

*For further information on an agenda item, please contact
the City at 101 North "D" Street, or call (951) 943-6100*

AMENDED

AGENDA

**JOINT MEETING OF THE CITY COUNCIL, SUCCESSOR AGENCY
TO THE REDEVELOPMENT AGENCY, PUBLIC FINANCE AUTHORITY,
PUBLIC UTILITY AUTHORITY, HOUSING AUTHORITY, PERRIS JOINT POWERS
AUTHORITY AND PERRIS COMMUNITY ECONOMIC DEVELOPMENT
CORPORATION OF THE CITY OF PERRIS**

**PURSUANT TO GOVERNOR GAVIN NEWSOM'S EXECUTIVE ORDER N-29-20
THIS MEETING WILL ALSO BE CONDUCTED AS A REMOTE MEETING VIA
ZOOM**

Tuesday, September 14, 2021

6:30 P.M.

City Council Chambers

(Corner of San Jacinto and Perris Boulevard)

101 North "D" Street

Perris, California

CLOSED SESSION: 5:30 P.M.

ROLL CALL:

Nava, Corona, Rabb, Rogers, Vargas

A. Conference with Legal Counsel - Potential Litigation - Government
Code Section 54956.9 (d)(2) - 3 cases

B. Conference with Legal Counsel - Potential Litigation - Government
Code Section 54956.9 (d)(4) - 1 case

1. *CALL TO ORDER:* 6:30 P.M.

2. *ROLL CALL:*

Nava, Corona, Rabb, Rogers, Vargas

3. INVOCATION:

Pastor Benjamin Briggs
Greater Light Community Church
3060 Barrett Ave. Perris, CA 92571

4. PLEDGE OF ALLEGIANCE:

Councilmember Nava will lead the Pledge of Allegiance.

5. REPORT ON CLOSED SESSION ITEMS:

6. PRESENTATIONS/ANNOUNCEMENTS:

At this time, the City Council may recognize citizens and organizations that have made significant contributions to the community, and it may accept awards on behalf of the City.

A. Recognition of incoming and outgoing Youth Advisory Committee members.

7. YOUTH ADVISORY COMMITTEE COMMUNICATIONS:

8. PUBLIC COMMENT/CITIZEN PARTICIPATION:

*This is the time when any member of the public may bring a matter to the attention of the Mayor and the City Council that is within the jurisdiction of the City Council. The Ralph M. Brown act limits the Mayor's, City Council's and staff's ability to respond to comments on non-agendized matters at the time such comments are made. Thus, your comments may be agendized for a future meeting or referred to staff. The City Council may discuss or ask questions for clarification, if desired, at this time. **Public comment is limited to three (3) minutes.***

9. APPROVAL OF MINUTES:

A. Consideration to approve the Minutes of the Special Meeting held on August 26, 2021, and the Regular Meeting held on August 31, 2021 of the City Council, Successor Agency to the Redevelopment Agency, Public Finance Authority, Public Utility Authority, Housing Authority, Perris Community Economic Development Corporation and the Perris Joint Powers Authority.

10. CONSENT CALENDAR:

*Consent Calendar items are normally enacted in one motion. The Mayor or City Council may remove a Consent Calendar item for separate action. **Public comment is limited to three (3) minutes.***

A. Consideration to adopt the Second Reading of Proposed Ordinance Number 1407 approving Ordinance Amendment 19-05147 a proposal to amend Perris Municipal Code (PMC) Chapters 5.54 Medical Marijuana Dispensary Regulatory Program and 5.58 Commercial Marijuana Operations Regulatory Program to allow cannabis lounges with on-site cannabis consumption at

existing cannabis dispensaries. (Applicant: Stan Jakubowicz, Higher Point Cannabis)

The Second Reading of Ordinance Number 1407 is entitled:

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF PERRIS, CALIFORNIA, ALLOWING AND REGULATING THE ESTABLISHMENT AND OPERATION OF THE CANNABIS LOUNGES IN MEDICAL MARIJUANA AND CANNABIS DISPENSARIES AMENDING PERRIS MUNICIPAL CODE SECTIONS 5.54.110(9), 5.54.110(11), 5.58.100(K)(1) AND 5.58.127(L) TO REMOVE PROHIBITIONS ON ON-SITE CONSUMPTION OF CANNABIS AND CANNABIS PRODUCTS AT MEDICAL CANNABIS DISPENSARIES AND ADULT-USE CANNABIS RETAILERS AND ADDING TO PERRIS MUNICIPAL CODE SECTIONS 5.54.030 AND 5.58.030 DEFINITIONS FOR ON-SITE CANNABIS CONSUMPTION AND CANNABIS LOUNGES AND CREATING PERRIS MUNICIPAL CODE SECTIONS 5.54.041, 5.54.042, 5.54.051, 5.54.061, 5.54.101, 5.54.110(k), 5.58.041, 5.58.042, 5.58.051, 5.58.061, 5.58.101, 5.54.100(k), AND 5.58.129

- B. Consideration to adopt Proposed Resolution Numbers (next in order) regarding Annexation of DPR 16-00014 to Maintenance District No. 84-1. DPR 16-00014 is located at the southwest corner of 10th Street and south D Street. APN 313-273-010. (Owner: SA Golden Investments Inc)

The Proposed Resolution Numbers (next in order) are entitled:

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF PERRIS, COUNTY OF RIVERSIDE, STATE OF CALIFORNIA, INITIATING PROCEEDINGS, APPOINTING THE ENGINEER OF WORK, ORDERING THE PREPARATION OF A DISTRICT MAP INDICATING THE PROPOSED BOUNDARIES OF AN ANNEXATION TO THE CITY OF PERRIS MAINTENANCE DISTRICT NUMBER 84-1, AND FOR PROVIDING OTHER ENGINEERING SERVICES IN THE MATTER OF THE ANNEXATION OF DPR 16-00014 INTO MAINTENANCE DISTRICT NUMBER 84-1

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF PERRIS, COUNTY OF RIVERSIDE, STATE OF CALIFORNIA, OF PRELIMINARY APPROVAL OF ENGINEER'S REPORT FOR ANNEXATION OF DPR 16-00014 TO CITY OF PERRIS MAINTENANCE DISTRICT NUMBER 84-1

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF PERRIS, COUNTY OF RIVERSIDE, STATE OF CALIFORNIA, DECLARING INTENTION TO ORDER THE ANNEXATION TO CITY OF PERRIS MAINTENANCE DISTRICT NUMBER 84-1, DECLARING THE WORK TO BE OF MORE LOCAL THAN ORDINARY PUBLIC BENEFIT; SPECIFYING THE EXTERIOR BOUNDARIES OF THE AREA TO BE

ANNEXED TO MAINTENANCE DISTRICT NUMBER 84-1 AND TO BE ASSESSED THE COST AND EXPENSE THEREOF; DESIGNATING SAID ANNEXATION AS ANNEXATION OF DPR 16-00014 TO MAINTENANCE DISTRICT NUMBER 84-1; DETERMINING THAT THESE PROCEEDINGS SHALL BE TAKEN PURSUANT TO THE LANDSCAPING AND LIGHTING ACT OF 1972; AND OFFERING A TIME AND PLACE FOR HEARING OBJECTIONS THERETO ON NOVEMBER 9, 2021

- C. Consideration to adopt Resolution Numbers (next in order) regarding Annexation of DPR 16-00014 to Landscape Maintenance District No. 1 (LMD 1). DPR 16-00014 is located at the southwest corner of 10th Street and south D Street. APN 313-273-010. (Owner: SA Golden Investments Inc)

The Proposed Resolution Numbers (next in order) are entitled:

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF PERRIS, COUNTY OF RIVERSIDE, STATE OF CALIFORNIA, INITIATING PROCEEDINGS, APPOINTING THE ENGINEER OF WORK, ORDERING THE PREPARATION OF A DISTRICT MAP INDICATING THE PROPOSED BOUNDARIES OF AN ANNEXATION TO THE CITY OF PERRIS LANDSCAPE MAINTENANCE DISTRICT NUMBER 1, AND FOR PROVIDING OTHER ENGINEERING SERVICES IN THE MATTER OF THE ANNEXATION OF BENEFIT ZONE 159 DPR 16-00014 TO LANDSCAPE MAINTENANCE DISTRICT NUMBER 1

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF PERRIS, COUNTY OF RIVERSIDE, STATE OF CALIFORNIA, OF PRELIMINARY APPROVAL OF ENGINEER'S REPORT FOR ANNEXATION OF DPR 16-00014 TO BENEFIT ZONE 159, CITY OF PERRIS LANDSCAPE MAINTENANCE DISTRICT NUMBER 1

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF PERRIS, COUNTY OF RIVERSIDE, STATE OF CALIFORNIA, DECLARING INTENTION TO ORDER THE ANNEXATION TO BENEFIT ZONE 159, CITY OF PERRIS LANDSCAPE MAINTENANCE DISTRICT NUMBER 1, DECLARING THE WORK TO BE OF MORE LOCAL THAN ORDINARY PUBLIC BENEFIT; SPECIFYING THE EXTERIOR BOUNDARIES OF THE AREA TO BE ANNEXED TO BENEFIT ZONE 159, LANDSCAPE MAINTENANCE DISTRICT NUMBER 1 AND TO BE ASSESSED THE COST AND EXPENSE THEREOF; DESIGNATING SAID ANNEXATION AS ANNEXATION OF DPR 16-00014 TO BENEFIT ZONE 159, LANDSCAPE MAINTENANCE DISTRICT NUMBER 1; DETERMINING THAT THESE PROCEEDINGS SHALL BE TAKEN PURSUANT TO THE LANDSCAPING AND LIGHTING ACT OF 1972; AND OFFERING A TIME AND PLACE FOR HEARING OBJECTIONS THERETO ON NOVEMBER 9, 2021

- D. Consideration to adopt Resolution Numbers (next in order) regarding Annexation of PM 37760 to Landscape Maintenance District No. 1 (LMD 1). PM 37760 is located on the west frontage of Perris Boulevard, north of Orange Avenue. Portion of APN 305-080-070 (Owner: Brazen Group)

The Proposed Resolution Numbers (next in order) are entitled:

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF PERRIS, COUNTY OF RIVERSIDE, STATE OF CALIFORNIA, INITIATING PROCEEDINGS, APPOINTING THE ENGINEER OF WORK, ORDERING THE PREPARATION OF A DISTRICT MAP INDICATING THE PROPOSED BOUNDARIES OF AN ANNEXATION TO THE CITY OF PERRIS LANDSCAPE MAINTENANCE DISTRICT NUMBER 1, AND FOR PROVIDING OTHER ENGINEERING SERVICES IN THE MATTER OF THE ANNEXATION OF BENEFIT ZONE 157 PM 37760 TO LANDSCAPE MAINTENANCE DISTRICT NUMBER 1

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF PERRIS, COUNTY OF RIVERSIDE, STATE OF CALIFORNIA, OF PRELIMINARY APPROVAL OF ENGINEER'S REPORT FOR ANNEXATION OF PM 37760 TO BENEFIT ZONE 157, CITY OF PERRIS LANDSCAPE MAINTENANCE DISTRICT NUMBER 1

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF PERRIS, COUNTY OF RIVERSIDE, STATE OF CALIFORNIA, DECLARING INTENTION TO ORDER THE ANNEXATION TO BENEFIT ZONE 157, CITY OF PERRIS LANDSCAPE MAINTENANCE DISTRICT NUMBER 1, DECLARING THE WORK TO BE OF MORE LOCAL THAN ORDINARY PUBLIC BENEFIT; SPECIFYING THE EXTERIOR BOUNDARIES OF THE AREA TO BE ANNEXED TO BENEFIT ZONE 157, LANDSCAPE MAINTENANCE DISTRICT NUMBER 1 AND TO BE ASSESSED THE COST AND EXPENSE THEREOF; DESIGNATING SAID ANNEXATION AS ANNEXATION OF PM 37760 TO BENEFIT ZONE 157, LANDSCAPE MAINTENANCE DISTRICT NUMBER 1; DETERMINING THAT THESE PROCEEDINGS SHALL BE TAKEN PURSUANT TO THE LANDSCAPING AND LIGHTING ACT OF 1972; AND OFFERING A TIME AND PLACE FOR HEARING OBJECTIONS THERETO ON NOVEMBER 9, 2021

- E. Consideration to adopt Proposed Resolution Number (next in order) regarding Annexation of PM 37760 into CFD 2001-3. North Perris Public Safety District) – Annexation No. 44. PM 37760 is located on the west frontage of Perris Boulevard, north of Orange Avenue. Portion of APN 305-080-070 (Owner: Brazen Group)

The Proposed Resolution Number (next in order) is entitled:

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF PERRIS ACTING AS THE LEGISLATIVE BODY OF COMMUNITY FACILITIES

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF PERRIS ACTING AS THE LEGISLATIVE BODY OF COMMUNITY FACILITIES DISTRICT NO. 2001-3 (NORTH PERRIS PUBLIC SAFETY) OF THE CITY OF PERRIS DECLARING ITS INTENTION TO ANNEX CERTAIN TERRITORY THERETO [ANNEXATION NO. 44]

- F. Consideration to adopt the Plans and Specifications for the 2021 Citywide Street Improvements Project, award the Contract to Hardy & Harper, Inc. and reject all other bids.
- G. Consideration to authorize Reimbursable Funding by the California Natural Resources Agency for the Urban Greening Grant Award.
- H. Consideration to approve a One-Year Extension and Termination Agreement with Inframark, LLC for the North and South Water System Operation and Maintenance Services.
- I. Consideration to award the Electrical Engineering Services Contract to Budlong & Associates, Inc. for the Sump Pump Replacement and Remote Monitoring System, located within two neighborhoods of the City and known as Monument Ranch Detention Basin and Ellis Detention Basin.
- J. Consideration to adopt Proposed Resolution Number (next in order) approving the Annual Health Plan Premium Adjustment for Calendar Year 2022 and Fixing the Employer Contribution at the Equal Amount for Employees and Annuitants Under the Public Employees Medical and Hospital Care Act.

The Proposed Resolution Number (next in order) is entitled:

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF PERRIS, CALIFORNIA, ADOPTING THE ANNUAL HEALTH PLAN PREMIUM ADJUSTMENT FOR CALENDAR YEAR 2022

- K. Consideration to adopt Proposed Resolution Number (next in order) updating the Offices of Emergency Services (OES) Cal OES Form 130 designating Staff Positions to Execute Documents Requesting Disaster Assistance and Reimbursement.

The Proposed Resolution Number (next in order) is entitled:

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF PERRIS, CALIFORNIA, COUNTY OF RIVERSIDE, STATE OF CALIFORNIA, AUTHORIZING THE CITY MANAGER, ASSISTANT CITY MANAGER, AND DEPUTY CITY MANAGER TO EXECUTE THE APPLICATION FORM, PROJECT ASSURANCE FORMS, REIMBURSEMENT FORMS, AND ANY OTHER FORMS NECESSARY TO APPROVE FEDERAL DISASTER ASSISTANCE REIMBURSEMENTS

11. PUBLIC HEARINGS:

*The public is encouraged to express your views on any matter set for public hearing. It is our procedure to first receive the staff report, then to ask for public testimony, first from those in favor of the project followed by testimony from those in opposition to it, and if there is opposition, to allow those in favor, rebuttal testimony only as to the points brought up in opposition. To testify on the matter, you need to simply come forward to the speaker's podium at the appropriate time, give your name and address and make your statement. After a hearing is closed, you may not further speak on the matter unless requested to do so or are asked questions by the Mayor or a Member of the City Council. **Public comment is limited to three (3) minutes.***

- A. Consideration to adopt the First Reading of Proposed Ordinance Number (next in order) approving Ordinance Amendment 21-05110 to comprehensively update Chapter 19.81 of the Zoning Code to regulate secondary dwelling units in compliance with State law and in support of the Regional Housing Needs Assessment of the City.

The Proposed First Reading of Ordinance Number (next in order) is entitled:

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF PERRIS, COUNTY OF RIVERSIDE, STATE OF CALIFORNIA, RETITLING AND AMENDING, IN ITS ENTIRETY, CHAPTER 19.81 (SECOND DWELLING UNITS) OF TITLE 19 OF THE PERRIS MUNICIPAL CODE IN ORDER TO UPDATE THE CITY'S ACCESSORY DWELLING UNIT AND JUNIOR DWELLING UNIT REGULATIONS SO THAT SUCH REGULATIONS ARE CONSISTENT WITH GOVERNMENT CODE SECTIONS 65852.2 AND 65852.22; TO FINDING THAT THIS ORDINANCE IS STATUTORILY EXEMPT FROM CEQA PURSUANT TO PUBLIC RESOURCES CODE SECTION 21080.17; AND MAKING FINDINGS IN SUPPORT THERETO

Introduced by: Interim Director of Development Services Candida Neal

PUBLIC COMMENT

12. BUSINESS ITEMS: (not requiring a "Public Hearing"): NO BUSINESS ITEMS

*Public comment will be called for each non-hearing item. Please keep comments brief so that everyone who wishes to speak has the opportunity to do so. After public comment is closed, you may not further speak on the matter unless the Mayor or City Council requests further clarification of your statement. **Public Comment is limited to three (3) minutes.***

13. COUNCIL COMMUNICATIONS:

(Committee Reports, Agenda Items, Meeting Requests and Review etc.)

This is an opportunity for the Mayor and City Councilmembers to report on their activities and the actions of the Committees upon which they sit, to bring a matter to the attention of the full Council and staff, and to request agenda items. Any matter that was considered during the public hearing portion is not appropriate for discussion in this section of the agenda. NO ACTION CAN BE TAKEN AT THIS TIME.

14. CITY MANAGER'S REPORT:

15. ADJOURNMENT:

In compliance with the Americans with Disabilities Act, if you need special assistance to participate in this meeting, please contact City Hall at (951) 943-6100. Notification 48 hours prior to the meeting will enable the City to make reasonable arrangements to ensure accessibility to this meeting.

COVID-19 REMOTE PUBLIC COMMENT/CITIZEN PARTICIPATION

With the intent of adhering to the new community guidelines from the Center for Disease Control, the City of Perris will allow for remote public comment and participation at upcoming City Council meetings via Zoom. Public Comment is limited to three (3) minutes.

ZOOM MEETING INFORMATION

When: September 14, 2021 06:30 PM Pacific Time (US and Canada)

Topic: City Council Meeting

In order to provide Public Comment via Zoom, participants will be required to register at the following link:

https://us06web.zoom.us/webinar/register/WN_8s05EfAsQdy1TjCK2dWlkw

After registering, you will receive a confirmation email containing information about joining the meeting.

During the council meeting, if you wish to speak, via Zoom, for public comment on any item, please select the raise hand icon next to your name. The moderator will grant you access to speak. Public Comment is limited to (3) three minutes.

THE CITY COUNCIL MEETING IS ALSO AVAILABLE FOR VIEWING AT THE FOLLOWING:

City's Website:

<https://www.cityofperris.org/government/city-council/council-meetings>

YouTube:

<https://www.youtube.com/channel/UC24S1shebXkJFv3BnxdkPpg>

Facebook:

<https://www.facebook.com/PerrisToday/>

For cable subscribers only within Perris:

Spectrum: Channel 3

Frontier: Channel 16



CITY OF PERRIS
CITY COUNCIL
AGENDA SUBMITTAL

9.A.

MEETING DATE: September 14, 2021

SUBJECT: Approval of Minutes *NS*

REQUESTED ACTION: Approve the Minutes of the Special Joint City Council Worksession held on August 26, 2021 and the Regular Joint City Council Meeting held on August 31, 2021.

CONTACT: Nancy Salazar, City Clerk

BACKGROUND/DISCUSSION: None

BUDGET (or FISCAL) IMPACT: None

Prepared by: Judy L. Haughney, CMC, Assistant City Clerk *dh*

REVIEWED BY:

City Attorney _____
Assistant City Manager _____
Finance Director *SR*

Attachments: 1. Minutes-August 26, 2021
2. Minutes-August 31, 2021

Consent:
Public Hearing:
Business Item:
Presentation:
Other: Approval of Minutes

ATTACHMENT 1

Minutes-August 26, 2021 Special City Council Worksession

CITY OF PERRIS

MINUTES:

Date of Meeting: August 26, 2021

06:29 PM

Place of Meeting: City Council Chambers

1. CALL TO ORDER: 6:30 P.M.

Mayor Vargas called the Special Joint Worksession to order at 6:33 p.m.

2. ROLL CALL:

Present: Rabb, Rogers, Nava, Corona, Vargas

Staff Members Present: City Manager Miramontes, Assistant City Attorney Khuu, City Engineer McKibbin, Police Captain Sims, Chief Information Officer Cervantes, Director of Community Services Chavez, Director of Finance Reyna, Interim Director of Development Services Neal, Director of Administrative Services Amozgar, Director of Public Works Hill, Assistant City Clerk Haughney and City Clerk Salazar.

3. PLEDGE OF ALLEGIANCE: Mayor Pro Tem Rabb will lead the Pledge of Allegiance

Mayor Pro Tem Rabb led the Pledge of Allegiance

4. WORKSESSION:

A. Workshop regarding the American Rescue Plan Act (ARPA) of 2021.

This item was presented by Director of Finance Ernie Reyna.

Councilmember Nava left the City Council Chambers at 6:49 p.m. and returned at 6:50 p.m.

The following Councilmember's spoke:

Vargas

Corona

Nava

Rabb

Rogers

The Mayor called for Public Comment. There was no Public Comment.

The City Council unanimously concurred that the funds would be allocated, as presented.

5. ADJOURNMENT:

There being no further business Mayor Vargas adjourned the Special City Council Worksession at 7:17 p.m.

Respectfully Submitted,

Nancy Salazar, City Clerk

ATTACHMENT 2

Minutes-August 31, 2021 Regular City Council Meeting

CITY OF PERRIS

MINUTES:

Date of Meeting: August 31, 2021

06:30 PM

Place of Meeting: City Council Chambers

CLOSED SESSION

ROLL CALL

Present: Rogers, Nava, Corona, Rabb, Vargas

Staff Members Present: City Manager Miramontes, City Attorney Dunn, Deputy City Attorney Tanner and Director of Administrative Services Amozgar

- A. Conference with Labor Negotiators - Government Code Section 54957.6 City Negotiator: Clara Miramontes, City Manager Employee Organization: Teamsters Local 911
- B. Conference with Labor Negotiators – Government Code Section 54957.6 City Negotiator: Clara Miramontes, City Manager Employee Organization: City of Perris Unrepresented Managers
- C. Conference with Legal Counsel - Potential Litigation - Government Code Section 54956.9 (d)(2) - 1 case
- D. Conference with Legal Counsel - Potential Litigation - Government Code Section 54956.9 (d)(4) - 2 cases

1. CALL TO ORDER: 6:30 P.M.

Mayor Vargas called the Regular City Council meeting to order at 6:39 p.m.

2. ROLL CALL: _____

Present: Rogers, Nava, Corona, Rabb, Vargas

Staff Members Present: City Manager Miramontes, Deputy City Manager Reyna, City Attorney Dunn, City Engineer McKibbin, Police Captain Sims, Fire Chief Barnett, Chief Information Officer Cervantes, Director of Community Services Chavez, Interim Director of Development Services Neal, Director of Administrative Services Amozgar, Director of Public Works Hill, Assistant City Clerk Haughney and City Clerk Salazar.

3. INVOCATION: _____

Abdallah Jadallah, Director
Perris Islamic Center
3895 N Perris Blvd. Perris, CA 92571

4. PLEDGE OF ALLEGIANCE:

Councilmember Rogers led the Pledge of Allegiance.

5. REPORT ON CLOSED SESSION ITEMS:

City Attorney Dunn reported that the City Council met in Closed Session to discuss the 5 items listed on the agenda. He noted that an update was given, direction was given to staff, but no reportable action was taken.

6. PRESENTATIONS/ANNOUNCEMENTS: At this time, the City Council may recognize citizens and organizations that have made significant contributions to the community, and it may accept awards on behalf of the City.

A. Presentation of a Military Banner, to the City of Perris.

Mayor Vargas noted that this item would be moved to a future City Council meeting.

7. YOUTH ADVISORY COMMITTEE COMMUNICATIONS: NO REPORT

There was no Youth Advisory Committee report.

8. PUBLIC COMMENT/CITIZEN PARTICIPATION:

There was no Public Comment.

9. APPROVAL OF MINUTES:

A. Approved the Minutes of the Regular Meeting held on July 27, 2021, of the City Council, Successor Agency to the Redevelopment Agency, Public Finance Authority, Public Utility Authority, Housing Authority, Perris Community Economic Development Corporation and the Perris Joint Powers Authority.

The Mayor called for a motion.

M/S/C: Moved by Marisela Nava, seconded by Rita Rogers to Approve the Minutes, as presented.

AYES: Rita Rogers, Marisela Nava, Malcolm Corona, David Starr
Rabb, Michael Vargas

NOES:

ABSENT:

ABSTAIN:

10. CONSENT CALENDAR:

The Mayor called for Public Comment. There was no Public Comment.

- A. Adopted the Second Reading of Ordinance Number 1405 approving Specific Plan Amendment 19-05282 to rezone a two (2) acre site from Business Park (BPO) to Commercial (C) within the Perris Valley Commerce Center Specific Plan (PVCC SP) to allow off-site alcohol sales in association with a convenience store located at the southeast corner of Perris Blvd. and Rider Street. (APN: 300-300-026). (Applicant: Larry Roberts, Tait and Associates.)

The Second Reading of Ordinance Number 1405 is entitled:

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF PERRIS, COUNTY OF RIVERSIDE, STATE OF CALIFORNIA, APPROVING SPECIFIC PLAN AMENDMENT (SPA) 19-05282, A REQUEST TO AMEND THE PERRIS COMMERCE CENTER SPECIFIC PLAN TO REZONE THE TWO ACRE SITE FROM BUSINESS PARK OFFICE (BPO) TO COMMERCIAL (C) TO ALLOW THE SALE OF ALCOHOL (TYPE 20) FOR OFF-SITE CONSUMPTION AND TO FACILITATE CONSTRUCTION OF A 3,227 SQUARE FOOT CONVENIENCE STORE/GAS STATION, A 2,720 SQUARE FOOT FUELING CANOPY, AND A STAND-ALONE 991 SQUARE FOOT CARWASH LOCATED AT THE SOUTHEAST CORNER OF PERRIS BLVD AND RIDER STREET, AND MAKING THE FINDINGS IN SUPPORT THEREOF

- B. Adopted the Second Reading of Ordinance Number 1406 to approve Development Agreement Amendment 21-05053-a proposal to amend the Development Agreement for the South Perris Industrial North, Site III located at the northeast corner of Ellis Avenue and Redlands Avenue. (Applicant: Steve Hollis, IDI Logistics, Inc.)

The Second Reading of Ordinance Number 1406 is entitled:

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF PERRIS, CALIFORNIA, APPROVING DEVELOPMENT AGREEMENT AMENDMENT 21-05053 (MODIFYING DEVELOPMENT AGREEMENT 10-04-0010) FOR SITE 3 OF THE SOUTH PERRIS INDUSTRIAL PROJECT AND ADOPTING FINDINGS IN SUPPORT THEREOF

- C. Approved Final Parcel Map 20-05202 (TPM 37760) A final parcel map to subdivide an existing 13-acre commercial parcel within the Spectrum Shopping Center to create three individual parcels for a multi-tenant commercial development located along the west frontage of Perris Blvd. and approximately 400-feet north of Orange Ave. (APN: 310-070-078) (Applicant: Iku Shimomura, and Architects, Inc.)
- D. Approved a Contract Services Agreement with Albert A. Webb Associates for Environmental Engineering Services for the San Jacinto Avenue Connection Project.
- E. Approved the plans and specifications for the Perris Boulevard Corridor Safety Improvements (Ramona Expressway to 4th Street) and award a Construction Contract to Elecnor Belco, Inc.

- F. Approved a Purchase and Sale Agreement with Ramona & Redlands, LLC for the Acquisition of a Public Utility Easement for the Widening of Redlands Avenue. The property is located at the northwest corner of Ramona Expressway and Redlands Avenue. (APN 302-130-041)
- G. Approved an amendment to the legal services agreement with Aleshire & Wynder, LLP.
- H. Authorized the purchase of one (1) replacement cargo van from Rotolo Chevrolet for the Public Works Department.
- I. Approved a Contract Services Agreement with Flo-Services for Replacement of the 4th Street Duplex Sewage Pump Lift Station Repairs.
- J. Adopted Resolution Number 5843 approving the Amendment of the City's Classification and Compensation Plan to include Five (5) Updated City Classifications and Authorized the Amendment of the City's Salary Range Placement Schedules Which Set Forth the Classification and Compensation Allocations for All City Employees.

Resolution Number 5843 is entitled:

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF PERRIS, COUNTY OF RIVERSIDE, STATE OF CALIFORNIA, APPROVING THE AMENDMENT OF THE CITY'S CLASSIFICATION AND COMPENSATION PLAN TO INCLUDE FIVE (5) UPDATED CITY CLASSIFICATIONS AND AUTHORIZE THE AMENDMENT OF THE CITY'S SALARY RANGE PLACEMENT SCHEDULES WHICH SET FORTH THE CLASSIFICATION AND COMPENSATION ALLOCATIONS FOR ALL CITY EMPLOYEES

- K. Approved a Contract Services Agreement with Pacific Graphics, Inc. for professional printing and mailing services for the On Track in Perris Newsletter.
- L. Approved the City's Monthly Check Register for June and July 2021.

The Mayor called for a motion.

M/S/C: Moved by David Starr Rabb, seconded by Malcolm Corona to Approve the Consent Calendar, as presented.

AYES: Rita Rogers, Marisela Nava, Malcolm Corona, David Starr Rabb, Michael Vargas

NOES:

ABSENT:

ABSTAIN:

11. PUBLIC HEARINGS:

- A. Adopted Resolution Number 5844 approving Tentative Tract Number 37803 (TTM 19-05223) a proposal to subdivide 53.15 acres into 145 single-family residential lots with ten (10) lettered lots (A-J) located at the southwest corner of Metz Road and "A" Street, north of San Jacinto Avenue. (Applicant: Steve Letwinch, J & C International Group).

(This item was continued from the July 27, 2021 City Council Meeting)

Resolution Number 5844 is entitled:

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF PERRIS, COUNTY OF RIVERSIDE, STATE OF CALIFORNIA, ADOPTING MITIGATED NEGATIVE DECLARATION 2352 AND APPROVING TENTATIVE TRACT MAP 37803, A PROPOSAL TO SUBDIVIDE 53.15 ACRES INTO 145 SINGLE-FAMILY RESIDENTIAL LOTS LOCATED AT THE SOUTHWEST CORNER OF METZ ROAD AND A STREET, NORTH OF SAN JACINTO AVENUE SUBJECT TO CONDITIONS OF APPROVAL AND THE FINDINGS NOTED HEREIN

Senior Planner Nathan Perez gave the presentation on this item.

The Mayor noted that the Public Hearing for this item was opened at the July 27, 2021 City Council meeting and continued to the August 31, 2021 meeting.

The Mayor called for Public Comment.

The following person spoke:

Tom Parker

The Mayor closed the Public Hearing at 6:54 p.m.

The following Councilmember's spoke:

Corona

Rabb

Nava

Vargas

The Mayor called for a motion.

M/S/C: Moved by Rita Rogers, seconded by Marisela Nava to Approve Resolution Number 5844, as presented.

AYES: Rita Rogers, Marisela Nava, Malcolm Corona, David Starr Rabb, Michael Vargas

NOES:

ABSENT:

ABSTAIN:

- B. Adopted the First Reading of Proposed Ordinance Number 1407 approving Ordinance Amendment 19-05147 amending Perris Municipal Code (PMC) Chapters 5.54-Medical Marijuana Dispensary Regulatory Program and 5.58-Commercial Marijuana Operations Regulatory Program to allow Cannabis Lounges with on-site Cannabis Consumption at existing Cannabis Dispensaries; and adopted Resolution Number 5845 establishing a Cannabis Lounge Application Permit Fee. (Applicant: Stan Jakubowicz, Higher Point Cannabis (formerly Holistic, Inc.))**

The First Reading of Ordinance Number 1407 is entitled:

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF PERRIS, CALIFORNIA, ALLOWING AND REGULATING THE ESTABLISHMENT AND OPERATION OF THE CANNABIS LOUNGES IN MEDICAL MARIJUANA AND CANNABIS DISPENSARIES AMENDING PERRIS MUNICIPAL CODE SECTIONS 5.54.110(9), 5.54.110(11), 5.58.100(K)(1) AND 5.58.127(L) TO REMOVE PROHIBITIONS ON ON-SITE CONSUMPTION OF CANNABIS AND CANNABIS PRODUCTS AT MEDICAL CANNABIS DISPENSARIES AND ADULT-USE CANNABIS RETAILERS AND ADDING TO PERRIS MUNICIPAL CODE SECTIONS 5.54.030 AND 5.58.030 DEFINITIONS FOR ON-SITE CANNABIS CONSUMPTION AND CANNABIS LOUNGES AND CREATING PERRIS MUNICIPAL CODE SECTIONS 5.54.041, 5.54.042, 5.54.051, 5.54.061, 5.54.101, 5.54.110(k), 5.58.041, 5.58.042, 5.58.051, 5.58.061, 5.58.101, 5.54.100(k), AND 5.58.129

Resolution Number 5845 is entitled:

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF PERRIS, CALIFORNIA, ESTABLISHING FEES FOR THE PROCESSING OF NEW AND RENEWAL PERMIT APPLICATIONS FOR ON-SITE CONSUMPTION OF MARIJUANA AND MARIJUANA PRODUCTS AT MEDICAL MARIJUANA DISPENSARIES AND ADULT-USE MARIJUANA RETAILERS AND FEES FOR THE RELATED ADMINISTRATION AND IMPLEMENTATION OF CHAPTER 5.54 AND 5.58 OF TITLE 5 OF THE PERRIS MUNICIPAL CODE

Planning Manager Kenneth Phung gave the presentation on this item.

The Mayor opened the Public Hearing at 7:14 p.m. There was no Public Comment.

The Mayor closed the Public Hearing at 7:14 p.m.

The following Councilmember's spoke:

Corona

Rogers

Vargas

Nava

The Mayor called for a motion.

M/S/C: Moved by David Starr Rabb, seconded by Malcolm Corona to Approve The First Reading of Ordinance Number 1407, adding that the business must be in Good Standing for a period of 1 year and there must be a Security Guard onsite.

AYES: Malcolm Corona, David Starr Rabb, Michael Vargas

NOES: Rita Rogers, Marisela Nava

ABSENT:

ABSTAIN:

C. Adopted Resolution Number 5846 approving the Community Services

Master Plan 2021-2031.

Resolution Number 5846 is entitled:

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF PERRIS,
COUNTY OF RIVERSIDE, STATE OF CALIFORNIA, TO ADOPT THE
COMMUNITY SERVICES MASTER PLAN, AND FINDINGS IN
SUPPORT THEREOF

This item was introduced by Community Services Manager Arcenio Ramirez and turned over to Jeff Milkes, GreenPlay, LLC for the presentation.

Mayor Pro Tem Rabb left the City Council Chambers at 7:26 p.m. and returned at 7:28 p.m.

Councilmember Rogers left the City Council Chambers at 7:33 p.m. and returned at 7:36 p.m.

**The following Councilmember spoke:
Vargas**

The Mayor opened the Public Hearing at 7:40 p.m.

The following person spoke:

Kathy Castelan

The Mayor closed the Public Hearing at 7:44 p.m.

**The following Councilmember spoke:
Corona**

The Mayor called for a motion.

M/S/C: Moved by Rita Rogers, seconded by David Starr Rabb to Approve Resolution Number 5846, as presented.

AYES: Rita Rogers, Marisela Nava, Malcolm Corona, David Starr Rabb, Michael Vargas

NOES:

ABSENT:

ABSTAIN:

12. BUSINESS ITEMS: (not requiring a “Public Hearing”):

- A. Approved a twelve-month contract with the Social Work Action Group (SWAG) for Fiscal Year 2021-2022 Homeless Services in the City of Perris.**

This item was introduced by Economic Development and Housing Manager Michele Ogawa and turned over to Principal Management Analyst Sara Cortes de Pavon who gave the presentation. Aaron Petroff of Social Work Action Group (SWAG) introduced his team and answered questions.

The following Councilmember's spoke:

Corona

Vargas

Nava

Rogers

The Mayor called for Public Comment. There was no Public Comment.

The Mayor called for a motion.

M/S/C: Moved by Malcolm Corona, seconded by Marisela Nava to Approve the 12-month contract with Social Work Action Group (SWAG).

AYES: Rita Rogers, Marisela Nava, Malcolm Corona, David Starr
Rabb, Michael Vargas

NOES:

ABSENT:

ABSTAIN:

B. Presentation of SB 1383 City Requirements.

Director of Public Works Bryant Hill introduced Alex Braicovich of CR&R to give the presentation on this item.

The following Councilmember's spoke:

Rogers

Rabb

Corona

Mayor Pro Tem Rabb left the City Council Chambers at 8:28 p.m. and returned at 8:30 p.m.

The Mayor called for Public Comment. There was no Public Comment.

13. COUNCIL COMMUNICATIONS: (Committee Reports, Agenda Items, Meeting Requests and Review etc.)

The following Councilmember's spoke:

Corona

Nava

Rogers

Rabb

Vargas

14. CITY MANAGER'S REPORT:

15. ADJOURNMENT:

There being no further business Mayor Vargas adjourned the Regular City Council meeting at 8:49 p.m.

Respectfully Submitted,

Nancy Salazar, City Clerk



10.A.

CITY OF PERRIS

CITY COUNCIL

AGENDA SUBMITTAL

MEETING DATE: September 14, 2021

SUBJECT: **Ordinance Amendment 19-05147** – A proposal to amend Perris Municipal Code (PMC) Chapters 5.54 Medical Marijuana Dispensary Regulatory Program and 5.58 Commercial Marijuana Operations Regulatory Program to allow cannabis lounges with on-site cannabis consumption at existing cannabis dispensaries.

Applicant: Stan Jakubowicz, Higher Point Cannabis

REQUESTED ACTION: **Second Reading and Adoption** of Ordinance No. 1407 to approve Ordinance Amendment 19-05147 to allow cannabis consumption at existing cannabis dispensaries.

CONTACT: Candida Neal, Interim Director of Development Services

BACKGROUND/DISCUSSION:

On August 31, 2021, the City Council voted 3-2 to introduce the first reading of Ordinance No. 1407 to approve Ordinance Amendment 19-05147 to allow on-site cannabis consumption (aka cannabis lounge) at existing cannabis dispensaries. The approval included amendments to the Ordinance to stipulate that before approval of the cannabis lounge, the medical or adult-use retailer has operated a dispensary in good standing with the City for a year, and no less than one security guard shall be present at the cannabis lounge during hours of operation. The cannabis lounge ordinance follows general industry standards to restrict cannabis lounge access to persons 21 or older, allow the sale of edible food made with cannabis, require odor control, prohibit outdoor consumption, require physical entry separation from the dispensary, and require a Cannabis Lounge Permit in addition to the Retail or Dispensary Permit. Also, the minimum square footage for the lounge is 500 square feet, and the maximum square footage is 1,500 square feet.

RECOMMENDATION:

Staff recommends approval of the second reading of the Ordinance. Upon adoption, the Ordinance becomes effective on October 15, 2021.

BUDGET (or FISCAL) IMPACT: Cost for staff preparation of this item is borne by the applicant.

Prepared by: Kenneth Phung, Planning Manager

REVIEWED BY: Candida Neal, Interim Director of Development Services

City Attorney _____
Assistant City Manager _____
Finance Director ER

- Attachments:**
1. Ordinance No. 1407
 2. CC Submittal Report from August 31, 2021

Consent: September 14, 2021

ATTACHMENT 1
Ordinance No. 1407

ORDINANCE NO. (next in order)

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF PERRIS, CALIFORNIA, ALLOWING AND REGULATING THE ESTABLISHMENT AND OPERATION OF THE CANNABIS LOUNGES IN MEDICAL MARIJUANA AND CANNABIS DISPENSARIES AMENDING PERRIS MUNICIPAL CODE SECTIONS 5.54.110(9), 5.54.110(11), 5.58.100(K)(1) AND 5.58.127(L) TO REMOVE PROHIBITIONS ON ON-SITE CONSUMPTION OF CANNABIS AND CANNABIS PRODUCTS AT MEDICAL CANNABIS DISPENSARIES AND ADULT-USE CANNABIS RETAILERS AND ADDING TO PERRIS MUNICIPAL CODE SECTIONS 5.54.030 AND 5.58.030 DEFINITIONS FOR ON-SITE CANNABIS CONSUMPTION AND CANNABIS LOUNGES AND CREATING PERRIS MUNICIPAL CODE SECTIONS 5.54.041, 5.54.042, 5.54.051, 5.54.061, 5.54.101, 5.54.110(k), 5.58.041, 5.58.042, 5.58.051, 5.58.061, 5.58.101, 5.54.100(k)(1), AND 5.58.129.

WHEREAS, Chapter 5.54 of Title 5 of the Perris Municipal Code (“Chapter 5.54”) establishes regulations and regulatory permitting requirements for medical cannabis (i.e., marijuana) dispensaries in the City of Perris (“City”);

WHEREAS, Chapter 5.58 of Title 5 of the Perris Municipal Code (“Chapter 5.58”) establishes business regulations and regulatory permitting requirements for adult-use cannabis (i.e., marijuana) retailers in the City;

WHEREAS, California Business and Professions Code § 26200(g) permits the City to further allow on-site consumption of cannabis at State-licensed medical cannabis dispensaries and adult-use cannabis retailers;

WHEREAS, PMC Section 5.54.220 permit the City Council to make amendments to Chapter 5.54 – Medical Marijuana Dispensary Regulatory Program;

WHEREAS, PMC Section 5.58.130 permits the City Council by resolution or further to create additional rules, regulations, procedures and standards for the administration and implementation of the Chapter 58 – Commercial Marijuana Operations Regulatory Program;

WHEREAS, Perris Municipal Code Sections 5.54.110(9) and 5.54.110(11) prohibit consumption of cannabis products at medical cannabis dispensaries;

WHEREAS, Perris Municipal Code 5.58.100(k)(1) and 5.58.127(l) prohibit consumption of cannabis products at commercial cannabis dispensaries; and

WHEREAS, the City Council desires to permit and establish regulations for on-site cannabis consumption at State-licensed and City-permitted medical cannabis dispensaries and adult-use cannabis retailers.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF PERRIS DOES HEREBY ORDAIN AS FOLLOWS:

Section 1. Recitals Incorporated. The City Council finds the above recitals are true and correct and incorporated herein by this reference.

Section 2. CEQA. This ordinance was assessed in accordance with the authority and criteria contained in CEQA, the State CEQA Guidelines (“CEQA Guidelines”), and the environmental regulations of the City. The City Council finds and determines that this ordinance is exempt from CEQA pursuant to Section 26055(h) of the Business & Professions Code as well as CEQA Guidelines, Sections 15060(c)(2) and 15061(b)(3), as this Ordinance will not result in a direct or reasonably foreseeable indirect physical change in the environment, nor will it have a significant effect upon the environment.

Section 3. Amendment to PMC Sections 5.54.030 and 5.58.030 – New Definitions. The following terms and definitions are hereby added to Section 5.54.030 of Chapter 5.54 of Title 5 of the Perris Municipal Code and Section 5.58.030 of Chapter 5.58 of Title 5 of the Perris Municipal Code in the appropriate place and in alphabetical order as follows:

On-site consumption means the consumption marijuana or marijuana products within the premises of an adult-use retailer.

On-site consumption permit means a commercial marijuana permit issued pursuant to section 5.58.127(l) that permits an adult-use retailer to allow on-site consumption on their premises as an incidental activity.

Section 4. Removal of PMC Sections 5.54.110(9) – On-Site Cannabis Consumption Prohibited at Medical Cannabis Dispensaries. These subsections are eliminated and the remaining subsections renumbered;

Section 5. Amendment to PMC Section 5.58.127(l) – On-Site Cannabis Consumption Prohibited at Commercial Cannabis Dispensaries. This subsection is eliminated, and the remaining subsections renumbered.

Section 6. Addition of PMC Section 5.54.041 Medical Marijuana Dispensaries – On-site Consumption of Cannabis Regulation:

Section 54.041 Medicinal Marijuana On-Site Consumption Regulation

- (a) **On-site Consumption Permit Required.** No person shall establish or operate any business with on-site consumption except as authorized in this Chapter.
- (b) **Incidental to Medical Marijuana Dispensary.** On-site consumption shall only be permitted as an incidental activity to a medical marijuana dispensary permit issued for a retailer and shall be co-located at the same location authorized pursuant to the underlying medical marijuana permit.
- (c) **City Permits and State License.** No person shall establish or operate a medical marijuana dispensary with on-site consumption without a current and valid on-site consumption permit; a current and valid city a medical marijuana dispensary permit issued for a dispensary; and a valid equivalent State license for a medical marijuana dispensary er with

on-site consumption as provided for under Division 10 of the Business and Professions Code and applicable law, as may be amended.

Section 7. Addition of PMC Section 5.58.041 Commercial Cannabis On-site Consumption Regulation:

Section 58.041 Commercial Cannabis On-Site Consumption Regulation

- (a) On-site Consumption Permit Required. No person shall establish or operate any business with on-site consumption except as authorized in this Chapter.
- (b) Incidental to Adult-Use Retailer Operations. On-site consumption shall only be permitted as an incidental activity to a commercial marijuana operation permit issued for an adult-use retailer and shall be co-located at the same location authorized pursuant to the underlying commercial marijuana operation permit.
- (c) City Permits and State License. No person shall establish or operate an adult-use retailer with on-site consumption without a current and valid on-site consumption permit; a current and valid city commercial marijuana operation permit issued for an adult-use retailer; and a valid equivalent State license for adult-use retailer with on-site consumption as provided for under Division 10 of the Business and Professions Code and applicable law, as may be amended.

Section 8. Addition of PMC Section 5.54.051 – Medical Marijuana Dispensary Cannabis Lounge Permit.

PMC Section 5.54.051 Medical Marijuana Cannabis Lounge Permit

- (a) Prior to initiating on-site consumption in a permitted medical marijuana dispensary and as a continuing requisite to allowing on-site cannabis consumption, the owner of a medical marijuana dispensary shall obtain a cannabis lounge regulatory permit from the director under the terms and conditions set forth in this chapter.
- (b) Cannabis lounge permits issued pursuant to this chapter shall automatically expire one year from the date of issuance.
- (c) Conditions necessary for the continuing validity of any and all regulatory permits issued for the operation of a medical marijuana dispensary include:
 - (1) Strict adherence to each and every requirement of this chapter, as well as any requirements adopted by the city pursuant to the authority of this chapter.
 - (2) Allowing the director and the police department to conduct reasonable inspections of the location of the cannabis lounge at the discretion of the city, including but not limited to inspection of security, inventory, and written records and files pertaining to the cannabis lounge and medical marijuana dispensary, for the purposes of ensuring compliance with local and state laws.
 - (3) Maintaining with the city current and valid contact information of the owner(s) and manager(s) of the cannabis lounge and medical marijuana dispensary.
 - (4) Maintaining with the city current and valid contact information of a legal representative of the cannabis lounge and medical marijuana dispensary.
- (d) The permit is only transferrable if transferee successfully completes all of the requirements that a new applicant for a cannabis lounge and medical marijuana dispensary permit would otherwise need to meet.

Section 9. Addition of PMC Section 5.58.061 – Commercial Cannabis Lounge

Permit.

PMC Section 5.58.061 Commercial Cannabis Lounge Permit

- (a) Prior to initiating operations, a cannabis lounge in a permitted medical marijuana dispensary and as a continuing requisite to allowing on-site cannabis consumption, the owner of a medical marijuana dispensary shall obtain a cannabis lounge regulatory permit from the director under the terms and conditions set forth in this chapter.
- (b) Cannabis lounge permits issued pursuant to this chapter shall automatically expire one year from the date of issuance.
- (c) Conditions necessary for the continuing validity of any and all regulatory permits issued for the operation of a medical marijuana dispensary include:
 - (1) Strict adherence to each and every requirement of this chapter, as well as any requirements adopted by the city pursuant to the authority of this chapter.
 - (2) Allowing the director and the police department to conduct reasonable inspections of the location of the cannabis lounge at the discretion of the city, including but not limited to inspection of security, inventory, and written records and files pertaining to the cannabis lounge and medical marijuana dispensary, for the purposes of ensuring compliance with local and state laws.
 - (3) Maintaining with the city current and valid contact information of the owner(s) and manager(s) of the cannabis lounge and medical marijuana dispensary.
 - (4) Maintaining with the city current and valid contact information of a legal representative of the cannabis lounge and medical marijuana dispensary.
- (e) The permit is only transferrable if transferee successfully completes all of the requirements that a new applicant for a cannabis lounge and medical marijuana dispensary permit would otherwise need to meet.

Section 10. Addition of PMC Section 5.54.042 Medical Marijuana Onsite Cannabis Consumption– Development and Operational Standards:

PMC Section 5.54.042 Medical Marijuana Onsite Cannabis Consumption - Operational and Development Standards

- (a) Operational Standards. In addition to the requirements imposed upon adult-use retailers pursuant to this chapter, medical marijuana dispensaries permitted to allow on-site consumption pursuant to this Chapter shall also comply with the following operational requirements:
 - (1) Compliance with all laws and approved plans. Medical marijuana dispensaries with on-site consumption shall comply with all applicable laws and maintain the applicable licenses and/or permits required under applicable State law and this municipal code relating to on-site consumption, including, but not limited to, obtaining and maintaining a commercial marijuana operation permit authorizing adult-use retailer operations pursuant to this chapter. Further, the adult-use retailer with on-site consumption shall comply with all City-approved plans, including, but not limited to, all security plans, odor control plans, and safe consumption plans.

- (2) **Products Sold.** Only pre-packaged marijuana products may be purchased and consumed on-site. Non-marijuana food products may be purchased and consumed within the on-site consumption area pursuant to applicable law.
- (3) **On-site consumption areas** shall be at least 500 square feet, but not exceeding 1,500 square feet.
- (5) **Smoking and Inhalation.** Smoking or inhalation of marijuana or marijuana products may be permitted consistent with applicable law, including, but not limited to, applicable building, health, and safety laws.
- (6) **Alcohol and Tobacco Prohibited.** The sale or consumption of alcohol or tobacco products is prohibited.
- (7) **Access Restrictions.** Access to areas utilized for on-site consumption shall be restricted to only persons 21 years of age and older.
- (8) **Amounts Sold.** Marijuana and marijuana products shall only be provided to an individual in an amount reasonable for on-site consumption and consistent with personal possession and use limits allowed by State and applicable law.
- (9) **Community Relations.** The City, law enforcement, and all neighbors within one hundred feet of the business shall be provided with the name and contact information (including, but not limited to, a phone number) of an on-site community relations employee pursuant to section 5.58.127(l)(4)(d) to notify if there are operational problems with the adult-use retailer.
- (10) **City Taxes.** Owners and permittees of a medical marijuana dispensary permitting on-site consumption shall be in good standing with all applicable laws and shall pay all applicable City taxes.
- (11) **Noise.** Medical marijuana dispensaries permitting on-site consumption shall comply with all applicable City noise regulations under the Perris Municipal Code, including, but not limited to, Chapter 7.34 (Noise Control) of Title 7 (Health and Welfare) of the Perris Municipal Code.
- (12) **Hours of Operation.** On-site consumption shall only be allowed during the adult-use retailer's regular hours of operation as authorized by the underlying medical marijuana operation permit that authorizes medical marijuana dispensaries.
- (13) **Licensed Security Guard.**
 - a. No less than one security guard shall be present at the on-site consumption operation during all hours of operation.
 - b. All security guards shall be licensed by and in good standing with the Bureau of Security and Investigative Services of the California Department of Consumer Affairs (BSIS).
 - c. If any security guard is to be armed with a firearm and/or a baton, then that

security guard shall possess at all times a valid and current firearms permit and/or baton permit issued by the BSIS.

- d. At the determination of the Director further use of, and requirements for, security guards may be required of permittee.

(b) **Development Standards.** Cannabis lounges shall be subject to the following development standards:

- (1) **Separate Areas.** Any area utilized for on-site consumption shall be segregated from areas not utilized for on-site consumption by a permanent partition (for example, a wall) except that an entry way with a functioning door connecting the two areas is permitted.
- (2) **Visibility Restrictions.** The smoking, inhalation, consumption or ingestion of marijuana or marijuana products shall not be visible from any public place or any area where minors may be present. All areas utilized for on-site consumption shall be located within a completely enclosed building, and outdoor on-site consumption shall not be permitted.
- (3) **Security and Lighting.** Areas where on-site consumption is permitted shall provide adequate security and lighting on-site to ensure the safety of persons and protect the premises from theft at all times in conformance with the security plan submitted with the application.
- (4) **Odor Control.** Permittee shall provide an adequate odor control plan to prevent any detectable odor at the property line of the premises. Within twenty-four (24) hours of any complaint concerning odors emanating from or originating within the site, the permittee shall respond to the complaint in question, and shall timely file a written disclosure to the City documenting any and all actions taken and planned to address the odor complaints.
- (5) **Distance Requirements.** Adult-use retailers with on-site consumption shall comply with all applicable distance requirements under the Perris Municipal Code, including, but not limited to, Chapter 5.
- (6) **Ventilation.** Medical marijuana dispensaries with on-site consumption shall have adequate indoor ventilation pursuant to applicable law.
- (7) **Parking.** Medical Marijuana dispensaries with on-site consumption shall provide adequate on-site parking pursuant to the parking regulations for “restaurants, cafes, bars and cocktail lounges” as provided in Chapter 19.69 (Parking and Loading Standards) of Title 19 (Zoning) of the Perris Municipal Code, provided that the parking calculation shall be proportionate to the area utilized for on-site consumption. Parking required for areas not utilized for on-site consumption shall be calculated in the same manner as for “general retail trades” pursuant to Chapter 19.69 (Parking and Loading Standards) of Title 19 (Zoning) of the Perris Municipal Code.

Section 11. Addition of PMC Section 5.58.042 Commercial Cannabis Onsite Consumption– Operational and Development Standards:

PMC Section 5.58.042. Commercial Cannabis Onsite Consumption – Operational and Development Standards

- (a) Operational Standards. In addition to the requirements imposed upon adult-use retailers pursuant to this chapter, adult-use retailers permitted to allow on-site consumption pursuant to this Chapter shall also comply with the following operational requirements:
- (1) Compliance with all laws and approved plans. Adult-use retailers with on-site consumption shall comply with all applicable laws and maintain the applicable licenses and/or permits required under applicable State law and this municipal code relating to on-site consumption, including, but not limited to, obtaining and maintaining a commercial marijuana operation permit authorizing adult-use retailer operations pursuant to this chapter. Further, the adult-use retailer with on-site consumption shall comply with all City-approved plans, including, but not limited to, all security plans, odor control plans, and safe consumption plans.
 - (2) Products Sold. Only pre-packaged marijuana products may be purchased and consumed on-site. Non-marijuana food products may be purchased and consumed within the on-site consumption area pursuant to applicable law. On-site consumption areas shall be at least 500 square feet, but not exceeding 1,500 square feet.
 - (3) Smoking and Inhalation. Smoking or inhalation of marijuana or marijuana products may be permitted consistent with applicable law, including, but not limited to, applicable building, health, and safety laws.
 - (4) Alcohol and Tobacco Prohibited. The sale or consumption of alcohol or tobacco products is prohibited.
 - (5) Access Restrictions. Access to areas utilized for on-site consumption shall be restricted to only persons 21 years of age and older.
 - (6) Amounts Sold. Marijuana and marijuana products shall only be provided to an individual in an amount reasonable for on-site consumption and consistent with personal possession and use limits allowed by State and applicable law.
 - (7) Community Relations. The City, law enforcement, and all neighbors within one hundred feet of the business shall be provided with the name and contact information (including, but not limited to, a phone number) of an on-site community relations employee pursuant to section 5.58.127(l)(4)(d) to notify if there are operational problems with the adult-use retailer.
 - (8) City Taxes. Owners and permittees of an adult-use retailer permitting on-site consumption shall be in good standing with all applicable laws and shall pay all applicable City taxes.
 - (9) Noise. Adult-use retailers permitting on-site consumption shall comply with all applicable City noise regulations under the Perris Municipal Code, including, but not

limited to, Chapter 7.34 (Noise Control) of Title 7 (Health and Welfare) of the Perris Municipal Code.

(10) Hours of Operation. On-site consumption shall only be allowed during the adult-use retailer's regular hours of operation as authorized by the underlying commercial marijuana operation permit that authorizes adult-use retailer operations."

(11) Licensed Security Guard.

- a. No less than one security guard shall be present at the on-site consumption operation during all hours of operation.
- b. All security guards shall be licensed by and in good standing with the Bureau of Security and Investigative Services of the California Department of Consumer Affairs (BSIS).
- c. If any security guard is to be armed with a firearm and/or a baton, then that security guard shall possess at all times a valid and current firearms permit and/or baton permit issued by the BSIS.
- d. At the determination of the Director further use of, and requirements for, security guards may be required of permittee.

(b) Development Standards. Cannabis lounges shall be subject to the following development standards:

- (1) Entrances. Entrances to the cannabis lounge shall be separate from the main entrance to the medical dispensary. It may be within the medical dispensary or separate, but the must be under the control of employees at all times the dispensary is open to the public.
- (2) Separate Areas. Any area utilized for on-site consumption shall be segregated from areas not utilized for on-site consumption by a permanent partition (for example, a wall) except that an entry way with a functioning door connecting the two areas is permitted.
- (3) Visibility Restrictions. The smoking, inhalation, consumption or ingestion of marijuana or marijuana products shall not be visible from any public place or any area where minors may be present. All areas utilized for on-site consumption shall be located within a completely enclosed building, and outdoor on-site consumption shall not be permitted.
- (4) Interior lighting. The premises within which the medical marijuana dispensary is operated shall be equipped with and, at all times during which is open to the public, shall remain illuminated with overhead lighting fixtures of sufficient intensity to illuminate every place to which members of the public or portions thereof are permitted access with an illumination of not less than 1 foot-candle as measured at the floor level.

- (5) Exterior lighting. The exterior of the premises upon which the medical marijuana dispensary is operated shall be equipped with and, at all times between sunset and sunrise, shall remain illuminated with fixtures of sufficient intensity and number to illuminate every portion of the property with an illumination level of not less than one foot-candle as measured at the ground level, including, but not limited to, landscaped areas, parking lots, driveways, walkways, entry areas, and refuse storage areas.
- (6) Security and Lighting. Areas where on-site consumption is permitted shall provide adequate security and lighting on-site to ensure the safety of persons and protect the premises from theft at all times in conformance with the security plan submitted with the application.
- (7) Odor Control. Permittee shall provide an adequate odor control plan to prevent any detectable odor at the property line of the premises. Within twenty-four (24) hours of any complaint concerning odors emanating from or originating within the site, the permittee shall respond to the complaint in question, and shall timely file a written disclosure to the City documenting any and all actions taken and planned to address the odor complaints.
- (8) Distance Requirements. Adult-use retailers with on-site consumption shall comply with all applicable distance requirements under the Perris Municipal Code, including, but not limited to, this Chapter.
- (9) Ventilation. Adult-use retailer with on-site consumption shall have adequate indoor ventilation pursuant to applicable law.
- (10) Parking. An adult-use retailer with on-site consumption shall provide adequate on-site parking pursuant to the parking regulations for “restaurants, cafes, bars and cocktail lounges” as provided in Chapter 19.69 (Parking and Loading Standards) of Title 19 (Zoning) of the Perris Municipal Code, provided that the parking calculation shall be proportionate to the area utilized for on-site consumption. Parking required for areas not utilized for on-site consumption shall be calculated in the same manner as for “general retail trades” pursuant to Chapter 19.69 (Parking and Loading Standards) of Title 19 (Zoning) of the Perris Municipal Code.

Section 12. Addition of PMC Section 5.54.051 – Medical Marijuana Dispensary Cannabis Lounge Application.

PMC Section 5.54.051 Medical Marijuana Dispensary Cannabis Lounge Application

- (a) The owner of the medical marijuana dispensary shall file an application with the director for a cannabis lounge permit upon a form provided by the city and shall pay a filing fee as established by resolution adopted by the city council as amended from time to time.
- (b) An application for a regulatory permit for a cannabis lounge permit at a medical marijuana dispensary shall include, but shall not be limited to, the following information:
 - (1) Address of the location where the cannabis lounge will be located.

- (2) A list of the names of all current and prospective employees of the cannabis lounge, accompanied by:
 - a. The results of a live scan for all such employees which was performed within 90 days prior to the date of the application; and
 - b. For each such employee, a color photocopy of either a valid California Driver's License or equivalent identification approved by the director.
 - (3) Evidence satisfactory to the director of compliance with all state law requirements governing cannabis lounges and medical marijuana dispensaries.
 - (4) Evidence satisfactory to the director of compliance with all applicable insurance requirements.
 - (5) A site plan and floor plan of the premises prepared by a licensed civil engineer or architect and denoting: all the areas to be utilized for on-site consumption, including, but not limited to, locations of tables, couches, or chairs (as applicable), as well as entrances, windows, storage, exterior lighting, restrooms, parking, trash storage areas and signage.
 - (7) The name, address and current phone number of any person who is managing or responsible for cannabis lounge activities.
 - (8) The name, address and current phone number of the owner and lessor of the real property upon which the cannabis lounge activities are to be conducted. In the event the applicant is not the legal owner of the property, the application must be accompanied with a notarized acknowledgement from the owner of the property that a cannabis lounge will be operated on his/her property.
 - (9) Authorization for the director to seek verification of the information contained within the application.
 - (10) A statement in writing by the applicant that he or she certifies under penalty of perjury that all the information contained in the application is true and correct.
 - (11) Any such additional and further information as is deemed necessary by the director to administer this chapter.
- (c) A security plan including the following measures:
- (1) Security cameras shall be installed and maintained in good condition, with at least 30 days of digitally recorded documentation in a format approved by the sheriff department.
 - (2) The lease/business space site shall be alarmed with a centrally-monitored fire and burglar alarm system and monitored by an alarm company properly licensed by the State of California Department of Consumer Affairs Bureau of Security and Investigative Services in accordance with Business & Professions Code section 7590 et seq. and whose agents are properly licensed and registered under applicable law.
 - (3) The cameras shall be in use 24 hours per day, seven days per week.

- (4) The areas to be covered by the security cameras include, but are not limited to, the storage areas, all doors and windows, and any other areas as determined by the sheriff department.
 - (5) All windows on the building that houses the cannabis lounge shall be secured against entry from the outside.
 - (6) All marijuana present or kept at the premises shall be securely stored against both unauthorized access as well as theft.
- (d) A safe consumption plan which details measures to the satisfaction of the director that all applicable requirements under state or local law are and will be met. This safe consumption plan shall include, but not be limited to, the following:
- (1) Posting of signs in conspicuous places that encourage the use of alternative transportation options in order to avoid impaired driving and that notify individuals that the cannabis lounge retailer can assist individuals in finding alternative transportation options.
 - (2) Educating and training for employees that will assist in identifying individuals who should not be served (e.g., individuals who are not 21 years of age or older); and
 - (3) Requirement that, prior to closing, the cannabis lounge retailer shall make safety announcements relating to impaired driving, the availability of alternative transportation and the cannabis lounge retailer's ability to assist in acquiring such alternative transportation, and that customer must limit noise in order to respect the surrounding community.
- (e) Community Relations Contact. The name and contact information (including, but not limited to, a phone number) of an on-site community relations employee to notify if there are operational problems with the cannabis lounge retailer. This on-site community relations employee shall be a manager of the cannabis lounge retailer and shall be on-site during all hours of operation. A cannabis lounge retailer may have more than one on-site community relations employee, provided that at least one on-site community relations employee is on-site during all hours of operation.
- (f) An odor control plan detailing odor control measures in accordance with section 5.58.100(c) that addresses odors relating to on-site consumption, to the satisfaction of the director.
- (g) Evidence to the director's satisfaction that the cannabis lounge retailer has operated a dispensary in good standing for one year and paid all City taxes that are owed as of the date of submission of the application.
- (h) Any other information that the director may require for the processing and review of the application.
- (i) Expiration and Renewal. An on-site consumption permit shall expire on the same expiration date for the underlying commercial marijuana operation permit authorizing medical retailer operations that the on-site consumption permit is incidental to and co-located with and, further, shall be subject to the renewal procedures and requirements for such commercial marijuana operation permit.

Section 13. Addition of PMC Section 5.58.051 – Commercial Cannabis Lounge

Application.

PMC Section 5.58.051 Commercial Cannabis Lounge Application

- (a) The owner of the commercial cannabis dispensary shall file an application with the director for a cannabis lounge permit upon a form provided by the city and shall pay a filing fee as established by resolution adopted by the city council as amended from time to time.
- (b) An application for a regulatory permit for a cannabis lounge permit at a commercial cannabis dispensary shall include, but shall not be limited to, the following information:
 - (1) Address of the location where the cannabis lounge will be located.
 - (2) A list of the names of all current and prospective employees of the cannabis lounge, accompanied by:
 - a. The results of a live scan for all such employees which was performed within 90 days prior to the date of the application; and
 - b. For each such employee, a color photocopy of either a valid California Driver's License or equivalent identification approved by the director.
 - (3) Evidence satisfactory to the director of compliance with all state law requirements governing cannabis lounges and commercial cannabis dispensaries.
 - (4) Evidence satisfactory to the director of compliance with all applicable insurance requirements.
 - (5) A site plan and floor plan of the premises prepared by a licensed civil engineer or architect and denoting: all the areas to be utilized for on-site consumption, including, but not limited to, locations of tables, couches, or chairs (as applicable), as well as entrances, windows, storage, exterior lighting, restrooms, parking, trash storage areas and signage.
 - (7) The name, address and current phone number of any person who is managing or responsible for cannabis lounge activities.
 - (8) The name, address and current phone number of the owner and lessor of the real property upon which the cannabis lounge activities are to be conducted. In the event the applicant is not the legal owner of the property, the application must be accompanied with a notarized acknowledgement from the owner of the property that a cannabis lounge will be operated on his/her property.
 - (9) Authorization for the director to seek verification of the information contained within the application.
 - (10) A statement in writing by the applicant that he or she certifies under penalty of perjury that all the information contained in the application is true and correct.
 - (11) Any such additional and further information as is deemed necessary by the director to administer this chapter.

- (c) A security plan including the following measures:
- (1) Security cameras shall be installed and maintained in good condition, with at least 30 days of digitally recorded documentation in a format approved by the sheriff department.
 - (2) The lease/business space site shall be alarmed with a centrally-monitored fire and burglar alarm system that is monitored by an alarm company properly licensed by the State of California Department of Consumer Affairs Bureau of Security and Investigative Services in accordance with Business & Professions Code section 7590 et seq. and whose agents are properly licensed and registered under applicable law.
 - (3) The cameras shall be in use 24 hours per day, seven days per week.
 - (4) The areas to be covered by the security cameras include, but are not limited to, the storage areas, all doors and windows, and any other areas as determined by the sheriff department.
 - (5) All windows on the building that houses the cannabis lounge shall be secured against entry from the outside.
 - (6) All marijuana present or kept at the premises shall be securely stored against both unauthorized access as well as theft.
- (d) A safe consumption plan which details measures to the satisfaction of the director that all applicable requirements under state or local law are and will be met. This safe consumption plan shall include, but not be limited to, the following:
- (1) Posting of signs in conspicuous places that encourage the use of alternative transportation options in order to avoid impaired driving and that notify individuals that the adult-use retailer can assist individuals in finding alternative transportation options;
 - (2) Educating and training for employees that will assist in identifying individuals who should not be served (e.g., individuals who are not 21 years of age or older); and
 - (3) Requirement that, prior to closing, the adult-use retailer shall make safety announcements relating to impaired driving, the availability of alternative transportation and the adult-use retailer's ability to assist in acquiring such alternative transportation, and that customers must limit noise in order to respect the surrounding community.
- (e) Community Relations Contact. The name and contact information (including, but not limited to, a phone number) of an on-site community relations employee to notify if there are operational problems with the adult-use retailer. This on-site community relations employee shall be a manager of the adult-use retailer and shall be on-site during all hours of operation. An adult-use retailer may have more than one on-site community relations employee, provided that at least one on-site community relations employee is on-site during all hours of operation.
- (f) An odor control plan detailing odor control measures in accordance with section 5.58.100(c) that addresses odors relating to on-site consumption, to the satisfaction of the director.

- (g) Evidence to the director's satisfaction that the adult-use retailer has operated a dispensary in good standing for one year and paid all City taxes that are owed as of the date of submission of the application.
- (h) Any other information that the director may require for the processing and review of the application.
- (i) Expiration and Renewal. An on-site consumption permit shall expire on the same expiration date for the underlying commercial marijuana operation permit authorizing adult-use retailer operations that the on-site consumption permit is incidental to and co-located with and, further, shall be subject to the renewal procedures and requirements for such commercial marijuana operation permit.

Section 14. Addition of PMC Section 5.54.061 – Medical Marijuana Dispensary Cannabis Lounge Application Review.

PMC Section 5.54.061 Medical Marijuana_Cannabis Lounge Application Review

- (a) The director shall conduct a review of any application for a cannabis lounge in a medical marijuana dispensary permit authorized under this chapter, and shall prepare a written report on the acceptability of the application.
- (b) Upon completing the review process, the permit shall be deemed a qualified application, unless the director finds:
 - (1) The applicant has made one or more false or misleading statements or omissions, either on the written application or during the application process; or
 - (2) A proposed location for a cannabis lounge within a medical marijuana dispensary is not allowed by state or local law, statute, ordinance, or regulation (including this Code); or
 - (3) The applicant is not qualified to operate a cannabis lounge within a medical marijuana dispensary under the Medical Marijuana Regulation and Safety Act of 2015; or
 - (4) The applicant has not satisfied each and every requirement of this chapter and Code; or
 - (5) The applicant is not in compliance with applicable state law, including, but not limited to, applicable requirements and minimum standards of the Medical Marijuana Regulation and Safety Act of 2015.
- (c) Based on the information set forth in the application and the director's review, the director may impose reasonable terms and conditions on the use of the permit in addition to those specified in this chapter to ensure the safe operation of the cannabis lounge, and to ensure the health, safety and welfare of the citizens and visitors of the City of Perris.

Section 15. Addition of PMC Section 5.58.061 – Commercial Cannabis Lounge Application Review.

PMC Section 5.58.061 Commercial Cannabis Lounge Application Review

- (a) The director shall conduct a review of any application for a cannabis lounge in a commercial cannabis dispensary permit authorized under this chapter and shall prepare a written report on the acceptability of the application.
- (b) Upon completing the review process, the permit shall be deemed a qualified application, unless the director finds:
 - (1) The applicant has made one or more false or misleading statements or omissions, either on the written application or during the application process; or
 - (2) A proposed location for a cannabis lounge within a commercial cannabis dispensary is not allowed by state or local law, statute, ordinance, or regulation (including this Code); or
 - (3) The applicant is not qualified to operate a cannabis lounge within a medical marijuana dispensary under the Medical Marijuana Regulation and Safety Act of 2015; or
 - (4) The applicant has not satisfied each and every requirement of this chapter and Code; or
 - (5) The applicant is not in compliance with applicable state law, including, but not limited to, applicable requirements and minimum standards of the Medical Marijuana Regulation and Safety Act of 2015.
- (c) Based on the information set forth in the application and the director's review, the director may impose reasonable terms and conditions on the use of the permit in addition to those specified in this chapter to ensure the safe operation of the cannabis lounge, and to ensure the health, safety and welfare of the citizens and visitors of the City of Perris.

Section 16. Addition of PMC Section 5.54.101 –Cannabis Lounge Permit Renewal – Medical Dispensary.

PMC Section 5.54.101 Cannabis Lounge Permit Renewal – Medical Dispensary.

- (a) A cannabis lounge permit within medical marijuana dispensary issued by the city constitutes a revocable privilege. Cannabis lounge permits issued pursuant to this chapter shall automatically expire one year from the date of issuance.
- (b) The following procedures shall govern the process for a cannabis lounge permit renewal:
 - (1) A holder of cannabis lounge permit may apply for the renewal of an existing permit no less than 60 days prior to the permit's expiration date.
 - (2) Renewal applications shall comply with all of the requirements in this chapter for applying for a new cannabis lounge permit, including but not limited to the requirements in Section 5.54.50.
 - (3) If the holder of a cannabis lounge permit files a renewal application less than 60 days prior to expiration, the holder must provide a written explanation detailing the circumstances surrounding the late filing. If the director accepts the application, then the director may elect to administratively extend the permit

beyond the expiration date while the director completes the renewal permitting process.

- (4) An application for renewal will only be accepted if it is accompanied by the requisite fees as set by resolution of the city council, and as amended from time to time.
- (c) A cannabis lounge permit is immediately invalid upon expiration if the permit holder has not filed a timely and/or accepted renewal application and remitted all of the required fees. In the event the permit is not renewed prior to expiration, the affected cannabis lounge shall not operate and is considered to be unlawful.

Section 17. Addition of PMC Section 5.58.101 –Cannabis Lounge Permit Renewal – Commercial Cannabis.

PMC Section 5.58.101 Cannabis Lounge Permit Renewal – Commercial Cannabis.

- (a) A cannabis lounge permit within commercial cannabis dispensary issued by the city constitutes a revocable privilege. Cannabis lounge permits issued pursuant to this chapter shall automatically expire one year from the date of issuance.
- (b) The following procedures shall govern the process for a cannabis lounge permit renewal:
 - (1) A holder of cannabis lounge permit may apply for the renewal of an existing permit no less than 60 days prior to the permit's expiration date.
 - (2) Renewal applications shall comply with all of the requirements in this chapter for applying for a new cannabis lounge permit, including but not limited to the requirements in Section 5.54.50.
 - (3) If the holder of a cannabis lounge permit files a renewal application less than 60 days prior to expiration, the holder must provide a written explanation detailing the circumstances surrounding the late filing. If the director accepts the application, then the director may elect to administratively extend the permit beyond the expiration date while the director completes the renewal permitting process.
 - (4) An application for renewal will only be accepted if it is accompanied by the requisite fees as set by resolution of the city council, and as amended from time to time.
- (c) A cannabis lounge permit is immediately invalid upon expiration if the permit holder has not filed a timely and/or accepted renewal application and remitted all of the required fees. In the event the permit is not renewed prior to expiration, the affected cannabis lounge shall not operate and is considered to be unlawful.

Section 18. Amendment to PMC Section 5.54.110(k). Subsection (k) of Section 5.54.110 of Chapter 5.54 of Title 5 of the Perris Municipal Code is hereby amended in its entirety as follows:

- (k) Use restrictions. Unless the medical marijuana dispensary has a cannabis lounge permit issued in conformance with PMC Chapter 5.54, smoking, ingesting or consuming marijuana at the

location of the medical marijuana dispensary or within 20 feet of the medical marijuana dispensary is prohibited.

Section 19. **Amendment to PMC Section 5.58.100(k)(1).** Subsection (k)(1) of Section 5.58.100 of Chapter 5.58 of Title 5 of the Perris Municipal Code is hereby amended in its entirety as follows:

(k)(1) Marijuana use. Except as otherwise provided in this chapter, no person shall smoke, ingest, or otherwise consume marijuana in any form on, or within 20 feet.

Section 20. **Severability.** If any subsection, subdivision, paragraph, sentence, clause or phrase of this Ordinance or any part thereof is for any reason held to be unconstitutional or otherwise unenforceable, such decision shall not affect the validity of the remaining portion of this Ordinance or any part thereof. The City Council hereby declare that they would have passed each subsection, subdivision, paragraph, sentence, clause, or phrase thereof, irrespective of the fact that any one or more subsection, subdivision, paragraph, sentence, clause, or phrase be declared unconstitutional or otherwise unenforceable.

Section 21. **Effective Date.** This Ordinance shall take effect 30 days after its adoption.

Section 22. **Certification.** The City Clerk shall certify as to the passage and adoption of this Ordinance and shall cause the same to be posted at the designated locations in the City of Perris.

ADOPTED, SIGNED and APPROVED this __ day of _____, 2021.

MAYOR, MICHAEL M. VARGAS

ATTEST:

City Clerk, Nancy Salazar

STATE OF CALIFORNIA)
COUNTY OF RIVERSIDE)
CITY OF PERRIS)

I, Nancy Salazar, CITY CLERK OF THE CITY OF PERRIS, DO HEREBY CERTIFY that the foregoing Ordinance Number _____ was duly adopted by the City Council of the City of Perris at a regular meeting of said Council on the __ day of _____, 2021, and that it was so adopted by the following vote:

AYES:
NOES:
ABSENT:

City Clerk, Nancy Salazar

ATTACHMENT 2

CC Submittal Report from August 31, 2021



CITY OF PERRIS

CITY COUNCIL

AGENDA SUBMITTAL

MEETING DATE: August 31, 2021

SUBJECT: **Ordinance Amendment 19-05147** – A proposal to amend Perris Municipal Code (PMC) Chapters 5.54 Medical Marijuana Dispensary Regulatory Program and 5.58 Commercial Marijuana Operations Regulatory Program to allow cannabis lounges with on-site cannabis consumption at existing cannabis dispensaries and **Resolution** to establish a Cannabis Lounge Application Permit fee.

Applicant: Stan Jakubowicz, Higher Point Cannabis (formerly Holistic, Inc.)

REQUESTED ACTION: Introduce first reading proposed of Ordinance No. (next in order) to approve Ordinance Amendment 19-05147 to allow cannabis consumption at existing cannabis dispensaries and establish a Cannabis Lounge Permit; and

Adopt Resolution (next in order) establishing the cannabis lounge application fee.

CONTACT: Candida Neal, Interim Director of Development Services

BACKGROUND/DISCUSSION:

On June 16, 2019, Stan Jakubowicz, the applicant for Holistic Inc., a dispensary operator in Perris, submitted an Ordinance Amendment request to revise PMC Sections 5.54 (Medical Marijuana) and 5.58 (Commercial Cannabis) to allow on-site consumption of cannabis products, or cannabis lounges. In response to this request, a joint special meeting of the City Council and Planning Commission was held on December 4, 2019. Although there was general support for the concept, staff and decisionmakers had only a vague concept of how cannabis lounges operated. To learn more, staff toured several cannabis lounges in Palm Springs. The businesses staff visited operated very much like cigar lounges. Customers examined the merchandise and then consumed their purchases on-site in a comfortable environment.

However, in March 2020, the applicant asked that the item be placed on hold. Recently the applicant requested that the hold on the ordinance amendment be lifted, and the item be scheduled for City Council consideration.

ANALYSIS:

Applicant Proposal

The applicant is proposing on-site cannabis consumption regulations consistent with general industry standards: cannabis lounges will be located within existing dispensaries, the cannabis lounge shall be a minimum 500 square feet with no maximum, and each dispensary shall have a license in good standing

with the City of Perris. In addition to the applicant's proposal, staff recommends that the City Council establish a maximum cannabis lounge size of 1,500 square feet. Staff also recommends that each applicant have one year experience operating a successful cannabis dispensary in the City of Perris. The applicant's proposal is included as Attachment 5.

Cannabis Lounges and Regulations in Other Communities

To draft the ordinance, staff surveyed other communities that allowed on-site cannabis consumption or cannabis lounges. Of the 28 cities in Riverside County, only twelve, Banning, Cathedral City, Coachella, Corona, Jurupa Valley, Lake Elsinore, Palm Desert and Palm Springs, allow consumption, Cathedral City, Coachella, Palm Desert, Palm Springs, Perris, Rancho Mirage, San Jacinto and Wildomar and allow cannabis businesses. As shown in Attachment 3, only three Riverside County cities permit cannabis lounges: Coachella, Desert Hot Springs and Palm Springs.

Before drafting the ordinance, cannabis lounge ordinances for other communities were reviewed. The survey included the three Riverside County cities that currently permit cannabis lounges as well as ordinances from the following cities West Hollywood and National City. The results are summarized below; and the complete results are presented in Attachment 4.

All communities surveyed:

- Restricted cannabis lounge access to persons 21 or older. (This is a State requirement.)
- Allowed the sale of edible food made with cannabis.
- Required the business to be in good standing holding all necessary state and local permits and to be up to date on their tax payments.
- Required odor control.
- Prohibited outdoor consumption.
- Required a physical entry separation.
- Did not require that the business be a Seed to Sale operation.
- Did not adopt a separate tax for cannabis lounge sales. Retail sales tax payment required for all items purchased and consumed on site.
- Required a Cannabis Lounge Permit in addition to the Retail or Dispensary Permit.
- Required Indoor Ventilation

Draft Ordinance Summary

On-site cannabis consumption permitted. Cannabis lounges permitting the sale of cannabis products in a medical marijuana or cannabis dispensary for on-site consumption shall be permitted in association with existing dispensaries. A separate on-site consumption permit shall be required in addition to any existing cannabis or medical marijuana permits obtained for the dispensary.

Development and Operational Standards. Cannabis lounges shall be required as part of the application process to submit for City approval the following: security plan, odor control plan and safe consumption plan. Once permitted the business shall be required to operate in conformance with these plans. The security plan shall describe how the business will be designed and operated to ensure the safety of customers and employees. The odor control plan will describe equipment and operational measures that will ensure that cannabis odors will not be detectable at the property line. Safe consumption plan will educate employees on how to ensure that the lounge operates in compliance with State and local and will encourage customers to consume responsibly.

Cannabis lounges will be required to meet all standard City development requirements. In addition, all entries to the cannabis lounges will be designed so that they can be monitored and controlled by lounge

staff. Lounge customers may enter through the existing dispensary or may come in through an entrance that leads to the outside. However, the cannabis lounge cannot share an entrance with a non-cannabis use. No merchandise displays shall be visible from the public right-of-way. All lounge area must be inside the building and any partially consumed products must be repackaged prior to leaving the premises. Alcohol and tobacco sales and consumption will be prohibited in cannabis lounges. In addition, all products will be required to meet standard food health and safety requirements.

Application Process, Fees and Taxes. Although cannabis lounges will only be permitted in association with a permitted dispensary, a separate cannabis lounge permit will be required. The permit will be reviewed and approved on an annual basis. The cannabis lounge processing fee will be \$13,000 plus actual processing costs. This fee is partly a direct pass-through of the City's third-party consultant firm's costs and is based upon discussion with the contracted third-party consultant firm that reviews dispensary applications. They informed staff that their costs for review of medical marijuana dispensary permits would apply to cannabis lounge permits, as the same level of analysis will be required. There will be no separate tax on consumables. The base cannabis retail tax shall apply to all transactions made within the cannabis lounge.

CALIFORNIA ENVIRONMENTAL QUALITY ACT:

The proposed amendment is exempt from CEQA pursuant to Section 26055(h) of the Business & Professions Code as well as CEQA Guidelines, Sections 15060(c)(2) and 15061(b)(3), as this Ordinance will not result in a direct or reasonably foreseeable indirect physical change in the environment, nor will it have a significant effect upon the environment.

BUDGET (or FISCAL) IMPACT: Cost for staff preparation of this item, cost of construction, and payment of development impact fees are borne by the applicant.

Prepared by: Kenneth Phung, Planning Manager
REVIEWED BY: Candida Neal, Interim Director of Development Services

City Attorney _____
Assistant City Manager _____
Finance Director _____

- ~~Attachments:~~
- ~~1. Ordinance No. (Next in Order)~~
 - ~~2. Resolution No. (Next in Order) to establish deposit-based fees for Cannabis Lounge Application Permit~~
 - ~~3. Riverside County Cannabis Lounge Regulations Survey~~
 - ~~4. Cannabis Lounge Ordinance Comparison~~
 - ~~5. Applicant Proposed Framework for Cannabis Lounge~~

Public Hearing: August 31, 2021



CITY OF PERRIS

CITY COUNCIL

AGENDA SUBMITTAL

MEETING DATE: September 14, 2021

SUBJECT: Annexation of DPR 16-00014 to Maintenance District No. 84-1
 Owner(s): SA Golden Investments Inc
 APN(s): 313-273-010, located southwest corner of 10th Street and south D Street

REQUESTED ACTION:

1. Adoption of Resolution Ordering Preparation of the Engineer's Report
2. Adoption of Resolution Preliminarily Approving Engineer's Report
3. Adoption of Resolution of Intention to Annex DPR 16-00014 and setting a public hearing date of November 9, 2021

CONTACT: Stuart McKibbin, Contract City Engineer

BACKGROUND/DISCUSSION: DPR 16-00014 (Perris Apartments) is a construction of a three-story multi-use building (commercial on the 1st floor and residential on the 2nd and 3rd floors) within the Downtown Specific Plan. (See attached Boundary Map).

Annexation of DPR 16-00014 will allow the City to finance the annual maintenance of streetlight improvements installed in conjunction with this property. The project specifically benefits from five streetlights (two (2) existing lights and one (1) new dual head light with a third accessory lamp) to be installed along the frontage of DPR 16-00014 on D Street and 10th Street.

BUDGET (or FISCAL) IMPACT: The current maximum annual assessment is \$184.66. Each year the current maximum annual assessment shall be increased by an amount equal to the "Common Labor, Construction Cost Index", as published by Engineering News Record. If a deficit is projected for the upcoming fiscal year, the assessment can be further increased by an amount equal to the Southern California Edison and the Eastern Municipal Water District rate percent increase(s) projected for the upcoming fiscal year.

Prepared by: Daniel Louie, Willdan Financial Services

REVIEWED BY:

City Attorney _____
Assistant City Manager _____
Finance Director ER

Attachments:

1. Vicinity Map
2. Resolution Ordering Preparation of the Engineer's Report
3. Engineer's Report
4. Resolution Preliminarily Approving Engineer's Report
5. Resolution of Intention to Annex DPR 16-00014 to Maintenance District No. 84-1

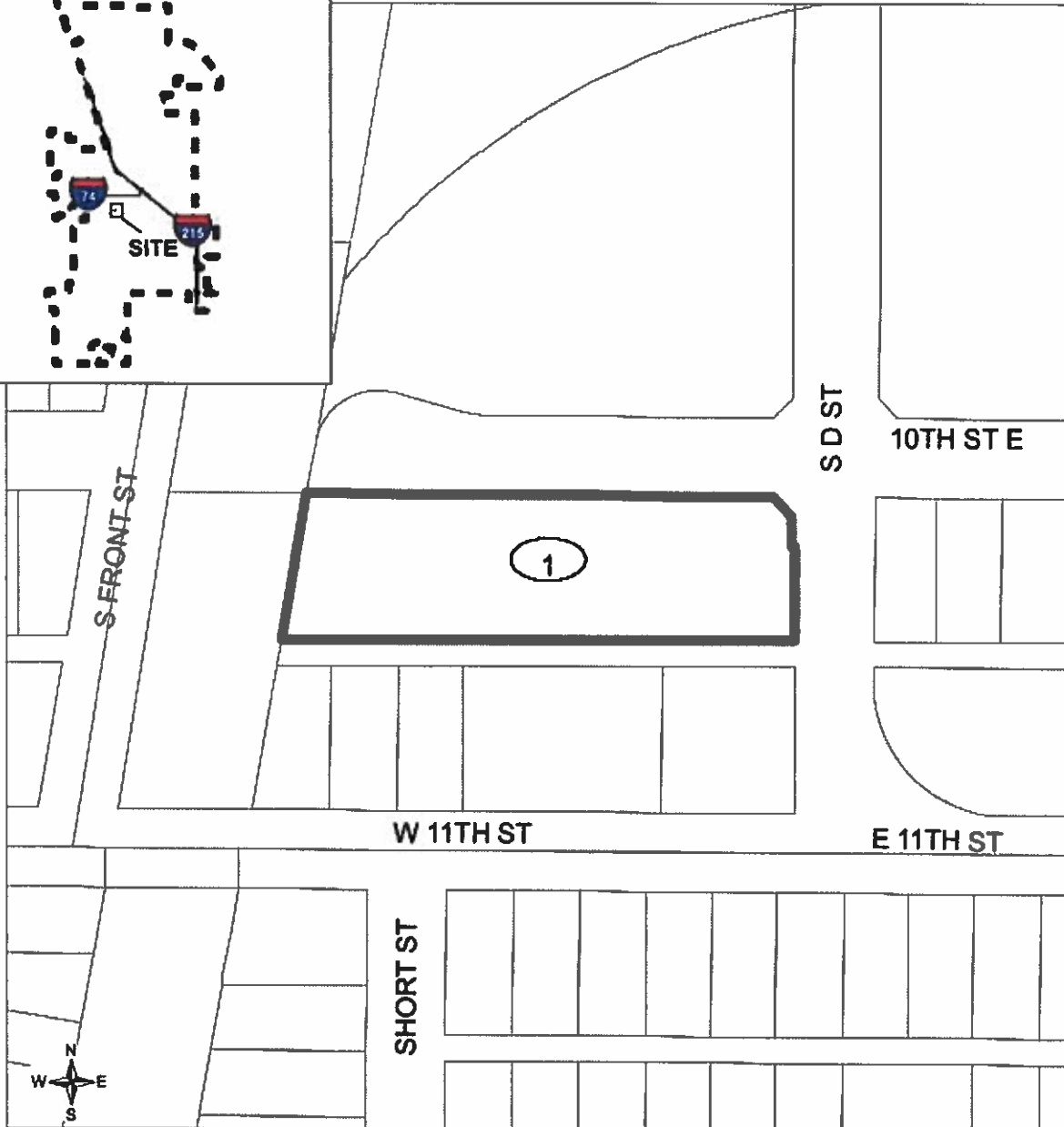
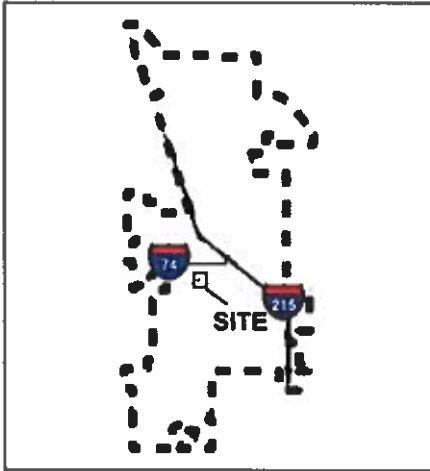
Consent: x
Public Hearing: _____
Business Item: _____
Presentation: _____
Other: _____

Attachment No. 1

DIAGRAM OF ANNEXATION OF DPR 16-00014 TO MAINTENANCE DISTRICT NO. 84-1

CITY OF PERRIS
COUNTY OF RIVERSIDE
STATE OF CALIFORNIA

SITE LOCATION



Legend

- ANNEXATION BOUNDARY
- MAP REFERENCE NUMBER

MAP REFERENCE NUMBER	ASSESSOR'S PARCEL NUMBER
1	313-273-010



REFERENCE THE RIVERSIDE COUNTY ASSESSOR'S MAPS FOR ALL DETAILS CONCERNING THE LINES AND DIMENSIONS OF SUCH LOTS OR PARCELS.

Attachment No. 2

RESOLUTION NUMBER XXXX

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF PERRIS, COUNTY OF RIVERSIDE, STATE OF CALIFORNIA, INITIATING PROCEEDINGS, APPOINTING THE ENGINEER OF WORK, ORDERING THE PREPARATION OF A DISTRICT MAP INDICATING THE PROPOSED BOUNDARIES OF AN ANNEXATION TO THE CITY OF PERRIS MAINTENANCE DISTRICT NUMBER 84-1, AND FOR PROVIDING OTHER ENGINEERING SERVICES IN THE MATTER OF THE ANNEXATION OF DPR 16-00014 INTO MAINTENANCE DISTRICT NUMBER 84-1

WHEREAS, the City Council of the City of Perris (the "City") has previously formed special maintenance districts pursuant to the terms of the "Landscaping and Lighting Act of 1972" (the "Act"), being Division 15, Part 2 of the Streets and Highways Code of the State of California, including the special maintenance district known and designated as MAINTENANCE DISTRICT NO. 84-1 (the "District"); and

WHEREAS, it has been determined by the City Council of the City of Perris, County of Riverside, California, that the public interest, convenience and necessity requires the installation of streetlights, traffic signals and other facilities set forth in Section 22525 of the Streets and Highways Code, State of California, and the maintenance thereof, all within the incorporated boundaries of the City of Perris, California; and

WHEREAS, the City Council has heretofore appointed Stuart McKibbin, the Contract City Engineer for the City of Perris, as the "Engineer of Work" for Maintenance District Number 84-1 and Willdan Financial Services has heretofore been appointed for the purpose of assisting in the preparation of the written report provided for in Section 22567 of Chapter 1 of Part 2 of Division 15 of the Streets and Highways Code, State of California.

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

Section 1. The above recitals are true and correct, and are incorporated herein by this reference.

Section 2. That the public interest, convenience and necessity, requires the annexation to a maintenance district for the purpose of installing, constructing and maintaining the streetlights, traffic signals and other facilities authorized by Section 22525 of the Streets and Highways Code, State of California,

Section 3. That DPR 16-00014 be defined as that area to be annexed to the City of Perris Maintenance District Number 84-1.

Section 4. That the lands to be specially charged for the installation, construction, and maintenance of the facilities shall be the area within the boundaries of the annexation to the district generally indicated on the map entitled "Diagram of Annexation of DPR 16-00014 to Maintenance District Number 84-1, City of Perris, County of Riverside, State of California."

Section 5. That the proceedings are to be conducted for said annexation to the maintenance district under and in accordance with provisions of Division 15 of the Streets and Highways Code (Landscaping and Lighting Act of 1972) of the State of California.

Section 6. That Stuart McKibbin, the Contract City Engineer for the City of Perris, is hereby appointed the "Engineer of Work" and all provisions of Division 15 applicable to the Engineer shall apply to said "Engineer of Work" and Willdan Financial Services, is hereby appointed for the purpose of assisting in the preparation of the written report provided for in Section 22567 of said Division 15 of the Streets and Highways Code.

Section 7. That Stuart McKibbin, the Contract City Engineer for the City of Perris, is hereby designated to sign all papers and documents in connection with the proceedings for the annexation to said maintenance district, acting in the capacity of the Engineer of Work.

Section 8. That the cost of maintaining the facilities set forth herein in subject annexation to the district shall be borne by the property owners within the subject annexation to the district, said cost to be assessed and collected in accordance with said Landscaping and Lighting Act of 1972.

Section 9. That the Engineer of Work is hereby ordered to prepare a report in accordance with Article 4 of said maintenance act, and is hereby directed to prepare and file such report with the City Clerk.

ADOPTED, SIGNED and APPROVED this 14th day of September, 2021.

Mayor, Michael M. Vargas

ATTEST:

City Clerk, Nancy Salazar

STATE OF CALIFORNIA)
COUNTY OF RIVERSIDE) §
CITY OF PERRIS)

I, Nancy Salazar, CITY CLERK OF THE CITY OF PERRIS, CALIFORNIA, DO HEREBY CERTIFY that the foregoing Resolution Number ___ was duly and regularly adopted by the City Council of the City of Perris at a regular meeting held the 14th day of September, 2021, by the following called vote:

- Ayes:
- Noes:
- Absent:
- Abstain:

City Clerk, Nancy Salazar

Attachment No. 3

AGENCY: City of Perris
PROJECT: Annexation of DPR 16-00014
To Maintenance District No. 84-1
TO: City Council
City of Perris
State of California

REPORT PURSUANT TO "LANDSCAPING AND LIGHTING ACT OF 1972"

Pursuant to the direction from the City Council, submitted herewith is the "Report," consisting of the following parts, pursuant to the provisions of Division 15, Part 2 of the Streets and Highways Code of the **STATE OF CALIFORNIA**, being the "Landscaping and Lighting Act of 1972", as amended. This "Report" provides for the annexation into the District of additional parcels and the levy of assessments for the fiscal year commencing July 1, 2021 to June 30, 2022, for that area to be known and designated as:

**"Annexation of DPR 16-00014
to Maintenance District No. 84-1"**

I do hereby assess and apportion the total amount of the costs and expenses upon the several parcels of land within said designated area liable therefore and benefited thereby, in proportion to the estimated benefits that each parcel receives, respectively, from said maintenance works of improvement and appurtenances.

Executed this 14th day of September, 2021.

**STUART MCKIBBIN, City Engineer
CITY OF PERRIS
STATE OF CALIFORNIA**

Final approval, confirmation and levy of the annual assessment and all matters relating to annexation and the Engineer's "Report" were made on the 9th day of November, 2021, by adoption of Resolution _____ of the City Council.

**NANCY SALAZAR, City Clerk
CITY OF PERRIS
STATE OF CALIFORNIA**

A copy of the Assessment Roll and Engineer's "Report" were filed in the Office of the City Clerk on the 14th day of September, 2021.

**NANCY SALAZAR, City Clerk
CITY OF PERRIS
STATE OF CALIFORNIA**

Report

PART 1. Plans and Specifications. Generally, the work to be performed consists of the annual energy and maintenance costs for one (1) streetlight with dual heads and one accessory lamp (total of three (3) lights) on "D" Street. The streetlight to be installed and maintained on "D" Street is as designed on the plans and specifications prepared by IMA, entitled, "Landscape Construction Documents for: D Street Public Area Enhancement Project 6th – 8th St., 4th St., 5th St. and 10th – 11th St. Federal Project No: ,City of Perris, California". In addition, there are two (2) existing streetlights on 10th Street that provides benefits to the development.

The plans and specifications for all facilities are or will be on file in the City of Perris Public Works Department and, by reference, are hereby made a part of this report to the same extent as if said plans and specifications were attached hereto. The plans and specifications sufficiently show and describe the general nature, location and extent of the improvements.

The streetlight improvements will be owned by the City of Perris and, upon construction will be shown on the Perris Street Light Atlas Maps. Said Map is on file in the City of Perris Office of Public Works Department and are made a part of this report to the same extent as if said documents were attached hereto.

PART 2. An Estimate of the cost for the improvements to be maintained and/or improved for a given fiscal year includes labor, materials, electricity, and appurtenances. Incidental costs include engineering, legal, City Clerk, and administration expenses, including the processing of payments and the submittal of billings to the Riverside County Auditor for placement on the tax roll.

The estimated annual cost for maintenance of the facilities is listed as follows:

Facility	Quantity	Annual Cost	Total Cost
Street Lights			
Standard Lumen LED	2	\$57.96	\$115.92
High-Output LED	3	\$89.40	268.20
Maintenance and Replacement	5	\$61.20	306.00
Subtotal			\$690.12
Incidental Costs			
			\$103.52
City Contribution for Street Lights	3	-\$31.44	-94.32
Resolution No. 5818 Adjustment			-514.66
Balance to Assessment			\$184.66

PART 3. The Assessment Roll shows the proportionate amount of the assessment to be charged in proportion to the benefits to be received by each lot or parcel within the exterior boundaries of the Diagram, enclosed herein as Part 4.

Street lighting directly benefits the area to be annexed to Maintenance District No. 84-1. Any share of the benefits received that does not provide a special benefit to the assessed properties is a general benefit provided by the improvements. The cost of the general benefit is not to be assessed to the properties in the district.

The cost of the general benefit is to be contributed by the City. This cost for lights is equal to the unit cost difference between a local street light and an arterial street light. A local street light is the standard required on a local street. Arterial streets require a higher output street light in order to service a capacity greater than the local traffic.

The method of assessment is based on units, with a residential dwelling or condominium equal to one benefit unit. The relationship between residential lots and non-residential development has been established at 4.2 residential lots to one assessed acre based on the general density of the City as a whole. The assessed acreage is the net acreage of the area to be annexed. DPR 16-00014 is being developed on 0.95 acres, which translates to 3.99 Benefit Units in MD 84-1.

The current annual assessment reflecting the reasonable cost of providing for the maintenance and servicing of the improvements and appurtenant facilities is equal to \$46.28 per benefit unit, shown as follows:

$$\frac{1.0 \text{ Assessed Acre}}{4.2 \text{ Benefit Units}} \times \frac{\$184.66}{0.95 \text{ AC}} = \$46.28 \text{ per Benefit Unit}$$

Each year the current maximum annual assessment shall be increased by an amount equal to the "Common Labor, Construction Cost Index", as published by Engineering News Record. If a deficit is projected for the upcoming fiscal year, the assessment can be further increased by an amount equal to the Southern California Edison rate percent increase projected for the upcoming fiscal year.

Reference is made to the FY 2021/2022 annual proceedings for Maintenance District No. 84-1, as confirmed and set forth in Resolution 5818 approved on June 8, 2021. Under these proceedings, the benefit for the annual maintenance of streetlight and traffic signals is equal to \$46.28 per Benefit Unit, or single family home. For the purposes of this report, this assessment determines the net specific streetlight and traffic signal benefit.

The assessment is as follows:

Assessor's Parcel Number	Benefit Units	Estimated Maximum Annual Assessment
313-273-010	3.99	\$184.66

With the construction of streetlights, as a condition of approval, the developer is required by the City to provide certain standard street lighting for the area within the development; and the energy costs for the initial 18-month period. No newly annexed area or portion thereof is assessed prior to the completion of the 18-month period.

For the current maximum annual assessment and the assessment for the fiscal year commencing July 1, 2021 to June 30, 2022, reference is made to the Assessment Roll included herein as Attachment No.1.

PART 4. A Diagram of the Annexation. The boundary of the area to be annexed is coincident with the boundary of DPR 16-00014. Said boundary is designated as "Diagram of Annexation of DPR 16-00014 to Maintenance District No. 84-1, City of Perris, County of Riverside, State of California." The Diagram is included herein as Attachment No. 2, which shows the boundaries of the area of annexation and benefit. Reference is made to the County Assessor's Maps for a detailed description of the lines and dimensions of any lots or

parcels. The lines and dimensions of each lot shall conform to those shown on the County Assessor's Maps for the fiscal year to which the "Report" applies.

PART 5. **A Consent and Waiver for Annexation to the District has been signed by the owners of the area within the proposed annexation. Said consent and waiver is included herein as Attachment No. 3.**

**Assessment Roll
Annexation of DPR 16-00014
To Maintenance District No. 84-1
City of Perris**

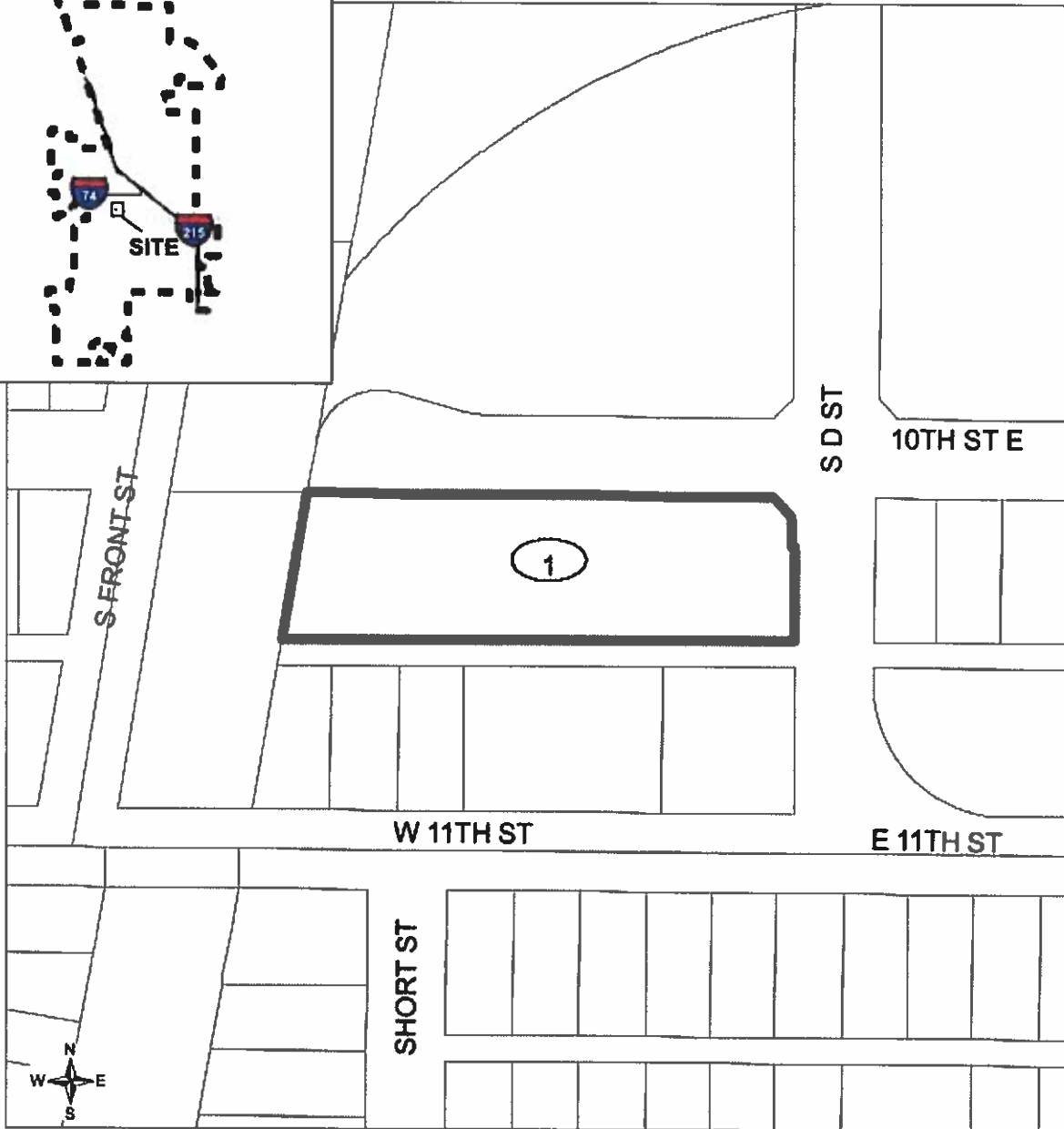
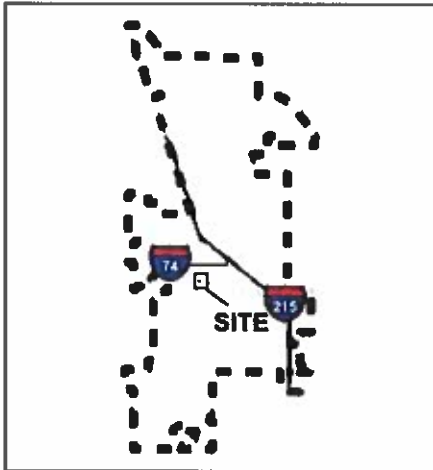
Assessor Parcel Number	Estimated Annual Assessment	Fiscal Year 2021/2022
313-273-010	\$184.66	\$0.00
Total	\$184.66	\$0.00

Each year the current maximum annual assessment shall be increased by an amount equal to the "Common Labor, Construction Cost Index", as published by Engineering News Record. If a deficit is projected for the upcoming fiscal year, the assessment can be further increased by an amount equal to the Southern California Edison rate percent increase projected for the upcoming fiscal year.



DIAGRAM OF ANNEXATION OF DPR 16-00014 TO MAINTENANCE DISTRICT NO. 84-1

CITY OF PERRIS
COUNTY OF RIVERSIDE
STATE OF CALIFORNIA

SITE LOCATION



Legend

-  ANNEXATION BOUNDARY
-  MAP REFERENCE NUMBER

MAP REFERENCE NUMBER	ASSESSOR'S PARCEL NUMBER
1	313-273-010



REFERENCE THE RIVERSIDE COUNTY ASSESSOR'S MAPS FOR ALL DETAILS CONCERNING THE LINES AND DIMENSIONS OF SUCH LOTS OR PARCELS.

CONSENT AND WAIVER TO ANNEXATION

WHEREAS, the CITY COUNCIL of the CITY OF PERRIS, CALIFORNIA, has previously formed special maintenance districts pursuant to the terms of the "Landscaping and Lighting Act of 1972" (the "Act"), being Division 15, Part 2 of the Streets and Highways Code of the State of California, said special maintenance districts known and designated as LANDSCAPE MAINTENANCE DISTRICT NO. 1 and MAINTENANCE DISTRICT NO. 84-1 (hereinafter referred to as the "Maintenance Districts"); and,

WHEREAS, the provisions of Article II of Chapter 2 of the Act authorize the CITY COUNCIL of the CITY OF PERRIS, CALIFORNIA to order the annexation of territory to the Maintenance Districts; and,

WHEREAS, the CITY COUNCIL of the CITY OF PERRIS, CALIFORNIA may, pursuant to said provisions of the Act, order the annexation of territory to the Maintenance Districts without notice and hearing or filing of an Engineer's "Report" as would otherwise be required by the provisions of the Act if all of the owners of property within the territory proposed to be annexed, have given written consent to the proposed annexation; and,


WHEREAS, the undersigned, the owners of all property within the territory proposed to be annexed to the Maintenance Districts, acknowledge that pursuant to the provisions of the Act, the undersigned would be entitled to notice and hearing and the preparation of an Engineer's "Report" pertaining to the annexation of the property, acknowledge that they are aware of the proposed annexation to the Maintenance Districts of the property owned by the undersigned, and waives any and all right which the undersigned may now have to notice and hearing or the filing of an Engineer's "Report" pertaining to the annexation of the undersigned's property to the Maintenance Districts.

NOW, THEREFORE, it is hereby declared by the undersigned property owners as follows:

SECTION 1. That the above recitals are all true and correct.

SECTION 2. That the undersigned, constituting the owners of the property described in Exhibit "A" attached hereto and incorporated herein by this reference and further constituting all of the property within the territory proposed to be annexed to the Maintenance Districts, hereby consent to the proposed annexation of said property to the Maintenance Districts without notice and hearing or filing of an Engineer's "Report" pertaining to such annexation.

Dated: 3/13/21


Signature

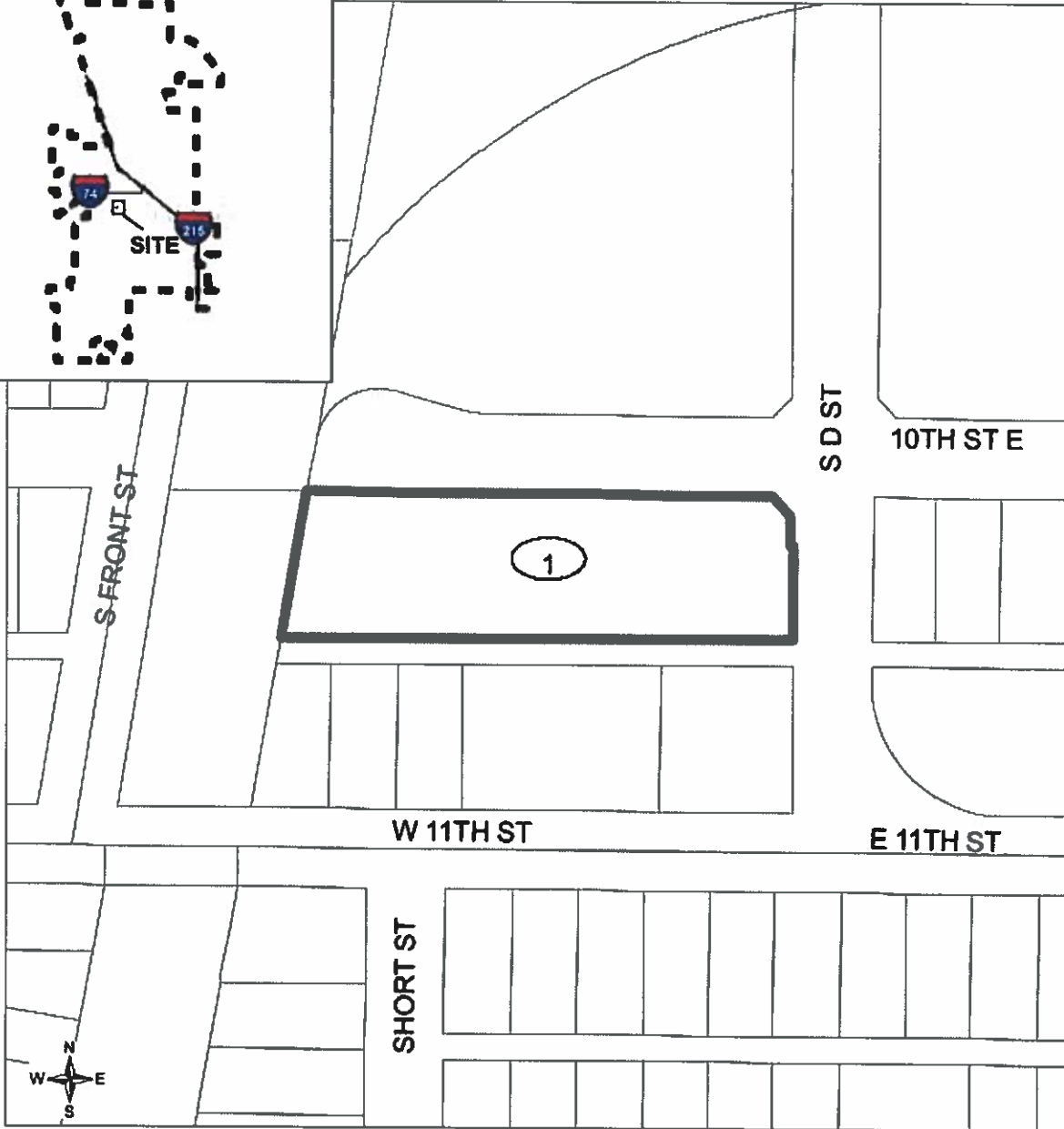
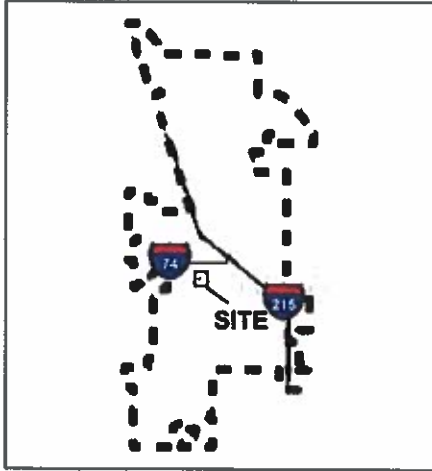
**SA Golden Investments
918 S Teakwood Ave
Bloomington Ca 92316**

List Property Owner Name and Mailing Address **909-519-3346**

EXHIBIT A TO CONSENT AND WAIVER ANNEXATION OF DPR 16-00014 TO MAINTENANCE DISTRICT NO. 84-1

CITY OF PERRIS
COUNTY OF RIVERSIDE
STATE OF CALIFORNIA

SITE LOCATION



Legend

- ANNEXATION BOUNDARY
- MAP REFERENCE NUMBER

MAP REFERENCE NUMBER	ASSESSOR'S PARCEL NUMBER
1	313-273-010



REFERENCE THE RIVERSIDE COUNTY ASSESSOR'S MAPS FOR ALL DETAILS CONCERNING THE LINES AND DIMENSIONS OF SUCH LOTS OR PARCELS.

Attachment No. 4

RESOLUTION NUMBER XXXX

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF PERRIS, COUNTY OF RIVERSIDE, STATE OF CALIFORNIA, OF PRELIMINARY APPROVAL OF ENGINEER'S REPORT FOR ANNEXATION OF DPR 16-00014 TO CITY OF PERRIS MAINTENANCE DISTRICT NUMBER 84-1

WHEREAS, the City Council of the City of Perris (the "City") has previously formed special maintenance districts pursuant to the terms of the "Landscaping and Lighting Act of 1972" (the "Act"), being Division 15, Part 2 of the Streets and Highways Code of the State of California, including the special maintenance district known and designated as MAINTENANCE DISTRICT NO. 84-1 (the "District"); and

WHEREAS, on the 14th day of September, 2021, the City Council of the City of Perris, County of Riverside, California ("the City Council") adopted its Resolution Number ___ directing the Engineer of Work to prepare and file with the City Clerk of said City a report in writing as required by the Act in connection with the annexation of DPR 16-00014; and

WHEREAS, said Engineer of Work has prepared and filed with the City Clerk of said City a report (the "Engineer's Report") in writing as called for in said resolution and under and pursuant to said act, which report has been presented to this City Council for consideration; and

WHEREAS, said City Council has duly considered said report and each and every part thereof, and finds that each and every part of said report is sufficient, and that no portion of the report requires or should be modified in any respect.

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

Section 1. The above recitals are true and correct, and are incorporated herein by this reference.

Section 2. That the Engineer's estimate prepared by the City Engineer of the itemized costs and expenses of said work and of the incidental expenses in connection therewith, contained in said report be, and each of them are hereby, preliminary approved and confirmed.

Section 3. That the diagram showing the District referred to and described in said report, the boundaries of the subdivisions of the land within said District as the same existed at the time of passage of said Resolution, is hereby preliminarily approved and confirmed.

Section 4. That the proposed assessment upon the subdivisions of land in said District is in proportion to the estimated benefit to be received by said subdivision, respectively, from said work and of the incidental expenses thereof, as contained in said report is hereby preliminarily approved and confirmed.

Section 5. That said report shall stand as the Engineer's Report for the purposes of all subsequent proceedings, and pursuant to the proposed District.

ADOPTED, SIGNED and APPROVED this 14th day of September, 2021.

Mayor, Michael M. Vargas

Attest:

City Clerk, Nancy Salazar

STATE OF CALIFORNIA)
COUNTY OF RIVERSIDE) §
CITY OF PERRIS)

I, Nancy Salazar, City CLERK OF THE CITY OF PERRIS, CALIFORNIA, DO HEREBY CERTIFY that the foregoing Resolution Number _____ was duly and regularly adopted by the City Council of the City of Perris at a regular meeting held the 14th day of September, 2021, by the following called vote:

AYES:
NOES:
ABSENT:
ABSTAIN:

City Clerk, Nancy Salazar

Attachment No. 5

RESOLUTION NUMBER XXXX

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF PERRIS, COUNTY OF RIVERSIDE, STATE OF CALIFORNIA, DECLARING INTENTION TO ORDER THE ANNEXATION TO CITY OF PERRIS MAINTENANCE DISTRICT NUMBER 84-1, DECLARING THE WORK TO BE OF MORE LOCAL THAN ORDINARY PUBLIC BENEFIT; SPECIFYING THE EXTERIOR BOUNDARIES OF THE AREA TO BE ANNEXED TO MAINTENANCE DISTRICT NUMBER 84-1 AND TO BE ASSESSED THE COST AND EXPENSE THEREOF; DESIGNATING SAID ANNEXATION AS ANNEXATION OF DPR 16-00014 TO MAINTENANCE DISTRICT NUMBER 84-1; DETERMINING THAT THESE PROCEEDINGS SHALL BE TAKEN PURSUANT TO THE LANDSCAPING AND LIGHTING ACT OF 1972; AND OFFERING A TIME AND PLACE FOR HEARING OBJECTIONS THERETO ON NOVEMBER 9, 2021

WHEREAS, the City Council of the City of Perris (the "City") has previously formed special maintenance districts pursuant to the terms of the "Landscaping and Lighting Act of 1972" (the "Act"), being Division 15, Part 2 of the Streets and Highways Code of the State of California, including the special maintenance district known and designated as MAINTENANCE DISTRICT NO. 84-1 (hereinafter referred to as the "District"); and

WHEREAS, the provisions of Article II of Chapter 2 of the Act authorize the City Council to order the annexation of territory to the District; and

WHEREAS, on the 14th day of September, 2021, the City Council of the City of Perris, County of Riverside, California ("the City Council") adopted its Resolution Number ___ directing the Engineer of Work to prepare and file with the City Clerk of said City a report in writing as required by the Act; and

WHEREAS, said Engineer of Work has prepared and filed with the City Clerk of said City a report (the "Engineer's Report") in writing as called for in said resolution and under and pursuant to said act, which report has been presented to this City Council for consideration; and

WHEREAS, said City Council has duly considered the Engineer's Report and each and every part thereof, and has found that each and every part of the Engineer's Report is sufficient, and that no portion of the report requires or should be modified in any respect; and

WHEREAS, the City now desires to declare its intention to annex certain property into the District, pursuant to the Act and, more specifically, Section 22587 thereof, and to take certain other actions as required by the Act;

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

Section 1. Recitals. The Recitals set forth above are true and correct, and are incorporated herein by this reference.

Section 2. Description of Work: That the public interest and convenience requires and it is the intention of the City Council of the City of Perris to annex DPR 16-00014 to the District, and to order the following work be done, to wit:

1. Installation, construction, maintenance, and servicing of streetlight and traffic signal facilities as authorized by Section 22525 of the Streets and Highways Code, State of California.
2. Any and all work and materials appurtenant thereto or which are necessary or convenient for the maintenance and servicing thereof.

Section 3. Location of Work: The improvements to be maintained and serviced consist of the streetlights and traffic signals within said annexation.

Section 4. Description of Assessment District: That the contemplated work, in the opinion of said City Council, is of more local than ordinary public benefit, and this City Council hereby makes the expense of said work chargeable upon a District, which said District is assessed to pay the costs and expenses thereof, and which District is described as follows:

All that certain territory of the City of Perris included within the exterior boundary lines shown upon that certain "Diagram of Annexation of DPR 16-00014 to Maintenance District Number 84-1" heretofore approved by the City Council of said City by Resolution No. ____, indicating by said boundary line the extent of the territory included within the proposed assessment district and which map is on file in the office of the City Clerk of said City.

Reference is hereby made to said map for a further, full, and more particular description of said assessment district, and the said map so on file shall govern for all details as to the extent of said assessment district.

Section 5. Report of Engineer: The City Council of said City by Resolution Number ____ has preliminarily approved the report of the Engineer of Work which report indicated the amount of the proposed assessment, the district boundaries, assessment zones, detailed description of improvements, and the method of assessment. The report titled "Engineer's Report for Annexation of DPR 16-00014, to Maintenance District Number 84-1", is on file in the office of the City Clerk of said City. Reference to said report is hereby made for all particulars for the amount and extent of the assessments and for the extent of the work.

Section 6. Collection of Assessments: The assessment shall be collected at the same time and in the same manner as taxes for the County of Riverside are collected. The Engineer of Work shall file a report annually with the City Council of said City and said City Council will annually conduct a hearing upon said report at their regular meeting before August 10th, at which time assessments for the next Fiscal Year will be determined. That the annual assessment reflecting the reasonable cost of providing for the maintenance, servicing and operation of the streetlights and traffic signals and appurtenant facilities is \$46.28 per Benefit Unit (single family home). Each year the current maximum annual assessment shall be increased by an amount equal to the "Common Labor, Construction Cost Index", as published by Engineering News Record. If a deficit is projected for the upcoming fiscal year, the assessment can be further increased by an amount equal to the Southern California Edison rate increase projected for the upcoming fiscal year.

Section 7. Time and Place of Public Hearing: Notice is hereby given that on November 9, 2021, at 6:30 p.m., in the City Council Chambers of the City Council of the City of Perris, California, 101 North "D" Street, in the City of Perris, State of California, is hereby fixed as the time and place for a hearing by this City Council on the question of the levying and collection of the proposed assessments. That any and all persons having any objections to the work or the extent of the annexation to the assessment district may appear and show cause why said work should not be done or carried out or why said annexation to the district should not be confirmed in accordance with this Resolution of Intention. City Council will consider all oral and written protests.

Section 8. Landscaping and Lighting Act of 1972: All the work herein proposed shall be done and carried through in pursuance of an act of the legislature of the State of California designated the Landscaping and Lighting Act of 1972, being Division 15 of the Streets and Highways Code of the State of California.

Section 9. Publication of Resolution of Intention: The City Clerk shall cause this Resolution of Intention to be published one time as required by Section 22552 of the California Streets and Highways Code, occurring no later than 10 days prior to the public hearing at which the City Council will consider levying the proposed special assessments. The published notice will encompass one-eighth of a newspaper page. The Perris City News is hereby designated as the newspaper in which the City Clerk shall publish this Resolution of Intention. Upon completion of giving notice, the City Clerk is further directed to file in her office a proof of publication setting forth compliance with the requirements for publishing.

Section 10. Mailing of Notice: The City Clerk shall also give notice by a first-class mailing to all owners of property subject to any new or increased assessments. The notice shall be mailed no later than 45 days prior to the public hearing at which the City Council will consider levying the new or increased assessments and shall be at least in 10-point type. The form of said notice shall conform in all respects with the requirements of subdivision (b) of Section 53753 of the Government Code and pursuant to subdivision (c) of that section, each

notice shall contain an assessment ballot whereon the property owner may indicate support or opposition to the proposed assessment.

Section 11. Designation of Contact Person: That this City Council does hereby designate, Stuart McKibbin, Contract City Engineer of the City of Perris, (951) 943-6504 as the person to answer inquiries regarding the District and the proposed annexation thereto.

Section 12. Certification: The City Clerk shall certify to the adoption of this Resolution.

ADOPTED, SIGNED and APPROVED this 14th day of September, 2021.

Mayor, Michael M. Vargas

Attest:

City Clerk, Nancy Salazar

RESOLUTION NUMBER XXXX

Page 5

STATE OF CALIFORNIA)
COUNTY OF RIVERSIDE) §
CITY OF PERRIS)

I, Nancy Salazar, CITY CLERK OF THE CITY OF PERRIS, CALIFORNIA, DO HEREBY CERTIFY that the foregoing Resolution Number XXX was duly and regularly adopted by the City Council of the City of Perris at a regular meeting held the 14th day of September, 2021, by the following called vote:

AYES:
NOES:
ABSENT:
ABSTAIN:

City Clerk, Nancy Salazar



CITY OF PERRIS

CITY COUNCIL

AGENDA SUBMITTAL

MEETING DATE: September 14, 2021

SUBJECT: Annexation of DPR 16-00014 to Landscape Maintenance District No. 1 (LMD 1)
 Owner(s): SA Golden Investments Inc
 APN(s): 313-273-010, located southwest corner of 10th Street and south D Street

REQUESTED ACTION:

1. Adoption of Resolution Ordering Preparation of the Engineer's Report
2. Adoption of Resolution Preliminarily Approving Engineer's Report
3. Adoption of Resolution of Intention to Annex DPR 16-00014 and setting a public hearing date of November 9, 2021

CONTACT: Stuart McKibbin, Contract City Engineer

BACKGROUND/DISCUSSION: DPR 16-00014 (Perris Apartments) is a construction of a three-story multi-use building (commercial on the 1st floor and residential on the 2nd and 3rd floors) within the Downtown Specific Plan. (See attached Boundary Map).

Annexation of DPR 16-00014 will allow the City to finance the annual maintenance of landscape improvements to be installed adjacent to the project that benefits this property.

BUDGET (or FISCAL) IMPACT: The current maximum annual assessment is \$3,473.89. Each year the current maximum annual assessment shall be increased by an amount equal to the "Common Labor, Construction Cost Index", as published by Engineering News Record. If a deficit is projected for the upcoming fiscal year, the assessment can be further increased by an amount equal to the Southern California Edison and the Eastern Municipal Water District rate percent increase(s) projected for the upcoming fiscal year.

Prepared by: Daniel Louie, Willdan Financial Services

REVIEWED BY:

City Attorney _____
 Assistant City Manager _____
 Finance Director SR

Attachments:

- 1. Vicinity Map**
- 2. Resolution Ordering Preparation of the Engineer's Report**
- 3. Engineer's Report**
- 4. Resolution Preliminarily Approving Engineer's Report**
- 5. Resolution of Intention to Annex DPR 16-00014 to Landscape Maintenance District No. 1**

Consent:

Public Hearing:

Business Item:

Presentation:

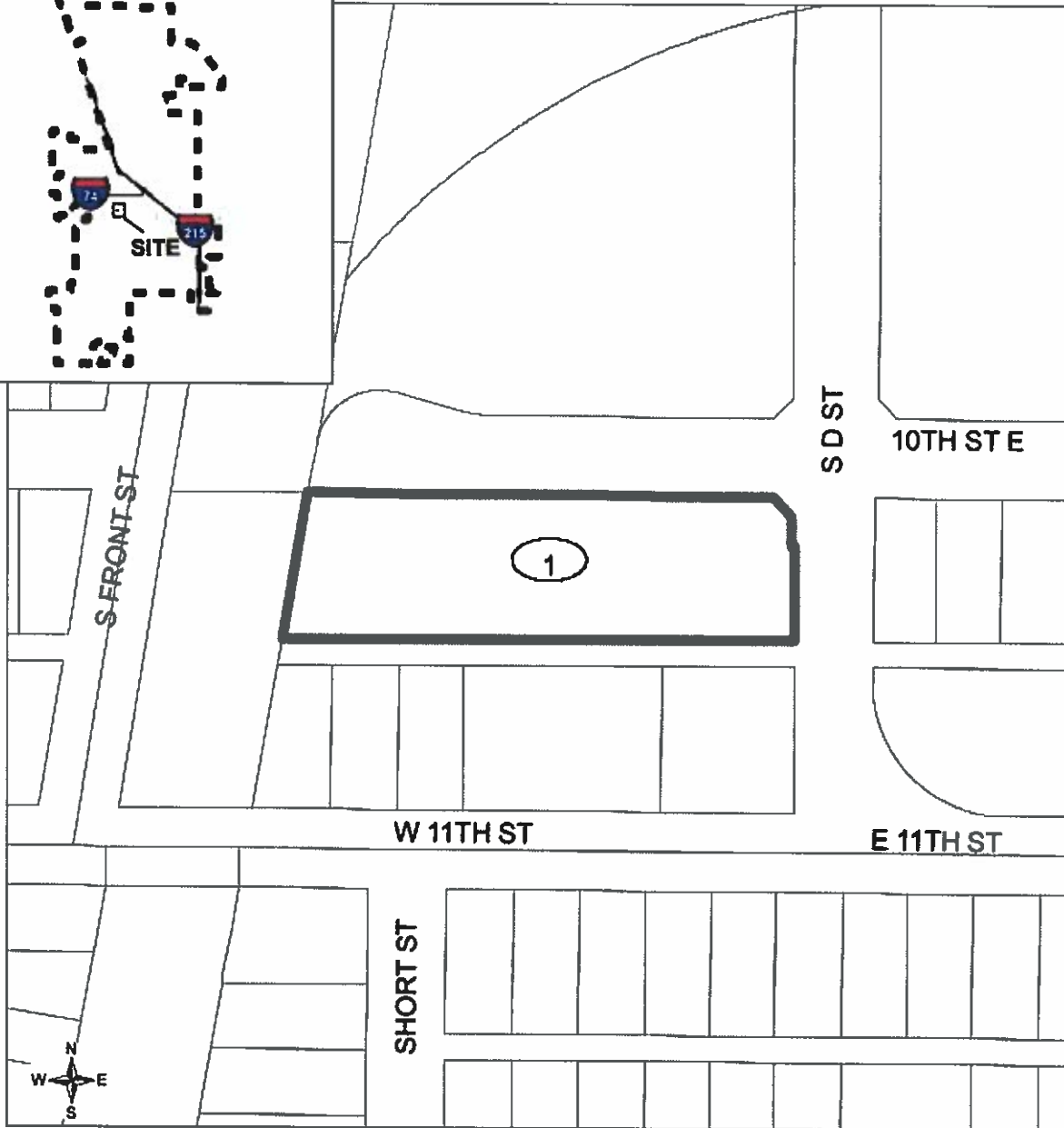
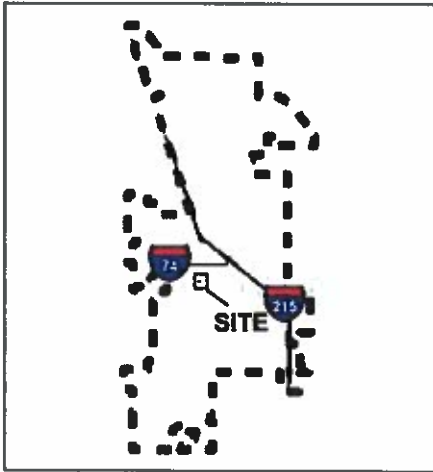
Other:

Attachment No. 1

DIAGRAM OF ANNEXATION OF DPR 16-00014 TO BENEFIT ZONE 159 LANDSCAPE MAINTENANCE DISTRICT NO. 1

CITY OF PERRIS
COUNTY OF RIVERSIDE
STATE OF CALIFORNIA

SITE LOCATION



Legend

-  ANNEXATION BOUNDARY
-  MAP REFERENCE NUMBER

MAP REFERENCE NUMBER	ASSESSOR'S PARCEL NUMBER
1	313-273-010



REFERENCE THE RIVERSIDE COUNTY ASSESSOR'S MAPS FOR ALL DETAILS CONCERNING THE LINES AND DIMENSIONS OF SUCH LOTS OR PARCELS.

Attachment No. 2

RESOLUTION NUMBER XXXX

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF PERRIS, COUNTY OF RIVERSIDE, STATE OF CALIFORNIA, INITIATING PROCEEDINGS, APPOINTING THE ENGINEER OF WORK, ORDERING THE PREPARATION OF A DISTRICT MAP INDICATING THE PROPOSED BOUNDARIES OF AN ANNEXATION TO THE CITY OF PERRIS LANDSCAPE MAINTENANCE DISTRICT NUMBER 1, AND FOR PROVIDING OTHER ENGINEERING SERVICES IN THE MATTER OF THE ANNEXATION OF BENEFIT ZONE 159 DPR 16-00014 TO LANDSCAPE MAINTENANCE DISTRICT NUMBER 1

WHEREAS, the City Council of the City of Perris (the "City") has previously formed special maintenance districts pursuant to the terms of the "Landscaping and Lighting Act of 1972" (the "Act"), being Division 15, Part 2 of the Streets and Highways Code of the State of California, including the special maintenance district known and designated as LANDSCAPE MAINTENANCE DISTRICT NO. 1 (the "District"), and created BENEFIT ZONE 159 therein (hereinafter referred to as the "Benefit Zone 159"); and

WHEREAS, it has been determined by the City Council of the City of Perris, County of Riverside, California, that the public interest, convenience and necessity requires the installation and planting of landscape materials and the installation and construction of an irrigation system and other facilities set forth in Section 22525 of the Streets and Highways Code, State of California, and the maintenance thereof, all within the incorporated boundaries of the City of Perris, California; and

WHEREAS, the City Council has heretofore appointed Stuart McKibbin, the Contract City Engineer for the City of Perris, as the "Engineer of Work" for Landscape Maintenance District Number 1 and Willdan Financial Services has heretofore been appointed for the purpose of assisting in the preparation of the written report provided for in Section 22567 of Chapter 1 of Part 2 of Division 15 of the Streets and Highways Code, State of California.

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

Section 1. The above recitals are true and correct and are incorporated herein by this reference.

Section 2. That the public interest, convenience and necessity, requires the annexation to a maintenance district for the purpose of installing, constructing and maintaining the installation and planting of landscape materials and the installation and construction of an irrigation system and other facilities authorized by Section 22525 of the Streets and Highways Code, State of California.

Section 3. That DPR 16-00014 be defined as that area to be annexed to Benefit Zone 159, City of Perris Landscape Maintenance District Number 1.

Section 4. That the lands to be specially charged for the installation, construction, and maintenance of the facilities shall be the area within the boundaries of the annexation to the district generally indicated on the map entitled "Diagram of Annexation of DPR 16-00014, to Benefit Zone 159, Landscape Maintenance District Number 1, City of Perris, County of Riverside, State of California."

Section 5. That the proceedings are to be conducted for said annexation to the maintenance district under and in accordance with provisions of Division 15 of the Streets and Highways Code (Landscaping and Lighting Act of 1972) of the State of California.

Section 6. That Stuart McKibbin, the Contract City Engineer for the City of Perris, is hereby appointed the "Engineer of Work" and all provisions of Division 15 applicable to the Engineer shall apply to said "Engineer of Work" and Willdan Financial Services, is hereby appointed for the purpose of assisting in the preparation of the written report provided for in Section 22567 of said Division 15 of the Streets and Highways Code.

Section 7. That Stuart McKibbin, the Contract City Engineer for the City of Perris, is hereby designated to sign all papers and documents in connection with the proceedings for the annexation to said maintenance district, acting in the capacity of the Engineer of Work.

Section 8. That the cost of maintaining the facilities set forth herein in subject annexation to the district shall be borne by the property owners within the subject annexation to the district, said cost to be assessed and collected in accordance with said Landscaping and Lighting Act of 1972.

Section 9. That the Engineer of Work is hereby ordered to prepare a report in accordance with Article 4 of said maintenance act, and is hereby directed to prepare and file such report with the City Clerk.

ADOPTED, SIGNED and APPROVED this 14th day of September, 2021.

Mayor, Michael M. Vargas

ATTEST:

City Clerk, Nancy Salazar

STATE OF CALIFORNIA)
COUNTY OF RIVERSIDE) §
CITY OF PERRIS)

I, Nancy Salazar, CITY CLERK OF THE CITY OF PERRIS, CALIFORNIA, DO HEREBY CERTIFY that the foregoing Resolution Number XXX was duly and regularly adopted by the City Council of the City of Perris at a regular meeting thereof held 14th day of September, 2021, by the following called vote:

AYES:
NOES:
ABSENT:
ABSTAIN:

City Clerk, Nancy Salazar

Attachment No. 3

AGENCY: City of Perris

PROJECT: Annexation of DPR 16-00014
To Benefit Zone 159, Landscape Maintenance District No. 1

TO: City Council
City of Perris
State of California

REPORT PURSUANT TO "LANDSCAPING AND LIGHTING ACT OF 1972"

Pursuant to the direction from the City Council, submitted herewith is the "Report," consisting of the following parts, pursuant to the provisions of Division 15, Part 2 of the Streets and Highways Code of the **STATE OF CALIFORNIA**, being the "Landscaping and Lighting Act of 1972", as amended. This "Report" provides for the annexation into the District of additional parcels and the levy of assessments for the fiscal year commencing July 1, 2021 to June 30, 2022, for that area to be known and designated as:

**"Annexation of DPR 16-00014
To Benefit Zone 159, Landscape Maintenance District No. 1"**

I do hereby assess and apportion the total amount of the costs and expenses upon the several parcels of land within said designated area liable therefor and benefited thereby, in proportion to the estimated benefits that each parcel receives, respectively, from said maintenance works of improvement and appurtenances.

Executed this 14th day of September, 2021.

**STUART MCKIBBIN, City Engineer
CITY OF PERRIS
STATE OF CALIFORNIA**

Final approval, confirmation and levy of the annual assessment and all matters relating to annexation and the Engineer's "Report" were made on the 9th day of November, 2021, by adoption of Resolution _____ of the City Council.

**City Clerk
CITY OF PERRIS
STATE OF CALIFORNIA**

A copy of the Assessment Roll and Engineer's "Report" were filed in the Office of the City Clerk on the 14th day of September, 2021.

**City Clerk
CITY OF PERRIS
STATE OF CALIFORNIA**

Report

PART 1. Plans and Specifications for the improvements to be maintained and/or improved for a fiscal year have been or will be designed for acceptance by the City of Perris.

The first category of improvements to be maintained includes the hardscape and appurtenances along the western frontage of "D" Street between 10th and the alley south of the subject property.

The second category of improvements to be maintained includes the landscaping, irrigation, and appurtenances along 10th street adjacent to the subject property in the City right-of-way. The property owner will be responsible for the maintenance of the improvements. However, if the property owner fails to adequately maintain the landscaping the levy shall commence upon default.

Reference is made to the landscaping plans and specifications for improvements as prepared by IMA, entitled, "Landscape Construction Documents for: D Street Public Area Enhancement Project 6th – 8th St., 4th St., 5th St. and 10th – 11th St. Federal Project No: ,City of Perris, California."

Reference is also made to the landscaping plans and specifications for improvements as prepared by Richard Pope and Associates Landscape Architecture entitled, "Perris Apartments – 15 units, Landscape Improvement Plans SWC D Street & 10th Street, Perris, CA 92570, APN# 313-273-010."

Upon final approval, plans and specifications for the improvements are or will be on file in the City of Perris Office of Public Works and, by reference, are hereby made a part of this report to the same extent as if said plans and specifications were attached hereto. The plans and specifications will sufficiently show and describe the general nature, location, and extent of all the improvements.

PART 2. An Estimate of the cost for the improvements to be maintained and/or improved for a given fiscal year includes labor, water, electricity, materials and plant replacement, and appurtenances. Incidental costs include annual engineering, legal, City Clerk, Finance Department, and Public Works expenses, including the processing of payments and the submittal of billings to the Riverside County Auditor for placement on the tax roll.

Due to the soil, water, exposure, and pedestrian traffic, plant replacement in parkways is estimated at a 2.5% die-off rate at 2.5-foot on-center. Tree trimming is scheduled to occur every other year. Mulch is applied every three years and irrigation replacement/repairs are scheduled to occur every fifth year.

The maximum annual assessment is based on the estimated cost of maintaining the plants at maturity. The annual assessment levied will be based on the actual expenses incurred by Benefit Zone 159 (BZ 159).

The annual cost for maintenance of the public improvements is estimated as follows:

<u>"D" Street Improvements</u>			Unit	Years	Annual
<u>Item</u>	<u>Quantity</u>	<u>Unit*</u>	<u>Cost</u>	<u>Occurrence</u>	<u>Cost</u>
Exposed Aggregate Concrete	1,445	SF	11.00	20	\$794.75
Pavers	595	SF	0.78	1	<u>461.13</u>
Subtotal "D" Street Maintenance					\$1,255.88
Incidentals					\$251.18
Total "D" Street costs					\$1,507.06

<u>10th Street Improvements - (If City Maintained)</u>			Unit	Years	Annual
<u>Item</u>	<u>Quantity</u>	<u>Unit*</u>	<u>Cost</u>	<u>Occurrence</u>	<u>Cost</u>
Maintenance - Ground Cover	1,015	SF	\$0.54	1	\$548.10
Plant Replacement	5	EA	15.75	1	78.75
Tree Trimming	9	EA	100.00	2	450.00
Trees - Water	9	EA	50.00	1	450.00
Irrigation Repairs & Replacement Fund	1,015	SF	0.06	5	12.18
Mulch	10	CY	30.00	3	<u>100.00</u>
Subtotal 10th Street Maintenance					\$1,639.03
Incidentals					\$327.81
Total 10th Street costs					\$1,966.84

*** Units Legend:**

CY = Cubic Yard; EA = Each; SF =Square Feet

A 6-month tax roll reserve provides funding for the cost of servicing and maintenance prior to the receipt of tax collections from the County of Riverside. The fiscal year begins July 1 and the first installment from the tax roll collections is usually distributed by the County of Riverside the following January. A 6-month tax roll reserve, based on the annual cost of all the improvements is \$1,736.95.

The property owner shall be responsible for the maintenance and upkeep of the public parkway landscaping set forth herein for a period of one year after acceptance of the improvements by the City of Perris. Benefit Zone 159, for the fiscal year commencing July 1, 2021 to June 30, 2022, will incur zero costs.

The property owner will have the option of being responsible for the maintenance of the improvements. If chosen, the assessment of taxes and fees shall be levied for the first year only. Thereafter, the levy shall be suspended. However, if the property owner fails to adequately maintain the landscaping the levy shall recommence upon default.

PART 3. The Assessment Roll shows the proportionate amount of the assessment to be charged in proportion to the benefits to be received by each lot or parcel within the exterior boundaries of BZ 159, as shown on the Diagram, enclosed herein as Part 4.

The area within BZ 159 specifically benefits from the landscaping improvements and maintenance of parkways along the street that border BZ 159. DPR 16-00014 is conditioned for the improvement of certain parkways as a requirement for development.

The method of assessment is based on units, with 1 benefit unit assigned to the net area within Benefit Zone 159. The current maximum annual assessment reflecting the reasonable cost of providing for the maintenance and servicing of the public improvements and appurtenant facilities within Benefit Zone 159 is equal to \$1,507.06 per benefit unit for the first category of improvements and \$1,966.84 per benefit unit for the second category. **If both categories of improvements are maintained by the City, the total maximum annual assessment will be \$3,473.89.** The Benefit Units assigned and the corresponding current maximum annual assessment, per Parcel within Benefit Zone 159, are listed as follows:

<u>Parcel</u>	<u>Taxable Acreage/ Benefit Units</u>	<u>Estimated Maximum Annual Assessment</u>		
		<u>First Category</u>	<u>Second Category</u>	<u>Total</u>
313-273-010	1.00	\$1,507.06	\$1,966.84	\$3,473.89
Totals	1.00	\$1,507.06	\$1,966.84	\$3,473.89

Each year the current maximum annual assessment shall be increased by an amount equal to the "Common Labor, Construction Cost Index", as published by Engineering News Record. If a deficit is projected for the upcoming fiscal year, the assessment can be further increased by an amount equal to the Southern California Edison and the Eastern Municipal Water District rate percent increase(s) projected for the upcoming fiscal year.

For the current maximum annual assessment and the assessment for the fiscal year commencing July 1, 2021 to June 30, 2022, reference is made to the Assessment Roll included herein as Attachment No. 1.

PART 4. A Diagram of the Annexation. The boundary of the area to be annexed is coincident with the boundary of DPR 16-00014. Said boundary is designated as "Diagram of Annexation of DPR 16-00014 to Benefit Zone 159, Landscape Maintenance District No. 1, City of Perris, County of Riverside, State of California". The Diagram is included herein as Attachment No. 2, which shows the boundaries of the area of benefit. Reference is made to the County Assessor's Maps for a detailed description of the lines and dimensions of any lots or parcels. The lines and dimensions of each lot shall conform to those shown on the County Assessor's Maps for the fiscal year to which the "Report" applies.

PART 5. A Consent and Waiver for Annexation to the District has been signed by the owner of the area within the proposed annexation. Said consent and waiver are included herein as Attachment No. 3.

**Assessment Roll
Annexation of DPR 16-00014
To Benefit Zone 159,
Landscape Maintenance District No. 1, City of Perris**

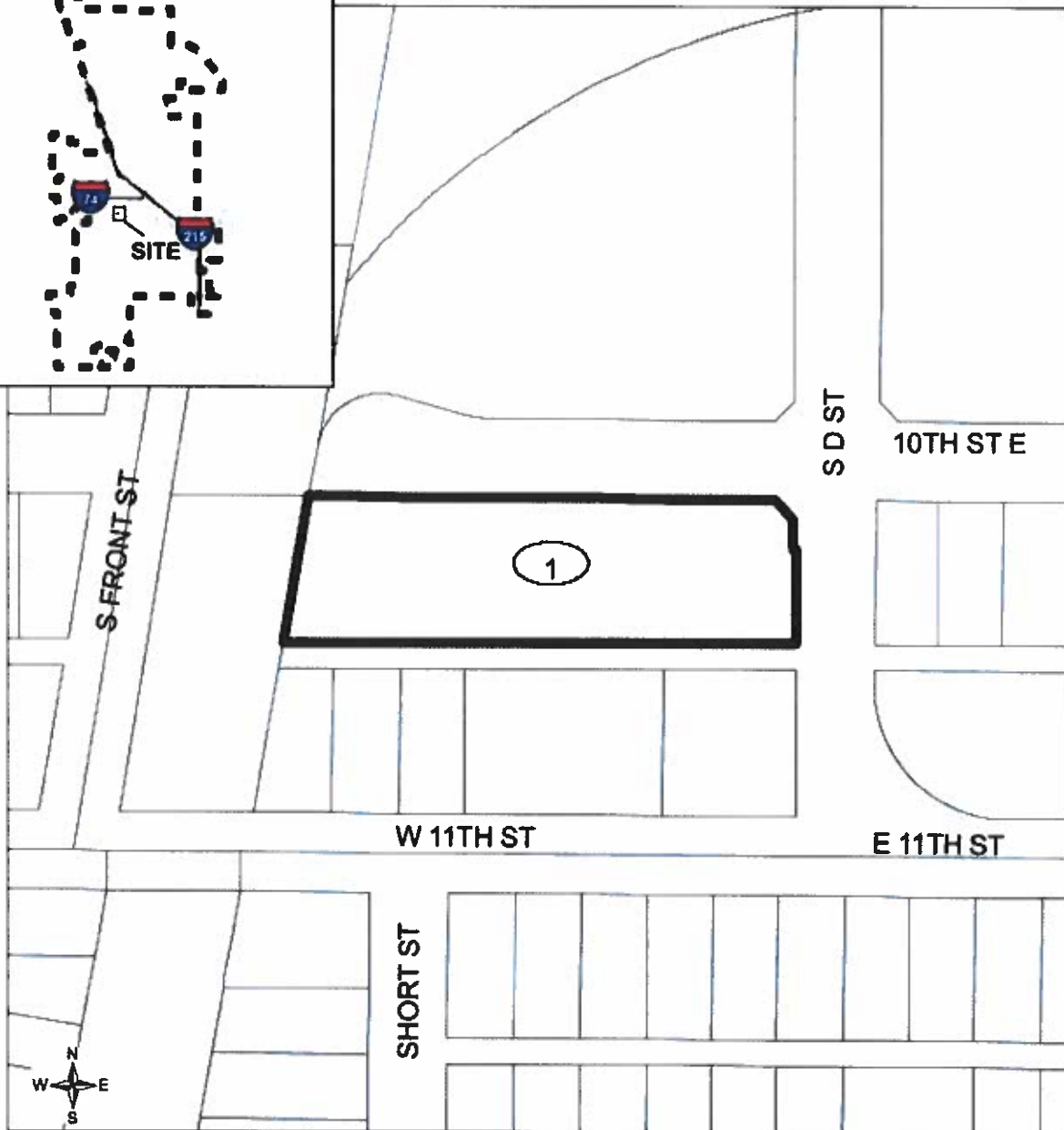
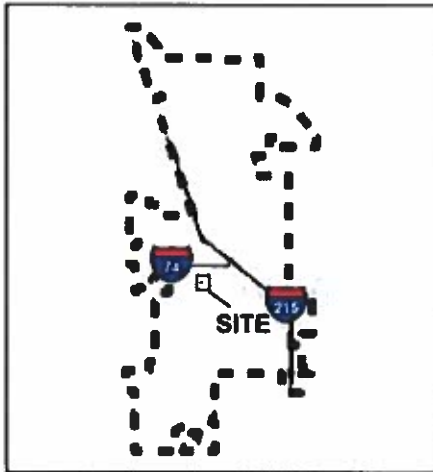
<u>Assessment Number</u>	<u>Description</u>	<u>Assessor Parcel Numbers</u>	<u>Estimated Annual Assessment</u>	<u>Fiscal Year 2021/2022</u>
1	DPR 16-00014	313-273-010	\$3,473.89	0.00

Each year the current maximum annual assessment shall be increased by an amount equal to the "Common Labor, Construction Cost Index", as published by Engineering News Record. If a deficit is projected for the upcoming fiscal year, the assessment can be further increased by an amount equal to the Southern California Edison and the Eastern Municipal Water District rate percent increase(s) projected for the upcoming fiscal year.

DIAGRAM OF ANNEXATION OF DPR 16-00014 TO BENEFIT ZONE 159 LANDSCAPE MAINTENANCE DISTRICT NO. 1

CITY OF PERRIS
COUNTY OF RIVERSIDE
STATE OF CALIFORNIA

SITE LOCATION



Legend

- ANNEXATION BOUNDARY
- MAP REFERENCE NUMBER

MAP REFERENCE NUMBER	ASSESSOR'S PARCEL NUMBER
1	313-273-010



REFERENCE THE RIVERSIDE COUNTY ASSESSOR'S MAPS FOR ALL DETAILS CONCERNING THE LINES AND DIMENSIONS OF SUCH LOTS OR PARCELS.

CONSENT AND WAIVER TO ANNEXATION

WHEREAS, the CITY COUNCIL of the CITY OF PERRIS, CALIFORNIA, has previously formed special maintenance districts pursuant to the terms of the "Landscaping and Lighting Act of 1972" (the "Act"), being Division 15, Part 2 of the Streets and Highways Code of the State of California, said special maintenance districts known and designated as LANDSCAPE MAINTENANCE DISTRICT NO. 1 and MAINTENANCE DISTRICT NO. 84-1 (hereinafter referred to as the "Maintenance Districts"); and,

WHEREAS, the provisions of Article II of Chapter 2 of the Act authorize the CITY COUNCIL of the CITY OF PERRIS, CALIFORNIA to order the annexation of territory to the Maintenance Districts; and,

WHEREAS, the CITY COUNCIL of the CITY OF PERRIS, CALIFORNIA may, pursuant to said provisions of the Act, order the annexation of territory to the Maintenance Districts without notice and hearing or filing of an Engineer's "Report" as would otherwise be required by the provisions of the Act if all of the owners of property within the territory proposed to be annexed, have given written consent to the proposed annexation; and,


WHEREAS, the undersigned, the owners of all property within the territory proposed to be annexed to the Maintenance Districts, acknowledge that pursuant to the provisions of the Act, the undersigned would be entitled to notice and hearing and the preparation of an Engineer's "Report" pertaining to the annexation of the property, acknowledge that they are aware of the proposed annexation to the Maintenance Districts of the property owned by the undersigned, and waives any and all right which the undersigned may now have to notice and hearing or the filing of an Engineer's "Report" pertaining to the annexation of the undersigned's property to the Maintenance Districts.

NOW, THEREFORE, it is hereby declared by the undersigned property owners as follows:

SECTION 1. That the above recitals are all true and correct.

SECTION 2. That the undersigned, constituting the owners of the property described in Exhibit "A" attached hereto and incorporated herein by this reference and further constituting all of the property within the territory proposed to be annexed to the Maintenance Districts, hereby consent to the proposed annexation of said property to the Maintenance Districts without notice and hearing or filing of an Engineer's "Report" pertaining to such annexation.

Dated: 3/13/21


Signature

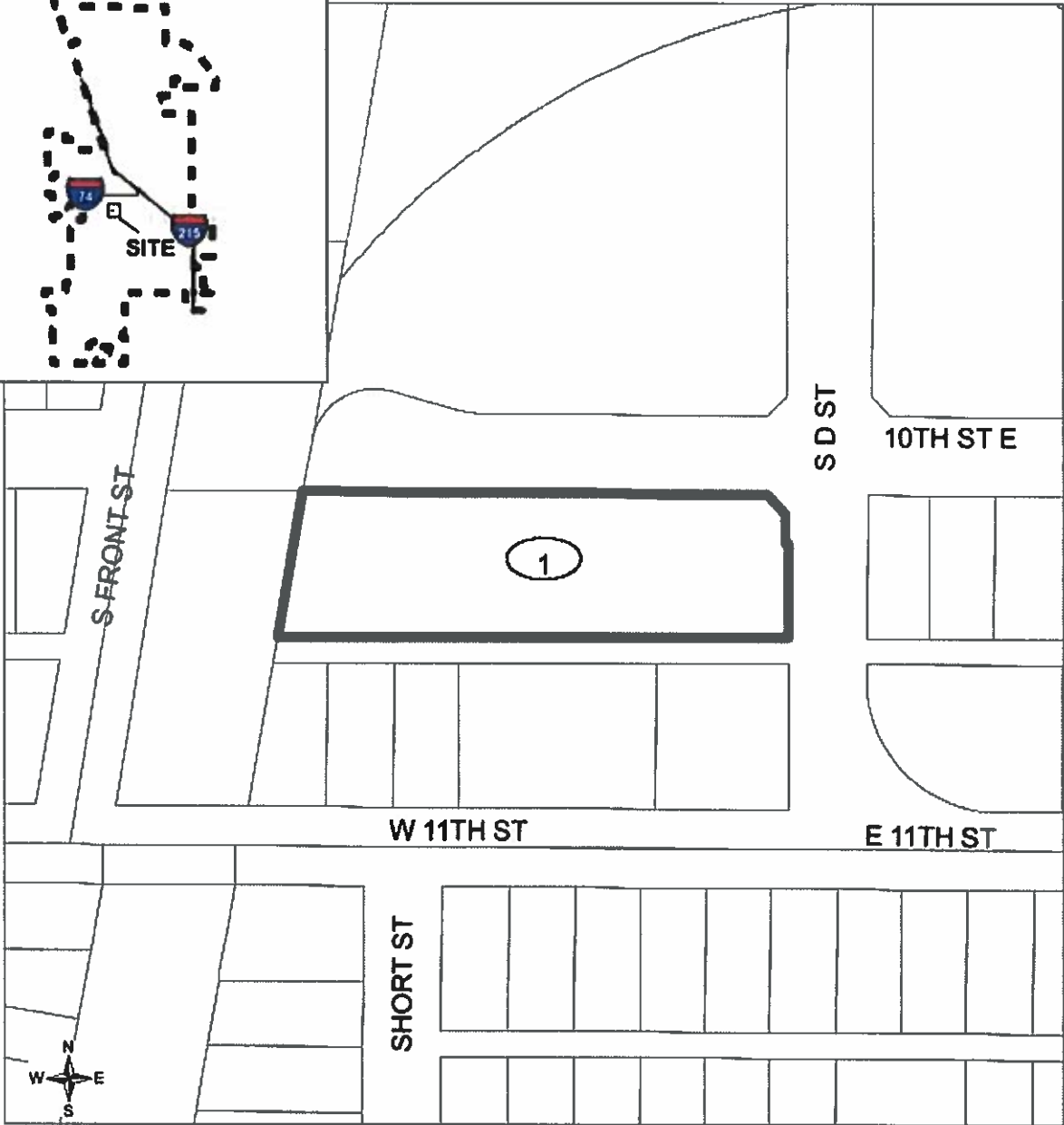
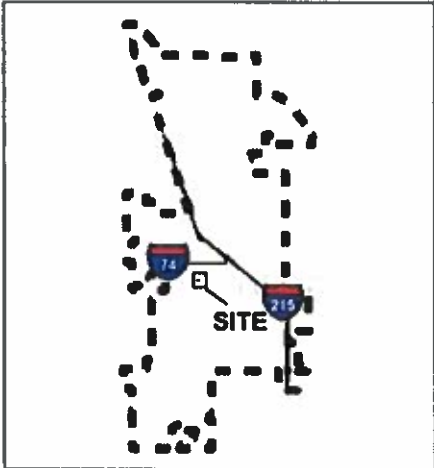
SA Golden Investments
918 S Teakwood Ave
Bloomington Ca 92316



List Property Owner Name and Mailing Address 909-519-3346

EXHIBIT A TO CONSENT AND WAIVER ANNEXATION OF DPR 16-00014 TO BENEFIT ZONE 159 LANDSCAPE MAINTENANCE DISTRICT NO. 1

CITY OF PERRIS
COUNTY OF RIVERSIDE
STATE OF CALIFORNIA

SITE LOCATION



- Legend**
-  ANNEXATION BOUNDARY
 -  MAP REFERENCE NUMBER

MAP REFERENCE NUMBER	ASSESSOR'S PARCEL NUMBER
1	313-273-010



REFERENCE THE RIVERSIDE COUNTY ASSESSOR'S MAPS FOR ALL DETAILS CONCERNING THE LINES AND DIMENSIONS OF SUCH LOTS OR PARCELS.

Attachment No. 4

RESOLUTION NUMBER XXXX

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF PERRIS, COUNTY OF RIVERSIDE, STATE OF CALIFORNIA, OF PRELIMINARY APPROVAL OF ENGINEER'S REPORT FOR ANNEXATION OF DPR 16-00014 TO BENEFIT ZONE 159, CITY OF PERRIS LANDSCAPE MAINTENANCE DISTRICT NUMBER 1

WHEREAS, the City Council of the City of Perris (the "City") has previously formed special maintenance districts pursuant to the terms of the "Landscaping and Lighting Act of 1972" (the "Act"), being Division 15, Part 2 of the Streets and Highways Code of the State of California, including the special maintenance district known and designated as LANDSCAPE MAINTENANCE DISTRICT NO. 1 (the "District"), and created Benefit Zone 159 therein (hereinafter referred to as the "Benefit Zone 159"); and

WHEREAS, on the 14th day of September, 2021, the City Council of the City of Perris, County of Riverside, California ("the City Council") adopted its Resolution Number _____ directing the Engineer of Work to prepare and file with the City Clerk of said City a report in writing as required by Act in connection with the annexation of DPR 16-00014 to Benefit Zone 159; and

WHEREAS, said Engineer of Work has prepared and filed with the City Clerk of said City a report (the "Engineer's Report") in writing as called for in said resolution and under and pursuant to said act, which report has been presented to this City Council for consideration; and

WHEREAS, said City Council has duly considered said report and each and every part thereof, and finds that each and every part of said report is sufficient, and that no portion of the report requires or should be modified in any respect.

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

Section 1. The above recitals are true and correct and are incorporated herein by this reference.

Section 2. That the Engineer's estimate prepared by the City Engineer of the itemized costs and expenses of said work and of the incidental expenses in connection therewith, contained in said report be, and each of them are hereby, preliminary approved and confirmed.

Section 3. That the diagram showing the District referred to and described in said report, the boundaries of the subdivisions of the land within said District as the same existed at the time of passage of said Resolution, is hereby preliminarily approved and confirmed.

Section 4. That the proposed assessment upon the subdivisions of land in said District is in proportion to the estimated benefit to be received by said subdivision, respectively, from said work and of the incidental expenses thereof, as contained in said report is hereby preliminarily approved and confirmed.

Section 5. That said report shall stand as the Engineer's Report for the purposes of all subsequent proceedings, and pursuant to the proposed District.

ADOPTED, SIGNED and APPROVED this 14th day of September, 2021.

Mayor, Michael M. Vargas

ATTEST:

City Clerk, Nancy Salazar

STATE OF CALIFORNIA)
COUNTY OF RIVERSIDE) ss
CITY OF PERRIS)

I, Nancy Salazar, CITY CLERK OF THE CITY OF PERRIS, CALIFORNIA, DO HEREBY CERTIFY that the foregoing Resolution Number XXX was duly and regularly adopted by the City Council of the City of Perris at a regular meeting thereof 14th day of September, 2021, by the following called vote:

AYES:
NOES:
ABSENT:
ABSTAIN:

City Clerk, Nancy Salazar

Attachment No. 5

RESOLUTION NUMBER XXXX

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF PERRIS, COUNTY OF RIVERSIDE, STATE OF CALIFORNIA, DECLARING INTENTION TO ORDER THE ANNEXATION TO BENEFIT ZONE 159, CITY OF PERRIS LANDSCAPE MAINTENANCE DISTRICT NUMBER 1, DECLARING THE WORK TO BE OF MORE LOCAL THAN ORDINARY PUBLIC BENEFIT; SPECIFYING THE EXTERIOR BOUNDARIES OF THE AREA TO BE ANNEXED TO BENEFIT ZONE 159, LANDSCAPE MAINTENANCE DISTRICT NUMBER 1 AND TO BE ASSESSED THE COST AND EXPENSE THEREOF; DESIGNATING SAID ANNEXATION AS ANNEXATION OF DPR 16-00014 TO BENEFIT ZONE 159, LANDSCAPE MAINTENANCE DISTRICT NUMBER 1; DETERMINING THAT THESE PROCEEDINGS SHALL BE TAKEN PURSUANT TO THE LANDSCAPING AND LIGHTING ACT OF 1972; AND OFFERING A TIME AND PLACE FOR HEARING OBJECTIONS THERETO ON NOVEMBER 9, 2021

WHEREAS, the City Council of the City of Perris (the "City") has previously formed special maintenance districts pursuant to the terms of the "Landscaping and Lighting Act of 1972" (the "Act"), being Division 15, Part 2 of the Streets and Highways Code of the State of California, including the special maintenance district known and designated as LANDSCAPE MAINTENANCE DISTRICT NO. 1 (the "District"), and created BENEFIT ZONE 159 therein (hereinafter referred to as the "Benefit Zone 159"); and

WHEREAS, the provisions of Article II of Chapter 2 of the Act authorize the City Council to order the annexation of territory to the District; and

WHEREAS, on the 14th day of September, 2021, the City Council of the City of Perris, County of Riverside, California ("the City Council") adopted its Resolution Number ___ directing the Engineer of Work to prepare and file with the City Clerk of said City a report in writing as required by the Act; and

WHEREAS, said Engineer of Work has prepared and filed with the City Clerk of said City a report (the "Engineer's Report") in writing as called for in said resolution and under and pursuant to said act, which report has been presented to this City Council for consideration; and

WHEREAS, said City Council has duly considered the Engineer's Report and each and every part thereof, and has found that each and every part of the Engineer's Report is sufficient, and that no portion of the report requires or should be modified in any respect; and

WHEREAS, the City now desires to declare its intention to annex certain property into Benefit Zone 159 of the District, pursuant to the Act and, more specifically, Section 22587 thereof, and to take certain other actions as required by the Act;

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

Section 1. Recitals. The Recitals set forth above are true and correct, and are incorporated herein by this reference.

Section 2. Description of Work: That the public interest and convenience requires, and it is the intention of the City Council of the City of Perris to annex DPR 16-00014 to Benefit Zone 159 of the District, and to order the following work be done, to wit:

1. Installation, construction, maintenance, and servicing of landscaping as authorized by Section 22525 of the Streets and Highways Code, State of California.
2. Any and all work and materials appurtenant thereto or which are necessary or convenient for the maintenance and servicing thereof.

Section 3. Location of Work: The improvements to be maintained and serviced include the irrigation system, landscaping, and appurtenances benefiting DPR 16-00014. The landscaping, irrigation, and appurtenances to be maintained are the parkways on 10th Street along the frontage of DPR 16-00014, and the hardscape and appurtenances along the western frontage of "D" Street between 10th and the alley south of the subject property.

Section 4. Description of Assessment District: That the contemplated work, in the opinion of said City Council, is of more local than ordinary public benefit, and this City Council hereby makes the expense of said work chargeable upon a District, which said District is assessed to pay the costs and expenses thereof, and which District is described as follows:

All that certain territory of the City of Perris included within the exterior boundary lines shown upon that certain "Diagram of Annexation of DPR 16-00014 to Benefit Zone 159, Landscape Maintenance District Number 1" heretofore approved by the City Council of said City by Resolution No ____, indicating by said boundary line the extent of the territory included within the proposed assessment district and which map is on file in the office of the City Clerk of said City.

Reference is hereby made to said map for a further, full, and more particular description of said assessment district, and the said map so on file shall govern for all details as to the extent of said assessment district.

Section 5. Report of Engineer: The City Council of said City by Resolution Number ____ has preliminarily approved the report of the Engineer of Work which report indicated the amount of the proposed assessment, the district boundaries, assessment zones, detailed description of improvements, and the method of assessment. The report titled "Engineer's Report for Annexation of DPR 16-00014 to Benefit Zone 159, Landscape Maintenance District Number 1", is on file in the office of the City Clerk of said City. Reference to said report is hereby made for all particulars for the amount and extent of the assessments and for the extent of the work.

Section 6. Collection of Assessments: The assessment shall be collected at the same time and in the same manner as taxes for the County of Riverside are collected. The Engineer of Work shall file a report annually with the City Council of said City and said City Council will annually conduct a hearing upon said report at their regular meeting before August 10th, at which time assessments for the next Fiscal Year will be determined. That the annual assessment reflecting the reasonable cost of providing for the maintenance, servicing and operation of the public landscaping and appurtenant facilities is equal to \$3,473.89 per Benefit Unit. Each year the current maximum annual assessment shall be increased by an amount equal to the "Common Labor, Construction Cost Index", as published by Engineering News Record. If a deficit is projected for the upcoming fiscal year, the assessment can be further increased by an amount equal to the Southern California Edison and the Eastern Municipal Water District rate percent increase(s) projected for the upcoming fiscal year.

Section 7. Time and Place of Public Hearing: Notice is hereby given that on November 9, 2021, at 6:30 p.m., in the City Council Chambers of the City Council of the City of Perris, California, 101 North "D" Street, in the City of Perris, State of California, is hereby fixed as the time and place for a hearing by this City Council on the question of the levying and collection of the proposed assessments. That any and all persons having any objections to the work or the extent of the annexation to the assessment district may appear and show cause why said work should not be done or carried out or why said annexation to the district should not be confirmed in accordance with this Resolution of Intention. City Council will consider all oral and written protests.

Section 8. Landscaping and Lighting Act of 1972: All the work herein proposed shall be done and carried through in pursuance of an act of the legislature of the State of California designated the Landscaping and Lighting Act of 1972, being Division 15 of the Streets and Highways Code of the State of California.

Section 9. Publication of Resolution of Intention: The City Clerk shall cause this Resolution of Intention to be published one time as required by 22552 of the California Streets and Highways Code, with the publication occurring no later than 10 days prior to the public hearing at which the City Council will consider levying the proposed special assessments.

The published notice will encompass one-eighth of a newspaper page. The Perris City News is hereby designated as the newspaper in which the City Clerk shall publish this Resolution of Intention. Upon completion of giving notice, the City Clerk is further directed to file in her office a proof of publication setting forth compliance with the requirements for publishing.

Section 10. Mailing of Notice: The City Clerk shall also give notice by a first-class mailing to all owners of property subject to any new or increased assessments. The notice shall be mailed no later than 45 days prior to the public hearing at which the City Council will consider levying the new or increased assessments and shall be at least in 10-point type. The form of said notice shall conform in all respects with the requirements of subdivision (b) of Section 54953 of the Government Code and pursuant to subdivision (c) of that section, each notice shall contain an assessment ballot whereon the property owner may indicate support or opposition to the proposed assessment.

Section 11. Designation of Contact Person: That this City Council does hereby designate, Stuart McKibbin, Contract City Engineer of the City of Perris, (951) 943-6504 as the person to answer inquiries regarding the District and the proposed annexation thereto.

Section 12. Certification: The City Clerk shall certify to the adoption of this Resolution.

ADOPTED, SIGNED and APPROVED this 14th day of September, 2021.

Mayor, Michael M. Vargas

ATTEST:

City Clerk, Nancy Salazar

STATE OF CALIFORNIA)
COUNTY OF RIVERSIDE) §
CITY OF PERRIS)

I, Nancy Salazar, CITY CLERK OF THE CITY OF PERRIS, CALIFORNIA, DO HEREBY CERTIFY that the foregoing Resolution Number XXX was duly and regularly adopted by the City Council of the City of Perris at a regular meeting thereof held 14th day of September, 2021, by the following called vote:

AYES:
NOES:
ABSENT:
ABSTAIN:

City Clerk, Nancy Salazar



10.D.

CITY OF PERRIS

CITY COUNCIL AGENDA SUBMITTAL

MEETING DATE: September 14, 2021

SUBJECT: Annexation of PM 37760 to Landscape Maintenance District No. 1 (LMD 1)
Owner(s): Brazen Group
APN(s): Parcel 1 and Parcel 2 Port. Of 305-080-070, a subdivision of Perris Spectrum located on the west frontage of Perris Boulevard, north of Orange Avenue.
Project: PM 37760- Multi-tenant building & fast food restaurant

REQUESTED ACTION:

1. Adoption of Resolution Ordering Preparation of the Engineer's Report
2. Adoption of Resolution Preliminarily Approving Engineer's Report
3. Adoption of Resolution of Intention to Annex PM 37760 and setting a public hearing date of November 9, 2021

CONTACT: Stuart McKibbin, Contract City Engineer

BACKGROUND/DISCUSSION: PM 37760 is a construction of a 5,200 S.F multi-tenant building, and 2,200 S.F. fast food restaurant within the Perris Spectrum Shopping Center. (See attached Boundary Map).

Annexation of PM 37760 will allow the City to finance the annual maintenance of landscape improvements to be installed adjacent to the project that benefits this property.

BUDGET (or FISCAL) IMPACT: The current maximum annual assessment is \$8,354.30. Each year the current maximum annual assessment shall be increased by an amount equal to the "Common Labor, Construction Cost Index", as published by Engineering News Record. If a deficit is projected for the upcoming fiscal year, the assessment can be further increased by an amount equal to the Southern California Edison and the Eastern Municipal Water District rate percent increase(s) projected for the upcoming fiscal year.

Prepared by: Daniel Louie, Willdan Financial Services

REVIEWED BY:

City Attorney _____

Assistant City Manager _____

Deputy City Manager _____

Attachments:

1. Vicinity Map
2. Resolution Ordering Preparation of the Engineer's Report
3. Engineer's Report
4. Resolution Preliminarily Approving Engineer's Report
5. Resolution of Intention to Annex PM 37760 to Landscape Maintenance District No. 1

Consent: x

Public Hearing:

Business Item:

Presentation:

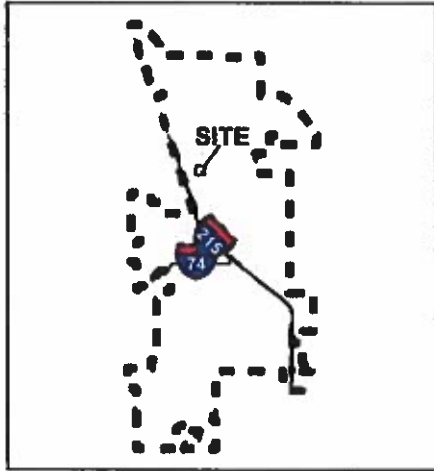
Other:

Attachment No. 1

DIAGRAM OF ANNEXATION OF PM 37760, PARCELS 1 & 2 TO BENEFIT ZONE 157 LANDSCAPE MAINTENANCE DISTRICT NO. 1

SITE LOCATION

CITY OF PERRIS
COUNTY OF RIVERSIDE
STATE OF CALIFORNIA



Legend

-  ANNEXATION BOUNDARY
-  MAP REFERENCE NUMBER

MAP REFERENCE NUMBER	ASSESSOR'S PARCEL NUMBER
1	Por. of 305-080-070, Parcel 1
2	Por. of 305-080-070, Parcel 2



Attachment No. 2

RESOLUTION NUMBER XXXX

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF PERRIS, COUNTY OF RIVERSIDE, STATE OF CALIFORNIA, INITIATING PROCEEDINGS, APPOINTING THE ENGINEER OF WORK, ORDERING THE PREPARATION OF A DISTRICT MAP INDICATING THE PROPOSED BOUNDARIES OF AN ANNEXATION TO THE CITY OF PERRIS LANDSCAPE MAINTENANCE DISTRICT NUMBER 1, AND FOR PROVIDING OTHER ENGINEERING SERVICES IN THE MATTER OF THE ANNEXATION OF BENEFIT ZONE 157 PM 37760 TO LANDSCAPE MAINTENANCE DISTRICT NUMBER 1

WHEREAS, the City Council of the City of Perris (the "City") has previously formed special maintenance districts pursuant to the terms of the "Landscaping and Lighting Act of 1972" (the "Act"), being Division 15, Part 2 of the Streets and Highways Code of the State of California, including the special maintenance district known and designated as LANDSCAPE MAINTENANCE DISTRICT NO. 1 (the "District"), and created BENEFIT ZONE 157 therein (hereinafter referred to as the "Benefit Zone 157"); and

WHEREAS, it has been determined by the City Council of the City of Perris, County of Riverside, California, that the public interest, convenience and necessity requires the installation and planting of landscape materials and the installation and construction of an irrigation system and other facilities set forth in Section 22525 of the Streets and Highways Code, State of California, and the maintenance thereof, all within the incorporated boundaries of the City of Perris, California; and

WHEREAS, the City Council has heretofore appointed Stuart McKibbin, the City Engineer for the City of Perris, as the "Engineer of Work" for Landscape Maintenance District Number 1 and Willdan Financial Services has heretofore been appointed for the purpose of assisting in the preparation of the written report provided for in Section 22567 of Chapter 1 of Part 2 of Division 15 of the Streets and Highways Code, State of California.

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

Section 1. The above recitals are true and correct and are incorporated herein by this reference.

Section 2. That the public interest, convenience and necessity, requires the annexation to a maintenance district for the purpose of installing, constructing and maintaining the installation and planting of landscape materials and the installation and construction of an irrigation system and other facilities authorized by Section 22525 of the Streets and Highways Code, State of California.

Section 3. That PM 37760 be defined as that area to be annexed to Benefit Zone 157, City of Perris Landscape Maintenance District Number 1.

Section 4. That the lands to be specially charged for the installation, construction, and maintenance of the facilities shall be the area within the boundaries of the annexation to the district generally indicated on the map entitled "Diagram of Annexation of PM 37760, to Benefit Zone 157, Landscape Maintenance District Number 1, City of Perris, County of Riverside, State of California."

Section 5. That the proceedings are to be conducted for said annexation to the maintenance district under and in accordance with provisions of Division 15 of the Streets and Highways Code (Landscaping and Lighting Act of 1972) of the State of California.

Section 6. That Stuart McKibbin, the Contract City Engineer for the City of Perris, is hereby appointed the "Engineer of Work" and all provisions of Division 15 applicable to the Engineer shall apply to said "Engineer of Work" and Willdan Financial Services, is hereby appointed for the purpose of assisting in the preparation of the written report provided for in Section 22567 of said Division 15 of the Streets and Highways Code.

Section 7. That Stuart McKibbin, the Contract City Engineer for the City of Perris, is hereby designated to sign all papers and documents in connection with the proceedings for the annexation to said maintenance district, acting in the capacity of the Engineer of Work.

Section 8. That the cost of maintaining the facilities set forth herein in subject annexation to the district shall be borne by the property owners within the subject annexation to the district, said cost to be assessed and collected in accordance with said Landscaping and Lighting Act of 1972.

Section 9. That the Engineer of Work is hereby ordered to prepare a report in accordance with Article 4 of said maintenance act, and is hereby directed to prepare and file such report with the City Clerk.

ADOPTED, SIGNED and APPROVED this 14th day of September, 2021.

Mayor, Michael M. Vargas

ATTEST:

City Clerk, Nancy Salazar

STATE OF CALIFORNIA)
COUNTY OF RIVERSIDE) §
CITY OF PERRIS)

I, Nancy Salazar, CITY CLERK OF THE CITY OF PERRIS, CALIFORNIA, DO HEREBY CERTIFY that the foregoing Resolution Number XXX was duly and regularly adopted by the City Council of the City of Perris at a regular meeting thereof held 14th day of September, 2021, by the following called vote:

AYES:
NOES:
ABSENT:
ABSTAIN:

City Clerk, Nancy Salazar

Attachment No. 3

AGENCY: City of Perris

PROJECT: Annexation of PM 37760 Parcels 1 & 2
To Benefit Zone 157, Landscape Maintenance District No. 1

TO: City Council
City of Perris
State of California

REPORT PURSUANT TO "LANDSCAPING AND LIGHTING ACT OF 1972"

Pursuant to the direction from the City Council, submitted herewith is the "Report," consisting of the following parts, pursuant to the provisions of Division 15, Part 2 of the Streets and Highways Code of the **STATE OF CALIFORNIA**, being the "Landscaping and Lighting Act of 1972", as amended. This "Report" provides for the annexation into the District of additional parcels and the levy of assessments for the fiscal year commencing July 1, 2021 to June 30, 2022, for that area to be known and designated as:

**"Annexation of PM 37760 Parcels 1 & 2
To Benefit Zone 157, Landscape Maintenance District No. 1"**

I do hereby assess and apportion the total amount of the costs and expenses upon the several parcels of land within said designated area liable therefor and benefited thereby, in proportion to the estimated benefits that each parcel receives, respectively, from said maintenance works of improvement and appurtenances.

Executed this 14th day of September, 2021.

STUART MCKIBBIN, City Engineer
CITY OF PERRIS
STATE OF CALIFORNIA

Final approval, confirmation and levy of the annual assessment and all matters relating to annexation and the Engineer's "Report" were made on the 9th day of November, 2021, by adoption of Resolution _____ of the City Council.

City Clerk
CITY OF PERRIS
STATE OF CALIFORNIA

A copy of the Assessment Roll and Engineer's "Report" were filed in the Office of the City Clerk on the 14th day of September, 2021.

City Clerk
CITY OF PERRIS
STATE OF CALIFORNIA

Report

PART 1. Plans and Specifications for the improvements to be maintained and/or improved for a fiscal year have been or will be designed for acceptance by the City of Perris. In general, there are two categories of improvements to be maintained.

The first category of improvements to be maintained includes the landscaping, irrigation, and appurtenances within Perris Boulevard parkways along the frontage of PM 37760 Parcels 1 & 2.

The second category of improvements to be maintained includes the landscaping, irrigation, and appurtenances within the Perris Boulevard median along the frontage of PM 37760.

Reference is made to the "Perris Retail Center CUP Off-site Landscape Plan CUP 19-05301," prepared by Craig Weber & Associates

Upon final approval, plans and specifications for the improvements are or will be on file in the City of Perris Office of Community Development and, by reference, are hereby made a part of this report to the same extent as if said plans and specifications were attached hereto. The plans and specifications will sufficiently show and describe the general nature, location and extent of all the improvements.

PART 2. An Estimate of the cost for the improvements to be maintained and/or improved for a given fiscal year includes labor, water, electricity, materials and plant replacement, trash removal and appurtenances. Incidental costs include annual engineering, legal, City Clerk, Finance Department, and Public Works expenses, including the processing of payments and the submittal of billings to the Riverside County Auditor for placement on the tax roll.

Due to the soil, water, exposure, and pedestrian traffic, plant replacement in parkways is estimated at a 2% die-off rate at 2.5-feet on-center. Plant replacement in medians is estimated at a 3% die-off rate at 2.5-feet on-center. Tree trimming is scheduled to occur every other year. Mulch is applied every three years and irrigation replacement/repairs are scheduled to occur every fifth year.

The maximum annual assessment is based on the estimated cost of maintaining the plants at maturity. The annual assessment levied will be based on the actual expenses incurred by Benefit Zone 157 (BZ 157).

The annual cost for maintenance of the public improvements is estimated as follows:

<u>First Category of Improvements</u>			<u>Unit</u>	<u>Years</u>	<u>Annual</u>
<u>Item</u>	<u>Quantity</u>	<u>Unit*</u>	<u>Cost</u>	<u>Occurrence</u>	<u>Cost</u>
Maintenance	6,505	SF	\$0.54	1	\$3,512.70
Plant Replacement (2%)	21	EA	\$15.75	1	330.75
Tree Trimming	17	EA	\$150.00	2	1,275.00
Irrigation Repair/Replacement Fund	6,505	SF	\$0.06	5	78.06
Mulch	61	CY	\$30.00	3	<u>610.00</u>
Subtotal					\$5,806.51
Incidentals					\$1,161.29

Total Parkway Costs **\$6,967.80**

<u>Second Category of Improvements</u>			<u>Unit</u>	<u>Years</u>	<u>Annual</u>
	<u>Quantity</u>	<u>Unit*</u>	<u>Cost</u>	<u>Occurrence</u>	<u>Cost</u>
Perris Boulevard Median					
Maintenance	1,983	SF	\$0.54	1	\$1,070.82
Plant Replace (3%)	10	EA	\$15.75	1	157.50
Tree Trimming	6	EA	\$150.00	2	450.00
Irrigation Repair/Replacement Fund	397	SF	\$ 0.06	5	4.76
Decomposed Granite	1,983	SF	\$0.50	5	198.30
Cobbled Rock	1,983	SF	\$0.55	10	109.07
Safety Edge Replacement Fund	497	LF	\$15.75	10	<u>782.54</u>
Subtotal Median Maintenance					\$2,772.99
Incidentals					<u>\$554.60</u>
Total Median Costs					<u>\$3,327.59</u>

*** Units Legend:**

CY = Cubic Yard

EA = Each

LF = Lineal Feet

SF =Square Feet

The median is in between BZ 157 and other Benefit Zones. Therefore, the cost of the median maintenance is shared equally between the zones such that parcels in BZ 157 will cover 50% of the annual assessment.

The total estimated cost of maintaining all the improvements in BZ 157 is summarized as follows:

Improvement Category	Estimated Annual Cost
Parkways	\$6,967.80
Medians (50%)	1,386.50
Total Estimated Annual Cost	\$8,354.30

A 6-month tax roll reserve provides funding for the cost of servicing and maintenance prior to the receipt of tax collections from the County of Riverside. The fiscal year begins July 1 and the first installment from the tax roll collections is usually distributed by the County of Riverside the following January. A 6-month tax roll reserve, based on the annual cost of all the improvements is \$4,177.15.

The property owner shall be responsible for the maintenance and upkeep of the public parkway landscaping set forth herein for a period of one year after acceptance of the improvements by the City of Perris. Benefit Zone 157, for the fiscal year commencing July 1, 2021 to June 30, 2022, will incur zero costs.

PART 3. The Assessment Roll shows the proportionate amount of the assessment to be charged in proportion to the benefits to be received by each lot or parcel within the exterior boundaries of BZ 157, as shown on the Diagram, enclosed herein as Part 4.

The area within BZ 157 specifically benefits from the maintenance of improvements described above. The project is conditioned for the improvements as a requirement for development.

The annexed area of BZ 157 was previously annexed into Landscape Maintenance District No.1 within Benefit Zone 23. With the annexation of Benefit Zone 157, these parcels will detach from Benefit Zone 23 and will only be assessed under Benefit Zone 157 when the landscaping improvements have been accepted by the City of Perris.

The method of assessment is based on units, with 2.0 benefit units assigned to the net area within Benefit Zone 157. The current maximum annual assessment reflecting the reasonable cost of providing for the maintenance and servicing of the public improvements and appurtenant facilities within Benefit Zone 157 is equal to \$4,177.15 per benefit unit. The Benefit Units assigned and the corresponding current maximum annual assessment, per Parcel within Benefit Zone 157, are listed as follows:

<u>Parcel</u>	<u>Taxable Acreage/ Benefit Units</u>	<u>Maximum Annual Assessment</u>
PM 37760, Parcel 1	1.0	\$4,177.15
PM 37760, Parcel 2	1.0	4,177.15
	2.0	\$8,354.30

Each year the current maximum annual assessment shall be increased by an amount equal to the "Common Labor, Construction Cost Index", as published by Engineering News Record. If a deficit is projected for the upcoming fiscal year, the assessment can be further increased by an amount equal to the Southern California Edison and the Eastern Municipal Water District rate percent increase(s) projected for the upcoming fiscal year.

For the current maximum annual assessment and the assessment for the fiscal year commencing July 1, 2021 to June 30, 2022, reference is made to the Assessment Roll included herein as Attachment No. 1.

PART 4. **A Diagram of the Annexation.** The boundary of the area to be annexed is coincident with the boundary of Parcels 1 & 2 of PM 37760. Said boundary is designated as "Diagram of Annexation of PM 37760, Parcels 1 & 2 to Benefit Zone 157, Landscape Maintenance District No. 1, City of Perris, County of Riverside, State of California". The Diagram is included herein as Attachment No. 2, which shows the boundaries of the area of benefit. Reference is made to the County Assessor's Maps for a detailed description of the lines and dimensions of any lots or parcels. The lines and dimensions of each lot shall conform to those shown on the County Assessor's Maps for the fiscal year to which the "Report" applies.

PART 5. **A Consent and Waiver for Annexation** to the District has been signed by the owner of the area within the proposed annexation. Said consent and waiver are included herein as Attachment No. 3.

**Assessment Roll
Annexation of PM 37760, Parcels 1 & 2
To Benefit Zone 157,
Landscape Maintenance District No. 1, City of Perris**

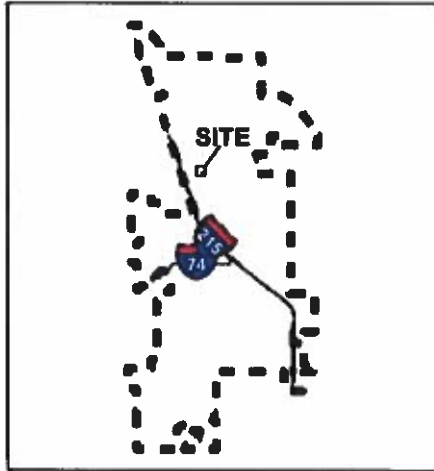
<u>Assessment Number</u>	<u>Description</u>	<u>Assessor Parcel Numbers</u>	<u>Estimated Annual Assessment</u>	<u>Fiscal Year 2021/2022</u>
1	PM 37760, Parcel 1	Port. Of 305-080-070	\$4,177.15	\$0.00
2	<u>PM 37760, Parcel 2</u>	Port. Of 305-080-070	<u>4,177.15</u>	<u>0.00</u>
Total			\$8,354.30	\$0.00

Each year the current maximum annual assessment shall be increased by an amount equal to the "Common Labor, Construction Cost Index", as published by Engineering News Record. If a deficit is projected for the upcoming fiscal year, the assessment can be further increased by an amount equal to the Southern California Edison and the Eastern Municipal Water District rate percent increase(s) projected for the upcoming fiscal year.

DIAGRAM OF ANNEXATION OF PM 37760, PARCELS 1 & 2 TO BENEFIT ZONE 157 LANDSCAPE MAINTENANCE DISTRICT NO. 1

CITY OF PERRIS
COUNTY OF RIVERSIDE
STATE OF CALIFORNIA

SITE LOCATION



Legend

-  ANNEXATION BOUNDARY
-  MAP REFERENCE NUMBER

MAP REFERENCE NUMBER	ASSESSOR'S PARCEL NUMBER
1	Por. of 305-080-070, Parcel 1
2	Por. of 305-080-070, Parcel 2



REFERENCE THE RIVERSIDE COUNTY ASSESSOR'S MAPS FOR ALL DETAILS CONCERNING THE LINES AND DIMENSIONS OF SUCH LOTS OR PARCELS.

CONSENT AND WAIVER TO ANNEXATION

WHEREAS, the CITY COUNCIL of the CITY OF PERRIS, CALIFORNIA, has previously formed special maintenance districts pursuant to the terms of the "Landscaping and Lighting Act of 1972" (the "Act"), being Division 15, Part 2 of the Streets and Highways Code of the State of California, said special maintenance districts known and designated as LANDSCAPE MAINTENANCE DISTRICT NO. 1 (hereinafter referred to as the "Maintenance District"); and,

WHEREAS, the provisions of Article II of Chapter 2 of the Act authorize the CITY COUNCIL of the CITY OF PERRIS, CALIFORNIA to order the annexation of territory to the Maintenance District; and,


WHEREAS, the CITY COUNCIL of the CITY OF PERRIS, CALIFORNIA may, pursuant to said provisions of the Act, order the annexation of territory to the Maintenance District without notice and hearing or filing of an Engineer's "Report" as would otherwise be required by the provisions of the Act if all of the owners of property within the territory proposed to be annexed, have given written consent to the proposed annexation; and,

WHEREAS, the undersigned, the owners of all property within the territory proposed to be annexed to the Maintenance District, acknowledge that pursuant to the provisions of the Act, the undersigned would be entitled to notice and hearing and the preparation of an Engineer's "Report" pertaining to the annexation of the property, acknowledge that they are aware of the proposed annexation to the Maintenance District of the property owned by the undersigned, and waives any and all right which the undersigned may now have to notice and hearing or the filing of an Engineer's "Report" pertaining to the annexation of the undersigned's property to the Maintenance District.

NOW, THEREFORE, it is hereby declared by the undersigned property owners as follows:

SECTION 1. That the above recitals are all true and correct.

SECTION 2. That the undersigned, constituting the owners of the property described in Exhibit "A" attached hereto and incorporated herein by this reference and further constituting all of the property within the territory proposed to be annexed to the Maintenance District, hereby consent to the proposed annexation of said property to the Maintenance District without notice and hearing or filing of an Engineer's "Report" pertaining to such annexation.

Dated: 1/19/21


Signature Natasha Radwan

List Property Owner Name and Mailing Address
Brazon Group 25401 Cabot Rd., Ste 208
 Laguna Hills, CA 92653

CALIFORNIA CERTIFICATE OF ACKNOWLEDGMENT

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

State of California)

County of Orange)

On January 19, 2021 before me, Laura S. Mojarro, Notary Public,
(here insert name and title of the officer)

personally appeared Natasha Radwan

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 Laura S. Mojarro

(Seal)

Optional Information

Although the information in this section is not required by law, it could prevent fraudulent removal and reattachment of this acknowledgment to an unauthorized document and may prove useful to persons relying on the attached document.

Description of Attached Document

The preceding Certificate of Acknowledgment is attached to a document titled/for the purpose of _____

containing _____ pages, and dated _____

The signer(s) capacity or authority is/are as:

- Individual(s)
- Attorney-in-Fact
- Corporate Officer(s) _____
(Title(s))
- Guardian/Conservator
- Partner - Limited/General
- Trustee(s)
- Other: _____

representing: _____
(Name(s) of Person(s) or Entity(ies) Signer is Representing)

Additional Information

Method of Signer Identification

Proved to me on the basis of satisfactory evidence:
 form(s) of identification credible witness(es)

Notarial event is detailed in notary journal on:
 Page # _____ Entry # _____

Notary contact: _____

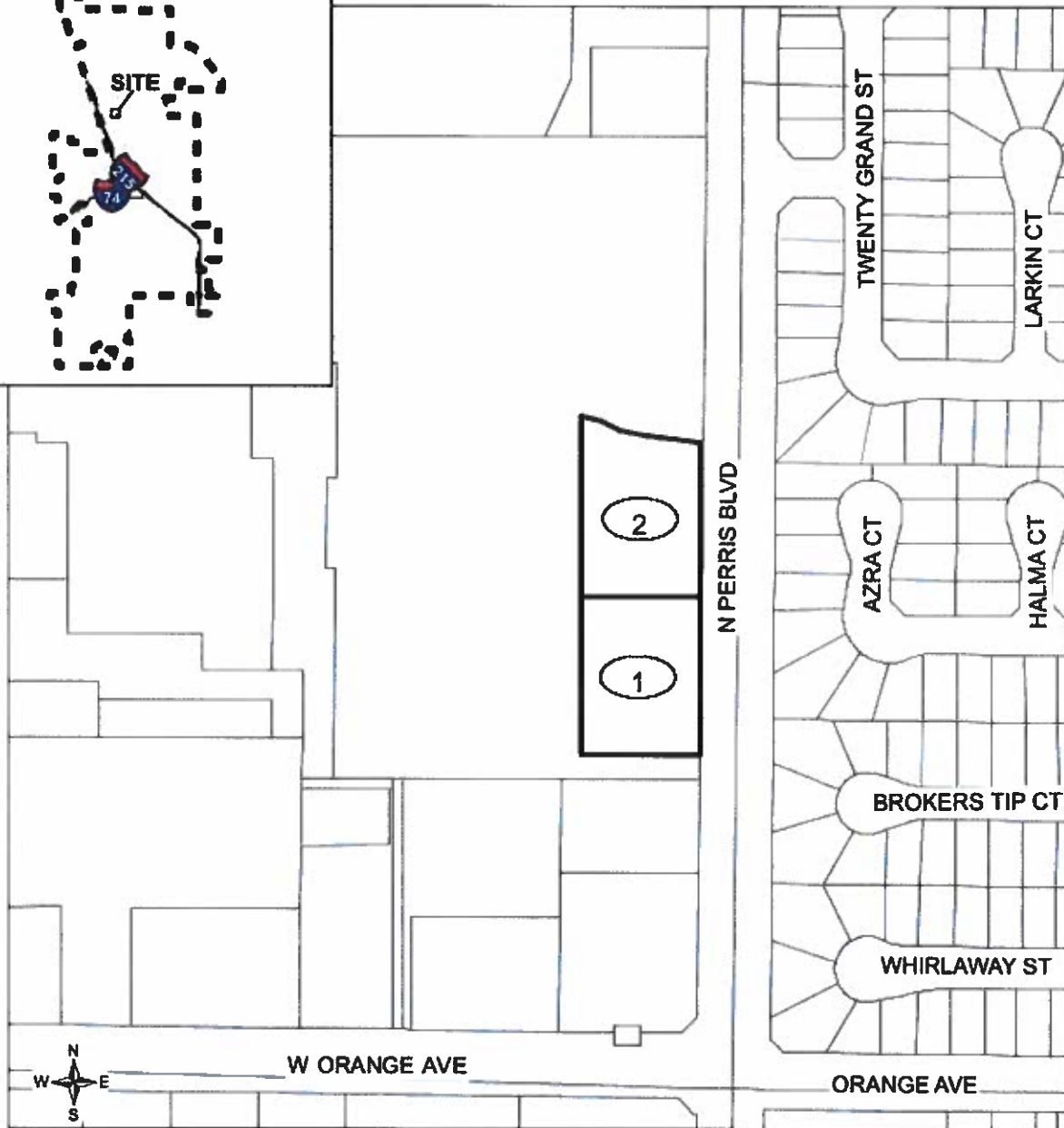
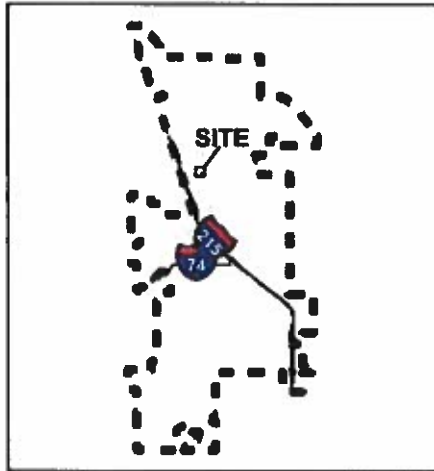
Other

- Additional Signer(s)
- Signer(s) Thumbprint(s)
- _____

EXHIBIT A TO CONSENT AND WAIVER ANNEXATION OF PM 37760, PARCELS 1 & 2 TO BENEFIT ZONE 157 LANDSCAPE MAINTENANCE DISTRICT NO. 1

CITY OF PERRIS
COUNTY OF RIVERSIDE
STATE OF CALIFORNIA

SITE LOCATION



- Legend**
-  ANNEXATION BOUNDARY
 -  MAP REFERENCE NUMBER

MAP REFERENCE NUMBER	ASSESSOR'S PARCEL NUMBER
1	Por. of 305-080-070, Parcel 1
2	Por. of 305-080-070, Parcel 2



REFERENCE THE RIVERSIDE COUNTY ASSESSOR'S MAPS FOR ALL DETAILS CONCERNING THE LINES AND DIMENSIONS OF SUCH LOTS OR PARCELS.

Attachment No. 4

RESOLUTION NUMBER XXXX

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF PERRIS, COUNTY OF RIVERSIDE, STATE OF CALIFORNIA, OF PRELIMINARY APPROVAL OF ENGINEER'S REPORT FOR ANNEXATION OF PM 37760 TO BENEFIT ZONE 157, CITY OF PERRIS LANDSCAPE MAINTENANCE DISTRICT NUMBER 1

WHEREAS, the City Council of the City of Perris (the "City") has previously formed special maintenance districts pursuant to the terms of the "Landscaping and Lighting Act of 1972" (the "Act"), being Division 15, Part 2 of the Streets and Highways Code of the State of California, including the special maintenance district known and designated as LANDSCAPE MAINTENANCE DISTRICT NO. 1 (the "District"), and created Benefit Zone 157 therein (hereinafter referred to as the "Benefit Zone 157"); and

WHEREAS, on the 14th day of September, 2021, the City Council of the City of Perris, County of Riverside, California ("the City Council") adopted its Resolution Number _____ directing the Engineer of Work to prepare and file with the City Clerk of said City a report in writing as required by Act in connection with the annexation of PM 37760 to Benefit Zone 157; and

WHEREAS, said Engineer of Work has prepared and filed with the City Clerk of said City a report (the "Engineer's Report") in writing as called for in said resolution and under and pursuant to said act, which report has been presented to this City Council for consideration; and

WHEREAS, said City Council has duly considered said report and each and every part thereof, and finds that each and every part of said report is sufficient, and that no portion of the report requires or should be modified in any respect.

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

Section 1. The above recitals are true and correct and are incorporated herein by this reference.

Section 2. That the Engineer's estimate prepared by the City Engineer of the itemized costs and expenses of said work and of the incidental expenses in connection therewith, contained in said report be, and each of them are hereby, preliminary approved and confirmed.

Section 3. That the diagram showing the District referred to and described in said report, the boundaries of the subdivisions of the land within said District as the same existed at the time of passage of said Resolution, is hereby preliminarily approved and confirmed.

Section 4. That the proposed assessment upon the subdivisions of land in said District is in proportion to the estimated benefit to be received by said subdivision, respectively, from said work and of the incidental expenses thereof, as contained in said report is hereby preliminarily approved and confirmed.

Section 5. That said report shall stand as the Engineer's Report for the purposes of all subsequent proceedings, and pursuant to the proposed District.

ADOPTED, SIGNED and APPROVED this 14th day of September, 2021.

Mayor, Michael M. Vargas

ATTEST:

City Clerk, Nancy Salazar

STATE OF CALIFORNIA)
COUNTY OF RIVERSIDE) ss
CITY OF PERRIS)

I, Nancy Salazar, CITY CLERK OF THE CITY OF PERRIS, CALIFORNIA, DO HEREBY CERTIFY that the foregoing Resolution Number XXX was duly and regularly adopted by the City Council of the City of Perris at a regular meeting thereof 14th day of September, 2021, by the following called vote:

AYES:
NOES:
ABSENT:
ABSTAIN:

City Clerk, Nancy Salazar

Attachment No. 5

RESOLUTION NUMBER XXXX

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF PERRIS, COUNTY OF RIVERSIDE, STATE OF CALIFORNIA, DECLARING INTENTION TO ORDER THE ANNEXATION TO BENEFIT ZONE 157, CITY OF PERRIS LANDSCAPE MAINTENANCE DISTRICT NUMBER 1, DECLARING THE WORK TO BE OF MORE LOCAL THAN ORDINARY PUBLIC BENEFIT; SPECIFYING THE EXTERIOR BOUNDARIES OF THE AREA TO BE ANNEXED TO BENEFIT ZONE 157, LANDSCAPE MAINTENANCE DISTRICT NUMBER 1 AND TO BE ASSESSED THE COST AND EXPENSE THEREOF; DESIGNATING SAID ANNEXATION AS ANNEXATION OF PM 37760 TO BENEFIT ZONE 157, LANDSCAPE MAINTENANCE DISTRICT NUMBER 1; DETERMINING THAT THESE PROCEEDINGS SHALL BE TAKEN PURSUANT TO THE LANDSCAPING AND LIGHTING ACT OF 1972; AND OFFERING A TIME AND PLACE FOR HEARING OBJECTIONS THERETO ON NOVEMBER 9, 2021

WHEREAS, the City Council of the City of Perris (the "City") has previously formed special maintenance districts pursuant to the terms of the "Landscaping and Lighting Act of 1972" (the "Act"), being Division 15, Part 2 of the Streets and Highways Code of the State of California, including the special maintenance district known and designated as LANDSCAPE MAINTENANCE DISTRICT NO. 1 (the "District"), and created BENEFIT ZONE 157 therein (hereinafter referred to as the "Benefit Zone 157"); and

WHEREAS, the provisions of Article II of Chapter 2 of the Act authorize the City Council to order the annexation of territory to the District; and

WHEREAS, on the 14th day of September, 2021, the City Council of the City of Perris, County of Riverside, California ("the City Council") adopted its Resolution Number ___ directing the Engineer of Work to prepare and file with the City Clerk of said City a report in writing as required by the Act; and

WHEREAS, said Engineer of Work has prepared and filed with the City Clerk of said City a report (the "Engineer's Report") in writing as called for in said resolution and under and pursuant to said act, which report has been presented to this City Council for consideration; and

WHEREAS, said City Council has duly considered the Engineer's Report and each and every part thereof, and has found that each and every part of the Engineer's Report is sufficient, and that no portion of the report requires or should be modified in any respect; and

WHEREAS, the City now desires to declare its intention to annex certain property into Benefit Zone 157 of the District, pursuant to the Act and, more specifically, Section 22587 thereof, and to take certain other actions as required by the Act;

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

Section 1. Recitals. The Recitals set forth above are true and correct, and are incorporated herein by this reference.

Section 2. Description of Work: That the public interest and convenience requires, and it is the intention of the City Council of the City of Perris to annex PM 37760 to Benefit Zone 157 of the District, and to order the following work be done, to wit:

1. Installation, construction, maintenance, and servicing of landscaping as authorized by Section 22525 of the Streets and Highways Code, State of California.
2. Any and all work and materials appurtenant thereto or which are necessary or convenient for the maintenance and servicing thereof.

Section 3. Location of Work: The improvements to be maintained and serviced include the irrigation system, landscaping, and appurtenances benefiting PM 37760. The landscaping, irrigation, and appurtenances to be maintained are the parkways and medians on Perris Boulevard along the frontage of PM 37760.

Section 4. Description of Assessment District: That the contemplated work, in the opinion of said City Council, is of more local than ordinary public benefit, and this City Council hereby makes the expense of said work chargeable upon a District, which said District is assessed to pay the costs and expenses thereof, and which District is described as follows:

All that certain territory of the City of Perris included within the exterior boundary lines shown upon that certain "Diagram of Annexation of PM 37760 to Benefit Zone 157, Landscape Maintenance District Number 1" heretofore approved by the City Council of said City by Resolution No ____, indicating by said boundary line the extent of the territory included within the proposed assessment district and which map is on file in the office of the City Clerk of said City.

Reference is hereby made to said map for a further, full, and more particular description of said assessment district, and the said map so on file shall govern for all details as to the extent of said assessment district.

Section 5. Report of Engineer: The City Council of said City by Resolution Number ____ has preliminarily approved the report of the Engineer of Work which report indicated the amount of the proposed assessment, the district boundaries, assessment zones, detailed description of improvements, and the method of assessment. The report titled "Engineer's Report for Annexation of PM 37760 to Benefit Zone 157, Landscape Maintenance District Number 1", is on file in the office of the City Clerk of said City. Reference to said report is hereby made for all particulars for the amount and extent of the assessments and for the extent of the work.

Section 6. Collection of Assessments: The assessment shall be collected at the same time and in the same manner as taxes for the County of Riverside are collected. The Engineer of Work shall file a report annually with the City Council of said City and said City Council will annually conduct a hearing upon said report at their regular meeting before August 10th, at which time assessments for the next Fiscal Year will be determined. That the annual assessment reflecting the reasonable cost of providing for the maintenance, servicing and operation of the public landscaping and appurtenant facilities is equal to \$4,177.15 per Benefit Unit. Each year the current maximum annual assessment shall be increased by an amount equal to the "Common Labor, Construction Cost Index", as published by Engineering News Record. If a deficit is projected for the upcoming fiscal year, the assessment can be further increased by an amount equal to the Southern California Edison and the Eastern Municipal Water District rate percent increase(s) projected for the upcoming fiscal year.

Section 7. Time and Place of Public Hearing: Notice is hereby given that on November 9, 2021, at 6:30 p.m., in the City Council Chambers of the City Council of the City of Perris, California, 101 North "D" Street, in the City of Perris, State of California, is hereby fixed as the time and place for a hearing by this City Council on the question of the levying and collection of the proposed assessments. That any and all persons having any objections to the work or the extent of the annexation to the assessment district may appear and show cause why said work should not be done or carried out or why said annexation to the district should not be confirmed in accordance with this Resolution of Intention. City Council will consider all oral and written protests.

Section 8. Landscaping and Lighting Act of 1972: All the work herein proposed shall be done and carried through in pursuance of an act of the legislature of the State of California designated the Landscaping and Lighting Act of 1972, being Division 15 of the Streets and Highways Code of the State of California.

Section 9. Publication of Resolution of Intention: The City Clerk shall cause this Resolution of Intention to be published one time as required by 22552 of the California Streets and Highways Code, with the publication occurring no later than 10 days prior to the public hearing at which the City Council will consider levying the proposed special assessments.

The published notice will encompass one-eighth of a newspaper page. The Perris City News is hereby designated as the newspaper in which the City Clerk shall publish this Resolution of Intention. Upon completion of giving notice, the City Clerk is further directed to file in her office a proof of publication setting forth compliance with the requirements for publishing.

Section 10. Mailing of Notice: The City Clerk shall also give notice by a first-class mailing to all owners of property subject to any new or increased assessments. The notice shall be mailed no later than 45 days prior to the public hearing at which the City Council will consider levying the new or increased assessments and shall be at least in 10-point type. The form of said notice shall conform in all respects with the requirements of subdivision (b) of Section 54953 of the Government Code and pursuant to subdivision (c) of that section, each notice shall contain an assessment ballot whereon the property owner may indicate support or opposition to the proposed assessment.

Section 11. Designation of Contact Person: That this City Council does hereby designate, Stuart McKibbin, Contract City Engineer of the City of Perris, (951) 943-6504 as the person to answer inquiries regarding the District and the proposed annexation thereto.

Section 12. Certification: The City Clerk shall certify to the adoption of this Resolution.

ADOPTED, SIGNED and APPROVED this 14th day of September, 2021.

Mayor, Michael M. Vargas

ATTEST:

City Clerk, Nancy Salazar

STATE OF CALIFORNIA)
COUNTY OF RIVERSIDE) §
CITY OF PERRIS)

I, Nancy Salazar, CITY CLERK OF THE CITY OF PERRIS, CALIFORNIA, DO HEREBY CERTIFY that the foregoing Resolution Number XXX was duly and regularly adopted by the City Council of the City of Perris at a regular meeting thereof held 14th day of September, 2021, by the following called vote:

AYES:
NOES:
ABSENT:
ABSTAIN:

City Clerk, Nancy Salazar



CITY OF PERRIS

CITY COUNCIL

AGENDA SUBMITTAL

MEETING DATE: September 14, 2021

SUBJECT: Annexation No. 44 (APN: Parcel 1 and Parcel 2 Port. Of 305-080-070) of parcels into CFD 2001-3 located within Perris Spectrum Shopping Center, on the west frontage of Perris Boulevard, north of Orange Avenue (North Perris Public Safety District)

Project: PM 37760 – Multi-tenant Building and Fast Food Restaurants

Owner(s): Brazen Group

REQUESTED ACTION: Adopt a Resolution of Intention to Annex Territory to CFD 2001-3

CONTACT: Ernie Reyna, Deputy City Manager

BACKGROUND/DISCUSSION:

Annexation 44 is a construction of a 5,200 S.F multi-tenant building, and 2,200 S.F. fast food restaurant located within Perris Spectrum Shopping Center, on the west frontage of Perris Boulevard, north of Orange Avenue. (See attached Boundary Map).

In early 2002, the City Council formed Community Facilities District 2001-3 (North Perris Public Safety) (the “Original District”), for the purpose of paying for additional public safety and fire protection services within the area services by the Original District. On June 10, 2002, the qualified electors within the Original District approved by more than a two-thirds (2/3) vote the proposition of levying a special tax within the Original District. The Original District encompassed certain developments, including the “Villages of Avalon” and “May Farms” developments. Subsequently, several other developments were annexed to the District and adopted the special taxes to be levied therein (the “Annexations” and, together with the Original District, the “District”). Other development and commercial projects in the City will be annexed to the District in the future.

The property owners of the parcels listed on the map attached to the following Resolution has filed a petition requesting annexation to the District and waiving the notice and time periods for the election as permitted by the Mello-Roos Community Facilities Act of 1982.

This Resolution will commence the annexation process for the property described on the map attached to the resolution to the District. This resolution will set a public hearing for October 26, 2021 regarding the proposed annexation. An election will be held following the public hearing. At that time, the landowner will vote on annexing their property to the District and levying special taxes within their District. The special tax levy for Fiscal Year 2021-22 is \$364.20 for Single-

Family Residential Units, \$72.84 for Multi-Family Residential Units, and \$1,456.81 per Acre for Non-Residential Parcels. For each subsequent fiscal year following Fiscal Year 2021-2022, the Maximum Special Tax may be increased by an amount not to exceed two percent (2.00%) per year.

BUDGET (or FISCAL) IMPACT:

The property owner has forwarded a deposit to initiate the annexation process and the City may recoup all costs through the levy of the special tax

Prepared by: Daniel Louie, Willdan Financial Services

REVIEWED BY:

City Attorney _____
Assistant City Manager _____
Finance Director _____

Attachments:

1. Vicinity Map
2. Perris CFD 2001-3 Annex 44 Resolution of Intention

Consent: x
Public Hearing:
Business Item:
Presentation:
Other:

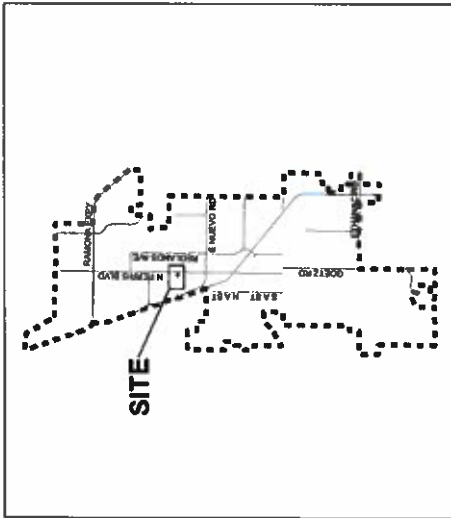
ATTACHMENT 1

VICINITY MAP

ANNEXATION MAP NO. 44 TO COMMUNITY FACILITIES DISTRICT NO. 2001-3 (NORTH PERRIS PUBLIC SAFETY)

CITY OF PERRIS
COUNTY OF RIVERSIDE
STATE OF CALIFORNIA

VICINITY MAP



FILED IN THE OFFICE OF THE CITY CLERK THIS _____ DAY OF _____, 20____.

I HEREBY CERTIFY THAT THE WITHIN MAP SHOWING PROPOSED BOUNDARIES OF ANNEXATION NO. 44, TO COMMUNITY FACILITIES DISTRICT NO. 2001-3 (NORTH PERRIS PUBLIC SAFETY), CITY OF PERRIS, COUNTY OF RIVERSIDE, STATE OF CALIFORNIA, WAS APPROVED BY THE CITY COUNCIL OF THE CITY OF PERRIS AT A REGULAR MEETING THEREOF, HELD ON THE _____ DAY OF _____, 20____, BY ITS RESOLUTION NO. _____.

CITY CLERK
CITY OF PERRIS

MAP REFERENCE NUMBER	ASSESSOR'S PARCEL NUMBER
1	305-080-070, Parcel 1
2	305-080-070, Parcel 2

FILED THIS _____ DAY OF _____, 20____, AT THE HOUR OF _____ O'CLOCK _____, IN BOOK _____ OF MAPS OF ASSESSMENT AND COMMUNITY FACILITIES DISTRICTS (AT PAGE(S) _____) IN THE OFFICE OF THE COUNTY RECORDER, COUNTY OF RIVERSIDE, STATE OF CALIFORNIA.

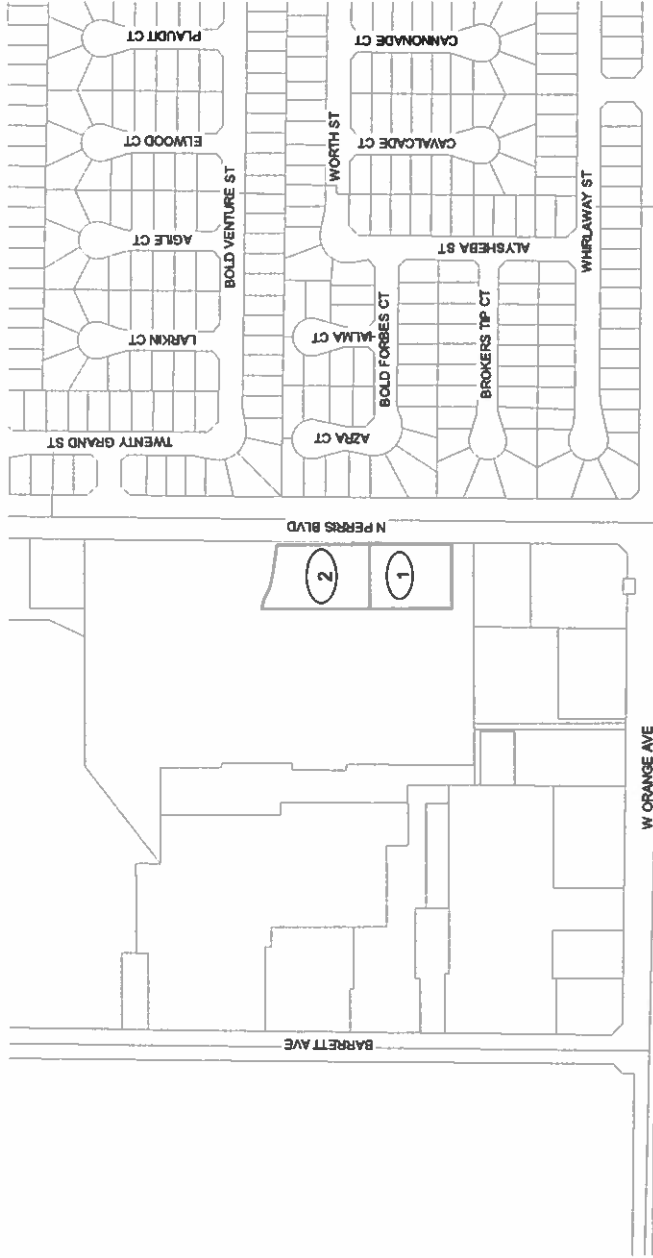
PETER ALDANA, ASSESSOR-COUNTY CLERK-RECORDER

BY DEPUTY
COUNTY RECORDER
COUNTY OF RIVERSIDE
STATE OF CALIFORNIA

REFERENCE IS MADE TO THAT BOUNDARY MAP OF COMMUNITY FACILITIES DISTRICT NO. 2001-3 (NORTH PERRIS PUBLIC SAFETY) OF THE CITY OF PERRIS RECORDED WITH THE RIVERSIDE COUNTY RECORDER'S OFFICE ON DECEMBER 19, 2001, IN BOOK 50 OF MAPS OF ASSESSMENT AND COMMUNITY FACILITIES DISTRICTS, PAGE 48.

THE LINES AND DIMENSIONS OF EACH LOT OR PARCEL SHOWN ON THIS DIAGRAM SHALL BE THOSE LINES AND DIMENSIONS AS SHOWN ON THE RIVERSIDE COUNTY ASSESSOR'S MAPS FOR THOSE PARCELS LISTED.

THE RIVERSIDE COUNTY ASSESSOR'S MAPS SHALL GOVERN FOR ALL DETAILS CONCERNING THE LINES AND DIMENSIONS OF SUCH LOTS OR PARCELS.



Legend

- PROPOSED ANNEXATION BOUNDARY
- MAP REFERENCE NUMBER
- CITY OF PERRIS BOUNDARY



27368 VIA INDUSTRIAL, SUITE #200
TEMECULA, CA 92590
(951) 507-3500

ATTACHMENT 2

RESOLUTION OF INTENTION PERRIS CFD 2001-3 ANNEXATION 44

RESOLUTION NUMBER XXXX

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF PERRIS ACTING AS THE LEGISLATIVE BODY OF COMMUNITY FACILITIES DISTRICT NO. 2001-3 (NORTH PERRIS PUBLIC SAFETY) OF THE CITY OF PERRIS DECLARING ITS INTENTION TO ANNEX CERTAIN TERRITORY THERETO [ANNEXATION NO. 44]

WHEREAS, the City Council (the "Council") of the City of Perris, California (the "City"), on December 11, 2001, has adopted its resolution of intention (the "Resolution of Intention") stating its intention to form Community Facilities District No. 2001-3 (North Perris Public Safety) of the City of Perris (the "District") pursuant to the Mello-Roos Community Facilities Act of 1982, as amended, (the "Act") being Chapter 2.5, Part 1, Division 2, Title 5 of the Government Code of the State of California, within the territory described more fully on the map entitled "Boundary Map, County of Riverside, California, Community Facilities District No. 2001-3 (North Perris Public Safety) of the City of Perris," a copy of which is on file with the City Clerk of the City of Perris; and

WHEREAS, on January 29, 2002, the Council adopted Resolution No. 3312 ("Resolution 2912") which established the District and called an election within the District on the proposition of levying a special tax; and

WHEREAS, on June 10, 2002, an election was held within the District at which the qualified electors approved by more than a two-thirds (2/3) vote the proposition of levying a special tax pursuant to a special tax formula (the "Rate and Method of Apportionment") as set forth in Resolution No. 3312 and attached hereto and incorporated herein as Exhibit "A", showing the tax levels in fiscal year 2005-06 and certain changes to indicate commencement of the levy the special tax; and

WHEREAS, the Council has heretofore adopted an Ordinance (the "Ordinance") which provided for the levying and collection of special taxes (the "Special Taxes") within the District, as provided in the Act and the Ordinance in accordance with the Rate and Method of Apportionment; and

WHEREAS, a petition (the "Petition") requesting the institution of proceedings for annexation to the District signed by the landowner within the proposed territory to be annexed (the "Property") as more fully described in Exhibit "B", attached hereto and incorporated herein, has been received, filed with and accepted by the City Clerk of the City of Perris; and

WHEREAS, the Council has duly considered the admissibility and necessity of instituting proceedings to annex the Property to the District under and pursuant to the terms and conditions and provisions of Article 3.5 of the Act, commencing with Government Code Section 53339; and

WHEREAS, the Council has determined to institute proceedings for the annexation of such Property to the District, and has determined to (a) set forth the boundaries of the territory which is proposed for annexation to the District, (b) state the public services to be provided in and for the Property, (c) specify the special taxes to be levied with the Property, and (d) set a date, time and place for a public hearing relating to the annexation of the Property to the District and the levy of special tax therein to pay for such public facilities.

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

Section 1. That the above recitals are all true and correct.

Section 2. It is the intention of the Council, acting as the legislative body of the District, to annex the Property to the District under and pursuant to the terms and provisions of the Act. The boundaries of the Property proposed for annexation to the District are more particularly described and shown on that certain map entitled "Annexation Map No. 44 to Community Facilities District No. 2001-3 (North Perris Public Safety)" that has been filed with the City Clerk of the City and a copy of which, together with a legal description of such territory, is described in Exhibit "B". The City Clerk is hereby authorized and directed to endorse the Certificate on said map evidencing the date and adoption of this resolution and is further authorized and directed to file said map with the County Recorder of the County of Riverside in accordance with the provisions of Section 3111 of the California Streets and Highways Code within fifteen (15) days of the adoption of this resolution and not later than fifteen (15) days prior to the date of the public hearing as set forth in Section 5 hereof.

Section 3. It is the intention of the Council to order the financing of (1) fire protection and suppression services, and ambulance and paramedic services including all furnishings, equipment and supplies related thereto; (2) police protection services, including but not limited to criminal justice services, including all furnishings, equipment and supplies related thereto (collectively, the "Services"); and (3) the incidental expenses to be incurred in connection with financing the Services and forming and administering the District (the "Incidental Expenses"). The Services are public services that the City or a public agency is authorized by law to contribute revenue to or to provide. A description of the types of Services to be financed is set forth in Resolution No. 3312 and incorporated herein by reference. The Services to be financed by or on behalf of the District are necessary to meet increased demand upon the City and other public agencies as a result of development occurring within the boundaries of the Property. The Property, on a per unit basis, will share in the cost of the Services in the same proportion as units with the existing District pursuant to the Rate and Method of Apportionment.

The final nature and location of the Services will be determined upon the preparation of final plans and specifications which may show substitutes in lieu of, or modifications to, the proposed Services. Any such substitution shall not be deemed a change or modification of the Services so long as the substitution provides a service substantially similar to the Services.

Section 4. It is the intention of the City Council that, except where funds are otherwise available, a special tax sufficient to pay for the Services and the Facilities, including the repayment

of funds advanced to the District, annual administration expenses in determining, apportioning, levying and collecting such special taxes, secured by recordation of a continuing lien against all non-exempt real property within the boundaries of the Property, will be levied annually on land within the boundaries of the Property. The Rate and Method of Apportionment shall remain unchanged as a result of the proposed annexation, except that the conditions to commencement of the tax have been met. The Property will be subject to the Special Tax pursuant to the Rate and Method of Apportionment. The special tax as apportioned to each parcel within the Property is fairly apportioned as determined by the City Council and as permitted by Section 53339.3 of the Act, and the apportionment of the special tax is not on or based upon the value or ownership of real property.

Section 5. Notice is hereby given that on the 26th day of October 2021, at the hour of 6:30 p.m., or as soon thereafter as is practicable, in the chambers of the City Council of the City of Perris, 101 North "D" Street, Perris, California 92570, a public hearing will be held at which the City Council, as the legislative body of the District, shall consider the proposed annexation of the Property and all other matters as set forth in this Resolution of Intention. At the above-mentioned time and place for such public hearing, any persons interested, including all taxpayers, property owners and registered voters within the District and the Property proposed to be annexed, may appear and be heard, and such testimony for or against the proposed annexation will be heard and considered.

Section 6. Any protests may be made orally or in writing, except that any protests pertaining to the regularity or sufficiency of such proceedings shall be in writing and shall clearly set forth the irregularities and defects to which the objection is made. All written protests shall be filed with the City Clerk on or before the time fixed for such public hearing, and any written protest may be withdrawn in writing at any time before the conclusion of such public hearing. If written protests against the proposed annexation are filed by fifty percent (50%) or more of the registered voters, or six (6) registered voters, whichever is greater, residing within the existing District, or by fifty percent (50%) or more of the registered voters, or six (6) registered voters, whichever is greater, residing within the Property proposed to be annexed, or by owners of one-half (1/2) or more of the area of land included within the existing District, or by owners of one-half (1/2) or more of the area of land proposed to be annexed to the District, the proceedings shall be abandoned as to those matters receiving a majority protest.

Section 7. If, following the public hearing described herein, the Council determines to annex the Property to the District and levy a special tax thereon, the Council shall then submit the annexation of the Property and levy of the special tax to the qualified voters of the Property. If at least twelve (12) persons, who need not necessarily be the same twelve (12) persons, have been registered to vote within the territory of the Property for each of the ninety (90) days preceding the close of the public hearing, the vote shall be by registered voters residing within the Property, with each voter having one (1) vote. Otherwise, the vote shall be a mail ballot election, consistent with Section 53327.5 of the Act, by the landowners of the Property who are owners of record at the close of the public hearing, with each landowner having one (1) vote for each acre or portion of an acre of land owned within the Property. The number of votes to be voted by a particular landowner shall be specified on the ballot provided to that landowner.

Section 8. The City may accept advances of funds or work-in-kind from any sources, including, but not limited to, private persons or private entities, for any authorized purpose, including, but not limited to, paying the cost incurred in annexing the Property to the District. The District may enter into an agreement with the person or entity advancing the funds or work-in-kind, to repay all or a portion of the funds advanced, or to reimburse the person or entity for the value, or cost, whichever is less, of the work-in-kind, as determined by the Council, with or without interest.

Section 9. The City Clerk is hereby directed, to the extent that such notice is required, to publish a notice ("Notice") of the hearing pursuant to Section 6061 of the Government Code in a newspaper of general circulation published in the area of the proposed District. Such Notice shall contain the text of this Resolution, state the time and place of the hearing, a statement that the testimony of all interested persons or taxpayers will be heard, a description of the protest rights of the registered voters and landowners in the proposed District as provided in Section 53324 of the Act and a description of the proposed voting procedure for the election required by the Act. Such publication shall be completed at least seven (7) days prior to the date of the Hearing.

Section 10. This Resolution shall take effect immediately upon its adoption.

ADOPTED, SIGNED and APPROVED this 14th day of September, 2021.

Mayor, Michael M. Vargas

ATTEST:

City Clerk, Nancy Salazar

STATE OF CALIFORNIA)
COUNTY OF RIVERSIDE) §
CITY OF PERRIS)

I, NANCY SALAZAR, CITY CLERK OF THE CITY OF PERRIS, CALIFORNIA, DO
HEREBY CERTIFY that the foregoing Resolution Number _____ was duly and regularly
adopted by the City Council of the City of Perris at a regular meeting held the 14th day of
September, 2021, by the following called vote:

AYES: _____

NOES: _____

ABSENT: _____

ABSTAIN: _____

City Clerk, Nancy Salazar

Exhibit A – Special Tax Rate and Method of Apportionment
Exhibit B – Boundary Map

Exhibit A

**CITY OF PERRIS
COMMUNITY FACILITIES DISTRICT NO. 2001-3
NORTH PERRIS PUBLIC SAFETY**

SPECIAL TAX RATE AND METHOD OF APPORTIONMENT

A. BASIS OF SPECIAL TAX LEVY

A Special Tax shall be levied on all Taxable Property in Community Facilities District No. 2001-3 ("District"), North Perris Public Safety of the City of Perris and collected each fiscal year commencing in Fiscal Year 2005/06 in an amount determined by the Council through the application of this Rate and Method of Apportionment of the Special Tax. All of the real property in the District unless exempted by law or by the provisions hereof, shall be taxed for the purposes, to the extent and in the manner herein provided.

B. DEFINITIONS

Act means the Mello-Roos Community Facilities Act of 1982, as amended, Sections 53311 and following of the California Government Code.

Administrative Expenses means the costs incurred by the City to determine, levy and collect the Special Taxes, including salaries of City employees and the fees of consultants and the costs of collecting installments of the Special Taxes upon the general tax rolls; preparation of required reports, and any other costs required to administer the District as determined by the Finance Director.

Annual Cost(s) means for each fiscal year, the total of 1) the estimated cost of services provided through the Police & Fire Protection Program adopted by the City; 2) Administrative Expenses, and 3) any amounts needed to cure actual or projected delinquencies in Special Taxes for the current or previous fiscal year.

Annual Tax Escalation Factor means an increase in the Maximum Special Tax Rate each year following the Base Year in an amount not to exceed 2.00% annually.

Base Year means Fiscal Year ending June 30, 2006.

City means the City of Perris, California.

Council means the City Council of the City of Perris as the legislative body for the District under the Act.

County means the County of Riverside, California.

Developed Parcel means for each fiscal year, each Parcel for which a building permit for new construction or renovations was issued prior to March 1 of the previous fiscal year.

District means the Community Facilities District No. 2001-3, ("CFD 2001-3), North Perris Public Safety of the City of Perris.

Exempt Parcel means any Parcel that is not a Residential Parcel or a Non-Residential Parcel. Exempt Parcels are exempt from the levy of Special Taxes.

Finance Director means the Finance Director for the City of Perris or his or her designee.

Fiscal Year means the period starting July 1 and ending the following June 30.

Maximum Special Tax means the greatest amount of Special Tax that can be levied against a Parcel in a given fiscal year calculated by multiplying the Maximum Annual Special Tax Rate by the relevant acres or units of the Parcel.

Maximum Special Tax Rate means the amount determined pursuant to Section D below, which will be used in calculating the Maximum Special Tax for a Parcel based on its land use classification. Each fiscal year following the Base Year, the Maximum Special Tax Rate shall be increased in accordance with the Annual Tax Escalation Factor and otherwise adjusted as provided in this Special Tax Rate and Method of Apportionment.

Maximum Special Tax Revenue means the greatest amount of revenue that can be collected in total from a group of Parcels by levying the Maximum Special Tax.

Multi-Family Residential Unit means each multi-family attached residential unit located on a Developed Parcel.

Non-Residential Acres means the acreage of a Non-Residential Parcel. The acreage assigned to such a Parcel shall be that shown on the County assessor's parcel map.

Non-Residential Parcel means a Developed Parcel for which a building permit(s) was issued for private non-residential use. Non-Residential Parcels do not include Parcels that are intended to be, (1) publicly owned or owned by a regulated public utility, or (2) assigned minimal value or is normally exempt from the levy of general *ad valorem* property taxes under California law, including homeowners association property, public utility, public streets; schools; parks; and public drainage ways, public landscaping, greenbelts, and public open space.

Parcel means a lot or parcel shown on an assessor's parcel map with an assigned assessor's parcel number located in the District based on the last equalized tax rolls of the County.

Police & Fire Protection Program means a program adopted by the Council pursuant to Section 53313 of the Act for the provision, in a defined area of benefit, of police and fire protection services that are in addition to those services that would be provided to the area of the District if the District were not in existence.

Residential Parcel means a Developed Parcel for which a building permit(s) was issued for residential use.

Single-Family Residential Unit means a Developed Parcel used for single-family detached residential development.

Special Tax(es) means any tax levy under the Act in the District.

Taxable Property means every Residential Parcel and Non-Residential Parcel.

C. DURATION OF THE SPECIAL TAX

Duration of Special Tax for Taxable Property in the District shall remain subject to the Special Tax in perpetuity.

D. ASSIGNMENT OF MAXIMUM SPECIAL TAXES

1. Classification of Parcels

Each fiscal year, using the Definitions above, each Parcel of Taxable Property is to be classified as either a Residential Parcel or Non-Residential Parcel. Each Residential Parcel is to be further classified as either a Single-Family Unit or as the number of Multi-Family Units located on such Parcel.

2. Maximum Special Tax Rates

TABLE 1
Maximum Special Tax Rate for Developed Property in
Community Facilities District No. 2001-3
Fiscal Year 2005/06

Tax Status	Base Year Maximum Special Tax Rate	Tax Levy Basis
Single Family Residential Unit	\$265.30	Per Unit
Multi-Family Residential Unit	\$53.06	Per Unit
Non-Residential Parcel	\$1,061.21	Per Acre

On July 1st of each fiscal year, commencing July 1, 2006, the Maximum Special Tax Rates shall be increased in accordance with the Annual Tax Escalation Factor.

E. SETTING THE ANNUAL SPECIAL TAX LEVY

The Special Tax levy for each Parcel of Taxable Property will be established annually as follows:

1. Compute the Annual Costs using the definitions in Section A.
2. Calculate the available special tax revenues by taxing each Parcel of Taxable Property at 100.00% of its Maximum Special Tax. If revenues are greater than the Annual Costs, reduce the tax proportionately against all Parcels until the tax levy is set at an amount sufficient to cover Annual Costs.
3. Levy on each Parcel of Taxable Property the amount calculated above. No Special Tax shall be levied on Exempt Parcels.

The City shall make every effort to correctly assign the number of taxable units and calculate the Special Tax for each Parcel. It shall be the burden of the taxpayer to correct any errors in the determination of the Parcels subject to the tax and their Special Tax assignments.

F. ADMINISTRATIVE CHANGES AND APPEALS

The Finance Director or designee has the authority to make necessary administrative adjustments to the Special Tax Rate and Method of Apportionment in order to remedy any portions of the Special Tax formula that require clarification.

Any taxpayer who feels that the amount of the Special Tax assigned to a Parcel is in error may file a notice with the Finance Director appealing the levy of the Special Tax. The Finance Director will then promptly review the appeal, and if necessary, meet with the applicant. If the Finance Director verifies that the tax should be modified or changed, a recommendation at that time will be made to the Council and, as appropriate, the Special Tax levy shall be corrected and, if applicable in any case, a refund shall be granted.

Interpretations may be made by Resolution of the Council for purposes of clarifying any vagueness or ambiguity as it relates to the Special Tax rate, the method of apportionment, the classification of properties, or any definition applicable to the District.

G. MANNER OF COLLECTION

The Special Tax will be collected in the same manner and at the same time as *ad valorem* property taxes; provided; however, the City or its designee may directly bill the Special Tax and may collect the Special Tax at a different time, such as on a monthly or other periodic basis, or in a different manner, if necessary to meet its financial obligation.

Exhibit B

**COMMUNITY FACILITIES DISTRICT NO. 2001-3
(NORTH PERRIS PUBLIC SAFETY)
OF THE CITY OF PERRIS, ANNEXATION NO. 44**

BOUNDARY MAP

SHEET 1 OF 1

VICINITY MAP



**ANNEXATION MAP NO. 44 TO
COMMUNITY FACILITIES DISTRICT NO. 2001-3
(NORTH PERRIS PUBLIC SAFETY)**

CITY OF PERRIS
COUNTY OF RIVERSIDE
STATE OF CALIFORNIA

MAP REFERENCE NUMBER	ASSESSOR'S PARCEL NUMBER
1	305-080-070, Parcel 1
2	305-080-070, Parcel 2

FILED IN THE OFFICE OF THE CITY CLERK THIS _____ DAY OF _____, 20__

I HEREBY CERTIFY THAT THE WITHIN MAP SHOWING PROPOSED BOUNDARIES OF ANNEXATION NO. 44, TO COMMUNITY FACILITIES DISTRICT NO. 2001-3 (NORTH PERRIS PUBLIC SAFETY), CITY OF PERRIS, COUNTY OF RIVERSIDE, STATE OF CALIFORNIA, WAS APPROVED BY THE CITY COUNCIL OF THE CITY OF PERRIS AT A REGULAR MEETING THEREOF, HELD ON THE _____ DAY OF _____, 20__, BY ITS RESOLUTION NO. _____

CITY CLERK
CITY OF PERRIS

FILED THIS _____ DAY OF _____, 20__, AT THE HOUR OF _____ O'CLOCK _____ M. IN BOOK _____ OF MAPS OF ASSESSMENT AND COMMUNITY FACILITIES DISTRICTS AT PAGE(S) _____ IN THE OFFICE OF THE COUNTY RECORDER, COUNTY OF RIVERSIDE, STATE OF CALIFORNIA.

PETER ALDAMA, ASSESSOR-COUNTY CLERK-RECORDER

BY DEPUTY
COUNTY RECORDER
COUNTY OF RIVERSIDE
STATE OF CALIFORNIA

REFERENCE IS MADE TO THAT BOUNDARY MAP OF COMMUNITY FACILITIES DISTRICT NO. 2001-3 (NORTH PERRIS PUBLIC SAFETY) OF THE CITY OF PERRIS RECORDED WITH THE RIVERSIDE COUNTY RECORDER'S OFFICE ON DECEMBER 19, 2001, IN BOOK 50 OF MAPS OF ASSESSMENT AND COMMUNITY FACILITIES DISTRICTS, PAGE 48.

THE LINES AND DIMENSIONS OF EACH LOT OR PARCEL SHOWN ON THIS DIAGRAM SHALL BE THOSE LINES AND DIMENSIONS AS SHOWN ON THE RIVERSIDE COUNTY ASSESSOR'S MAPS FOR THOSE PARCELS LISTED.

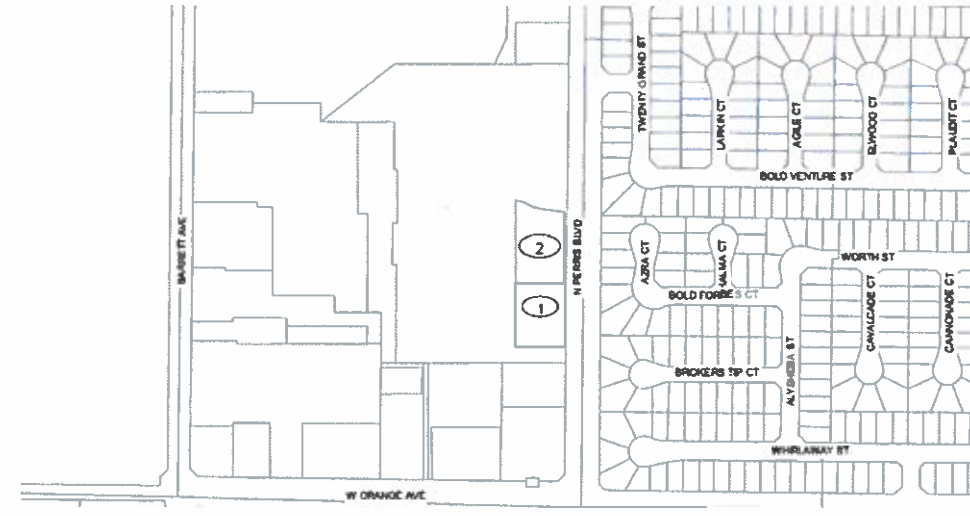
THE RIVERSIDE COUNTY ASSESSOR'S MAPS SHALL GOVERN FOR ALL DETAILS CONCERNING THE LINES AND DIMENSIONS OF SUCH LOTS OR PARCELS.

Legend

- PROPOSED ANNEXATION BOUNDARY
- MAP REFERENCE NUMBER
- CITY OF PERRIS BOUNDARY



27369 VIA INDUSTRIA, SUITE #200
TAMECULA, CA 92090
(951) 967-3300





CITY OF PERRIS

CITY COUNCIL

AGENDA SUBMITTAL

MEETING DATE: September 14, 2021

SUBJECT: 2021 Citywide Street Improvements Project (CIP S-102 & CIP S-075)

REQUESTED ACTIONS: Adopt the Plans and Specifications for the 2021 Citywide Street Improvement Project, Award the Contract for \$2,296,000 to Hardy & Harper, Inc., Reject All Other Bid, and Authorize 10% of the Bid Amount for Soft Costs and 10% of the Bid Amount for Construction Contingencies, Authorize City Manager to Execute the Construction Contract

CONTACT: Stuart E. McKibbin, Contract City Engineer

BACKGROUND/DISCUSSION:

The 2021 Citywide Street Improvements Project involves roadway rehabilitation, sidewalk repair and other miscellaneous work throughout the City and for multiple Flood Benefit Zones. Project construction items include pavement rehabilitation, full depth reclamation, grind & overlay, and slurry seal. Other project construction items include curb & gutter, sidewalk, cross gutters, and driveway approaches.

On September 1, 2021, three bids were revealed via Active Bidder for the 2021 Citywide Street Improvements Project. Bids ranged from \$2,296,000 to \$2,397,787. The Engineer's Estimate was \$2,800,000. The low bid was submitted by Hardy & Harper, Inc., who has completed many pavement rehabilitation projects for the City of Perris in the past and their work is considered good by the City Engineer's office. Construction is planned to begin Mid-October, 2021 and 100 working days have been allotted to complete the project.

Sections A-L on Attachment #1 are funded by RMRA SB-1 funds. Each individual Flood Benefit Zone funds the work to be performed within its zone, Zones, (24, 25, 26, 28, 29, 32A, 32B, 44, 45, 46 and 50). However, for Benefit Zone 26 there are inadequate funds. Therefore, staff recommends that \$14,535.66 from RMRA SB-1 fund be used to cover the shortfall.

Staff recommends Council adopt the plans and specifications, award the project to Hardy & Harper, Inc., reject all other bids, and authorize 10% of the bid amount for construction contingencies and 10% of the bid amount for soft costs (inspection, contract administration) and authorize the City Manager to execute the construction contract.

BUDGET (or FISCAL) IMPACT:

Adopted Capital Improvements Program Sheets S-102 & S-075 identifies adequate funds to complete the project, in the amount of \$2,296,000, including 10% of the bid amount for construction contingencies and 10% of the bid amount for soft costs (inspection, contract administration) with the exception of Benefit Zone 26. There are adequate funds in Fund 140 to cover the Benefit Zone 26 shortfall.

Prepared by: Ryan Traylor, Assistant Engineer

REVIEWED BY:

City Attorney _____
Assistant City Manager _____
Finance Director _____

Attachment:

1. Project Location Maps
2. Bid Results
3. CIP Sheets S-102 & S-075

Consent: Yes

Public Hearing:

Business Item:

Presentation:

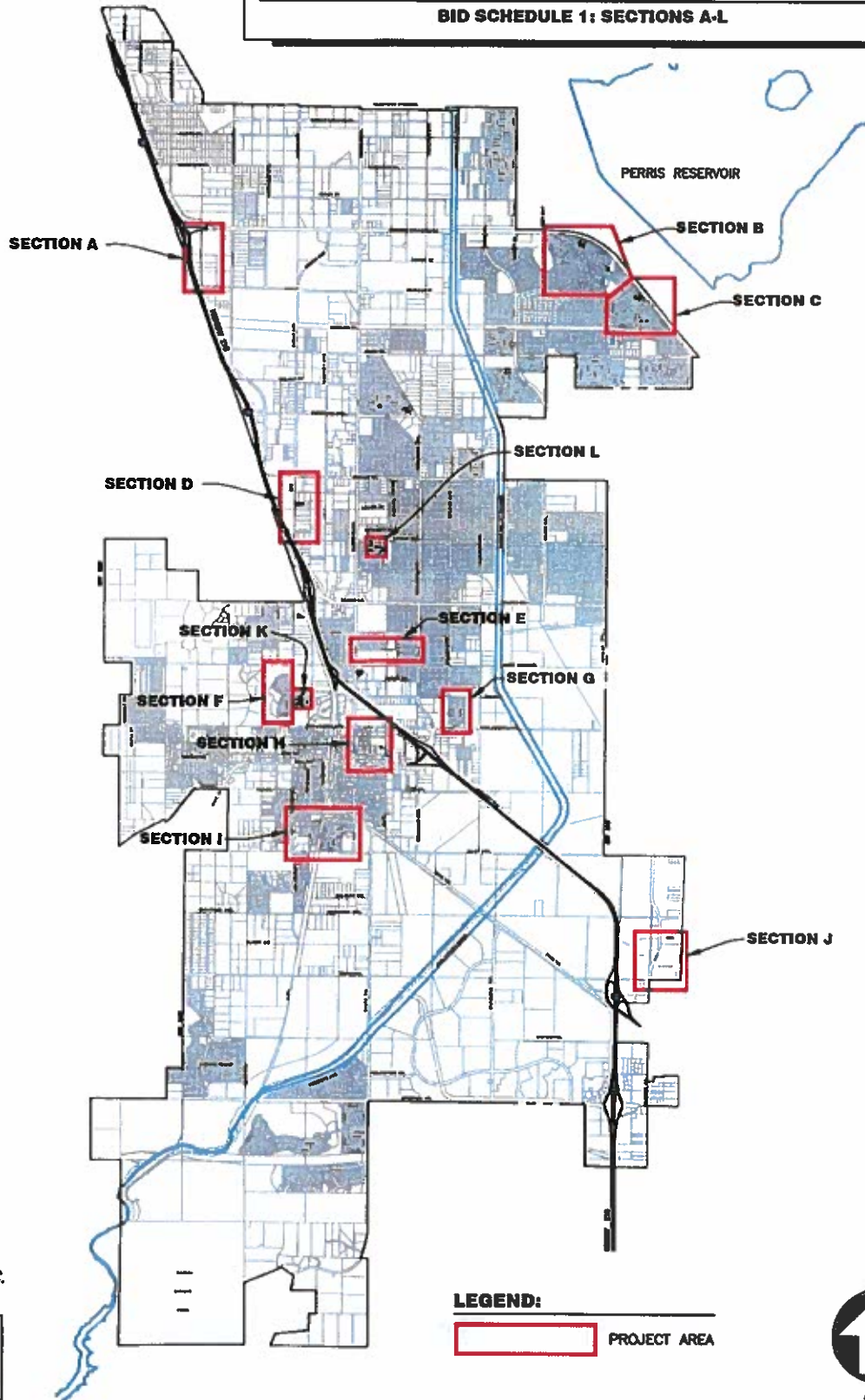
Other:

Attachment #1

Project Location Maps



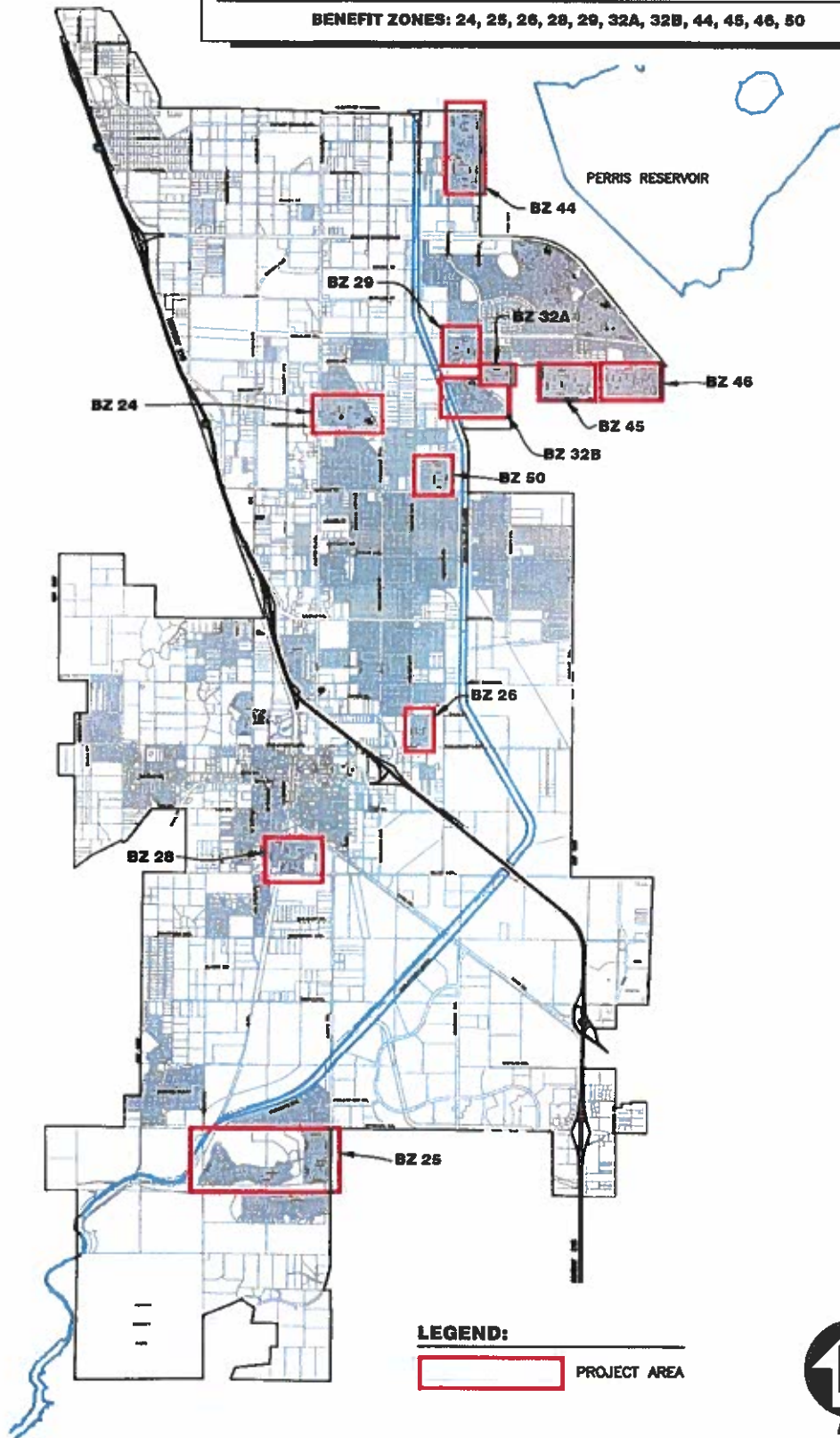
CITY OF PERRIS 2021 CITYWIDE STREET IMPROVEMENTS
BID SCHEDULE 1: SECTIONS A-L





CITY OF PERRIS 2021 CITYWIDE STREET IMPROVEMENTS

BENEFIT ZONES: 24, 25, 26, 28, 29, 32A, 32B, 44, 45, 46, 50



TRI LAKE
CONSULTANTS, INC.
CITY ENGINEER



LEGEND:

 PROJECT AREA



Attachment #2

Bid Results

2021 Citywide Street Improvements Project

Post Date: 07/29/2021 19:26 PDT

Due Date: 09/01/2021 before 14:00 PDT

Estimated Value: \$2,800,000

Results / 3 total

#	Name	Company	Address	Phone	Amount	Submitted	Status
1	Rierson, Morgan	Hardy & Harper, Inc.	32 Rancho Circle. Lake Forest, CA 92630	714-444-1851	\$2,296,000	09/01/2021 15:59:28	Apparent Low Bidder
2	Inc., American Asphalt	American Asphalt South, Inc.	19792 El Rivino Road Riverside, California 92509	(909)427-8276	\$2,310,892.75	09/01/2021 15:50:36	
3	Carlson, Ed	All American Asphalt	400 E 6th St. Corona, CA 92878- 2229	(951) 736-7600	\$2,397,787.77	09/01/2021 15:43:37	

Attachment #3

CIP Sheets #S-102 & S-075

CITY OF PERRIS Capital Improvement Program Project Details

Project Number: **S102**
 Project Title: **Citywide Pavement Rehab**
 Managing Department: **City Engineer**



Project Description and/or Justification:
 Pavement Rehabilitation for various City streets
 (utilizing SB1 funding).



Original Budget: 5,644,788
 Budget Amendments: (1,824,788)
 Total Project Costs: 2,187,914
 Available Funds: 1,632,086

Project Dates:
 Begin:
 Completion:

Total Additions (Deletions): 1,504,000

Funding Sources:	Fund	Project to Date Available	Proposed Plan 2021/2022	Proposed Plan 2022/2023	Proposed Plan 2023/2024	Proposed Plan 2024/2025	Total
State Grant	119	-					\$ -
RMRA SB1	140	1,632,086	1,504,000				\$ 3,136,086
							\$ -
							\$ -
							\$ -
Total:		1,632,086	1,504,000	-	-	-	\$ 3,136,086

Budget Amendment Notes				
Date	Description / Action	Adopted Budget	Amendment	Amended Budget
2016/17	Budget Amendment	397,000		397,000
2017/18	Budget Amendment		(397,000)	-
2017/18	Adopted Budget RMRA SB1	5,247,788.00		5,247,788
2018/19	Budget Amendment - RMRA SB1		(2,727,788)	2,520,000
2019/20	Adopted Budget RMRA SB1		1,300,000	3,820,000
2021/22	RMRA SB1		1,504,000	5,324,000
				5,324,000
				5,324,000
	City is expecting to be awarded an estimate of \$2.1M from SB1 Grant Contract. Current budget of \$397K is to be removed as the State Grant will not be used to fund this project. Once SB1 Grant has been awarded, a budget amendment will be entered.			5,324,000
				5,324,000
				5,324,000
				5,324,000
	Total:	\$ 5,644,788	\$ (320,788)	\$ 5,324,000

S-102

As of 3/31/2021



CITY OF PERRIS


CITY COUNCIL

AGENDA SUBMITTAL

MEETING DATE: September 14, 2021

SUBJECT: Urban Greening Grant Award by the California Natural Resources to the City of Perris in the amount of \$455,000

REQUESTED ACTION: That the City Council Authorize Reimbursable Funding by the California Natural Resources Agency's Urban Greening Program; and approve a Budget Allocation of \$455,000 from the General Fund of FY 2021-2022 to CIP Fund P049 to Cover Reimbursable Costs.

CONTACT: Sabrina Chavez, Community Services Director 

BACKGROUND/DISCUSSION:

In September 2016, SB 859 was signed into law to establish the California Natural Resources Agency's (CNRA) Urban Greening Program. The Urban Greening Program is funded through the Greenhouse Gas Reduction Fund to support the development of green infrastructure projects that reduce greenhouse gas (GHG) emissions while providing multiple benefits to disadvantaged communities, inclusive of maximizing environmental and public health benefits. The Urban Greening Program funding cycle funded \$28.5 million to 25 competitive projects that would reduce GHG emissions and provide multiple benefits to the community by transforming the existing built environment into green spaces that use natural and green infrastructure approaches to create sustainable and vibrant communities. Of the 250 applications submitted, the City of Perris was one of 25 agencies selected of the 77 deemed eligible agencies who competed for Round 4 of the Urban Greening Program.

The City of Perris, Community Services-Public Health staff submitted a competitive grant application and successfully secured \$455,000 in funding from the CNRA Urban Greening Program to expand the Perris Green City Farm and enhance community park access to and from Foss Field Park. The Perris Green City Farm and Community Park Access Enhancement Project will improve connectivity through the expansion of the City Hall Campus community garden, Perris Green City Farm (PGCF), by developing a multipurpose trail connecting to its neighboring community park, Foss Field Park. The proposed multipurpose trail will utilize existing pathways to support bicycle and pedestrian paths and add new sustainable elements and trees, to connect Foss Field Park to the Perris Green City Farm for increased accessibility, connectivity, and usability to the surrounding communities.

The project further aims to expand the PGCF and include additional garden demonstration space, trees to support carbon sequestration, expansion of a kids' corner, additional garden systems, green

trellises, and an outdoor amphitheater to support workforce development, nutrition educational programs, and horticultural workshops. The Perris Green City Farm and Community Park Access Enhancement Project aims to cultivate a culture that supports increased accessibility, usability, and connectivity of green and open spaces through transformative sustainable systems to provide a healthy equitable built environment to the Perris Community.

It is requested that the City Council authorize funding that will be reimbursed by the California Natural Resources Agency's Urban Greening Program.

BUDGET (or FISCAL) IMPACT:

Allocation of \$455,000 will be entirely reimbursable through the California Natural Resources Agency's Urban Greening Program.

Prepared by: Emmanuel Marquez, Program Coordinator

REVIEWED BY:

City Attorney _____

Assistant City Manager _____

Finance Director ER

- Attachments: 1: Site Plan Aerial
2: Concept Design Plan
3: Natural Resources Agency Urban Greening Award Letter
4: State of California Natural Resources Agency Grant Agreement

Consent: X
Public Hearing:
Business Item:
Presentation:
Other:



CITY OF PERRIS
COMMUNITY SERVICES

**ATTACHMENT 1:
SITE PLAN AERIAL**



Perris Green City Farm and Community Park Access Enhancement Project Site Plan Proposal



- Legend
- Proposed trees
 - Proposed trail
 - PGCF Expansion III
 - Trail connection from Park to Garden



CITY OF PERRIS
COMMUNITY SERVICES

**ATTACHMENT 2:
CONCEPT DESIGN PLAN**



CITY OF PERRIS
COMMUNITY SERVICES

**ATTACHMENT 3:
NATURAL RESOURCES AGENCY URBAN
GREENING AWARD LETTER**



GAVIN NEWSOM, Governor
WADE CROWFOOT, Secretary for Natural Resources

May 12, 2021

Clara Miramontes, Interim City Manager
City of Perris
101 N. D Street
Perris, CA 92570

Re: Urban Greening Grant Program – Perris Green City Farm and Community Park
Access Enhancement Project

Dear Ms. Miramontes:

Congratulations on receiving Urban Greening Grant funding in an amount not to exceed \$455,000.00 for the Perris Green City Farm and Community Park Access Enhancement Project.

The Grant Agreement is being sent via DocuSign for signature. Please sign and initial the provisions and exhibits in the Grant Agreement. Careful review of each section is critical as the terms are binding within this agreement. As soon as the agreement is fully executed and processed through our accounting system, we will forward a copy by mail for your records.

Please refer to the Project Administration Forms section at <https://resources.ca.gov/grants/Grant-Program-Resources> for forms and reference documents associated with this grant. Our office provides technical assistance throughout the grant period, including a grant management/payment workshop. We will be in contact to coordinate a date that works best for your staff.

Should you have any questions, please do not hesitate to contact Teresa Mallory at (916) 651-7592 or via email at teresa.mallory@resources.ca.gov.

Sincerely,

Andrea Scharffer

Andrea Scharffer
Deputy Assistant Secretary
Bonds and Grants

Enclosures

1416 Ninth Street, Suite 1311, Sacramento, CA 95814 Ph. 916.653.5656 Fax 916.653.8102 <http://resources.ca.gov>





CITY OF PERRIS
COMMUNITY SERVICES

**ATTACHMENT 4:
STATE OF CALIFORNIA NATURAL RESOURCES
AGENCY GRANT AGREEMENT**

**STATE OF CALIFORNIA NATURAL RESOURCES AGENCY
GRANT AGREEMENT**

Grantee Name: City of Perris

Project Title: Perris Green City Farm and Community Park Access Enhancement

Agreement Number: U29184-0

Authority: Senate Bill (SB) 859

Program: Urban Greening Grant Program

PROJECT DESCRIPTION

Project to enhance and expand an existing community garden and construct a 0.5-mile multipurpose trail to connect the garden to Foss Field Park.

A detailed Project Scope and activities, project schedule and Project Budget are described and attached hereto as Exhibit A.

Grant Funds are to be used in accordance with the provisions contained in the Urban Greening Grant Program and this Agreement. Projects should reduce GHG emissions by enhancing and expanding neighborhood parks; providing greening of public lands and structures; mitigating urban heat islands; establishing green streets and alleyways; or developing nonmotorized urban trails that provide safe routes for travel between residences, workplaces, commercial centers, and schools.

TERMS AND CONDITIONS OF GRANT

Special Provisions

1. Recipients of Grant Funds shall post signs acknowledging the source of the funds pursuant to the Urban Greening Grant Program Guidelines and Application (Application Guidelines). Size, location and number of signs shall be determined by the State. Required signage must be in place before Grant Funds for construction will be released. *CM*
2. Upon completion of detailed Project design, plans and specifications, Grantee shall provide to the State for review and approval a revised detailed Project Budget, Project Scope and detailed site plan. If Project includes habitat restoration or landscaping, Grantee shall provide a planting palette demonstrating how native, low-water, drought-resistant vegetation will be used in the Project. If the plant palette includes non-natives, provide justification for review and approval by the State. All plantings will be no greater than fifteen gallons. Approval of said plans is a condition precedent to the State's obligation to make any construction funding available pursuant to this Agreement. The approval by the State of such plans and specifications, or any other approvals provided for in this Agreement, shall be for scope of work as described in Exhibit A and shall not relieve Grantee of the obligation to construct and maintain the facilities, or carry out any other obligations required by this Agreement, in accordance with applicable laws or any other standards ordinarily applied to such work or activity. *CM*
3. The Grantee may be required to record Deed Restrictions, incorporating by reference this Grant Agreement and giving public notice that the Grantee received Funds under this Agreement in order to assist Grantee in developing the real property and that, in *CM*

consideration for the receipt of the Grant Funds, the Grantee has agreed to the terms of this Agreement.

4. Grantee shall provide to the State an annual project outcome report for three years. The reporting period begins once all project elements are complete and a final inspection has been conducted. *cm*

General Provisions

A. Definitions

1. The term "Act" means Senate Bill (SB) 859 and/or Senate Bill (SB) 856.
2. The term "Agreement" means this Grant Agreement.
3. The term "Application" means the individual application form, its required attachments for grants pursuant to the enabling legislation and/or program and any applicable materials supplied by applicant to the Natural Resources Agency prior to award.
4. The term "Application Guidelines" means the Urban Greening Grant Program Grant Guidelines and Application.
5. The term "Development" means improvement, rehabilitation, restoration, enhancement, preservation, protection and interpretation or other similar activities.
6. The term "Fair Market Value" means the value placed upon the property as supported by an appraisal that has been reviewed and approved by the California Department of General Services (DGS).
7. The term "Grant" or "Grant Funds" means the money provided by the State to the Grantee in this Agreement.
8. The term "Grantee" means an applicant who has a signed agreement for Grant Funds.
9. The term "Interpretation" means visitor-serving amenities that communicate the significance and value of natural, historical and cultural resources in a manner that increases the understanding and enjoyment of these resources, or other similar activities.
10. The term "Other Sources of Funds" means cash or in-kind contributions that are required or used to complete the Urban Greening project beyond the Grant Funds provided by this Agreement.
11. The term "Payment Request Form" means Form RA212.
12. The term "Project" means the Development activity described in the application as modified by Exhibit A to be accomplished with Grant Funds.
13. The term "Project Budget" means the State approved cost estimate included as an Exhibit to this Agreement.
14. The term "Project Scope" means the description or activity for work to be accomplished by the Urban Greening Project.
15. The term "Public Agency" means any State of California department or agency, a county, city, public district or public agency formed under California law.

16. The term "State" means the Secretary for Natural Resources or his/her representatives, or other political subdivision of the State.

B. Project Execution

1. Subject to the availability of funds in the Act, the State hereby grants to the Grantee a sum of money (Grant Funds) not to exceed the amount stated on the signature page in consideration of and on condition that the sum be expended in carrying out the purposes as set forth in the description of Project in this Agreement and its attachments and under the Terms and Conditions set forth in this Agreement.
2. Grantee shall furnish any and all additional funds that may be necessary to complete the Project.
3. Grantee shall complete the Project in accordance with the Project Performance Period set forth on the signature page, unless an extension has been formally granted by the State and under the Terms and Conditions of this Agreement. Extensions may be requested in advance and will be considered by State, at its sole discretion, in the event of circumstances beyond the control of the Grantee, but in no event beyond **March 1, 2023**.
4. Grantee shall at all times ensure that Project complies with the California Environmental Quality Act (CEQA) (Public Resources Code, Division 13, commencing with section 21000, et. seq., Cal Code Regs tit. 14, section 15000 et. seq.) and all other environmental laws, including but not limited to obtaining all necessary permits. Grant Funds will not be disbursed before the close of the period for legal challenge under CEQA.

Grant Funds for planning and document preparation may be available sooner if included in the grant Project Scope (Exhibit A) and approved by the State. CEQA compliance shall be completed within one (1) year from the Grant Agreement start date, unless an extension is granted by the State.

Changes to the scope resulting from CEQA compliance are permitted provided the State determines that the project continues to meet all objectives of the Urban Greening Grant Program and is consistent with the intent cited in the original Application.

If a grantee's project is disapproved on grounds related to the Resource Agency's CEQA determination, the grantee shall have the option of either: (1) reimbursing the Resource Agency for all State-reimbursed preliminary costs (e.g., planning, design, etc.), or (2) relinquishing any planning/design documents, including all copies, reproductions, and variations resulting from said funding, without a license to use or otherwise retain in any form.

5. Projects must comply with any applicable laws pertaining to prevailing wage and labor compliance.
6. Grantee certifies that the Project does and will continue to comply with all current laws and regulations which apply to the Project, including, but not limited to, legal requirements for construction contracts, building codes, environmental laws, health and safety codes, and disabled access laws. Grantee certifies that, prior to commencement of construction, all applicable permits and licenses (e.g., state contractor's license) will have been obtained.
7. Grantee shall provide access by the State upon 24 hours notice to determine if Project work is in accordance with the approved Project Scope, including a final inspection upon Project completion.

8. Prior to the commencement of any work, Grantee agrees to submit in writing to the State for prior approval any deviation from the original Project Scope per Exhibit A and the Application. Changes in Project Scope must continue to meet the need cited in the original application or they will not be approved. Any modification or alteration in the Project as set forth in the Application on file with the State must be submitted to the State for approval. Any modification or alteration in the Project must also comply with all current laws and regulations, including but not limited to CEQA.
9. Grantee shall provide for public access to the Project in accordance with the intent of the Act.
10. Grantee must have (1) fee title, (2) leasehold, or (3) other interest to Project lands and demonstrate to the satisfaction of the State that the proposed Project will provide public benefits that are commensurate with the type and duration of the interest in land. Any acquisition of Project lands by Grantee following award shall not involve eminent domain proceedings or threat of eminent domain proceedings.
11. Grantee shall promptly provide photographs of the site during and after implementation of Project at the request of the State.

C. Project Costs

1. Any Grant Funds provided to Grantee under this Agreement will be disbursed for eligible costs, on a reimbursement basis, as follows, but shall not exceed in any event the amount set forth on the signature page of this Agreement:
 - a. Approved direct management costs or construction and Development costs. Up to ten percent (10%) of the reimbursement amount will be held back and issued as a final payment upon completion of the Project.
 - b. Remaining Grant Funds shall be paid up to the total amount of the Grant Funds or the actual Project cost, whichever is less, upon completion of the Project, receipt of a detailed summary of Project costs from the Grantee found to be satisfactory by the State, and the satisfactory completion of a site inspection by the State.
2. Payment Documentation:
 - a. All payment requests must be submitted using a completed Payment Request Form. This form must be accompanied by an itemized list of all expenditures that clearly documents the check numbers, dates, recipients, line-item description as described in the Project Budget approved by the State and amounts. Each payment request must also include proof of payment such as receipts, paid invoices, canceled checks or other forms of documentation demonstrating payment has been made.
 - b. Any payment request that is submitted without the required itemization and documentation will not be authorized. If the payment request package is incomplete, inadequate or inaccurate, the State will inform the Grantee and hold the payment request until all required information is received or corrected. Any penalties imposed on the Grantee by a contractor, or other consequence, because of delays in payment will be paid by the Grantee and is not reimbursable under this Agreement.
3. Grant Funds in this award have a limited period in which they must be expended. Grantee expenditures funded by the State must occur within the time frame of the Project Performance Period as indicated in this Agreement.

4. Except as otherwise provided herein, the Grantee shall expend Grant Funds in the manner described in the Exhibit A approved by the State. The total dollars of a category in the Project Budget may be increased by up to ten percent (10%) through a reallocation of funds from another category, without approval by the State. However, the Grantee shall notify the State in writing when any such reallocation is made, and shall identify both the item(s) being increased and those being decreased. Any cumulative increase or decrease of more than ten percent (10%) from the original budget in the amount of a category must be approved by the State. In any event, the total amount of the Grant Funds may not be increased, nor may any adjustments exceed the limits for management costs as described in the Application Guidelines.

D. Project Administration

1. Grantee shall promptly submit written Project reports and/or photographs upon request by the State. In any event Grantee shall provide the State a report showing total final Project expenditures with the final payment request and required closing documents.
2. Grantee shall make property and facilities acquired or developed pursuant to this Agreement available for inspection upon request by the State.
3. Grantee shall use any income earned by the Grantee from use of the Project to further Project purposes, or, if approved by the State, for related purposes within the jurisdiction.
4. Grantee shall submit all documentation for Project completion, including a notice of completion as applicable and final reimbursement within ninety (90) days of Project completion, but in no event any later than March 1, 2023. m
5. Final payment is contingent upon State verification that Project is consistent with Project Scope as described in Exhibit A, together with any State approved amendments.
6. This Agreement may be amended by mutual agreement in writing between Grantee and State. Any request by the Grantee for amendments must be in writing stating the amendment request and reason for the request. The Grantee shall make requests in a timely manner and in no event less than sixty (60) days before the effective date of the proposed amendment.
7. Grantee must report to the State all sources of other funds for the Project.

E. Project Termination

1. Prior to the completion of Project construction, either party may terminate this Agreement by providing the other party with thirty (30) days' written notice of such termination. The State may also terminate this Grant Agreement for any reason at any time if it learns of or otherwise discovers that there is a violation of any state or federal law or policy by Grantee which affects performance of this or any other grant agreement or contract entered into with the State. The State may also terminate this Grant Agreement for any reason at any time if it learns that the Grantee made false representations during the evaluation process, either knowingly or because Grantee failed to act reasonably. This can include, but is not limited to, identifying conditions or uses at the site that would otherwise be inconsistent with the purposes of the award, or would have deemed the project less competitive. The State reserves the right, in such cases, to require Grantee to repay any amounts already expended.
2. If the State terminates without cause the Agreement prior to the end of the Project Performance Period, the Grantee shall take all reasonable measures to prevent further costs to the State under this Agreement. The State shall be responsible for any

reasonable and non-cancelable obligations incurred by the Grantee in the performance of the Agreement prior to the date of the notice to terminate, but only up to the undisbursed balance of funding authorized in this Agreement.

3. If the Grantee fails to complete the Project in accordance with this Agreement, or fails to fulfill any other obligations of this Agreement prior to the termination date, the Grantee shall be liable for immediate repayment to the State of all amounts disbursed by the State under this Agreement, plus accrued interest and any further costs related to the Project. The State may, at its sole discretion, consider extenuating circumstances and not require repayment for work partially completed provided that the State determines it is in the State's best interest to do so. This paragraph shall not be deemed to limit any other remedies available to the State for breach of this Agreement.
4. Failure by the Grantee to comply with the terms of this Agreement or any other Agreement under the Act may be cause for suspension of all obligations of the State hereunder.
5. Failure of the Grantee to comply with the terms of this Agreement shall not be cause for suspending all obligations of the State hereunder if, in the judgment of the State, such failure was due to no fault of the Grantee. At the discretion of the State, any amount required to settle at minimum cost any irrevocable obligations properly incurred shall be eligible for reimbursement under this Agreement.
6. Because the benefit to be derived by the State, from the full compliance by the Grantee with the terms of this Agreement, is the preservation, enhancement or establishment of community green areas and spaces for the people of the State of California, and because such benefit exceeds to an immeasurable and unascertainable extent the amount of money furnished by the State by way of Grant Funds under the provisions of this Agreement, the Grantee agrees that payment by the Grantee to the State of an amount equal to the amount of the Grant Funds disbursed under this Agreement by the State would be inadequate compensation to the State for any breach by the Grantee of this Agreement. The Grantee further agrees therefore, that the appropriate remedy in the event of a breach by the Grantee of this Agreement shall be the specific performance of this Agreement, unless otherwise agreed to by the State.

F. Hold Harmless

1. Grantee shall waive all claims and recourses against the State, including the right to contribution for loss or damage to persons or property arising from, growing out of or in any way connected with or incident to this Agreement, except claims arising from the gross negligence of State, its officers, agents and employees.
2. Grantee shall indemnify, hold harmless and defend State, its officers, agents and employees in perpetuity against any and all claims, demands, damages, costs, expenses or liability costs arising out of the Project, including Development, construction, operation or maintenance of the property described in the Project description which claims, demands or causes of action arise under Government Code Section 895.2 or otherwise, including but not limited to items to which the Grantee has certified, except for liability arising out of the gross negligence of State, its officers, agents or employees. Grantee acknowledges that it is solely responsible for compliance with items to which it has certified.
3. Grantee and State agree that in the event of judgment entered against the State and Grantee because of the gross negligence of the State and Grantee, their officers, agents or employees, an apportionment of liability to pay such judgment shall be made by a court of competent jurisdiction. Neither party shall request a jury apportionment.

G. Financial Records

1. Grantee shall maintain satisfactory financial accounts, documents and records for the Project and to make them available to the State for auditing at reasonable times. Grantee shall also retain such financial accounts, documents and records for three (3) years after final payment and one (1) year following an audit.
2. Grantee agrees that during regular office hours, the State and its duly authorized representatives shall have the right to inspect and make copies of any books, records or reports of the Grantee pertaining to this Agreement or matters related thereto. Grantee shall maintain and make available for inspection by the State accurate records of all of its costs, disbursements and receipts with respect to its activities under this Agreement.
3. Grantee shall use applicable Generally Accepted Accounting Principles, unless otherwise agreed to by the State.

H. Use of Facilities

1. The real property (including any portion of it or any interest in it) may not be sold or transferred without the written approval of the State of California, acting through the Natural Resources Agency, or its successor, provided that such approval shall not be unreasonably withheld as long as the purposes for which the Grant was awarded are maintained.
2. Grantee shall maintain, operate, and use the Project in fulfillment of the purpose funded pursuant to this Grant for a minimum of **TWENTY (20) YEARS**, consistent with the Land Tenure/Site Control requirements included in the Application Guidelines. The Grantee, or the Grantee's successor in interest in the property, may assign without novation the responsibility to maintain and operate the property in accordance with this requirement only with the written approval of the State. Grantee may be excused from its obligations for operation and maintenance of the Project site only upon the written approval of the State for good cause. "Good cause" includes, but is not limited to, natural disasters that destroy the Project improvements and render the Project obsolete or impracticable to rebuild. CM
3. Grantee shall use the property for the purposes for which the Grant was made and shall make no other use or sale or other disposition of the property. This Agreement shall not prevent the transfer of the property from the Grantee to a Public Agency, if the successor Public Agency assumes the obligations imposed by this Agreement.
4. If the use of the property is changed to a use that is not permitted by the Agreement, or if the property is sold or otherwise disposed of, at the State's sole discretion, an amount equal to (1) the amount of the Grant (2) the Fair Market Value of the real property, or (3) the proceeds from the sale or other disposition, whichever is greater, may be reimbursed to the State. If the property sold or otherwise disposed of is less than the entire interest in the property funded in the Grant, an amount equal to either the proceeds from the sale or other disposition of the interest or the Fair Market Value of the interest sold or otherwise disposed of, whichever is greater, shall be reimbursed to the State.
5. The Grantee shall not use or allow the use of any portion of the real property for mitigation without the written permission of the State.
6. The Grantee shall not use or allow the use of any portion of the real property as security for any debt.

I. Nondiscrimination

1. During the performance of this grant, grantee and its subcontractors shall not unlawfully discriminate, harass or allow harassment, against any person because of sex, sexual orientation, race, color, religious creed, marital status, denial of family and medical care leave, ancestry, national origin, medical condition (cancer/genetic characteristics), age (40 and above), disability (mental and physical) including HIV and AIDS, denial of pregnancy disability leave or reasonable accommodation. Grantee and subcontractors shall ensure that the evaluation and treatment of all persons, and particularly their employees and applicants for employment are free from such discrimination and harassment. Grantee and its subcontractors shall comply with the provisions of the Fair Employment and Housing Act (Gov. Code, §12900 et seq.) and the applicable regulations promulgated thereunder (Cal. Code Regs, tit. 2, §7285.0 et seq.). The applicable regulations of the Fair Employment and Housing Commission implementing Government Code, §12990 (a)–(f), are incorporated into this grant by reference and made a part hereof as if set forth in full (Cal. Code Regs, tit. 2, §7285.0 et seq.). Grantee shall include this non-discrimination and compliance provisions of this clause in all subcontracts to perform work under the grant.
2. The Grantee shall not discriminate against any person on the basis of residence except to the extent that reasonable difference in admission or other fees may be maintained on the basis of residence and pursuant to law.
3. The completed Project and all related facilities shall be open to members of the public generally, except as noted under the special provisions of this Agreement or under provisions of the Act.

J. Application Incorporation

The Grant Guidelines and the Application and any subsequent changes or additions to the Application approved in writing by the State are hereby incorporated by reference into this Agreement as though set forth in full in this Agreement.

K. Severability

If any provision of this Agreement or the application thereof is held invalid, that invalidity shall not affect other provisions or applications of this Agreement which can be given effect without the invalid provision or application, and to this end the provisions of this Agreement are severable.

L. Waiver

No term or provision hereof will be considered waived by either party, and no breach excused by either party, unless such waiver or consent is in writing and signed on behalf of the party against whom the waiver is asserted. No consent by either party to, or waiver of, a breach by either party, whether expressed or implied, will constitute consent to, waiver of or excuse of any other, different or subsequent breach by either party.

M. Assignment

Except as expressly provided otherwise, this Agreement is not assignable by the Grantee either in whole or in part.

N. Disputes

If the Grantee believes that there is a dispute or grievance between Grantee and the State arising out of or relating to this Agreement, the Grantee shall first discuss and attempt to resolve the issue informally with the Agency Grants Administrator. If the issue cannot be resolved at this level, the Grantee shall follow the following procedures:

1. If the issue cannot be resolved informally with the Agency Grants Administrator, the Grantee shall submit, in writing, a grievance report together with any evidence to the Deputy Assistant Secretary for Bonds and Grants for the Natural Resources Agency. The grievance report must state the issues in the dispute, the legal authority, or other basis for the Grantee's position and the remedy sought. Within ten (10) working days of receipt of the written grievance report from the Grantee, the Deputy Assistant Secretary shall make a determination on the issue(s) and shall respond in writing to the Grantee indicating the decision and reasons therefore. Should the Grantee disagree with the Deputy Assistant Secretary's decision, the Grantee may appeal to the Assistant Secretary for Administration and Finance for the Natural Resources Agency.
2. The Grantee must submit a letter of appeal to the Assistant Secretary explaining why the Deputy Assistant Secretary's decision is unacceptable. The letter must include, as an attachment, copies of the Grantee's original grievance report, evidence originally submitted, and response from the Deputy Assistant Secretary. The Grantee's letter of appeal must be submitted within ten (10) working days of the receipt of the Deputy Assistant Secretary's written decision. The Assistant Secretary or designee shall, within twenty (20) working days of receipt of Grantee's letter of appeal, review the issues raised and shall render a written decision to the Grantee. The decision of the Assistant Secretary or designee shall be final.

O. Audit Requirements

Urban Greening Grants are subject to audit by the State as frequently as annually during the project and for the project life. The audit shall include all books, papers, accounts, documents, or other records of the Grantee, as they relate to the Project for which the Grant Funds were granted.

EXHIBIT A

**STATE OF CALIFORNIA NATURAL RESOURCES AGENCY
GRANT AGREEMENT**

**Urban Greening Grant Program
Senate Bill (SB) 856- Greenhouse Gas Reduction Fund**

Grantee Name: City of Perris

Project Title: Perris Green City Farm and Community Park Access Enhancement

Agreement Number: U29184-0

Project Location: 101 North D Street, Perris, California

Project Scope: Project to enhance and expand the Perris Green City Farm (“garden”) from approximately 13,111 to 15,838 square feet and construct a 0.5-mile multipurpose tree-shaded trail connecting the garden to Foss Field Park. A new parking lot between the garden and park will be constructed with City funds. Grant-funded project elements include:

- Approximately 4,000 sf of permeable concrete for new garden area and amphitheater
- Natural surface walking trail within new garden area
- Outdoor amphitheater
- Irrigation for new garden area
- One rainwater collection system
- One aquaponic system
- One compost system
- Approximately two green trellises
- Approximately two raised planter boxes
- Kids' corner with approximately three raised planter boxes
- Approximately two educational kiosks
- Approximately two exhibits
- Approximately ten educational signs
- Solar garden lighting
- Masonry wall and gate for kitchen area
- One new public entrance to the garden facing Foss Field Park
- Approximately 0.5 miles of decomposed granite multipurpose trail in and around Foss Field Park
- Approximately forty trees*
- Irrigation system for trees
- Approximately two funding acknowledgement signs

The public can access the garden through the main entrance on D Street.

Project Schedule:

Activity Description	Timeline
Preliminary work on the project	May 2021 – July 2021
Submit final site design/plans/specifications to State*	August 2021
Submit evidence of signage	January 2022
Construction Period	January 2022 - December 2022
Record MOUGA and Submit Project Closeout package with final Payment Request to State	March 2023

CM

EXHIBIT A

*A plant palette for all plants within the footprint of the project must be submitted with final designs and reflect appropriate species for the site, with consideration given to carbon sequestration, inclusion of native species where feasible, pollinator habitat, and low water, drought tolerant plantings. Trees, regardless of the funding source, may not exceed 15 gallons in initial planting size.

All projects must comply with the Model Water Efficient Landscape Ordinance (MWELO), all Governor Executive Orders, and local water ordinances. Plant establishment reimbursed by the grant not to exceed three (3) years.

Cost Estimate: See Exhibit A-1

EXHIBIT A-1
STATE OF CALIFORNIA NATURAL RESOURCES AGENCY
GRANT AGREEMENT

Grantee: City of Perris
Project: Perris Green City Farm and Community Park Access Enhancement
Agreement No: U29184-0
Cost Estimate: \$455,000.00

Task	Description	Total*	GGRF Grant	City of Perris
1.0	Non-Construction Costs (not to exceed 25% of grant)[†]			
1.1	Staff Time	\$ 68,350.00	\$ -	\$ 68,350.00
1.2	Design Consultants	\$ 45,000.00	\$ 45,000.00	
	Non-Construction Subtotal	\$ 113,350.00	\$ 45,000.00	\$ 68,350.00
2.0	Site Preparation and Construction			
2.1	Soil Preparation	\$ 5,856.00	\$ 5,856.00	
2.2	Irrigation	\$ 7,840.00	\$ 7,840.00	
2.3	Multipurpose DG Trail	\$ 50,000.00	\$ 50,000.00	
2.4	Amphitheater	\$ 76,854.00	\$ 76,854.00	
2.5	Garden DG Trail (DG and Drainage)	\$ 29,500.00	\$ 29,500.00	
2.6	Permeable concrete for new garden area	\$ 65,000.00	\$ 65,000.00	
3.0	Greening Elements			
3.1	Trees (Qty: ≈40)	\$ 8,000.00	\$ 8,000.00	
3.2	Rainwater Collection System	\$ 27,000.00	\$ 27,000.00	
3.3	Aquaponics System	\$ 11,200.00	\$ 11,200.00	
3.4	Composting System	\$ 5,000.00	\$ 5,000.00	
3.5	Trellises	\$ 10,000.00	\$ 10,000.00	
3.6	Garden Beds/Planters	\$ 5,000.00	\$ 5,000.00	
4.0	Other			
4.1	Educational Kiosks/ Exhibits / Signage	\$ 40,000.00	\$ 40,000.00	
4.2	Solar Garden Lighting	\$ 32,000.00	\$ 32,000.00	
4.3	Masonry Wall and Gate for Kitchen Area	\$ 7,000.00	\$ 7,000.00	
4.4	Garden Entrance Door	\$ 5,000.00	\$ 5,000.00	
4.5	Funding Acknowledgment Signs	\$ 2,000.00	\$ 2,000.00	
	Construction Subtotal	\$ 387,250.00	\$ 387,250.00	\$ -
	Contingency (not to exceed 10% of grant)	\$ 22,750.00	\$ 22,750.00	
	Project Grand Total	\$ 523,350.00	\$ 455,000.00	\$ 68,350.00

*All invoices & receipts for project expenditures from all funding sources will be retained and made available in the event of any future State audit.

[†]Only direct project management costs are eligible; no overhead/indirect costs are reimbursable. In-service payroll may not include a "billable rate" or administrative cost allocation.



CITY OF PERRIS

CITY COUNCIL

AGENDA SUBMITTAL

MEETING DATE: September 14, 2021

SUBJECT: One-Year Extension and Termination Agreement with Inframark, LLC, for the North and South Water System Operation and Maintenance Services

REQUESTED ACTION: Council to Approve a One-Year Extension and Termination Agreement to the existing Service Agreements with Inframark, LLC, for the North and South Service Areas Water System Operation and Maintenance Services and authorize the City Manager to execute a service agreement with Inframark, LLC, approved as to form by the City Attorney.

CONTACT: Bryant Hill, Director of Public Works *BH*

BACKGROUND/DISCUSSION:

The City of Perris has contracted water systems operations and maintenance services with Inframark, LLC, formerly known as Severn Trent Environmental Services, LLC. The original agreement term was for a five-year period which expired on March 31, 2020. On March 31, 2020, The City Council entered into a six-month Mutual Extension and Termination Agreement which expired on September 30, 2020. The Council approved a First Amendment to extend the Mutual Extension and Termination Agreement for a one-year term on September 30, 2020, which expires on September 30, 2021. The City and Inframark have agreed to extend the operations and maintenance service agreement for one (1) year.

Staff is recommending the City Council approve the attached Second Amendment to the Mutual Extension and Termination Agreement for a one-year term to the North and South Service Areas, beginning October 1, 2021, and ending September 30, 2022.

BUDGET (or FISCAL) IMPACT: Funds have already been appropriated in the 2021-2022 Fiscal Year Budget.

Prepared by: Liset Hernandez, Public Works Manager

REVIEWED BY:

City Attorney _____
 Deputy City Manager _____
 Finance Director *eh*

Attachments:

1. Second Amendment to the Mutual Extension and Termination Agreement with Inframark, LLC.
2. First Amendment to the Mutual Extension and Termination Agreement with Inframark, LLC.
3. Extension and Termination Agreement with Inframark, LLC
4. Original Contract Services Agreements

Consent: x
Public Hearing:
Business Item:
Presentation:
Other:

ATTACHMENT 1

Second Amendment to the
Mutual Extension and Termination with Inframark, LLC

**SECOND AMENDMENT TO THE MUTUAL EXTENSION AND
TERMINATION AGREEMENT BETWEEN INFRAMARK, LLC AND
THE CITY OF PERRIS**

THIS SECOND AMENDMENT is entered into and effective on October 1, 2021 (“Effective Date”) between the City of Perris (“City”) and Inframark, LLC (“Inframark”) for the purpose of extending the term of the O&M Contracts as hereinafter set forth:

WITNESSETH THAT:

WHEREAS, On April 1, 2015, City and Severn Trent Environmental Services, Inc. entered into two contracts for operation and maintenance of City’s water and wastewater systems: 1) the Contract Services Agreement for Water System Operation and Maintenance Services for the North Service Area (“North Contract”); and 2) the Contract Services Agreement for Water System Operation and Maintenance Services for the South Service Area (“South Contract”) (these two contracts are collectively referred to as the “O&M Contracts”);

WHEREAS, Severn Trent Environmental Services, Inc. restructured as Severn Trent Environmental Services, LLC in June 2017, then changed its name to Inframark, LLC (“Inframark”) and assumed all rights and obligations of Severn Trent Environmental Services, Inc. and Severn Trent Environmental Services, LLC on December 1, 2017;

WHEREAS, on March 31, 2020, the Parties entered to the Mutual Extension and Termination Agreement (the “Extension and Termination Agreement”) to extend the terms of the O&M Contracts through midnight of September 30, 2020; and

WHEREAS, on October 1, 2020, the Parties entered to the First Amendment to the Extension and Termination Agreement to extend the terms of the O&M Contracts through midnight of September 30, 2021; and

WHEREAS, the Parties desire to execute this Second Amendment to the Extension and Termination Agreement to extend the term of the O&M Contracts.

1. Section 2 of the Extension and Termination Agreement shall be replaced in its entirety with the following:

Subject to the terms and conditions set forth herein, the Parties mutually agree that the terms of the O&M Contracts shall extend until 11:59 p.m. PST on September 30, 2022 (the “Termination Date”). After the Termination Date, Inframark shall have no further obligations or duties under the O&M Contracts and the O&M Contracts shall be of no further force or effect for Inframark.

2. Schedule 1 to the Extension and Termination Agreement, as amended by the First Amendment shall be replaced in its entirety with the Schedule 1 attached hereto.

3. The Annual Base Fee under the O&M Contracts shall be adjusted pursuant to formula set forth in Exhibit "C" and Inframark shall be paid the following amounts by the City from the Effective Date of this Second Amendment through the Termination Date of the Extension and Termination Agreement:
 - a. The Annual Base Fee for the North Contract shall be \$406,334.04, which is payable in equal monthly payments of \$33,861.17 for the duration of the O&M Contracts in accordance with terms the North Contract;
 - b. The Annual Repair and Maintenance Limit for the North Contract shall be \$30,554.64, which is payable in equal monthly payments of \$2,546.22 for the duration of the O&M Contracts in accordance with terms the North Contract;
 - c. The Annual Base Fee for the South Contract shall be \$634,501.20, which is payable in equal monthly payments of \$52,875.10 for the duration of the O&M Contracts in accordance with terms the South Contract; and
 - d. The Annual Repair and Maintenance Limit for the South Contract shall be \$71,294.40, which is payable in equal monthly payments of \$5,941.20 for the duration of the O&M Contracts in accordance with terms the South Contract.
4. All other terms and provisions of the Extension and Termination Agreement, as previously amended, and the O&M Contracts remain in full force and effect to the extent that they do not conflict with this Second Amendment. In the event of any conflict between the provisions of this Second Amendment and the provisions of the Extension and Termination Agreement, as previously amended, and the O&M Contracts, the provisions in this Second Amendment will control.
5. The Second Amendment is binding upon the parties hereto and their respective legal representatives, successors, and assigns.

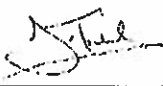
WHEREAS, this Second Amendment is effective upon execution by both parties.

IN WITNESS WHEREOF, the parties have duly executed this Second Amendment effective as of the Effective Date at the top of this Second Amendment.

City:
The City of Perris

Contractor:
Inframark, LLC

By: _____
Name: _____
Title: _____
Date: _____

By: 
Name: John Freebody
Title: CFO
Date: 08/31/2021

SCHEDULE 1: INFRAMARK'S PERFORMANCE STANDARDS

I. North Contract Performance Standards:

- 1) Under the North Contract, Inframark shall exercise 310 valves on a triennial basis for the City's North Service Area. As such, Inframark shall exercise approximately 103 valves from October 1, 2021 through September 30, 2022.
- 2) Under the North Contract, Inframark shall perform dead-end hydrant flushing for the City's 35 hydrants for the City's North Service Area by September 30, 2022.

II. South Contract Performance Standards:

- 1) Under the South Contract, Inframark shall exercise 864 valves on a triennial basis for the City's South Service Area. As such, Inframark shall exercise 288 valves from October 1, 2021 through September 30, 2022.
- 2) Under the South Contract, Inframark shall perform dead-end hydrant flushing for the City's 44 hydrants for the City's South Service Area by September 30, 2022.

III. O&M Contracts Performance Standards:

- 1) Under the O&M Contracts, Inframark shall clean and video 36,960 feet of sewer mains from October 1, 2021 through September 30, 2022.
- 2) Under the O&M Contracts, Inframark shall inspect the City's 2 lift stations on a monthly basis. If maintenance or repairs are required for the lift stations, the City shall be responsible for said maintenance and repairs and the costs thereof.

ATTACHMENT 2

First Amendment to the
Mutual Extension and Termination with Inframark, LLC

**FIRST AMENDMENT TO THE MUTUAL EXTENSION AND
TERMINATION AGREEMENT BETWEEN INFRAMARK, LLC AND
THE CITY OF PERRIS**

THIS FIRST AMENDMENT is entered into and effective on October 1, 2020 ("Effective Date") between the City of Perris ("City") and Inframark, LLC ("Inframark") for the purpose of extending the term of the O&M Contracts as hereinafter set forth:

WITNESSETH THAT:

WHEREAS, On April 1, 2015, City and Severn Trent Environmental Services, Inc. entered into two contracts for operation and maintenance of City's water and wastewater systems: 1) the Contract Services Agreement for Water System Operation and Maintenance Services for the North Service Area ("North Contract"); and 2) the Contract Services Agreement for Water System Operation and Maintenance Services for the South Service Area ("South Contract") (these two contracts are collectively referred to as the "O&M Contracts");

WHEREAS, Severn Trent Environmental Services, Inc. restructured as Severn Trent Environmental Services, LLC in June 2017, then changed its name to Inframark, LLC ("Inframark") and assumed all rights and obligations of Severn Trent Environmental Services, Inc. and Severn Trent Environmental Services, LLC on December 1, 2017;

WHEREAS, the O&M Contracts were set to expire on midnight of March 31, 2020;

WHEREAS, on March 31, 2020, the Parties entered to the Mutual Extension and Termination Agreement (the "Extension and Termination Agreement") to extend the terms of the O&M Contracts through midnight of September 30, 2020; and

WHEREAS, the Parties desire to execute this First Amendment to the Extension and Termination Agreement to extend the term of the O&M Contracts.

1. Section 2 of the Extension and Termination Agreement shall be replaced in its entirety with the following:

Subject to the terms and conditions set forth herein, the Parties mutually agree that the terms of the O&M Contracts shall extend until 11:59 p.m. PST on September 30, 2021 (the "Termination Date"). After the Termination Date, Inframark shall have no further obligations or duties under the O&M Contracts and the O&M Contracts shall be of no further force or effect for Inframark.

2. Schedule 1 to the Extension and Termination Agreement shall be replaced in its entirety with the Schedule 1 attached hereto.
3. The Annual Base Fee under the O&M Contracts shall be adjusted pursuant to formula set forth in Exhibit "C" and Inframark shall be paid the following amounts by the City

from the Effective Date of this First Amendment through the Termination Date of the Extension and Termination Agreement:


- a. The Annual Base Fee for the North Contract shall be \$390,743.40, which is payable in equal monthly payments of \$32,561.95 for the duration of the O&M Contracts in accordance with terms the North Contract;
 - b. The Annual Repair and Maintenance Limit for the North Contract shall be \$29,382.24, which is payable in equal monthly payments of \$2,448.52 for the duration of the O&M Contracts in accordance with terms the North Contract;
 - c. The Annual Base Fee for the South Contract shall be \$586,115.28, which is payable in equal monthly payments of \$48,842.94 for the duration of the O&M Contracts in accordance with terms the South Contract; and
 - d. The Annual Repair and Maintenance Limit for the South Contract shall be \$68,558.88, which is payable in equal monthly payments of \$5,713.24 for the duration of the O&M Contracts in accordance with terms the South Contract.
4. All other terms and provisions of the Extension and Termination Agreement and O&M Contracts remain in full force and effect to the extent that they do not conflict with this First Amendment. In the event of any conflict between the provisions of this First Amendment and the provisions of the Extension and Termination Agreement and O&M Contracts, the provisions in this First Amendment will control.
5. The First Amendment is binding upon the parties hereto and their respective legal representatives, successors, and assigns.


WHEREAS, this First Amendment is effective upon execution by both parties.

IN WITNESS WHEREOF, the parties have duly executed this First Amendment effective as of the Effective Date at the top of this First Amendment.

City:
The City of Perris

Contractor:
Inframark, LLC

By: 
Name: Richard Belmont
Title: City Manager
Date: 11/2/20

By: 
Name: Erik Sabolska
Title: Regional Director
Date: 10/3/2020

SCHEDULE 1: INFRAMARK'S PERFORMANCE STANDARDS

I. North Contract Performance Standards:

- 1) Under the North Contract, Inframark shall exercise 310 valves on a triennial basis for the City's North Service Area. As such, Inframark shall exercise approximately 103 valves from October 1, 2020 through September 30, 2021.**
- 2) Under the North Contract, Inframark shall perform dead-end hydrant flushing for the City's 35 hydrants for the City's North Service Area by September 30, 2021.**

II. South Contract Performance Standards:

- 1) Under the South Contract, Inframark shall exercise 864 valves on a triennial basis for the City's South Service Area. As such, Inframark shall exercise 288 valves from October 1, 2020 through September 30, 2021.**
- 2) Under the South Contract, Inframark shall perform dead-end hydrant flushing for the City's 44 hydrants for the City's South Service Area by September 30, 2021.**

III. O&M Contracts Performance Standards:

- 1) Under the O&M Contracts, Inframark shall clean and video 36,960 feet of sewer mains from October 1, 2020 through September 30, 2021.**
- 2) Under the O&M Contracts, Inframark shall inspect the City's 2 lift stations on a monthly basis. If maintenance or repairs are required for the lift stations, the City shall be responsible for said maintenance and repairs and the costs thereof.**



CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)
9/30/2020

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

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

PRODUCER Los Angeles-Alliant Insurance Services, Inc. 333 S Hope St Ste 3750 Los Angeles CA 90071		CONTACT NAME: Edwin Mejia PHONE (AG. No. Ext.): 213-270-0155 FAX (AG. No.): E-MAIL ADDRESS: Edwin.Mejia@alliant.com	
INSURED Inframark, LLC 220 Gibraltar Road, Suite 200 Horsham, PA 19034		SEVETRE-01	
		INSURER(S) AFFORDING COVERAGE	
		INSURER A: Genlrl Insurance Company NAIC # 10833	
		INSURER B: Allied World National Assuranc 10890	
		INSURER C: Travelers Property Casualty Co 25674	
		INSURER D: Travelers Indemnity Company of 25668	
		INSURER E: Berkley Assurance Company 39462	
		INSURER F:	

COVERAGES **CERTIFICATE NUMBER:** 730349612 **REVISION NUMBER:**

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

INBR LTR	TYPE OF INSURANCE	ADD'L SUBR INSD WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS
A	<input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS-MADE <input checked="" type="checkbox"/> OCCUR GEN'L AGGREGATE LIMIT APPLIES PER: <input type="checkbox"/> POLICY <input checked="" type="checkbox"/> PRO-JECT <input type="checkbox"/> LOC OTHER:		VCGP025894	7/1/2020	1/1/2022	EACH OCCURRENCE \$ 1,000,000 DAMAGE TO RENTED PREMISES (Ea occurrence) \$ 300,000 MED EXP (Any one person) \$ Excluded PERSONAL & ADV INJURY \$ 1,000,000 GENERAL AGGREGATE \$ 2,000,000 PRODUCTS - COMP/OP AGG \$ 2,000,000 \$
C	<input checked="" type="checkbox"/> AUTOMOBILE LIABILITY <input checked="" type="checkbox"/> ANY AUTO <input type="checkbox"/> OWNED AUTOS ONLY <input type="checkbox"/> SCHEDULED AUTOS NON-OWNED AUTOS ONLY <input type="checkbox"/> HIRED AUTOS ONLY		TC2JCAP-6E006487-20	7/1/2020	1/1/2022	COMBINED SINGLE LIMIT (Ea accident) \$ 2,000,000 BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (Per accident) \$ Medical Payments \$ 6,000
B	<input type="checkbox"/> UMBRELLA LIAB <input checked="" type="checkbox"/> OCCUR <input checked="" type="checkbox"/> EXCESS LIAB <input type="checkbox"/> CLAIMS-MADE DED RETENTION \$		0310-7887	7/1/2020	1/1/2022	EACH OCCURRENCE \$ 5,000,000 AGGREGATE \$ 5,000,000 \$
D D D	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) If yes, describe under DESCRIPTION OF OPERATIONS below	Y/N	N/A	UB-1N173390-20-51-R 7/1/2020 1/1/2021 UB-1N173390-21-51-R 1/1/2021 1/1/2022 UB-1N388597-20-51-K 7/1/2020 1/1/2021 UB-1N388597-21-51-K 1/1/2021 1/1/2022	<input checked="" type="checkbox"/> PER STATUTE <input type="checkbox"/> OTH-ER E.L. EACH ACCIDENT \$ 1,000,000 E.L. DISEASE - EA EMPLOYEE \$ 1,000,000 E.L. DISEASE - POLICY LIMIT \$ 1,000,000	
E	<input type="checkbox"/> Poli/Prof Liability		PCAB-5008985-0720	7/1/2020	1/1/2022	App/Occ \$5,000,000

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)
City of Perris, its officers, employees, and agents are included as Additional Insureds as respects to General Liability and Auto Liability where required under contract or agreement. Waiver of Subrogation applies in favor of Additional Insureds with respects to General Liability where required by contract, and permitted by law.

CERTIFICATE HOLDER City of Perris 101 North D Street Perris CA 92570	CANCELLATION SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS. AUTHORIZED REPRESENTATIVE
--	---

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

ADDITIONAL INSURED – OWNERS, LESSEES OR CONTRACTORS – SCHEDULED PERSON OR ORGANIZATION

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

SCHEDULE

Name Of Additional Insured Person(s) Or Organization(s)	Location(s) Of Covered Operations
Where Required by Written Contract	Where Required by Written Contract
Information required to complete this Schedule, if not shown above, will be shown in the Declarations.	

A. Section II – Who Is An Insured is amended to include as an additional insured the person(s) or organization(s) shown in the Schedule, but only with respect to liability for "bodily injury", "property damage" or "personal and advertising injury" caused, in whole or in part, by:

1. Your acts or omissions; or
2. The acts or omissions of those acting on your behalf;

in the performance of your ongoing operations for the additional insured(s) at the location(s) designated above.

However:

1. The insurance afforded to such additional insured only applies to the extent permitted by law; and
2. If coverage provided to the additional insured is required by a contract or agreement, the insurance afforded to such additional insured will not be broader than that which you are required by the contract or agreement to provide for such additional insured.

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

This insurance does not apply to "bodily injury" or "property damage" occurring after:

1. All work, including materials, parts or equipment furnished in connection with such work, on the project (other than service, maintenance or repairs) to be performed by or on behalf of the additional insured(s) at the location of the covered operations has been completed; or
2. That portion of "your work" out of which the injury or damage arises has been put to its intended use by any person or organization other than another contractor or subcontractor engaged in performing operations for a principal as a part of the same project.

C. With respect to the insurance afforded to these additional insureds, the following is added to Section III – Limits Of Insurance:

If coverage provided to the additional insured is required by a contract or agreement, the most we will pay on behalf of the additional insured is the amount of insurance:

1. Required by the contract or agreement; or

2. Available under the applicable Limits of Insurance shown in the Declarations;

whichever is less.

This endorsement shall not increase the applicable Limits of Insurance shown in the Declarations.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

ADDITIONAL INSURED – OWNERS, LESSEES OR CONTRACTORS – COMPLETED OPERATIONS

This endorsement modifies insurance provided under the following:

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

SCHEDULE

Name Of Additional Insured Person(s) Or Organization(s)	Location And Description Of Completed Operations
Where required by written contract, but only where the contract specifies coverage for completed operations	Where required by written contract

Information required to complete this Schedule, if not shown above, will be shown in the Declarations.

A. Section II – Who Is An Insured is amended to include as an additional insured the person(s) or organization(s) shown in the Schedule, but only with respect to liability for "bodily injury" or "property damage" caused, in whole or in part, by "your work" at the location designated and described in the Schedule of this endorsement performed for that additional insured and included in the "products-completed operations hazard".

However:

1. The insurance afforded to such additional insured only applies to the extent permitted by law; and
2. If coverage provided to the additional insured is required by a contract or agreement, the insurance afforded to such additional insured will not be broader than that which you are required by the contract or agreement to provide for such additional insured.

B. With respect to the insurance afforded to these additional insureds, the following is added to Section III – Limits Of Insurance:

If coverage provided to the additional insured is required by a contract or agreement, the most we will pay on behalf of the additional insured is the amount of insurance:

1. Required by the contract or agreement; or
 2. Available under the applicable Limits of Insurance shown in the Declarations;
- whichever is less.

This endorsement shall not increase the applicable Limits of Insurance shown in the Declarations.

Policy Number: VCGP025694

COMMERCIAL GENERAL LIABILITY
CG 20 01 04 13

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

**PRIMARY AND NONCONTRIBUTORY –
OTHER INSURANCE CONDITION**

This endorsement modifies insurance provided under the following:

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

The following is added to the **Other Insurance Condition** and supersedes any provision to the contrary:

Primary And Noncontributory Insurance

This insurance is primary to and will not seek contribution from any other insurance available to an additional insured under your policy provided that:

(1) The additional insured is a Named Insured under such other Insurance; and

(2) You have agreed in writing in a contract or agreement that this insurance would be primary and would not seek contribution from any other insurance available to the additional insured.

WAIVER OF TRANSFER OF RIGHTS OF RECOVERY AGAINST OTHERS TO US

This endorsement modifies insurance provided under the following:

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

SCHEDULE

Name Of Person Or Organization: PER WRITTEN CONTRACT
Information required to complete this Schedule, if not shown above, will be shown in the Declarations.

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

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

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

**BLANKET ADDITIONAL INSURED – PRIMARY AND
NON-CONTRIBUTORY WITH OTHER INSURANCE**

This endorsement modifies insurance provided under the following:
BUSINESS AUTO COVERAGE FORM

PROVISIONS

1. The following is added to Paragraph A.1.c., **Who Is An Insured**, of **SECTION II – COVERED AUTOS LIABILITY COVERAGE**:

This includes any person or organization who you are required under a written contract or agreement between you and that person or organization, that is signed by you before the "bodily injury" or "property damage" occurs and that is in effect during the policy period, to name as an additional insured for Covered Autos Liability Coverage, but only for damages to which this insurance applies and only to the extent of that person's or organization's liability for the conduct of another "insured".

2. The following is added to Paragraph B.5., **Other Insurance** of **SECTION IV – BUSINESS AUTO CONDITIONS**:

Regardless of the provisions of paragraph a. and paragraph d. of this part 5. **Other Insurance**, this insurance is primary to and non-contributory with applicable other insurance under which an additional insured person or organization is the first named insured when the written contract or agreement between you and that person or organization, that is signed by you before the "bodily injury" or "property damage" occurs and that is in effect during the policy period, requires this insurance to be primary and non-contributory.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

BLANKET WAIVER OF SUBROGATION

This endorsement modifies insurance provided under the following:

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

The following replaces Paragraph A.5., **Transfer of Rights Of Recovery Against Others To Us**, of the **CONDITIONS** Section:

5. Transfer Of Rights Of Recovery Against Others To Us

We waive any right of recovery we may have against any person or organization to the extent

required of you by a written contract executed prior to any "accident" or "loss", provided that the "accident" or "loss" arises out of the operations contemplated by such contract. The waiver applies only to the person or organization designated in such contract.



**WORKERS COMPENSATION
AND
EMPLOYERS LIABILITY POLICY**

UB-1N173390-20-51-R
UB-1N173390-21-51-R
POLICY NUMBER: UB-1N388597-20-51-K
UB-1N388597-21-51-K

WAIVER OF OUR RIGHT TO RECOVER FROM OTHERS ENDORSEMENT

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

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

SCHEDULE

DESIGNATED PERSON:

DESIGNATED ORGANIZATION:

**ANY PERSON OR ORGANIZATION FOR WHICH THE INSURED HAS AGREED
BY WRITTEN CONTRACT EXECUTED PRIOR TO LOSS TO FURNISH THIS
WAIVER.**

ATTACHMENT 3

Mutual Extension and Termination with Inframark, LLC



CITY OF PERRIS

CITY COUNCIL

AGENDA SUBMITTAL

8.E.

MEETING DATE: March 31, 2020

SUBJECT: Six-Month Extension and Termination Agreement with Inframark, LLC, for the North and South Water System Operation and Maintenance Services

REQUESTED ACTION: Approve a Six-Month Extension and Termination Agreement to the existing Service Agreements with Inframark, LLC, for the North and South Service Areas Water System Operation and Maintenance Services.

CONTACT: Clara Miramontes, Assistant City Manager

BACKGROUND/DISCUSSION:

The City of Perris has contracted water systems operations and maintenance services with Inframark, LLC, formerly known as Severn Trent Environmental Services, LLC. The agreement term was for a five-year period and is due to expire on April 1, 2020. To date, the Public Utilities Commission PUC has not given final approval of the sale of the City's water system to Liberty Utilities. In recent communications with the PUC, the PUC had advised the City that final approval could potentially occur by March of this year. The City is still waiting approval from the PUC and there is no clear date as to when the PUC will act on the sale. However, it is anticipated that final approval could be completed in the next few months. In order to not disrupt water service operations, Inframark and the City have agreed to extend the contract for a period of six months. This would allow adequate time to transition the water system operations to Liberty Utilities once the PUC approves the sale.

Staff is recommending that the City Council approve the attached Extension and Termination Agreement for a six-month term to the North and South Service Area agreements, beginning April 1, 2020 and ending September 30, 2020.

BUDGET (or FISCAL) IMPACT: Funds have already been appropriated in the 2019-2020 Fiscal Year Budget.

Prepared by: Liset Hernandez, Interim Public Works Manager

REVIEWED BY:

City Attorney _____
Assistant City Manager *CLM*
Finance Director *ER*

Attachments: Extension and Termination Agreement with Inframark, LLC
Original Contract Services Agreements

Consent: March 31, 2020
Public Hearing:
Business Item:
Presentation:

MUTUAL EXTENSION AND TERMINATION AGREEMENT

THIS MUTUAL EXTENSION AND TERMINATION AGREEMENT ("Extension and Termination Agreement") is made effective this ____ day of _____, 2020, (the "Effective Date"), by and between the City of Perris, a California municipal corporation ("City") and Inframark, LLC, formerly known as Severn Trent Environmental Services, Inc., a Texas limited liability company ("Inframark"). City and Inframark may each be referred to hereinafter separately as "Party" and collectively as the "Parties". There are no other parties to this Extension and Termination Agreement.

RECITALS

WHEREAS, On April 1, 2015, City and Severn Trent Environmental Services, Inc. entered into two contracts for operation and maintenance of its water and wastewater systems: 1) the Contract Services Agreement for Water System Operation and Maintenance Services for the North Service Area ("North Contract"); and 2) the Contract Services Agreement for Water System Operation and Maintenance Services for the South Service Area ("South Contract") (these two contracts are collectively referred to as the "O&M Contracts");

WHEREAS, Severn Trent Environmental Services, Inc. restructured as Severn Trent Environmental Services, LLC in June 2017, then changed its name to Inframark, LLC ("Inframark") and assumed all rights and obligations of Severn Trent Environmental Services, Inc. and Severn Trent Environmental Services, LLC on December 1, 2017; and

WHEREAS, the O&M Contracts are set to expire on midnight of March 31, 2020; and

WHEREAS, the Parties mutually desire to extend the terms of the O&M Contracts for six (6) months through midnight of September 30, 2020 in accordance with the terms and conditions set forth herein.

NOW, THEREFORE, in consideration of the promises and mutual covenants contained herein and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties agree as follows:

AGREEMENT

Section 1. Recitals. The Recitals set forth above are expressly incorporated as terms of this Extension and Termination Agreement. In the event of any conflict between the Recitals and Sections 1 through 21 of this Extension and Termination Agreement, Sections 1 through 21 shall prevail.

Section 2. Termination. Subject to the terms and conditions set forth herein, the Parties mutually agree that, the terms of the O&M Contracts shall extend for six (6) months until 11:59 p.m. PST on September 30, 2020 (the "Termination Date"). After the Termination Date, Inframark shall have no further obligations or duties under the O&M Contracts and the O&M Contracts shall be of no further force or effect for Inframark.

Section 3. Continuing Obligations.

3.1. During the period between the Effective Date and the Termination Date (the "Transition Period"), all rights and obligations of the Parties set forth in the O&M Contracts shall continue and remain in full force and effect, except as specifically set forth in this Extension and Termination Agreement; provided, however, Inframark shall perform in accordance with the Performance Standards attached hereto as Schedule 1.

3.2. During the Transition Period, neither party shall be permitted to terminate the O&M Contracts for convenience as set forth in Sections 7.4 of the O&M Contracts.

Section 4. Payments.

4.1. The following amounts shall be paid to Inframark by the City:

- (a) The Annual Base Fee for the North Contract shall be paid in equal monthly payments of \$31,918.29 for the duration of the O&M Contracts in accordance with terms the North Contract;
- (b) The Annual Repair and Maintenance Limit for the North Contract shall be paid in equal monthly payments of \$2,400.13 for the duration of the O&M Contracts in accordance with terms the North Contract;
- (c) The Annual Base Fee for the South Contract shall be paid in equal monthly payments of \$47,877.47 for the duration of the O&M Contracts in accordance with terms the South Contract; and
- (d) The Annual Repair and Maintenance Limit for the South Contract shall be paid in equal monthly payments of \$5,600.31 for the duration of the O&M Contracts in accordance with terms the South Contract.

4.2. City shall reimburse or compensate Inframark for the costs that exceed the Annual Repair and Maintenance Limit plus an administrative fee of 10% of the cost thereof in accordance with the terms of the O&M Contracts.

4.3. In the event that Inframark is required to spend any other amounts not specifically set forth in this Extension and Termination Agreement which are related to an Emergency Event or any other requirement under the O&M Contracts or this Extension and Termination Agreement for which reimbursement would be due under the O&M Contracts or the Extension and Termination Agreement, such amounts shall be paid no later than the Termination Date.

Section 5. Mutual Release.

5.1. As of the Termination Date and except as set forth in this Extension and Termination Agreement, in consideration of the terms and conditions of this Extension and Termination Agreement, each Party and each of its officers, officials, employees, volunteers, agents, representatives, attorneys, accountants, successors, and assigns ("Agents"), hereby absolutely, fully and irrevocably releases, waives, relinquishes and discharges the other Party and its Agents from any and all actions, causes of action, suits, damages (whether general, special or punitive), debts, liabilities, demands, rights, obligations, costs, expenses, losses, attorneys' fees (whether or not litigation is commenced), liens and indemnities of every kind and nature whatsoever, whether known or unknown, suspected or unsuspected, and whether based on contract, tort, statute or other legal or equitable theory of recovery which the other Party may have had of, have arisen, or may hereinafter arise, whether presently known or unknown, any claims related to the O&M Contracts (collectively "O&M Contracts Claims").

5.2. In the event that any O&M Contracts Claims arise out of actions or circumstances occurring prior to the Termination Date, the Party making such O&M Contracts Claims shall provide notice to the other Party in accordance with this Extension and Termination Agreement prior to the Termination Date. In addition to the mutual release set forth in 5.1 above, upon the Termination Date, the Parties hereby agree that each Party and each of its Agents absolutely, fully and irrevocably releases waives, relinquishes, and discharges the other Party and its Agents from any and all O&M Contracts Claims arising out of actions or circumstances occurring after Termination Date, unless such Party has notified the other Party of such O&M Contracts Claims prior to the Termination Date.

5.3. Notwithstanding the provisions of Sections 5.1 and 5.2 above, the mutual releases set forth herein shall not apply to any amounts due, invoiced, incurred but not yet invoiced, or that may become due during the Transition Period for services rendered or materials purchased by Inframark under the O&M Contracts or this Extension and Termination Agreement.

Section 6. Notices. Any notice or communication required hereunder between the City and Inframark must be in writing and may be given either personally, by registered or certified mail (return receipt requested), or by Federal Express, UPS, or other similar couriers providing overnight delivery. If personally delivered, a notice shall be deemed to have been given when delivered to the Party to whom it is addressed. If given by registered or certified mail, such notice or communication shall be deemed to have been given and received on the first to occur of (a) actual receipt by any of the addressees designated below as the Party to whom notices are to be sent, or (b) five (5) days after a registered or certified letter containing such notice, properly addressed, with postage prepaid, is deposited in the United States mail. If given by Federal Express or similar courier, a notice or communication shall be deemed to have been given and received on the date delivered, as shown on a receipt issued by the courier. Any Party hereto may at any time, by giving ten (10) days written notice to the other Party hereto, designate any other address in substitution of the address to which such notice or communication shall be given. Such notices or communications shall be given to the Parties at their addresses set forth below:

If to the City: City of Perris
Attn: Richard Belmudez, City Manager
101 N. 'D' Street
Perris, CA 92570

If to Inframark: Inframark, LLC
Attn: Eric Sabolsice, Regional Manager
1600 Avalon Parkway
Perris, CA 92571

And
Inframark, LLC
ATTN: Legal Department
220 Gibraltar Road
Suite 200
Horsham, PA 19044

Section 7. Entire Agreement. Except as otherwise set forth herein, this Extension and Termination Agreement constitutes the entire agreement among the Parties and supersedes any other agreements, whether written or oral, that may have been made or entered into by or among the Parties or any of their Agents relating to the transactions contemplated hereby.

Section 8. Modification of Agreement. This Extension and Termination Agreement may be supplemented, amended, or modified only by a writing signed by the Parties.

Section 9. Time of Essence. Time is of the essence for this Extension and Termination Agreement and each section contained within and each section is made and declared to be a material, necessary, and essential part of this Extension and Termination Agreement.

Section 10. Severability. If any provision of this Extension and Termination Agreement is held invalid or unenforceable by any court of competent jurisdiction, the other provisions of this Extension and Termination Agreement shall remain in full force and effect. The Parties further agree that if any provision contained herein is, to any extent, held invalid or unenforceable in any respect under the Laws governing this Extension and Termination Agreement, they shall take any actions necessary to render the remaining provisions of this Extension and Termination Agreement valid and enforceable to the fullest extent permitted by Law and, to the extent necessary, shall amend or otherwise modify this Extension and Termination Agreement to replace any provision contained herein that is held invalid or unenforceable with a valid and enforceable provision giving effect to the intent of the Parties to the greatest extent legally permissible.

Section 11. Authority. All Parties to this Extension and Termination Agreement warrant and represent that they have the power and authority to enter into this Extension and Termination Agreement and the names, titles and capacities herein stated on behalf of any entities, persons, or firms represented or purported to be represented by such entities, persons, or firms and that all former requirements necessary or required by state or federal law in order to enter into this Extension and Termination Agreement had been fully complied with. Further, by entering into

this Extension and Termination Agreement, no Party hereto shall have breached the terms or conditions of any other contract or agreement to which such Party is obligated, which such breach would have a material effect hereon.

Section 12. Noninterference. No Party will do anything to interfere with or inhibit the ability of the other to comply with their respective obligations under the terms of this Extension and Termination Agreement.

Section 13. Ambiguities. Each Party has participated fully in the review and revision of this Extension and Termination Agreement. Any rule of construction that ambiguities are to be resolved against the drafting Party does not apply in interpreting this Extension and Termination Agreement.

Section 14. Headings. The headings in this Extension and Termination Agreement are included for convenience only and neither affect the construction or interpretation of any section in this Extension and Termination Agreement nor affect any of the rights or obligations of the Parties to this Extension and Termination Agreement.

Section 15. Necessary Acts and Further Assurances. The Parties shall, at their own cost and expense, execute and deliver such further documents and instruments and shall take such other actions as may be reasonably required or appropriate to evidence or carry out the intent and purposes of this Extension and Termination Agreement.

Section 16. Governing Law. This Extension and Termination Agreement shall be governed and construed in accordance with the laws of the State of California.

Section 17. Dispute Resolution.

17.1. In the event of any disputes related to or arising out of or under this Extension and Termination Agreement, the parties shall first attempt to resolve the dispute by good faith discussions by and between senior management of the Parties, which discussions shall take place within thirty (30) days of notice of such dispute.

17.2. If the dispute cannot be resolved within thirty (30) days from the time it is submitted to senior management, the parties shall mediate their dispute before a mediator acceptable to both parties. If they cannot agree on a mediator, they shall ask the Director of the Federal Mediation and Conciliation Service to nominate a mediator. The parties shall bear their own costs of the mediation but the parties shall share equally the costs of the mediator and the mediation facilities.

17.3. If the parties are unable to resolve any disputes in accordance with 17.1 and 17.2 above, either party may request that such dispute be submitted for binding arbitration, which shall be governed by the rules of the American Arbitration Association or such other rules as the parties may agree. The parties agree that any judgment issued as a result of arbitration may be entered in the court having jurisdiction thereof. The parties agree that arbitration shall be the exclusive means to settle any dispute, controversy, or claim arising out of, or related to, this Extension and Termination Agreement.

Section 18. Attorney's Fees and Costs. If any O&M Contracts Claims or disputes under this Extension and Termination Agreement is brought to arbitration under Section 17.3 above, the prevailing Party shall be entitled to reasonable attorney's fees and costs, which may be set by the Arbitrator(s), in addition to any other relief to which such Party may be entitled.

Section 19. Non-Disparagement. The Parties agree that, unless required to do so by legal process, they will not make any disparaging statements or representations, either directly or indirectly, whether orally or in writing, by word or gesture, to any person whatsoever, about the other Party. For purposes of this paragraph, a disparaging statement or representation is any communication approved by the Party and made in an official capacity as a representative of the Party, which, if publicized to another, would cause or tend to cause the recipient of the communication to question the business condition, integrity, competence, good character or product quality of the person or entity to whom the communication relates.

Section 20. Waiver. No covenant, term, or condition, or the breach thereof, shall be deemed waived, except by written consent of the Party against whom the waiver is claimed, and any waiver of the breach of any covenant, term, or condition shall not be deemed to be a waiver of any preceding or succeeding breach of the same or any other covenant, term, or condition.

Section 21. Counterparts. This Extension and Termination Agreement may be executed in counterparts and all so executed shall constitute an agreement which shall be binding upon the Parties hereto, notwithstanding that the signatures of all Parties and Parties' designated representatives do not appear on the same page.

IN WITNESS WHEREOF, the Parties hereto have caused this Extension and Termination Agreement to be executed as of the day and year first above written.

CITY:

INFRAMARK:

CITY OF PERRIS, a California municipal corporation

INFRAMARK, LLC., a Texas Limited Liability Company

By: _____
Richard Belmudez, City Manager

By: _____

Date: _____

Name: _____

Date: _____

SCHEDULE 1: INFRAMARK'S PERFORMANCE STANDARDS

I. North Contract Performance Standards:

- 1) Under the North Contract, Inframark shall exercise 310 valves on a triennial basis for the City's North Service Area. As such, Inframark shall exercise approximately 103 valves per year, which is approximately 9 per month. For the duration of the North Contract, Inframark shall exercise approximately 9 valves per month in the North Service Area.
- 2) Under the North Contract, Inframark shall perform dead-end hydrant flushing for 35 hydrants per year for the City's North Service Area. Inframark shall perform dead-end hydrant flushing for the 35 hydrants for the City's North Service Area by September 30, 2020. If the North Contract is assigned or terminated before September 30, 2020, Inframark shall be relieved of its obligation to perform said dead end hydrant flushing.

II. South Contract Performance Standards:

- 1) Under the South Contract, Inframark shall exercise 864 valves on a triennial basis for the City's South Service Area. As such, Inframark shall exercise 288 valves per year, which is 24 per month. For the duration of the South Contract, Inframark shall exercise 24 valves per month in the South Service Area.
- 2) Under the South Contract, Inframark shall perform dead-end hydrant flushing for 44 hydrants per year for the City's South Service Area. Inframark shall perform dead-end hydrant flushing for the 44 hydrants for the City's South Service Area by September 30, 2020. If the South Contract is assigned or terminated before September 30, 2020, Inframark shall be relieved of its obligation to perform said dead end hydrant flushing.

III. O&M Contracts Performance Standards:

- 1) Under the O&M Contracts, Inframark shall clean and video 36,960 feet of sewer mains per year for the City, which is 3,080 feet per month. For the duration of the O&M Contracts, Inframark shall clean and video 3,080 feet of sewer mains per month.
- 2) Under the O&M Contracts, Inframark shall inspect the City's 2 lift station on a monthly basis. If maintenance is required for the lift stations, the City shall be responsible for said maintenance.

ATTACHMENT 4

Original Contract Service Agreements

**CITY COUNCIL/PUBLIC UTILITIES AUTHORITY
AGENDA SUBMITTAL**

Meeting Date: March 10, 2015

SUBJECT: Water/Collections Systems Operations

REQUESTED ACTION: Approve New Service Contract with Severn Trent for Operations of Water and Collections Systems subject to non-substantive changes by the City Attorney.

CONTACT: Daryl Hartwill, Assistant Director of Public Works

BACKGROUND/DISCUSSION: The City of Perris and the Perris Public Utilities Authority contracts their water and collections systems operations to Severn Trent Environmental Services, Inc.

The City of Perris and the Perris Public Utilities Authority have contracted water and collections systems operations with Severn Trent and its predecessor, Southwest Water, since 2003. The term of the proposed contract is for 5 years, through February 24, 2020. A three single three year extension may be awarded after contract date above has expired.

BUDGET (or FISCAL) IMPACT:

The budgetary impact to this agreement will remain the same as the previous contract with no increases in services or maintenance and repairs other than as defined in contract per percentage of Price Index. Annual Service amount for this contract is \$861,928.80. Annual Maintenance and Repairs amount for this contract \$86,416.56.

Reviewed by:

City Attorney
Assistant City Manager *Rc*

Attachment: Contract

Consent:

CITY OF PERRIS
CONTRACT SERVICES AGREEMENT FOR
WATER SYSTEM OPERATION AND MAINTENANCE SERVICES

This Contract Services Agreement ("Agreement"), is made and entered into this 1st day of April, 2015, by and between the City of Perris, a municipal corporation ("City"), and Severn Trent Environmental Services, a Texas Corporation with its principal place of business at 16337 Park Row Houston Texas 77084 ("Consultant"). The term Consultant includes professionals performing in a consulting capacity. The parties hereto agree as follows:

The City has requested that two separate agreements be provided for the services that had been provided under the current Professional Services Agreement. This Agreement represents terms and conditions for the City's "South Service Area." A separate agreement has been prepared representing terms and conditions for the City's "North Service Area."

The City and Consultant acknowledge that the base fee provided under this Agreement is based on Consultant providing services to both the North Service Area and South Service Area using shared staffing and other resources, provided that the costs for providing such services shall be allocated appropriately between each Service Area.

1.0 SERVICES OF CONSULTANT

1.1 Scope of Services. In compliance with all terms and conditions of this Agreement, Consultant shall provide the work and services specified in the "Scope of Services" attached hereto as *Exhibit "A"* and incorporated herein by this reference. Consultant warrants that all work or services set forth in the Scope of Services will be performed in a competent, professional and satisfactory manner.

1.2 Compliance with Law. All work and services rendered hereunder shall be provided in accordance with all ordinances, resolutions, statutes, rules, and regulations of the City and any Federal, State or local governmental agency having jurisdiction.

1.3 Licenses, Permits, Fees and Assessments. Consultant shall obtain at its sole cost and expense, such licenses, permits and approvals as may be required by law for the performance of the services required by this Agreement. Consultant shall have the obligation to pay for any fees, assessments, taxes, including applicable penalties and interest, which may be imposed by law to the extent that same arise from any negligence or willful misconduct of Consultant in its performance of the services required by this Agreement; and shall indemnify, defend and hold harmless City against any claim for such fees, assessments, taxes, penalties or interest levied, assessed or imposed against City hereunder. Prior to settlement or payment of any such fines, penalties or damages, the Consultant reserves the right to contest government or private actions, suits or proceedings for violations through administrative procedures or otherwise.

1.4 Familiarity with Work. By executing this Agreement, Consultant warrants that Consultant (a) has thoroughly investigated and considered the scope of services to be performed,

SOUTH SERVICE AREA
AGREEMENT

(b) has carefully considered how the work and services should be performed, and (c) fully understands the facilities, difficulties and restrictions attending performance of the services under this Agreement.

1.5 Additional Services. City shall have the right at any time during the performance of the services, without invalidating this Agreement, to order extra work beyond that specified in the Scope of Services or make changes by altering, adding to or deducting from said work. No such extra work may be undertaken unless a written order is first given by the Contract Officer to the Consultant, incorporating therein any adjustment in (i) the Contract Sum, and/or (ii) the time to perform this Agreement, which said adjustments are subject to the written approval of the Consultant. Any increase in compensation of up to five percent (5%) of the Contract Sum or \$25,000, whichever is less, may be approved by the Contract Officer. Any greater increases, taken either separately or cumulatively must be approved by the City Council. It is expressly understood by Consultant that the provisions of this Section shall not apply to services specifically set forth in the Scope of Services or reasonably contemplated therein. Any reduction in the Scope of Services resulting in a decrease in of more than five percent (5%) of the annual contract value shall be subject to mutual agreement of the Parties and may require renegotiation of the annual contract value.

1.6 Special Requirements. Additional terms and conditions of this Agreement, if any, which are made a part hereof are set forth in the "Special Requirements" attached hereto as *Exhibit "B"* and incorporated herein by this reference. In the event of a conflict between the provisions of *Exhibit "B"* and any other provisions of this Agreement, the provisions of *Exhibit "B"* shall govern.

1.7 Environmental Laws. Consultant shall comply with all applicable environmental laws, ordinances, codes and regulations of Federal, State, and local governments. Consultant shall also comply with all applicable mandatory standards and policies relating to energy efficiency. In the event of any changes in applicable laws that increase Consultant's cost of performance, the parties shall negotiate in good faith to reach an agreement on any required adjustment in compensation hereunder. If the parties are unable to reach an agreement on any adjustment in price due to changes in applicable law after at least 30 days of attempted negotiation, either party may terminate this agreement with an additional 30 days' notice.

2.0 COMPENSATION

2.1 Contract Sum. For the services rendered pursuant to this Agreement, Consultant shall be compensated in accordance with the "Schedule of Compensation" attached hereto as *Exhibit "C"* and incorporated herein by this reference, but not exceeding the maximum contract annual amount of five hundred seventeen thousand one hundred forty eight and 80/100 dollars \$517,147.80 ("Contract Sum"), except as provided in Section 1.5. The Contract Sum shall include the attendance of Consultant at all project meetings reasonably deemed necessary by the City.

Consultant agrees that if Consultant becomes aware of any facts, circumstances, techniques, or events that may or will materially increase the cost of the work or services

Consultant shall promptly notify the Contract Officer of said fact, circumstance, technique or event and the estimated increased cost related thereto.

2.2 **Method of Payment.** Except as provided in Section 7.2, City shall pay Consultant for all expenses as provided in the schedule of compensation. Invoices are approved by City pursuant to this agreement generally within (30) days and no later than (45) days, from the submission of an invoice in an approved form. Late payments will be subject to a service charge of 1 ½% per month, or the maximum legal rate whichever is greater. Payments will be considered late if not received within (45) calendar days of the submission of an approved invoice. Interest shall accrue from the 46th day following the date of an approved invoice until the payment is received by Consultant.

Should the City dispute any portion of an invoice, City shall (i) pay Consultant all undisputed portions of said invoice within the timeframe and process described above, (ii) notify Consultant in writing within ten (10) business days of receipt of any such invoice of any disputed items and amounts and the reasons therefore. Within thirty (30) days after such notice to Consultant, City and Consultant shall meet and confer to mutually resolve any disputed items.

2.3 **Availability of Funds.** It is mutually understood between the parties that this Agreement is valid and enforceable only if sufficient funds are made available by the City Council of the City for the purposes of this Agreement. The availability of funding is affected by matters outside the City's control, including other governmental entities. Accordingly, the City has the option to void the whole Agreement or to amend the Agreement, subject to Consultant's agreement to any such amendment, to reflect unanticipated reduction in funding for any reason, provided that any termination of the Agreement shall be subject to the notice and termination payment provisions of Section 7.4.

3.0 **FORCE MAJEURE**

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

3.2 **Term.** Unless terminated in accordance with Section 7.4 below, this Agreement shall remain in effect from the date first written above for a five (5) year period, thereafter, subject to the right of either party to terminate as set forth in Section 7.4.

4.0 COORDINATION OF WORK

4.1 Representative of Consultant. Fred Kriess is hereby designated as being the representative of Consultant authorized to act on its behalf with respect to the work or services specified herein and to make all decisions in connection therewith.

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

4.2 Contract Officer. The City's City Manager is hereby designated as the representative of the City authorized to act in its behalf with respect to the work and services and to make all decisions in connection therewith ("Contract Officer"). It shall be the Consultant's responsibility to assure that the Contract Officer is kept informed of the progress of the performance of the services and the Consultant shall refer any decisions which must be made by City to the Contract Officer. The City may designate another Contract Officer by providing written notice to Consultant.

4.3 Prohibition Against Subcontracting or Assignment. The experience, knowledge, capability and reputation of Consultant, its principals and employees were a substantial inducement for the City to enter into this Agreement. Therefore, Consultant shall not contract with any other entity to perform in whole or in part the services required hereunder without the express written approval of the City. In addition, neither this Agreement nor any interest herein may be transferred or assigned without the prior written approval of City. A prohibited transfer or assignment shall be void. No approved transfer shall release the Consultant or any surety of Consultant of any liability hereunder without the express written consent of City.

4.4 Independent Contractor. Neither the City nor any of its employees shall have any control over the manner or means by which Consultant, its agents or employees, perform the services required herein, except as otherwise set forth herein. Consultant shall perform all services required herein as an independent contractor of City and shall remain under only such obligations as are consistent with that role. Consultant shall not at any time or in any manner represent that it or any of its agents or employees are agents or employees of City. City shall not in any way or for any purpose become or be deemed to be a partner of Consultant in its business or otherwise or a joint venturer or a member of any joint enterprise with Consultant.

5.0 INSURANCE AND INDEMNIFICATION

5.1 Insurance. Consultant shall procure and maintain, at its sole cost and expense, in a form and content satisfactory to City, during the entire term of this Agreement including any extension thereof, the following policies of insurance:

(a) Commercial General Liability Insurance. A policy of commercial general liability insurance using Insurance Services Office "Commercial General Liability" policy form CG 00 01, with an edition date prior to 2004, or the exact equivalent. Coverage for an additional

insured shall not be limited to its vicarious liability. Defense costs must be paid in addition to limits. Limits shall be no less than \$1,000,000.00 per occurrence for all covered losses and no less than \$2,000,000.00 general aggregate.

(b) Workers' Compensation Insurance. A policy of workers' compensation insurance on a state-approved policy form providing statutory benefits as required by law with employer's liability limits no less than \$1,000,000.00 per accident for all covered losses.

(c) Automotive Insurance. A policy of comprehensive automobile liability insurance written on a per occurrence basis in an amount not less than \$1,000,000.00 per accident combined single limit. Said policy shall include coverage for Consultant owned, non owned, leased and hired cars.

(d) Professional Liability or Error and Omissions Insurance. A policy of errors and omissions insurance in an amount not less than \$1,000,000.00 per claim with respect to loss arising from the actions of Consultant performing professional services hereunder on behalf of the City.

All of the above policies of insurance shall be primary insurance. The general liability policy shall name the City, its officers, employees and agents ("City Parties") as additional insureds and shall waive all rights of subrogation and contribution it may have against the City and the City's Parties and their respective insurers. All of said policies of insurance shall provide that said insurance may be not cancelled without providing ten (10) days prior written notice by registered mail to the City. In the event any of said policies of insurance are cancelled or amended, Consultant shall, prior to the cancellation or amendment date, submit new evidence of insurance in conformance with this Section 5.1 to the Contract Officer. No work or services under this Agreement shall commence until Consultant has provided City with Certificates of Insurance or appropriate insurance binders evidencing the above insurance coverage and said Certificates of Insurance or binders are approved by City.

Consultant agrees that the provisions of this Section 5.1 shall not be construed as limiting in any way the extent to which Consultant may be held responsible for the payment of damages to any persons or property resulting from Consultant's activities or the activities of any person or persons for which Consultant is otherwise responsible.

The insurance required by this Agreement shall be satisfactory only if issued by companies qualified to do business in California, rated "A" or better in the most recent edition of Best Rating Guide, The Key Rating Guide or in the Federal Register, and only if they are of a financial category Class VII or better, unless such requirements are waived by the Risk Manager of the City due to unique circumstances.

In the event that the Consultant is authorized to subcontract any portion of the work or services provided pursuant to this Agreement, the contract between the Consultant and such subcontractor shall require the subcontractor to maintain suitable and commercially reasonable insurance coverage, taking into account the scope and value of any such work provided by such subcontractor.

5.2 City's Insurance. City shall obtain and ensure that standard fire insurance policies are maintained for the facility equivalent to the insurance maintained by City for City's other public facilities.

5.3 Indemnification and Liability.

(a) Indemnity for Professional Liability. When the law establishes a professional standard of care for Consultant's services, to the fullest extent permitted by law, Consultant shall indemnify, defend and hold harmless City and the City's Parties from and against any and all third party losses, liabilities, damages, costs and expenses, including attorneys' fees and costs to the extent same are caused by any negligent or wrongful act, error or omission of Consultant, its officers, agents, employees of subcontractors (or any entity or individual for which Consultant shall bear legal liability) in the performance of professional services under this Agreement.

(b) Indemnity for Other Than Professional Liability. Other than in the performance of professional services and to the full extent permitted by law, Consultant shall indemnify, defend and hold harmless City and City's Parties from and against any liability (including liability for claims, suits, actions, losses, expenses or costs of any kind, whether actual, alleged or threatened, including reasonable attorneys' fees, court costs, defense costs and expert witness fees), to the extent that same arise out of, in whole or in part, acts or omissions in the performance of this Agreement by Consultant or by any individual or entity for which Consultant is legally liable, including but not limited to officers, agents, employees or subcontractors of Consultant. Such liability of Consultant shall include but not be limited to any fines or penalties related to the operation and maintenance of the Facility.

6.0 RECORDS AND REPORTS

6.1 Reports. Consultant shall periodically prepare and submit to the Contract Officer such reports concerning the performance of the services required by this Agreement.

6.2 Records. Consultant shall keep, and require subcontractors to keep, such books and records as shall be necessary to perform the services required by this Agreement and enable the Contract Officer to evaluate the performance of such services. The Contract Officer shall have reasonable access to such books and records at all times during normal business hours, including the right to inspect, copy, audit and make records and transcripts from such records. Such records shall be maintained for a period of three (3) years following completion of the services hereunder, and the City shall have access to such records in the event any audit is required.

6.3 Ownership of Documents. All drawings, specifications, reports, records, documents and other materials prepared by Consultant, its employees, subcontractors and agents in the performance of this Agreement shall be the property of City and shall be delivered to City upon request of the Contract Officer or upon the termination of this Agreement and Consultant shall have no claim for further employment or additional compensation as a result of the exercise by City of its full rights of ownership of such documents and materials. Consultant may retain copies of such documents for its own use and Consultant shall have an unrestricted right to use

the concepts embodied therein. Any use of such completed documents by City for other projects and/or use of uncompleted documents without specific written authorization by the Consultant will be at the City's sole risk and without liability to Consultant and the City shall indemnify the Consultant for all damages resulting therefrom.

7.0 ENFORCEMENT OF AGREEMENT

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

7.2 Retention of Funds. Consultant hereby authorizes City to withhold for a reasonable time any amount payable to Consultant under this Agreement, (i) any amounts the payment of which may be in dispute hereunder or which are necessary to compensate City for any losses, costs, liabilities, or damages suffered by City, and (ii) all amounts which City may be liable to third parties, by reason of Consultant's acts or omissions in performing or failing to perform Consultant's obligation under this Agreement. In the event that any claim is made by a third party, the amount or validity of which is disputed by Consultant, City may withhold from any payment due, without liability for interest because of such withholdings, an amount sufficient to cover such claim. The failure of City to exercise such right to deduct or to withhold shall not, however, affect the obligations of the Consultant to insure, indemnify, and protect City as elsewhere provided herein.

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

7.4 Termination Prior to Expiration of Term. Either party may terminate this Agreement at any time, with or without cause, upon sixty (60) days' written notice to the other party. Upon receipt of any notice of termination, Consultant shall cease all work or services hereunder at the time specified in the notice, except as specifically approved by the Contract Officer. Consultant shall be entitled to compensation for the reasonable value of the work product actually produced prior to the effective date of the notice of termination and for any services authorized by the Contract Officer thereafter in accordance with the Schedule of Compensation and City shall be entitled to reimbursement for any compensation paid in excess of the services rendered. Should City terminate this Agreement without cause prior to the expiration of the initial Term, then in addition to paying Consultant for the sixty (60) day period described above, City shall reimburse Consultant in a lump sum for the reasonable costs related to the severance of any new or additional employees who were hired by Consultant specifically to perform the services under this Agreement, provided that City shall not reimburse Consultant

for any costs arising out of any litigation or administrative claims filed by such employees. In addition, if City terminates this Agreement in the first twelve (12) months, City shall reimburse Consultant for the remaining lease payments of any new or additional vehicles that were leased by Consultant specifically to perform the services under this Agreement, unless a vehicle is redeployed by Consultant to another project, plus the unamortized balance of any Capital Improvements financed or paid for by the Consultant as reflected on Consultant's financial statements.

7.5 Completion of Work After Termination for Default of Consultant. If termination is due to the failure of the Consultant to fulfill its obligations under this Agreement, City may, after providing Consultant with notice and sixty (60) days to cure, take over the work and prosecute the same to completion by contract or otherwise, and the Consultant shall be liable to the extent that the total cost for completion of the services required hereunder exceeds the compensation herein stipulated (provided that the City shall use reasonable efforts to mitigate such damages), and City may withhold any payments to the Consultant for the purpose of set-off or partial payment of the amounts owed the City as previously stated.

7.6 Attorneys' Fees. If either party to this Agreement is required to initiate or defend or made a party to any action or proceeding in any way connected with this Agreement, including an action or proceeding initiated by either party, the prevailing party in such action or proceeding, in addition to any other relief which may be granted, shall be entitled to reasonable attorneys' fees, whether or not the matter proceeds to judgment, and to all other reasonable costs for investigating such action, taking depositions and discovery, including all other necessary costs the court allows which are incurred in such litigation.

7.7 Arbitration. Should any dispute arise out of this Agreement, the Parties agree to first pursue non-binding arbitration prior to instituting any legal action. Such arbitration shall be conducted in Riverside County, California before a single arbitrator jointly selected and mutually approved by the Parties. The arbitration shall be conducted in accordance with the American Arbitration Association's rule of commercial arbitration. The Parties shall share equally the fees and expenses of the arbitration.

8.0 CITY OFFICERS AND EMPLOYEES: NON-DISCRIMINATION

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

8.2 Conflict of Interest; City. No officer or employee of the City shall have any financial interest in this Agreement nor shall any such officer or employee participate in any decision relating to the Agreement which affects his financial interest or the financial interest of any corporation, partnership or association in which he is interested, in violation of any State statute or regulation.

8.3 Conflict of Interest; Consultant. Consultant warrants that it has not paid or given and will not pay or give any third party any money or other consideration for obtaining this

Agreement. Consultant shall comply with all conflict of interest laws and regulations including, without limitation, City's Conflict of Interest Code which is on file in the City Clerk's office. Accordingly, should the City Manager determine that Consultant will be performing a specialized or general service for the City and there is substantial likelihood that the Consultant's work product will be presented, either written or orally, for the purpose of influencing a governmental decision, the Consultant and its officers, agents or employees, as applicable, shall be subject to the City's Conflict of Interest Code.

8.4 Covenant Against Discrimination. Consultant covenants that, by and for itself, its executors, assigns, and all persons claiming under or through them, that there shall be no discrimination against or segregation of, any person or group of persons on account of race, color, creed, religion, sex, marital status, national origin, or ancestry in the performance of this Agreement. Consultant shall take affirmative action to insure that applicants are employed and that employees are treated during employment without regard to their race, color, creed, religion, sex, marital status, national origin or ancestry.

9.0 MISCELLANEOUS PROVISIONS

9.1 Notice. Any notice or other communication either party desires or is required to give to the other party or any other person shall be in writing and either served personally or sent by prepaid, first-class mail, in the case of the City, to the City Manager and to the attention of the Contract Officer, City of Perris, 101 North "D" Street, Perris, CA 92570, and in the case of the Consultant, to the person at the address designated on the execution page of this Agreement. Either party may change its address by notifying the other party of the change of address in writing. Notice shall be deemed communicated at the time personally delivered or in seventy-two (72) hours from the time of mailing if mailed as provided in this Section.

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

9.3 Integration; Amendment. It is understood that there are no oral agreements between the parties hereto affecting this Agreement and this Agreement supersedes and cancels any and all previous negotiations, agreements and understandings, if any, between the parties, and none shall be used to interpret this Agreement. This Agreement may be amended at any time by an instrument in writing signed by both parties.

9.4 Severability. Should a portion of this Agreement be declared invalid or unenforceable by a judgment or decree of a court of competent jurisdiction, such invalidity or unenforceability shall not affect any of the remaining portions of this Agreement which are hereby declared as severable and shall be interpreted to carry out the intent of the parties unless the invalid provision is so material that its invalidity deprives either party of the basic benefit of their bargain or renders this Agreement meaningless.

9.5 Corporate Authority. The persons executing this Agreement on behalf of the parties hereto warrant that (i) such party is duly organized and existing, (ii) they are duly

authorized to execute and deliver this Agreement on behalf of said party, (iii) by so executing this Agreement, such party is formally bound to the provisions of this Agreement, and (iv) the entering into this Agreement does not violate any provision of any other Agreement to which said party is bound.

[SIGNATURES ON NEXT PAGE]

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

ATTEST:

"CITY"
CITY OF PERRIS

By: _____
Nancy Salazar, City Clerk

By: _____
Daryl R. Busch, Mayor

APPROVED AS TO FORM:
ALESHIRE & WYNDER, LLP

Eric L. Dunn, City Attorney

"CONSULTANT"
SEVERN TRENT ENVIRONMENTAL
SERVICES, a Texas Corporation

By: _____
Signature

Fred Kriess, Western Regional Gen. Manager

By: _____
Signature

Print Name and Title

Address:
Severn Trent Environmental Services
16337 Park Row
Houston, TX 77084

(Corporations require two signatures; *one from each* of the following: A. Chairman of Board, President, any Vice President; *AND B.* Secretary, Assistant Secretary, Treasurer, Assistant Treasurer, or Chief Financial Officer.)

[END OF SIGNATURES]

EXHIBIT "A"

SCOPE OF SERVICES

General Description and Overview of the Services

Under this Agreement, the Consultant will provide the City with services that encompass fulfilling the duties and responsibilities of a water utility department. The services include: (i) the distribution of treated water as reasonably necessary to meet the demand for water by the City's customers, (ii) routine preventive and predictive maintenance of the Facilities; (iii) corrective maintenance, repair and replacement of the Facilities' equipment; (iv) laboratory testing and analysis; (v) field customer service; and (vi) preparation and prompt delivery of all applicable and required filings, including reports, to City and to regulatory agencies as prescribed by Applicable Law. Consultant will ensure the continued provision of water supply and distribution to the City's customers in a quantity and quality consistent with federal, state and local laws, regulations and all applicable permits.

This Schedule provides a detailed description of the services provided under this Agreement, delineated by the following key tasks.

Water Utility Management, Operations and Maintenance

Consultant will provide management, operations and maintenance of the City's water distribution system and five (5) interconnections with the East Municipal Water District Water System.

Consultant will perform routine checks of the Facilities, perform maintenance for the Facilities, meter reading, repair and replacement of water meters (as required) and perform water quality sampling and testing as required.

Consultant will also perform field customer service duties as further defined in this Schedule; and, coordinate such activities with City's customer service staff.

Consultant will perform all required preventive maintenance for the Facilities. Additionally, Consultant will perform all corrective maintenance and repair/replacement of equipment as required under the terms and conditions of this Agreement.

Consultant will provide licensed and certified operators that meet the California Department of Public Health requirements for the City's water utility system. A full time project manager will be assigned to provide management and oversight of the water utility system operations and field customer service activities.

Consultant shall operate and maintain the Facilities and all equipment and processes contained therein in accordance with relevant operation and maintenance manuals for the Facilities, Applicable Law, and Permits, if any that are issued by regulatory agencies.

Consultant will perform an annual valve and hydrant exercising program that will include flushing all dead ends routinely to prevent taste and odor complaints. Such program will be conducted that is in full compliance with California Department of Public Health regulations and prudent industry practices. Consultant will use best efforts to perform valve, hydrant and flushing activities based on the following schedule:

Routinely exercise valves in the distribution system and prepare and submit a report of recommended repairs.

Flush water mains as required to address customer complaints.

Flush dead end distribution system mains every 3 months (each quarter).

Consultant will perform fire hydrant maintenance and painting on a regular basis and consistent with requirements set forth by the City.

Consultant will perform utility line location and marking services. Such services performed during normal business hours are included as part of the Base Fee.

Emergency Response

Consultant will provide emergency response services for the Facilities and respond to emergency calls twenty four (24) hours per day, seven (7) days per week. Turn-on and Turn-off services are not considered an emergency. City is responsible for notifying Consultant of any emergency calls received directly by City.

Laboratory Analysis

Consultant will perform all required routine water sampling and testing as required by Applicable Law and the Permit and City shall pay for all such required testing.

Regulatory and other Reporting

- (a) Consultant will provide a monthly summary operations report to the City including water utility system operational and performance information, and, data required for monthly reporting to all regulatory agencies. The monthly report will summarize maintenance, repair and replacement activities. The monthly report shall also include copies of all reports and correspondence made by the Consultant to local, State and federal regulatory agencies on behalf of the City. The report will be prepared in a format as approved by the City and shall include the following data
 - (i) Total water volume produced
 - (ii) New meter orders and installations
 - (iii) Summary of maintenance and repair activities
 - (iv) Laboratory test results for the Facilities
 - (v) Copies of all reports and correspondence made by Consultant on behalf of City
 - (iv) Summary of key operational events
- (b) Each quarter, or more often as required by the City, the Consultant shall meet with City staff and make a presentation on services provided and review water utility system operations.
- (c) Consultant shall collect the data for all Permit monitoring and operating reports required by Applicable Law or by this Agreement and shall deliver the required monitoring and operating

reports to the City and to the appropriate regulatory agencies having competent jurisdiction over same. If required pursuant to Applicable Law, the Consultant shall attest as to the accuracy and completeness of the data collected for each report. The City, however, shall at all times be responsible for maintaining all required permits for the ownership and operation of the Facilities. Consultant shall specifically update and submit Water Quality Sampling Plans and Operations and Maintenance Monitoring Plans to the State Water Resources Control Board.

- (d) Consultant may interface with regulatory agencies without City's consent on matters related to compliance with the City's Permits, and/or with respect to matters required under the Consultant's staff certification and licensing requirements and/or as otherwise necessary to comply with Applicable Law, including communication during emergency situations. Consultant shall, as soon as practicable and in reasonable detail, inform the City of the subject matter of such communications with regulatory agencies. All other communications with regulatory agencies, the media, or community groups may occur only upon City's request or with City's prior approval.
- (e) All Facilities' records and data, including but not limited to operation reports, laboratory reports and monitoring documentation, but excluding Consultant's budgetary and financial information, are the property of the City and cannot be destroyed by Consultant without written consent of the City. All site-specific operating procedure guidelines, preventive maintenance and safety programs and plant evaluation reports will, upon termination of this Agreement, become and remain the property of the City.
- (f) Consultant will ensure completion and submission of the annual water system Consumer Confidence Report, in a form approved by the City and the California Department of Public Health. Costs incurred for such shall be included as part of the Annual Maintenance and Repair Limit expenditures.

Field Customer Service

Consultant shall provide water meter readings for all customer accounts in the service area and provide the data to the City by the end of the third (3rd) week of every month. Meter reading data shall be supplied in a format approved by the City. Consultant's scope of services includes reading the meters for up to 2,800 connections on a scheduled monthly basis. Should additional meter readings be required that exceed this amount by five percent (5%), Consultant will receive an additional \$250 per additional meter per year as compensation for such services.

Consultant will provide turn on and turn off services during normal business hours, with such costs included as part of the base fee. The base fee includes up to 268 turn-on/turn-off procedures in any given month. The City will pay Consultant \$250 for each additional residential meter for any turn-on/turn off procedures that exceed this amount in any given month in a specific contract year during the term of this Agreement.

Consultant will perform field customer service tasks and duties during normal business hours based on requests that are received by the City.

Consultant shall respond in a timely manner to all customer inquiries including, by way of example and not limitation, service complaints, reports of water breaks, low water pressure and water quality concerns.

Consultant's customer service personnel shall be prepared to answer commonly asked questions without referral to other personnel. Any customer calls received during off hours will be responded by the

Consultant's on call staff as soon as possible and within forty five (45) minutes of receiving such notification.

Maintenance and Repair

Subject to the limitations set forth herein of this Agreement, the Consultant shall (i) perform routine preventive maintenance in accordance with manufacturers' specifications and approved operating and maintenance procedures developed for equipment and processes of the Facilities; (ii) repair and/or replace equipment; (iii) clean and lubricate equipment; (iv) make equipment inspections and needed adjustments; (v) perform predictive maintenance as appropriate; (vi) maintain Consultant's vehicles and light duty service trucks necessary for daily operations; and (vii) maintain all of the Facilities' instrumentation, including instrumentation provided to the Consultant by the City pursuant to this Agreement. Consultant shall schedule and track all preventive and corrective maintenance in accordance with standard industry practices.

Wastewater Collection System Services

Twenty percent (20%) of approximately thirty-five (35) miles of the entire gravity system shall be cleaned and videoed once every year during the course of the Agreement. Equipment utilized shall include a hydraulic cleaning machine and will include up to four (4) passes (manhole to manhole) and debris removal. Debris remaining in excess of a four (4) pass cleaning shall be deemed Capital Maintenance. City shall provide a site for debris disposal at no cost to Consultant.

Annual video will include an electronic video summary describing actual and/or potential problem sections by video, CD, DVD or other means acceptable. During annual video, in the event of unforeseen complications, such as blockages, any such costs incurred by Consultant shall be included as part of the Annual Maintenance and Repair Limit

Consultant will operate and maintain two (2) sanitary sewer lift stations.

Consultant will promptly respond to all collection system call-outs to assess initial Consultant, City or property owner responsibility. If the problem is a clearable blockage within the City's sanitary sewer lines and not within property owner's line(s), Consultant will (using the City's trailer-mounted jetter) clear the sewer blockage. If the blockage cannot be cleared using available equipment Consultant's on-scene coordinator must exercise best professional judgment to contact a subcontractor or to rent necessary and appropriate equipment for use by Consultant personnel. Costs for non-clearable blockages and associated repairs to the sewer system will be charged to the Annual Maintenance and Repair Limit.

Consultant will operate a routine cleaning program of problem areas of City's sanitary sewer system. Problem areas that require more than quarterly cleaning will be repaired in accordance Corrective Maintenance or Repairs. Video performed outside of annual video in effort to determine necessary repair will be billed and included as part of the Annual Maintenance and Repair Limit.

Consultant's sanitary sewer line cleaning and video are included in the existing scope of services; both parties agree that unforeseen subcontracted video and line blockage cleaning will be charged to the maintenance and repair fund.

Both City and Consultant affirm that the City continues to develop a Sanitary Sewer Management Program (SSMP) in accordance with State regulations and that City will perform any and all required reporting associated with said SSMP.

Any cleanup necessary as a result of a sewer blockage or overflow will be remedied by use of a subcontractor and cost associated will be billed and included as part of the Annual Maintenance and Repair Limit.

Definitions

"Abnormal or Biologically Toxic Materials" may include, but are not limited to, concentrations of heavy metals, phenols, cyanides, pesticides, herbicides, priority pollutants as listed by USEPA, or any substance that violates the local or USEPA standards for finished water after the routine processing of the raw water.

"Adjustment Date" means each anniversary of the Commencement Date.

"Agreement Year" means any consecutive twelve (12) month period during the term of the Agreement (including the renewal options) that begins on the Commencement Date and subsequently ends on each anniversary of that date.

"Annual Maintenance Expenditures" means the total of all expenses incurred annually by the Consultant in connection with the performance of its maintenance responsibilities under this Agreement. The Annual Maintenance Expenditures shall: i) exclude Consultant's direct labor expenses and related benefits for its personnel assigned exclusively to the operations and maintenance of the Facilities and whose cost is included in the Base Fee; ii) include, but not be limited to, all materials, supplies, parts, tools, outside subcontractors, specialized services, rental equipment and all of the Consultant's overtime costs and related benefits, as well as the cost of Consultant's personnel not exclusively assigned to the operation and maintenance of the Facilities at an agreed hourly billing rate.

"Annual Repair and Maintenance Limit" means the total of all Annual Maintenance Expenditures in an amount up to a maximum of the amount in Exhibit "C" for the first Agreement Year. For each Agreement Year thereafter, the Annual Repair and Maintenance Limit shall be increased on each Adjustment Date by the Price Index Increase.

"Applicable Law" means laws, rules, regulations, codes, administrative and judicial orders, directives, guidelines, judgments, rulings, interpretations or similar requirements or actions of any federal, state, local government, agency or executive or administrative body of any of the above, in each case that relate to the (a) parties' respective responsibilities under this Agreement; (b) operation or maintenance of the Facilities; (c) health and welfare of individuals working at or visiting the Facilities; and (d) the collection, delivery and treatment of the City's raw and finished water.

"Baseline Conditions" means the amount of raw water received and/or processed at the Facilities and the maximum pollutant limits contained in such raw water, all as outlined in the most recent Consumer Confidence Report for the City of Perris' South Side Water Distribution System. The Baseline Conditions shall be reset and adjusted on each and every Adjustment Date to reflect the actual raw water amount and pollutants processed at the Facilities during the Agreement Year just ended.

"Capital Improvements" means any modifications, additions or upgrades to the Facilities made by or on behalf of the City or with its prior approval.

"Emergency Event" means an event which threatens the immediate shutdown of (or the substantial reduction in the operational capacity of, any of the Facilities, or the life, health or property of the City and/or the Consultant, their employees and/or agents or others.

"Force Majeure" means an event which is beyond the reasonable control of a party, including without limitation: (a) acts of God; (b) flood, fire, earthquake, hurricane or explosion; (c) war, invasion, hostilities (whether war is declared or not), terrorist threats or acts, riot or other civil unrest; (d) government order or law; (e) actions, embargoes or blockades in effect on or after the date of this Agreement; (f) action by any governmental authority; (g) national or regional emergency; (h) strikes, labor stoppages or slowdowns or other industrial disturbances, other than those involving the affected parties employees;] (i) shortage of adequate power or transportation facilities.

"City's Permit(s)" and/or **"Permit(s)"** means all permits and licenses issued to City and required for the treatment of potable water from the Facilities.

"Non-Processible Water" is defined as influent raw water (i) which contains Abnormal or Biologically Toxic Materials; or (ii) which is otherwise detrimental to the operation and performance of the Facilities; or (iii) which exceeds the design capabilities of the Facilities as defined by the Operations and Maintenance Manual for the Facilities or as provided in submissions made to regulatory agencies in connection with the construction and/or the permitting of the Facilities.

"Price Index" means the Consumer Price Index for the Los Angeles-Riverside-Anaheim for all Urban Consumers as published monthly by the U.S. Department of Commerce, Bureau of Labor Statistics, or any replacement to that index from time to time.

"Price Index Increase" means the percentage increase between the Price Index in effect as of the month of each and every Adjustment Date over the Price Index in effect as of the month of the Commencement Date. The Price Index Increase shall be calculated as of each and every Adjustment Date for the purpose of adjusting the Base Fee and the Annual Repair and Maintenance Limit.

"Process Residue" means grit, screenings and any sludge generated by or through the operation of the Facilities.

EXHIBIT "B"

SPECIAL REQUIREMENTS

- A. **Easements, Access and Warranties.** City will maintain existing or necessary easements, access, and warranties for the mutual benefit of both parties.
- B. **Permits.** City or its designee shall remain the named permittee on any and all permits that may be required, and shall meet all regulatory requirements not specifically assumed herein by Consultant as its responsibility.
- C. **Utilities.** City will pay for all electricity, natural gas, and utility water cost related to the Facility and collection system cleaning.
- D. **Guarantees.** Consultant shall use generally accepted business practices to procure materials and replacement equipment. Consultant shall not be responsible to City for any guaranty in connection with such materials or replacement equipment. Consultant shall assert reasonable efforts to obtain the normal guarantees applicable in the particular industry manufacturing such materials or replacement equipment, and shall assign same to City.
- E. **Damage to Facility.** Consultant shall not be required to repair any portion of Facility damaged due to flood, fire explosion, riot, revolution, civil disturbance, war or other acts of God or any other cause whatsoever beyond the control of Consultant, its employees, agents, representatives, or sub-contractors. Consultant agrees to notify City of such damage, both orally and in writing, as soon as possible after the occurrence of the above crises or acts.

EXHIBIT "C"

SCHEDULE OF COMPENSATION

Annual Base Fee and Compensation Formula

1) Repair and Maintenance Limits and Baselines for First Agreement Year:

Annual Repair and Maintenance Limit (for first Agreement Year): sixty thousand four hundred ninety one and 64/100 dollars (\$60,491.64)

2) Annual Base Fee:

The Annual Base Fee in the first year of this agreement shall be: five hundred seventeen thousand one hundred forty eight and 80/100 dollars (\$517,147.80).

The Base Fee shall be payable in twelve (12) equal monthly installments of [forty three thousand ninety five and 65/100 dollars (\$43,095.65)], in advance, on the first day of each and every month for the duration of the Agreement.

3) Compensation formula

The following formula shall be used to determine the increase in the annual Base Fee on each Adjustment Date. Under no circumstances shall there be a decrease to the annual Base Fee.

$$AAF = AF_0 \times [P_1 / P_0]$$

where:

AAF = Annual Adjusted Fee (new Base Fee) for the upcoming twelve (12) months during an Agreement Year

AF₀ = Annual Fee (Base Fee) for the twelve (12) months in the Agreement Year just ended

P₁ = Price Index in effect as of the month of the current Adjustment Date

P₀ = Price Index in effect as of the month of the prior Adjustment Date. With respect to the first Adjustment Date, P₀ shall be the Price Index in effect on March 1, 2015.

- CPI will be adjusted using the Consumer Price Index (Los Angeles-Riverside-Anaheim for All Urban Consumers).

EXHIBIT "D"
SCHEDULE OF PERFORMANCE

Refer to Exhibit "A" for details.

CITY OF PERRIS
CONTRACT SERVICES AGREEMENT FOR
WATER SYSTEM OPERATION AND MAINTENANCE SERVICES

This Contract Services Agreement ("Agreement"), is made and entered into this 1st day of April, 2015, by and between the City of Perris, a municipal corporation ("City"), and Severn Trent Environmental Services, a Texas Corporation with its principal place of business at 16337 Park Row, Houston, Texas 77084 ("Consultant"). The term Consultant includes professionals performing in a consulting capacity. The parties hereto agree as follows:

The City has requested that two separate agreements be provided for the services that had been provided under the current Professional Services Agreement. This Agreement represents terms and conditions for the City's "North Service Area." A separate agreement has been prepared representing terms and conditions for the City's "South Service Area."

The City and Consultant acknowledge that the base fee provided under this Agreement is based on Consultant providing services to both the North Service Area and South Service Area using shared staffing and other resources, provided that the costs for providing such services shall be allocated appropriately between each Service Area.

1.0 SERVICES OF CONSULTANT

1.1 Scope of Services. In compliance with all terms and conditions of this Agreement, Consultant shall provide the work and services specified in the "Scope of Services" attached hereto as *Exhibit "A"* and incorporated herein by this reference. Consultant warrants that all work or services set forth in the Scope of Services will be performed in a competent, professional and satisfactory manner.

1.2 Compliance with Law. All work and services rendered hereunder shall be provided in accordance with all ordinances, resolutions, statutes, rules, and regulations of the City and any Federal, State or local governmental agency having jurisdiction.

1.3 Licenses, Permits, Fees and Assessments. Consultant shall obtain at its sole cost and expense, such licenses, permits and approvals as may be required by law for the performance of the services required by this Agreement. Consultant shall have the obligation to pay for any fees, assessments, taxes, including applicable penalties and interest, which may be imposed by law to the extent that same arise from any negligence or willful misconduct of Consultant in its performance of the services required by this Agreement; and shall indemnify, defend and hold harmless City against any claim for such fees, assessments, taxes, penalties or interest levied, assessed or imposed against City hereunder. Prior to settlement or payment of any such fines, penalties or damages, the Consultant reserves the right to contest government or private actions, suits or proceedings for violations through administrative procedures or otherwise.

1.4 Familiarity with Work. By executing this Agreement, Consultant warrants that Consultant (a) has thoroughly investigated and considered the scope of services to be performed,

NORTH SERVICE AREA
AGREEMENT

(b) has carefully considered how the work and services should be performed, and (c) fully understands the facilities, difficulties and restrictions attending performance of the services under this Agreement.

1.5 Additional Services. City shall have the right at any time during the performance of the services, without invalidating this Agreement, to order extra work beyond that specified in the Scope of Services or make changes by altering, adding to or deducting from said work. No such extra work may be undertaken unless a written order is first given by the Contract Officer to the Consultant, incorporating therein any adjustment in (i) the Contract Sum, and/or (ii) the time to perform this Agreement, which said adjustments are subject to the written approval of the Consultant. Any increase in compensation of up to five percent (5%) of the Contract Sum or \$25,000, whichever is less, may be approved by the Contract Officer. Any greater increases, taken either separately or cumulatively must be approved by the City Council. It is expressly understood by Consultant that the provisions of this Section shall not apply to services specifically set forth in the Scope of Services or reasonably contemplated therein. Any reduction in the Scope of Services resulting in a decrease in of more than five percent (5%) of the annual contract value shall be subject to mutual agreement of the Parties and may require renegotiation of the annual contract value.

1.6 Special Requirements. Additional terms and conditions of this Agreement, if any, which are made a part hereof are set forth in the "Special Requirements" attached hereto as *Exhibit "B"* and incorporated herein by this reference. In the event of a conflict between the provisions of *Exhibit "B"* and any other provisions of this Agreement, the provisions of *Exhibit "B"* shall govern.

1.7 Environmental Laws. Consultant shall comply with all applicable environmental laws, ordinances, codes and regulations of Federal, State, and local governments. Consultant shall also comply with all applicable mandatory standards and policies relating to energy efficiency. In the event of any changes in applicable laws that increase Consultant's cost of performance, the parties shall negotiate in good faith to reach an agreement on any required adjustment in compensation hereunder. If the parties are unable to reach an agreement on any adjustment in price due to changes in applicable law after at least 30 days of attempted negotiation, either party may terminate this agreement with an additional 30 days' notice.

2.0 COMPENSATION

2.1 Contract Sum. For the services rendered pursuant to this Agreement, Consultant shall be compensated in accordance with the "Schedule of Compensation" attached hereto as *Exhibit "C"* and incorporated herein by this reference, but not exceeding the maximum contract annual amount of three hundred forty four thousand seven hundred sixty five dollars \$344,765.00 ("Contract Sum"), except as provided in Section 1.5. The Contract Sum shall include the attendance of Consultant at all project meetings reasonably deemed necessary by the City.

Consultant agrees that if Consultant becomes aware of any facts, circumstances, techniques, or events that may or will materially increase the cost of the work or services

Consultant shall promptly notify the Contract Officer of said fact, circumstance, technique or event and the estimated increased cost related thereto.

2.2 Method of Payment. Except as provided in Section 7.2, City shall pay Consultant for all expenses as provided in the schedule of compensation. Invoices are approved by City pursuant to this agreement generally within (30) days and no later than (45) days, from the submission of an invoice in an approved form. Late payments will be subject to a service charge of 1 ½% per month, or the maximum legal rate whichever is greater. Payments will be considered late if not received within (45) calendar days of the submission of an approved invoice. Interest shall accrue from the 46th day following the date of an approved invoice until the payment is received by Consultant.

Should the City dispute any portion of an invoice, City shall (i) pay Consultant all undisputed portions of said invoice within the timeframe and process described above, (ii) notify Consultant in writing within ten (10) business days of receipt of any such invoice of any disputed items and amounts and the reasons therefore. Within thirty (30) days after such notice to Consultant, City and Consultant shall meet and confer to mutually resolve any disputed items.

2.3 Availability of Funds. It is mutually understood between the parties that this Agreement is valid and enforceable only if sufficient funds are made available by the City Council of the City for the purposes of this Agreement. The availability of funding is affected by matters outside the City's control, including other governmental entities. Accordingly, the City has the option to void the whole Agreement or to amend the Agreement, subject to Consultant's agreement to any such amendment, to reflect unanticipated reduction in funding for any reason, provided that any termination of the Agreement shall be subject to the notice and termination payment provisions of Section 7.4.

3.0 **FORCE MAJEURE**

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

3.2 Term. Unless terminated in accordance with Section 7.4 below, this Agreement shall remain in effect from the date first written above for a five (5) year period, thereafter, subject to the right of either party to terminate as set forth in Section 7.4.

4.0 COORDINATION OF WORK

4.1 Representative of Consultant. Fred Kriess is hereby designated as being the representative of Consultant authorized to act on its behalf with respect to the work or services specified herein and to make all decisions in connection therewith.

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

4.2 Contract Officer. The City's City Manager is hereby designated as the representative of the City authorized to act in its behalf with respect to the work and services and to make all decisions in connection therewith ("Contract Officer"). It shall be the Consultant's responsibility to assure that the Contract Officer is kept informed of the progress of the performance of the services and the Consultant shall refer any decisions which must be made by City to the Contract Officer. The City may designate another Contract Officer by providing written notice to Consultant.

4.3 Prohibition Against Subcontracting or Assignment. The experience, knowledge, capability and reputation of Consultant, its principals and employees were a substantial inducement for the City to enter into this Agreement. Therefore, Consultant shall not contract with any other entity to perform in whole or in part the services required hereunder without the express written approval of the City. In addition, neither this Agreement nor any interest herein may be transferred or assigned without the prior written approval of City. A prohibited transfer or assignment shall be void. No approved transfer shall release the Consultant or any surety of Consultant of any liability hereunder without the express written consent of City.

4.4 Independent Contractor. Neither the City nor any of its employees shall have any control over the manner or means by which Consultant, its agents or employees, perform the services required herein, except as otherwise set forth herein. Consultant shall perform all services required herein as an independent contractor of City and shall remain under only such obligations as are consistent with that role. Consultant shall not at any time or in any manner represent that it or any of its agents or employees are agents or employees of City. City shall not in any way or for any purpose become or be deemed to be a partner of Consultant in its business or otherwise or a joint venturer or a member of any joint enterprise with Consultant.

5.0 INSURANCE AND INDEMNIFICATION

5.1 Insurance. Consultant shall procure and maintain, at its sole cost and expense, in a form and content satisfactory to City, during the entire term of this Agreement including any extension thereof, the following policies of insurance:

(a) Commercial General Liability Insurance. A policy of commercial general liability insurance using Insurance Services Office "Commercial General Liability" policy form CG 00 01, with an edition date prior to 2004, or the exact equivalent. Coverage for an additional

insured shall not be limited to its vicarious liability. Defense costs must be paid in addition to limits. Limits shall be no less than \$1,000,000.00 per occurrence for all covered losses and no less than \$2,000,000.00 general aggregate.

(b) Workers' Compensation Insurance. A policy of workers' compensation insurance on a state-approved policy form providing statutory benefits as required by law with employer's liability limits no less than \$1,000,000.00 per accident for all covered losses.

(c) Automotive Insurance. A policy of comprehensive automobile liability insurance written on a per occurrence basis in an amount not less than \$1,000,000.00 per accident combined single limit. Said policy shall include coverage for Consultant owned, non owned, leased and hired cars.

(d) Professional Liability or Error and Omissions Insurance. A policy of errors and omissions insurance in an amount not less than \$1,000,000.00 per claim with respect to loss arising from the actions of Consultant performing professional services hereunder on behalf of the City.

All of the above policies of insurance shall be primary insurance. The general liability policy shall name the City, its officers, employees and agents ("City Parties") as additional insureds and shall waive all rights of subrogation and contribution it may have against the City and the City's Parties and their respective insurers. All of said policies of insurance shall provide that said insurance may be not cancelled without providing ten (10) days prior written notice by registered mail to the City. In the event any of said policies of insurance are cancelled or amended, Consultant shall, prior to the cancellation or amendment date, submit new evidence of insurance in conformance with this Section 5.1 to the Contract Officer. No work or services under this Agreement shall commence until Consultant has provided City with Certificates of Insurance or appropriate insurance binders evidencing the above insurance coverages and said Certificates of Insurance or binders are approved by City.

Consultant agrees that the provisions of this Section 5.1 shall not be construed as limiting in any way the extent to which Consultant may be held responsible for the payment of damages to any persons or property resulting from Consultant's activities or the activities of any person or persons for which Consultant is otherwise responsible.

The insurance required by this Agreement shall be satisfactory only if issued by companies qualified to do business in California, rated "A" or better in the most recent edition of Best Rating Guide, The Key Rating Guide or in the Federal Register, and only if they are of a financial category Class VII or better, unless such requirements are waived by the Risk Manager of the City due to unique circumstances.

In the event that the Consultant is authorized to subcontract any portion of the work or services provided pursuant to this Agreement, the contract between the Consultant and such subcontractor shall require the subcontractor to maintain suitable and commercially reasonable insurance coverage, taking into account the scope and value of any such work provided by such subcontractor.

5.2 City's Insurance. City shall obtain and ensure that standard fire insurance policies are maintained for the facility equivalent to the insurance maintained by City for City's other public facilities.

5.3 Indemnification and Liability.

(a) Indemnity for Professional Liability. When the law establishes a professional standard of care for Consultant's services, to the fullest extent permitted by law, Consultant shall indemnify, defend and hold harmless City and the City's Parties from and against any and all third party losses, liabilities, damages, costs and expenses, including attorneys' fees and costs to the extent same are caused by any negligent or wrongful act, error or omission of Consultant, its officers, agents, employees of subcontractors (or any entity or individual for which Consultant shall bear legal liability) in the performance of professional services under this Agreement.

(b) Indemnity for Other Than Professional Liability. Other than in the performance of professional services and to the full extent permitted by law, Consultant shall indemnify, defend and hold harmless City and City's Parties from and against any liability (including liability for claims, suits, actions, losses, expenses or costs of any kind, whether actual, alleged or threatened, including reasonable attorneys' fees, court costs, defense costs and expert witness fees), to the extent that same arise out of, in whole or in part, acts or omissions in the performance of this Agreement by Consultant or by any individual or entity for which Consultant is legally liable, including but not limited to officers, agents, employees or subcontractors of Consultant. Such liability of Consultant shall include but not be limited to any fines or penalties related to the operation and maintenance of the Facility.

6.0 RECORDS AND REPORTS

6.1 Reports. Consultant shall periodically prepare and submit to the Contract Officer such reports concerning the performance of the services required by this Agreement.

6.2 Records. Consultant shall keep, and require subcontractors to keep, such books and records as shall be necessary to perform the services required by this Agreement and enable the Contract Officer to evaluate the performance of such services. The Contract Officer shall have reasonable access to such books and records at all times during normal business hours, including the right to inspect, copy, audit and make records and transcripts from such records. Such records shall be maintained for a period of three (3) years following completion of the services hereunder, and the City shall have access to such records in the event any audit is required.

6.3 Ownership of Documents. All drawings, specifications, reports, records, documents and other materials prepared by Consultant, its employees, subcontractors and agents in the performance of this Agreement shall be the property of City and shall be delivered to City upon request of the Contract Officer or upon the termination of this Agreement and Consultant shall have no claim for further employment or additional compensation as a result of the exercise by City of its full rights of ownership of such documents and materials. Consultant may retain copies of such documents for its own use and Consultant shall have an unrestricted right to use

the concepts embodied therein. Any use of such completed documents by City for other projects and/or use of uncompleted documents without specific written authorization by the Consultant will be at the City's sole risk and without liability to Consultant and the City shall indemnify the Consultant for all damages resulting therefrom.

7.0 ENFORCEMENT OF AGREEMENT

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

7.2 Retention of Funds. Consultant hereby authorizes City to withhold for a reasonable time any amount payable to Consultant under this Agreement, (i) any amounts the payment of which may be in dispute hereunder or which are necessary to compensate City for any losses, costs, liabilities, or damages suffered by City, and (ii) all amounts for which City may be liable to third parties, by reason of Consultant's acts or omissions in performing or failing to perform Consultant's obligation under this Agreement. In the event that any claim is made by a third party, the amount or validity of which is disputed by Consultant, City may withhold from any payment due, without liability for interest because of such withholding, an amount sufficient to cover such claim. The failure of City to exercise such right to deduct or to withhold shall not, however, affect the obligations of the Consultant to insure, indemnify, and protect City as elsewhere provided herein.

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

7.4 Termination Prior to Expiration of Term. Either party may terminate this Agreement at any time, with or without cause, upon sixty (60) days' written notice to the other party. Upon receipt of any notice of termination, Consultant shall cease all work or services hereunder at the time specified in the notice, except as specifically approved by the Contract Officer. Consultant shall be entitled to compensation for the reasonable value of the work product actually produced prior to the effective date of the notice of termination and for any services authorized by the Contract Officer thereafter in accordance with the Schedule of Compensation and City shall be entitled to reimbursement for any compensation paid in excess of the services rendered. Should City terminate this Agreement without cause prior to the expiration of the initial Term, then in addition to paying Consultant for the sixty (60) day period described above, City shall reimburse Consultant in a lump sum for the reasonable costs related to the severance of any new or additional employees who were hired by Consultant specifically to perform the services under this Agreement, provided that City shall not reimburse Consultant

for any costs arising out of any litigation or administrative claims filed by such employees. In addition, if City terminates this Agreement in the first twelve (12) months, City shall reimburse Consultant for the remaining lease payments of any new or additional vehicles that were leased by Consultant specifically to perform the services under this Agreement, unless a vehicle is redeployed by Consultant to another project, plus the unamortized balance of any Capital Improvements financed or paid for by the Consultant as reflected on Consultant's financial statements.

7.5 Completion of Work After Termination for Default of Consultant. If termination is due to the failure of the Consultant to fulfill its obligations under this Agreement, City may, after providing Consultant with notice and sixty (60) days to cure, take over the work and prosecute the same to completion by contract or otherwise, and the Consultant shall be liable to the extent that the total cost for completion of the services required hereunder exceeds the compensation herein stipulated (provided that the City shall use reasonable efforts to mitigate such damages), and City may withhold any payments to the Consultant for the purpose of set-off or partial payment of the amounts owed the City as previously stated.

7.6 Attorneys' Fees. If either party to this Agreement is required to initiate or defend or made a party to any action or proceeding in any way connected with this Agreement, including an action or proceeding initiated by either party, the prevailing party in such action or proceeding, in addition to any other relief which may be granted, shall be entitled to reasonable attorneys' fees, whether or not the matter proceeds to judgment, and to all other reasonable costs for investigating such action, taking depositions and discovery, including all other necessary costs the court allows which are incurred in such litigation.

7.7 Arbitration. Should any dispute arise out of this Agreement, the Parties agree to first pursue non-binding arbitration prior to instituting any legal action. Such arbitration shall be conducted in Riverside County, California before a single arbitrator jointly selected and mutually approved by the Parties. The arbitration shall be conducted in accordance with the American Arbitration Association's rule of commercial arbitration. The Parties shall share equally the fees and expenses of the arbitration.

8.0 CITY OFFICERS AND EMPLOYEES: NON-DISCRIMINATION

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

8.2 Conflict of Interest; City. No officer or employee of the City shall have any financial interest in this Agreement nor shall any such officer or employee participate in any decision relating to the Agreement which affects his financial interest or the financial interest of any corporation, partnership or association in which he is interested, in violation of any State statute or regulation.

8.3 Conflict of Interest; Consultant. Consultant warrants that it has not paid or given and will not pay or give any third party any money or other consideration for obtaining this

Agreement. Consultant shall comply with all conflict of interest laws and regulations including, without limitation, City's Conflict of Interest Code which is on file in the City Clerk's office. Accordingly, should the City Manager determine that Consultant will be performing a specialized or general service for the City and there is substantial likelihood that the Consultant's work product will be presented, either written or orally, for the purpose of influencing a governmental decision, the Consultant and its officers, agents or employees, as applicable, shall be subject to the City's Conflict of Interest Code.

8.4 Covenant Against Discrimination. Consultant covenants that, by and for itself, its executors, assigns, and all persons claiming under or through them, that there shall be no discrimination against or segregation of, any person or group of persons on account of race, color, creed, religion, sex, marital status, national origin, or ancestry in the performance of this Agreement. Consultant shall take affirmative action to insure that applicants are employed and that employees are treated during employment without regard to their race, color, creed, religion, sex, marital status, national origin or ancestry.

9.0 MISCELLANEOUS PROVISIONS

9.1 Notice. Any notice or other communication either party desires or is required to give to the other party or any other person shall be in writing and either served personally or sent by prepaid, first-class mail, in the case of the City, to the City Manager and to the attention of the Contract Officer, City of Perris, 101 North "D" Street, Perris, CA 92570, and in the case of the Consultant, to the person at the address designated on the execution page of this Agreement. Either party may change its address by notifying the other party of the change of address in writing. Notice shall be deemed communicated at the time personally delivered or in seventy-two (72) hours from the time of mailing if mailed as provided in this Section.

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

9.3 Integration; Amendment. It is understood that there are no oral agreements between the parties hereto affecting this Agreement and this Agreement supersedes and cancels any and all previous negotiations, agreements and understandings, if any, between the parties, and none shall be used to interpret this Agreement. This Agreement may be amended at any time by an instrument in writing signed by both parties.

9.4 Severability. Should a portion of this Agreement be declared invalid or unenforceable by a judgment or decree of a court of competent jurisdiction, such invalidity or unenforceability shall not affect any of the remaining portions of this Agreement which are hereby declared as severable and shall be interpreted to carry out the intent of the parties unless the invalid provision is so material that its invalidity deprives either party of the basic benefit of their bargain or renders this Agreement meaningless.

9.5 Corporate Authority. The persons executing this Agreement on behalf of the parties hereto warrant that (i) such party is duly organized and existing, (ii) they are duly

authorized to execute and deliver this Agreement on behalf of said party, (iii) by so executing this Agreement, such party is formally bound to the provisions of this Agreement, and (iv) the entering into this Agreement does not violate any provision of any other Agreement to which said party is bound.

[SIGNATURES ON NEXT PAGE]

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

ATTEST:

"CITY"
CITY OF PERRIS

By: _____
Nancy Salazar, City Clerk

By: _____
Daryl R. Busch, Mayor

APPROVED AS TO FORM:

ALESHIRE & WYNDER, LLP

Eric L. Dunn, City Attorney

"CONSULTANT"
SEVERN TRENT ENVIRONMENTAL
SERVICES, a Texas Corporation

By: _____
Signature

Fred Kriess, Western Regional Gen. Manager

By: _____
Signature

Print Name and Title

Address:
Severn Trent Environmental Services
16337 Park Row
Houston, TX 77084

(Corporations require two signatures; *one from each* of the following: A. Chairman of Board, President, any Vice President; *AND B.* Secretary, Assistant Secretary, Treasurer, Assistant Treasurer, or Chief Financial Officer.)

[END OF SIGNATURES]

EXHIBIT "A"

SCOPE OF SERVICES

General Description and Overview of the Services

Under this Agreement, the Consultant will provide the City with services that encompass fulfilling the duties and responsibilities of a water utility department. The services include: (i) the production and distribution of treated water as reasonably necessary to meet the demand for water by the City's customers, (ii) routine preventive and predictive maintenance of the Facilities; (iii) corrective maintenance, repair and replacement of the Facilities' equipment; (iv) laboratory testing and analysis; (v) field customer service; and (vi) preparation and prompt delivery of all applicable and required filings, including reports, to the City and to regulatory agencies as prescribed by Applicable Law. Consultant will ensure the continued provision of water supply and distribution to the City's customers in a quantity and quality consistent with federal, state and local laws, regulations and all applicable permits.

This Schedule provides a detailed description of the services provided under this Agreement, delineated by the following key tasks.

Water Utility Management, Operations and Maintenance

Consultant will provide management, operations and maintenance of the City's wells, water production and distribution system. These services will include maintenance of the grounds and associated appurtenances.

Consultant will perform routine checks of the Facilities, perform maintenance for the Facilities, meter reading, repair and replacement of water meters (as required) and perform water quality sampling and testing as required.

Consultant will also perform field customer service duties as further defined in this Schedule; and, coordinate such activities with the City's customer service staff.

Consultant will perform all required preventive maintenance for the Facilities. Additionally, Consultant will perform all corrective maintenance and repair/replacement of equipment as required under the terms and conditions of this Agreement.

Consultant will provide licensed and certified operators that meet the California Department of Public Health requirements for the City's water utility system. A full time project manager will be assigned to provide management and oversight of the water utility system operations and field customer service activities.

Consultant shall operate and maintain the Facilities and all equipment and processes contained therein in accordance with relevant operation and maintenance manuals for the Facilities, Applicable Law, the existing raw water supply permit ("Permit") issued by the California State Water Resources Control Board.

Consultant will perform an annual valve and hydrant exercising program that will include flushing all dead ends routinely to prevent taste and odor complaints. Such program will be conducted that is in full compliance with California Department of Public Health regulations and prudent industry practices. Consultant will use best efforts to perform valve, hydrant and flushing activities based on the following schedule:

Routinely Exercise valves in the distribution system and prepare and submit a report of recommended repairs.

Flush water mains as required to address customer complaints.

Flush dead end distribution system mains every 3 months (each quarter).

Consultant will perform fire hydrant maintenance and painting on a regular basis and consistent with requirements set forth by the City.

Consultant will perform utility line location and marking services. Such services performed during normal business hours are included as part of the Base Fee.

Emergency Response

Consultant will provide emergency response services for the Facilities and respond to emergency calls twenty four (24) hours per day, seven (7) days per week. Turn-on and Turn-off services are not considered an emergency. City is responsible for notifying Consultant of any emergency calls received directly by the City.

Laboratory Analysis

Consultant will perform all required routine water sampling and testing as required by Applicable Law and the Permit and the City shall pay for all such required testing.

Regulatory and other Reporting

- (a) Consultant will provide a monthly summary operations report to the City including water utility system operational and performance information, and, data required for monthly reporting to all regulatory agencies. The monthly report will summarize maintenance, repair and replacement activities. The monthly report shall also include copies of all reports and correspondence made by the Consultant to local, State and federal regulatory agencies on behalf of the City. The report will be prepared in a format as approved by the City and shall include the following data
 - (i) Total water volume produced
 - (ii) New meter orders and installations
 - (iii) Summary of maintenance and repair activities
 - (iv) Laboratory test results for the Facilities
 - (v) Copies of all reports and correspondence made by Consultant on behalf of City
 - (vi) Summary of key operational events

- (b) Each quarter, or more often as required by the City, the Consultant shall meet with the City staff and make a presentation on services provided and review water utility system operations.

- (c) Consultant shall collect the data for all Permit monitoring and operating reports required by Applicable Law or by this Agreement and shall deliver the required monitoring and operating reports to the City and to the appropriate regulatory agencies having competent jurisdiction over same. If required pursuant to Applicable Law, the Consultant shall attest as to the accuracy and completeness of the data collected for each report. The City, however, shall at all times be responsible for maintaining all required permits for the ownership and operation of the Facilities. Consultant shall specifically update and submit Water Quality Sampling Plans and Operations and Maintenance Monitoring Plans to the State Water Resources Control Board.
- (d) Consultant may interface with regulatory agencies without City's consent on matters related to compliance with the City's Permits, and/or with respect to matters required under the Consultant's staff certification and licensing requirements and/or as otherwise necessary to comply with Applicable Law, including communication during emergency situations. Consultant shall, as soon as practicable and in reasonable detail, inform the City of the subject matter of such communications with regulatory agencies. All other communications with regulatory agencies, the media, or community groups may occur only upon City's request or with City's prior approval.
- (e) All Facilities' records and data, including but not limited to operation reports, laboratory reports and monitoring documentation, but excluding Consultant's budgetary and financial information, are the property of the City and cannot be destroyed by Consultant without written consent of the City. All site-specific operating procedure guidelines, preventive maintenance and safety programs and plant evaluation reports will, upon termination of this Agreement, become and remain the property of the City.
- (f) Consultant will ensure completion and submission of the annual water system Consumer Confidence Report, in a form approved by the City and the California Department of Public Health. Costs incurred for such shall be included as part of the Annual Maintenance and Repair Limit expenditures.

Field Customer Service

Consultant shall provide water meter readings for all customer accounts in the service area and provide the data to the City by the end of the third (3rd) week of every month. Meter reading data shall be supplied in a format approved by the City. Consultant's scope of services includes reading the meters for up to 1,400 connections on a scheduled monthly basis. Should additional meter readings be required that exceed this amount by five percent (5%), Operator will receive an additional \$250 per additional meter per year as compensation for such services.

Consultant will provide turn on and turn off services during normal business hours, with such costs included as part of the base fee. The base fee includes up to 132 turn-on/turn-off procedures in any given month. The City will pay Consultant \$250 for each additional residential meter for any turn-on/turn off procedures that exceed this amount in any given month in a specific contract year during the term of this Agreement.

Consultant will perform field customer service tasks and duties during normal business hours based on requests that are received by the City.

Consultant shall respond in a timely manner to all customer inquiries including, by way of example and not limitation, service complaints, reports of water breaks, low water pressure and water quality concerns.

Consultant's customer service personnel shall be prepared to answer commonly asked questions without referral to other personnel. Any customer calls received during off hours will be responded by the Consultant's on call staff as soon as possible and within forty five (45) minutes of receiving such notification.

Chemicals

Consultant will purchase and maintain an inventory of sodium hypochlorite routinely used and required in the operations of the Facilities. The sodium hypochlorite will be stored on site in compliance with OSHA regulations and in sufficient quantities for the continuous operations of the Facilities.

Subject to the limitations set forth herein, the Consultant shall (i) perform routine preventive maintenance in accordance with manufacturers' specifications and approved operating and maintenance procedures developed for equipment and processes of the Facilities; (ii) repair and/or replace equipment; (iii) clean and lubricate equipment; (iv) make equipment inspections and needed adjustments; (v) perform predictive maintenance as appropriate; (vi) maintain Consultant's vehicles and light duty service trucks necessary for daily operations; and (vii) maintain all of the Facilities' instrumentation, including instrumentation provided to the Consultant by the City pursuant to this Agreement. Consultant shall schedule and track all preventive and corrective maintenance in accordance with standard industry practice.

Definitions

"Abnormal or Biologically Toxic Materials" may include, but are not limited to, concentrations of heavy metals, phenols, cyanides, pesticides, herbicides, priority pollutants as listed by USEPA, or any substance that violates the local or USEPA standards for finished water after the routine processing of the raw water.

"Adjustment Date" means each anniversary of the Commencement Date.

"Agreement Year" means any consecutive twelve (12) month period during the term of the Agreement (including the renewal options) that begins on the Commencement Date and subsequently ends on each anniversary of that date.

"Annual Maintenance Expenditures" means the total of all expenses incurred annually by the Consultant in connection with the performance of its maintenance responsibilities under this Agreement. The Annual Maintenance Expenditures shall: i) exclude Consultant's direct labor expenses and related benefits for its personnel assigned exclusively to the operations and maintenance of the Facilities and whose cost is included in the Base Fee; ii) include, but not be limited to, all materials, supplies, parts, tools, outside subcontractors, specialized services, rental equipment and all of the Consultant's overtime costs and related benefits, as well as the cost of Consultant's personnel not exclusively assigned to the operation and maintenance of the Facilities at an agreed hourly billing rate.

"Annual Repair and Maintenance Limit" means the total of all Annual Maintenance Expenditures in an amount up to a maximum of the amount in Exhibit "C" for the first Agreement Year. For each Agreement Year thereafter, the Annual Repair and Maintenance Limit shall be increased on each Adjustment Date by the Price Index Increase.

"Applicable Law" means laws, rules, regulations, codes, administrative and judicial orders, directives, guidelines, judgments, rulings, interpretations or similar requirements or actions of any federal, state, local government, agency or executive or administrative body of any of the above, in each case that relate to the (a) parties' respective responsibilities under this Agreement; (b) operation or maintenance of the Facilities; (c) health and welfare of individuals working at or visiting the Facilities; and (d) the collection, delivery and treatment of the City's raw and finished water.

"Baseline Conditions" means the amount of raw water received and/or processed at the Facilities and the maximum pollutant limits contained in such raw water, all as outlined in the most recent Consumer Confidence Report for the North Perris Water Distribution System. The Baseline Conditions shall be reset and adjusted on each and every Adjustment Date to reflect the actual raw water amount and pollutants processed at the Facilities during the Agreement Year just ended.

"Capital Improvements" means any modifications, additions or upgrades to the Facilities made by or on behalf of the City or with its prior approval.

"Emergency Event" means an event which threatens the immediate shutdown of (or the substantial reduction in the operational capacity of, any of the Facilities, or the life, health or property of the City and/or the Consultant, their employees and/or agents or others.

"Force Majeure" means an event which is beyond the reasonable control of a party, including without limitation: (a) acts of God; (b) flood, fire, earthquake, hurricane or explosion; (c) war, invasion, hostilities (whether war is declared or not), terrorist threats or acts, riot or other civil unrest; (d) government order or law; (e) actions, embargoes or blockades in effect on or after the date of this Agreement; (f) action by any governmental authority; (g) national or regional emergency; (h) strikes, labor stoppages or slowdowns or other industrial disturbances, other than those involving the affected parties employees;] (i) shortage of adequate power or transportation facilities.

"City's Permit(s)" and/or *"Permit(s)"* means all permits and licenses issued to City and required for the treatment of potable water from the Facilities.

"Non-Processible Water" is defined as influent raw water (i) which contains Abnormal or Biologically Toxic Materials; or (ii) which is otherwise detrimental to the operation and performance of the Facilities; or (iii) which exceeds the design capabilities of the Facilities as defined by the Operations and Maintenance Manual for the Facilities or as provided in submissions made to regulatory agencies in connection with the construction and/or the permitting of the Facilities.

"Price Index" means the Consumer Price Index for the Los Angeles-Riverside-Anaheim for all Urban Consumers as published monthly by the U.S. Department of Commerce, Bureau of Labor Statistics, or any replacement to that index from time to time.

"Price Index Increase" means the percentage increase between the Price Index in effect as of the month of each and every Adjustment Date over the Price Index in effect as of the month of the Commencement Date. The Price Index Increase shall be calculated as of each and every Adjustment Date for the purpose of adjusting the Base Fee and the Annual Repair and Maintenance Limit.

"Process Residue" means grit, screenings and any sludge generated by or through the operation of the Facilities.

EXHIBIT "B"

SPECIAL REQUIREMENTS

- A. Easements, Access and Warranties. City will maintain existing or necessary easements, access, and warranties for the mutual benefit of both parties.
- B. Permits. City or its designee shall remain the named permittee on any and all permits that may be required, and shall meet all regulatory requirements not specifically assumed herein by Consultant as its responsibility.
- C. Utilities. City will pay for all electricity, natural gas, and utility water cost related to the Facility and collection system cleaning.
- D. Guarantees. Consultant shall use generally accepted business practices to procure materials and replacement equipment. Consultant shall not be responsible to City for any guaranty in connection with such materials or replacement equipment. Consultant shall assert reasonable efforts to obtain the normal guarantees applicable in the particular industry manufacturing such materials or replacement equipment, and shall assign same to City.
- E. Damage to Facility. Consultant shall not be required to repair any portion of Facility damaged due to flood, fire explosion, riot, revolution, civil disturbance, war or other acts of God or any other cause whatsoever beyond the control of Consultant, its employeecs, agents, representatives, or sub-contractors. Consultant agrees to notify City of such damage, both orally and in writing, as soon as possible after the occurrence of the above crises or acts.

EXHIBIT "C"

SCHEDULE OF COMPENSATION

Annual Base Fee and Compensation Formula

1) Repair and Maintenance Limits and Baselines for First Agreement Year:

Annual Repair and Maintenance Limit (for first Agreement Year): twenty five thousand nine hundred twenty four and 92/100 dollars (\$25,924.92)

2) Annual Base Fee:

The Annual Base Fee in the first year of this agreement shall be: three hundred forty four thousand seven hundred sixty five dollars (\$344,765).

The Base Fee shall be payable in twelve (12) equal monthly installments of twenty eight thousand seven hundred thirty and 42/100 dollars (\$28,730.42), in advance, on the first day of each and every month for the duration of the Agreement.

3) Compensation formula

4) The following formula shall be used to determine the increase in the annual Base Fee on each Adjustment Date. Under no circumstances shall there be a decrease to the annual Base Fee.

$$AAF = AF_0 \times [P_1 / P_0]$$

where:

AAF = Annual Adjusted Fee (new Base Fee) for the upcoming twelve (12) months during an Agreement Year

AF₀ = Annual Fee (Base Fee) for the twelve (12) months in the Agreement Year just ended

P₁ = Price Index in effect as of the month of the current Adjustment Date

P₀ = Price Index in effect as of the month of the prior Adjustment Date. With respect to the first Adjustment Date, P₀ shall be the Price Index in effect on March 1, 2015.

- CPI will be adjusted using the Consumer Price Index (Los Angeles-Riverside-Anaheim for All Urban Consumers).

EXHIBIT "D"
SCHEDULE OF PERFORMANCE

Refer to Exhibit "A" for details.



CITY OF PERRIS

CITY COUNCIL

AGENDA SUBMITTAL

10.1.

MEETING DATE: September 14, 2021

SUBJECT: Electrical Engineering Services for Sump Pump Replacement and Remote Monitoring System

REQUESTED ACTION: Award the Electrical Engineering Services Contract to Budlong & Associates, Inc. for the Sump Pump Replacement and Remote Monitoring System; and authorize the City Manager to execute the Agreement with Budlong & Associates, Inc. approved as to form by the City Attorney.

CONTACT: Bryant Hill, Public Works Director *BH*

BACKGROUND/DISCUSSION:

The approved project includes electrical engineering and related civil engineering/hydrology services within two neighborhoods of the City. Monument Ranch Detention Basin and Ellis Detention Basin. A new submersible pump with a remote electrical control panel will be designed for Monument Ranch since this facility was originally constructed without a pumping system. The existing pumping system at Ellis Detention Basin, consisting of dual submersible pumps and an electric control panel, has experienced recurring pump and panel failures. This system will be evaluated, and if necessary, a new pump and remote monitoring panel system will be designed for this facility.

In accordance with procurement procedures found in the municipal code for professional services, the City utilized a standard Request for Proposal process (RFP) to select the consultant. The City solicited proposals from various firms and received a total of one (1) proposal from an electrical engineering firm. After analyzing the written proposal, it was determined that Budlong & Associates, Inc. met or exceeded the City's requirements. Public Works staff met and discussed the original proposal with the bidder to obtain the best and final offer. Therefore, staff recommends that the City Council authorize the City Manager to execute the contract between the City of Perris and Budlong & Associates, Inc. in the revised amount of \$43,950. The Contract includes \$32,900 for design services and \$11,050 for optional time and materials construction observation/inspection services and reimbursables.

If the City Council awards the bid, Public Works staff will review the required insurance certificates, insurance endorsements and will seek the review and approval of the contract from the City Attorney's Office. Therefore, staff recommends that the City Council authorize the City Manager to execute the contract, subject to non-substantive changes by the City Attorney.

BUDGET (or FISCAL) IMPACT:

The proposed Public Works Agreement with Budlong & Associates, Inc. is \$43,950. Adequate funding for the Agreement has been provided in the approved FY 2021-22 budget for NPDES, LMD District #1, FCD #1, previously approved by City Council.

Prepared by Michael Morales, Capital Improvement Project Manager

REVIEWED BY:

City Attorney _____
Assistant City Manager _____
Finance Director ER

Attachments: 1. Bid Summary
2. Draft Agreement

Consent: x
Public Hearing:
Business Item:
Presentation:
Other:

ATTACHMENT 1-BID SUMMARY

**CITY OF PERRIS
BID OPENING LOG SHEET**

BID OPENING DATE: August 3, 2021 at 2:00 p.m.

PROJECT DESCRIPTION: RFP-Electrical Engineering Services for Sump Pump Replacement and Remote Monitoring System

	<u>BIDDER</u>	<u>BID AMOUNT</u>	<u>BID BOND</u>
1	Budlong	\$81,575.00	N/A
2			
3			
4			
5			
6			
7			
8			
9			
10			

Bid Officer: Judy Haughney, Assistant City Clerk
Witnesses: Michael Morales, CIP Manager

Signed: 
Dated: 8/3/2021

ATTACHMENT 2-AGREEMENT

**CITY OF PERRIS
CONTRACT SERVICES AGREEMENT FOR
ELECTRICAL ENGINEERING SERVICES FOR SUMP PUMP REPLACEMENT AND
REMOTE MONITORING SYSTEM PROJECT**

THIS CONTRACT SERVICES AGREEMENT (herein "Agreement") is made and entered into this 14TH day of September, 2021, by and between the CITY OF PERRIS, a municipal corporation, (herein "City") and BUDLONG & ASSOCIATES, INC., (herein "Contractor").

NOW, THEREFORE, the parties hereto agree as follows:

1.0 SERVICES OF CONTRACTOR

1.1 Scope of Services.

In compliance with all of the terms and conditions of this Agreement, the Contractor shall perform the work or services set forth in the "Scope of Services" attached hereto as Exhibit "A" and incorporated herein by reference. Contractor warrants that all work and services set forth in the Scope of Services will be performed in a competent, professional and satisfactory manner.

1.2 Compliance With Law.

All work and services rendered hereunder shall be provided in accordance with all ordinances, resolutions, statutes, rules, and regulations of the City and any Federal, State or local governmental agency of competent jurisdiction.

1.3 Licenses, Permits, Fees and Assessments.

Contractor shall obtain at its sole cost and expense such licenses, permits and approvals as may be required by law for the performance of the services required by this Agreement.

1.4 Additional Services

City shall have the right at any time during the performance of the services, without invalidating this Agreement, to order extra work beyond that specified in the Scope of Services or make changes by altering, adding to or deducting from said work. No such extra work may be undertaken unless a written order is first given by the Contract Officer to the Contractor, incorporating therein any adjustment in (i) the Contract Sum, (ii) Phase Contract Sum, and/or (iii) the time to perform this Agreement, which said adjustments are subject to the written approval of the Contractor. Any increase in compensation of up to five percent (5%) of the Contract Sum or \$25,000; whichever is less, or in the time to perform of up to one hundred eighty (180) days may be approved by the Contract Officer. Any greater increases, taken either separately or cumulatively must be approved by the City Council. It is expressly understood by Contractor that the provisions of this Section shall not apply to services specifically set forth in the Scope of Services or reasonably contemplated therein. Contractor hereby acknowledges that it accepts the risk that the services to be provided pursuant to the Scope of Services may be more costly or time

consuming than Contractor anticipates and that Contractor shall not be entitled to additional compensation therefore.

1.5 Preparation of Designs.

Contractor has been hired to perform the services described in this Agreement, which include the creation of one or more designs, drawings, or plans ("Designs"). Within the scope of the services under this Agreement, Contractor is developing an estimate for the construction phase of the Project shown or described in the Designs ("Construction Budget"). Contractor shall be responsible to do Project estimating to create Designs which will enable the Project to be constructed within an amount which shall not exceed the Construction Budget by more than ten percent (10%). Should City solicit bids for construction of the Project, as such Project has been designed by Contractor, and the lowest responsible bid exceeds the Construction Budget by more than ten percent (10%), Contractor agrees to revise the previous Designs, or to create new Designs, at no additional cost to City, so that a new price can be negotiated or the Project can be re-bid so that the Project does not exceed the Construction Budget by more than ten percent (10%). Notwithstanding the foregoing, Contractor is not responsible for changes in the Project scope initiated by City and all such changes shall include appropriate mutually agreed changes to the Construction Budget. Contractor is also not responsible for increased cost of materials, labor, transportation, taxes or other costs associated with material shortages, strikes, wars, natural disasters or any other act not directly under the control of the Contractor, and all such changes shall include appropriate mutually agreed changes to the Construction Budget.

2.0 COMPENSATION

2.1 Contract Sum.

For the services rendered pursuant to this Agreement, the Contractor shall be compensated in accordance with the "Schedule of Compensation" attached hereto as Exhibit "B" and incorporated herein by this reference, but not exceeding the maximum contract amount of forty-three thousand nine hundred fifty and 00/100 dollars (\$43,950.00) (herein "Contract Sum"). For the services rendered pursuant to this Agreement, the Contractor shall be compensated in accordance with the "Schedule of Compensation" attached hereto as Exhibit "B" and incorporated herein by this reference, but not exceeding the maximum contract amount for each phase as follows: Phase I, five thousand six hundred and 00/100 dollars (\$ 5,600.00); Phase II, fourteen thousand three hundred fifty and 00/100 dollars (\$14,350.00); Phase III twelve thousand nine hundred fifty and 00/100 dollars (\$12,950.00); Phase IV nine thousand one hundred and 00/100 dollars (\$9,100.00); and Reimbursables for all phases combined, at cost, but not to exceed one thousand nine hundred fifty and 00/100 dollars (\$1,950.00) (herein "Phase Contract Sum"), except as provided in Section 1.5. The method of compensation shall include: (i) payment issued at satisfactory completion of fifty percent (50%), and one hundred percent (100%) of the services during Phase I as determined by City; ii) payment issued at satisfactory completion of thirty three and one third percent (33.3%), sixty-six and six tenths percent (66.6%), and one hundred percent (100%) of the services during Phase II as determined by City; iii) payment issued at satisfactory completion of thirty three and one third percent (33.3%), sixty-six and six tenths percent (66.6%), and one hundred percent (100%) of the services during Phase III as determined by City; (iv) payment for time and materials for Phase IV based upon the Contractor's rates as specified in the Schedule of Compensation, but not exceeding the Phase Contract Sum, and the amount paid shall not exceed the percentage completion of the construction as determined by the City (i.e. fifty percent (50%) of the budget will be paid at fifty percent (50%) of completion); and (iii)

payment for reimbursables at cost including mileage, overnight mailing, renderings/graphics, blueprints or Xerox copies. The Contract Sum shall include the attendance of Contractor at all project meetings reasonably deemed necessary by the City (See Exhibit A); Contractor shall not be entitled to any additional compensation for attending said meetings.

2.2 Method of Payment.

Contractor shall submit to the City, an invoice for services rendered prior to the date of the invoice. Except as provided in Section 7.3, and in accordance with the "Schedule of Compensation," Exhibit "B", and upon receipt and approval of the invoice by the City, City shall pay Contractor within a reasonably prompt manner consistent with City's normal procedures for payable accounts, but not to exceed thirty (30) days from the date that the invoice is received by City.

3.0 PERFORMANCE SCHEDULE

3.1 Time of Essence.

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

3.2 Schedule of Performance.

Contractor shall commence the services pursuant to this Agreement upon receipt of a written notice to proceed and shall perform all services within the time period(s) established in the "Schedule of Performance" attached hereto as Exhibit "C" and incorporated herein by this reference. When requested by the Contractor, extensions to the time period(s) specified in the Schedule of Performance may be approved in writing by the Contract Officer but not exceeding one hundred twenty (120) days cumulatively, if deemed necessary by the Contract Officer.

3.4 Force Majeure

The time period(s) specified in the Schedule of Performance for performance of the services rendered pursuant to this Agreement shall be extended because of any delays due to unforeseeable causes beyond the control and without the fault or negligence of the Contractor, including, but not restricted to, acts of God or of the public enemy, unusually severe weather, fires, earthquakes, floods, epidemics, quarantine restrictions, riots, strikes, freight embargoes, wars, litigation, and/or acts of any governmental agency, including the City. Contractor shall notify the Contract Officer in writing of the causes of the delay. The Contract Officer shall ascertain the facts and the extent of delay, and extend the time for performing the services for the period of the enforced delay when and if in the judgment of the Contract Officer such delay is justified. The Contract Officer's determination shall be final and conclusive upon the parties to this Agreement. In no event shall Contractor be entitled to recover damages against the City for any delay in the performance of this Agreement, however caused, Contractor's sole remedy being extension of the Agreement pursuant to this Section.

4.0 COORDINATION OF WORK

4.1 Representative of Contractor.

Felix Gomez, is hereby designated as being the principal and representative of Contractor authorized to act in its behalf with respect to the work and services specified herein and make all decisions in connection therewith.

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

4.2 Contract Officer.

Michael A. Morales, or his designee, is hereby designated as being the representative of City authorized to act on its behalf with respect to the work and services specified herein and to make all decisions in connection therewith ("Contract Officer"). The City Manager of City shall have the right to designate another Contract Officer by providing written notice to Contractor.

4.3 Prohibition Against Subcontracting or Assignment.

Contractor shall not contract with any entity to perform in whole or in part the work or services required hereunder without the express written approval of the City. Neither this Agreement nor any interest herein may be assigned or transferred, voluntarily or by operation of law, without the prior written approval of City. Any such prohibited assignment or transfer shall be void.

4.4 Independent Contractor.

Neither the City nor any of its employees shall have any control over the manner, mode or means by which Contractor, its agents or employees, perform the services required herein, except as otherwise set forth. Contractor shall perform all services required herein as an independent contractor of City and shall remain under only such obligations as are consistent with that role. Contractor shall not at any time or in any manner represent that it or any of its agents or employees are agents or employees of City.

5.0 INSURANCE, INDEMNIFICATION AND BONDS

5.1. Insurance.

The Contractor shall procure and maintain, at its sole cost and expense, in a form and content satisfactory to City, during the entire term of this Agreement including any extension thereof, the following policies of insurance:

(a) Commercial General Liability Insurance. A policy of commercial general liability insurance written on a per occurrence basis with a combined single limit of at least \$2,000,000 bodily injury and property damage including coverages for contractual liability, personal injury, independent contractors, broad form property damage, products and completed operations. The Commercial General Liability Policy shall name the City, Riverside County, and their officers, employees and agents as additional insureds in accordance with standard ISO additional insured endorsement form CG2010(1185) or equivalent language. The Commercial General Liability Insurance shall name the City of Perris, California, its officers, employees and agents as additional insureds.

(b) Worker's Compensation Insurance. A policy of worker's compensation insurance in such amount as will fully comply with the laws of the State of California and which will include \$1,000,000 employer's liability.

(c) Business Automobile Insurance. A policy of business automobile liability insurance written on a per occurrence basis with a single limit liability in the amount of \$1,000,000 bodily injury and property damage. Said policy shall include coverage for owned, non-owned, leased and hired cars.

(d) Professional Liability. Professional liability insurance in a minimal amount of \$1,000,000.00 combined single limit per occurrence and \$2,000,000.00 in the aggregate.

All of the above policies of insurance shall be primary insurance. The insurer shall waive all rights of subrogation and contribution it may have against the City of Perris, California, its officers, employees and agents, and its insurers. In the event any of said policies of insurance are canceled, the Contractor shall, prior to the cancellation date, submit new evidence of insurance in conformance with this Section 5.1 to the Contract Officer. No work or services under this Agreement shall commence until the Contractor has provided the City with Certificates of Insurance or appropriate insurance binders evidencing the above insurance coverages and said Certificates of Insurance or binders are approved by the City.

Contractor agrees that the provisions of this Section 5.1 shall not be construed as limiting in any way the extent to which the Contractor may be held responsible for the payment of damages to any persons or property resulting from the Contractor's activities or the activities of any person or person for which the Contractor is otherwise responsible.

In the event the Contractor subcontracts any portion of the work in compliance with Section 4.3 of this Agreement, the contract between the Contractor and such subcontractor shall

require the subcontractor to maintain the same polices of insurance that the Contractor is required to maintain pursuant to this Section.

5.2. Indemnification.

(a) Contractor agrees to indemnify the City, its officers, agents and employees against, and will hold and save them and each of them harmless from, any and all actions, suits, claims, damages to persons or property, losses, costs, penalties, obligations, errors, omissions or liabilities, including paying any legal costs, attorneys fees, or paying any judgment (herein "claims or liabilities") that may be asserted or claimed by any person, firm or entity arising out of or in connection with the negligent performance of the work or services of Contractor, its agents, employees, subcontractors, or invitees, provided for herein, or arising from the negligent acts or omissions of Contractor hereunder, or arising from Contractor's negligent performance of or failure to perform any term, provision covenant or condition of this Agreement, but excluding such claims or liabilities to the extent caused by the negligence or willful misconduct of the City.

5.3 Sufficiency of Insurer or Surety.

Insurance or bonds required by this Agreement shall be satisfactory only if issued by companies qualified to do business in California, rated "A" or better in the most recent edition of Best Rating Guide, The Key Rating Guide or in the Federal Register, and only if they are of a financial category Class VII or better, unless such requirements are waived by the City's Risk Manager or designee of the City due to unique circumstances. In the event the City's Risk Manager determines that the work or services to be performed under this Agreement creates an increased or decreased risk of loss to the City, the Contractor agrees that the minimum limits of the insurance policies required by this Section 5 may be changed accordingly upon receipt of written notice from the City's Risk Manager or designee; provided that the Contractor shall have the right to appeal a determination of increased coverage by the City's Risk Manager to the City Council within ten (10) days of receipt of notice from the City's Risk Manager.

6.0 TERM

6.3 Term.

The term of this Agreement shall commence September 14, 2021 and shall continue until September 14, 2022 unless earlier terminated in accordance with Section 6.2 below.

6.2 Termination Prior to Expiration of Term.

Either party may terminate this Agreement at any time, with or without cause, upon thirty (30) days' written notice to the other party. Upon receipt of the notice of termination, the Contractor shall immediately cease all work or services hereunder except as may be specifically approved by the Contract Officer. In the event of termination by the City, Contractor shall be entitled to compensation for all services rendered prior to the effectiveness of the notice of termination and for such additional services specifically authorized by the Contract Officer and City shall be entitled to reimbursement for any compensation paid in excess of the services rendered.

7.0 REPORTS AND RECORDS

7.1. Reports.

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

7.2. Records Retention Clause Examination and Audit.

Contractor shall maintain and keep books and records on a current basis, recording all transactions pertaining to this Agreement in a form in accordance with generally acceptable accounting principals. Said books and records shall be made available to the City, the State Auditor of California, the Federal Government and any authorized representatives thereof for purposes of auditing at all reasonable times and places. All such books and records shall be retained for such periods of time as required by law, provided, however, notwithstanding any shorter periods of retention, all books, records, and supporting detail shall be retained for a period of at least five (5) years after the final payment is received by the Contractor.

7.3. Ownership of Documents.

All drawings, specifications, reports, records, documents and other materials prepared by Contractor, its employees, subcontractors and agents in the performance of this Agreement shall be the property of City and shall be delivered to City upon request of the Contract Officer or upon the termination of this Agreement, and Contractor shall have no claim for further employment or additional compensation as a result of the exercise by City of its full rights of ownership of the documents and materials hereunder. Any use of such completed documents for other projects and/or use of uncompleted documents without specific written authorization by the Contractor will be at the City's sole risk and without liability to Contractor, and the City shall indemnify the Contractor for all damages resulting therefrom. Contractor may retain copies of such documents for its own use. Contractor shall have an unrestricted right to use the concepts embodied therein. All subcontractors shall provide for assignment to City of any documents or materials prepared by them, and in the event Contractor fails to secure such assignment, Contractor shall indemnify City for all damages resulting therefrom.

7.4. Confidentiality; Work Product.

(a) Contractor in the course of its duties may have access to confidential data of City or its employees. Contractor agrees that all data, documents, discussion, or other information developed or received by Contractor or provided for performance of this Agreement and any communications between Contractor or the City or its respective representatives and contractors are deemed confidential and privileged attorney work product. All City data shall be returned to the City upon the termination of this Agreement. Contractor's covenant under this Section shall survive the termination of this Agreement.

(b) Contractor will not disclose any report, materials or other information generated or gathered during the course of its performance of its duties under this Agreement or any of its findings, or any information which it obtains or of which it becomes aware in the course of this project, to any third parties or any governmental agency or entity without the City's prior express, written approval. If Contractor believes that it is required by law to disclose any such information, it shall not do so until it has first advised the City of the necessity to make such disclosure and given the City a full opportunity to determine whether such disclosure is required by law. The City shall grant such authorization if it determines that the law requires disclosure.

(c) Nothing contained in this Section 6 shall preclude either party from disclosing information or data: (A) which are generally available to the public without the receiving party's fault at any time before or after acquisition from the transmitting party; or (B) which are obtained or acquired in good faith at any time by the receiving party from a third party who has disclosed the same in good faith and is not under any obligation to the transmitting party in respect thereof; or (C) where a written release is obtained by the receiving party from the transmitting party.

8.0 MISCELLANEOUS

8.1 Covenant Against Discrimination.

Contractor covenants that, by and for itself, its heirs, executors, assigns and all persons claiming under or through them, that there shall be no discrimination against or segregation of, any person or group of persons on account of race, color, creed, religion, sex, marital status, national origin, or ancestry in the performance of this Agreement. Contractor shall take affirmative action to ensure that applicants are employed and that employees are treated during employment without regard to their race, color, creed, religion, sex, marital status, national origin or ancestry.

8.2 Non-liability of City Officers and Employees.

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

8.3 Conflict of Interest.

No officer or employee of the City shall have any financial interest, direct or indirect, in this Agreement nor shall any such officer or employee participate in any decision relating to the Agreement which effects his financial interest or the financial interest of any corporation, partnership or association in which he is, directly or indirectly, interested, in violation of any State statute or regulation. The Contractor warrants that it has not paid or given and will not pay or give any third party any money or other consideration for obtaining this Agreement.

8.4 Notice.

Any notice, demand, request, document, consent, approval, or communication either party desires or is required to give to the other party or any other person shall be in writing and either served personally or sent by prepaid, first-class mail, in the case of the City, to the City Manager and to the attention of the Contract Officer, CITY OF PERRIS, 101 North D Street, Perris, CA 92570, and in the case of the Contractor, to the person at the address designated on the execution page of this Agreement.

8.5 Interpretation.

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

8.6 Integration; Amendment.

It is understood that there are no oral agreements between the parties hereto affecting this Agreement and this Agreement supersedes and cancels any and all previous negotiations, arrangements, agreements and understandings, if any, between the parties, and none shall be used to interpret this Agreement. This Agreement may be amended at any time by the mutual consent of the parties by an instrument in writing.

8.7 Severability.

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

8.8 Waiver.

No delay or omission in the exercise of any right or remedy by a nondefaulting party on any default shall impair such right or remedy or be construed as a waiver. A party's consent to or approval of any act by the other party requiring the party's consent or approval shall not be deemed to waive or render unnecessary the other party's consent to or approval of any subsequent act. Any

waiver by either party of any default must be in writing and shall not be a waiver of any other default concerning the same or any other provision of this Agreement.

8.9 Attorneys' Fees.

If either party to this Agreement is required to initiate or defend or made a party to any action or proceeding in any way connected with this Agreement, the prevailing party in such action or proceeding, in addition to any other relief which may be granted, whether legal or equitable, shall be entitled to reasonable attorney's fees, whether or not the matter proceeds to judgment.

8.10 Corporate Authority.

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

[END – SIGNATURE PAGE FOLLOWS]

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

ATTEST:

CITY:

CITY OF PERRIS,
a municipal corporation

Nancy Salazar, City Clerk

Clara Miramontes, City Manager

APPROVED AS TO FORM:
ALESHIRE & WYNDER, LLP

Eric L. Dunn, City Attorney

CONTRACTOR:
BUDLONG & ASSOCIATES, INC.

By: *Felix Gomez*
Signature

Felix Gomez, Director of Design
Print Name and Title

By: _____
Signature

Print Name and Title

(Corporations require two signatures; one from each of the following: A. Chairman of the Board, President, and Vice President; and B. Secretary, Assistant Secretary, Treasurer, or Chief Financial Officer.)

[End of Signatures]

EXHIBIT "A"

SCOPE OF SERVICES

PHASE I: FACILITIES AND PROGRAM ASSESSMENT

Phase one of the "Sump Pump Replacement and Remote Monitoring System Project" shall consist of a complete assessment of demands of the project based upon review of the site, existing utilities and services, existing storm drain improvement plans and supporting hydrology reports, and meetings with staff.

- 1.1 Meet with departmental staff of the affected city agencies to gather necessary documents, and information deemed pertinent to assessment of demands of the project (project design/kick-off meeting). The pre-design meetings should not exceed 8 hours.
- 1.2 Review utility systems at each area (electricity, meters, communications, and pedestals) and the capabilities of each with relationship to the project site. Determine upgrades necessary for installation of proposed sump pumps and control panels, to support the pump station, and wi-fi ready controller configuration.
- 1.3 Review existing hydrology reports, existing storm drain and grading plans, existing pump station, and pump information, and other civil engineering plans and reports for the existing drainage systems. Produce hydraulic analyses and final reports for each area intended to support the conclusions and recommendations for pump replacements, upgrades or new installations.
- 1.4 Contractor shall develop a set of infrastructure recommendations for each site based on the analyses described in the preceding paragraphs, original plans prepared by the developers of each site, new submersible pump and remote-control technology, required utility, Frontier communications, and SCE panel upgrades. Contractor shall also consider, past performance of existing pump stations, and current conditions at each site. Sub-tasks may include:
 - Develop two pump station alternatives for each site, including remote control panel upgrades, pump station vaults, wet pits, type and sizing of submersible pumps, based on expected hydraulic loads, performance, durability, maintenance, and longevity of improvements.
 - Develop, during the course of design, probable construction cost estimates for implementing each of the two pump station alternatives for each site.

Deliverables: Standard meeting notes on hard copy format; any other preliminary reports and studies necessary or in support of recommended submersible pumps, remote control panels, and utility system upgrades needed to complete the project. Preparation of a final drainage report that includes the hydraulic calculations in support of the proposed type and sizing of submersible pumps, to be submitted to the City of Perris for approval. Probable construction cost estimates for pump station alternatives.

PHASE II: DRAFT DESIGN AND COST ESTIMATES

The Contractor shall prepare draft construction drawings, and probable construction cost estimates. These will be used to ensure timely progress is made towards completion of final construction drawings; and to make decisions about the project, including value engineering considerations, so that a majority vote can be obtained to determine a final design.

- 2.1 Contractor, in the course of work, will meet with selected staff, and agencies. The design meetings should not exceed 8 hours.
- 2.2 Contractor shall obtain available PDF files of the original construction drawings (storm drain, street improvement, grading etc.) from the City Public Works Department. The Contractor shall use original drawings, as necessary, and shall create new CAD files for base mapping. Contractor shall prepare CAD files for improvement plans, profiles, and details at a 1"=40' or other appropriate scale. Improvements shall include scaled plan view and single line electrical drawing/construction plans; and scaled plan view storm drain improvement plans (horizontal control) and scaled plan profile or cross section view (vertical control) of new discharge pipe and prefabricated concrete pump chamber, as required.
- 2.3 A topographic survey will not be required for the project.
- 2.4 Contractor shall verify locations of existing improvements in field. Contractor shall provide any additional survey, as necessary, for design and construction of the project. If necessary, detailed data and elevations of existing street improvements, physical features, and surface evidence of existing underground utilities will be provided. Full width right-of-way cross-sections, taken at 50' intervals, and at apparent changes in grade, will be performed, as necessary. Contractor shall obtain existing record plans, if any, available from City.
- 2.5 Contractor shall provide all electrical engineering services necessary to develop draft construction drawings for all pump, panel, and electrical elements of the Project. Contractor shall submit a draft sump pump, panel, and electrical plan for all selected areas, to the City for review and comment, and make all necessary revisions as required.
- 2.6 Contractor shall provide all civil engineering and hydrology engineering services necessary to develop draft construction drawings for all storm drain pipe, sump pumps, discharge pipe, tie-in points, and other civil improvements affected by the retrofit of each area. Contractor shall develop draft demolition plans of existing asphalt concrete access roads, concrete structures, catch basins, etc. affected by the retrofit of each area. Contractor shall submit a draft construction and demolition plan for all selected areas, to the City for review and comment, and make all necessary revisions as required.
- 2.7 Contractor shall coordinate with the appropriate utility companies to determine location of utility lines and easements, transformer location, meter location and fixture schedules. Contractor shall develop and distribute plans to all affected utility companies for their review and make plan changes as needed.
- 2.8 Contractor shall prepare, during the course of design, a probable construction cost estimate for implementing the sump pump, control panel and civil improvements noted on the draft plans, on an element-by-element basis (I.e., submersible pumps, prefabricated

pump chamber, control panel, discharge pipe length, clearing, grubbing, demolition, asphalt paving, wiring, conduit, meters, handholes, etc.).

Deliverables: Standard meeting notes on hard copy format, cut-sheets of selected sump pumps, panels, prefabricated concrete pits, two (2ea) copies of draft construction drawings developed to 66% completion for planning and review purposes, on hard copies (11" x17", 24" x 36") and in digital format, (JPEG and PDF); estimates of probable construction costs on an element-by-element basis (hard copy and word format).

PHASE III: FINAL DESIGN AND DEVELOPMENT OF CONSTRUCTION DOCUMENTS

Upon approval of the draft construction drawings by the City of Perris, Contractor shall prepare construction documents. These documents shall consist of electrical engineering and civil engineering plans, details, bid schedule of values/quantities, and specifications. Documents shall be submitted to the City of Perris and, other affected entities and utility companies concurrently for review and approval and make any necessary revisions for each individual agency. The plans and specifications shall comply with all adopted Federal, State, and local laws, ordinances and codes.

- 3.1 Contractor shall provide all electrical, civil and hydrology engineering services necessary to prepare final construction documentation for all electrical and civil elements of the project. Construction documents shall consist of plans, details, sections, elevations, and (Book Format) specifications. Construction documents shall also include quantities/bid schedule using industry standard unit prices. Plans shall be provided for the following facilities:
 - "Ellis Detention Basin"-Remote control panel, communication connection, wi-fi ready equipment, an other electrical upgrades deemed necessary, and associated civil improvements
 - "Monument Ranch Detention Basin"-New Construction/Installation of sump pumps, remote control panel, electrical utility/meter service, communication connection, wi-fi ready equipment and associated civil improvements
- 3.2 Contractor shall provide electrical engineering services to include all necessary plans, which are not designed by Southern California Edison, and Frontier Communications.
- 3.3 Contractor shall deliver wet-signed originals and two copies of bid documents, specifications, work descriptions, and full size plan sheets for the projects as follows:
 - 1) "Sump Pump Replacement and Remote Monitoring System Project" bid package shall be prepared with one base bid or base bid and additive alternative bid schedule of values based upon need to phase project due to final probable cost estimate prepared by the Contractor.

Deliverables: Final construction set sump pump and remote monitoring system plan; details, sections, legends, construction notes supporting preceding plans; specifications, in book format; bid schedule of values in industry standard unit prices; originally stamped and wet signed versions of the preceding plans on hard copies, and digital copies of the foregoing plans and specifications and bid schedules in Microsoft Word, PDF (latest version) and Auto-Cad LT (latest version), on a CD-ROM or electronic media, as determined by the City.

PHASE IV: BIDDING/CONSTRUCTION SERVICES

Contractor shall provide limited bidding services (including RFI), construction support services and request for information assistance to the City, as it relates to all plans and specifications prepared by the Contractor as described in the preceding paragraphs.

4.1 Contractor shall provide office bidding services on a time and materials basis. Sub-tasks shall include:

- Contractor shall provide limited bid assistance to the City, which shall include: answering questions from prospective bidders, bid analysis to determine lowest responsible bidder (in the event equal products are proposed). Attendance at the preconstruction meeting will be at the discretion of the City.

4.2 Contractor shall provide office construction services on a time and materials basis. Sub-tasks shall include:

- Contractor shall assist the City during the construction phase of the project. Contractor shall advise and consult with the City on all matters arising from the meaning and intent of any portion of the specifications, and of any plans or drawings where the same may be found obscure or to be in dispute. Contractor shall prepare clarification bulletins, details or drawings as necessary to respond to construction questions and field conditions.
- Based on specific intervals for field inspection, Contractor shall deliver inspection reports and photos, coordinate with City to review and approve or disapprove all construction payments submitted by the contractor to the City of Perris.
- Contractor shall review and comment upon all shop drawings and submittals. Contractor shall participate in a walk-through and prepare a punch list, which will document items to be completed prior to the City's preparation of a Notice of Completion.

4.3 Contractor shall provide field construction services on a time and materials basis. Sub-tasks shall include:

- The Contractor shall visit the site at intervals appropriate to the stage of construction (i.e. 3ea visits: 1) underground trenching and conduit, footing and re-bar cage; 2) wiring and tagging, utility box, fixture assembly; 3) energizing and development of final punch list. Contractor shall become familiar with the progress and quality of the work to determine, in general, if the construction is proceeding in accordance with substantial compliance with intent of the specifications, plans and drawings. On the basis of such observation, the Contractor shall inform the agency and document (photo and written) as to the progress and quality of the work.
- As required, Contractor shall participate in a final acceptance walk-through of the project to verify if all punch list items have been addressed and to make recommendations of acceptance as appropriate.

Deliverables: Standard meeting notes; oral and written responses, clarification bulletins; punch lists/field memorandums summarizing field visits; details or drawings as necessary for field inquiries; reports on construction activity for the purpose of approving construction draws or invoices.

PHASE V: GENERAL SERVICES AND PROJECT ADMINISTRATION

- 5.1 Contractor shall, at no cost to the City, designate a senior staff member as project manager. Said staff member shall be the Contractor's primary liaison with the City for all matters relating to this project for the entire term of the agreement developed under this Agreement. Contractor shall be available to answer questions regarding the project scope, documents, milestones, plans, specifications, etc.
- 5.2 Contractor shall, at no cost to the City, correct any and all errors and omissions in products delivered, which are discovered subsequent to the completion of the review process.
- 5.3 Contractor shall, at no cost to the City, prepare and maintain a "Schedule of Performance" to include realistic periods for final design, reviews, and approvals.
- 5.4 Contractor shall, at no cost to the City, submit invoices to the City based on the agreed upon rates for the percentage of work completed. Each invoice will be itemized to show tasks performed, hours, and percentage of work completed. Monthly progress report must be attached to each invoice. Contractor shall be paid for time and materials, and percentage of completion basis, and the amount paid will not exceed the percentage completion of the project (i.e. 33% of the budget will be paid at 33% completion). All requests for billing, which do not reflect the pre-determined percentage of completion noted on Schedule of Compensation, shall be returned by City to Contractor, unpaid (i.e. a 20% billing invoice for a scheduled completion value of 33% shall not be paid).
- 5.5 Site visits required before, during, or after construction for purpose of accurate design, problem resolution or changes due to inaccurate design and changes imposed by regulatory agencies will be the responsibility of the Contractor.
- 5.6 Travel Time shall be provided at no cost to the City, and shall not be included as part of billable hours established for design services and attendance at meetings, and for field construction observation services.

EXHIBIT "B"

SCHEDULE OF COMPENSATION

Contractor shall be paid for time and materials based upon the following rates, and the amount paid will not exceed the percentage completion of the project (i.e. 33% of the budget will be paid at 33% completion) in accordance with Section 2.1 of the Agreement, but not to exceed the following amounts for each individual phase:

TASK 1-D STREET STREETScape PROJECT

<u>Phase</u>	<u>Maximum Hours</u>	<u>Maximum Hourly Fee in (\$)</u>	<u>Maximum Not To Exceed Total (in \$)</u>
Phase I (at 50% completion)	12.0	*	2,100.00
Phase I (at 100% completion)	20.0	*	3,500.00
		PHASE I TOTAL=	\$5,600.00
Phase II (at 33.3% completion)	26.0	*	4,555.00
Phase II (at 66.6% completion)	26.0	*	4,550.00
Phase II (at 100% completion)	30.0	*	5,250.00
		PHASE II TOTAL=	\$14,350.00
Phase III (at 33.3% completion)	24	*	4,200.00
Phase III (at 66.6% completion)	24	*	4,200.00
Phase III (at 100% completion)	26	*	4,550.00
		PHASE III TOTAL=	\$12,950.00
		TOTAL CONTRACT SERVICES =	\$32,900.00

Contractor shall be paid for time and materials based upon the following rates, and the amount paid will not exceed the percentage completion of the project (i.e. 50% of budget will be paid at 50% completion), in accordance with Section 2.1 of the Agreement, but not to exceed the following amount for Phases IV.1 and IV.2 and IV.3:

BID AND CONSTRUCTION SERVICES

<u>Phase</u>	<u>Maximum Hours</u>	<u>Maximum Hourly Fee (in \$)</u>	<u>Maximum Not To Exceed Total (in \$)</u>
IV.1 (at 100% completion office bidding services)	4	*	700.00
IV.2 (at 50% completion office construction services)	10	*	1,750.00
IV.2 (at 100% completion office construction services)	10	*	1,750.00
IV.3 (at 50% completion field construction services)	14	*	2,450.00
IV.3 (at 100% completion field construction services)	14	*	2,450.00
		TOTAL BID AND CONSTRUCTION SERVICES =	\$9,100.00

REIMBURSABLES

Item Description

Maximum Not To
Exceed Total (in \$)

Mileage @ .56 cents per mile
Reprographic services and plotting at cost
Overnight mailing at cost

TOTAL REIMBURSABLES =

\$1950.00

***MAXIMUM HOURLY RATES**

ELECTRICAL ENGINEER

CLASSIFICATION

BILLING RATE

Principal Partners

Project Manager/Sr. Engineer/Sr. Designer	\$	145.00 per hour
Designer	\$	135.00 per hour
Senior CAD	\$	105.00 per hour
CAD Drafting	\$	90.00 per hour
Clerical	\$	65.00 per hour

EXHIBIT "C"

SCHEDULE OF PERFORMANCE

1.1	Meet with departmental staff for project kickoff	October 11, 2021
1.4	Deliver Recommended Pump Station Design alternative including probable cost	November 1, 2021
2.1-2.8	Deliver 66% bid documents, plans, specifications and probable construction costs to City for review	December 15, 2021
3.1-3.3	Revise and resubmit bid documents, plans, specifications, and probable construction costs to City for subsequent Plan checks as necessary	12 working days from dated plan check comments
2.1	Provide Bid Assistance to City, written clarifications, addenda, etc.	February, 2022
3.1	Provide Construction Observation services, visit construction site, attend progress meeting, respond to Request For Information (RFI's), etc.	April, 2022



CITY OF PERRIS

CITY COUNCIL

AGENDA SUBMITTAL

10.J.

MEETING DATE: September 14, 2021

SUBJECT: Resolution to Adopt the Annual Health Plan Premium Adjustment for Calendar Year 2022 and Fixing the Employer Contribution at the Equal Amount for Employees and Annuitants Under the Public Employees' Medical and Hospital Care Act.

REQUESTED ACTION: Approve a Resolution Adopting the Annual Health Plan Premium Adjustment.

CONTACT: Ernie Reyna, Deputy City Manager *ER*

BACKGROUND/DISCUSSION:

The Memorandum of Understanding between the City and Teamsters Local 911 (representing general unit employees) obligates the City to "pay the median amount of all medical insurance offered for medical insurance premiums for the employee and two dependents" (Fringe Benefits, Section 30.1). Such insurance shall be offered through a contract with Public Employees Retirement system (Fringe Benefits, Section 30.2).

Per California Public Employees' Retirement Law, the City of Perris, as a contracting agency with the State Employees Retirement System, is required to adopt a resolution approving premium changes to health plans offered to its employees. Some plans offered through the Public Employees Retirement System have increased their premium rates between 1% and 9% for the Calendar year 2022 while some other plans decreased their premium rates between 1% and 8% resulting in an overall increase in the median rate from \$1,836.08 to \$1,988.90 per month.

BUDGET (or FISCAL) IMPACT:

Approximate increase in expenditures of up to \$87,107 for six months (January-June 2022); however, this amount was estimated into the Fiscal Year 2021-22 budget. This exact amount is dependent upon the level of employee participation and choice of health plan.

Prepared by: Lizbeth Curiel-Garcia, Senior Accounting Specialist

REVIEWED BY:

City Attorney _____
Assistant City Manager _____
Finance Director *ER*

Attachments:

1. Resolution Adopting the Annual Health Plan Premium Adjustment
2. Calculation of Median Amount

Consent: X
Public Hearing:
Business Item:
Presentation:
Other:

ATTACHMENT 1

RESOLUTION ADOPTING THE ANNUAL HEALTH PLAN PREMIUM ADJUSTMENT

RESOLUTION NUMBER _____

**RESOLUTION OF THE CITY COUNCIL OF THE CITY OF
PERRIS, CALIFORNIA, ADOPTING THE ANNUAL HEALTH
PLAN PREMIUM ADJUSTMENT FOR CALENDAR YEAR
2022**

WHEREAS, City of Perris is a contracting agency under Government Code Section 22920 and subject to the Public Employee' Medical and Hospital Care Act (the "Act"); and

WHEREAS, Government Code Section 22892(a) provides that a contracting agency subject to Act shall fix the amount of the employer contribution by resolution; and

WHEREAS, Government Code Section 22892(b) provides that a local agency contracting under the Public Employees' Medical and Hospital Care Act shall fix the amount of the employer's contribution at an amount not less than the amount required under Section 22892(b)(1) of the Act, and

WHEREAS, Government Code Section 22892 provides that employer contribution shall be an equal amount for both employees and annuitants, but may not be less than the amount prescribed under Section 22892(b) of the Act, and

WHEREAS, the City of Perris is a local agency under the Act; now, therefore be it, and

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

That the employer's contribution of each employee or annuitant shall be the amount necessary to pay the full cost of his/her enrollment, including the enrollment of family members, in health benefits plan up to a maximum of:

<u>CODE</u>	<u>BARGAINING UNIT</u>	<u>CONTRIBUTION PER MONTH</u>
001	General Unit	\$1,988.90

Plus, administrative fees and Contingency Fund Assessments;

Section 1. That City of Perris has fully complied with any and all applicable provisions of Government Code Section 7507 in electing the benefits set forth above.

Section 2. That the participation of the employees and annuitants of the City of Perris shall be subject to determination of its status as an "agency or instrumentality of the state or political subdivision of a State" that is eligible to participate in a governmental plan within the

meaning of Section 414(d) of the Internal Revenue Code, upon Publication of final Regulations pursuant to such Section. If it is determined that the City of Perris would not qualify as an agency or instrumentality of the state or political subdivision of a State under such final Regulations, CalPERS may be obligated, and reserves the right to terminate the health coverage of all participants of the employer.

Section 3. That the executive body appoint and direct, and it does hereby appoint and direct, the Senior Accounting Specialist to file with the Board a verified copy of this resolution, and to perform on behalf of the City of Perris all functions required of it un the Act.

Section 4. All eligible employees may elect not to participate in the City-paid health care benefit plan if said employee has proof of medical coverage from another source.

Section 5. Upon written documentation to the Deputy City Manager, such employee receives one-half of the monthly median amount that would have been provided for City-paid health care benefits, payable on the first payroll of each month, not to exceed \$994.45 (calendar year 2022).

Section 6. Should employee require future City-paid health care coverage, employee must wait until the next open enrollment period to elect coverage.

Section 7. That Resolution Number 5585 is repealed in its entirety.

ADOPTED, SIGNED and APPROVED this 14th day of September, 2021.

Mayor, Michael M. Vargas

ATTEST:

City Clerk, Nancy Salazar

STATE OF CALIFORNIA)
COUNTY OF RIVERSIDE) §
CITY OF PERRIS)

I, Nancy Salazar, CITY CLERK OF THE CITY OF PERRIS, DO HEREBY CERTIFY that the foregoing Resolution Number _____ was duly adopted by the City Council of the City of Perris at a regular meeting of said Council on the 14th day of September 2021, and that it was so adopted by the following vote:

AYES:
NOES:
ABSENT:
ABSTAIN:

City Clerk, Nancy Salazar

ATTACHMENT 2

CALCULATION OF MEDIAN AMOUNT

Calculation based on all plans offered (including new)

	2022	2021	2020	2019	2018	2017	2016	
PERSCare	2,244.76	2,693.78	2,420.91	2,358.95	1,907.10	2,085.82	1,979.90	11.27%
Blue Shield Access+	2,027.66	2,176.69	2,114.24	1,976.10	1,809.52	2,023.97	1,702.66	2.95%
PERS Choice	2,244.76	1,979.20	1,846.75	1,874.89	1,817.30	1,857.52	1,777.65	7.17%
Kaiser	1,871.43	1,741.58	1,727.41	1,634.44	1,733.68	1,558.80	1,573.13	0.82%
Blue Shield NetValue	-	-	-	-	-	-	1,732.51	#DIV/0!
PERS Select	1,496.46	1,195.84	1,132.92	1,203.05	1,702.32	1,647.00	1,625.52	5.55%
Anthem Select	1,758.85	1,661.66	1,611.82	1,625.18	1,715.19	1,713.48	1,650.35	3.09%
Anthem Traditional	2,432.48	2,558.95	2,346.84	2,160.31	1,911.21	2,077.79	1,848.05	9.04%
Health Net Salud y Mas	1,206.06	1,073.49	1,020.01	1,112.31	1,200.06	1,231.00	1,393.55	5.24%
Health Net SmartCare	1,988.90	1,797.85	1,685.89	1,671.05	1,579.97	1,396.72	1,552.15	6.64%
United Healthcare Signature Harmony	1,857.13	-	-	-	-	-	-	#DIV/0!
Unitedhealthcare	2,006.81	1,874.31	1,737.61	1,681.29	1,603.32	1,429.38	1,284.37	7.87%
Median Value	1,988.90	1,836.08	1,732.51	1,676.17	1,724.44	1,680.24	1,650.35	8.32%
2021 med		1,836.08						
2022 med		1,988.90						
			152.82					increase from 2021 to 2022
2022 x95 Empl			14,517.90					
x6 mos			87,107.40					increase from 2021 to 2022
2020 med			1,732.51					
2021 med			1,836.08					
			103.57					
2021 x95 Empl			9,839.15					
Increase x6 mos			59,034.90					approx. base on number of employee used last year.



**City of Perris
Median Insurance Calculation
2022**

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Anthem Select					1,650.35	1,713.48	1,715.19	1,625.18	1,611.82	1,661.66	1,758.85
Anthem Traditional					1,848.05	2,077.79	1,911.21	2,160.31	2,346.84	2,558.95	2,432.48
Blue Shield Access+	1,305.02	1,674.22	1,412.35	1,556.52	1,702.66	2,023.97	1,809.52	1,976.10	2,114.24	2,170.69	2,027.66
Blue Shield NetValue	1,161.37	1,430.08	1,188.64	1,458.83	1,732.51						
Health Net Salud y Mas					1,393.55	1,231.00	1,200.06	1,112.31	1,020.01	1,073.49	1,206.06
Health Net SmartCare					1,552.15	1,396.72	1,579.97	1,671.05	1,685.89	1,797.85	1,988.9
Kaiser	1,368.09	1,453.27	1,567.25	1,507.48	1,573.13	1,558.80	1,733.68	1,634.44	1,727.41	1,741.58	1,871.43
PERS Platinum (PERSCare or Choice)	1,517.36	2,580.79	1,659.37	1,709.03	1,979.90	2,085.82	1,907.10	2,358.95	2,420.91	2,693.78	2,244.76
PERS Platinum (PERSCare or Choice)	1,333.18	1,589.38	1,591.85	1,545.44	1,777.65	1,857.52	1,817.30	1,874.89	1,846.75	1,979.20	2,244.76
PERS Gold (PERS Select)	2,452.48	1,160.87	1,524.43	1,522.51	1,625.52	1,647.00	1,702.32	1,203.05	1,132.92	1,195.84	1,496.46
United Health Care Signature Harmony					1,284.37	1,429.38	1,603.32	1,681.29	1,737.61	1,874.31	2,006.81
Unitedhealthcare					1,650.35	1,785.50	1,771.60	1,772.97	1,787.08	1,797.85	1,988.90
Median Value	1,233.20	1,552.15	1,300.50	1,507.68	1,650.35	1,785.50	1,771.60	1,772.97	1,787.08	1,797.85	1,988.90



CITY OF PERRIS

CITY COUNCIL

AGENDA SUBMITTAL

10.K.

MEETING DATE: September 14, 2021

SUBJECT: Update Offices of Emergency Services (OES) Cal OES Form 130

REQUESTED ACTION: Adopt City Resolution and Approve OES Form 130 that Authorizes Designated Staff Positions to Execute Documents Requesting Disaster Assistance and Reimbursement

CONTACT: Ernie Reyna, Deputy City Manager *ER*

BACKGROUND/DISCUSSION:

The president of the United States can declare a federal emergency, making federal funds available to assist state and local governments. Under such a declaration, municipalities can be reimbursed for labor, equipment use and repair, and materials for emergency response and recovery. Financial assistance is often available through the Federal Emergency Management Agency (FEMA), and the California Governor's Office of Emergency Services coordinates the overall state agency response to major disasters and provides local government support.

In order to complete the application process, OES has requested an updated Designation of Applicant's Agent Resolution for Non-State Agencies form which must be approved by the City Council. The approval of the City Council will remain in effect for three years after which OES may request an update again. Designation of the City's "Authorized Agents" allows staff to sign off on project assurance and reimbursement documents. The designated positions recommended for approval are: City Manager, Assistant City Manager, and Deputy City Manager. A City resolution and the OES Form 130 is presented with this agenda item.

BUDGET (or FISCAL) IMPACT: None.

Prepared by: Stephen Ajobiewe, Finance Manager

REVIEWED BY:

City Attorney _____
Assistant City Manager _____
Finance Director *SR*

Attachments:

1. City Resolution for CalOES
2. CalOES Form 130

Consent: X
Public Hearing:
Business Item:
Presentation:
Other:

ATTACHMENT 1

CITY RESOLUTION OF CalOES FORM

RESOLUTION NUMBER _____

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF PERRIS, CALIFORNIA, COUNTY OF RIVERSIDE, STATE OF CALIFORNIA, AUTHORIZING THE CITY MANAGER, ASSISTANT CITY MANAGER, AND DEPUTY CITY MANAGER TO EXECUTE THE APPLICATION FORM, PROJECT ASSURANCE FORMS, REIMBURSEMENT FORMS, AND ANY OTHER FORMS NECESSARY TO APPROVE FEDERAL DISASTER ASSISTANCE REIMBURSEMENTS

WHEREAS, an authorization form must be provided to FEMA and the State of California to designate those agents authorized by the City Council to execute the application, reimbursement, and project assurance forms; and

WHEREAS, the City desires to authorize the City Manager, Assistant City Manager, and/or the Deputy City Manager on behalf of the City to take such acts necessary to accomplish the purposes of this Resolution.

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

Section 1. The City Manager, Assistant City Manager, and Deputy City Manager are hereby authorized to execute for and on behalf of the City of Perris, a public entity established under the laws of the State of California, applications, project assurances, reimbursement requests, and any other forms necessary to receive reimbursement for costs incurred during a designated federal disaster.

Section 2. The City Clerk shall certify as to the adoption of this resolution.

ADOPTED, SIGNED and **APPROVED** this 14th day of September, 2021.

Mayor, Michael M. Vargas

ATTEST:

City Clerk, Nancy Salazar

STATE OF CALIFORNIA)
COUNTY OF RIVERSIDE) §
CITY OF PERRIS)

I, Nancy Salazar, CITY CLERK OF THE CITY OF PERRIS, DO HEREBY CERTIFY that the foregoing Resolution Number _____ was duly adopted by the City Council of the City of Perris at a regular meeting of said Council on the 14th day of September 2021, and that it was so adopted by the following vote:

AYES:
NOES:
ABSENT:
ABSTAIN:

City Clerk, Nancy Salazar

ATTACHMENT 2

CalOES FORM 130

**DESIGNATION OF APPLICANT'S AGENT RESOLUTION
FOR NON-STATE AGENCIES**

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF PERRIS
(Governing Body) (Name of Applicant)

THAT CITY MANAGER, OR
(Title of Authorized Agent)

ASSISTANT CITY MANAGER, OR
(Title of Authorized Agent)

DEPUTY CITY MANAGER
(Title of Authorized Agent)

is hereby authorized to execute for and on behalf of the CITY OF PERRIS, a public entity
(Name of Applicant)

established under the laws of the State of California, this application and to file it with the California Governor's Office of Emergency Services for the purpose of obtaining certain federal financial assistance under Public Law 93-288 as amended by the Robert T. Stafford Disaster Relief and Emergency Assistance Act of 1988, and/or state financial assistance under the California Disaster Assistance Act.

THAT the CITY OF PERRIS, a public entity established under the laws of the State of California,
(Name of Applicant)

hereby authorizes its agent(s) to provide to the Governor's Office of Emergency Services for all matters pertaining to such state disaster assistance the assurances and agreements required.

Please check the appropriate box below:

- This is a universal resolution and is effective for all open and future disasters up to three (3) years following the date of approval below.
- This is a disaster specific resolution and is effective for only disaster number(s) _____

Passed and approved this 14th day of SEPTEMBER, 2021

(Name and Title of Governing Body Representative)

(Name and Title of Governing Body Representative)

(Name and Title of Governing Body Representative)

CERTIFICATION

I, NANCY SALAZAR, duly appointed and CITY CLERK of
(Name) (Title)

CITY OF PERRIS, do hereby certify that the above is a true and correct copy of a
(Name of Applicant)

Resolution passed and approved by the CITY COUNCIL of the CITY OF PERRIS
(Governing Body) (Name of Applicant)

on the 14th day of SEPTEMBER, 2021.

(Signature)

CITY CLERK
(Title)

Cal OES Form 130 Instructions

A Designation of Applicant's Agent Resolution for Non-State Agencies is required of all Applicants to be eligible to receive funding. A new resolution must be submitted if a previously submitted Resolution is older than three (3) years from the last date of approval, is invalid or has not been submitted.

When completing the Cal OES Form 130, Applicants should fill in the blanks on page 1. The blanks are to be filled in as follows:

Resolution Section:

Governing Body: This is the group responsible for appointing and approving the Authorized Agents.

Examples include: Board of Directors, City Council, Board of Supervisors, Board of Education, etc.

Name of Applicant: The public entity established under the laws of the State of California. Examples include: School District, Office of Education, City, County or Non-profit agency that has applied for the grant, such as: City of San Diego, Sacramento County, Burbank Unified School District, Napa County Office of Education, University Southern California.

Authorized Agent: These are the individuals that are authorized by the Governing Body to engage with the Federal Emergency Management Agency and the Governor's Office of Emergency Services regarding grants applied for by the Applicant. There are two ways of completing this section:

1. **Titles Only:** If the Governing Body so chooses, the titles of the Authorized Agents would be entered here, not their names. This allows the document to remain valid (for 3 years) if an Authorized Agent leaves the position and is replaced by another individual in the same title. If "Titles Only" is the chosen method, this document must be accompanied by a cover letter naming the Authorized Agents by name and title. This cover letter can be completed by any authorized person within the agency and does not require the Governing Body's signature.
2. **Names and Titles:** If the Governing Body so chooses, the names **and** titles of the Authorized Agents would be listed. A new Cal OES Form 130 will be required if any of the Authorized Agents are replaced, leave the position listed on the document or their title changes.

Governing Body Representative: These are the names and titles of the approving Board Members.

Examples include: Chairman of the Board, Director, Superintendent, etc. The names and titles **cannot** be one of the designated Authorized Agents, and a **minimum of three approving board** members need to be listed.

Certification Section:

Name and Title: This is the individual that was in attendance and recorded the Resolution creation and approval.

Examples include: City Clerk, Secretary to the Board of Directors, County Clerk, etc. This person **cannot** be one of the designated Authorized Agents or Approving Board Member (if a person holds two positions such as City Manager and Secretary to the Board and the City Manager is to be listed as an Authorized Agent, then the same person holding the Secretary position would sign the document as Secretary to the Board (not City Manager) to eliminate "Self Certification.")



CITY OF PERRIS

CITY COUNCIL

AGENDA SUBMITTAL

11.A.

MEETING DATE: September 14, 2021

SUBJECT: **Ordinance Amendment 21-05110** – An Ordinance Amendment to comprehensively update Chapter 19.81 of the zoning code to regulate secondary dwelling units in compliance with State law and in support of the Regional Housing Needs Assessment of the City.

Applicant: City of Perris

REQUESTED ACTION: Introduce first reading proposed of Ordinance No. (next in order) to approve Ordinance Amendment No 21-05110 repealing and replacing Perris Municipal Code Section (PMC) 19.81 – Second Dwelling Units with PMC Section 19.81 – Accessory Dwelling Units and Junior Accessory Dwelling Units.

CONTACT: Candida Neal, Interim Director of Development Services

BACKGROUND/DISCUSSION:

On January 1, 2020, changes to Government Code Sections 65852.2 and 65852.22 which regulated Second Dwelling Units went into effect. These changes redefined Second Dwelling Units as Accessory Dwelling Units (ADUs) and created a new type of housing called Junior Accessory Dwelling Units (JADUs). The revised statutes also made null and void any local ordinances that were not in conformance with the new state laws. Since the January 2020, the City has not been able to enforce the zoning code. Instead, the City has used the State standards to review ADUs.

To comply with the new state mandates, Ordinance Amendment 21-05110 will replace Perris Municipal Code (PMC) Section 19.81 – Second Dwelling Units with PMC Section 19.81 – Accessory Dwelling Units. Consistent with State law, the proposed zoning amendment will allow ADUs in any area zoned for single family residential uses and allow ADUs to be constructed in existing multi-family projects.

On July 21, 2021, the Planning Commission held a public hearing on Ordinance Amendment 21-05110. The hearing was continued to allow staff time to provide additional information from the State Housing and Community Development (HCD). At their meeting on August 11, 2021, the Planning Commission considered additional information provided by HCD and recommended approval of the draft ordinance. The draft ordinance recommended by the Planning Commission is included as Attachment 1.

ANALYSIS:

In California, housing is scarce, expensive and often not located close to jobs or family. The State ADU statutes were adopted to make it easier for property owners to construct additional units in existing neighborhoods and as a result increase the amount of affordable housing. State law defines types of ADUs and establishes specific development and operational standards for each type of ADU as well as separate requirements for JADUs. It also defines development and operational standards that apply to all ADUs. The statute also defines specific regulations that cities and counties may adopt. The proposed local regulations apply to all ADUs and JADUs. The draft ordinance is included in Attachment 1.

Development and Operational Standards for All Accessory Dwelling Units

The statutes require that applications be approved administratively, by staff. Time limits ensure that the ADU or JADU is approved or denied within 60 days of submitting a complete application. ADUs and JADUs are permitted on all residentially or mixed-use zoned properties that have an existing or proposed single or multi-family dwelling. Maximum unit size is defined as 850 square feet for studio and 1-bedroom units and 1,000 square feet for units with more than 1-bedroom. JADUs cannot be larger than 500 square feet. No minimum lot area is required to construct an ADU or add a JADU. Sale or conveyance of an ADU or JADU separate from the Primary Dwelling or multi-family complex is prohibited.

Zoning Compliance. Cities are allowed to enforce residential development standards in the existing zoning ordinance for setbacks, open space requirements, minimum lot size and lot coverage as long as enforcement of those standards does not create unreasonable restrictions for developing an ADU. Unreasonable restrictions are defined as regulations that would not prevent construction of an ADU that meets the following requirements:

- Floor area of 800 square feet or less,
- Above-grade height of 16 feet or less, and
- Rear and side yard setbacks no less than 4 feet.

The draft ordinance also includes parking design requirements and design provisions and mandatory parking exemptions and waivers.

Unit Size. The maximum unit size for a studio or 1-bedroom unit is 850 square feet. For units with more than 1-bedroom the maximum unit size is 1,000 square feet, except as further defined by the specific type of ADU.

Parking Design. Parking spaces shall be generally designed to comply with PMC Section 19.62.020. However, tandem parking and parking within the rear and side yard setbacks (prohibited by local ordinance) are permitted unless findings can be made by City staff demonstrating that the design or location would create dangerous life or fire safety conditions. In addition, when a garage or carport is demolished or converted to an ADU, replacement parking is not required.

Parking Waiver. The ADU statutes require that parking requirements be waived within an architecturally and historically significant historic district, when on-street parking permits are required but not offered to the occupant of the ADU, or when there is a carshare vehicle located within one block of the ADU. None of these conditions would apply to Perris. However, the law also states that no ADU parking can be required when the property is within ½ mile walking distance of public transit. Public transit includes rail transport or bus lines with peak hour headways of 15 minutes or less. According to RTA, Route 19, which runs along Perris Blvd from Moreno Valley south to the Metrolink Station and then to 4th Street and the freeway, meets this standard. As a result, ADUs within ½ mile of the bus route would not be required to provide parking.

Parking Exemption. In addition, new parking shall be required when the existing unit does not meet the housing unit does not meet the local parking requirements or when existing required parking (a garage) is converted to an ADU.

Specific Types of Accessory Dwelling Units and Development and Operational Requirements

Previous ADU statutes did not regulate ADUs by type. They also did not permit accessory dwelling units in multi-family projects and did not include JADUs.

Junior Accessory Dwelling Units or JADUs are smaller than ADUs and contained entirely within an existing or proposed single family dwelling. Unlike ADUs which must have their own bathroom facilities, a JADU may share a bathroom with the primary dwelling unit. JADUs can be constructed on single family sites that have either an Attached ADU or a Detached ADU. They are not permitted on single family sites with a Converted ADU or on multi-family sites. JADUs must provide an efficiency kitchen with a sink and areas for

food storage and preparation. Maximum size of a JADU is 500 sf and must be provided within the existing building envelop. However, the building envelop can be expanded by up to 150 sf to create an entrance. JADUs are not required to provide parking and property owners must live on site.

Attached Single Family ADUs share a wall or a portion of a wall with the Primary Dwelling or an existing accessory structure. When an Attached Single Family ADU is constructed, there may be up to 3 units, including the Primary Dwelling, 1 Attached ADU and 1 JADU. Maximum Unit Size is no more than 50% of the area in the existing Primary Dwelling. One parking space is required, except as modified by State mandated Parking Design Standards, Exemptions and Waivers.

Detached Single Family ADUs are located in new structures separate from the Primary Dwelling. The maximum number of dwellings permitted on a site with a Single Family Detached ADU would be 3 including the Primary Dwelling, 1 Detached ADU and 1 JADU. One parking space is required for the Detached ADU, except as modified by State mandated Parking Design Standards, Exemptions and Waivers

Converted Single Family ADUs are located within the existing Primary Dwelling. New construction in Converted ADUs is limited to 150 square feet which can only be used as an entrance. There is no limit on the size of the ADU. JADUs are not permitted when there is a Converted ADU, so only two units the Converted ADU and Primary Dwelling would be allowed on the site. No parking is required.

Detached Multi-Family ADUs must be located separate from the existing building in existing parking or other areas. Only two Detached ADUs can be constructed in a multi-family project. The maximum unit size is regulated by the number of bedrooms. One parking space is required for each unit, except as modified by State mandated Parking Design Standards, Exemptions and Waivers

Converted Multi-Family ADUs must be constructed within nonresidential areas of the building such as attics, utility rooms or basements. As in Converted Single Family ADUs, construction in Converted Multi-Family ADUs is limited to 150 square feet for an entrance. The number of new units that can be constructed is limited to 25% of the existing units on the site. All multi-family projects shall be allowed at least 1 Converted ADU. The new units are not required to provide additional parking.

Local Code Requirements

Cities can also adopt development and operational standards that do not unreasonably restrict development of ADUs or JADUs. The following standards are included in Ordinance Amendment 21-05110.

- *Architectural Design.* ADUs and JADUs shall be designed to be compatible with the architectural style and materials used in the Primary Dwelling or Multi-family Project.
- *Building Height.* New construction ADUs shall have a building height not to exceed 16 feet above grade or the height of the first-floor ridgeline, whichever is greater.
- *Architecture for Garage Conversions.* When garages are converted to ADUs, the garage door for vehicles shall remain. A false wall shall be constructed parallel to the wall. The wall shall meet all California Building Code requirements for an exterior wall.
- *Kitchens for JADUs.* The State definition for JADU kitchens was expanded to include a wider variety of cooking appliances including not only a hot plate but microwaves or other similar cooking appliance.
- *Minimum Area for ADUs and JADUs.* The State Law requires that local regulations be large enough to allow an efficiency unit as defined by the California Building Code (CBC). In the most recent CBC update, efficiency units were eliminated. However, the CBC requires that any living space have 220 square feet plus 100 square feet per occupant. Consistent with these requirements, the draft ordinance includes a 320 square foot minimum area requirement for all ADUs and JADUs.
- *Fire Sprinklers.* Fire sprinklers are required in ADUs when the Primary Dwelling has a sprinkler system for fire prevention.
- *Short-Term Rentals.* Property owners will not be allowed to rent or lease any ADU or JADU for less than 30 days.

- *Covenant Requirement.* All ADUs and JADUs shall be required to record a covenant, approved by the City Attorney as to form, that describes the type of ADU or JADU approved and the unit size and attributes of the accessory dwelling or dwellings. The covenant shall also state that the unit may not be rented or leased for less than 30 days and sale or conveyance of the ADU separate from the Primary Dwelling or Multi-Family lot shall be prohibited. When a JADU is approved, the covenant shall state that the property owner shall be required to live on site in either the Primary Dwelling Unit, an ADU or the JADU.

CALIFORNIA ENVIRONMENTAL QUALITY ACT:

Adoption of an Accessory Dwelling Unit Ordinance in compliance with is considered Statutorily Exemption by PRC 21080.17 which states that the statute (CEQA) does not apply to the adoption of an ordinance by a city or county to implement the provisions of Government Code Sections 65852.2 and 65852.22.

BUDGET (or FISCAL) IMPACT: Cost for staff preparation of this item is covered by the 2021-2022 Budget.

Prepared by: Kenneth Phung, Planning Manager and
Candida Neal, Interim Director of Development Services
REVIEWED BY: Candida Neal, Interim Director of Development Services

City Attorney _____
Assistant City Manager _____
Finance Director ER

- Attachments:
1. Ordinance No. (Next in order) including Exhibit 1 - Retitle and Amendments to Chapter 19.81 of Title 19 of the Peris Municipal Code
 2. PC Submittal Report dated August 18, 2021
Due to the size of the document, only the staff report is included as a hard copy. The entire staff report package is available online at:
<https://www.cityofperris.org/departments/development-services/planning/environmental-documents-for-public-review/-folder-288>
 3. PC Submittal Report dated July 21, 2021 - Due to the size of the document, only the staff report is included as a hard copy. The entire staff report package is available online at:
<https://www.cityofperris.org/departments/development-services/planning/environmental-documents-for-public-review/-folder-288>

Public Hearing: September 14, 2021

ATTACHMENT 1

Ordinance No. (Next in order)

ORDINANCE NUMBER next in order

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF PERRIS, COUNTY OF RIVERSIDE, STATE OF CALIFORNIA, RETITLING AND AMENDING, IN ITS ENTIRETY, CHAPTER 19.81 (SECOND DWELLING UNITS) OF TITLE 19 OF THE PERRIS MUNICIPAL CODE IN ORDER TO UPDATE THE CITY'S ACCESSORY DWELLING UNIT AND JUNIOR DWELLING UNIT REGULATIONS SO THAT SUCH REGULATIONS ARE CONSISTENT WITH GOVERNMENT CODE SECTIONS 65852.2 AND 65852.22; TO FINDING THAT THIS ORDINANCE IS STATUTORILY EXEMPT FROM CEQA PURSUANT TO PUBLIC RESOURCES CODE SECTION 21080.17; AND MAKING FINDINGS RELATED THERETO.

WHEREAS, the City of Perris supports and will assist the development of accessory dwelling units and junior accessory dwelling units by amending Chapter 19.81, Second Dwelling Units, to comply with Government Code Sections 65852.2 and 65852.22; and

WHEREAS, this Ordinance (Ordinance Amendment 21-05110) and its Exhibit 1 (collectively referred to as the "Ordinance") will retitle and amend, in its entirety, Chapter 19.81 (Second Dwelling Units) of Title 19 of the Perris Municipal Code in order to update the City's accessory dwelling unit and junior accessory dwelling unit regulations to be consistent with Government Code Sections 65852.2 and 65852.22; and

WHEREAS, on July 21, 2021 and August 18, 2021, the Planning Commission conducted a legally noticed public hearing for this Ordinance, which is attached hereto, and recommended approval of this Ordinance to City Council after considering all oral and written testimony from members of the public and City staff, including, but not limited to, all staff reports and exhibits and accompanying documents; and

WHEREAS, on _____, 2021, the City Council conducted a legally noticed public hearing for this Ordinance, and has considered all oral and written testimony from members of the public and City staff, including, but not limited to, all staff reports and exhibits and accompanying documents; and

WHEREAS, all legal prerequisites for the adoption of this Ordinance have occurred.

NOW, THEREFORE, City Council of the City of Perris hereby ordains as follows:

Section 1. The above recitals are all true and correct and are incorporated herein by this reference.

Section 2. The City Council has reviewed and considered this Ordinance. The City Council further finds and determines that the City has complied with the California

Environmental Quality Act and this Ordinance is Statutorily Exempt from the California Environmental Quality Act (CEQA) pursuant to Public Resources Code Section 21080.17 which states that CEQA does not apply to the adoption of an ordinance by a city or county to implement to provisions of Government Code Sections 65852.2. and 65852.22. This Ordinance is being adopted to implement provisions of Government Code Sections 65852.2. and 65852.22. This determination reflects the independent judgment of the City Council.

Section 3. Based upon the forgoing, all oral and written presentations made by members of the public and City staff, including, but not limited to, the agenda report and its attachments/exhibits, at the public hearing on _____, the City Council finds, regarding this Ordinance, as follows:

Ordinance Amendment 21-05110:

- A. This Ordinance will not result in a significant adverse effect on the environment. The California Environmental Quality Act (CEQA) states that the project is Statutorily Exempt pursuant to Public Resources Code Section 21080.17 which states that CEQA does not apply to the adoption of an ordinance by a city or county regulations to implement to provisions of Government Code Sections 65852.2. and 65852.22. This Ordinance is being adopted to implement provisions of Government Code Sections 65852.2. and 65852.22.
- B. This Ordinance will not conflict with the goals, policies, and implementation measures set forth in the General Plan and Zoning Ordinance because the purpose of the Ordinance is to support and promote affordable housing by encouraging the development of Accessory Dwelling Units and Junior Accessory Dwelling Units. The Zoning Code simplifies the requirements for constructing Accessory Dwelling Units and Junior Accessory Dwelling Units so that they will be compatible with the existing neighborhood.
- C. This Ordinance will not have a negative effect on public health, safety, or the general welfare of the community because the Accessory Dwelling Units and Junior Accessory Dwelling Units Ordinance in its entirety, simplifies the process for permitting these units and promotes development of affordable housing that enhance the built environment and support further the city goals for providing affordable housing that is compatible with the surrounding neighborhoods.

Section 4. Based upon the forgoing, all oral and written presentations made by members of the public and City staff, including, but not limited to, the agenda report and its attachments/exhibits, at the public hearing on _____, the City Council hereby approves this Ordinance (Ordinance Amendment 21-05110), which retitles and amends, in its entirety, Chapter 19.81 of Title 19 of the Perris Municipal Code as provided in Exhibit 1 of this Ordinance.

Section 5. Chapter 19.81 of Title 19 of the Perris Municipal Code is retitled and amended in its entirety as provided in Exhibit 1 of this Ordinance.

Section 6. The City Council declares that should any provision, section, paragraph, sentence, or word of this Ordinance be rendered or declared invalid by any court of competent jurisdiction, or by reason of any preemptive legislation, the remaining provisions, sections, paragraphs, sentences, and words of this Ordinance shall remain in full force and effect.

Section 7. The Mayor shall sign this Ordinance and the City Clerk shall certify to the passage and adoption of this Ordinance and shall cause the same to be published and posted pursuant to the provisions of law in this regard, and this Ordinance shall take effect thirty days after its final passage.

ADOPTED, SIGNED and APPROVED this ____ day of _____, 2021.

Mayor, Michael J. Vargas

ATTEST:

City Clerk, Nancy Salazar

STATE OF CALIFORNIA)
COUNTY OF RIVERSIDE) §
CITY OF PERRIS)

I, **Nancy Salazar**, CITY CLERK OF THE CITY OF PERRIS, CALIFORNIA, DO HEREBY CERTIFY that the foregoing Ordinance Number _ was duly and regularly adopted by the City Council of the City of Perris at a regular meeting held the __ day of _____, 2021, by the following called vote:

AYES:
NOES:
ABSENT:
ABSTAIN:

City Clerk, Nancy Salazar

Exhibit 1: Retitle and Amendments to Chapter 19.81 of Title 19 of the Peris Muincipal Code

EXHIBIT 1

**Retitle and Amendments to Chapter 19.81
of Title 19 of the Peris Municipal Code**

CHAPTER 19.81 – ACCESSORY DWELLING UNITS AND JUNIOR ACCESSORY DWELLING UNITS

Sec. 19.81.010 – Purpose

The purpose of this section is to establish regulations and procedures for reviewing permitting Accessory Dwelling Units (ADUs) and Junior Accessory Dwelling Units (JADUs) consistent with California Government Code Section 65852.2 and 6852.22, or any successor statute.

Sec. 19.81.020 – Definitions

A

Accessory Dwelling Unit (ADU) – is a dwelling unit that is either attached to, detached from, or contained within the principal dwelling unit located or proposed on a site zoned for residential use.

Accessory Structure – is a structure that is located on the same lot as the primary dwelling. An accessory structure may be either attached or detached from the primary dwelling and must have a use that is incidental to the main use. Examples of residential accessory uses include, but are not limited to, storage sheds, garages, studios.

Attached ADU – an accessory dwelling unit created by new construction that is attached to the primary dwelling unit by a shared wall, floor, or ceiling. Attached ADUs cannot be constructed in a multi-family project.

B

By-right – Zoning allows development to proceed without the need for a discretionary permit including but not limited to a conditional use permit, variance, or zoning amendment.

C

Car Share Vehicle – Car sharing organizations offer members use of cars on a short-term basis.

Converted ADU – an accessory dwelling unit created by the conversion of existing floor area within either the primary dwelling unit or an accessory structure or by total replacement of an existing accessory structure with an ADU.

D

Detached ADU – an accessory dwelling unit located on the same parcel and is created by new construction that is detached, or separate from, the primary dwelling unit. Detached ADUs may be constructed on single-family parcels or multi-family properties.

E

Efficiency Kitchen – For purposes of establishing a JADU, an efficiency kitchen shall be defined as an area that shall include a sink, food preparation counter and food storage area. A plug-in food preparation appliance, such as a microwave or hot plate, may also be provided.

Existing Building Envelope – The existing walls and roofs of a dwelling that separate interior space for exterior space. A space enclosed by at least two walls and a roof is within the existing building envelope.

J

Junior Accessory Dwelling Unit (JADU) – a dwelling unit accessory to and entirely contained within an existing or proposed single family dwelling. A JADU may have a bathroom or may share a bathroom with the Primary Dwelling Unit.

K

Kitchen – An area that includes a cooking appliance, sink, refrigerator and food preparation and storage area.

M

Ministerial Action – A permit application considered an approved without discretionary review or a hearing.

Minor Adjustment – Defined in Perris Municipal Code Section 19.54.020 (9), a minor adjustment to specific development standards may be approved by the Development Services Director.

Multi-family Dwelling – An existing building that contains more than one dwelling unit and is located within a zoning district that allows multi-family dwellings.

P

Primary Dwelling Unit – may be any of the following an existing single-family dwelling, a proposed single-family dwelling, or an existing multi-family structure.

Proposed Dwelling – a dwelling that has applied for a permit and that meets the requirements for permitting.

Public Transit – a location, including, but not limited to, a bus stop or train station, where the public may access buses, trains, subways, and other forms of transportation that charge set fares, run on fixed routes and are available to the public.

T

Tandem parking – When two or more vehicles are parked lined up one behind the other.

U

Underlying Zoning – The zoning district in which a parcel is located on the City of Perris Zoning Map or within a Specific Plan.

Sec. 19.81.030 – Applicability

Any construction, establishment, alteration, enlargement, or modification of an ADU or a JADU shall comply with the requirements of this chapter and the City's building and fire codes. An ADU or JADU shall be deemed:

- (a) Consistent with the General Plan designation and zoning for the parcel on which the ADU or JADU is located.
- (b) Within the allowable density for the parcel on which the ADU or JADU is located.

Sec. 19.81.040 – Review Authority

- (a) *Building Permit Approval - Compliance with Underlying Zoning.* ADUs and JADUs that meet the applicable Development Standards described in this chapter and the requirements of the underlying zoning shall be approved by Building Permit review. Building permit approval is a ministerial action.
- (b) *Minor Adjustment Approval.* An ADU that exceeds the maximum height standards may be permitted subject to approval of a Minor Adjustment if the proposed unit meets the standards outlined in PMC Section 19.54.020 and it can be demonstrated that the proposed ADU is designed so that it does not negatively impact the neighboring properties.

Sec. 19.81.050 – Location

- (a) ADUs and Junior ADUs are permitted on sites that have an existing or primary dwelling unit and with underlying zoning that allow single-family homes by-right or conditional use.
- (b) ADUs are permitted on sites that have existing multi-family residences and with underlying zoning districts allow multi-family homes by-right.
- (c) Junior ADUs are not permitted on sites where a portion of the Primary Dwelling has been converted to an ADU.
- (d) Junior ADUs are not permitted on sites with multi-family projects.

Sec. 19.81.060 – Development Standards for All ADUs.

Except as modified by this Chapter all ADUs shall conform to the requirements of the underlying residential zoning district and the zoning code in addition to the standards listed below.

- (a) *Minimum Lot Area.* There shall be no minimum lot area required to establish an ADU and/or junior ADU.

- (b) *Building Height.* Shall not exceed 16 feet unless the proposed ADU is within the existing building envelope or permitted by Minor Adjustment approval.
- (c) *Minimum Unit Size.* Must have a minimum of 320 square feet floor area.
- (d) *Setbacks.* All units must have an entrance separate from the primary dwelling entrance.
 - a. Front yard. Determined by underlying zone.
 - b. Side and Rear yards. Minimum four feet or underlying zone requirement whichever is less.
 - c. When a property is adjacent to an alley, the side or rear yard setback may be reduced with the Minor Adjustment approval.
- (e) *Architectural Design.* The architectural design of the ADU shall be compatible with the architectural style and materials used in the Primary Dwelling.
- (f) *Exterior Entrance.* All units must have an entrance separate from the primary dwelling entrance.
- (g) *Garage Doors.* When garages are converted to ADUs or Junior ADUs the garage door for vehicles must be replaced with a wall that matches the existing architecture.
- (h) *Bathroom.* A separate bathroom is required.
- (i) *Kitchen.* A kitchen area is required.
- (j) *Fire Sprinklers.* Fire sprinklers are required when the Primary Dwelling Unit has fire sprinklers.
- (k) *Underlying Zoning Standards.* Lot coverage, distance requirements between structures and other standards established by the underlying zoning may be applied so long as the application of the requirements do not prohibit construction of an ADU with a floor area that is eight hundred (800) square feet or less, or a peak height above grade that is no more than sixteen (16) feet, or with side and rear yard setbacks that are no less than four (4) feet.

Sec. 19.81.070 – Specific Development Standards for Single-Family – Attached ADUs

In addition to the Development Standards outlined in Section 19.81.060, Attached ADUs shall comply with the following standards.

- (a) *Zoning.* ADUs are allowed in any zoning that permits a single-family residence by-right.
- (b) *Maximum Number of Units on a Site.* No more than 1 Primary Dwelling Unit, 1 Attached ADU are permitted.
- (c) *Maximum Unit Size.* The attached ADU shall have an area no more than 50% of the floor area in the primary dwelling.
 - a. Studios and 1-bedroom units – 850 square feet.
 - b. More than 1-bedroom units – 1,000 square feet.
- (d) *Parking Requirements.* Except as provided in Section 19.81.120, one parking space shall be required.

Sec. 19.81. 080 – Specific Development Standards for Single-Family – Detached ADUs

In addition to the Development Standards outlined in Section 19.81.060, Detached ADUs shall comply with the following standards.

- (a) *Zoning.* ADUs are allowed in any zoning that permits a single-family residence by-right.
- (b) *Maximum Number of Units on a Site.* No more than 1 Primary Dwelling Unit, 1 Detached ADU and 1 JADU are permitted.
- (c) *Maximum Unit Size.*
 - a. Studios and 1-bedroom units – 850 square feet.

- b. More than 1-bedroom units – 1,000 square feet.
- (d) *Setbacks*. underlying
 - a. Front yard. Determined by underlying zone.
 - b. Side and Rear yards. Minimum four feet or underlying zone whichever is less.
 - c. When a property is adjacent to an alley, the side or rear yard setback may be reduced with the Minor Adjustment approval.
- (e) *Parking Requirements*. Except as provided in Section 19.81.120, one parking space shall be required.

Sec. 19.81.090 – Specific Development Standards for Single-Family – Converted ADUs

In addition to the Development Standards outlined in Section 19.81.060, Converted ADUs shall comply with the following standards.

- (a) *Zoning*. ADUs and JADUs are allowed in any zoning that permits a single-family residence by-right.
- (b) *Maximum Number of Units on a Site*. No more than 1 Primary Dwelling Unit and 1 Converted ADU. No JADUs are permitted.
- (c) *Maximum Size*. No Limit.
- (d) *Building Envelope*. The Converted ADU must be constructed within the existing floor area of the Primary Dwelling.
- (e) *Additional Floor Area*. Building envelope may be increased by up to 150 square feet to accommodate a new entrance to the Converted ADU.
- (f) *Setbacks*. Determined by underlying zone.
- (g) *Parking Requirements*
 - a. Primary Dwelling. When a garage is converted to an ADU, the parking for the Primary Dwelling does not have to be replaced.
 - b. ADU. None.

Sec. 19.81.100 – Specific Development Standards for JADUs

In addition to the Development Standards outlined in Section 19.81.060, JADUs ADUs shall comply with the following standards.

- (a) *Zoning*. JADUs are allowed in any zoning that permits a single-family residence by-right.
- (b) *Maximum Number of JADUs on a site*. One.
- (c) *Maximum Unit Size*. The maximum floor area of a JADU shall not exceed 500 square feet.
- (d) *Building Envelope*. The JADU must be constructed within the existing building envelope of the Primary Dwelling.
- (e) *Additional Floor Area*. Building envelope may be increased by up to 150 square feet to accommodate a new entrance to the JADU. JADU total area shall not exceed the maximum size defined in Section 1981.100(c).
- (f) *Exterior Entrance*. JADU must have an entrance separate from the Primary Dwelling entrance.
- (g) *Parking Requirements*. None.

Sec. 19.81.110 – Specific Development Standards for ADUs in Multi-Family Sites

In addition to the Development Standards outlined in Section 19.81.060, Multi-family ADUs shall comply with the following standards.

- (a) *Zoning*. ADUs are allowed on residential and mixed use zoned properties with existing multi-family dwellings.
- (b) *Maximum Number of Units*.
 - a. *Converted Units* – At least one and no more than 25% of the existing number of units.
 - b. *Detached Units* – Two.
- (c) *Location*.
 - a. Site must have an existing multi-family structure and
 - b. ADUs must be located within portions of the structure that are not used as livable space, including but not limited to storage rooms, boiler rooms, passageways, attics, basements, and garages.
- (d) *Multi-Family Sites*. The number of new multi-family units permitted in a multi-family project shall not exceed 25% of the existing multi-family units and shall be calculated in the following manner:
 - a. Previously approved ADUs shall not count towards the existing multi-family dwellings.
 - b. Fractions shall be rounded down to the next lower number of dwelling units, except that at least one ADU shall be permitted; and
 - c. Multi-family projects approved and built as a single complex shall be considered one lot, regardless of the number of parcels or buildings.
- (e) *Maximum Unit Size*.
 - a. Studios and 1-bedroom units – 850 square feet.
 - b. More than 1-bedroom units – 1,000 square feet.
- (f) *Type of ADUs*.
 - a. Permitted. Converted or Detached ADUs
 - b. Prohibited. Attached ADUs and JADUs
- (g) *Parking Requirements*.
 - a. *Converted Units* – None.
 - b. *Detached Units* – One per ADU.

Sec. 19.81.120 – Parking Standards

- (a) *Parking Requirements*. Parking shall comply with Chapter 19.69.020, except as modified by the requirements of this Chapter.
 - a. Unless, the requirement is exempted or waived by other provisions of this Chapter, each ADU shall have one designated off-street parking space.
 - b. Tandem parking and parking within the rear and side yard setbacks are permitted unless findings can be made by City staff demonstrating that the design or location would create dangerous life or fire safety conditions.
 - c. When a garage or carport is demolished or converted to an ADU, replacement parking is not required.
- (b) *Parking Not Required*. ADUs do not need to provide parking when one of the following standards is met.
 - a. The property is within ½ mile walking distance of public transit, or
 - b. The ADU is within an architecturally and historically significant historic district.

- c. The ADU is part of the Primary Dwelling or an accessory structure.
- d. When on-street parking permits are required but not offered to the occupant of the ADU.
- e. When there is a carshare vehicle located within one block of the ADU.

Sec. 19.81.130 – Operational Requirements for All ADUs and JADUs.

(a) *No Separate Conveyance.*

- a. Single-Family ADUs and JADUs. An ADU or JADU may be rented, but no ADU or JADU maybe sold or otherwise conveyed separately from the lot and the primary dwelling.
- b. Multi-Family ADUs. An ADU may be rented, but no ADU may be sold or otherwise conveyed separately from the lot and the other dwellings.

(b) *Short-Term Lodging.* An ADU or JADU permitted by this Chapter shall not be rented for periods of thirty (30) days or less.

(c) *Covenant and Recordation.*

Prior to issuance of a building and/or grading permit for an ADU, the property owner shall record a covenant with the County Recorder's Office, the form and content of which is satisfactory to the City Attorney. This deed restriction shall remain in effect so long as the ADU and/or junior accessory unit remains on the lot. The deed restriction document shall notify future owners of the following:

- a. Prohibition on the separate conveyance of the property,
- b. Approved size and attributes of the units or units,
- c. Restrictions on short-term rentals, and
- d. One unit on the property must be owner-occupied when a JADU is on the site.

ATTACHMENT 2

PC Submittal Report dated August 18,
2021

Due to the size of the document, only the staff report is included as a hard copy. The entire staff report package is available online at:

<https://www.cityofperris.org/departments/development-services/planning/environmental-documents-for-public-review/-folder-288>



CITY OF PERRIS

PLANNING COMISION

AGENDA SUBMITAL

MEETING DATE:

August 18, 2021

SUBJECT:

Ordinance Amendment 21-05110 – An Ordinance Amendment to comprehensively update Chapter 19.81 of the zoning code to regulate secondary dwelling units in compliance with State law and in support of the Regional Housing Needs Assessment of the City.

Applicant: City of Perris

REQUESTED ACTION:

Adopt Resolution No. 21-15 recommending adoption of Ordinance Amendment No 21-05110 repealing and replacing Perris Municipal Code Section 19.81 – Second Dwelling Units with Perris Municipal Code Section 19.81 – Accessory Dwelling Units and Junior Accessory Dwelling Units.

CONTACT:

Candida Neal, Interim Director Development Services Department

PROJECT DESCRIPTION AND BACKGROUND:

On January 1, 2020, changes to Government Code Sections 65852.2 and 65852.22 went into effect. These changes modified the permitting and regulation of Accessory Dwelling Units (ADUs) and Junior Accessory Dwelling Units (JADUs) and made null and void any ordinance that was not in revised statutes. As a result, for the past eighteen months the City has been relying on the State legislation to regulate ADUs and JADUs.

To comply with the new state mandates, Zone Text Amendment 21-05110 will replace Perris Municipal Code (PMC) Section 19.81 – Second Dwelling Units with PMC Section 19.81 – Accessory Dwelling Units. Consistent with State law, the zoning amendment will allow ADUs in any area zoned for single family residential uses and allow ADUs to be constructed in existing multi-family projects.

On July 21, 2021, the Planning Commission held a public hearing on Zone Text Amendment 21-15 and continued the public hearing to allow staff time to provide additional information.

ANALYSIS:

Planning Commission Questions

To respond to the Planning Commission questions, staff reviewed the *Accessory Dwelling Unit Handbook*, December 2020 and contacted California Housing and Community Development

(HCD) staff for clarification on Planning Commission concerns. The concerns and the HCD staff responses are described below.

One Block Definition

GC 85852.2 (d)(1) states that local government cannot require accessory dwelling units to provide parking when . . . *there is a car share vehicle located within one block of the accessory dwelling unit.*

- Can a community define what a block is?

ADU staff response was that the Government Code Section established the distance as one city block and that is the distance required. Any further definition could be in conflict with the Statute.

- Can a community can establish a distance requirement for the block requirement?

During the discussion, Planning Commissioners recognized that blocks length varies from one area to another and considered establishing a specific distance. However, ADU staff indicated that establishing a specific distance could place an undue burden on the construction of Accessory Dwelling Units.

Ministerial Approval

GC 85852.2 (a)(3) A permit application for an accessory dwelling unit or a junior Accessory dwelling unit shall be considered and *approved ministerially without discretionary review or a hearing.*

- Perris Planning Division currently reviews all residential building requests, new construction, additions or modifications for zoning code compliance. If the local Ordinance requires that the new ADU be compatible with the architecture of the primary structure, is this considered a discretionary action?

Local government may apply development and design standards as part of a ministerial review that include, but are not limited to, parking, height, setback, landscape, architectural review, maximum size of a unit, and standards that prevent adverse impacts on any real property that is listed in the California Register of Historic Resources.

Short Term Rental Limits

- Do cities have to include a provision that the property will not be rented for less than 30 days?

Cities do not have to prohibit short term rentals. However, if it is the City's intent to reserve the ADUs for local residents, limits should be included in the City ADU Ordinance.

- If this limitation is not included, will it impact the City's ability to count the ADU as an affordable housing unit?

Once the unit is permitted, there is no control over how it is used. In meeting local RHNA requirements, the City will have to use your local data and knowledge as to what income group this unit is actually serving.

Minimum Size

The City of Perris is interested in establishing a minimum unit size based on occupancy. It would be 320 and based on the California Building Code occupancy requirements which are 220 sf for the unit + 100 sf for person.

- Can cities establish a minimum unit size for all JADUs and Converted ADUs as well?

Cities can establish minimum and maximum size requirements, but they cannot be tied to actual occupancy. For example, the Ordinance can establish a minimum size of 320 square feet.

Communities cannot enforce the California Building Code Occupancy requirements and an ADU ordinance cannot limit the maximum number of people that reside in a unit.

However, a local ADU Ordinances can also establish maximum sizes for some types of ADUs. Without an ADU ordinance, cities must allow any ADU that is no more than 1,200 square feet. By adopting an ADU ordinance a city can limit the maximum size to 1,000 square feet. Cities cannot limit the size of Converted ADUs either in single family dwellings or multi-family projects.

Ordinance Changes

At their July meeting, Planning Commission directed staff to make the specific changes to the draft ordinance. After consultation with HCD, only one substantive change was made to the draft ordinance. Section 19.81.100(e) was revised as follows:

Additional Floor Area. Building envelope may be increased by up to 150 square feet to accommodate a new entrance. JADU total area shall not exceed the maximum size defined in Section 19.81.100(c).

Supplemental Materials

The Planning Commission also suggested that staff review supplemental materials that will help explain the Ordinance and ADUs to the public. Staff is working on a matrix that will list all the development standards by type of ADU. In addition, staff is investigating programs that provide pre-approved plans for ADUs.

RECOMMENDATION:

Staff recommends the Planning Commission adopt Resolution No. 20-15 recommending to the City Council approval of Ordinance Amendment 21-05110.

BUDGET (or FISCAL) IMPACT: Costs for staff preparation of this item are included in the General Fund Budget.

Prepared by: Kenneth Phung, Planning Manager and
Candida Neal, Interim Development Services Director

REVIEWED BY: Candida Neal, Interim Development Services Director

~~Exhibits: Exhibit A – Planning Commission Resolution
Exhibit B – City Council Ordinance
Exhibit C – Draft ADU Ordinance
Exhibit D – Planning Commission Agenda Submittal July 21, 2021~~

ATTACHMENT 3

PC Submittal Report dated July 21, 2021

Due to the size of the document, only the staff report is included as a hard copy. The entire staff report package is available online at:

<https://www.cityofperris.org/departments/development-services/planning/environmental-documents-for-public-review/-folder-288>



CITY OF PERRIS

PLANNING COMMISSION

AGENDA SUBMITTAL

MEETING DATE: July 21, 2021

SUBJECT: **Ordinance Amendment 21-05110** – An Ordinance Amendment to retitle and amend, in its entirety, Chapter 19.81 (Second Dwelling Units) of Title 19 of the Perris Municipal Code in order to update the City’s accessory dwelling unit and junior accessory dwelling unit regulations so that such regulations are consistent with Government Code Sections 65852.2 and 65852.22.

Applicant: City of Perris

REQUESTED ACTION: **Adopt Resolution No. (next in order)** recommending that the City Council find that Ordinance Amendment No. 21-05110 is Statutorily Exempt from CEQA pursuant to Public Resources Code Section 21080.17 and adopt Ordinance No. (Next in Order) retitling and amending, in its entirety, Chapter 19.81 (Second Dwelling Units) of Title 19 of the Perris Municipal Code, which retitles Chapter 19.81 to “Accessory Dwelling Units and Junior Accessory Dwelling Units” and updates the City’s accessory dwelling unit and junior accessory dwelling unit regulations so that such regulations are consistent with Government Code Sections 65852.2 and 65852.22.

CONTACT: Candida Neal, Interim Director Development Services Department

PROJECT DESCRIPTION AND BACKGROUND:

On January 1, 2020, changes to Government Code Sections 65852.2 and 65852.22 went into effect. These changes modified the permitting and regulation of Accessory Dwelling Units (ADUs) and Junior Accessory Dwelling Units (JADUs) and made null and void any ordinance that was not in revised statutes. As a result, for the past eighteen months the City has been relying on the State legislation to regulate ADUs and JADUs.

To comply with the new state mandates, Ordinance Amendment 21-05110 will retitle and amend, in its entirety, Chapter 19.81 (Second Dwelling Units) of Title 19 of the Perris Municipal Code (PMC). Chapter 19.81 will be retitled to “Accessory Dwelling Units and Junior Accessory Dwelling Units.” Further, Chapter 19.81 will be amended in its entirety to be consistent with State law. The proposed Ordinance Amendment 21-05110 will allow ADUs in any area zoned for single family residential uses and allow ADUs to be constructed in existing multi-family projects.

ANALYSIS:

Types of ADUS

State Accessory Dwelling Unit statutes define six types of units and establish location requirements, development standards and parking regulations based on the following:

- **Junior Accessory Dwelling Units** or JADUs are not permitted by the current zoning code, JADUs are smaller than ADUs and contained entirely within an existing or proposed single family dwelling. Unlike ADUs which must have their own bathroom facilities, a JADU may share a bathroom with the primary dwelling unit. JADUs can be constructed on single family sites that have either an Attached ADU or a Detached ADU. They are not permitted on single family sites with a Converted Unit or on a multi family site.
- **Single Family ADUs** are allowed on any site with an existing or proposed single family dwelling. They can be one of three types:
 - *Attached Single Family ADUs* share a wall or a portion of a wall with the Primary Dwelling or an existing accessory structure; or
 - *Detached Single Family ADUs* are located in structures separate from the Primary Dwelling; or
 - *Converted Single Family ADUs* are located within the existing Primary Dwelling. New construction in Converted ADUs is limited to 150 square feet. The new area can only be used for entrances.
- **Multi-Family ADUs** are allowed on properties with multi-family homes or mixed use development and can be either Detached Multi-Family Units or Converted Multi-Family Family ADUs. Converted units must be constructed within nonresidential areas of the building such as attics, utility rooms or basements.

State Government Code Requirements

The amendments to Government Code Sections 65852.2 and 65852.22 encourage development of additional housing by reducing and eliminating restrictions on ADUs and JADUs. Cities can only modify these conditions to make them less restrictive. For example, a City could reduce the number of parking spaces required for an Single Family Attached ADU to zero, but could not increase the standard to 2 spaces. These regulations are incorporated into Ordinance Amendment 21-05110 and discussed below.

- **Ministerial Review Process.** State law requires cities to review all ADU and JADU applications through administrative process. Time limits ensure that the ADU or JADU is approved or denied within 60 days of submitting a complete application.
- **Location.** Cities must allow ADUs and JADUs in any single-family residential, multi-family or mixed-use zoning district that allows residential uses by right or with a conditional use permit. Minimum lot size requirements are prohibited.
- **Development Standards of the Underlying Zoning.** Cities are allowed to enforce the development standards of the underlying zoning such as setback requirements, height restrictions and lot coverage as long as enforcement of those standards does not prevent construction of an ADU that meets the following standards:
 - Floor area of 800 square feet or less,
 - Above-grade height of 16 feet or less, and
 - Rear and side yard setbacks no less than 4 feet.
- **Maximum Number of Dwellings on Site.**
 - Single Family Sites an Attached ADU or a Detached ADU can also construct a JADU for a total of three dwelling units on the site.
 - Single Family Sites a Converted ADU cannot construct a JADU and will be limited to two dwelling units on the site.
 - Multi-Family Projects can have 2 Detached Units. Maximum number of Converted ADUs on a multi-family site is 25% of the total units. Duplexes and triplexes are allowed to construct one Converted ADU.

- **Maximum Unit Size.**
 - JADUs – 500 square feet.
 - Single-Family Attached ADU – No more than 50% of the floor area in the Primary Dwelling Unit *and* 850 square feet for studio and one-bedroom units and 1,000 square feet for two-bedroom units.
 - Single-Family Detached and Converted ADU, Multi-family Attached and Detached ADU – 850 square feet for studio and one-bedroom units and 1,000 square feet for two-bedroom units.

- **Setbacks.** Front yard setbacks are regulated by the underlying zoning. Rear and side yards shall be either four feet or meet the standards set by the underlying zoning whichever is less.

- **Parking Space Requirements**
 - JADUs – None.
 - Single-Family Attached ADU and Detached – One.
 - Single-Family Converted ADU – None.
 - Multi-family Detached ADU – One.
 - Multi-family Detached ADU – None.

- **Parking Design Standards**
 - Tandem parking is permitted
 - Parking within required rear or side yard setbacks is permitted unless the City can demonstrate that the design or location would create dangerous life or fire safety conditions.

- **Parking Exemptions.** Parking spaces must be located and designed in compliance with the City's parking standards except as modified by the following:
 - Within ½ mile walking distance of public transit.
 - Part of an architecturally and historically significant historic district.
 - Where on-street parking permits are required but not offered to the occupant of the ADU.
 - When there is a carshare vehicle located within one block of the ADU.

- **Parking Waivers.** ADUs are not required to provide parking when the residence meets one of the following criteria:
 - Is located within ½ mile walking distance of public transit.
 - Is part of an architecturally and historically significant historic district.
 - Is located in an area where on-street parking permits are required but not offered to the occupant of the ADU.
 - When there is a carshare vehicle located within one block of the ADU.

- **Operational Standards.** Units permitted under this ordinance shall comply with the following operational standards:
 - The ADU or JADU may not be sold or otherwise conveyed separately from the lot and the Primary Dwelling.
 - The ADU or JADU shall not be rented for periods of thirty days or less.

Local Code Requirements

Cities can establish local development and operational standards that do not unreasonably restrict the development of ADUS. The following standards are included in Ordinance Amendment 21-05110.

- **Exterior Entrance.** All ADUs and JADUs shall have a separate exterior entrance.

- **Architectural Design.** ADUs and JADUs shall be designed to be compatible with the architectural style and materials used in the Primary Dwelling.

- **Building Height.** New construction ADUs shall have a building height not to exceed 16 feet above

~~Exhibit B – City Council Ordinance No. (Next in Order) which adopts Ordinance Amendment 21-05110, which is Attachment A to the Resolution~~

~~Exhibit C – Exhibit 1 to the Ordinance.~~