds, overhead, Disposal, Transfer, profit and all other things necessary to perform all the services required and reasonably anticipated by this Agreement in the manner and at the times prescribed. Contractor Compensation shall include all of the cost for Collecting Organics, Transporting to, and Processing of Organics at the CR&R Anaerobic Digester plant in the City of Perris, California.

Contractor will perform the responsibilities and duties described in this Agreement in consideration of the right to receive compensation for services rendered at the rates fixed by the City from time-to-time. City and Contractor agree that Contractor will retain any proceeds from the sale of Recyclable Materials.

6.2 Rates

The rates charged by the Contractor for Collection and Disposal Services shall be set forth in the schedule of rates and charges in Exhibit 1.

6.3 Modification of Rates

The rates charged by Contractor for collection and disposal services shall be modified in the following manner:

1. A request for modification of the rates established in Exhibit 1 shall be made in writing by Contractor to the City Manager. The request shall specify each modification and shall include the basis, reasons and justification. Contractor shall pay the costs of notice to the public when the City utilizes the procedures under Proposition 218 or other provision of law to increase rates.
2. Within thirty (30) days of such request the City Clerk shall set a public hearing, at which time the City Council shall consider the request after hearing from the Contractor and any member of the public wishing to be heard.

3. The decision of the City Council with respect to such request shall be final.
4. The rates may be increased annually by the percentage increase in the CPI by measuring the twelve (12) months change in the CPI (April of the prior year through March of the current year), . In the event such CPI ceases to be published, the parties shall utilize such substitute index as common in the industry to measure cost of living increases. The City Manager may approve such CPI adjustment upon receipt of a written request of the Contactor; provided that any such CPI increase by the City Manager shall be limited to a maximum five percent (5%) increase. In the event the CPI increase exceeds five percent (5%) or any other rate increases are included in the written request of Contractor, the rate increase request shall be scheduled for public hearing of the City Council.

6.4 Competitive Rate Guarantee

Contractor guarantees that all the rates for Single-family Residential Service, Multi-family Residential Service, and Commercial Service shall at all times during the term of this Agreement be equal to or less than the 50th percentile of the comparable rates for similar services charged by the following thirteen (13) jurisdictions in north Orange County with substantially similar solid waste collection services: Anaheim, Brea, Buena Park, Cypress, Fountain Valley, Fullerton, Garden Grove, La Habra, La Palma, Los Alamitos, Placentia, Seal Beach, and Westminster (solid waste services in the City of Westminster are provided by the Midway Sanitary District). Comparable rates shall be the rates charged to ratepayers less any amount attributable to fees paid to or collected by the jurisdiction (with the exception of AEI Fees), and less any amount for non-solid waste related services such as street sweeping. The 50th percentile of the comparable rates shall be equal to the 7th ranked jurisdiction, or the midpoint between the two comparable rates closest to the median.

Each year during the term of the Agreement, City shall gather the comparable rates from the above thirteen (13) north County jurisdictions as of July 1st of that year. City shall determine the 50th percentile of those comparable rates and present that information to Contractor as soon after July 1st as the comparable rate information is available. City shall identify any of the comparable rates currently charged by Contractor in the City of Stanton that are higher than the 50th percentile of comparable rates in the other jurisdictions. City and Contractor shall meet and confer

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to determine which, if any, of Contractor's rates charged in the City of Stanton may need to be reduced to comply with this Competitive Rate Guarantee.

6.5 Extraordinary Adjustments

Contractor or the City may request an adjustment to rates at reasonable times other than that required in Section 6.3 for unusual changes in the cost of providing service under this Agreement. For each such request, Contractor shall prepare a schedule documenting the extraordinary costs. Such request shall be prepared in a form acceptable to the City with support for assumptions made by Contractor in preparing the estimate. Contractor shall provide City with documentation, satisfactory to the City, supporting its request. City shall review Contractor's request and, in the City's sole judgment, make the final determination on the appropriate amount of the adjustment if any.

Such changes may include extraordinary changes in the tipping fee charged by the Orange County Landfill System, or changes in a direct per ton surcharge assessed at the Disposal Site by Federal, State or local regulatory agencies after the Effective Date of this Agreement. Such changes shall not include changes in any other fees or taxes such as Social Security, disability or income tax. Such changes shall not include changes in the market value of Recyclable Materials or Processing costs for Recyclable Materials or Organic Waste, or inaccurate estimates by the Contractor of its cost of operations.

7 Review of Services and Performance

7.1 Performance Hearing

In or about October 2024, and once in each Rate Year thereafter during the Term , City may conduct a public hearing to review Contractor's Solid Waste Collection efforts, source reduction, Processing and other Diversion services and overall performance under this Agreement ("Performance Review Hearing.") The purpose of the Performance Review Hearing is to provide for a discussion and review of technological, economic, and regulatory changes in Collection, source reduction, Recycling, Processing and Disposal to achieve a continuing, advanced Solid Waste Collection, source reduction and Recycling and Disposal system; and to ensure services are being provided by Contractor with adequate quality, effectiveness and economy and in full compliance with the terms of this Agreement.

Topics for discussion and review at the Performance Review Hearing shall include, but shall not be limited to, services provided, feasibility of providing new services, application of new technologies, Customer Complaints, amendments to this Agreement, developments in the law, new initiatives for meeting or exceeding the goals of AB 939, AB 341, AB 1826, and SB 1383, regulatory constraints and Contractor performance. City and Contractor may each select additional topics for discussion at any Performance Review Hearing.

City shall notify Contractor of its intent to hold a Performance Review Hearing at least ninety (90) days in advance thereof. Forty-five (45) days after receiving notice from City of a S Performance Review Hearing, Contractor shall submit a report to City which may contain such information it wishes to have considered. The report shall, at a minimum, contain the following information:

- 1) Current Diversion rates and a report on Contractor's outreach activities for the past year.
- 2) The records Contractor is required to maintain in Section 8.1.3 (Solid Waste, Recycling, and Organic Waste Service Records) for the prior Rate Year.
- 3) Issues with Contractor's ability to satisfy any obligations in this Agreement.
- 4) Recommended changes and/or new services to improve the City's ability to meet the goals of AB 939 and Applicable Law, and to contain costs and minimize impacts on rates.

- 5) Any specific plans for provision of changed or new services by Contractor.

The reports required by this Agreement regarding Customer Complaints shall be used as one basis for review of Contractor's performance, and Contractor may submit other relevant performance information and reports for consideration at the Performance Review Hearing. In addition to the above, City may request Contractor to submit any other specific information relating to its performance for consideration at the Performance Review Hearing, and any Customer may submit comments or Complaints during or before the Performance Review Hearing, either orally or in writing. Contractor shall be present at and participate in the Performance Review Hearing.

As a result of its findings following any Performance Review Hearing, City may require Contractor to provide expanded or new services within a reasonable time and City may direct or take corrective actions for any performance inadequacies (although nothing contained in this provision should be construed as requiring City to hold a Performance Review Hearing in order to enforce any rights or remedies it has pursuant to the terms hereof.) Should City require expanded or new services as a remedy for Contractor's failure to perform its obligations hereunder, no additional compensation shall be due for such services. Otherwise, any new or expanded services required of Contractor shall be subject to the provisions of Section 2.6 (City's Right to Direct Changes).

8 Records, Reports and Information Requirements

8.1 General

Contractor shall maintain such accounting, statistical and other records related to its performance under this Agreement as shall be necessary to develop the financial statements and other reports required by this Agreement. Also, Contractor shall conduct data collection, information and record keeping, and reporting activities needed to comply with Applicable Law and regulation and to meet the reporting and Solid Waste program management needs of the City. Records

8.1.1 General

The Contractor shall maintain records required to conduct its operations, to support requests it may make to the City, and to respond to requests from the City in the conduct of the City business. Adequate record security shall be maintained to preserve records from events that can be reasonably anticipated such as a fire, theft and earthquake. Electronically maintained data/records shall be protected and backed up. All records shall be maintained for five (5) years after the expiration of this Agreement.

The Contractor agrees that the records of any and all Subcontractors conducting operations addressed in the Agreement shall be provided or made available to the City and its official representatives during normal business hours. The City may review or utilize any of the records described in this section for any purpose whatsoever.

8.1.2 Financial Records

Contractor shall keep full, complete and proper books, records and accounts of the Gross Receipts of Contractor, and accounts of the tons of Solid Waste Processed at the transfer station.

8.1.3 Solid Waste, Recycling, and Organic Waste Service Records

Records shall be maintained by the Contractor for the City relating to:

- 1) Customer services and billing;
- 2) Routes;

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- 3) Facilities, equipment and personnel used;
- 4) Complaints;
- 5) Missed pickups;
- 6) Number of Refuse and Recycling Carts;
- 7) Tons Collected, Processed, diverted, and disposed by Container (Bin, Cart, Customer-provided Container or Roll-off), waste stream (Solid Waste, Recycling, Organic Waste) and Customer (Single-Family, Multi-Family, Commercial); and,
- 8) Weight of each Recyclable Material recovered at the Materials Recovery Facility.

8.1.4 CERCLA Defense Records

The City views the ability to defend against the Comprehensive Environmental Response, Compensation and Liability Act (CERCLA) and related litigation as a matter of great importance. For this reason, the City regards the ability to prove where Solid Waste Collected in the City was taken for Disposal, as well as where it was not taken, to be matters of concern. Contractor shall maintain data retention and preservation systems which can establish where Solid Waste Collected in the City was Landfilled (and therefore establish where it was not Landfilled) and provide a copy of the reports and records required in Article 8 (Records, Reports and Information Requirements) for five (5) years after the Term during which Collection services are to be provided pursuant to this Agreement, or to provide copies of such records to the City. Contractor shall notify the City's Risk Manager and the City Attorney at least 90 days before destroying such records. This provision shall survive the expiration of the period during which Collection services are to be provided under this Agreement.

8.1.5 Disposal Records

Contractor shall maintain records of Disposal of all Solid Waste Collected in the City for the period of this Agreement and all extensions to this Agreement or successor Agreements. In the event the Contractor discontinues providing Solid Waste Collection Services to the City, the Contractor shall provide all records of Disposal or Processing of all Solid Waste Collected in the City within thirty (30) days of

discontinuing service. Records shall be in chronological and organized form and readily and easily interpreted.

8.1.6 Other Programs' Records

Records for other programs shall be tailored to specific needs. In general, they shall include:

- 1) Plans, tasks, and milestones; and,
- 2) Accomplishments in terms such as dates, activities conducted, quantities of products used, produced or distributed, and numbers of participants and responses.

8.1.7 Cost of Audit

Should any examination or audit of Contractor's records reveal an underpayment of any fee required under this Agreement, the amount of such underpayment shall become due and payable to City not later than fifteen (15) days after written notice of such underpayment is sent to Contractor by City. Should an underpayment of more than three percent (3%) be discovered, Contractor shall bear the entire cost of the audit.

8.1.8 Payments and Refunds

Should an audit by the City disclose that Customers were overcharged for the period under review, the Contractor shall refund to the Contractor's Customers any overcharges. Any refunds to be made shall be due and payable (30) days following the date of the audit.

8.2 Reports

8.2.1 Report Formats and Schedule

Records shall be maintained in forms and by methods that facilitate flexible use of data contained in them to structure reports, as needed. Reports are intended to compile recorded data into useful forms of information that can be used to, among other things to:

- a) Determine and set rates and evaluate the efficiency of operations;

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- b) Evaluate past and expected progress towards achieving the goals and objectives of AB 939, AB 341, AB 1826, and SB 1383 and their implementing regulations;
- c) Determine needs for adjustment to programs; and,
- d) Evaluate Customer service and Complaints.

Contractor may propose report formats that are responsive to the objectives and audiences for each report. The format of each report shall be approved by the City. Contractor shall submit all reports on computer discs or by electronic means in a format compatible with the City's software/computers at no additional charge, if requested by the City. Contractor will provide a certification statement, under penalty of perjury, by an authorized Contractor official, that the report being submitted is true and correct.

Monthly reports shall be submitted within twenty-five (25) calendar days after the end of each month. Quarterly reports shall be submitted within twenty (20) calendar days after the end of the calendar quarter. If requested, the Contractor's Complaint summary, described in Section 8.2.3(a) (Quarterly Reports) below, shall be sent to the City Manager within 5 days of request. Annual reports shall be submitted before January 31st following the reporting year.

All reports shall be submitted via email to:

Public Works Director (or designated representative)

City of Stanton
7800 Katella Avenue
Stanton, CA 90680

8.2.2 Monthly Reports

The information listed shall be the minimum reported:

- 1) Solid Waste Collected by the Contractor for each month, sorted by type of solid Waste (Refuse, Recyclable Materials, Organic Waste) and type of Customer (Residential, Commercial/Industrial Bin Service, Roll-off) in tons, and the Facilities where the tons were Processed or disposed.

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- 2) Materials Recovered. Statement showing kinds of material and quantity sold (in tons).
- 3) Narrative summary of problems encountered (including Scavenging) and actions taken with recommendations for the City, as appropriate.
- 4) Warning notices issued for contaminated Recyclable Materials and Organic Waste Containers.

8.2.3 Quarterly Reports

Report should contain at a minimum the information required in the monthly report and the following:

- 1) Complaint summary for the quarter summarized by nature of Complaints on a compatible computer disc or flash drive.
- 2) Copies of promotional and public education materials sent during the quarter.
- 3) Other information or reports that the City may reasonably request or require.

8.2.4 Annual Report

The Annual Report is to be essentially in the form and content of the monthly and quarterly reports combined, but shall also include:

- 1) A complete inventory of equipment used to provide all services (such as vehicles and Containers by size and waste stream).
- 2) Results of route audits, including a summary of the number of Bins by size and Service Level, Cart counts by size (64, or 95-gallon) and type of Solid Waste (Refuse, Recyclable Materials, Organic Waste) and Customer (Residential, Commercial, Industrial), and Roll-off Box pulls per month by material type.
- 3) Environmental Litigation Defense records required under Section 8.2.4 (CERCLA Defense Records).
- 4) Copy of Hazardous Waste Diversion records showing types and quantities, if any, of Hazardous Waste that was inadvertently Collected, but diverted from Landfilling.
- 5) Number of routes and route hours per day by type of service.

- 6) Results of contamination monitoring and follow up actions
- 7) Contractor's most recent BASIC Score determined by the Federal Motor Carrier Safety Administration.
- 8) Any terminal inspection reports resulting from the California Highway Patrol's Basic Inspection of Terminals (BIT) program.

8.2.5 Financial Report

City may, at City's option, request Contractor's annual audited financial reports/statements for the most recently completed fiscal year in connection with a rate adjustment, performance audit, billing audit, Franchise Fee audit, or verification of other information required under this Agreement.

Financial statements shall include a supplemental schedule showing the Contractor's results of operations, including the specific revenues and expenses in connection with the operations provided for in this Agreement, separated from others included in such financial statements. The financial statements and footnotes shall be prepared in accordance with Generally Accepted Accounting Principles (GAAP) and audited, in accordance with Generally Accepted Auditing Standards (GAAS) by a certified public accountant (CPA) licensed and in good standing to practice public accounting in the State of California as determined by the State of California Department of Consumer Affairs Board of Accountancy. The cost for preparation of the financial statements and audit shall be borne by Contractor as a direct cost of service. In addition, Contractor shall provide to the City the supplemental schedule on a compiled basis.

Contractor shall, in its agreement with the CPA preparing the audit above, have its CPA make available to the City (or the City's designated representative) such CPA's working papers related to the audit. The cost, if any, incurred by the Contractor's CPA shall be included in the cost of the audit.

At the City's request, Contractor shall provide the City with copies of working papers or other documentation deemed relevant by the City relating to information shown in the disclosure letter. The disclosure letter shall be provided to the City.

8.3 Adverse Information

8.3.1 Reporting Adverse Information

Contractor shall provide the City three copies (one to the Public Works Director, one to the City Manager, and one to the City Attorney) of all reports, pleadings, applications, notifications, Notices of Violation, communications or other material relating specifically to Contractor's performance of services pursuant to this Agreement, submitted by Contractor to, or received by the Contractor from, the United States or California Environmental Protection Agency, CalRecycle, the Securities and Exchange Commission or any other federal, State or local agency, including any federal or State court. Copies shall be submitted to the City simultaneously with the Contractor's filing, submission, or receipt of such matters with said agencies. Contractor's routine correspondence to said agencies need not be routinely submitted to the City, but shall be made available to the City promptly upon the City's written request.

8.3.2 Failure to Report

The refusal or failure of the Contractor to file any required reports, or to provide required information to the City, or the inclusion of any materially false or misleading statement or representation by Contractor in such report shall be deemed a material breach of the Agreement as described in Section 11.1 (Events of Default) and shall subject Contractor to all remedies which are available to the City under the Agreement or otherwise.

8.4 Right to Inspect Records

The City shall have the right to inspect or review the payroll tax reports, specific documents or records required expressly or by inference pursuant to this Agreement, or any other similar records or reports of Contractor or its related party entities that the City shall deem, in its sole discretion, necessary to evaluate annual reports, compensation applications provided for in this Agreement and Contractor's performance provided for in this Agreement.

City shall have the right, at any and all times during regular business hours, to examine, inspect and copy, at City's expense, all of the books and records of

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Contractor pertaining to the determination of tonnage, Gross Receipts, Franchise Fees and/or the AEI FEE.

Contractor shall make records available for inspection either at Contractor's corporate headquarters or as selected by City, any such statement of Gross Receipts, Franchise Fees, or AEI Fees. City may, once in any calendar year, cause an audit of the business of Contractor to be made by a certified public accountant of City's selection and of national repute, and if the statements of Gross Receipts previously made to City shall be found to be inaccurate, then and in that event, there shall be an adjustment, and one party shall pay to the other on demand such sums as may be necessary to settle in full any inaccurate amount of Franchise Fee that should have been paid to City for the period or periods covered by such inaccurate statement or statements, with interest at 7% per annum from date of actual or required payments until the date of the corrective payment hereunder.

If said audit shall disclose an understatement of greater than 3% with respect to the amount of Gross Receipts for the period of said report, then Contractor shall immediately pay City the costs of such audit; otherwise, the costs of such audit shall be paid by City. The acceptance by City of any Franchise Fee payment as and for such Gross Receipts shall not be an admission of the sufficiency thereof nor of the accuracy of any statement furnished by Contractor, but City shall be entitled at any time within one calendar year after the receipt of any such Franchise Fee to question the sufficiency thereof and/ or the accuracy of any statement furnished by Contractor to justify the same.

9 Indemnification, Insurance and Bond

9.1 Indemnity

Notwithstanding the provisions of Section 9.4 hereof regarding insurance, and not in satisfaction of said section, Contractor and its successors in interest shall defend, indemnify, save harmless and exempt City, its officers, agents, and employees from and against any and all suits, actions, legal proceedings, claims, demands, damages, costs and expenses, including attorneys' fees, incident to any work done in the performance of this Agreement arising out of or alleged to arise out of the acts or omissions of the Contractor, its officers, agents, or employees. In addition, Contractor and its successors in interest shall indemnify, protect, defend (with legal counsel reasonably acceptable to the City), and hold harmless, the City, and any agency or instrumentality thereof, and its elected and appointed officials, officers, employees, and agents from and against any and all liabilities, claims, actions, causes of action, proceedings, suits, damages, judgments, liens, levies, costs, and expenses of whatever nature, including reasonable attorney's fees and disbursements (collectively "Claims") arising out of or in any way relating to this Agreement, any discretionary approvals granted by the City related to the permitting of the Transfer Station or any other facility of Contractors in the City of Stanton, or any claims regarding environmental review under California Environmental Quality Act, Public Resources Code Section 21000 et seq., relating to the Contractors' facilities or permits.

9.2 Hazardous Substances Indemnification

Without regard to any insurance coverage or requirements, and without limiting the above general indemnification obligation in any way, Contractor shall, to the maximum extent permitted by law, defend (with counsel acceptable to City) reimburse, indemnify, and hold City and its past and present officers, officials, employees, consultants and agents (hereinafter "Indemnified Parties") harmless from and against any and all claims, actions, liabilities, damages, demands, judgments, losses, costs, liens, expenses, suits, actions, attorneys' fees, consultant fees, penalties and any and all other losses, damages, fees and expenses of whatever kind or nature ("Claims") (including but not limited to response costs, investigative costs, assessment costs, monitoring costs, treatment costs, cleanup costs, removal costs, remediation costs, and similar costs, damages and expenses) that arise out of or are

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alleged to arise out of or in any way relate to any action, inaction or omission of Contractor that:

1. results in any demand, claim, notice, order, or lawsuit, asserting that any Indemnified Party is liable, responsible or in any way obligated to investigate, assess, monitor, study, test, treat, remove, remediate, or otherwise cleanup, any Hazardous Contaminant (as defined in this Section 9.2); or,
2. relates to material Collected, Transported, Recycled, Processed, treated or Disposed of by Contractor.

Contractor's obligations pursuant to this section shall apply, without limitation, to:

- 1) Any Claims brought pursuant to or based on the provisions of the CERCLA, 42 U.S.C. § 9601 et seq., the RCRA, 42 U.S.C. § 6901 et seq., the Carpenter-Presley-Tanner Hazardous Substances Account Act (California Health & Safety Code Sections 25300 et seq.), the California Hazardous Waste Control Laws (California Health and Safety Code Sections 25100 et seq.), the Porter-Cologne Water Quality Control Act (California Water Code Section 13000 et seq.), and any and all amendments and regulations thereto, and any other Federal, State, regional or local environmental statutory or regulatory provision;
- 2) Any Claims based on or arising out of or alleged to be arising out of the ownership, use, lease, sale, design, construction, maintenance or operation of Contractor of any Facility;
- 3) Any Claims based on or arising out of or alleged to be arising out of the marketing, sale, distribution, storage, Transportation, Disposal, Processing or use of any materials recovered by Contractor;
- 4) Any Claims based on or arising out of or alleged to be arising out of any breach of any express or implied warranty, representation or covenant arising out of or in connection with this Agreement.

The foregoing indemnity and defense obligations shall apply irrespective of the negligence or willful misconduct of Contractor or any Affiliate of Contractor.

For purposes of this section, the term "Hazardous Contaminant" shall mean any "hazardous material" as that term is defined under California Health & Safety Code Sections 25501(n)(1) and 25260(d); any "Hazardous Substance" as that term is

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defined in this Agreement, under California Health & Safety Code Sections 25281(h), or 42 U.S.C. Section 9601(14) ; any “Hazardous Waste” as that term is defined under Title 42 U.S.C. Section 6903(5) ; any chemical which the Governor has identified as a chemical known to the State to cause cancer or reproductive toxicity pursuant to California Health & Safety Code Section 25249.8; any crude oil or refined or unrefined petroleum product or any fraction or derivative thereof; and any asbestos or asbestos-containing material. The term “Hazardous Contaminant” shall also include any and all amendments to the above-referenced statutory and regulatory provisions made after the date of execution of this Agreement.

The provisions of this section shall be given the broadest possible interpretation and survive the expiration or earlier termination of this Agreement.

In the event City directs Contractor to dispose of Solid Waste Collected pursuant to this Agreement at a Facility designated by City, Contractor shall not be required to provide the indemnification set forth in this section with respect to Claims arising from allegations relating to the handling and/or Disposal of such Solid Waste after it is delivered to a City designated Facility (although this exception shall not apply to any other Claims relating to said Solid Waste); provided, however, this exception to the indemnification requirements of this section that would otherwise apply shall not apply in the event the City designated Disposal Facility in question is either owned or operated, in whole or part, by Contractor or any Affiliate of Contractor.

9.3 AB 939 Indemnification

To the extent authorized by law, Contractor shall indemnify and hold harmless the City from and against all fines and/ or penalties imposed by CalRecycle in the event the source reduction and Recycling goals or any other requirement of AB 939 or Applicable Law are not met by the City with respect to the waste stream Collected under this Agreement.

Contractor warrants and represents that it is familiar with City's waste characterization study as set forth in City's SRRE, and that it has the ability to and will provide sufficient programs and services to ensure City will meet or exceed CalRecycle compliance with AB 939, Applicable Law, and CalRecycle requirements (including, without limitation, amounts of Solid Waste to be diverted, time frames for Diversion, and any other requirements) goal set forth in AB 939, Applicable Law, and CalRecycle regulations, with respect to that portion of the Solid Waste generated in City that is the subject of this Agreement.

9.4 Insurance

At all times during the duration of this Agreement, Contractor shall maintain on file with the City, certificates of insurance which shall evidence the existence of the insurance coverage required pursuant to this Agreement. With the exception of Workers' Compensation, such certificates shall bear endorsements which shall name the City, its elected and appointed officers, employees and agents as additional named insureds, and shall further provide that policies to which such certificates relate cannot be materially altered or terminated or cancelled except upon thirty (30) days' prior written notice to City of such modification, termination, or cancellation. The provisions of this section shall not in any way affect the independent obligation of Contractor with respect to indemnification (Section 9.1)

The City does not, and shall not, waive any rights against the Contractor which it may have by reason of the aforesaid hold harmless agreements, because of acceptance by the City or the deposit with the City by the Contractor of the insurance policies described in this provision.

9.4.1 Minimum Scope of Insurance. Coverage shall be at least as broad as:

- 1) The most recent editions of Insurance Services Office Commercial General Liability coverage ('occurrence' form CG 0001).
- 2) The most recent editions of Insurance Services Office form number CA 0001 covering Automobile Liability, code 1 'any auto' and pollution liability (CA9948) and MCS-90 endorsement.
- 3) Workers' Compensation insurance as required by the Labor Code of the State of California and Employers Liability insurance.
- 4) Professional Liability
- 5) Pollution and Environmental Liability coverage shall provide for liability arising out of sudden, accidental, and gradual pollution, and remediation.
- 6) Cyber Security and Privacy Liability coverage shall provide for liability arising from the theft, dissemination and/or use of confidential or personally identifiable information; including but not limited to personally identifiable information (PII), protected health information (PHI), security codes, access codes, passwords, etc. Network security liability arising from

the unauthorized use of, access to, or tampering with computer systems, including hacker or denial of service attacks. Liability arising from introducing a computer virus into or otherwise causing damage to vendor (first-party) or customer's (third party) computer, computer system, network, or similarly related property and the data, software, and programs. Liability arising from professional misconduct or lack of the requisite skill required for performing services defined in the contract or agreement. Costs associated with restoring, updating, or replacing data. Costs associated with a privacy breach, including notification costs, customer support, forensics, crises management, public relations consulting, legal services of a privacy attorney, credit monitoring, and identity fraud resolution services for affected individuals.

9.4.2 Minimum Limits of Insurance. The Contractor shall maintain in force for the Term of this Agreement limits no less than:

- 1) Comprehensive General Liability: Ten Million Dollars (\$10,000,000) limit for each person, with Ten Million Dollars (\$10,000,000) limit per occurrence, for bodily injury, personal injury and property damage.
- 2) Automobile Liability: Ten Million Dollars (\$10,000,000) combined single limit per accident for bodily injury and property damage and shall include Pollution Liability (CA9948) and MCS-90 Endorsements. The policy shall provide coverage for transportation of pollutants/contaminants to and from the job site and the hauling of waste from the project site to the final disposal location, including non-owned disposal sites.
- 3) Workers' Compensation and Employers Liability: Workers' compensation limits as required by the Labor Code of the State of California and Employers Liability limits of One Million Dollars (\$1,000,000) per accident.
- 4) Employer's Liability: Two Million Dollars (\$2,000,000) per accident for bodily injury or disease.
- 5) Professional liability (errors & omissions) insurance. \$1,000,000 per claim and in the aggregate.

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- 6) Pollution liability insurance: \$1,000,000 per claim and in the aggregate. All activities contemplated in this agreement shall be specifically scheduled on the policy as “covered operations.” The policy shall provide coverage for remediation of the site in the event of an environmental contamination event arising out of the materials, supplies, products, work, operations, or workmanship.
- 7) Cyber security and privacy liability. Consultant shall procure and maintain insurance with limits of \$1,000,000 per occurrence/loss, \$2,000,000 general aggregate.
- 8) Umbrella or excess liability insurance. [If required to meet higher limits]. Contractor shall obtain and maintain an umbrella liability insurance policy with limits that will provide bodily injury, personal injury, and property damage liability coverage, including commercial general liability, automobile liability, and employer’s liability. Such policy or policies shall include the following terms and conditions:
 - i. A drop-down feature requiring the policy to respond if any primary insurance that would otherwise have applied proves to be uncollectible in whole or in part for any reason, other than bankruptcy or insolvency of said primary insurer;
 - ii. “Pay on behalf of” wording as opposed to “reimbursement”;
 - iii. Concurrency of effective dates with primary policies.

Should Contractor obtain and maintain an excess liability policy, such policy shall be excess over commercial general liability, automobile liability, and employer’s liability policies. Such policy or policies shall include wording that the excess liability policy follows the terms and conditions of the underlying policies.

- 9) Claims Made Policies. If coverage is maintained on a claims-made basis, the inception date, continuity date, or retroactive date must be before the effective date of this agreement. Contractor shall maintain continuous coverage for an additional three (3) years following termination of the contract.

9.4.3 Deductibles and Self-Insured Retentions.

Any deductibles or self-insured retentions must be declared to and approved by the City. At the option of the City, either: the insurer shall reduce or eliminate such deductibles or self-insured retentions as respects the Indemnitees; or the Contractor shall procure a bond guaranteeing payment of losses and related investigations, claim administration and defense expenses in the amount of such deductibles or self-insured retentions.

9.4.4 Other Insurance Provisions.

The policies are to contain, or be endorsed to contain, the following provisions:

- 1) General Liability, Automobile Liability, Pollution Liability, Cyber Security and Privacy Coverages
 - a) Additional Insured Endorsement: The City of Stanton and its officers and employees are to be named as additional insureds as respects: liability arising out of activities performed by or on behalf of the Contractor; products and completed operations of the Contractor; Premises owned, leased or used by the Contractor; or vehicles owned, leased, hired or borrowed by the Contractor. The coverage shall contain no limitations on the scope of protection afforded to the City of Stanton, its elected and appointed boards, commissions, officials, employees, agents or volunteers.
 - b) Primary & Non-Contributory Endorsement: The Contractor's insurance coverage shall be primary insurance as respects the Indemnitees. Any insurance or self-insurance maintained by the City, its officials, elected and appointed boards, commissions, employees, agents or volunteers shall be excess of the Contractor's insurance and shall not contribute with it.
 - c) Any failure to comply with reporting provisions of the policies shall not affect coverage provided to the Indemnitees.
 - d) Coverage shall state that the Contractor's insurance shall apply separately to each insured against whom a claim is made or suit is brought, except with respect to the limits of the insurer's liability.

- 2) Waiver of Subrogation – For all lines of coverage, except Professional Liability, the insurer shall agree to waive all rights of subrogation against the Indemnitees for losses arising from work performed by the Contractor for the City.
- 3) 30 Day Notice of Cancellation - Each insurance policy required by this clause shall be endorsed to state that coverage shall not be suspended, voided, canceled by Contractor, reduced in coverage or in limits except after thirty (30) days' prior written notice by certified mail, return receipt requested, has been given to the City.
- 4) Acceptability of Insurers. All insurance policies shall be issued by an insurance company currently authorized by the Insurance Commissioner to transact business of insurance or is on the List of Approved Surplus Line Insurers in the State of California, with an assigned policyholders' Rating of A (or higher) and Financial Size Category Class VII (or larger) in accordance with the latest edition of Best's Key Rating Guide, except that City may accept a rating classification of B or better for Workers' Compensation insurance only.

9.4.5 Verification of Coverage.

Contractor shall furnish the City with certificates of insurance and with original endorsements affecting coverage required by this clause. The certificates and endorsements for each insurance policy are to be signed by a Person authorized by that insurer to bind coverage on its behalf. The certificates and endorsements are to be on forms provided by or acceptable to the City and are to be received and approved by the City before work commences. The City reserves the right to require Contractor to provide complete, certified copies of all required insurance policies, at any time.

Contractor shall furnish renewal certificates annually to the City to demonstrate maintenance of the required coverage throughout the Term of this Agreement.

9.4.6 Companies and Subcontractors.

Contractor agrees to ensure that its subconsultants, subcontractors, and any other party (hereinafter collectively "subcontractor"), who is brought onto or involved in the project/service by Contractor provide the same minimum insurance coverage and endorsements required of Contractor. Contractor agrees to monitor and review all such coverage and assumes all responsibility for ensuring that such coverage is

provided in conformity with the requirements of this section. However, in the event subcontractor cannot comply with this requirement, which proof must be submitted to the Agency, Contractor shall be required to ensure that its subcontractor provide and maintain insurance coverage and endorsements sufficient to the specific risk of exposure involved with subcontractor's scope of work and services, with limits less than required of the Contractor, but in all other terms consistent with the Contractor's requirements under this agreement. This provision does not relieve the Contractor of its contractual obligations under the agreement and/or limit its liability to the amount of insurance coverage provided by its subcontractors. This provision is intended solely to provide Contractor with the ability to utilize a subcontractor who may be otherwise qualified to perform the work or services but may not carry the same insurance limits as required of the Contractor under this agreement given the limited scope of work or services provided by the subcontractor. Contractor agrees that upon request, all agreements with subcontractors, and others engaged in the project, will be submitted to Agency for review.

9.4.7 Required Endorsements

- 1) The Workers' Compensation policy shall contain an endorsement in substantially the following form:

"Thirty (30) days prior written notice by certified mail, return receipt requested, shall be given to the City in the event of cancellation, reduction in coverage, or non-renewal of this policy. Such notice shall be sent to:

Public Works Director
City of Stanton
7800 Katella Avenue
Stanton, CA 90680"

- 2) The General Liability and Auto Liability policies shall contain endorsements in substantially the following form:

- a) "Thirty (30) days prior written notice shall be given to the City in the event of cancellation, reduction in coverage, or non-renewal of this policy. Such notice shall be sent to:

Director of Public Works
City of Stanton
7800 Katella Avenue"
Stanton, CA 90680

- b) "The City, its officers, elective and appointive boards, commissions, employees, and agents are additional insureds on this policy."
 - c) "This policy shall be considered primary insurance as respects any other valid and collectible insurance maintained by the City, including any self-insured retention or program of self-insurance, and any other such insurance shall be considered excess insurance only."
 - d) "Inclusion of the City as an insured shall not affect the City's rights as respects any claim, demand, suit or judgment brought or recovered against the Contractor. This policy shall protect the Contractor and the City in the same manner as though a separate policy had been issued to each, but this shall not operate to increase the Contractor's liability as set forth in the policy beyond the amount shown or to which the Contractor would have been liable if only one party had been named as an insured."
- 5) Other Insurance Requirements
- a) Contractor shall comply with all requirements of the insurers issuing policies. The carrying of insurance shall not relieve Contractor from any obligation under this Agreement. If any claim exceeding the amount of any deductibles or self-insured reserves is made by any third Person against Contractor or any company or Subcontractor on account of any occurrence related to this Agreement, Contractor shall promptly report the facts in writing to the insurance carrier and to the City.
 - b) If Contractor fails to procure and maintain any insurance required by this Agreement, the City may take out and maintain, at the Contractor's expense, such insurance as it may deem proper and deduct the cost thereof from any moneys due to the Contractor or demand payment from Contractor which shall be paid within thirty (30) days of written notice to Contractor.

9.5 Faithful Performance Bond

Concurrently with execution of this Agreement, Contractor shall deliver to the City a performance bond, from an admitted surety insurer, in the amount of Three Hundred Seventy-Five Thousand Dollars (\$375,000), a form acceptable to the City, which secures the faithful performance of this Agreement, including, without limitation,

payment of any penalty and the funding of any work to cure a breach of this Agreement. The bond shall contain the original notarized signature of an authorized officer of the surety and affixed thereto shall be a certified and current copy of his power of attorney. The bond shall be unconditional and remain in force during the entire Term of the Agreement and shall be null and void at the conclusion of the Term of this Agreement only if the Contractor promptly and faithfully performs all Terms and conditions of this Agreement.

9.6 Forfeiture of Performance Bond

In the event Contractor for any reason becomes unable to, or fails in any way to, perform as required by this Agreement, the City may declare a portion or all of the performance bond which is necessary to recompense and make the City whole. In that event, the amount of the declared portion of the performance bond shall be forfeited to the City. Upon partial or full forfeiture of the performance bond, the Contractor shall restore the performance bond to its face amount within thirty (30) days of the City's declaration. Failure to restore the performance bond to its full amount within thirty (30) days shall be a material breach of contract.

9.7 Letter of Credit

In addition to a corporate surety bond as noted in Section 9.5 above, Contractor shall furnish an irrevocable letter of credit drawn upon a financial institution with an office within one hundred (100) miles of City in the amount of One Hundred Twenty-Five Thousand Dollars (\$125,000), in a form acceptable to the City Attorney as security for the performance of this Agreement (the "LOC"). The LOC shall be the sole responsibility of Contractor, and shall be released within thirty (30) days after both (i) the expiration of the Term of this Agreement, or upon the earlier termination hereof; and (ii) Contractor's satisfactory performance of all obligations hereunder.

9.8 Forfeiture of Letter of Credit

Thirty (30) days after City provides Contractor with written notice of Contractor's failure to pay City any amount due under this Agreement, the LOC may be drawn upon by City for purposes including, but not limited to:

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- a. Payment of sums due under the terms of this Agreement which Contractor has failed to timely pay to City.
- b. Reimbursement of costs borne by City to correct violations of this Agreement that Contractor did not correct.

City may draw upon the entire LOC and convert it to a cash deposit if Contractor fails to cause the LOC to be extended or replaced with another satisfactory LOC no later than sixty (60) days prior to its expiration during the Term of this Agreement.

10 City's Right to Perform Service

10.1 General

In addition to, but not in lieu of, any other rights or remedies City might have under this Agreement, at law or in equity, in the event that the Contractor, for any reason whatsoever, fails, refuses or is unable to Collect, Recycle, Process, Transport or Dispose of any or all Solid Waste which it is required by this Agreement, at the time and in the manner provided in this Agreement, for a period of more than forty-eight (48) hours, and if, as a result, Solid Waste should accumulate in the City to such an extent, in such a manner, or for such a time that the City should find that such accumulation endangers or menaces the public health, safety or welfare, then the City shall have the right, but not the obligation, upon notice to Contractor during the period of such emergency as determined by the City, as set forth in this Agreement, (1) to perform, or cause to be performed, such services itself with its own or other personnel; and/or (2) to take possession of any or all of Contractor's land, equipment and other property used or useful in the Collection and Transportation of Solid Waste, and to use such property to Collect and Transport any Solid Waste generated within the City which Contractor would otherwise be obligated to Collect, Transport and properly Dispose of or process pursuant to this Agreement.

Notice of Contractor's failure, refusal or neglect to Collect, Transport and properly dispose of or Process Solid Waste may be given orally by telephone to the Contractor at its principal office and shall be effective immediately. Written confirmation of such oral notification shall be sent to Contractor within twenty-four (24) hours of the oral notification.

Contractor further agrees that in such event:

- 1) It will take direction from the City to effect the transfer of possession of equipment and property to the City for the City's use.
- 2) It will, if the City so requests, keep in good repair and condition all of such equipment and property, provide all motor vehicles with fuel, oil and other service, and provide such other service as may be necessary to maintain said property in operational condition.
- 3) The City may immediately engage all or any personnel necessary or useful for the Collection and Transportation of Solid Waste, including, if the City so

desires, employees previously or then employed by the Contractor. The Contractor further agrees, if the City so requests, to furnish the City the services of any or all management or office Personnel employed by the Contractor whose services are necessary or useful for Solid Waste Collection, Transportation, Processing and Disposal operations and for the billing and Collection of fees for these services.

The City agrees that it assumes complete responsibility for the proper and normal use of such equipment and facilities while in its possession.

10.2 Billing and Compensation to the City During the City's Possession

During such time that the City is providing Solid Waste Collection Services, as above provided, the Contractor shall bill and collect payment from all users of the above-mentioned services as described in Section 5.1 (Services and Customer Billing). The Contractor further agrees that, in such event, it shall reimburse the City for any and all costs and expenses incurred by the City beyond that billed and received by the City in taking over possession of the above-mentioned equipment and property for Solid Waste Service in such manner and to an extent as would otherwise be required of the Contractor under the Terms of this Agreement. Such reimbursement shall be made from time to time after submission by the City to the Contractor of each statement listing such costs and expenses, but in no event later than five (5) working days from and after each such submission.

10.3 City's Possession Not a Taking

Except as otherwise expressly provided in the previous paragraph, the City's exercise of its rights under this Article 10 (1) does not constitute a taking of private property for which compensation must be paid; (2) will not create any liability on the part of the City to the Contractor; and (3) does not exempt the Contractor from the indemnity provisions of Article 9 (Indemnification, Insurance and Bond), which are meant to extend to circumstances arising under this section, provided that the Contractor is not required to indemnify the City against claims and damages arising from the sole negligence of the City, its elected and appointed boards, commissions, officers, employees and agents in the operation of Collection vehicles during the time the City has taken possession of such vehicles.

10.4 Duration of the City's Possession

The City's right pursuant to this Article to retain temporary possession of the Contractor's facilities and equipment, and to render Collection services, shall terminate when the City determines that such services can be resumed by the Contractor, or when the City no longer reasonably requires such property or equipment. In any case, the City has no obligation to maintain possession of the Contractor's property or equipment and/or continue its use for any period of time and may at any time, in its sole discretion, relinquish possession to the Contractor.

11 Default, Remedies and Liquidated Damages

11.1 Events of Default

All provisions of this Agreement to be performed by the Contractor are considered material. Each of the following shall constitute an event of default.

- 1) Fraud or Deceit or Misrepresentation. If the Contractor engages in, or attempts to practice, any fraud or deceit upon the City or makes a misrepresentation regarding material information to the City.
- 2) Insolvency or Bankruptcy. If the Contractor becomes insolvent, unable, or unwilling to pay its debts, files a bankruptcy petition or takes steps to liquidate its assets.
- 3) Failure to Maintain Coverage. If the Contractor fails to provide or maintain in full force and effect the insurance, Workers' Compensation, liability, or indemnification coverage as required by this Agreement.
- 4) Violations of Regulation. If the Contractor violates any orders or filings of any court or body having jurisdiction over the Contractor or City relative to this Agreement, provided that the Contractor may contest any such orders or filings by appropriate proceedings conducted in good faith, in which case no breach of the Franchise and this Agreement shall be deemed to have occurred until a final decision adverse to the Contractor is entered.
- 5) Failure to Perform. If the Contractor ceases to provide Collection, Processing or Recycling services for Solid Waste as required under this Agreement over all or a substantial portion of its Franchise area for a period of two (2) consecutive days or more, for any reason within the control of the Contractor, including labor disputes.
- 6) Failure to Pay. If the Contractor fails to make any payments required under this Agreement and/or refuses to provide the City, within ten (10) days of the demand therefor, with required information, reports, and/or records in a timely manner as provided for in the Agreement.
- 7) Acts or Omissions. Any other act or omission by the Contractor which violates the terms, conditions, or requirements of this Agreement, AB 939, any Environmental Law as it may be amended from time to time, any Applicable

Law, or any law, statute, ordinance, order, directive, rule, or regulation issued thereunder and which is not corrected or remedied within the time set in the written notice of the violation or, if Contractor cannot reasonably correct or remedy the breach within the time set forth in such notice, if the Contractor should fail to commence to correct or remedy such violation within the time set forth in such notice and diligently effect such correction or remedy thereafter. This section is intended to apply to any situation in which Contractor or any of its officers, directors or employees are found guilty of any crime related to the performance of this Agreement, or of any crime related to anti-trust activities, illegal Transport or Disposal of hazardous or toxic materials, or bribery of public officials. The term "found guilty" shall be deemed to include any judicial determination that Contractor or any of Contractor's officers, directors or employees is guilty as well as any admission of guilt by Contractor or any of Contractor's officers, directors or employees including, but not limited to, the plea of "guilty," "nolo contendere," "no contest," and "guilty to a lesser charge."

- 8) False or Misleading Statements. Any representation or disclosure made to the City by Contractor in connection with or as an inducement to entering into this Agreement, or any future amendment to this Agreement, which proves to be false or misleading in any material respect as of the time such representation or disclosure is made, whether or not any such representation or disclosure appears as part of this Agreement.
- 9) Attachment. There is a seizure of, attachment of, or levy on, the operating equipment of the Contractor, including without limits its equipment, maintenance or office facilities, or any part thereof.
- 10) Suspension or Termination of Service. There is any termination or suspension of the transaction of business by the Contractor, including without limit, due to labor unrest including strike, work stoppage or slowdown, sick-out, picketing, or other concerted job action lasting more than two (2) consecutive days.
- 11) Failure to Provide Assurance of Performance. If the Contractor fails to provide reasonable assurances of performance as required under Section 11.6. Contractor shall be given forty-eight (48) hours from notification by the City to cure any default arising under subsections 5, 6, 9, 10 and 12 provided, however, that the City shall not be obligated to provide the Contractor with a

notice and cure opportunity if the Contractor has committed the same or similar breach within a twenty-four (24) month period.

11.2 Termination

This Agreement may be terminated at any time during the term thereof only as follows:

- 1) By mutual agreement of the parties hereto, evidenced by an appropriate written instrument; or
- 2) Where the City Manager determines that the Contractor's performance has not been in conformity with the provisions of this Agreement or any applicable law, including but not limited to the relevant provisions of the Stanton Municipal Code. In such case, the City Manager shall, in writing, advise Contractor of such deficiencies, and set, in such written instrument, a reasonable time within which correction of all such deficiencies is to be made; unless otherwise specified, a reasonable time for correction shall be deemed to be thirty (30) days from the receipt by the Contractor of such written notice. If within said thirty (30) day period of time (or other period of time, as maybe specified by the City Manager), the Contractor does not correct such deficiencies to the reasonable satisfaction of the City Manager, the City Manager shall advise the City Council of such circumstances; the City Council, in such case, shall, as soon as is possible, set the matter for hearing. The City Council shall give Contractor, and any other person requesting the same, ten (10) days written notice of the time and place of such hearing. At the time of such hearing, the City Council shall consider the report of the City Manager indicating the deficiencies, and shall give the Contractor, or its representatives and any other interested person, a reasonable opportunity to be heard in conjunction therewith. If the City Council, at the conclusion of such hearing, determines, based upon reliable evidentiary material, that the performance of Contractor is not in conformity with the Agreement, as alleged by the City Manager, the City Council shall terminate, forthwith, the Agreement. The decision of the City Council shall be final and conclusive. Contractor's performance under this Agreement is not excused during the period of time prior to the City Council's final determination as to whether such performance is deficient.

11.2.1 Right to Terminate Upon Default

In addition to any other remedies provided in this Agreement, where Contractor, for any reason, abandons or ceases to perform collection and Disposal services for a period in excess of five (5) working days, and the City Manager determines that it is necessary for Solid Waste Collection and Disposal to be temporarily undertaken by City, or other entities engaged by City, City shall: a. notify Contractor by mail that Contractor has failed to perform Solid Waste Collection and Disposal services for a period in excess of five (5) working days, and of City's intent to temporarily provide such services at Contractor's expense and with the use of Contractor's equipment; b. be entitled to the use of Contractor's equipment during such time as City, or entities engaged by City for such purpose, assumes Contractor's Collection and Disposal obligations under this Agreement; c. have access to Contractor's records for the purposes of billing, and shall retain all payments and funds received for the period during which City provides services d. charge Contractor for the actual costs of such services as determined by City's standard accounting practices, and the sum of Five Hundred Dollars 500.00) for each calendar day during which City performs such services. The parties agree and acknowledge that in the event of such a temporary default by Contractor, the actual damages to the City as a result of such default would be difficult if not impossible to ascertain, and, therefore, the parties have agreed that the sum of Five Hundred Dollars (\$500.00) per day during which such default occurs, represents a reasonable sum to be paid by Contractor to City as and for liquidated damages. During any period during which City assumes Contractor's Collection and Disposal obligations pursuant to this section, the liability of City to Contractor for loss or damage to any of Contractor's equipment used by City shall be that of a bailee for hire, ordinary wear and tear excepted. If temporary default under this Section continues for a period of more than twenty (20) calendar days, City shall have the right to terminate this Agreement pursuant to Section 16(b) of this Agreement.

11.3 Remedies for Breach

The rights, remedies and benefits provided by this Agreement shall be cumulative, and shall not be exclusive of any other of said rights, remedies or benefits provided by this Agreement, nor of any other rights, remedies or benefits allowed by law.

11.4 Liquidated Damages

11.4.1 General

The City finds, and the Contractor agrees, that as of the time of the execution of this Agreement, it is impractical, if not impossible, to reasonably ascertain the extent of damages which shall be incurred by the City as a result of a breach by the Contractor of its obligations under this Agreement. The factors relating to the impracticability of ascertaining damages include, but are not limited to, the fact that: (i) substantial damage results to members of the public who are denied services or denied quality or reliable service; (ii) such breaches cause inconvenience, anxiety, frustration, and deprivation of the benefits of the Agreement to individual members of the general public for whose benefit this Agreement exists, in subjective ways and in varying degrees of intensity which are incapable of measurement in precise monetary terms; (iii) the services provided under this Agreement might be available at substantially lower costs than alternative services and the monetary loss resulting from denial of services or denial of quality or reliable services is impossible to calculate in precise monetary terms; and (iv) the termination of this Agreement for such breaches, and other remedies are, at best, a means of future correction and not remedies which make the public whole for past breaches.

11.4.2 Liquidated Damages for Failure to Meet Standards

The parties further acknowledge that consistent, reliable Solid Waste Collection Services are of utmost importance to the City and that the City has considered and relied on the Contractor's representations as to its quality-of-service commitment in awarding the Franchise to it. The parties further recognize that some quantified standards of performance are necessary and appropriate to ensure consistent and reliable service and performance. The parties further recognize that if the Contractor fails to achieve the performance standards, or fails to submit required documents in a timely manner, the City and its residents will suffer damages and that it is and will be impractical and extremely difficult to ascertain and determine the exact amount of damages which the City will suffer. Therefore, without prejudice to the City's right to treat such non-performance as an event of default under this Article 11, the parties agree that the following liquidated damage amounts represent a reasonable estimate of the amount of such damages considering all of the circumstances existing on the date of this Agreement, including the relationship of the sums to the range of harm to the City that reasonably could be anticipated and the anticipation that proof of

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actual damages would be costly or impractical. In placing their initials at the places provided, each party specifically confirms the accuracy of the statements made above and the fact that each party has had ample opportunity to consult with legal counsel and obtain an explanation of the liquidated damage provisions at the time that the Agreement was made.

Contractor

City

Initial Here

Initial Here

The Contractor shall pay (as liquidated damages and not as a penalty) the amounts set forth below:

1) Collection Reliability

- a) For each failure to commence service to a new Customer account within seven (7) days after order, which exceed five (5) such failures annually: \$150
- b) For each failure to Collect Solid Waste, which has been properly set out for Collection, from an established Customer account on the scheduled Collection Day (missed pickup) and not Collected within one business day of the original collection day, which exceeds five (5) such failures annually: \$150
- c) For each failure to Collect Solid Waste, which has been properly set out for Collection, from the same Customer on two (2) consecutive scheduled pickup days: \$150
- d) For each day the Contractor Collects from a Customers outside of authorized Collection hours as defined in Section 4.7.2 (Schedules): \$250/day
- e) e) For each day Collection is delayed during the week following a holiday, beyond the one-day delay permitted per Section 4.7.2 (Schedules) (for example, Monday holidays permit Monday Collections to take place on Tuesday, and each Collection Day for the remainder of the week may be delayed only one day. If any portion of Monday's Collections take place on

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Wednesday, or if any of Tuesday's Collections take place on Thursday, etc., then liquidated damages apply to each impermissibly delayed day of Collection): \$2,000 per day

- f) For each failure to Collect Bulky Items after receiving two days prior notice from Customer, which exceed five (5) such failures annually: \$150

2) Collection Quality

- a) a) For each occurrence of failure to properly return empty Containers to avoid pedestrian or vehicular traffic impediments which exceeds ten (10) such occurrences annually: \$150
- b) b) For each failure to clean up Solid Waste spilled from Solid Waste Containers within 90 minutes that exceeds five (5) such failures annually: \$150
- c) c) For each failure to clean or replace Commercial and industrial Containers in accordance with Section 4.7.6.3 (Bins) of this Agreement which exceeds five (5) such failures annually: \$150
- d) d) For each failure to deliver a Roll-off Box within two (2) business days of a Customer's request: \$ 50
- e) For each occurrence of excessive noise or discourteous behavior: \$250
- f) f) For each failure to lock Bins or close Bin enclosures that exceed five (5) such failures annually: \$150

3) Customer Responsiveness

- a) For each failure to initially respond to a Customer Complaint within one (1) business day in accordance with Section 5.2.3 (Resolution of Customer Complaints), and for each additional business day in which the Complaint is not addressed: \$100
- b) For each failure to resolve a Customer Complaint within five (5) business days in accordance with Section 5.2.3 (Resolution of Customer Complaints): \$500

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- c) For each failure to remove graffiti from Containers, or to replace with Containers bearing no graffiti, within two business days of request from City or Customers: \$150
- d) For each Complaint received from more than 0.50% of the total Residential and Commercial Customer base within a six (6) month period: \$ 25

4) Reporting

- a) For each occurrence of failure to maintain records required under this Agreement: \$1,000
- b) Any report shall be considered late until such time as a correct and complete report is received by the City. For each calendar day a report is late, the daily liquidated damage amount shall be:
 - i. Monthly Reports: \$100 per day
 - ii. Quarterly Reports: \$250 per day
 - iii. Annual Reports: \$350 per day
 - iv. Annual Diversion Reporting requirements, including calculations and supporting documentation: \$500.00 per day.

5) Accuracy of Billing

- a) Each Customer invoice that is not prepared in accordance with the City's approved rate schedule: \$250
- b) Each occurrence in which a service address is 'double billed' with multiple invoices sent to different billing addresses (for examples, both a tenant and an off-site property Owner are billed for service at the same location): \$250

6) Implementation of Public Education Plan

- a) Each day past the agreed upon deadline that the Contractor fails to perform a task set forth in its public education plan. \$100 per day

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Liquidated damages will only be assessed after the Contractor has been given the opportunity but failed to rectify the damages as described in this Agreement.

The City may determine the occurrence of events giving rise to liquidated damages through the observation of its own employees or representative or investigation of Customer Complaints.

- a) Prior to assessing liquidated damages, the City shall give the Contractor notice of its intention to do so. The notice will include a brief description of the incident(s)/non-performance. The Contractor may review (and make copies at its own expense) all non-confidential information in the possession of the City relating to incident(s)/non-performance. The Contractor may, within ten (10) business days after receiving the notice, request a meeting with the City Manager or his or her Designee. The Contractor may present evidence in writing and through testimony of its employees and others relevant to the incident(s)/non-performance. The City Manager or his or her Designee will provide the Contractor with a written explanation of his or her determination on each incident(s)/non-performance prior to authorizing the assessment of liquidated damages. The decision of the City Manager or his Designee shall be final.
- b) Amount. The City may assess liquidated damages for each calendar day or event, as appropriate, that the Contractor is determined to be liable in accordance with this Agreement.
- c) Timing of Payment. The Contractor shall pay any liquidated damages assessed by the City within ten (10) days after they are assessed. If they are not paid within the ten (10) day period, the City may proceed against the performance bond required by the Agreement or order the termination of the Franchise granted by this Agreement, or exercise any other right or remedy available to City under this Agreement or at law or in equity, or any combination of these remedies.

11.5 Excuse from Performance

The parties shall be excused from performing their respective obligations in this Agreement in the event they are prevented from so performing by reason of floods, earthquakes, other natural Disasters, war, civil insurrection, riots, acts of any government (including judicial action), and other similar catastrophic events which are beyond the control of and not the fault of the party claiming excuse from

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performance hereunder. Labor unrest, including but not limited to strike, work stoppage or slowdown, sick-out, picketing, or other concerted job action conducted by the Contractor's employees or directed at the Contractor is not an excuse from performance and the Contractor shall be obligated to continue to provide service notwithstanding the occurrence of any or all of such events.

The party claiming excuse from performance shall, within two (2) days after such party has notice of such cause, give the other party notice of the facts constituting such cause and asserting its claim to excuse under this section.

The interruption or discontinuance of the Contractor's services caused by one or more of the events excused shall not constitute a default by the Contractor under this Agreement. Notwithstanding the foregoing, however, if the Contractor is excused from performing its obligations hereunder for any of the causes listed in this section for a period of seven (7) days or more, the City shall nevertheless have the right, in its sole discretion, to terminate this Agreement by giving ten (10) days' notice, in which case the provisions relative to taking possession of the Contractor's land, equipment and other property and engaging the Contractor's Personnel in Article 10 (Default, Remedies And Liquidated Damages) and this Article 11, will apply.

11.6 Arbitration

Any dispute arising out of or relating to this Agreement, which dispute involves claims or controversies having no monetary value, or are in an amount or amounts, if combined, not exceeding \$25,000, shall be first mediated between the parties. The party making demand for mediation shall select a panel of three (3) mediators from those mediators listed and approved by the local Superior Court of jurisdiction, and the party not selecting the panel shall choose one (1) of the listed mediators who shall serve in that capacity. The parties shall share equally in the cost and expense of the mediation.

Any dispute arising out of or relating to this Agreement, which dispute involves claims or controversies, having a monetary value in an amount or amounts, if combined, not exceeding \$25,000, which dispute was not resolved by mediation as required in this Agreement, shall be decided by arbitration in accordance with the commercial rules of the American Arbitration Association then pertaining, unless the parties agree otherwise and consent, in writing, to a different method of dispute resolution, including mediation or judicial arbitration.

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Any dispute arising out of or relating to this Agreement, which dispute involves claims or controversies in an amount or amounts, if combined, exceeding \$25,000, shall not involve arbitration, or any other method of dispute resolution, unless the parties agree otherwise and consent, in writing, but shall instead be brought in a court of competent jurisdiction in the County of Orange, State of California.

Venue for any action, including those actions subject to arbitration, shall be Orange County. Contractor hereby expressly waives any right to remove any such action to a County other than Orange County otherwise provided by California Code of Civil Code of Civil Procedure Section 394.

Notice of the demand for arbitration is to be filed in writing with the other party to this Agreement and with the American Arbitration Association. The demand is to be made within a reasonable period of time after the claim, dispute, or other matter in controversy has arisen. In no event, however, is the demand for arbitration to be made after the date when institution of legal or equitable proceedings based on such claim, dispute or other matter in controversy would be barred by the applicable statute of limitations.

Any award rendered by the arbitrator shall be final and judgment may be entered upon it in accordance with Applicable Law in any court having jurisdiction thereof.

11.7 Assurance of Performance

The City may, at its option and in addition to all other remedies it may have, demand from the Contractor reasonable assurances of timely and proper performance of this Agreement, in such form and substance as the City may require. If the Contractor fails or refuses to provide satisfactory assurances of timely and proper performance in the form and by the date required by the City, such failure or refusal shall be an event of default.

12 Other Agreements of the Parties

12.1 Relationship of Parties

The parties intend that the Contractor shall perform the services required by this Agreement as an independent Co engaged by the City and not as an officer or employee of the City nor as a partner of or joint venture with the City. No employee or agent of Contractor shall be or shall be deemed to be an employee or agent of the City. Except as expressly provided in this Agreement, the Contractor shall have the exclusive control over the manner and means of conducting the Solid Waste Collection Services performed under this Agreement, and all Persons performing such services. The Contractor shall be solely responsible for the acts and omissions of its officers, employees, Companies, Subcontractors, Affiliates and agents. Neither the Contractor nor its officers, employees, Companies, Subcontractors, Affiliates and agents shall obtain any rights to retirement benefits, workers' compensation benefits, or any other benefits which accrue to the City employees by virtue of their employment with the City.

12.2 Compliance with Law

In providing the services required under this Agreement, the Contractor shall at all times, at its sole cost, comply with all Applicable Law and regulations of the United States, the State of California, and local agencies. The City shall comply with all applicable regulations promulgated by federal, State, regional or local administrative and regulatory agencies, now in force and as they may be enacted, issued or amended during the Term of this Agreement.

12.3 Modification

Except as expressly provided herein, the terms of this Agreement may not be modified, amended or changed in any way without the written approval of both Contractor and City.

Notwithstanding the above, City may impose any and all additional regulations deemed necessary for the protection of the health, safety, and/or general welfare of the residents of City without the concurrence of Contractor.

12.4 Law Governing

This Agreement and the rights of the parties hereunder shall be interpreted under the laws of the State of California.

12.5 Permits

Contractor shall be responsible for obtaining and maintaining all licenses, permits or other entitlements necessary or convenient for the performance of the services required hereunder, including but not limited to City business licenses. Contractor shall be responsible for the payment of all fees, charges, taxes and other costs in connection therewith.

12.6 Jurisdiction

Any lawsuits between the parties arising out of this Agreement shall be brought and concluded in the courts of the State of California, which shall have exclusive jurisdiction over such lawsuits.

With respect to venue, the parties agree that this Agreement is made in and will be performed in Orange County.

12.7 Assignment

Except as may be provided for in Article 10 (City's Right to Perform Service), neither party shall assign its rights, nor delegate, subcontract or otherwise transfer its obligations under this Agreement to any other Person without the prior written consent of the other party. Any such assignment made without the consent of the other party shall be void and the attempted assignment shall constitute a material breach of this Agreement.

For purposes of this section when used in reference to the Contractor, 'assignment' shall include, but not be limited to (i) a sale, exchange or other transfer of substantially all of the Contractor's assets dedicated to service under this Agreement to a third party; (ii) a sale, exchange or other transfer of outstanding common stock of the Contractor to a third party provided said sale, exchange or transfer may result in a change of control of the Contractor; (iii) any dissolution, reorganization, consolidation, merger, re-capitalization, stock issuance or re-issuance, voting trust, pooling agreement, escrow arrangement, liquidation or other transaction to which results in a change of Ownership or control of the Contractor; (iv) any assignment by

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operation of law, including insolvency or bankruptcy, making assignment for the benefit of creditors, writ of attachment for an execution being levied against this Agreement, appointment of a receiver taking possession of the Contractor's property, or transfer occurring in the event of a probate proceeding; and (v) any combination of the foregoing (whether or not in related or contemporaneous transactions) which has the effect of any such transfer or change of Ownership, or change of control of the Contractor.

The Contractor acknowledges that this Agreement involved rendering a vital service to the City's residents and businesses, and that the City has selected the Contractor to perform the services specified in this Agreement based on (1) the Contractor's experience, skill and reputation for conducting its operations in a safe, effective and responsible fashion, at all times in keeping with applicable Environmental Laws, regulations and best Solid Waste management practices, and (2) the Contractor's financial resources to maintain the required equipment and to support its indemnity obligations to the City under this Agreement. The City has relied on each of these factors, among others, in choosing the Contractor to perform the services to be rendered by the Contractor under this Agreement.

If the Contractor requests the City's consideration of and consent to an assignment, the City may deny or approve such request in its complete discretion. No request by the Contractor for consent to an assignment need be considered by the City unless and until the Contractor has met the following requirements:

1. The Contractor shall undertake to pay the City its reasonable expenses for attorney's fees and investigation costs necessary to investigate the suitability of any proposed assignee, and to review and finalize any documentation required as a condition for approving any such assignment;
2. The Contractor shall pay the City a transfer fee equal to 1% of the gross revenues times the number of years (pro-rated for partial years) remaining under this Agreement;
3. The Contractor shall furnish the City with audited financial statements of the proposed assignee's operations for the immediately preceding three (3) operating years;
4. The Contractor shall furnish the City with satisfactory proof:

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- a) that the proposed assignee has at least ten (10) years of Solid Waste management experience on a scale equal to or exceeding the sale of operations conducted by the Contractor under this Agreement;
- b) that in the last five (5) years, the proposed assignee has not suffered any significant citations or other censure from any federal, State or local agency having jurisdiction over its Solid Waste management operations due to any significant failure to comply with State, federal or local Environmental Laws and that the assignee has provided the City with a complete list of such citations and censures;
- c) that the proposed assignee has at all times conducted its operations in an environmentally safe and conscientious fashion;
- d) that the proposed assignee conducts its Solid Waste management practices in accordance with sound Solid Waste management practices in full compliance with all federal, State and local laws regulating the Collection and Disposal of Solid Waste including Hazardous Substances; and,
- e) of any other information required by the City to ensure the proposed assignee can fulfill the Terms of this Agreement in a timely, safe and effective manner.

Under no circumstances shall the City be obliged to consider any proposed assignment by the City if the Contractor is in default at any time during the period of consideration.

12.8 Affiliated Companies

The Contractor's accounting records shall be maintained on a basis showing the results of the Contractor's operations under this Agreement separately from operations in other locations, as if the Contractor were an independent entity providing service only to the City. The costs and revenues associated with providing service to the City shall not be combined, consolidated or in any other way incorporated with those of other operations conducted by the Contractor in other locations, or with those of an Affiliate.

If the Contractor enters into any financial transactions with an Affiliate for the provision of labor, equipment, supplies, services, capital, etc., related to the furnishing of service under this Agreement, that relationship shall be disclosed to the

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City, and in the financial reports submitted to the City. In such event, the City's rights to inspect records, and obtain financial data shall extend to such Affiliates.

Any application for a change of ownership, control, or a Franchise transfer shall be made in a manner prescribed by the City Manager. The application shall include a transfer fee in an amount to be set by a resolution of the City Council, to cover the reasonable costs of all direct and indirect administrative expenses of the City, including, without limitation, consultants and attorneys, necessary to analyze the application and to reimburse the City for all its direct and indirect expenses. The applicant shall pay such invoices prior to any authorized change of ownership or Franchise transfer becoming effective.

12.9 Contracting or Subcontracting

The Contractor shall not engage any companies or Subcontractors for Collection, Transfer, Processing, Recycling or Disposal of Solid Waste without the prior written consent of the City.

12.10 Binding on Assigns

The provisions of this Agreement shall inure to the benefit of and be binding on the permitted assigns of the parties.

12.11 Parties in Interest

Nothing in this Agreement, whether express or implied, is intended to confer any rights on any Persons other than the parties to it and their representatives, successors and permitted assigns.

12.12 Waiver

The waiver by either party of any breach or violation of any provisions of this Agreement shall not be deemed to be a waiver of any breach or violation of any other provision nor of any subsequent breach or violation of the same or any other provision. The subsequent acceptance by either party of any moneys which become due hereunder shall not be deemed to be a waiver of any pre-existing or concurrent breach or violation by the other party of any provision of this Agreement.

12.13 The Contractor's Investigation

The Contractor has made an independent investigation (satisfactory to it) of the conditions and circumstances surrounding the Agreement and the work to be performed by it.

12.14 Condemnation

The City fully reserves the rights to acquire the Contractor's property utilized in the performance of this Agreement, by purchase or through the exercise of the right of eminent domain. This provision is additive, and not intended to alter the rights of the parties set forth in Article 10 (City's Right to Perform Service).

12.15 Notice

All notices, demands, requests, bids, proposals, approvals, consents and other communications which this Agreement requires, authorizes or contemplates shall be in writing and shall either be personally delivered to a representative of the parties at the address below or be deposited in the United States mail, first class postage prepaid, addressed as follows:

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If to the City:

Public Works Director
City of Stanton
7800 Katella Avenue
Stanton, CA 90680

If to the Contractor

Senior Vice President
CR&R Incorporated
11292 Western Avenue
Stanton, CA 90680

The address to which communications may be delivered may be changed from time to time by a written notice given in accordance with this section. Notice shall be deemed given on the day it is personally delivered or, if mailed, three days from the date it is deposited in the mail.

12.16 Representatives of the Parties

References in this Agreement to the 'City' shall mean the City Council and all actions to be taken by the City shall be taken by the City Council except as provided below. The City Council may delegate, in writing, authority to the City Manager, and/or to other City employees and may permit such employees, in turn, to delegate in writing some or all of such authority to subordinate employees. The Contractor may rely upon actions taken by such delegates if they are within the scope of the authority properly delegated to them.

The Contractor shall, by the Effective Date, designate in writing a responsible officer who shall serve as the representative of the Contractor in all matters related to the Agreement and shall inform the City in writing of such designation and of any limitations upon his or her authority to bind the Contractor. The City may rely upon action taken by such designated representative as actions of the Contractor unless they are outside the scope of the authority delegated to him/her by the Contractor as communicated to the City.

12.17 City Free to Negotiate with Third Parties

Notwithstanding the exclusive nature of the Franchise, the City may investigate all options for the Collection, Transporting, Recycling, Processing and Disposal of Solid Waste at any time prior to the expiration of the Term of this Agreement. Without limiting the generality of the foregoing, the City may solicit bids from the Contractor and from third parties for the provision of Collection services, Disposal services, Recycling services, Green Waste services and Processing, and any combination thereof, and may negotiate and execute agreements for such services which will take effect upon the expiration or earlier termination under Section 11.1 (Events of Default) of this Agreement.

12.18 Compliance with Municipal Code

The Contractor shall comply with those provisions of the municipal code of the City which are applicable, and with any and all amendments to such applicable provisions during the Term of this Agreement.

12.19 Privacy

The Contractor shall strictly observe and protect the rights of privacy of Customers. Information identifying individual Customers or the composition or contents of a Customer's waste stream shall not be revealed to any Person, governmental unit, private agency, or company, unless upon the authority of a court of law, by statute, or upon valid authorization of the Customer. This provision shall not be construed to preclude the Contractor from preparing, participating in, or assisting in the preparation of waste characterization studies or waste stream analyses which may be required by AB 939. This provision shall not apply to reports or records provided to City pursuant to this Agreement so long as City maintains reports or records with Customer identification or confidential information in accordance with this section, in which case this section shall apply to City in the same manner to which it applies to Contractor.

12.20 Cooperation Following Termination

At the end of the Term of this Agreement, or in the event this Agreement is terminated for cause prior to the end of the Term, the Contractor covenants to cooperate fully with the City and any subsequent company to assure a smooth transition of Solid Waste management services. The Contractor's cooperation shall include, but not be limited to, providing operating records needed to service all

City of Stanton
Draft Solid Waste Collection Agreement

Customers covered by this Agreement. The failure to cooperate with City following termination shall be conclusively presumed to be grounds for specific performance of this covenant and/or other equitable relief necessary to enforce this covenant.

12.21 Compliance with Immigration Laws.

The Contractor agrees that, in the performance of this Agreement, it will comply with all immigration laws.

12.22 Proprietary Information, Public Records

The City acknowledges that a number of the records and reports of the Contractor are proprietary and confidential. The Contractor is obligated to permit the City inspection of its records on demand and to provide copies to the City where requested. The City will endeavor to maintain the confidentiality of all proprietary information provided by the Contractor. Notwithstanding the foregoing, and notwithstanding Section 12.18 (Privacy) (as it applies to City), any documents provided by the Contractor to the City that are public records may be disclosed pursuant to a proper public records request.

12.23 Attorney's Fees

In any action or proceeding to enforce or interpret any of the Terms or conditions of this Agreement the prevailing party shall be entitled to an award to attorney's fees in the amount reasonably incurred in the prosecution or defense of such action. The Term 'prevailing party' shall mean the party entitled to recover costs of suit, upon the conclusion of the matter, in accordance with the laws of the State of California.

13 Miscellaneous Agreements

13.1 Entire Agreement

This Agreement, including the exhibits, represents the full and entire Agreement between the parties with respect to the matters covered in this Agreement. No verbal agreement or conversation with any office, agent, or employee of the City, either before, during, or after the execution of this contract, shall affect or modify any of the Terms or obligations in this Agreement contained nor such verbal agreement or conversation entitle the Contractor to any additional payment whatsoever under the Terms of this contract.

13.2 Section Headings

The article headings and section headings in this Agreement are for convenience of reference only and are not intended to be used in the construction of this Agreement nor to alter or affect any of its provisions.

13.3 References to Laws and Other Agreements

All references in this Agreement to laws shall be understood to include such laws as they may be subsequently amended or recodified, unless otherwise specifically provided. This Agreement supersedes any and all agreements heretofore entered into by the parties and the City.

13.4 Interpretation

This Agreement, including the exhibits attached hereto, shall be interpreted and construed reasonably and neither for nor against either party, regardless of the degree to which either party participated in its drafting.

13.5 Agreement

This Agreement may not be modified or amended in any respect except by a writing signed by the parties.

13.6 Severability

If any non-material provision of this Agreement is for any reason deemed to be invalid and unenforceable, the invalidity or unenforceability of such provision shall not affect

City of Stanton
Solid Waste Collection Agreement

any of the remaining provisions of this Agreement which shall be enforced as if such invalid or unenforceable provision had not been contained in this Agreement.

13.7 Exhibits

Each of the exhibits identified in this Agreement is attached hereto and incorporated in this Agreement and made a part hereof by this reference.

13.8 Non-Waiver Provision

Failure of either party to exercise any of the remedies set forth in this Agreement within the time periods provided for shall not constitute a waiver of any rights of that party with regard to that failure to perform or subsequent failures to performing whether determined to be a breach, excused performance or unexcused defaults by the other party.

13.9 Signatures

IN WITNESS WHEREOF, City and Contractor have executed this Agreement as of the day and year first written above.

CITY OF STANTON ('CITY')

CR&R INCORPORATED

By: _____

By: _____

Name: Hannah Shin-Heydorn

Name: David Ronnenberg

Title: City Manager

Title: President

APPROVED AS TO FORM:

By: _____

By: _____

Name: HongDao Nguyen

Name: Cliff Ronnenberg

Title: City Attorney

Title: Chief Executive Officer

ATTEST:

By: _____

Name: Patricia A. Vazquez

Title: City Clerk

City of Stanton
Solid Waste Collection Agreement

Exhibit 1 – Residential Rates Effective September 1, 2023

Rates are monthly unless otherwise indicated

Service Description	Amount
90 gallon cart set	\$26.28
Addl. 65 gal. recycle cart	\$0.00
Addl. 65 gal. organics cart	\$0.00
Addl 90 gallon refuse cart	\$22.52
65 gallon senior discount	\$24.03
Additional Pickup per cart	\$21.31
Cart redelivery/Re-start	\$13.72
Cart replacement: lost - per cart	\$68.69
Addl cart exch. 1x/yr.: per cart	\$44.96
Cart Exchange/Damaged - per cart	\$66.91

City of Stanton
Solid Waste Collection Agreement

Exhibit 2 – Commercial and Multi-Family Rates Effective September 1, 2023

All rates are monthly unless otherwise indicated

Service Description	Amount	Service Description	Amount
1 yard 1x a week	\$106.84	2 yard recycle 1x a week	\$115.77
1 yard 2x a week	173.25	2 yard recycle 2x a week	186.96
1 yard 3x a week	239.68	2 yard recycle 3x a week	259.72
1 yard 4x a week	304.95	2 yard recycle 4x a week	330.75
1 yard 5x a week	372.44	2 yard recycle 5x a week	405.24
1 yard 6x a week	472.06	2 yard recycle 6x a week	478.03
2 yard 1x a week	154.36	3 yard recycle 1x a week	141.75
2 yard 2x a week	249.28	3 yard recycle 2x a week	245.68
2 yard 3x a week	346.29	3 yard recycle 3x a week	341.26
2 yard 4x a week	441.00	3 yard recycle 4x a week	436.83
2 yard 5x a week	540.32	3 yard recycle 5x a week	532.33
2 yard 6x a week	637.37	3 yard recycle 6x a week	627.95
3 yard 1x a week	189.00	4 yard recycle 1x a week	188.22
3 yard 2x a week	327.57	4 yard recycle 2x a week	280.60
3 yard 3x a week	455.02	4 yard recycle 3x a week	372.95
3 yard 4x a week	582.44	4 yard recycle 4x a week	465.26
3 yard 5x a week	709.77	4 yard recycle 5x a week	557.65
3 yard 6x a week	837.26	4 yard recycle 6x a week	650.04
4 yard 1x a week	250.96	2 yard organics 1x a week	115.77
4 yard 2x a week	374.13	2 yard organics 2x a week	186.96
4 yard 3x a week	497.27	2 yard organics 3x a week	259.71
4 yard 4x a week	620.34	2 yard organics 4x a week	330.75
4 yard 5x a week	743.53	2 yard organics 5x a week	405.24
4 yard 6x a week	866.72	2 yard organics 6x a week	478.03
2 yard compactor 1x a week	218.00	3 yard split bin 1x a week	205.62
2 yard compactor 2x a week	369.99	3 yard split bin 2x a week	333.50
2 yard compactor 3x a week	523.84	3 yard split bin 3x a week	461.36
2 yard compactor 4x a week	675.76	3 yard split bin 4x a week	587.05
2 yard compactor 5x a week	832.65	3 yard split bin 5x a week	717.00
2 yard compactor 6x a week	986.41	3 yard split bin 6x a week	908.68
4 yard compactor 1x a week	412.08	4 yard split bin 1x a week	270.13
4 yard compactor 2x a week	656.91	4 yard split bin 2x a week	436.23
4 yard compactor 3x a week	908.40	4 yard split bin 3x a week	606.01
4 yard compactor 4x a week	1,159.75	4 yard split bin 4x a week	771.75
4 yard compactor 5x a week	1,411.32	4 yard split bin 5x a week	945.56
4 yard compactor 6x a week	1,662.84	4 yard split bin 6x a week	\$1,115.40
35 gallon organics 1x a week	34.06	95 gallon recycling 1x a week	\$39.00
35 gallon organics 2x a week	62.22	95 gallon recycling 2x a week	78.00
35 gallon organics 3x a week	90.38	95 gallon recycling 3x a week	117.00
35 gallon organics 4x a week	118.40	95 gallon recycling 4x a week	156.00
35 gallon organics 5x a week	146.71	95 gallon recycling 5x a week	195.00
35 gallon organics 6x a week	179.71	95 gallon refuse 1x a week	52.00
65 gallon organics 1x a week	63.23	95 gallon refuse 2x a week	104.00
65 gallon organics 2x a week	115.54	95 gallon refuse 3x a week	156.00
65 gallon organics 3x a week	167.87	95 gallon refuse 4x a week	208.00
65 gallon organics 4x a week	219.87	95 gallon refuse 5x a week	\$260.00
65 gallon organics 5x a week	272.46		
65 gallon organics 6x a week	333.76		

City of Stanton
Solid Waste Collection Agreement

Exhibit 2 (cont.) – Temporary Commercial Service Rates Effective September 1, 2023

Temporary Commercial Services	
Service Description	Amount
Extra Pick up Fee	\$82.99
3yd Clean Up Bin per pickup: 7 day rental	223.18
3yd Clean Up Bin - Each Addt'l Day	7.24
3yd Clean Up Bin - Trip Charge	71.79
3yd Clean Up Bin - Overweight fee	87.17
Convert to locking lid bin	36.21
Locking Lid fee, monthly	7.17
Bin Steam Cleaning	107.69
Addt'l Bin Exchange: After 1x/yr	87.30
Bin Exchange Stolen/Burnt (customer damage)	568.73
Bulky Item Pickup - Commercial	71.97
Bulky Item Pickup - Multi-family	22.27
Additional Bulky Items 4+ on same visit	\$24.01

City of Stanton
Solid Waste Collection Agreement

Exhibit 3 – Rolloff Rates Effective September 1, 2023

Service Description	Amount
10 Yard Roll-off - per pull (max. of 10 tons)	\$932.19
20 Yard Roll-off - per pull (max. of 5 tons)	626.71
40 Yard Roll-off - per pull (max. of 8 tons)	939.35
Compactor - per pull (max. of 8 tons)	939.35
Per ton Fee (for all tons over the max.)	80.61
Rolloff Delivery Fee	63.12
Rolloff Cleaning Fee	107.69
Additional Day	14.35
Relcoation	107.67
False Run	\$107.67

CITY OF STANTON

REPORT TO CITY COUNCIL

TO: Honorable Mayor and Members of the City Council

DATE: September 12, 2023

SUBJECT: RATIFICATION OF OPERATING MEMORANDUM RELATING TO A DEVELOPMENT AGREEMENT BETWEEN THE CITY OF STANTON AND LIFE ILLUMINATED, LLC FOR THE “VRV” PROJECT, LOCATED AT 12736 BEACH BOULEVARD, AND INITIATION OF A DEVELOPMENT AGREEMENT AMENDMENT BETWEEN THE CITY OF STANTON AND BONANNI DEVELOPMENT COMPANY III, LLC RELATING TO THE PAYMENT OF PUBLIC BENEFIT FEES FOR THE VRV PROJECT

REPORT IN BRIEF:

In June 2020, the City and Life Illuminated, LLC, the developer of the VRV mixed-use project at 12736 Beach Boulevard, entered into a Development Agreement (“VRV Agreement”). Among other things, the Agreement provided the developer a vested right to construct the project in exchange for the payment of certain development impact and public benefit fees. Recently, the developer reached out to the City regarding its financial hardship and requested an alternative schedule to pay for a portion of the fees. The VRV Agreement allows the parties to agree to a different payment schedule for public benefit fees. Tonight, the Council will: (1) consider ratifying an Operating Memorandum between the City and developer that would memorialize an alternative payment schedule for a portion of the public benefit fees, and (2) consider directing staff to initiate an amendment to the Development Agreement between the City and Bonanni Development Company III, LLC, whose “Bigsby” project at 12200 Beach Boulevard would be used as collateral for the VRV fees.

RECOMMENDED ACTION:

1. City Council declare this project to be categorically exempt under the California Environmental Quality Act, Section 15378(b)(5) – Organizational or administrative activities of governments that will not result in direct or indirect physical change in the environment; and
2. Staff recommends that the City Council consider and ratify an Operating Memorandum relating to the VRV Agreement, and direct Staff to begin processing an amendment to the Development Agreement between the City of Stanton and Bonanni Development Company III, LLC.

BACKGROUND:

VRV is a new mixed-use building consisting of 300 residential apartment units, 6,313 square feet of commercial space, and a six-story parking structure located at 12736 Beach Boulevard (the “Project”). The area was previously developed with underutilized commercial properties that consisted of a social lounge and antiquated retail spaces with minimal landscape and large expanses of pavement, whereas the new development has significantly improved the aesthetic appeal of this stretch of Beach Boulevard by introducing fresh modern architecture with lush landscaping and adding needed-housing stock to the City.

The project received entitlements in June 2020, several months after the worldwide pandemic began. Among the entitlements was a development agreement between the City and Life Illuminated, LLC, which is affiliated with Bonanni Development Company. The VRV Agreement provided the developer with a vested right to construct the project in exchange for public improvements, including the payment of fees.

Under the VRV Agreement, the developer is required to pay the City development impact fees in the amount of \$314,700, which must be paid to the City concurrently with the issuance of the certificate of occupancy for the VRV Project. The developer is also required to pay a “City Facilities Fee” in the amount of \$900,000, and a “Beautification/Enhancement Fee” in the amount of \$50,000 (collectively referred to as “Public Benefit Fees”). Under the VRV Agreement, the Public Benefit Fees may be paid on an alternative schedule upon agreement between the developer and City.

Recently, the VRV developer contacted the City requesting the consideration of an alternative payment schedule for the Public Benefit Fees. The developer expressed that over the past three years, the company and VRV Project experienced significant financial stress due to the global pandemic, supply chain disruptions, manpower issues, uncontrollable construction costs, and the rapid rise of interest rates. Additionally, the developer expressed that it has incurred costs related to security issues at the Project site, requiring it to hire onsite security, and install additional fencing, lighting, and cameras. To help alleviate its financial burden, the developer asked the City for an alternative payment schedule for the Public Benefit Fees.

ANALYSIS/JUSTIFICATION:

Staff worked closely with the VRV developer on terms that would assist the developer during its financial hardship and ensure that the City would be made whole by receiving the full amount of the VRV fees over a reasonable period of time. That effort yielded the following terms of an Operating Memorandum:

- The developer would pay (1) the entire \$314,700 in Development Impact Fees, (2) the \$50,000 Beautification/Enhancement Fee, and (3) \$267,650 of the City Facilities Fees on August 31, 2023. After receipt of the \$632,350 on August 31, 2023, the City was to issue the certificate of occupancy for the VRV Project.
- The remaining balance of \$632,350 in City Facilities Fees would be paid in monthly installments starting on April 1, 2024, in accordance with a payment schedule. The remaining balance must be paid off the earlier of (1) concurrently with the issuance of the first temporary or final certificate of occupancy for the “Bigsby Development” or (2) within five years of April 1, 2024. The remaining balance will accrue at 4% simple interest monthly until paid in full.
- The terms agreed to in the Operating Memorandum were contingent upon ratification by the City Council. If the City Council does not ratify the Operating Memorandum, then the remaining balance of \$632,350 would be immediately due.

On August 31, 2023, the VRV paid the City the \$632,350, and therefore, the City issued the certificates of occupancy for the VRV Project. If the Council ratifies the Operating Memorandum, then the next step would be to amend the Bigsby Development Agreement to reflect the changes described in this report and identified in the Operating Memorandum. If the City Council does not ratify the Operating Memorandum, then the remaining VRV fees would be immediately due.

FISCAL IMPACT:

The City received \$632,350 of outstanding fees for the VRV project and will receive the remaining \$632,350 (plus 4% interest) over the next five years, at the latest. The total potential interest income to the City is approximately \$66,391 over the maximum term of the agreement. As part of the Operating Memorandum, the VRV developer also agreed to pay the City’s attorney’s fees and costs associated with preparing the Operating Memorandum, including preparing documents related to the Council hearing. The developer will also pay the City’s attorney’s fees and costs associated with amending the Bigsby Development Agreement.

ENVIRONMENTAL IMPACT:

This item is exempt in accordance with the requirements of California Environmental Quality Act ("CEQA"), the project is exempt pursuant to Section 15061(b)(3) of the State CEQA Guidelines (Title 14 of the California Code of Regulations).

PUBLIC NOTIFICATION:

Public notice was made through the regular agenda process.

STRATEGIC PLAN OBJECTIVES:

Obj. No. 2: Promote a strong local economy.
Obj. No. 4: Ensure fiscal stability and efficiency in governance.
Obj. No. 5: Provide a high quality of life.

Prepared by: HongDao Nguyen, City Attorney

Reviewed by: Crystal Landavazo, Community & Economic Development Director

Fiscal Impact Reviewed by: Michelle Bannigan, Finance Director

Approved by: Hannah Shin-Heydorn, City Manager

Attachments:

- A. Operating Memorandum
- B. VRV Development Agreement

RECORDED AT REQUEST OF
AND WHEN RECORDED RETURN TO:

City of Stanton
7800 Katella Ave.
Stanton, California 90680
Attn: City Manager

Fee Exempt - Gov't Code §6103
(Space above for Recorder's Use)

**Operating Memorandum for the
Development Agreements by and between
the City of Stanton and Life Illuminated, LLC; and
the City of Stanton and Bonanni Development Company III, LLC**

This Operating Memorandum ("Memorandum"), dated as of August 31, 2023 ("Memorandum Effective Date"), is entered into by and between the City of Stanton, a California municipal corporation ("City"), Life Illuminated, LLC, a Delaware limited liability company ("Owner"), and Bonanni Development Company III, LLC, a California limited liability company ("Bonanni"). The City and Owner are sometimes referred to in this memorandum as "Party" and "Parties."

Recitals

A. Owner entered into a Development Agreement with the City on June 23, 2020, and recorded July 15, 2020, as Instrument No. 2020000336083 with the City ("Agreement"). The Agreement defined the City's and Owner's obligations with respect to residential development ("Project") of real property consisting of approximately 3.75 acres of land located in the City ("Property"), more particularly described in an exhibit to the Agreement.¹

B. As part of the Project, and in accordance with Section 4.3 of the Agreement, Owner is required to pay the City Development Impact Fees in the amount of three-hundred fourteen thousand seven-hundred dollars (\$314,700.00). These Development Impact Fees must be paid to the City concurrently with the issuance of the certificate of occupancy for the Project, as required by Section 4.3.2 of the Agreement.

C. As part of the Project, and in accordance with Section 4.2.1 of the Agreement, Owner is required to pay the City Facilities Fee in the amount of nine-hundred thousand dollars (\$900,000.00). In accordance with Section 4.2.2 of the Agreement, Owner is required to pay the City Beautification/Enhancement Fee in the amount of fifty-thousand dollars (\$50,000.00). (Both of these fees collectively shall be referred to as "Public Benefit Fees.") These Public Benefit Fees are due concurrently with the issuance of the certificate of occupancy for the Project, unless a

¹ Unless indicated otherwise, all capitalized terms have the same meaning here as in Section 1 of the Agreement.

different schedule is mutually agreed upon by the City and Owner, as contemplated by Sections 4.2.1 and 4.2.2 of the Agreement.

D. Owner has requested that the City consider a payment schedule for the Public Benefit Fees. Owner has expressed that over the past three years, the company and Project has experienced significant financial burden due to the global pandemic, supply chain disruptions, manpower issues, uncontrollable constructions costs, and the rapid rise of interest rates. Additionally, Owner has expressed to the City that it has incurred costs related to security issues at the Project site, which has required Owner to hire onsite security, and install additional fencing, lighting, and cameras. Accordingly, Owner is asking for an alternative payment schedule for the Public Benefit Fees to assist in Owner's financial recovery.

E. The City acknowledges the hardships experienced by Owner due to the recent global pandemic and resulting economic turmoil. The City is committed to working with collaboratively with its development partners, while ensuring that the interests of the community and the City's public funds are protected.

F. Accordingly, the Parties wish to agree to a different schedule of payment for a portion of the Public Benefit Fees in accordance with the terms and conditions of this Memorandum.

G. Owner is affiliated with Bonanni Development Company III, LLC. Owner and Bonanni expressly agree that Bonanni's development project within the City, located at 12200 Beach Boulevard in Stanton and commonly known as "Bigsby Development," shall serve as collateral for this Memorandum and to ensure that Owner pays the Remaining Balance. Owner and Bonanni agree that the City will initiate an amendment to the Development Agreement between City and Bonanni, dated January 25, 2022, and recorded on April 11, 2022, as Instrument No. 2022000137375 ("Bigsby Agreement") in order to effectuate the provisions of this Memorandum.

H. Owner expressly acknowledges that this Memorandum requires ratification by the City Council at a properly noticed meeting.

Terms

The Parties agree to the following terms:

1. Recitals. The recitals included at the beginning of this Memorandum are true and correct and are made a part of this Memorandum.
2. Payment of Fees. Owner shall pay the City fees as follows:
 - a. Three-hundred fourteen thousand seven-hundred dollars (\$314,700.00) in Development Impact Fees on August 31, 2023.
 - b. Fifty-thousand dollars (\$50,000.00) in City Beautification/Enhancement Fees on August 31, 2023.

- c. Two-hundred sixty-seven thousand six-hundred fifty dollars (\$267,650) of the City Facilities Fees on August 31, 2023.
- d. The remaining six-hundred thirty-two thousand three-hundred fifty dollars (\$632,350.00) of City Facilities Fees ("Remaining Balance") shall be paid as follows:
 - i. Paid in monthly installments starting on April 1, 2024 and in accordance with the payment schedule set forth in Exhibit "A," which is attached hereto and incorporated herein by reference.
 - ii. The Remaining Balance shall be paid off the earlier of (1) concurrently with the issuance of the first temporary or the first final certificate of occupancy for the "Bigsby Development"; or, (2) within five (5) years of April 1, 2024. The only exception to this subsection (ii) is that the City may issue a temporary certificate of occupancy for one building comprised of five (5) units for the Bigsby Development for model home display purposes, only, with no occupancy by tenants.
 - iii. The Remaining Balance shall accrue at four percent (4%) simple interest, monthly, until paid in full, as calculated in Exhibit "A".

3. City Issuance of Certificates of Occupancy. After receipt of all Development Impact Fees and Public Benefit Fees owed on August 31, 2023, the City shall issue to Owner the certificate of occupancy for the Project.

4. Attorney's Fees. Owner agrees to pay the City's attorney's fees and costs associated with this Memorandum, including, without limitation, preparing documents related to City Council hearing(s) on this matter. Moreover, Owner agrees to pay the City's attorneys' fees and costs associated with the amendment to the Bigsby Agreement, including preparing documents related to all hearings on that matter. Owner shall reimburse the City within 30 days after City's demand for payment. If litigation is initiated by any Party relating to this Memorandum, the prevailing party shall be entitled to receive from the other party or parties its attorneys' fees.

5. City Council Approval. Owner expressly acknowledges that this Memorandum and the proposed amendment to the Bigsby Agreement requires ratification by the City Council at a properly noticed meeting. Owner further expressly acknowledges that approval of this Memorandum in no way waives, usurps, surrenders, or relinquishes the City Council's discretion in ratifying the terms of this Memorandum. Owner further expressly acknowledges that the City Council, in its discretion, may approve terms different than those approved in this Memorandum. In the event this Memorandum is not approved by the City Council or Owner does not agree to any modified terms of this Memorandum by the City Council, then this Memorandum is void and has no force or effect of law, except Section 6, below, which shall survive. In the latter circumstance, the terms of the Agreement shall solely govern the Project, including, without limitation, Owner's obligation to immediately pay the Remaining Balance to City.

6. Indemnification. To the fullest extent permitted by law, Owner shall defend (with counsel of City's choosing), indemnify and hold City, its officials, employees, representatives, and

agents free and harmless from any and all claims, demands, causes of action, costs, expenses, liability, loss, damage or injury of any kind, in law or equity, to property or persons, including wrongful death, in any manner arising out of, pertaining to, or incident to any alleged acts, errors or omissions, or willful misconduct of Owner, its officials, officers, employees, subcontractors, consultants or agents in connection with this Memorandum, including without limitation the payment of all damages, expert witness fees and attorney's fees and other related costs and expenses. Owner's obligation to indemnify shall not be restricted to insurance proceeds, if any, received by Owner or the City. Owner's obligations under this section shall survive the expiration or termination of this Agreement.

7. Default. Any failure by the City or Owner to abide by the terms of this Memorandum is a default subject to the provisions of Section 6 of the Agreement.

8. Effect on Agreement and Other Development Approvals. Except as expressly provided in this Memorandum, all terms of the Agreement and other Development Approvals, remain in full force and effect and continue to govern the Project and the Parties. If there is any conflict between the terms of the Agreement or other Development Approvals and the changes in this Memorandum, those in this Memorandum govern.

9. Multiple Counterparts. This Memorandum may be executed in one or more counterparts, each of which is deemed an original, but all of which together constitute one and the same instrument.

10. No Third Party Beneficiaries. This Memorandum is intended for the benefit of, and to burden the Parties hereto and their respective successors and permitted assigns and is not for the benefit of, nor may any provision hereof be enforced by, any other person.


11. Severability. If any provision of this Memorandum, the Agreement, or any other document referred to by this Memorandum is, for any reason, held to be invalid, illegal, or unenforceable, then to the maximum extent permitted by law, such invalidity, illegality, or unenforceability has no effect on any other provision of this Memorandum.

12. Cumulative Remedies. All rights and remedies of a Party are cumulative of each other. The exercise of a right or remedy may not prejudice or impair the concurrent exercise of another right or remedy.


13. Representation by Counsel; Equal Construction. In executing this Memorandum, each Party has been represented by and consulted with counsel of its own choosing. Each Party has carefully read and fully understands this Memorandum in its entirety. The meaning, intent and legal effect of this Memorandum have been fully explained to each Party by its respective legal counsel. Each Party represents that it is competent to execute this Memorandum and that it has executed this Memorandum free from coercion, duress, or undue influence. Each of the Parties has participated in the review and revision of this Memorandum and, therefore, neither Party shall be considered the drafting Party for purposes of resolving any alleged ambiguities in this Memorandum.

The Parties have caused this Memorandum to be duly executed effective as of the Memorandum Effective Date first written above.


LIFE ILLUMINATED, LLC,
a Delaware limited liability company

By: 
Its: manager
Date: 8/31/23


and

By: 
Its: MANAGING MEMBER
Date: 8/31/23

BONANNI DEVELOPMENT COMPANY
III, LLC, a California limited liability
company

By: 
Its: manager
Date: 8/31/23

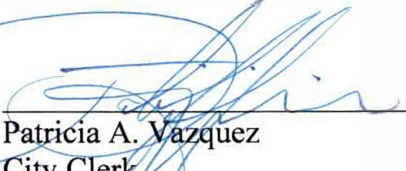
and

By: 
Its: MANAGING MEMBER
Date: 8/31/23

CITY OF STANTON,
a California municipal corporation


By: 
Hannah Shin-Heydorn
City Manager

Date: 8/31/2023

Attest:
By: 
Patricia A. Vazquez
City Clerk

Date: August 31, 2023

Approved as to form:

By: 
Best, Best & Krieger LLP
City Attorney

Date: 9/5/23

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 Orange

On August 31, 2023 before me, Jeanice A. McFall - Notary Public
(insert name and title of the officer)

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

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

WITNESS my hand and official seal.



Signature Jeanice A. McFall (Seal)

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

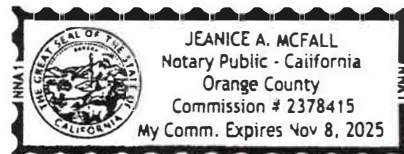
County of Orange

On August 31, 2023 before me, Jeanice A. McFall - Public^{Notary}
(insert name and title of the officer)

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

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

WITNESS my hand and official seal.



Signature Jeanice A. McFall (Seal)

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.

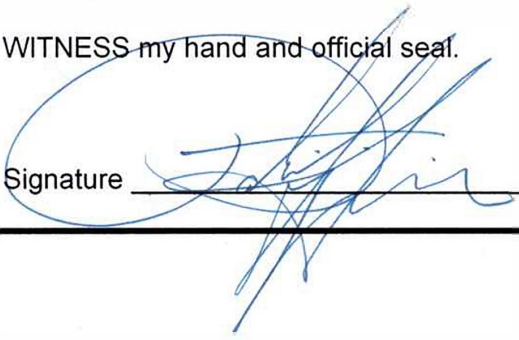
State of California
County of Orange

On August 31, 2023 before me, Patricia A. Vazquez, Notary Public
(insert name and title of the officer)

personally appeared Hannah Shin-Heydorn
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~~
~~his/her/their~~ authorized capacity(ies), and that by ~~his/her/their~~ signature(s) on the instrument the
person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

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

WITNESS my hand and official seal.

Signature 

(Seal)



Exhibit A
Payment Schedule for Remaining Balance

(Attached behind here)

BONANNI DEVELOPMENT
REPAYMENT SCHEDULE FOR DEVELOPMENT FEES

Initial Date: 09/01/23
 Loan Amount: \$632,350
 Interest Rate: 4.00%
 Term (Years): 5
 Maturity Date: 03/01/29

Payment No.	Payment Date	Total Payment	Principal	Interest	Outstanding Principal Balance
					\$ 632,350.00
1	04/01/24	\$ 11,645.69	\$ 9,537.85	\$ 2,107.83	\$ 622,812.15
2	05/01/24	\$ 11,645.69	\$ 9,569.65	\$ 2,076.04	\$ 613,242.50
3	06/01/24	\$ 11,645.69	\$ 9,601.55	\$ 2,044.14	\$ 603,640.95
4	07/01/24	\$ 11,645.69	\$ 9,633.55	\$ 2,012.14	\$ 594,007.40
5	08/01/24	\$ 11,645.69	\$ 9,665.66	\$ 1,980.02	\$ 584,341.74
6	09/01/24	\$ 11,645.69	\$ 9,697.88	\$ 1,947.81	\$ 574,643.86
7	10/01/24	\$ 11,645.69	\$ 9,730.21	\$ 1,915.48	\$ 564,913.65
8	11/01/24	\$ 11,645.69	\$ 9,762.64	\$ 1,883.05	\$ 555,151.01
9	12/01/24	\$ 11,645.69	\$ 9,795.18	\$ 1,850.50	\$ 545,355.82
10	01/01/25	\$ 11,645.69	\$ 9,827.83	\$ 1,817.85	\$ 535,527.99
11	02/01/25	\$ 11,645.69	\$ 9,860.59	\$ 1,785.09	\$ 525,667.39
12	03/01/25	\$ 11,645.69	\$ 9,893.46	\$ 1,752.22	\$ 515,773.93
13	04/01/25	\$ 11,645.69	\$ 9,926.44	\$ 1,719.25	\$ 505,847.49
14	05/01/25	\$ 11,645.69	\$ 9,959.53	\$ 1,686.16	\$ 495,887.96
15	06/01/25	\$ 11,645.69	\$ 9,992.73	\$ 1,652.96	\$ 485,895.23
16	07/01/25	\$ 11,645.69	\$ 10,026.04	\$ 1,619.65	\$ 475,869.19
17	08/01/25	\$ 11,645.69	\$ 10,059.46	\$ 1,586.23	\$ 465,809.74
18	09/01/25	\$ 11,645.69	\$ 10,092.99	\$ 1,552.70	\$ 455,716.75
19	10/01/25	\$ 11,645.69	\$ 10,126.63	\$ 1,519.06	\$ 445,590.12
20	11/01/25	\$ 11,645.69	\$ 10,160.39	\$ 1,485.30	\$ 435,429.73
21	12/01/25	\$ 11,645.69	\$ 10,194.26	\$ 1,451.43	\$ 425,235.47
22	01/01/26	\$ 11,645.69	\$ 10,228.24	\$ 1,417.45	\$ 415,007.24
23	02/01/26	\$ 11,645.69	\$ 10,262.33	\$ 1,383.36	\$ 404,744.91
24	03/01/26	\$ 11,645.69	\$ 10,296.54	\$ 1,349.15	\$ 394,448.37
25	04/01/26	\$ 11,645.69	\$ 10,330.86	\$ 1,314.83	\$ 384,117.51
26	05/01/26	\$ 11,645.69	\$ 10,365.30	\$ 1,280.39	\$ 373,752.21
27	06/01/26	\$ 11,645.69	\$ 10,399.85	\$ 1,245.84	\$ 363,352.37
28	07/01/26	\$ 11,645.69	\$ 10,434.51	\$ 1,211.17	\$ 352,917.85
29	08/01/26	\$ 11,645.69	\$ 10,469.29	\$ 1,176.39	\$ 342,448.56
30	09/01/26	\$ 11,645.69	\$ 10,504.19	\$ 1,141.50	\$ 331,944.37
31	10/01/26	\$ 11,645.69	\$ 10,539.21	\$ 1,106.48	\$ 321,405.16
32	11/01/26	\$ 11,645.69	\$ 10,574.34	\$ 1,071.35	\$ 310,830.82
33	12/01/26	\$ 11,645.69	\$ 10,609.58	\$ 1,036.10	\$ 300,221.24
34	01/01/27	\$ 11,645.69	\$ 10,644.95	\$ 1,000.74	\$ 289,576.29
35	02/01/27	\$ 11,645.69	\$ 10,680.43	\$ 965.25	\$ 278,895.85
36	03/01/27	\$ 11,645.69	\$ 10,716.03	\$ 929.65	\$ 268,179.82
37	04/01/27	\$ 11,645.69	\$ 10,751.75	\$ 893.93	\$ 257,428.06

BONANNI DEVELOPMENT
REPAYMENT SCHEDULE FOR DEVELOPMENT FEES

Initial Date: 09/01/23
 Loan Amount: \$632,350
 Interest Rate: 4.00%
 Term (Years): 5
 Maturity Date: 03/01/29

Payment No.	Payment Date	Total Payment	Principal	Interest	Outstanding Principal Balance
38	05/01/27	\$ 11,645.69	\$ 10,787.59	\$ 858.09	\$ 246,640.47
39	06/01/27	\$ 11,645.69	\$ 10,823.55	\$ 822.13	\$ 235,816.92
40	07/01/27	\$ 11,645.69	\$ 10,859.63	\$ 786.06	\$ 224,957.28
41	08/01/27	\$ 11,645.69	\$ 10,895.83	\$ 749.86	\$ 214,061.45
42	09/01/27	\$ 11,645.69	\$ 10,932.15	\$ 713.54	\$ 203,129.30
43	10/01/27	\$ 11,645.69	\$ 10,968.59	\$ 677.10	\$ 192,160.71
44	11/01/27	\$ 11,645.69	\$ 11,005.15	\$ 640.54	\$ 181,155.56
45	12/01/27	\$ 11,645.69	\$ 11,041.84	\$ 603.85	\$ 170,113.73
46	01/01/28	\$ 11,645.69	\$ 11,078.64	\$ 567.05	\$ 159,035.09
47	02/01/28	\$ 11,645.69	\$ 11,115.57	\$ 530.12	\$ 147,919.51
48	03/01/28	\$ 11,645.69	\$ 11,152.62	\$ 493.07	\$ 136,766.89
49	04/01/28	\$ 11,645.69	\$ 11,189.80	\$ 455.89	\$ 125,577.09
50	05/01/28	\$ 11,645.69	\$ 11,227.10	\$ 418.59	\$ 114,350.00
51	06/01/28	\$ 11,645.69	\$ 11,264.52	\$ 381.17	\$ 103,085.48
52	07/01/28	\$ 11,645.69	\$ 11,302.07	\$ 343.62	\$ 91,783.41
53	08/01/28	\$ 11,645.69	\$ 11,339.74	\$ 305.94	\$ 80,443.66
54	09/01/28	\$ 11,645.69	\$ 11,377.54	\$ 268.15	\$ 69,066.12
55	10/01/28	\$ 11,645.69	\$ 11,415.47	\$ 230.22	\$ 57,650.65
56	11/01/28	\$ 11,645.69	\$ 11,453.52	\$ 192.17	\$ 46,197.13
57	12/01/28	\$ 11,645.69	\$ 11,491.70	\$ 153.99	\$ 34,705.44
58	01/01/29	\$ 11,645.69	\$ 11,530.00	\$ 115.68	\$ 23,175.43
59	02/01/29	\$ 11,645.69	\$ 11,568.44	\$ 77.25	\$ 11,607.00
60	03/01/29	\$ 11,645.69	\$ 11,607.00	\$ 38.69	\$ 0.00
TOTALS		\$ 698,741.26	\$ 632,350.00	\$ 66,391.26	

ORDINANCE NO. 1102**AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF STANTON APPROVING A DEVELOPMENT AGREEMENT BETWEEN THE CITY OF STANTON AND BONANNI DEVELOPMENT FOR CERTAIN REAL PROPERTY LOCATED AT 12736 BEACH BOULEVARD WITHIN THE CITY OF STANTON PURSUANT TO CALIFORNIA GOVERNMENT CODE SECTION 65864 ET SEQ. AND MAKING CEQA FINDINGS IN CONNECTION THEREWITH**

WHEREAS, on August 28, 2019, Chris Segesman representing Bonanni Development, ("Applicant") filed applications for a General Plan Amendment GPA19-01, Zoning Code Amendment ZCA19-04, a Development Agreement DA19-01, Planned Development Permit PDP19-02, and Site Plan and Design Review SPDR-800, for the development of a 3.75 acre site ("Project Site"), located at 12736 Beach Boulevard to develop a 5- and 7- story mixed-use building consisting of 300 apartment units, 6,313 square foot commercial space, a 6-story parking structure and associated site improvements ("Project"); and

WHEREAS, the City of Stanton ("City") has found that the development agreement strengthens the public planning process, encourages private participation in comprehensive planning by providing a greater degree of certainty in that process, reduces the economic costs of development, allows for the orderly planning of public improvements and services, allocates costs to achieve maximum utilization of public and private resources in the development process, and ensures that appropriate measures to enhance and protect the environment are achieved; and

WHEREAS, pursuant to California Government Code section 65864 *et seq.*, the City is authorized to enter into development agreements providing for the development of land under terms and conditions set forth therein; and

WHEREAS, the Applicant proposes to develop the Project Site located in the City of Stanton, more particularly described in Exhibit "A", attached hereto and incorporated herein by this reference ("Property") for the Project; and

WHEREAS, because of the logistics, magnitude of the expenditure and considerable lead time prerequisite to planning and developing the Project, the Applicant has proposed to enter into a development agreement concerning the Project ("Development Agreement") to provide assurances that the Project can proceed without disruption caused by a change in the City's planning policies and requirements except as provided in the Development Agreement, which assurance will thereby reduce the actual or perceived risk of planning for and proceeding with development of the Project; and

WHEREAS, the City desires the timely, efficient, orderly and proper development of the Project in furtherance of the goals of the General Plan; and

WHEREAS, the City Council has found that this Development Agreement is consistent with the City's General Plan; and

WHEREAS, the City Council has determined that by entering into the Development Agreement: (i) the City will promote orderly growth and quality development on the Property in accordance with the goals and policies set forth in the General Plan; (ii) significant benefits will be created for City residents and the public generally from increased housing opportunities created by the Project; and

WHEREAS, it is the intent of the City and Applicant to establish certain conditions and requirements related to review and development of the Project which are or will be the subject of subsequent development applications and land use entitlements for the Project as well as the Development Agreement; and

WHEREAS, the City and Applicant have reached mutual agreement and desire to voluntarily enter into the Development Agreement to facilitate development of the Project subject to the conditions and requirements set forth therein; and

WHEREAS, pursuant to the California Environmental Quality Act (Public Resources Code, § 21000 et seq.) ("CEQA") and the State CEQA Guidelines (California Code of Regulations, title 14, § 15000 et seq.), the City is the lead agency for the proposed Project; and

WHEREAS, in accordance with CEQA and the State CEQA Guidelines, the City has determined approval of the Project is exempt from the requirements of CEQA and the State CEQA Guidelines pursuant to State CEQA Guidelines section 15332, Class 32 (In-fill Development Projects); and

WHEREAS, on May 20, 2020 the Planning Commission of the City of Stanton conducted a duly noticed public hearing concerning the request to approve General Plan Amendment GPA19-01, Zoning Code Amendment ZCA19-04, Development Agreement DA19-01, Planned Development Permit PDP19-02, and Site Plan and Design Review SPDR-800, at which hearing members of the public were afforded an opportunity to comment upon the Development Agreement; and

WHEREAS, the Planning Commission adopted a resolution recommending that the City Council approve the Development Agreement; and

WHEREAS, on June 9, 2020, the City Council conducted a duly noticed public hearing and considered evidence concerning the Development Agreement as well as General Plan Amendment GPA19-01, Zoning Code Amendment ZCA19-04, Planned Development Permit PDP19-02, and Site Plan and Design Review SPDR-800 for the property located at 12736 Beach Boulevard; and

WHEREAS, the terms and conditions of the Development Agreement have undergone review by the City Council at a publicly noticed hearing and have been found to be fair, just, and reasonable, and consistent with the General Plan; and

WHEREAS, all other legal prerequisites to the adoption of this Resolution have occurred.

NOW THEREFORE, THE CITY COUNCIL OF THE CITY OF STANTON DOES ORDAIN AS FOLLOWS:

SECTION 1: The City Council hereby finds the proposed Project categorically exempt from environmental review pursuant to State CEQA Guidelines, section 15332. Specifically:

1. As explained in detail in the June 9, 2020, City Council staff report, the proposed Project is consistent with the City of Stanton's General Plan, all applicable general plan policies, as well as the applicable zoning designation and regulations provided that the requested waivers are approved as part of a Planned Development Permit. The proposed Project would further the City's goals of developing much needed housing.
2. The proposed Project Site is within the City of Stanton's municipal boundaries in the center of town on Beach Boulevard and the site is less than five acres in size. The site is substantially surrounded by urban uses, residential uses to the northwest, east and south, a mixed-use development consisting of a commercial shopping center and a townhome subdivision to the west, and commercial uses to the north.
3. As detailed in the Class 32 Infill Streamlining Checklist the Project Site has no value as habitat for endangered, rare or threatened species. The Project Site is currently developed with commercial buildings and paved parking lot. The Project Site is located within a developed, urbanized area with no sensitive species, habitat, or natural communities. The Project Site does not occur near or within any Multiple Species Habitat Conservation Plan (MSHCP) Criteria Cell or area designated for MSHCP conservation. There are no MSHCP Reserve Assembly Requirements associated with the Project Site, and there are no incompatibilities with respect to development of the Project Site and Urban/Wildlands interface issues. There is no potential for narrow endemic, rare, or endangered plant species. Riparian or riverine habitats, vernal pools, or any other potential jurisdictional waters or wetlands are absent from the Project Site.
4. Approval of the Project would not result in any significant effects relating to traffic, noise, air quality, or water quality for the reasons outlined in the June 9, 2020, City Council staff report, the Air Quality, Noise, Parking and Traffic Studies and the Water Quality Management Plan. The Project Site has frontage along Beach Boulevard and can be served by all required utilities that run through and under Beach Boulevard. Moreover, the proposed Project can be adequately served by all public services, as explained in the June 9, 2020, City Council staff report.

For the foregoing reasons, the City Council finds the proposed project categorically exempt from environmental review pursuant to State CEQA Guidelines, section 15332.

Because the City Council finds the project categorically exempt from CEQA, the City Council hereby finds none of the exceptions to the exemptions outlined in State CEQA Guidelines, section 15300.2 applies:

1. The cumulative impacts of successive projects of the same type in the same place, over time is not significant. The likelihood of multiple housing projects of this type on this site over time is very low. Once the project is built it is likely to remain for its useful life. Thus, cumulative impacts are not likely to occur on the site and would not be significant.
2. There are no unusual circumstances surrounding the development of this site that would lead to a potentially significant effect on the environment. This is an urban infill site, of the exact type and character for which the infill exemption exists. The Project site faces and is immediately adjacent to the City's main thoroughfare, Beach Boulevard. The site is a prime candidate for infill development because it is substantially surrounded on all sides and is available to connect into existing utilities that surround the site. There are no unique circumstances about development of the site that would distinguish it from other infill sites such that environmental impacts would likely occur from development of the Project.
3. The stretch of Beach Boulevard that the proposed Project fronts is not a highway officially designated as a state scenic highway. There are no other state scenic highways in the Project vicinity. Thus, the proposed Project would not result in any damage to scenic resources within a state scenic highway.
4. A search of the EnviroStor website as of May 12, 2020 (available at <https://www.envirostor.dtsc.ca.gov/public/>) confirms that the Project Site is not included on any list compiled pursuant to Section 65962.5.
5. The Project would not result in any impacts to historical resources as neither the site nor any improvements on the site contain any historical significance at the national, state or local level.

Because none of the exceptions to the categorical exemptions applies, the City Council proceeds with finding the Project exempt from environmental review pursuant to State CEQA Guidelines, section 15332.

SECTION 2: Pursuant to Government Code Section 65867.5(b) and Stanton Municipal Code Section 20.510.050(D), and based on the entire record before the City Council, the City Council hereby makes the following findings:

1. **Public Benefit:** The Development Agreement provides benefit to the City because the Project contemplated in the Development Agreement includes improvement of an underutilized residential lot to provide housing opportunities for City residents. Moreover, the Development Agreement requires the Applicant to provide

substantial improvements to the site and provide a financial benefit for the improvement of public facilities throughout the city.

2. General Plan, Specific Plan, and Zoning Code Consistency: The Development Agreement is consistent with the purpose, intent, goals, policies, programs, and land use designations of the General Plan and any applicable Specific Plan, and this Zoning Code because the Project Site is in the South Gateway Mixed-Use District and is zoned Commercial General (GC) with a South Gateway Mixed-Use (SGMX) Overlay Zone and is which allows for mixed use development projects. With approval of a General Plan Amendment, Zoning Code Amendment and Planned Development Permit and the making of the required findings, the project would be permitted within the Commercial General (CG) with a South Gateway Mixed-Use (SGMX) Overlay Zone. There is no Specific Plan applicable to the Project Site. The proposed Project meets the following General Plan Goals and Strategies:

- *Goal LU-3.1: A range and balance of residential densities which are supported by adequate city services. Strategy LU-3.1.2: Encourage infill and mixed-use development within feasible development sites.* The amendment would provide for a higher range of residential densities and additional housing opportunities which would be supported by adequate city services.
- *Goal ED-2.2: Promote economic revitalization at key locations within the city, specifically the major arterials, Beach Boulevard and Katella Avenue, which carry commuters and other travelers through Stanton. Strategy 2.2.1: Encourage mixed-use development along major corridors, specifically Beach Boulevard and Katella Avenue, as well as at major city intersections and activity nodes.* The amendment would provide for additional housing opportunities close to commercial nodes, which will benefit existing and future commercial uses along Beach Boulevard, and contribute to the City's economic base.
- *Action RC-2.1.6(b) Encourage development of underutilized and vacant infill site where public services and infrastructure are available.* The amendment would encourage development of underutilized and vacant infill sites by increasing the allowable density and number of building stories. The SGMX district is generally located along the southern portion of Beach Boulevard, which is an urbanized infill area and therefore public services and infrastructure are readily accessible and available to serve the sites within the district.

3. Compliance with Development Agreement Statute. The Development Agreement complies with the requirements of Government Code Sections 65864 through 65869.5 because the Agreement provides assurance to the applicant for the development of the Project. The Development Agreement specifies the duration of the agreement, permitted uses of the property, density and intensity of use, and provision of public benefits to the City. Specifically, the Development Agreement provides a three-year term in which the Applicant has a vested right to develop the mixed use development on the Project Site in accordance to existing City regulations and Planned

Development Permit PDP19-02. In exchange, the Project will provide housing opportunities for Stanton residents, and opportunities for improvements to public facilities throughout the city. Moreover, the Applicant will provide a high quality, aesthetically appealing development with substantial improvements to the site including a amenities for the residents and enhanced landscaping throughout the development.

SECTION 3: As provided in the Development Agreement and pursuant to Stanton Municipal Code Section 20.500.030, the City Council shall be the approving body for the general plan amendment, zoning code amendment, site plan and design review, and planned development permit for the project addressed by the Development Agreement.

SECTION 4: The City Council hereby approves and adopts the Development Agreement attached hereto as Exhibit "B", entitled, "Development Agreement between the City of Stanton, a California municipal corporation and Bonanni Development".

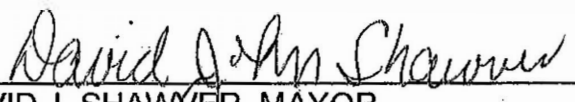
SECTION 5: The documents related to this Ordinance are on file and available for public review at Stanton City Hall, 7800 Katella Ave., Stanton, California 90680. The City Clerk is the custodian of these documents.

SECTION 6: If any section, subsection, subdivision, sentence, clause, phrase, or portion of this Ordinance for any reason is held to be invalid or unconstitutional by the decision of any court of competent jurisdiction, such decision shall not affect the validity of the remaining portions of this Ordinance. The City Council hereby declares that it would have adopted this Ordinance, and each section, subsection, subdivision, sentence, clause, phrase, or portion thereof, irrespective of the fact that any one or more sections, subsections, subdivisions, sentences, clauses, phrases, or portions thereof be declared invalid or unconstitutional.

SECTION 7: This Ordinance shall be effective thirty days after its adoption. The City Clerk shall certify the adoption of this Ordinance and shall cause the same to be posted as required by law. Pursuant to Government Code Section 65868.5, within 10 days following the entering into of the Development Agreement, as evidenced by full execution thereof, the City Clerk shall record with the Orange County Recorder a copy of the Development Agreement.

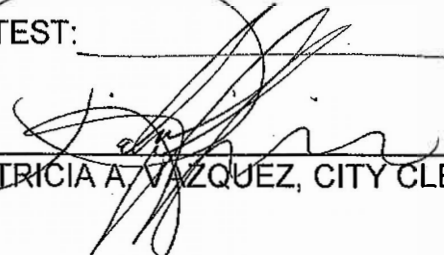
SECTION 8: The City Council hereby directs staff to prepare and file a Notice of Exemption with the Orange County Clerk within five (5) working days of the approval of the proposed Project.

PASSED, APPROVED, AND ADOPTED this 23rd day of June, 2020.



DAVID J. SHAWVER, MAYOR

ATTEST: _____


PATRICIA A. VAZQUEZ, CITY CLERK

APPROVED AS TO FORM:


MATTHEW E. RICHARDSON, CITY ATTORNEY

STATE OF CALIFORNIA)
COUNTY OF ORANGE) SS.
CITY OF STANTON)

I, Patricia A. Vazquez, City Clerk of the City of Stanton, California, do hereby certify that the foregoing Ordinance No. 1102 was introduced at a regular meeting of the City Council of the City of Stanton, California, held on the 9th day of June, 2020 and was duly adopted at a regular meeting of the City Council held on the 23rd day of June, 2020, by the following roll-call vote, to wit:

AYES: COUNCILMEMBERS: Ramirez, Shawver, Taylor, Van, Warren

NOES: COUNCILMEMBERS: None

ABSENT: COUNCILMEMBERS: None

ABSTAIN: COUNCILMEMBERS: None

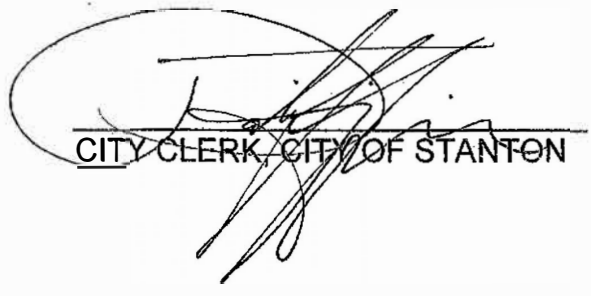

CITY CLERK, CITY OF STANTON

EXHIBIT "A"

LEGAL DESCRIPTION

Parcel 1 as shown on the Parcel Map No. 84-1202, in the City of Stanton, County of Orange, State of California, filed in book 207, Page 37 and 38 of Parcel Maps in the office of the County Recorder of said County.

Recorded at request of:
City Clerk
City of Stanton

When recorded return to:
City of Stanton
7800 Katella Avenue
Stanton, CA 90680
Attention: City Clerk

Recorded in Official Records, Orange County
Hugh Nguyen, Clerk-Recorder



NO FEE

* \$ R 0 0 1 1 8 4 1 1 8 1 \$ *

2020000336083 10:27 am 07/15/20

105 NCP2 A12 25

0.00 0.00 0.00 0.00 72.00 0.00 0.000.000.00 0.00

Exempt from filing fees pursuant to Government Code §6103

DEVELOPMENT AGREEMENT NO. [1]

A DEVELOPMENT AGREEMENT BETWEEN

CITY OF STANTON

and

LIFE ILLUMINATED, LLC a DELAWARE LIMITED LIABILITY COMPANY

DEVELOPMENT AGREEMENT NO. [1]

This Development Agreement (hereinafter "Agreement") is entered into as of this 23rd day of June, 2020 by and between the City of Stanton, California (hereinafter "CITY"), and **Life Illuminated, LLC a Delaware Limited Liability Company** (hereinafter "OWNER"):

RECITALS

WHEREAS, CITY is authorized to enter into binding development agreements with persons having legal or equitable interests in real property for the development of such property, pursuant to Section 65864, et seq. of the Government Code; and

WHEREAS, This Agreement constitutes a current exercise of City's police powers to provide predictability to Owner in the development approval process by vesting the permitted uses, density, intensity of use, and timing and phasing of development consistent with the Development Plan in exchange for Owner's commitment to provide significant public benefits to City as set forth in Section 4, below.

WHEREAS, OWNER has requested CITY to enter into a development agreement and proceedings have been taken in accordance with the rules and regulations of CITY; and

WHEREAS, the best interests of the citizens of the City of Stanton and the public health, safety and welfare will be served by entering into this Agreement; and

WHEREAS, the City Council hereby finds and determines that this development agreement is of major significance because it will enable the City to fund much needed capital improvements and provide much needed public services and will therefore also have a major, beneficial economic impact on the City; and

WHEREAS, the provision by Owner of the public benefits allows the City to realize significant public benefits. The public benefits will advance the interests and meet the needs of Stanton residents and visitors to a significantly greater extent than would development of the Property without this Agreement.

WHEREAS, the physical effects, if any, of the Project and this Agreement have been analyzed pursuant to CEQA and the Project has been found to be exempt from the requirements of CEQA; and

WHEREAS, this Agreement and the Project are consistent with the Stanton General Plan and any specific plan applicable thereto; and

WHEREAS, all actions taken and approvals given by CITY have been duly taken or approved in accordance with all applicable legal requirements for notice, public hearings, findings, votes, and other procedural matters; and

WHEREAS, development of the Property in accordance with this Agreement will



provide substantial benefits to CITY and will further important policies and goals of CITY; and

WHEREAS, this Agreement will eliminate uncertainty in planning and provide for the orderly development of the Property, ensure progressive installation of necessary improvements, provide for public services appropriate to the development of the Project, and generally serve the purposes for which development agreements under Section 65864, et seq. of the Government Code are intended;

COVENANTS

NOW, THEREFORE, in consideration of the above recitals and of the mutual covenants hereinafter contained and for other good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, the parties agree as follows:

1. DEFINITIONS AND EXHIBITS.

1.1 Definitions. The following terms when used in this Agreement shall be defined as follows:

1.1.1 "Agreement" means this Development Agreement.

1.1.2 "CITY" means the City of Stanton, a California municipal corporation.

1.1.3 "City Council" means the duly elected city council of the City of Stanton.

1.1.4 "Commencement Date" means the date the Term of this Agreement commences.

1.1.5 "Development" means the improvement of the Property for the purposes of completing the structures, improvements and facilities comprising the Project including, but not limited to: grading; the construction of infrastructure and public facilities related to the Project whether located within or outside the Property; the construction of buildings and structures; and the installation of landscaping. "Development" does not include the maintenance, repair, reconstruction or redevelopment of any building, structure, improvement or facility after the construction and completion thereof.

1.1.6 "Development Approvals" means all permits and other entitlements for use subject to approval or issuance by CITY in connection with development of the Property including, but not limited to:

- (a) specific plans and specific plan amendments;
- (b) tentative and final subdivision and parcel maps;
- (c) conditional use permits, public use permits and plot plans;
- (d) zoning;



- (e) grading and building permits.

1.1.7 "Development Exaction" means any requirement of CITY in connection with or pursuant to any Land Use Regulation or Development Approval for the dedication of land, the construction of improvements or public facilities, or the payment of fees in order to lessen, offset, mitigate or compensate for the impacts of development on the environment or other public interests.

1.1.8 "Development Impact Fee" means a monetary exaction other than a tax or special assessment, whether established for a broad class of projects by legislation of general applicability or imposed on a specific project on an ad hoc basis, that is charged by a local agency to the applicant in connection with approval of a development project for the purpose of defraying all or a portion of the cost of public facilities related to the development project, but does not include park "in lieu" fees specified in Government Code Section 66477, fees for processing applications for governmental regulatory actions or approvals, or fees collected under development agreements adopted pursuant to Article 2.5 of the Government Code (commencing with Section 65864) of Chapter 4.

1.1.9 "Development Plan" means the plan for development of the Property as set forth in Exhibit "C". OWNER's obligations under this Agreement shall be contingent on CITY's approval of OWNER's applications for all of the entitlements identified in Exhibit "C".

1.1.10 "Effective Date" means the date the ordinance approving and authorizing this Agreement becomes effective.

1.1.11 "Land Use Regulations" means all ordinances, resolutions, codes, rules, regulations and official policies of CITY governing the development and use of land, including, without limitation, the permitted use of land, the density or intensity of use, subdivision requirements, the maximum height and size of proposed buildings, the provisions for reservation or dedication of land for public purposes, and the design, improvement and construction standards and specifications applicable to the development of the Property. "Land Use Regulations" does not include any CITY ordinance, resolution, code, rule, regulation or official policy, governing:

- (a) the conduct of businesses, professions, and occupations;
- (b) taxes (special or general) and assessments;
- (c) the control and abatement of nuisances;
- (d) the granting of encroachment permits and the conveyance of rights and interests that provide for the use of or the entry upon public property;
- (e) the exercise of the power of eminent domain.

1.1.12 "OWNER" means the persons and entities listed as OWNER on page 1 of this Agreement and their successors in interest to all or any part of the Property.



1.1.13 "Mortgagee" means a mortgagee of a mortgage, a beneficiary under a deed of trust or any other security-device lender, and their successors and assigns.

1.1.14 "Project" means the development of the Property contemplated by the Development Plan as such Plan may be further defined, enhanced or modified pursuant to the provisions of this Agreement.

1.1.15 "Property" means the real property described on Exhibit "A" and shown on Exhibit "B" to this Agreement.

1.1.16 "Public Benefit" refers to those benefits provided to the City and the community by Owner pursuant to Section 4.2 below.

1.1.17 "Reservation of Rights" means the rights and authority excepted from the assurances and rights provided to OWNER under this Agreement and reserved to CITY under Section 3.3 of this Agreement.

1.2 Exhibits. The following documents are attached to, and by this reference made a part of, this Agreement:

Exhibit "A" – Legal Description of the Property.

Exhibit "B" – Map showing Property and its location.

Exhibit "C" – Development Plan.

2. GENERAL PROVISIONS.

2.1 Binding Effect of Agreement. The Property is hereby made subject to this Agreement. Development of the Property is hereby authorized and shall be carried out in accordance with the terms of the Development Plan and this Agreement.

2.2 Ownership of Property. OWNER represents and covenants that it is the owner of the fee simple title to, or has an equitable interest in, the Property or a portion thereof.

2.3 City Council Findings. The City Council finds that:

2.3.1 This Agreement is consistent with the City's General Plan.

2.3.2 This Agreement ensures a desirable and functional community environment, provides effective and efficient development of public facilities, infrastructure, and services appropriate for the development of the Project, enhances effective utilization of resources within the City.

2.3.3 This Agreement provides public benefits beyond those which are necessary to mitigate the development of the Project.



2.3.4 This Agreement strengthens the public planning process, encourages private participation in comprehensive planning and reduces costs of development and government.

2.3.5 The best interests of the citizens of the City and the public health, safety, and welfare will be served by entering into this Agreement.

2.4 Term. The term of this Agreement shall commence on the date (the "Commencement Date") that is the Effective Date, and shall continue for a period of seven (7) years thereafter, unless this term is modified or extended pursuant to the provisions of this Agreement. Thereafter, the OWNER shall have no vested right under this Agreement, regardless of whether or not OWNER has paid any Development Impact Fee; nevertheless, OWNER may have a common law vested right to complete the Project under the "Avco rule" (see *Avco Community Developers, Inc. v. South Coast Regional Commission* (1976) 17 Cal.3d 785.).

2.5 Assignment.

2.5.1 Right to Assign. OWNER shall have the right to sell, transfer or assign the Property in whole or in part (provided that no such partial transfer shall violate the Subdivision Map Act, Government Code Section 66410, et seq.) to any person, partnership, joint venture, firm or corporation at any time during the term of this Agreement; provided, however, that any such sale, transfer or assignment shall include the assignment and assumption of the rights, duties and obligations arising under or from this Agreement and be made in strict compliance with the following conditions precedent:

(a) No sale, transfer or assignment of any right or interest under this Agreement shall be made unless made together with the sale, transfer or assignment of all or a part of the Property.

(b) Concurrent with any such sale, transfer or assignment, OWNER shall notify CITY, in writing, of such sale, transfer or assignment and shall provide CITY with an executed agreement ("Assignment and Assumption Agreement"), in a form reasonably acceptable to CITY, by the purchaser, transferee or assignee and providing therein that the purchaser, transferee or assignee expressly and unconditionally assumes all the duties, obligations, agreements, covenants, waivers of OWNER under this Agreement, including, without limitation, the covenants not to sue and waivers contained in Sections 6.2 and 7.4 hereof.

Any sale, transfer or assignment not made in strict compliance with the foregoing conditions shall constitute a default by Owner under this Agreement. Notwithstanding the failure of any purchaser, transferee or assignee to execute the agreement required by Paragraph (b) of this Subsection 2.5.1, the burdens of this Agreement shall be binding upon such purchaser, transferee or assignee, but the benefits of this Agreement shall not inure to such purchaser, transferee or assignee until and unless such agreement is executed.

2.5.2 Release of Transferring Owner. Notwithstanding any sale, transfer or assignment, a transferring OWNER shall continue to be obligated under this Agreement with respect to the transferred Property or any transferred portion thereof, unless such transferring



OWNER is given a release in writing by CITY, which release shall be provided by CITY upon the full satisfaction by such transferring OWNER of the following conditions:

(a) OWNER no longer has a legal or equitable interest in all or any part of the Property subject to the transfer.

(b) OWNER is not then in default under this Agreement.

(c) OWNER has provided CITY with the notice and executed agreement required under Paragraph (b) of Subsection 2.5.1 above.

(d) The purchaser, transferee or assignee provides CITY with security equivalent to any security previously provided by OWNER to secure performance of its obligations hereunder.

2.5.3 Subsequent Assignment. Any subsequent sale, transfer or assignment after an initial sale, transfer or assignment shall be made only in accordance with and subject to the terms and conditions of this Section.

2.5.4 Utilities. The Project shall be connected to all utilities necessary to provide adequate water, sewer, gas, electric, and other utility service to the Project, prior to the issuance of a certificate of occupancy for any portion of the Project.

2.5.5 Sale to Public and Completion of Construction. The provisions of Subsection 2.5.1 shall not apply to the sale or lease (for a period longer than one year) of any lot that has been finally subdivided and is individually (and not in "bulk") sold or leased to a member of the public or other ultimate user. This Agreement shall terminate with respect to any lot and such lot shall be released and no longer be subject to this Agreement without the execution or recordation of any further document upon satisfaction of both of the following conditions:

(a) The lot has been finally subdivided and individually (and not in "bulk") sold or leased (for a period longer than one year) to a member of the public or other ultimate user; and

(b) A certificate of occupancy has been issued for a building on the lot, and the fees for such lot set forth in this Agreement have been paid.

2.6 Amendment or Cancellation of Agreement. This Agreement may be amended or canceled in whole or in part only by written consent of all parties in the manner provided for in Government Code Section 65868. This provision shall not limit any remedy of CITY or OWNER as provided by this Agreement.

2.7 Termination. This Agreement shall be deemed terminated and of no further effect upon the occurrence of any of the following events:

(a) Expiration of the stated term of this Agreement as set forth in Section 2.4.



(b) Entry of a final judgment setting aside, voiding or annulling the adoption of the ordinance approving this Agreement.

(c) The adoption of a referendum measure overriding or repealing the ordinance approving this Agreement.

(d) Completion of the Project in accordance with the terms of this Agreement including issuance of all required occupancy permits and acceptance by CITY or applicable public agency of all required dedications.

Termination of this Agreement shall not constitute termination of any other land use entitlements approved for the Property. Upon the termination of this Agreement, no party shall have any further right or obligation hereunder except with respect to any obligation to have been performed prior to such termination or with respect to any default in the performance of the provisions of this Agreement that has occurred prior to such termination or with respect to any obligations that are specifically set forth as surviving this Agreement. Upon such termination, any Development Impact Fees paid by OWNER to CITY for residential units on which construction has not yet begun shall be refunded to OWNER by CITY.

2.8 Notices.

(a) As used in this Agreement, "notice" includes, but is not limited to, the communication of notice, request, demand, approval, statement, report, acceptance, consent, waiver, appointment or other communication required or permitted hereunder.

(b) All notices shall be in writing and shall be considered given either: (i) when delivered in person to the recipient named below; or (ii) on the date of delivery shown on the return receipt, after deposit in the United States mail in a sealed envelope as either registered or certified mail with return receipt requested, and postage and postal charges prepaid, and addressed to the recipient named below; or (iii) on the date of delivery shown in the records of the telegraph company after transmission by telegraph to the recipient named below. All notices shall be addressed as follows:

If to CITY:

City Manager
Jarad Hildenbrand
7800 Katella Ave.
Stanton, CA 90680

Copy to:

Best Best & Krieger, LLP
Matthew Richardson
18101 Von Karman Ave.



Irvine, CA 92612

If to OWNER:

Life Illuminated, LLC
Cole Bonanni
714-892-0123
5500 Bolsa Ave., Suite 120
Huntington Beach, CA 92649

(c) Either party may, by notice given at any time, require subsequent notices to be given to another person or entity, whether a party or an officer or representative of a party, or to a different address, or both. Notices given before actual receipt of notice of change shall not be invalidated by the change.

3. DEVELOPMENT OF THE PROPERTY.

3.1 Rights to Develop. Subject to the terms of this Agreement including the Reservation of Rights, OWNER shall have a vested right to develop the Property in accordance with, and to the extent of, this Agreement. Except as expressly provided otherwise herein, the Project shall remain subject to all Land Use Regulations and Development Approvals, whether in effect on the Effective Date or subsequently adopted or amended, that are required to complete the Project as contemplated by the Development Plan. Except as otherwise provided in this Agreement, and notwithstanding the authority of the CITY to further revising the Land Use Regulations pursuant to Government Code section 65866, the permitted uses of the Property, the density and intensity of use, the maximum height and size of proposed buildings, and provisions for reservation and dedication of land for public purposes shall be those set forth in the Land Use Regulations and Development Approvals, whether in effect on the Effective Date or subsequently adopted or amended. OWNER shall comply with all mitigation measures required to be undertaken pursuant to any document prepared in compliance with the California Environmental Quality Act with respect to the Project.

3.2 Effect of Agreement on Land Use Regulations. Except as otherwise provided under the terms of this Agreement including the Reservation of Rights, the rules, regulations and official policies governing permitted uses of the Property, the density and intensity of use of the Property, the maximum height and size of proposed buildings, and the design, improvement and construction standards and specifications applicable to development of the Property shall be the Land Use Regulations and Development Approvals, whether in effect on the Effective Date or subsequently adopted. In connection with any subsequently imposed Development Approvals and except as specifically provided otherwise herein, CITY may exercise its discretion in accordance with the Land Use Regulations then in effect, as provided by this Agreement, including, but not limited to, the Reservation of Rights. CITY shall accept for processing, review and action all applications for subsequent development approvals, and such applications shall be processed in the same manner and the CITY shall exercise its discretion, when required or authorized to do so, to the same extent it would otherwise be entitled in the absence of this Agreement.



3.3 Reservation of Rights.

3.3.1 Limitations, Reservations and Exceptions. Notwithstanding any other provision of this Agreement, the following regulations shall apply to the development of the Property:

(a) Processing fees and charges of every kind and nature imposed by CITY to cover the estimated actual costs to CITY of processing applications for Development Approvals or for monitoring compliance with any Development Approvals granted or issued.

(b) Procedural regulations relating to hearing bodies, petitions, applications, notices, findings, records, hearings, reports, recommendations, appeals and any other matter of procedure.

(c) Regulations, policies and rules governing engineering and construction standards and specifications applicable to public and private improvements, including, without limitation, all uniform codes adopted by the City and any local amendments to those codes adopted by the CITY, including, without limitation, the CITY's Building Code, Plumbing Code, Mechanical Code, Electrical Code, and Grading Ordinance.

(d) Regulations imposing Development Exactions; provided, however, that no such subsequently adopted Development Exaction shall be applicable to development of the Property unless such Development Exaction is applied uniformly to development, either throughout the CITY or within a defined area of benefit which includes the Property. No such subsequently adopted Development Exaction shall apply if its application to the Property would physically prevent development of the Property for the uses and to the density or intensity of development set forth in the Development Plan. In the event any such subsequently adopted Development Exaction fulfills the same purposes, in whole or in part, as the fees set forth in Section 4 of this Agreement, CITY shall allow a credit against such subsequently adopted Development Exaction for the fees paid under Section 4 of this Agreement to the extent such fees fulfill the same purposes.

(e) Regulations that may be in material conflict with this Agreement but that are reasonably necessary to protect the residents of the project or the immediate community from a condition perilous to their health or safety. To the extent possible, any such regulations shall be applied and construed so as to provide OWNER with the rights and assurances provided under this Agreement.

(f) Regulations that are not in material conflict with this Agreement or the Development Plan. Any regulation, whether adopted by initiative or otherwise, limiting the rate or timing of development of the Property shall be deemed to materially conflict with the Development Plan and shall therefore not be applicable to the development of the Property.

(g) Regulations that are in material conflict with the Development Plan; provided OWNER has given written consent to the application of such regulations to development of that Property in which the OWNER has a legal or equitable interest.



(h) Regulations that impose, levy, alter or amend fees, charges, or Land Use Regulations relating to consumers or end users, including, without limitation, trash can placement, service charges and limitations on vehicle parking.

(i) Regulations of other public agencies, including Development Impact Fees adopted or imposed by such other public agencies, although collected by CITY.

3.3.2 Subsequent Development Approvals. This Agreement shall not prevent CITY, in acting on subsequent development approvals and to the same extent it would otherwise be authorized to do so absent this Agreement, from applying subsequently adopted or amended Land Use Regulations that do not materially conflict with this Agreement.

3.3.3 Modification or Suspension by State or Federal Law. In the event that State, County or Federal laws or regulations, enacted after the Effective Date of this Agreement, prevent or preclude compliance with one or more of the provisions of this Agreement, such provisions of this Agreement shall be modified or suspended as may be necessary to comply with such State or Federal laws or regulations; provided, however, that this Agreement shall remain in full force and effect to the extent it is not inconsistent with such laws or regulations and to the extent such laws or regulations do not render such remaining provisions impractical to enforce.

3.3.4 Intent. The parties acknowledge and agree that CITY is restricted in its authority to limit certain aspects of its police power by contract and that the foregoing limitations, reservations and exceptions are intended to reserve to CITY all of its police power that cannot be or are not expressly so limited. This Agreement shall be construed, contrary to its stated terms if necessary, to reserve to CITY all such power and authority that cannot be or is not by this Agreement's express terms so restricted.

3.4 Regulation by Other Public Agencies. It is acknowledged by the parties that other public agencies not within the control of CITY may possess authority to regulate aspects of the development of the Property separately from or jointly with CITY and this Agreement does not limit the authority of such other public agencies.

3.5 Timing of Development. Because the California Supreme Court held in *Pardee Construction Co. v. City of Camarillo*, 37 Cal. 3d 465 (1984), that the failure of the parties in that case to provide for the timing of development resulted in a later-adopted initiative restricting the timing of development to prevail over the parties' agreement, it is the specific intent of the Parties to provide for the timing of the Project in this Agreement. To do so, the Parties acknowledge and provide that Owner shall have the right, but not the obligation, to complete the Project in such order, at such rate, at such times, and in as many development phases and sub-phases as Owner deems appropriate in its sole subjective business judgment

4. PUBLIC BENEFITS.

4.1 Intent. The parties acknowledge and agree that development of the Property will result in substantial public needs that will not be fully met by the Development Plan and further acknowledge and agree that this Agreement confers substantial private benefits on OWNER that



should be balanced by commensurate public benefits. Accordingly, the parties intend to provide consideration to the public to balance the private benefits conferred on OWNER by providing more fully for the satisfaction of the public needs resulting from the Project.

4.2 Public Benefits. In addition to complying with the Project conditions of approval which are designed to mitigate the significant environmental impacts of the Project, Owner has committed by this Agreement to contribute to CITY the following "Public Benefits."

4.2.1 OWNER shall pay a fee in the amount of three thousand dollars (\$3,000) (the "City Facilities Fee") for each Unit constructed as part of the Project. The City Facilities Fee shall be due concurrently with the issuance of the certificate of occupancy for the Project, unless a different schedule is mutually agreed upon by CITY and OWNER.

4.2.2 OWNER shall also pay a fee in the amount of fifty thousand dollars (\$50,000) (the "City Beautification/Enhancements Fee"). The City Beautification/Enhancements Fee shall be due concurrently with the issuance of the certificate of occupancy for the Project, unless a different schedule is mutually agreed upon by CITY and OWNER, and may be used by CITY in its sole discretion for beautification and enhancement projects anywhere within the City, including without limitation landscaping projects.

4.3 Development Impact Fees.

4.3.1 Amount of Fee. OWNER shall pay all Development Impact Fees in effect on the Effective Date. As of the Effective Date the Development Impact Fees are one thousand forty-nine dollars (\$1,049) per Unit built in the Project.

4.3.2 Time of Payment. The fees required pursuant to Subsection 4.3.1 shall be due and paid to CITY concurrently with the issuance of the certificate of occupancy for the Project.

4.3.3 Prepayment. In no event shall the prepayment of any Development Impact Fees required hereunder establish a vested right on the part of OWNER or any other owner of the Property or any person or entity with an interest therein to develop the Project or the Property following the expiration, cancellation or termination of the Term of this Agreement. Following the expiration, cancellation or termination of this Agreement, all Development Impact Fees then in effect shall be applicable to the Project and Property notwithstanding any provision of this Agreement and notwithstanding the prepayment of the Development Impact Fees set forth in Exhibit "D", or any combination thereof.

4.4 Dedication of On-Site Easements and Rights of Way. OWNER shall dedicate to CITY all on-site rights of way and easements deemed necessary for public improvements, in CITY's sole discretion, within 15 days of receipt of written demand from CITY.

4.5 Timing of Construction of Off-Site Infrastructure. Approval of any building permits on the Property shall be conditioned upon CITY's determination, in its sole discretion, that sufficient progress is being made on construction of off-site infrastructure serving development of OWNER's Property.

5. REVIEW FOR COMPLIANCE.



5.1 Periodic Review. The CITY shall review this Agreement annually, on or before the anniversary of the Effective Date, in order to ascertain the compliance by OWNER with the terms of the Agreement. OWNER shall submit an Annual Monitoring Report, in a form acceptable to the City Manager, within thirty (30) days after written notice from the City Manager. The Annual Monitoring Report shall be accompanied by an annual review and administration fee sufficient to defray the estimated costs of review and administration of the Agreement during the succeeding year. The amount of the annual review and administration fee shall be set annually by resolution of the City Council.

5.2 Special Review. The City Council may order a special review of compliance with this Agreement at any time. The City Manager, or his or her designee, shall conduct such special reviews.

5.3 Procedure.

(a) During either a periodic review or a special review, OWNER shall be required to demonstrate good faith compliance with the terms of the Agreement. The burden of proof on this issue shall be on OWNER.

(b) Upon completion of a periodic review or a special review, the City Manager, or his or her designee, shall submit a report to the Planning Commission setting forth the evidence concerning good faith compliance by OWNER with the terms of this Agreement and his or her recommended finding on that issue.

(c) If the Planning Commission finds and determines on the basis of substantial evidence that OWNER has complied in good faith with the terms and conditions of this Agreement, the review shall be concluded.

(d) If the Planning Commission finds and determines on the basis of substantial evidence that OWNER has not complied in good faith with the terms and conditions of this Agreement, the Commission may recommend to the City Council modification or termination of this Agreement. OWNER may appeal a Planning Commission determination pursuant to this Section 5.3(d) pursuant to CITY's rules for consideration of appeals in zoning matters then in effect. Notice of default as provided under Section 6.3 of this Agreement shall be given to OWNER prior to or concurrent with proceedings under Section 5.4 and Section 5.5.

5.4 Proceedings Upon Modification or Termination. If, upon a finding under Section 5.3, CITY determines to proceed with modification or termination of this Agreement, CITY shall give written notice to OWNER of its intention so to do. The notice shall be given at least ten (10) calendar days prior to the scheduled hearing and shall contain:

- (a) The time and place of the hearing;
- (b) A statement as to whether or not CITY proposes to terminate or to modify the Agreement; and,
- (c) Such other information that the CITY considers necessary to inform



OWNER of the nature of the proceeding.

5.5 Hearing on Modification or Termination. At the time and place set for the hearing on modification or termination, OWNER shall be given an opportunity to be heard. OWNER shall be required to demonstrate good faith compliance with the terms and conditions of this Agreement. The burden of proof on this issue shall be on OWNER. If the City Council finds, based upon substantial evidence, that OWNER has not complied in good faith with the terms or conditions of the Agreement, the City Council may terminate this Agreement or modify this Agreement and impose such conditions as are reasonably necessary to protect the interests of the CITY. The decision of the City Council shall be final.

5.6 Certificate of Agreement Compliance. If, at the conclusion of a Periodic or Special Review, OWNER is found to be in compliance with this Agreement, CITY shall, upon request by OWNER, issue a Certificate of Agreement Compliance ("Certificate") to OWNER stating that after the most recent Periodic or Special Review and based upon the information known or made known to the City Manager and City Council that: (1) this Agreement remains in effect; and (2) OWNER is not in default. The Certificate shall be in recordable form, shall contain information necessary to communicate constructive record notice of the finding of compliance, shall state whether the Certificate is issued after a Periodic or Special Review and shall state the anticipated date of commencement of the next Periodic Review. OWNER may record the Certificate with the County Recorder.

Whether or not the Certificate is relied upon by assignees or other transferees or OWNER, CITY shall not be bound by a Certificate if a default existed at the time of the Periodic or Special Review, but was concealed from or otherwise not known to the City Manager or City Council.

6. DEFAULT AND REMEDIES.

6.1 Remedies in General. It is acknowledged by the parties that CITY would not have entered into this Agreement if it were to be liable in damages under this Agreement, or with respect to this Agreement or the application thereof. In general, each of the parties hereto may pursue any remedy at law or equity available for the breach of any provision of this Agreement, except that CITY shall not be liable in damages to OWNER, or to any successor in interest of OWNER, or to any other person, and OWNER covenants not to sue for damages or claim any damages:

(a) For any breach of this Agreement or for any cause of action that arises out of this Agreement; or

(b) For the taking, impairment or restriction of any right or interest conveyed or provided under or pursuant to this Agreement; or

(c) Arising out of or connected with any dispute, controversy or issue regarding the application or interpretation or effect of the provisions of this Agreement.



6.2 Release. Except for non-monetary remedies, OWNER, for itself, its successors and assignees, hereby releases CITY, its officers, agents and employees from any and all claims, demands, actions, or suits of any kind or nature arising out of any liability, known or unknown, present or future, including, but not limited to, any claim or liability, based or asserted, pursuant to Article I, Section 19 of the California Constitution, the Fifth and Fourteenth Amendments to the United States Constitution, or any other law or ordinance which seeks to impose any other liability or damage, whatsoever, upon CITY because it entered into this Agreement or because of the terms of this Agreement. OWNER hereby acknowledges that it has read and is familiar with the provisions of California Civil Code Section 1542, which is set forth below:

"A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS THAT THE CREDITOR OR RELEASING PARTY DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE AND THAT, IF KNOWN BY HIM OR HER, WOULD HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR OR RELEASED PARTY."

By initialing below, OWNER hereby waives the provisions of Section 1542 in connection with the matters that are the subject of the foregoing waivers and releases.



Owner's Initials

6.3 Termination or Modification of Agreement for Default of OWNER. CITY may terminate or modify this Agreement for any failure of OWNER to perform any material duty or obligation of OWNER under this Agreement, or to comply in good faith with the terms of this Agreement (hereinafter referred to as "default"); provided, however, CITY may terminate or modify this Agreement pursuant to this Section only after providing written notice to OWNER of default setting forth the nature of the default and the actions, if any, required by OWNER to cure such default and, where the default can be cured, OWNER has failed to take such actions and cure such default within sixty (60) days after the effective date of such notice or, in the event that such default cannot be cured within such sixty (60) day period but can be cured within a longer time, has failed to commence the actions necessary to cure such default within such sixty (60) day period and to diligently proceed to complete such actions and cure such default.

6.4 Termination of Agreement for Default of CITY. OWNER may terminate this Agreement only in the event of a default by CITY in the performance of a material term of this Agreement and only after providing written notice to CITY of default setting forth the nature of the default and the actions, if any, required by CITY to cure such default and, where the default can be cured, CITY has failed to take such actions and cure such default within sixty (60) days after the effective date of such notice or, in the event that such default cannot be cured within such sixty (60) day period but can be cured within a longer time, has failed to commence the actions necessary to cure such default within such sixty (60) day period and to diligently proceed to complete such actions and cure such default.



7. LITIGATION.

7.1 Third Party Litigation Concerning Agreement. OWNER shall defend, at its expense, including attorneys' fees, indemnify, and hold harmless CITY, its agents, officers and employees from any claim, action or proceeding against CITY, its agents, officers, or employees to attack, set aside, void, or annul the approval of this Agreement, or the approval of any permit granted pursuant to this Agreement. CITY shall promptly notify OWNER of any claim, action, proceeding or determination included within this Section 8.1, and CITY shall cooperate in the defense. If CITY fails to promptly notify OWNER of any such claim, action, proceeding or determination, or if CITY fails to cooperate in the defense, OWNER shall not thereafter be responsible to defend, indemnify, or hold harmless CITY. CITY may in its discretion participate in the defense of any such claim, action, proceeding or determination.

7.2 Environmental Assurances. OWNER shall indemnify and hold CITY, its officers, agents, and employees free and harmless from any liability, based or asserted, upon any act or omission of OWNER, its officers, agents, employees, subcontractors, predecessors in interest, successors, assigns and independent contractors for any violation of any federal, state or local law, ordinance or regulation relating to industrial hygiene or to environmental conditions on, under or about the Property, including, but not limited to, soil and groundwater conditions, and OWNER shall defend, at its expense, including attorneys' fees, CITY, its officers, agents and employees in any action based or asserted upon any such alleged act or omission. CITY may in its discretion participate in the defense of any such action.

7.3 Reservation of Rights. With respect to Section 7.1 and Section 7.2 herein, CITY reserves, the right to either (1) approve the attorney(s) that the indemnifying party selects, hires or otherwise engages to defend the indemnified party hereunder, which approval shall not be unreasonably withheld, or (2) conduct its own defense; provided, however, that the indemnifying party shall reimburse the indemnified party forthwith for any and all reasonable expenses incurred for such defense, including attorneys' fees, upon billing and accounting therefor.

7.4 Challenge to Existing Land Use Approvals. By accepting the benefits of this Agreement, OWNER, on behalf of itself and its successors in interest, hereby expressly agrees and covenants not to sue or otherwise challenge any land use approval affecting the Property and in effect as of the Effective Date. Such agreement and covenant includes, without limitation, the covenant against any direct suit by OWNER or its successor in interest, or any participation, encouragement or involvement whatsoever that is adverse to CITY by OWNER or its successor in interest, other than as part of required response to lawful orders of a court or other body of competent jurisdiction. OWNER hereby expressly waives, on behalf of itself and its successors in interest, any claim or challenge to any land use approval affecting the Property and in effect as of the Effective Date. In the event of any breach of the covenant or waiver contained herein, CITY shall, in addition to any other remedies provided for at law or in equity, be entitled to:

- (a) impose and recover (at any time, including after sale to a member of the public or other ultimate user) from the party breaching such covenant or waiver, the full amount of Development Impact Fees that the breaching party would have been required to pay in the absence of this Development Agreement; and




- (b) impose any subsequently adopted land use regulation on those land use approvals for which the breaching party had not, as of the time of such breach, obtained a building permit.

OWNER hereby acknowledges that it has read and is familiar with the provisions of California Civil Code Section 1542, which is set forth below:

"A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS THAT THE CREDITOR OR RELEASING PARTY DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE AND THAT, IF KNOWN BY HIM OR HER, WOULD HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR OR RELEASED PARTY."

By initialing below, OWNER hereby waives the provisions of Section 1542 in connection with the matters that are the subject of the foregoing waivers and releases.



Owner's Initials

7.5 Survival. The provisions of Sections 7.1 through 7.4, inclusive, shall survive the termination of this Agreement.

8. MORTGAGEE PROTECTION.

The parties hereto agree that this Agreement shall not prevent or limit OWNER, in any manner, at OWNER's sole discretion, from encumbering the Property or any portion thereof or any improvement thereon by any mortgage, deed of trust or other security device securing financing with respect to the Property. CITY acknowledges that the lenders providing such financing may require certain Agreement interpretations and modifications and agrees upon request, from time to time, to meet with OWNER and representatives of such lenders to negotiate in good faith any such request for interpretation or modification. CITY will not unreasonably withhold its consent to any such requested interpretation or modification provided such interpretation or modification is consistent with the intent and purposes of this Agreement. Any Mortgagee of the Property shall be entitled to the following rights and privileges:

(a) Neither entering into this Agreement nor a breach of this Agreement shall defeat, render invalid, diminish or impair the lien of any mortgage on the Property made in good faith and for value, unless otherwise required by law.

(b) The Mortgagee of any mortgage or deed of trust encumbering the Property, or any part thereof, which Mortgagee, has submitted a request in writing to the CITY in the manner specified herein for giving notices, shall be entitled to receive written notification from CITY of any default by OWNER in the performance of OWNER's obligations under this Agreement.



(c) If CITY timely receives a request from a mortgagee requesting a copy of any notice of default given to OWNER under the terms of this Agreement, CITY shall provide a copy of that notice to the Mortgagee within ten (10) days of sending the notice of default to OWNER. The Mortgagee shall have the right, but not the obligation, to cure the default during the remaining cure period allowed such party under this Agreement.

(d) Any Mortgagee who comes into possession of the Property, or any part thereof, pursuant to foreclosure of the mortgage or deed of trust, or deed in lieu of such foreclosure, shall take the Property, or part thereof, subject to the terms of this Agreement. Notwithstanding any other provision of this Agreement to the contrary, no Mortgagee shall have an obligation or duty under this Agreement to perform any of OWNER's obligations or other affirmative covenants of OWNER hereunder, or to guarantee such performance; provided, however, that to the extent that any covenant to be performed by OWNER is a condition precedent to the performance of a covenant by CITY, the performance thereof shall continue to be a condition precedent to CITY's performance hereunder, and further provided that any sale, transfer or assignment by any Mortgagee in possession shall be subject to the provisions of Section 2.5 of this Agreement.

9. MISCELLANEOUS PROVISIONS.

9.1 Recordation of Agreement. This Agreement and any amendment or cancellation thereof shall be recorded with the Orange County Recorder by the Clerk of the City Council within ten (10) days after the City enters into the Agreement, in accordance with Section 65868.5 of the Government Code. If the parties to this Agreement or their successors in interest amend or cancel this Agreement, or if the CITY terminates or modifies this Agreement as provided herein for failure of the OWNER to comply in good faith with the terms and conditions of this Agreement, the City Clerk shall have notice of such action recorded with the Orange County Recorder.

9.2 Entire Agreement. This Agreement sets forth and contains the entire understanding and agreement of the parties, and there are no oral or written representations, understandings or ancillary covenants, undertakings or agreements that are not contained or expressly referred to herein. No testimony or evidence of any such representations, understandings or covenants shall be admissible in any proceeding of any kind or nature to interpret or determine the terms or conditions of this Agreement.

9.3 Severability. If any term, provision, covenant or condition of this Agreement shall be determined invalid, void or unenforceable, the remainder of this Agreement shall not be affected thereby to the extent such remaining provisions are not rendered impractical to perform taking into consideration the purposes of this Agreement. Notwithstanding the foregoing, the provision of the Public Benefits set forth in Section 4 of this Agreement, including the payment of the Development Impact Fees set forth therein, are essential elements of this Agreement and CITY would not have entered into this Agreement but for such provisions, and therefore in the event such provisions are determined to be invalid, void or unenforceable, this entire Agreement shall be null and void and of no force and effect whatsoever.



9.4 Interpretation and Governing Law. This Agreement and any dispute arising hereunder shall be governed and interpreted in accordance with the laws of the State of California. This Agreement shall be construed as a whole according to its fair language and common meaning to achieve the objectives and purposes of the parties hereto, and the rule of construction to the effect that ambiguities are to be resolved against the drafting party shall not be employed in interpreting this Agreement, all parties having been represented by counsel in the negotiation and preparation hereof.

9.5 Section Headings. All section headings and subheadings are inserted for convenience only and shall not affect any construction or interpretation of this Agreement.

9.6 Singular and Plural. As used herein, the singular of any word includes the plural.

9.7 Joint and Several Obligations. If at any time during the Term of this Agreement the Property is owned, in whole or in part, by more than one OWNER, all obligations of such OWNERS under this Agreement shall be joint and several, and the default of any such OWNER shall be the default of all such OWNERS. Notwithstanding the foregoing, no OWNER of a single lot that has been finally subdivided and sold to such OWNER as a member of the general public or otherwise as an ultimate user shall have any obligation under this Agreement except as expressly provided for herein.

9.8 Time of Essence. Time is of the essence in the performance of the provisions of this Agreement as to which time is an element.

9.9 Waiver. Failure by a party to insist upon the strict performance of any of the provisions of this Agreement by the other party, or the failure by a party to exercise its rights upon the default of the other party, shall not constitute a waiver of such party's right to insist and demand strict compliance by the other party with the terms of this Agreement thereafter.

9.10 No Third Party Beneficiaries. This Agreement is made and entered into for the sole protection and benefit of the parties and their successors and assigns. No other person shall have any right of action based upon any provision of this Agreement.

9.11 Force Majeure. Neither party shall be deemed to be in default where failure or delay in performance of any of its obligations under this Agreement is caused by floods, earthquakes, other Acts of God, fires, wars, riots or similar hostilities, strikes and other labor difficulties beyond the party's control, (including the party's employment force), government regulations, court actions (such as restraining orders or injunctions), or other causes beyond the party's control. If any such events shall occur, the Term of this Agreement and the time for performance by either party of any of its obligations hereunder may be extended by the written agreement of the parties for the period of time that such events prevented such performance, provided that the Term of this Agreement shall not be extended under any circumstances for more than five (5) years.

9.12 Mutual Covenants. The covenants contained herein are mutual covenants and also constitute conditions to the concurrent or subsequent performance by the party benefited thereby of the covenants to be performed hereunder by such benefited party.



9.13 Successors in Interest. The burdens of this Agreement shall be binding upon, and the benefits of this Agreement shall inure to, all successors in interest to the parties to this Agreement. All provisions of this Agreement shall be enforceable as equitable servitudes and constitute covenants running with the land. Each covenant to do or refrain from doing some act hereunder with regard to development of the Property: (a) is for the benefit of and is a burden upon every portion of the Property; (b) runs with the Property and each portion thereof; and (c) is binding upon each party and each successor in interest during ownership of the Property or any portion thereof.

9.14 Counterparts. This Agreement may be executed by the parties in counterparts, which counterparts shall be construed together and have the same effect as if all of the parties had executed the same instrument.

9.15 Jurisdiction and Venue. Any action at law or in equity arising under this Agreement or brought by a party hereto for the purpose of enforcing, construing or determining the validity of any provision of this Agreement shall be filed and tried in the Superior Court of the County of Orange, State of California, and the parties hereto waive all provisions of law providing for the filing, removal or change of venue to any other court.

9.16 Project as a Private Undertaking. It is specifically understood and agreed by and between the parties hereto that the development of the Project is a private development, that neither party is acting as the agent of the other in any respect hereunder, and that each party is an independent contracting entity with respect to the terms, covenants and conditions contained in this Agreement. No partnership, joint venture or other association of any kind is formed by this Agreement. The only relationship between CITY and OWNER is that of a government entity regulating the development of private property and the owner of such property.

9.17 Further Actions and Instruments. Each of the parties shall cooperate with and provide reasonable assistance to the other to the extent contemplated hereunder in the performance of all obligations under this Agreement and the satisfaction of the conditions of this Agreement. Upon the request of either party at any time, the other party shall promptly execute and file or record such required instruments and writings and take any actions as may be reasonably necessary under the terms of this Agreement to carry out the intent and to fulfill the provisions of this Agreement or to evidence or consummate the transactions contemplated by this Agreement.

9.18 Eminent Domain. No provision of this Agreement shall be construed to limit or restrict the exercise by CITY of its power of eminent domain.

9.19 Agent for Service of Process. In the event OWNER is not a resident of the State of California or it is an association, partnership or joint venture without a member, partner or joint venturer resident of the State of California, or it is a foreign corporation, then in any such event, OWNER shall file with the City Manager, upon its execution of this Agreement, a designation of a natural person residing in the State of California, giving his or her name, residence and business addresses, as its agent for the purpose of service of process in any court action arising out of or based upon this Agreement, and the delivery to such agent of a copy of any process in any such action shall constitute valid service upon OWNER. If for any reason



service of such process upon such agent is not feasible, then in such event OWNER may be personally served with such process and such service shall constitute valid service upon OWNER. OWNER is amenable to the process so served, submits to the jurisdiction of the Court so obtained and waives any and all objections and protests thereto.

9.20 Authority to Execute. The person or persons executing this Agreement on behalf of OWNER warrants and represents that he or she/they have the authority to execute this Agreement on behalf of his or her/their corporation, partnership or business entity and warrants and represents that he or she/they has/have the authority to bind OWNER to the performance of its obligations hereunder.



ORIGINAL

IN WITNESS WHEREOF, the parties hereto have executed this Development Agreement on the last day and year set forth below.

OWNER

**LIFE ILLUMINATED, LLC a Delaware
Limited Liability Company**

By: [Signature]

Its: 7/2/20

Dated: MANAGING MEMBER

CITY

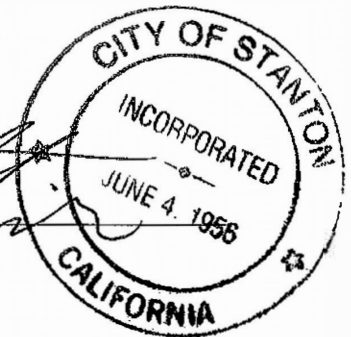
CITY OF STANTON, a California
municipal corporation

By: David Jim Draper

Mayor
Dated: July 14, 2020

ATTEST:

By: [Signature]
City Clerk



APPROVED AS TO LEGAL FORM:

BEST BEST & KRIEGER LLP

[Signature]
City Attorney



EXHIBIT "A"

(Legal Description of the Property)

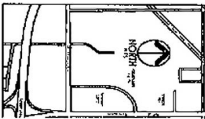
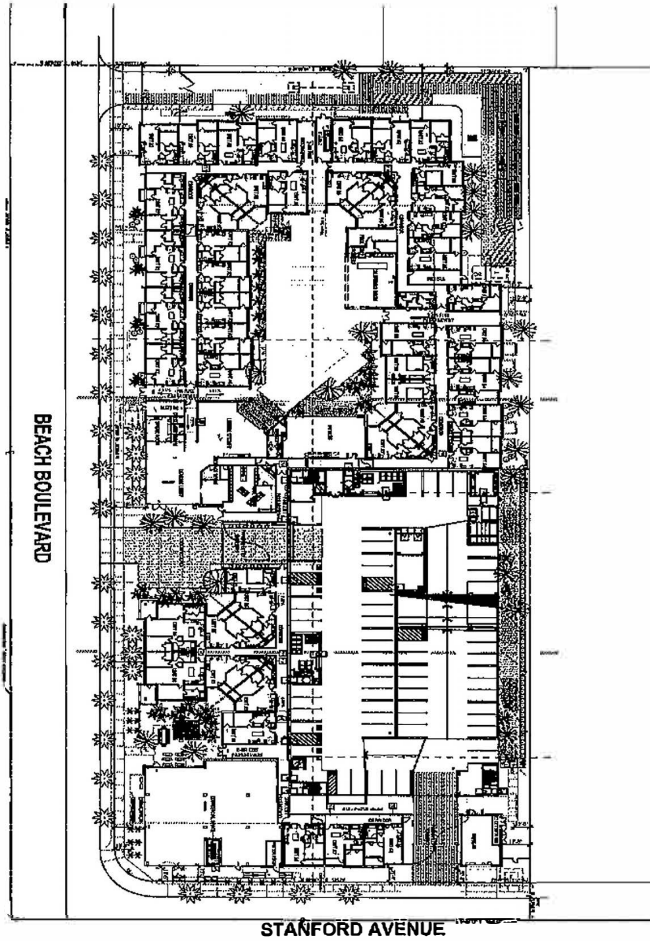
Parcel 1 as shown on the Parcel Map No. 84-1202, in the City of Stanton, County of Orange,
State of California, filed in Book 2007, Pages 37 and 38 of Parcel Maps in the office of the
County Recorder of said County.

Exhibit A



EXHIBIT "B"

(Map of the Property)



SITE PLAN

DATE: 05/12/20
JOB NO.: 2019-013

STANTON 1.0
ANNI DEVELOPMENT

STANTON, CA

ARCHITECTS ORANGE

144 NORTH ORANGE ST., ORANGE, CA 92666
(714) 639-9860



Exhibit B



EXHIBIT "C"

(Development Plan)

General Plan Amendment No. [GPA19-01]

Zoning Code Amendment [ZCA19-04]

Site Plan & Design Review [SPDR-800]

Planned Development Permit [PDP19-02]

Development Agreement [DA19-01]

Exhibit C



AFFIDAVIT OF POSTING

STATE OF CALIFORNIA)
) ss.
COUNTY OF ORANGE)

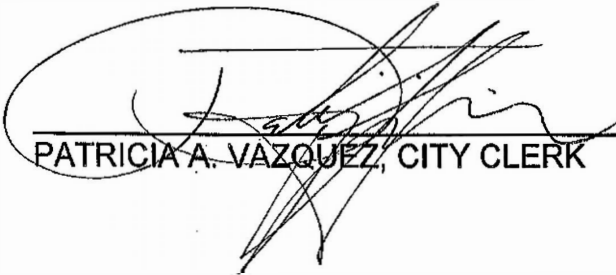
I, PATRICIA A. VAZQUEZ, BEING FIRST DULY SWORN, DEPOSES, AND SAYS:

AS CITY CLERK OF THE CITY OF STANTON, COUNTY OF ORANGE, STATE OF CALIFORNIA, ON JUNE 25, 2020, I CAUSED TO BE POSTED AT EACH OF THE THREE FOLLOWING PUBLIC PLACES IN THE CITY OF STANTON, TO WIT:

1. 7800 KATELLA AVENUE (STANTON CITY HALL)
2. 10440 BEACH BOULEVARD (STANTON BRANCH POST OFFICE)
3. 11822 SANTA PAULA STREET (STANTON COMMUNITY SERVICES CENTER)

A TRUE COPY OF ORDINANCE NO. 1102:

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF STANTON APPROVING A DEVELOPMENT AGREEMENT BETWEEN THE CITY OF STANTON AND BONANNI DEVELOPMENT FOR CERTAIN REAL PROPERTY LOCATED AT 12736 BEACH BOULEVARD WITHIN THE CITY OF STANTON PURSUANT TO CALIFORNIA GOVERNMENT CODE SECTION 65864 ET SEQ. AND MAKING CEQA FINDINGS IN CONNECTION THEREWITH



PATRICIA A. VAZQUEZ, CITY CLERK



City Council Initiated Item 15D

“DISCUSSION REGARDING REDISTRICTING”

(This item does not contain a staff report)