



CITY COUNCIL/SUCCESSOR AGENCY TO THE COVINA
REDEVELOPMENT AGENCY/COVINA PUBLIC FINANCING
AUTHORITY/COVINA HOUSING AUTHORITY JOINT MEETING
AGENDA

Tuesday, April 1, 2025, 7:30 p.m.
125 E. College Street, Covina, California
Council Chamber of City Hall

IMPORTANT NOTICE

Members of the public may begin entering the City Council Chamber 15 minutes prior to the scheduled start time of the meeting as listed above. During this time, and the duration of the meeting, members of the public will have access to the City Council Chamber and first floor restrooms only.

Members of the public may view the meeting live on the City's website at www.covinaca.gov or on local cable television, Spectrum Channel 29 and Frontier Channel 42. To view from the website, click [here](#) or scroll down on the home page and click "City Meetings". Once on the page, click the highlighted word next to Video Library under the City Council Meeting Agendas and Minutes header. A live banner will appear at the start of the meeting.

Public Comments: Time is reserved during the Public Comments portion of the meeting for those in the audience who wish to address the City Council on items listed on the agenda (*e.g. Consent Calendar, Continued Business, and New Business items*) and items not listed in the agenda within the subject matter jurisdiction of the City Council, except for Public Hearing items. Members of the audience will have the opportunity to address the Council/Agency/Authority regarding Public Hearing items at the time the public hearing is held.

All communications are to be addressed directly to the City Council and not to the members of the audience. Each speaker is limited to a total of five (5) minutes, subject to the Mayor/Chairperson's discretion to amend time limits based on anticipated length of the meeting. A speaker's time may not be transferred to another speaker. State Law prohibits the Council/Agency/Authority from taking action on any item not on the agenda.

Meeting Assistance Information: In compliance with the Americans with Disabilities Act, if you need special assistance to participate in this meeting, please contact the City Clerk's Office at cityclerk@covinaca.gov or 626-384-5430. Notification 48 hours prior to the meeting will enable the City to make reasonable arrangements to ensure accessibility to this meeting.

JOINT MEETING—CLOSED SESSION 6:30 PM

CLOSED SESSION - WILL NOT BE HELD

JOINT MEETING—OPEN SESSION 7:30 PM

CALL TO ORDER

Council/Agency/Authority Members: Walter Allen, III, Patricia Cortez, Hector Delgado, Mayor Pro Tem/Vice Chair Victor Linares, and Mayor/Chair John C. King

ROLL CALL

PLEDGE OF ALLEGIANCE

Led by Councilmember Delgado.

INVOCATION

Given by Covina Police Chaplain Steve Martinez.

APPROVAL OF AGENDA

CITY COUNCIL REORGANIZATION

City Clerk to Conduct Election of Mayor

Incoming Mayor to Conduct Election of Mayor Pro Tempore

PRESENTATIONS

A. Recognition of Outgoing Mayor

PUBLIC COMMENTS

This is the time and place for the general public to address the City Council/Agency/Authority on any item listed on the agenda (*e.g. Consent Calendar, Continued Business, and New Business items*) or not listed on the agenda, except for Public Hearing items. Members of the audience will have the opportunity to address the Council/Agency/Authority regarding Public Hearing items at the time the public hearing is held.

Each speaker is limited to a total of five (5) minutes, subject to the Mayor/Chairperson's discretion to amend time limits based on the anticipated length of the meeting.

COUNCIL/AGENCY/AUTHORITY COMMENTS

Council/Agency/Authority Members wishing to make any announcements of public interest or to request that specific items be added to future Council/Agency/Authority agendas may do so at this time.

CITY MANAGER COMMENTS

CONSENT CALENDAR

All matters listed under Consent Calendar are considered routine, and will be enacted by one motion. There will be no separate discussion on these items prior to the time the Council/Agency/Authority votes on them, unless a member of the Council/Agency/Authority requests a specific item be removed from the Consent Calendar for discussion.

CC 1. Minutes

Staff Recommendation:

Approve the Minutes of the March 18, 2025, Regular Meeting of the City Council/Successor Agency to the Covina Redevelopment Agency/Covina Public Financing Authority/Housing Authority.

CC 2. Payment of Demands

13

Staff Recommendation:

Approve Payment of Demands in the amount of \$3,742,440.32.

CC 3. First Amendment to Professional Services Agreement with SAESHE to Provide Program Management Services for the Used Motor Oil Payment Program

19

Staff Recommendation:

Authorize the City Manager to execute the First Amendment to the Professional Services Agreement with SAESHE for a two-year contract extension for management of the City's Used Motor Oil Payment Program in an amount not-to-exceed \$26,600.

CC 4. Professional Services Agreement with Premier Aquatics Services LLC to Provide Aquatics Programs and Services

27

Staff Recommendation:

Authorize City Manager to Execute Agreement with Premier Aquatics Services LLC to Provide Aquatics Programs and Services.

CC 5. Resolution CC 2025-22 Accepting an Easement and Offer of Dedication for Public Purposes Associated with the Development of Property at 270 W. Dexter Street

43

Staff Recommendation:

Adopt **Resolution CC 2025-22** accepting an easement and offer of dedication for public purposes associated with the development of property at 270 W. Dexter Street.

CC 6. Initiate Proceeding to Annex Territory, Levy & Collect Annual Assessment for FY 2025/2026, Set Public Hearing for Protests & Declare Intent to Annex Territory to Covina Landscape Maintenance District No. 1 – Zone 19

61

Staff Recommendation:

1. Adopt **Resolution CC 2025-23** initiating proceedings for the annexation of territory (Zone 19) to Covina Landscape Maintenance District No. 1 and the levy and collection of annual assessments related thereto commencing with FY 2025/2026, pursuant to the Provisions of Part 2 of Division 15 of the California Streets and Highways Code; and
2. Adopt **Resolution CC 2025-24** declaring the City's intention to annex territory (Zone 19) and to levy and collect annual assessments and call for a property owner protest ballot proceeding for the Covina Landscape Maintenance District No. 1.

CC 7. Initiate Proceedings for to Annex Territory & to Levy and Collect Annual Assessments Commencing with FY 2025/2026, Set Public Hearing for Protests in Relation Thereto, & Declaring Intention to Annex Territory to Covina Lighting District No. 1978-79

95

Staff Recommendation:

1. Adopt **Resolution CC 2025-25** initiating proceedings for the annexation of territory to Covina Lighting District No. 1978-79 and the levy and

collection of annual assessments related thereto commencing with FY 2025/2026, pursuant to the Provisions of Part 2 of Division 15 of California Streets and Highways Code; and

2. Adopt **Resolution CC 2025-26** declaring the City's intention to annex territory (No. 83) and to levy and collect annual assessments and call for a property owner protest ballot proceedings for the Covina Lighting District No. 1978-79.

CC 8. Xerox Copier Lease and Managed Print Service Agreement

121

Staff Recommendation:

Authorize the City Manager to Execute an Agreement with PEAC Solutions and Excel Office Services to Provide Copiers and Managed Print Services.

ADJOURNMENT

The Covina City Council/Successor Agency to the Covina Redevelopment Agency/Covina Public Financing Authority/Covina Housing Authority will adjourn to its next regular meeting of the Council/Agency/Authority scheduled for Tuesday, April 15, 2025, at 6:30 p.m. for closed session and at 7:30 p.m. for open session inside the Council Chamber at City Hall, located at 125 East College Street, Covina, California, 91723.



**CITY COUNCIL/SUCCESSOR AGENCY TO THE COVINA REDEVELOPMENT
AGENCY/COVINA PUBLIC FINANCING AUTHORITY/COVINA HOUSING
AUTHORITY JOINT MEETING
MINUTES**

March 18, 2025, 6:30 p.m.
125 E. College Street, Covina, California
Council Chamber of City Hall

Councilmembers Present: Councilmember Walter Allen, III
Councilmember Hector Delgado
Mayor Pro Tem/Vice-Chair Victor Linares (Closed Session Only)
Mayor/Chair John C. King

Councilmembers Absent: Councilmember Patricia Cortez

Staff Present: City Clerk Drew Aleman (Elected Member)
City Treasurer Neil Polzin (Elected Member)
City Manager Chris Marcarello
City Attorney Candice K. Lee
Community Development Director Brian Lee
Parks & Recreation/Library Services Director Lisa Evans
Public Works Director Rafael Fajardo
Deputy City Manager Angel Carrillo
Chief Deputy City Clerk Fabian Velez
Interim Finance Director Theresa Franke

JOINT MEETING—CLOSED SESSION 6:30 PM

CALL TO ORDER

Mayor King called the Council/Agency/Authority meeting to order at 6:32 p.m. with all Councilmembers present except Councilmember Cortez.

PUBLIC COMMENTS - CLOSED SESSION

There were no public comments.

CLOSED SESSION

The City Council/Successor Agency to the Covina Redevelopment Agency/Covina Public Financing Authority/Covina Housing Authority adjourned to closed session for the following:

A. Government Code § 54956.9(d)(4) - CONFERENCE WITH LEGAL COUNSEL - ANTICIPATED LITIGATION

Initiation of litigation pursuant to paragraph (4) of subdivision (d) of Section 54956.9: One potential case.

B. Government Code § 54957.6 – CONFERENCE WITH LABOR NEGOTIATORS

Agency Designated Representative:
Chris Marcarello, City Manager

Update on negotiations with Police Association of Covina (PAC)

RECESS

Mayor King recessed the Council to Closed Session at 6:33 p.m.

JOINT MEETING—OPEN SESSION 7:30 PM

RECONVENE AND CALL TO ORDER

Mayor King called the Council/Agency/Authority meeting to order at 7:36 p.m. with Councilmember Allen, Councilmember Delgado, and Mayor King present.

ROLL CALL

PLEDGE OF ALLEGIANCE

Led by Mayor King.

INVOCATION

Given by Covina Police Chaplain Jim Allgaier.

APPROVAL OF AGENDA

Motion made by: Councilmember Delgado

Seconded by: Councilmember Allen

Approve the agenda as presented.

Approved (3 to 0); Cortez & Linares Absent

PRESENTATIONS

A. National Library Week Proclamation

Mayor King provided information on services provided at the library and read into the record a proclamation declaring April 6-12 as National Library Week.

Parks & Recreation/Library Services Director Evans encouraged the community to visit the Library and gave kudos to the Library staff, Library Board of Trustees, and the Friends of the Covina Public Library.

CLOSED SESSION REPORT

City Attorney Lee announced that the four Council members present at the Closed Session voted unanimously to initiate litigation and that the details of the action and defendants will be disclosed upon request after the lawsuit has formally commenced.

PUBLIC COMMENTS

Mistress Goddess Duran commented in opposition of the invocation, inclusion of transgender persons, issue with the public comment time limit, and support for homeless services.

Marie Thermidor of the San Gabriel Valley Section of the National Council of Negro Women (SGV-NCNW) invited the community to the SGV-NCNW's Second Annual Gala beginning at 5:30 p.m. on April 26, 2025, at the Pacific Palm Resort in the City of Industry, with proceeds going to programs helping victims of the Eaton Fire. Ms. Thermidor also provided information on programs provided by the SGV-NCNW.

Neil Polzin raised his concerns with the invocation, requested the disbandment of the Chaplain program, and noted his concerns with the Library Board of Trustees.

Dora Gomez commended Ms. Thermidor for her organization's work with the fire victims and provided information on Project 29:11's programs. Ms. Gomez also invited the community to Luminare Church's annual Easter play.

Brandenburg v. Ohio 395 U.S. 444 condoned the proposed Saffron project, mismanagement of government resources, and evil, and read portions of the Brandenburg v. Ohio case into the record.

COUNCIL/AGENCY/AUTHORITY COMMENTS

Councilmember Allen mentioned his positive experience with the newly opened Gladi8or Pizza & Billiards establishment and stated his pride in the Community Development Department and the City for being business friendly and attracting good eateries. Councilmember Allen also expressed his support for the SGV-NCNW and encouraged his colleagues to attend the upcoming gala.

Mayor King spoke of the upcoming State of the City event and its video message. He also highlighted Consent Calendar items: CC 6, the annual reporting of housing related activities; CC 7, moving forward with the acceptance of grant funds from the Southern California Association of Governments for pedestrian and traffic calming improvements in the F.A.I.R. district; and CC 9, authorizing sewer infrastructure improvements at City facilities. Mayor King also spoke of his attendance at the Reading Across America event and opening day for the Covina Baseball Association.

Councilmember Delgado had no comments.

CITY MANAGER COMMENTS

City Manager Marcarello had no comments.

CONSENT CALENDAR

CC 1. Minutes

Motion made by: Councilmember Delgado

Seconded by: Councilmember Allen

Approve the Minutes of the March 4, 2025, Regular Meeting of the City Council/Successor Agency to the Covina Redevelopment Agency/Covina Public Financing Authority/Housing Authority.

Approved (3 to 0); Cortez & Linares Absent

CC 2. Payment of Demands

Motion made by: Councilmember Delgado

Seconded by: Councilmember Allen

Approve Payment of Demands in the amount of \$3,214,099.25.

Approved (3 to 0); Cortez & Linares Absent

CC 3. City of Covina Investment Report for Month Ended February 28, 2025

Motion made by: Councilmember Delgado

Seconded by: Councilmember Allen

Receive and File.

Approved (3 to 0); Cortez & Linares Absent

CC 4. Second Amendment to Professional Services Agreement with Five Point Design for On-Call Consulting and Landscape Plan Check Services

Motion made by: Councilmember Delgado

Seconded by: Councilmember Allen

Approve Second Amendment to Professional Services Agreement with Five Point Design.

Approved (3 to 0); Cortez & Linares Absent

CC 5. First Amendment to Professional Services Agreement with Evan Brooks Associates, Inc., for On-Call Grant Support Services

Motion made by: Councilmember Delgado

Seconded by: Councilmember Allen

Approve First Amendment to Professional Services Agreement with Evan Brooks Associates.

Approved (3 to 0); Cortez & Linares Absent

CC 6. SB 341 Compliance Report on the Housing Successor Agency Low and Moderate Income Housing Asset Fund

Motion made by: Councilmember Delgado

Seconded by: Councilmember Allen

Receive and file the report.

Approved (3 to 0); Cortez & Linares Absent

CC 7. Resolution CC 2025-20; A Resolution of the Covina City Council Declaring Intent to Accept a SCAG Competitive Grant Award for the Covina Downtown Quick Build Project and Finding the Project Exempt from CEQA

Motion made by: Councilmember Delgado

Seconded by: Councilmember Allen

Adopt **Resolution CC 2025-20.**

Approved (3 to 0); Cortez & Linares Absent

CC 8. Second Amendment to Professional Services Agreement with Robert Half, Inc.

Motion made by: Councilmember Delgado

Seconded by: Councilmember Allen

Approve the Second Amendment to Professional Services Agreement with Robert Half Talent Solutions, Inc.

Approved (3 to 0); Cortez & Linares Absent

CC 9. Sewer Main Replacement Project – Project No. S2502 – Award of Contract in the Amount of \$152,675 to GRBCON, Inc.

Motion made by: Councilmember Delgado

Seconded by: Councilmember Allen

1. Amend the FY 2024-25 Capital Improvement Program to rename the City-Wide Sewer Manhole Adjustment Project to the Sewer Main Replacement Project – Project No. S2502;
2. Award a contract for the Sewer Main Replacement Project – Project No. S2502 to GRBCON, Inc. as the lowest responsive and responsible bidder in the amount of \$152,675 and authorize the City Manager to execute the contract;

3. Authorize a project contingency amount of \$15,268 (approximately 10%) to cover the cost of unforeseen construction expenses;
4. Award a Professional Services Agreement (PSA) to Siterep Construction Services, Inc. for Inspection Services for an amount not-to-exceed \$20,000 and authorize the City Manager to execute the agreement; and
5. Adopt **Resolution CC 2025-21** appropriating an additional \$87,843 from available Sanitary Sewer Fund – Fund Balance to account number 6300-2700-55350-S2502 for use towards the completion of this project.

Approved (3 to 0); Cortez & Linares Absent

CC 10. A Request from Bear Sausage Co. (as Tenant) to the City of Covina (as Landlord) for Approval of a Lease Amendment Providing an Extension to the Rental Forgiveness Period for their Lease of Property Located at 100 N. Citrus Ave.

Motion made by: Councilmember Delgado

Seconded by: Councilmember Allen

Approve the lease amendment and extend the rent forgiveness period by three months to July 1, 2025, and authorize the City Manager or his designee to execute the first amendment to the lease.

Approved (3 to 0); Cortez & Linares Absent

CC 11. First Amendment to the Lease Between Rosalie Covina, LLC (as Tenant) and the City of Covina (as Landlord) Extending the Rental Forgiveness Period for their Lease of Property Located at 114 E. Italia Street

Motion made by: Councilmember Delgado

Seconded by: Councilmember Allen

Approve the lease amendment and extend the rent forgiveness period by three months to December 1, 2025, and authorize the City Manager or his designee to execute the first amendment to the lease.

Approved (3 to 0); Cortez & Linares Absent

NEW BUSINESS

NB 1. The Establishment and Adjustment of Certain Service and Development-Related and Other User Fees

The agenda report and PowerPoint presentation were provided by Senior Management Analyst Charles Russom.

Questions and discussion included the appreciation of the fairness of increases, how the proposed fees compare to neighboring cities, the frequency of updates to fees by neighboring cities, and the size of certain fee increases.

Motion made by: Councilmember Allen

Seconded by: Councilmember Delgado

Receive and File the proposed Comprehensive Fee Schedule establishing and amending certain service and development-related fees for City Services, with the intent to consider adoption at a future public hearing.

Approved (3 to 0); Cortez & Linares Absent

PUBLIC COMMENTS

A representative from the Office of Los Angeles County Supervisor Hilda Solis invited the community to the fourth annual LA Veterans Resource Expo from 9 a.m. to 2 p.m. on Friday, March 21, 2025, at the Pomona Fairplex.

ADJOURNMENT

Mayor King reminded the community of the upcoming State of City event, noted that the Mayoral election will take place at the next City Council meeting, and expressed his appreciation for having the opportunity to serve. rotating.

At 8:27 p.m., the Covina City Council/Successor Agency to the Covina Redevelopment Agency/Covina Public Financing Authority/Covina Housing Authority adjourned to its next regular meeting of the Council/Agency/Authority scheduled for Tuesday, April 1, 2025, at 6:30 p.m., for closed session and 7:30 p.m., for open session in the Council Chamber located inside of City Hall, 125 East College Street, Covina, California, 91723.

Fabian Velez, Chief Deputy City Clerk

John C. King, Mayor/Chair



CITY OF COVINA AND SUCCESSOR AGENCY TO THE COVINA REDEVELOPMENT AGENCY AGENDA ITEM REPORT

ITEM NO. CC 2

Meeting: April 1, 2025
Title: Payment of Demands
Presented by: Theresa Franke, Interim Director of Finance
Recommendation: Approve Payment of Demands in the amount of \$3,742,440.32.

EXECUTIVE SUMMARY/BACKGROUND:

Attached is a list of warrants and demands which are being presented for approval and are summarized as follows:

Accounts Payable Warrants February 28, 2025 – March 13, 2025

CITY checks/EFTs	\$ 2,637,604.32
CITY payroll	\$ 1,063,781.16
CITY voids	\$ (0.00)
Worker’s Comp	\$ 40,738.92
	<u>\$ 3,742,124.40</u>
SACRA checks/EFTs	\$ 71.02
SACRA payroll	\$ 244.90
	<u>\$ 315.92</u>
TOTAL checks/EFTs	<u><u>\$ 3,742,440.32</u></u>

DISCUSSION:

The attached reports have been reviewed by the Interim Director of Finance.

FISCAL IMPACT:

Sufficient funding is available and the related costs are included in the Fiscal Year 24/25 budget.

Respectfully submitted,


Theresa Franke
Interim Director of Finance

CITY OF COVINA
Check Register
Feb 28, 2025 - Mar 13, 2025

Check #	Check Date	Vendor	Name	Amount
6006	03/13/2025	4003	MidAmerica	2,076.17
20932	03/13/2025	788	COVINA, CITY OF	95.71 *
20933	03/13/2025	2033	NATIONWIDE RETIREMENT SOLUTIONS	7,500.00
20937	03/13/2025	788	COVINA, CITY OF	49,696.91 *
20938	03/13/2025	789	COVINA-FSA, CITY OF	1,590.82
20939	03/13/2025	2033	NATIONWIDE RETIREMENT SOLUTIONS	34,477.13
			subtotal EFT/wires/direct deposits	95,436.74
			Internal transfers - workers comp allocation - no net cash effect	(49,792.62) *
			subtotal EFT/wires/direct deposits less Internal Transfers	\$45,644.12
125373	03/06/2025	568	CAT SPECIALTIES INC	324.92
125374	03/06/2025	649	CINTAS CORP #693	389.63
125375	03/06/2025	654	CITRUS CAR WASH	29.99
125376	03/06/2025	734	CONTROL AUTOMATION DESIGN INC	1,575.00
125377	03/06/2025	927	DOOLEY ENTERPRISES INC	8,673.88
125378	03/06/2025	1055	FEDEX	84.09
125379	03/06/2025	1198	GLOBALSTAR LLC	207.78
125380	03/06/2025	1215	GONZALES, RICHARD	189.00
125381	03/06/2025	1241	GRAND PRINTING	216.53
125382	03/06/2025	1363	HOLLYWOOD BOWL	894.00
125383	03/06/2025	1417	IMS COMMERCIAL ICE SYSTEM REGRIGERATION	604.88
125384	03/06/2025	1437	INTER-CON SECURITY SYSTEMS INC	8,701.68
125385	03/06/2025	1561	KEYSTONE UNIFORM DEPOT	12.00
125386	03/06/2025	1614	LA CNTY FIRE DEPARTMENT	1,101,714.31
125387	03/06/2025	1663	LAW ENFORCEMENT MEDICAL	1,725.00
125388	03/06/2025	1707	LIEBERT CASSIDY WHITMORE	16,968.00
125389	03/06/2025	1792	MANNING & KASS	52,909.27
125390	03/06/2025	1825	MASONIC HOMES OF CALIFORNIA	750.00
125391	03/06/2025	1933	MISSION LINEN SUPPLY	22.49
125392	03/06/2025	2027	NAPA AUTO PARTS	775.13
125393	03/06/2025	2238	PEST OPTIONS INC	95.00
125394	03/06/2025	2329	PUENTE READY MIX INC	1,841.64
125395	03/06/2025	2415	REPUBLIC MASTER CHEFS	197.20
125396	03/06/2025	2619	SGV EXAMINER	1,683.00
125397	03/06/2025	2711	SOUTHEAST CONSTRUCTION PRODUCTS - COVINA	471.21
125398	03/06/2025	2818	GABE BF VAN LEEUWEN	277.20
125399	03/06/2025	2846	THOMAS, TERRI	1,256.50
125400	03/06/2025	2855	CHARTER COMMUNICATIONS	357.14
125401	03/06/2025	2935	UNDERGROUND SERVICE ALERT	73.63
125402	03/06/2025	3023	VULCAN MATERIALS COMPANY	2,063.16
125403	03/06/2025	3070	WEST COAST ARBORISTS INC	16,647.68
125404	03/06/2025	3152	YWCA	3,000.71
125405	03/06/2025	3163	GENTRY BROTHERS INC	377,194.17
125406	03/06/2025	3187	WAGONER, PAMELA	626.50
125407	03/06/2025	3190	LAYNE, JONATHAN DANIEL	491.40
125408	03/06/2025	3235	COOK, SHAWNA	548.80
125409	03/06/2025	3701	DEPARTMENT OF JUSTICE	162.00
125410	03/06/2025	3718	NADENE VALDEZ	200.90
125411	03/06/2025	3749	JCL TRAFFIC SERVICES	4,417.22
125412	03/06/2025	3932	ARLENE D. MAR	308.00
125413	03/06/2025	3953	GOLDEN METERS SERVICES INC	5,725.52
125414	03/06/2025	3982	CAROL A CUGNO	735.80
125415	03/06/2025	3988	LANDSCAPE WAREHOUSE III	143.93

CITY OF COVINA
Check Register
Feb 28, 2025 - Mar 13, 2025

Check #	Check Date	Vendor	Name	Amount
125416	03/06/2025	4065	VERIZON WIRELESS	708.88
125417	03/06/2025	4077	INTERWEST CONSULTING GROUP INC	26,686.50
125418	03/06/2025	4089	MEASOM, DEVIN THOMAS	1,007.65
125419	03/06/2025	4201	OFFICE TEAM - A ROBERT HALF COMPANY	3,525.00
125420	03/06/2025	4209	ADLERHORST INTERNATIONAL	484.00
125421	03/06/2025	4374	ADMINSURE, INC	7,471.96
125422	03/06/2025	4438	CALIFORNIA COMPUTER SCHOOLS, INC	75.00
125423	03/06/2025	4455	FRONTIER	129.47
125424	03/06/2025	4564	National Union Fire Ins. Co. of Pittsburgh, PA	765.00
125425	03/06/2025	4582	USABLUBOOK	2,341.71
125426	03/06/2025	4693	DuraTech USA, Inc.	1,526.19
125427	03/06/2025	4714	CIR, Inc.	54,981.10
125428	03/06/2025	4764	UniFirst Corporation	476.70
125429	03/06/2025	4804	Vihulu L. Villagran	301.00
125430	03/06/2025	4824	Occu-Med, Ltd.	1,178.80
125431	03/06/2025	4829	Alicia A. Flores	287.00
125432	03/06/2025	4833	Michael R. Hillmann	2,080.00
125433	03/06/2025	4863	La Verne Power Equipment	2,395.55
125434	03/06/2025	4931	Antonio Castro Jr	1,567.16
125435	03/06/2025	5053	ENVIRONMENTAL SCIENCE ASSOCIATES	5,892.50
125436	03/06/2025	5075	Amalia Q. Seresinghe	647.50
125437	03/06/2025	5228	ODP BUSINESS SOLUTIONS, LLC	257.71
125438	03/06/2025	5280	ALDERMAN & HILGERS LLP	738.00
125439	03/06/2025	5291	AMAZON CAPITAL SERVICES, INC	754.67
125440	03/06/2025	5351	TACOHOLICS ANONYMOUS	969.75
125441	03/06/2025	5423	SUSAN T SCHOCK	91.00
125442	03/06/2025	5430	THE AMERGROUP INC	7,729.12
125443	03/06/2025	5439	PARKWOOD LANDSCAPE MAINTENANCE INC	6,480.00
125444	03/06/2025	5445	MARGARET L SMITH	112.00
125445	03/06/2025	5531	CU TECHNOLOGY LLC / ACORN TECHNOLOGY SERVICES	18,000.00
125446	03/06/2025	5549	AMANDA LOPEZ	140.00
125447	03/06/2025	5550	LEAH DAWN OSIER	77.00
125448	03/06/2025	5573	GUARDIAN ALLIANCE TECHNOLOGIES, INC.	65.00
125449	03/06/2025	5578	Daniella Andrade	22.00
125450	03/06/2025	5582	KATHARINE CURTISS	295.75
125451	03/06/2025	5603	KAYLEE L BARNITT	252.00
125452	03/06/2025	5611	LYNN GONZALEZ	211.76
125453	03/06/2025	5626	JENNIFER KOU	709.80
125454	03/06/2025	99999	ANNABELLE EDQUILANG	78.56
125455	03/06/2025	99999	GIL WANG	15.13
125456	03/06/2025	99999	JOSE RODRIGUEZ	38.59
125457	03/06/2025	99999	NICOLE SALDANA	32.45
125458	03/06/2025	99999	QINGJUN WU	19.55
125459	03/12/2025	219	AT&T	326.42
125460	03/12/2025	219	AT&T	57.70
125461	03/12/2025	239	AUTOZONE INC	18.73
125462	03/12/2025	480	CALIFORNIA ASSOCIATION OF	299.00
125463	03/12/2025	653	CITRUS AUTO UPHOLSTERY	421.27
125464	03/12/2025	664	CIVILTEC ENGINEERING INC.	7,824.65
125465	03/12/2025	734	CONTROL AUTOMATION DESIGN INC	28,931.85
125466	03/12/2025	766	COVINA DISPOSAL CO	15,401.20
125467	03/12/2025	771	COVINA IRRIGATING CO	228,274.91

CITY OF COVINA
Check Register
Feb 28, 2025 - Mar 13, 2025

Check #	Check Date	Vendor	Name	Amount
125468	03/12/2025	783	CITY OF COVINA WATER	585.37
125469	03/12/2025	970	EDISON CO	3,500.20
125470	03/12/2025	970	EDISON CO	73,059.85
125471	03/12/2025	1055	FEDEX	24.82
125472	03/12/2025	1156	THE GAS COMPANY	1,867.07
125473	03/12/2025	1190	GLENDORA DODGE	216.09
125474	03/12/2025	1204	GOLDEN STATE WATER COMPANY	615.19
125475	03/12/2025	1235	GRAINGER	236.36
125476	03/12/2025	1361	HOLLIDAY ROCK CO INC	2,417.92
125477	03/12/2025	1505	JOHNNY'S POOL SERVICE	474.02
125478	03/12/2025	1531	JW LOCK CO INC	111.52
125479	03/12/2025	1694	LEWIS ENGRAVING INC	193.98
125480	03/12/2025	2275	POIRIER, ROBERT	105.00
125481	03/12/2025	2277	POLLARD WATER	6,859.05
125482	03/12/2025	2329	PUENTE READY MIX INC	2,274.25
125483	03/12/2025	2345	QUILL	1,526.80
125484	03/12/2025	2444	RIO HONDO COLLEGE	75.00
125485	03/12/2025	2619	SGV EXAMINER	143.00
125486	03/12/2025	2800	T MOBILE USA	377.37
125487	03/12/2025	2855	TIME WARNER CABLE	99.25
125488	03/12/2025	2855	CHARTER COMMUNICATIONS	148.16
125489	03/12/2025	2903	TRI-XECUTEX CORP	100.00
125490	03/12/2025	2935	UNDERGROUND SERVICE ALERT	89.55
125491	03/12/2025	3023	VULCAN MATERIALS COMPANY	984.84
125492	03/12/2025	3102	WILLDAN FINANCIAL SERVICES	13,000.00
125493	03/12/2025	3163	GENTRY BROTHERS INC	107,242.52
125494	03/12/2025	3293	BAVCO	377.03
125495	03/12/2025	3749	JCL TRAFFIC SERVICES	2,437.71
125496	03/12/2025	3923	PARKHOUSE TIRE SERVICE INC	432.10
125497	03/12/2025	3988	LANDSCAPE WAREHOUSE III	530.21
125498	03/12/2025	3988	LANDSCAPE WAREHOUSE III	177.63
125499	03/12/2025	4225	CORELOGIC SOLUTIONS, LLC	238.70
125500	03/12/2025	4240	POTABLE DIVERS INC	11,000.00
125501	03/12/2025	4246	FERGUSON WATERWORKS #1083	823.61
125502	03/12/2025	4249	H.Q. ENTERPRISES	97.19
125503	03/12/2025	4448	FS CONTRACTORS, INC.	3,299.10
125504	03/12/2025	4455	FRONTIER	3,795.21
125505	03/12/2025	4688	PCAM, LLC	39,214.50
125506	03/12/2025	4704	S & J Supply Company, Inc.	2,877.91
125507	03/12/2025	4713	Fisher Integrated, Inc.	1,200.00
125508	03/12/2025	4719	O.S.T.S. Inc.	990.00
125509	03/12/2025	4747	Empire Pipe Cleaning and Equipment, Inc.	164,200.84
125510	03/12/2025	4764	UniFirst Corporation	497.66
125511	03/12/2025	4765	AMC Modern IT	2,754.06
125512	03/12/2025	4766	HASA, INC.	2,188.74
125513	03/12/2025	4817	Weck Analytical Environmental Services, Inc.	406.00
125514	03/12/2025	4833	Michael R. Hillmann	2,340.00
125515	03/12/2025	4886	DG Collision LLC	4,543.57
125516	03/12/2025	4977	Enterprise FM Trust	6,809.40
125517	03/12/2025	4979	GRBCON, Inc.	20,445.20
125518	03/12/2025	5139	Crown Castle Fiber LLC	925.00
125519	03/12/2025	5186	Dash Platform, LLC	70.37

CITY OF COVINA
Check Register
Feb 28, 2025 - Mar 13, 2025

Check #	Check Date	Vendor	Name	Amount
125520	03/12/2025	5269	CONTROL AIR ENTERPRISES LLC.	1,323.00
125521	03/12/2025	5420	GMT	6,631.77
125522	03/12/2025	5435	CORE & MAIN LP	2,608.19
125523	03/12/2025	5511	EXAMINETICS INC	2,320.00
125524	03/12/2025	5521	COMPRESSOR DESIGN AND SERVICES INC	1,000.00
125525	03/12/2025	5531	CU TECHNOLOGY LLC / ACORN TECHNOLOGY SERVICES	10,167.50
125526	03/12/2025	5536	CAL STAR AUTOGLASS	292.50
125527	03/12/2025	5553	SOUTHERN TIRE MART LLC	277.74
125528	03/12/2025	5606	MAGNOLIA ENVIRONMENTAL, LLC	1,501.00
125529	03/12/2025	99999	INTERINSURANCE EXCHANGE OF THE AUTOMOBILE CLUB	2,773.85
125530	03/12/2025	99999	IPERMIT	249.08
125531	03/12/2025	99999	IPERMIT	151.44
125532	03/12/2025	99999	JOANNA ESPINOSA	84.70
125533	03/12/2025	99999	PROSPERITY DEVELOPMENT	100.00
125534	03/12/2025	99999	RACHA ZEITOUN	623.96
125535	03/13/2025	68	AFLAC ACCT# YQ792 WORLDWIDE HEADQUARTERS	4,629.68
125536	03/13/2025	69	AFSCME District Council 36	742.50
125537	03/13/2025	775	COVINA POLICE ASSOCIATION	2,650.00
125538	03/13/2025	878	DELTA DENTAL OF CALIFORNIA	9,334.53
125539	03/13/2025	1106	FRANCHISE TAX BOARD	100.00
125540	03/13/2025	3795	PRE-PAID LEGAL SERVICES, INC	155.48
125541	03/13/2025	3846	CLEA	1,088.00
125542	03/13/2025	4255	RELIASTAR LIFE INSURANCE COMPANY	4,744.52
125543	03/13/2025	4710	Fidelity Security Life Insurance Company	1,022.73
			subtotal checks	\$ 2,592,031.22
			subtotal voids	\$ -
			payroll (03/13/25)	\$ 1,064,026.06
			payroll (/)	\$ -
			workers' compensation	\$ 40,738.92
TOTAL checks/EFTs				\$3,742,440.32



CC Regular Meeting

AGENDA ITEM REPORT

Meeting:	April 1, 2025
Title:	First Amendment to Professional Services Agreement with SAESHE to Provide Program Management Services for the Used Motor Oil Payment Program
Presented by:	Rafael Fajardo, Director of Public Works/City Engineer
Recommendation:	Authorize the City Manager to execute the First Amendment to the Professional Services Agreement with SAESHE for a two-year contract extension for management of the City's Used Motor Oil Payment Program in an amount not-to-exceed \$26,600.

EXECUTIVE SUMMARY/BACKGROUND:

The City of Covina has provided an education program since 1994 that encourages the proper disposal of used motor oil and used oil filters. The City's program implements strategic community engagement activities that target Covina's do-it-yourselfers, and provides support to a network of six certified collection centers. The program is funded by a Payment Program that is awarded by CalRecycle annually.

In January 2022, the City entered into a consulting agreement with SAESHE for management of the Used Motor Oil Payment Program. The Professional Services Agreement with SAESHE has expired, and allows for two optional one-year extension terms. The Public Works Department is pleased with the consulting services provided by SAESHE to date, and recommends execution of the extension years. The proposed First Amendment would extend the consulting agreement to December 24, 2026, for an amount not-to-exceed \$26,600.

DISCUSSION:

Used motor oil contains toxic components, and if improperly disposed, will negatively impact our waterways and groundwater supply. Furthermore, used motor oil does not wear out and can be recycled indefinitely. For these reasons, CalRecycle provides municipalities with a funding source for the implementation of community programs that encourage the recycling of both used motor oil and used oil filters. Covina's program consists of public education, filter exchange events, drain container distribution, collection center oversight, as well as State reporting. The City has contracted with SAESHE since 2022 to manage this program on behalf of the Public Works Department.

The initial term of the consulting agreement with SAESHE has expired, and allows for two additional one-year extension terms. The City has been pleased with the work effort and performance demonstrated by SAESHE. As such, the Public Works Department recommends a First Amendment to the PSA with SAESHE, authorizing the consultant to continue management of the City's Used Motor Oil Payment Program through December 24, 2026, for a not-to-exceed cost of \$26,600.

FISCAL IMPACT:

The fiscal impact for extending the SAESHE PSA for two additional years is an amount not-to-exceed \$26,600, for continued consulting services. The Department of Public Works budget contains sufficient funding for implementation of the used motor oil recycling program. The program is primarily funded by CalRecycle's Used Motor Oil Payment Program (accounts in series 2530-5550; grant award is approximately \$7,500 per year). Program enhancements are funded by the Public Works Waste Management fund as needed (accounts in series 6200-5580), when program costs exceed the City's annual CalRecycle grant allotment.

CEQA (CALIFORNIA ENVIRONMENTAL QUALITY ACT):

The project has been reviewed for compliance with the California Environmental Quality Act (CEQA) and is exempt per Section 15061 (b) (3). The program is covered by the General Rule that CEQA applies to projects that have the potential for causing a significant effect on the environment. The proposed First Amendment with SAESHE to provide consulting services will not result in any impact to the environment.

Respectfully submitted,



Rafael M. Fajardo
Director of Public Works/City Engineer

**FIRST AMENDMENT TO AGREEMENT BETWEEN THE CITY OF COVINA AND
SAESHE
TO PROVIDE PROGRAM MANAGEMENT SERVICES FOR THE
CITY'S USED MOTOR OIL PAYMENT PROGRAM**

THIS FIRST AMENDMENT is made and entered into as of January 1, 2025 by and between the City of Covina, a California municipal corporation (hereinafter referred to as "City"), and SAESHE, a Domestic Stock (hereinafter referred to as "Consultant"). In consideration of the mutual covenants and conditions set forth herein, the parties agree as follows:

1. This **FIRST** Amendment is made with the respect to the following facts and purposes:
 - a. On January 1, 2022, the City and Consultant entered into that certain Professional Services Agreement for program management services for the City's Used Motor Oil Payment Program in the amount of \$53,200, through December 24, 2024. The Agreement provides for two additional one-year extension terms, upon mutual agreement.
 - b. The parties now desire to extend the term of the agreement to December 24, 2026, increase the compensation in the amount of \$26,600 for a new total agreement amount not to exceed \$79,800 and to amend the Agreement as set forth in this Amendment.
2. Section 1 of the Agreement entitled "**TERM**" is hereby amended to read as follows:

"The term of this Agreement shall be from the Effective Date through December 24, 2026, unless sooner terminated as provided in Section 14 of this Agreement."
3. Paragraph A of Section 2 of the Agreement entitled "**COMPENSATION**" is hereby amended to read as follows:
 - A. Compensation. As full compensation for Consultant's services provided under this Agreement, City shall pay Consultant a sum not to exceed Seventy Nine Thousand Eight Hundred Dollars \$79,800 (the "maximum compensation"), as set forth in the Approved Fee Schedule, attached hereto as Exhibit A. Any terms in Exhibit A, other than the payment rates and schedule of payment, are null and void.
4. Except for the changes specifically set forth herein, all other terms and conditions of the Agreement shall remain in full force and effect.

The parties, through their duly authorized representatives, are signing this **FIRST** Amendment on the date stated in the introductory clause.

City:

Consultant:

ATTACHMENT A

City of Covina,
a California municipal corporation

SAESHE,
a Domestic Stock

By: _____
Name: Chris Marcarello
Title: City Manager

By: _____
Name: _____
Title: _____

ATTEST:

By: _____
Name: _____
Title: _____

By: _____
Name: Fabian Velez
Title: Chief Deputy City Clerk

*(Two signatures of corporate officers required
for corporations under Corporations Code
Section 313, unless corporate documents
authorize only one person to sign this
Agreement on behalf of the corporation.)*

APPROVED AS TO FORM:

By: _____
Name: Candice K. Lee
Title: City Attorney

EXHIBIT A

Attached hereto and incorporated herein is the cost proposal as provided by the Consultant.

Cost Proposal

January 1, 2025 thru December 31, 2025

Task 1 – CCC Administration

Program Director	0.5	\$	180	\$	90.00
Program Manager	2	\$	140	\$	280.00
Program Specialist	2	\$	100	\$	200.00
Program Coordinator	11	\$	70	\$	770.00
Total				\$	1,340.00

Task 2 - Coordinate Collection/Filter Exchange Events

Program Director	1	\$	180	\$	180.00
Program Manager	6	\$	140	\$	840.00
Program Specialist	2	\$	90	\$	180.00
Program Coordinator	18	\$	70	\$	1,260.00
Filters				\$	850.00
Total				\$	3,310.00

Task 3 - Public Education and Outreach

Program Director	1	\$	180	\$	180.00
Program Manager	2	\$	140	\$	280.00
Media Manager	8	\$	150	\$	1,200.00
Program Coordinator	2	\$	70	\$	140.00
Creative Director	4	\$	150	\$	600.00
Paid Media Placement				\$	2,880.00
Total				\$	5,280.00

Task 4 - Program Administration

Program Director	2	\$	180	\$	360.00
Program Manager	12	\$	140	\$	1,680.00
Program Specialist	2	\$	90	\$	180.00
Media Manager	1	\$	150	\$	150.00
Total				\$	2,370.00

Task 5 - Innovation Efforts

Total				\$	1,000.00
--------------	--	--	--	-----------	-----------------

Total				\$	13,300.00
--------------	--	--	--	-----------	------------------

January 1, 2026 thru December 24, 2026

Task 1 - CCC Administration

Program Director	0.5	\$	180	\$	90.00
Program Manager	2	\$	140	\$	280.00
Program Specialist	2	\$	100	\$	200.00
Program Coordinator	11	\$	70	\$	770.00
Total				\$	1,340.00

Task 2 - Coordinate Collection/Filter Exchange Events

Program Director	1	\$	180	\$	180.00
Program Manager	6	\$	140	\$	840.00
Program Specialist	2	\$	90	\$	180.00
Program Coordinator	18	\$	70	\$	1,260.00
Filters				\$	850.00
Total				\$	3,310.00

Task 3 - Public Education and Outreach

Program Director	1	\$	180	\$	180.00
Program Manager	2	\$	140	\$	280.00
Media Manager	8	\$	150	\$	1,200.00
Program Coordinator	2	\$	70	\$	140.00
Creative Director	4	\$	150	\$	600.00
Paid Media Placement				\$	2,880.00
Total				\$	5,280.00

Task 4 - Program Administration

Program Director	2	\$	180	\$	360.00
Program Manager	12	\$	140	\$	1,680.00
Program Specialist	2	\$	90	\$	180.00
Media Manager	1	\$	150	\$	150.00
Total				\$	2,370.00

Task 5 - Innovation Efforts

Total				\$	1,000.00
--------------	--	--	--	-----------	-----------------

Total				\$	13,300.00
--------------	--	--	--	-----------	------------------



CC Regular Meeting

AGENDA ITEM REPORT

Meeting:	April 1, 2025
Title:	Professional Services Agreement with Premier Aquatics Services LLC to Provide Aquatics Programs and Services
Presented by:	Lisa Evans, Director of Parks & Recreation and Library Services Krystal Smith, Recreation and Library Services Manager
Recommendation:	Authorize City Manager to Execute Agreement with Premier Aquatics Services LLC to Provide Aquatics Programs and Services.

BACKGROUND:

Beginning in 2016, the City has offered Aquatics programs through a contracted service provider. This type of contracted arrangement has proven to be cost effective and more manageable than the program that was previously coordinated and staffed by City personnel.

DISCUSSION:

When the City first contracted its Aquatics programming in 2016, only two organizations provided this type of service in our area, USA Swimming and Blueray Management. Based on cost, expertise in the field, and other factors, the City opted to contract with Blueray Management, now Blueray Aquatics. Blueray Aquatics provided swim lessons, swim team programming, lifeguard training, and lifeguard services for lap swimming, recreational swimming, and pool rentals.

Over the past eight years, Blueray Aquatics' performance has fluctuated. Some seasons went very well, with adequate staffing, proper supervision, and high-quality programs. During the past two seasons, Blueray's performance under the Agreement has significantly declined. Program participation had to be limited due to low staffing levels, and the overall supervision of the program has not met the City's expectations. For this reason, other options were researched.

The options for contracting aquatics programming are still very limited. After reviewing other available service providers, it was determined that Premier Aquatics Services LLC is the only other contractor with the capacity to maintain the City's current level of aquatics programs and services. Premier Aquatics is based in southern Orange County, but also operates programs in the cities of Paramount, Diamond Bar and Rancho Cucamonga.

The City of Paramount's program is most similar to Covina's, so staff contacted the Director and Supervisor in Paramount for references. Paramount has been very pleased with Premier's performance under their Agreement. They noted professionalism, safety, responsiveness, and high-quality staff. The Director stated that, "they have been nothing short of amazing for us." They have had no issues or concerns since contracting with Premier Aquatics, and highly recommended them.

When staff reached out to Premier, they were very interested in the possibility of running Covina's program. The Owner, Dan Berzansky and Chief Operating Officer, Ryan Larson, toured our facility and were excited about moving forward with a potential contract. The structure of the Agreement with Premier will differ from the Agreement with Blueray, in that the City will pay Premier a flat fee of \$50,000 to manage the entire program. Premier will be responsible for fully staffing the facility, as well as handling all registration for swim lessons, swim team, etc. Premier would also retain the revenue generated from the registration fees.

With Premier Aquatics Services' experience and expertise, outstanding references, and responsiveness to questions and requests, staff's recommendation is to approve and authorize the City Manager to execute the Agreement.

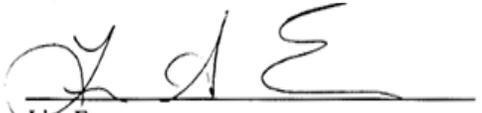
FISCAL IMPACT:

The management fee of \$50,000 is available in account 1010 3700 51600.

CEQA (CALIFORNIA ENVIRONMENTAL QUALITY ACT):

Not applicable.

Respectfully submitted,



Lisa Evans
Parks and Recreation/Library Services Director

PROFESSIONAL SERVICES AGREEMENT

This Professional Services Agreement (“Agreement”) is dated April 1, 2025 (“Effective Date”) and is between the City of Covina, a California municipal corporation (“City”) and Premier Aquatic Services, a California limited liability company (“Contractor”). City and Contractor are sometimes individually referred to as “Party” and collectively as “Parties” in this Agreement.

RECITALS

A. City desires to utilize the services of Contractor as an independent contractor to provide aquatics programs and services, such as private and group swim lessons, swim team programming, aquatic exercise classes, lifeguard training, junior lifeguard training, recreational swimming, lap swimming, pool rentals, special events, and other aquatic programming as mutually agreed upon at the City’s aquatic facility located at Covina Park, 301 N. Fourth Avenue, Covina, California.

B. Contractor represents that it is fully qualified to perform such services by virtue of its experience and the training, education and expertise of its principals and employees.

C. City desires to retain Contractor and Contractor desires to serve City to perform these services in accordance with the terms and conditions of this Agreement.

The parties therefore agree as follows:

1. Term of Agreement. The term of this Agreement shall be from the Effective Date through April 1, 2026, unless sooner terminated as provided in Section 14 of this Agreement. The City may, upon mutual agreement, extend this Agreement for two (2) additional one (1) year terms. In no event shall this Agreement be extended beyond April 1, 2028.

2. Compensation.

A. Compensation. As full compensation for Contractor’s services provided under this Agreement, City shall pay Contractor a sum not to exceed Seventy-Five Thousand Dollars (\$75,000.00) (the “maximum compensation”) annually, based on the rates set forth in the Approved Fee Schedule, attached hereto as **Exhibit A**. Any terms in Exhibit A, other than the payment rates and schedule of payment, are null and void.

B. Expenses. The amount set forth in paragraph A shall include reimbursement for all actual and necessary expenditures reasonably incurred in the performance of this Agreement.

C. Additional Services. City shall not allow any claims for additional services performed by Contractor, unless the City Council and the Contractor Representative, as defined in Section 3, authorize the additional services in writing prior to Contractor’s performance of the additional services or inurrence of additional expenses. Any additional services or expenses authorized by the City Council shall be compensated at the rates set forth in **Exhibit A**, or, if not specified, at a rate mutually agreed to by the parties. City shall make payment for additional services and expenses in accordance with Section 4 of this Agreement.

ATTACHMENT A

3. Contractor's Services.

A. Scope of Services. Contractor shall perform the services described in the Scope of Services, attached as **Exhibit B**. City may request, in writing, changes in the scope of services to be performed. Any changes mutually agreed upon by the parties, and any increase or decrease in compensation, shall be incorporated by written amendments to this Agreement.

B. Party Representatives. For the purposes of this Agreement, the City Representative shall be the City Manager, or such other person designated in writing by the City Manager (the "City Representative"). For the purposes of this Agreement, the Contractor Representative shall be Ryan Larson, Chief Operating Officer (the "Contractor Representative"). The Contractor Representative shall directly manage Contractor's services under this Agreement. Contractor shall not change the Contractor Representative without City's prior written consent.

C. Time for Performance. Contractor shall commence the services on the Effective Date and shall perform all services in conformance with the dates and times mutually agreed upon.

D. Standard of Performance. Contractor shall perform all services under this Agreement in accordance with the standard of care generally exercised by like professionals under similar circumstances and in a manner reasonably satisfactory to City.

E. Personnel. Contractor has, or will secure at its own expense, all personnel required to perform the services required under this Agreement. All of the services required under this Agreement shall be performed by Contractor or under its supervision, and all personnel engaged in the work shall be qualified to perform such services. Contractor shall determine the means, methods, and details by which Contractor's personnel will perform the services under this Agreement. Contractor shall be solely responsible for the satisfactory work performance of all personnel engaged in performing the services and compliance with the customary professional standards. Contractor shall certify that all personnel who have direct contact with minors will be background screened through the Department of Justice.

F. Compliance with Laws. The Contractor shall keep itself informed of all local, state and federal ordinances, laws and regulations which in any manner affect those employed by it or in any way affect the performance of its service pursuant to this Agreement. The Contractor shall at all times observe and comply with all such ordinances, laws and regulations. The City and its agents shall not be liable at law or in equity occasioned by failure of the Contractor to comply with this section.

G. Permits and Licenses. Contractor shall obtain and maintain during the Agreement term all necessary licenses, permits and certificates required by law for the provision of services under this Agreement, including a business license.

4. Method of Payment.

A. Invoices. Contractor shall submit to City invoices based on the timeline set forth in **Exhibit A** for actual services performed pursuant to this Agreement. Each invoice shall itemize the services rendered during the billing period, hourly rates charged, if applicable, and the amount

due. If City disputes any of Contractor's fees, it shall give written notice to Contractor within thirty (30) days of receipt of an invoice of any disputed fees set forth on the invoice.

B. Payment. City shall pay all undisputed invoice amounts within thirty (30) calendar days after receipt up to the maximum compensation set forth in Section 2 of this Agreement. City shall not withhold federal payroll, state payroll or other taxes, or other similar deductions, from payments made to Contractor.

C. Audit of Records. Contractor shall make all records, invoices, time cards, cost control sheets and other records maintained by Contractor in connection with this agreement available during Contractor's regular working hours to City for review and audit by City.

5. Ownership of Documents. Upon completion of, or in the event of termination or suspension of this Agreement, all original documents, designs, drawings, maps, models, computer files containing data generated for the work, surveys, notes, and other documents prepared in the course of providing the services to be performed ("written products") pursuant to this Agreement shall become the sole property of the City without restriction or limitation upon its use and may be used, reused, disseminated or otherwise disposed of by the City without the permission of the Contractor. With respect to computer files containing data generated for the work, Contractor shall make available to the City, upon reasonable written request by the City, the necessary computer software and hardware for purposes of accessing, compiling, transferring and printing computer files. Contractor may take and retain copies of the written products as desired, but the written products shall not be the subject of a copyright application by Contractor.

6. Independent Contractor.

A. Contractor is, and shall at all times remain as to City, a wholly independent contractor and not an employee of City. The personnel performing the services under this Agreement on behalf of Contractor shall also not be employees of City and shall at all times be under Contractor's exclusive direction and control. Contractor shall have no power to incur any debt, obligation, or liability on behalf of City. Neither City nor any of its agents shall have control over the conduct of Contractor or any of Contractor's employees. Contractor shall not, at any time, or in any manner, represent that it or any of its officers, agents or employees are in any manner employees of City. Contractor and Contractor's personnel shall not supervise any of City's employees; and City's employees shall not supervise Contractor's personnel. Contractor's personnel shall not wear or display any City uniform, badge, identification number, or other information identifying such individual as an employee of City; and Contractor's personnel shall not use any City e-mail address or City telephone number in the performance of any of the services under this Agreement. Contractor shall acquire and maintain, at its sole cost and expense, such vehicles, equipment, and supplies as Contractor's personnel require to perform any of the services required by this Agreement. Contractor shall perform the services off of City premises at locations of Contractor's choice, except as otherwise may from time to time be necessary in order for Contractor's personnel to receive projects from City, review plans on file at City, pick up or deliver any work product related to Contractor's performance of the services under this Agreement, or as may be necessary to inspect or visit City locations and/or private property to perform the services. City may make a computer available to Contractor from time to time for Contractor's personnel to obtain information about or to check on the status of projects pertaining to the services under this Agreement.

B. No employee benefits shall be available to Contractor in connection with the performance of this Agreement. Except for the fees paid to Contractor as provided in the Agreement, City shall not pay salaries, wages, or other compensation to Contractor for performing services hereunder for City. City shall not be liable for compensation or indemnification to Contractor for injury or sickness arising out of performing services hereunder. Contractor shall be responsible for and pay all wages, salaries, benefits and other amounts due to Contractor's personnel in connection with their performance of the services under this Agreement and as required by law. Contractor shall be responsible for all reports and obligations respecting such additional personnel, including, but not limited to: Social Security taxes, other retirement or pension benefits, income tax withholding, unemployment insurance, disability insurance, and workers' compensation insurance. Notwithstanding any other agency, state, or federal policy, rule, regulation, statute or ordinance to the contrary, Contractor and any of its officers, employees, agents, and subcontractors providing any of the services under this Agreement shall not become entitled to, and hereby waive any claims to, any wages, salaries, compensation, benefit or any incident of employment by City, including, but not limited to, eligibility to enroll in, or reinstate to membership in, the California Public Employees Retirement System ("PERS") as an employee of City, and entitlement to any contribution to be paid by City for employer contributions or employee contributions for PERS benefits.

C. Contractor shall indemnify and hold harmless City and its elected officials, officers, employees, servants, designated volunteers, and agents serving as independent contractors in the role of City officials, from any and all liability, damages, claims, costs, and expenses of any nature to the extent arising from, caused by, or relating to Contractor's personnel practices. or to the extent arising from, caused by, or relating to the violation of any of the provisions of this Section 6. In addition to all other remedies available under law, City shall have the right to offset against the amount of any fees due to Contractor under this Agreement any amount due to City from Contractor as a result of Contractor's failure to promptly pay to City any reimbursement or indemnification arising under this Section 6. This duty of indemnification is in addition to Contractor's duty to defend, indemnify, and hold harmless as set forth in any other provision of this Agreement.

7. PERS Compliance and Indemnification.

A. General Requirements. The parties acknowledge that City is a local agency member of PERS, and as such has certain pension reporting and contribution obligations to PERS on behalf of qualifying employees. Contractor agrees that, in providing its employees and any other personnel to City to perform the services under this Agreement, Contractor shall assure compliance with the Public Employees' Retirement Law, commencing at Government Code Section 20000, the regulations of PERS, and the Public Employees' Pension Reform Act of 2013, as amended. Without limitation to the foregoing, Contractor shall assure compliance with regard to personnel who have active or inactive membership in PERS and to those who are retired annuitants and in performing this Agreement shall not assign or utilize any of its personnel in a manner that will cause City to be in violation of the applicable retirement laws and regulations.

B. Indemnification. Contractor shall defend (with legal counsel approved by City, whose approval shall not be unreasonably withheld), indemnify, and hold harmless City, and its

City and its elected officials, officers, employees, servants, designated volunteers, and agents serving as independent contractors in the role of City officials, from any and all liability, damages, claims, costs, and expenses of any nature to the extent arising from, caused by, or relating to Contractor's violation of any provisions of this Section 7. This duty of indemnification is in addition to Contractor's duty to defend, indemnify, and hold harmless as set forth in any other provision of this Agreement.

8. Confidentiality. All data, documents, discussion, or other information (collectively "data") developed or received by Contractor or provided for performance of this Agreement are deemed confidential. Contractor shall keep all data confidential and shall not disclose any data to any person or entity without City's prior written consent. City shall grant such consent if disclosure is legally required. Contractor shall return all data to City upon the expiration or termination of this Agreement. Contractor's covenant under this Section 8 shall survive the expiration or termination of this Agreement.

9. Conflicts of Interest. Contractor and its officers, employees, associates and subcontractors, if any, shall comply with all conflict of interest statutes of the State of California applicable to Contractor's services under this Agreement, including the Political Reform Act (Gov. Code, § 81000 *et seq.*) and Government Code Section 1090. During the term of this Agreement, Contractor may perform similar services for other clients, but Contractor and its officers, employees, associates and subcontractors shall not, without the City Representative's prior written approval, perform work for another person or entity for whom Contractor is not currently performing work that would require Contractor or one of its officers, employees, associates or subcontractors to abstain from a decision under this Agreement pursuant to a conflict of interest statute. Contractor shall incorporate a clause substantially similar to this Section 9 into any subcontract that Contractor executes in connection with the performance of this Agreement.

10. Indemnification.

A. Indemnities for Third Party Claims.

1) To the fullest extent permitted by law, Contractor shall, at its sole cost and expense, defend, hold harmless and indemnify City and its elected officials, officers, attorneys, agents, employees, designated volunteers, successors, assigns and those City agents serving as independent contractors in the role of City officials (collectively "Indemnitees"), from and against any and all damages, costs, expenses, liabilities, claims, demands, causes of action, proceedings, expenses, judgments, penalties, liens and losses of any nature whatsoever, including fees of accountants, attorneys or other professionals, and all costs associated therewith, and the payment of all consequential damages (collectively "Liabilities"), in law or equity, whether actual, alleged or threatened, which arise out of, are claimed to arise out of, pertain to, or relate to the acts or omissions of Contractor, its officers, agents, servants, employees, subcontractors, materialmen, contractors or their officers, agents, servants or employees (or any entity or individual that Contractor shall bear the legal liability thereof) in the performance of this Agreement, including the Indemnitees' active or passive negligence, except for Liabilities arising from the sole negligence or willful misconduct of the Indemnitees, as determined by final arbitration or court decision or by the agreement of the parties. Contractor shall defend the Indemnitees in any action or actions filed in connection with any Liability with counsel of the Indemnitees' choice, and shall pay all costs and expenses, including all attorneys' fees and experts' costs actually incurred in

connection with such defense. Contractor shall reimburse the Indemnitees for any and all legal expenses and costs incurred by Indemnitees in connection therewith.

2) Contractor shall pay all required taxes on amounts paid to Contractor under this Agreement, and indemnify and hold City harmless from any and all taxes, assessments, penalties and interest asserted against City by reason of the independent contractor relationship created by this Agreement. Contractor shall fully comply with the workers' compensation law regarding Contractor and Contractor's employees. Contractor shall indemnify and hold City harmless from any failure of Contractor to comply with applicable workers' compensation laws. City may offset against the amount of any fees due to Contractor under this Agreement any amount due to City from Contractor as a result of Contractor's failure to promptly pay to City any reimbursement or indemnification arising under this Subparagraph A. 2).

3) Contractor shall obtain executed indemnity agreements with provisions identical to those in this Section 10 from each and every subcontractor or any other person or entity involved by, for, with or on behalf of Contractor in the performance of this Agreement. If Contractor fails to obtain such indemnity obligations, Contractor shall be fully responsible and indemnify, hold harmless and defend the Indemnitees from and against any and all Liabilities in law or equity, whether actual, alleged or threatened, which arise out of, are claimed to arise out of, pertain to, or relate to the acts or omissions of Contractor's subcontractor, its officers, agents, servants, employees, subcontractors, materialmen, contractors or their officers, agents, servants or employees (or any entity or individual that Contractor's subcontractor shall bear the legal liability thereof) in the performance of this Agreement, including the Indemnitees' active or passive negligence, except for Liabilities arising from the sole negligence or willful misconduct of the Indemnitees, as determined by final arbitration or court decision or by the agreement of the parties.

B. Workers' Compensation Acts not Limiting. Contractor's indemnifications and obligations under this Section 10, or any other provision of this Agreement, shall not be limited by the provisions of any workers' compensation act or similar act. Contractor expressly waives its statutory immunity under such statutes or laws as to City, its officers, agents, employees and volunteers.

C. Insurance Requirements not Limiting. City does not, and shall not, waive any rights that it may possess against Contractor because of the acceptance by City, or the deposit with City, of any insurance policy or certificate required pursuant to this Agreement. The indemnities in this Section 10 shall apply regardless of whether or not any insurance policies are determined to be applicable to the Liability, tax, assessment, penalty or interest asserted against City.

D. Survival of Terms. Contractor's indemnifications and obligations under this Section 10 shall survive the expiration or termination of this Agreement.

11. Insurance.

A. Minimum Scope and Limits of Insurance. Contractor shall procure and at all times during the term of this Agreement carry, maintain, and keep in full force and effect, insurance as follows:

1) Commercial General Liability Insurance with a minimum limit of Two Million Dollars (\$2,000,000) per occurrence for bodily injury, personal injury and property damage and a general aggregate limit of Four Million Dollars (\$4,000,000) per project or location. If Contractor is a limited liability company, the commercial general liability coverage shall be amended so that Contractor and its managers, affiliates, employees, agents and other persons necessary or incidental to its operation are insureds.

2) Automobile Liability Insurance for any owned, non-owned or hired vehicle used in connection with the performance of this Agreement with a combined single limit of Two Million Dollars (\$2,000,000) per accident for bodily injury and property damage. If Contractor does not use any owned, non-owned or hired vehicles in the performance of services under this Agreement, Contractor shall obtain a non-owned auto endorsement to the Commercial General Liability policy required under Subparagraph A. 1) of this Section 11.

3) Workers' Compensation Insurance as required by the State of California and Employer's Liability Insurance with a minimum limit of One Million Dollars (\$1,000,000) per accident for bodily injury or disease. If Contractor has no employees while performing services under this Agreement, workers' compensation policy is not required, but Contractor shall provide an executed declaration that it has no employees.

4) Sexual Abuse and Molestation Insurance with a minimum limit of One Million Dollars (\$1,000,000) per occurrence.

B. Acceptability of Insurers. The insurance policies required under this Section 11 shall be issued by an insurer admitted to write insurance in the State of California with a rating of A:VII or better in the latest edition of the A.M. Best Insurance Rating Guide. Self insurance shall not be considered to comply with the insurance requirements under this Section 11.

C. Additional Insured. The commercial general and automobile liability policies shall contain an endorsement naming the City, its officers, employees, agents and volunteers as additional insureds.

D. Primary and Non-Contributing. The insurance policies required under this Section 11 shall apply on a primary non-contributing basis in relation to any other insurance or self-insurance available to City. Any insurance or self-insurance maintained by City, its officers, employees, agents or volunteers, shall be in excess of Contractor's insurance and shall not contribute with it.

E. Contractor's Waiver of Subrogation. The insurance policies required under this Section 11 shall not prohibit Contractor and Contractor's employees, agents or subcontractors from waiving the right of subrogation prior to a loss. Contractor hereby waives all rights of subrogation against City.

F. Deductibles and Self-Insured Retentions. Any deductibles or self-insured retentions must be approved by City. At City's option, Contractor shall either reduce or eliminate the deductibles or self-insured retentions with respect to City, or Contractor shall procure a bond guaranteeing payment of losses and expenses.

G. Cancellations or Modifications to Coverage. Contractor shall not cancel, reduce or otherwise modify the insurance policies required by this Section 11 during the term of this Agreement. The commercial general and automobile liability policies required under this Agreement shall be endorsed to state that should the issuing insurer cancel the policy before the expiration date, the issuing insurer will endeavor to mail thirty (30) calendar days' prior written notice to City. If any insurance policy required under this Section 11 is canceled or reduced in coverage or limits, Contractor shall, within two (2) business days of notice from the insurer, phone, fax or notify City via certified mail, return receipt requested, of the cancellation of or changes to the policy.

H. City Remedy for Noncompliance. If Contractor does not maintain the policies of insurance required under this Section 11 in full force and effect during the term of this Agreement, or in the event any of Contractor's policies do not comply with the requirements under this Section 11, City may either immediately terminate this Agreement or, if insurance is available at a reasonable cost, City may, but has no duty to, take out the necessary insurance and pay, at Contractor's expense, the premium thereon. Contractor shall promptly reimburse City for any premium paid by City or City may withhold amounts sufficient to pay the premiums from payments due to Contractor.

I. Evidence of Insurance. Prior to the performance of services under this Agreement, Contractor shall furnish City's Risk Manager with a certificate or certificates of insurance and all original endorsements evidencing and effecting the coverages required under this Section 11. The endorsements are subject to City's approval. Contractor may provide complete, certified copies of all required insurance policies to City. Contractor shall maintain current endorsements on file with City's Risk Manager. Contractor shall provide proof to City's Risk Manager that insurance policies expiring during the term of this Agreement have been renewed or replaced with other policies providing at least the same coverage. Contractor shall furnish such proof at least two (2) weeks prior to the expiration of the coverages.

J. Indemnity Requirements not Limiting. Procurement of insurance by Contractor shall not be construed as a limitation of Contractor's liability or as full performance of Contractor's duty to indemnify City under Section 10 of this Agreement.

K. Subcontractor Insurance Requirements. Contractor shall require each of its subcontractors that perform services under this Agreement to maintain insurance coverage that meets all of the requirements of this Section 11.

12. Mutual Cooperation.

A. City's Cooperation. City shall provide Contractor with all pertinent data, documents and other requested information as is reasonably available for Contractor's proper performance of the services required under this Agreement.

B. Contractor's Cooperation. In the event any claim or action is brought against the City relating to Contractor's performance or services rendered under this Agreement, Contractor shall render any reasonable assistance that City requires.

13. Records and Inspections. Contractor shall maintain full and accurate records with respect to all matters covered under this Agreement for a period of two (2) years. Contractor shall, without charge, provide City with access to the records during normal business hours. City may examine and audit the records and make transcripts therefrom, and inspect all program data, documents, proceedings and activities.

14. Termination or Suspension of Agreement.

A. Right to Terminate or Suspend. City may terminate or suspend this Agreement at any time, at will, for any reason or no reason, after giving written notice to Contractor at least seven (7) calendar days before the termination or suspension is to be effective. Contractor may terminate this Agreement at any time, at will, for any reason or no reason, after giving written notice to City at least sixty (60) calendar days before the termination is to be effective.

B. Obligations upon Termination. Contractor shall cease all work under this Agreement on or before the effective date of termination specified in the notice of termination. In the event of City's termination of this Agreement due to no fault or failure of performance by Contractor, City shall pay Contractor based on the percentage of work satisfactorily performed up to the effective date of termination. In no event shall Contractor be entitled to receive more than the amount that would be paid to Contractor for the full performance of the services required by this Agreement.

15. Force Majeure. Contractor shall not be liable for any failure to perform its obligations under this Agreement if Contractor presents acceptable evidence, in City's sole judgment, that such failure was due to strikes, lockouts, labor disputes, embargoes, acts of God, inability to obtain labor or materials or reasonable substitutes for labor or materials, governmental restrictions, governmental regulations, governmental controls, judicial orders, enemy or hostile governmental action, civil commotion, fire or other casualty, or other causes beyond Contractor's reasonable control and not due to any act by Contractor.

16. Notices. Any notices, consents, requests, demands, bills, invoices, reports or other communications which either party may desire to give to the other party under this Agreement must be in writing and conclusively deemed effective: (a) on personal delivery, (b) on confirmed delivery by reputable document delivery service or courier service during Contractor's and City's regular business hours, or (c) five business days after deposit in the United States mail, by first class mail, postage prepaid, and addressed to the party to be notified as set forth below:

If to City:
City of Covina
Attn: Lisa Evans, Director of Parks &
Recreation and Library Services
125 E. College Street|
Covina, California 91723

If to Contractor:
Premier Aquatic Services
Attn: Ryan Larson, Chief Operating
Officer
6 Journey #200
Aliso Viejo, California 92656

17. Non-Discrimination and Equal Employment Opportunity. In the performance of this Agreement, Contractor shall not discriminate against any employee, subcontractor or applicant for

employment because of race, color, religious creed, sex, gender, gender identity, gender expression, marital status, national origin, ancestry, age, physical disability, mental disability, medical condition, genetic information, sexual orientation or other basis prohibited by law. Contractor will take affirmative action to ensure that subcontractors and applicants are employed, and that employees are treated during employment, without regard to their race, color, religious creed, sex, gender, gender identity, gender expression, marital status, national origin, ancestry, age, physical disability, mental disability, medical condition, genetic information or sexual orientation.

18. Prohibition of Assignment and Delegation. Contractor shall not assign any of its rights or delegate any of its duties under this Agreement, either in whole or in part, without City's prior written consent. City's consent to an assignment of rights under this Agreement shall not release Contractor from any of its obligations or alter any of its primary obligations to be performed under this Agreement. Any attempted assignment or delegation in violation of this Section 18 shall be void and of no effect and shall entitle City to terminate this Agreement. As used in this Section 18, "assignment" and "delegation" means any sale, gift, pledge, hypothecation, encumbrance or other transfer of all or any portion of the rights, obligations, or liabilities in or arising from this Agreement to any person or entity, whether by operation of law or otherwise, and regardless of the legal form of the transaction in which the attempted transfer occurs.

19. No Third Party Beneficiaries Intended. Except as otherwise provided in Section 10, this Agreement is made solely for the benefit of the parties to this Agreement and their respective successors and assigns, and no other person or entity may have or acquire a right by virtue of this Agreement.

20. Waiver. No delay or omission to exercise any right, power or remedy accruing to City under this Agreement shall impair any right, power or remedy of City, nor shall it be construed as a waiver of, or consent to, any breach or default. No waiver of any breach, any failure of a condition, or any right or remedy under this Agreement shall be (1) effective unless it is in writing and signed by the party making the waiver, (2) deemed to be a waiver of, or consent to, any other breach, failure of a condition, or right or remedy, or (3) deemed to constitute a continuing waiver unless the writing expressly so states.

21. Exhibits. Exhibits A and B constitute a part of this Agreement and are incorporated into this Agreement by this reference. If any inconsistency exists or arises between a provision of this Agreement and a provision of any exhibit, the provisions of this Agreement shall control.

22. Entire Agreement. This Agreement and all exhibits referred to in this Agreement constitute the final, complete and exclusive statement of the terms of the agreement between the parties pertaining to the subject matter of this Agreement and supersede all other prior or contemporaneous oral or written understandings and agreements of the parties. No party has been induced to enter into this Agreement by, nor is any party relying on, any representation or warranty except those expressly set forth in this Agreement.

23. Amendment of Agreement. This Agreement may be amended only by a writing signed by both parties. The City Manager is authorized to sign an amendment to this Agreement on the City Council's behalf and without the City Council's prior approval to make the following non-

substantive modifications to the Agreement: (a) name changes; (b) extensions of time; (c) non-monetary changes in the scope of work; and (d) termination of the Agreement.

24. Headings. The headings in this Agreement are included solely for convenience of reference and shall not affect the interpretation of any provision of this Agreement or any of the rights or obligations of the parties to this Agreement.

25. Word Usage. Unless the context clearly requires otherwise, (a) the words “shall,” “will” and “agrees” are mandatory and “may” is permissive; (b) “or” is not exclusive; and (c) “includes” or “including” are not limiting.

26. Time of the Essence. Time is of the essence in respect to all provisions of this Agreement that specify a time for performance; provided, however, that the foregoing shall not be construed to limit or deprive a party of the benefits of any grace or use period allowed in this Agreement.

27. Governing Law and Choice of Forum. This Agreement, and any dispute arising from the relationship between the parties to this Agreement, shall be governed by and construed in accordance with the laws of the State of California, except that any rule of construction to the effect that ambiguities are to be resolved against the drafting party shall not be applied in interpreting this Agreement. Any dispute that arises under or relates to this Agreement (whether contract, tort or both) shall be resolved in a municipal, superior or federal court with geographic jurisdiction over the City of Covina.

28. Attorneys’ Fees. In any litigation or other proceeding by which on party seeks to enforce its rights under this Agreement (whether in contract, tort or both) or seeks a declaration of any rights or obligations under this Agreement, the prevailing party shall be awarded reasonable attorneys’ fees together with any costs and expenses, to resolve the dispute and to enforce the final judgment.

29. Severability. If a court of competent jurisdiction holds any provision of this Agreement to be illegal, invalid or unenforceable for any reason, the validity of and enforceability of the remaining provisions of this Agreement shall not be affected and continue in full force and effect.

30. Authority to Execute Agreement. **The person or persons executing this Agreement on behalf of Contractor warrants and represents that he or she has the authority to execute this Agreement on behalf of the Contractor and has the authority to bind Contractor to the performance of its obligations hereunder.**

[SIGNATURE PAGE FOLLOWS]

The parties, through their duly authorized representatives, are signing this Agreement on the date stated in the introductory clause.

City:

City of Covina,
a California municipal corporation

By: _____
Name: _____
Title: _____

ATTEST:

By: _____
Name: Fabian Velez
Title: Chief Deputy City Clerk

APPROVED AS TO FORM:

By: _____
Name: Candice K. Lee
Title: City Attorney

Contractor:

Premier Aquatic Services,
a California Limited Liability Corporation

By: _____
Name: _____
Title: _____

By: _____
Name: _____
Title: _____

(Two signatures of corporate officers required for corporations under Corporations Code Section 313, unless corporate documents authorize only one person to sign this Agreement on behalf of the corporation.)

EXHIBIT A COMPENSATION

Contractor will be compensated as outlined below:

- Annual Management Fee – Fifty Thousand dollars (\$50,000.00)
 - Billed in three (3) installments as follows:
 - (1) Sixteen thousand six hundred sixty-six dollars and sixty-seven cents (\$16,666.67) upon execution of agreement (April 1, 2025)
 - (2) Sixteen thousand six hundred sixty-six dollars and sixty-seven cents (\$16,666.67) at mid-season (July 14, 2025)
 - (3) Sixteen thousand six hundred sixty-six dollars and sixty-six cents (\$16,666.66) upon completion of season (August 15, 2025)
 - Annual Management Fee covers all Contractor’s expenses to operate the seasonal aquatics program at the City’s Aquatics Center, which includes, but is not limited to recruiting, training, hiring and managing all staff (Lifeguards, Swim Instructors, Pool Supervisor and/or Pool Manager), processing all registration for Aquatics programs, providing customer service during registration process and at Aquatics Center, staffing Aquatics Center during all hours of operation, and general maintenance/cleaning of facility during seasonal use.
- Additional Services – Not to exceed Twenty-Five Thousand dollars (\$25,000.00) annually
 - Billed immediately upon completion of services rendered at rates noted below.
 - Additional Services include staffing for pool rentals and city special events.
- Hourly Lifeguard and Supervisor fees for services not specifically included under the Annual Management Fee at rates not to exceed:
 - Thirty-five dollars (\$35.00) per hour per Lifeguard
 - Thirty-seven dollars (\$37.00) per hour per Pool Supervisor

EXHIBIT B SCOPE OF SERVICES

Premier Aquatic Services shall perform all services under this Agreement in a skillful and competent manner, consistent with the standards generally recognized as being employed by professionals in the same discipline in the State of California. Premier Aquatic Services represents and maintains that it is skilled in the professional calling necessary to perform the Services. Premier Aquatic Services warrants that all employees and sub consultants shall have sufficient skill and experience to perform the services assigned to them. Finally, Premier Aquatic Services represents that it, its employees and sub consultants have all licenses, permits, qualifications and approvals of whatever nature that are legally required to perform the services and that such licenses and approvals shall be maintained throughout the term of this Agreement. Premier Aquatic Services shall keep itself fully informed of and in compliance with all local, state and federal laws, rules and regulations in any manner affecting the performance of the Services, including all Cal/OSHA requirements, and shall give all notices required by law.

Annual Management: Premier Aquatic Services will provide personnel and equipment for all aquatics programs and services at the City's aquatic facility located at Covina Park, 301 N. Fourth Avenue, Covina California. Premier Aquatic Services will provide the following programs and services: private and group swim lessons, swim team programming, lifeguard training, recreational swimming, and lap swimming. Premier Aquatic Services will also provide any additional aquatic programs that will benefit the residents of the City of Covina, which may include junior lifeguard program and aquatics exercise classes. Premier Aquatic Services may add other programs with prior approval from the City. Final program schedule and fee structure will be mutually agreed upon by Contractor and City. At minimum, the program schedule will include ten (10) weeks of swim lessons, swim team, lap swimming, and recreational swimming beginning on June 9, 2025.

Additional Services: When requested by City, Premier Aquatic Services will provide qualified personnel for special events, pool rentals or other activities not included in the annual management services, which will be billed at the hourly rates included in this agreement and billed immediately upon completion of those services.

Premier Aquatic Services will provide qualified supervision of aquatics programs, events, rentals, or other activities at all times. This includes at least one leader/supervisor/manger (who is not in the pool actively instructing) on site at all times during hours of operation.



CC Regular Meeting AGENDA ITEM REPORT

Meeting: April 1, 2025
Title: Resolution CC 2025-22 Accepting an Easement and Offer of Dedication for Public Purposes Associated with the Development of Property at 270 W. Dexter Street
Presented by: Rafael M. Fajardo, Director of Public Works/City Engineer
Recommendation: Adopt Resolution CC 2025-22 accepting an easement and offer of dedication for public purposes associated with the development of property at 270 W. Dexter Street.

EXECUTIVE SUMMARY:

Resolution CC 2025-22 (Attachment A) is presented for the City Council’s consideration to accept an easement and offer of dedication for public access purposes associated with the development of property at 270 W. Dexter Street.

BACKGROUND:

On June 4, 2024, the Planning Department administratively approved Site Plan Review Case (SPR) 23-244 to construct a new duplex unit and two (2) additional garage spaces on a 0.22-acre property located at 270 W. Dexter Street.

DISCUSSION:

The proposed development at 270 W. Dexter Street was conditioned to dedicate the southerly three and one-half (3½) feet of the subject property along the existing alley to the City of Covina for alley widening purposes.

The proposed dedication is depicted on the location map (Attachment B) and Exhibit B of the Street Deed (Attachment C). The property owner has submitted the executed alley dedication documents to the City for formal acceptance.

FISCAL IMPACT:

There are fiscal impacts to the City associated with the acceptance of the street and alley dedications. The developer will be responsible for the costs associated with the widening of the alley south of Dexter Street. The City will be responsible for the future on-going maintenance of the additional 3½ feet of pavement, however, the costs will be nominal.

CEQA (CALIFORNIA ENVIRONMENTAL QUALITY ACT):

During the review process, the Planning Commission determined that the proposed project qualified for a Categorical Exemption from environmental review under Section 15332 (Class 32) – In-Fill Development of the California Environmental Quality Act (CEQA) Guidelines.

Respectfully submitted,

A handwritten signature in black ink, appearing to read 'Rafael M. Fajardo', is written over a horizontal line. The signature is stylized and cursive.

Rafael M. Fajardo
Director of Public Works/City Engineer

RESOLUTION CC 2025-22

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF COVINA, CALIFORNIA, ACCEPTING AN EASEMENT ON AN ALLEY FOR STREET AND HIGHWAY PURPOSES ASSOCIATED WITH THE DEVELOPMENT OF PROPERTY AT 270 W. DEXTER STREET

WHEREAS, the City of Covina is a municipal corporation duly organized and existing pursuant to the Constitution and laws of the State of California (“City”); and

WHEREAS, an application was submitted to the City of Covina in order to construct a duplex unit and two (2) additional garage spaces on a 0.22-acre property; and

WHEREAS, Site Plan Review Case (SPR) 23-244, was principally approved administratively by the Planning Department on June 4, 2024; and

WHEREAS, it has been found that SPR 23-244 conforms to the California Environmental Quality Act (CEQA); and

WHEREAS, SPR 23-244 was conditioned to dedicate the southerly three and one-half (3½) feet of the subject property along the existing alley to the City of Covina for alley widening purposes; and

WHEREAS, the property owner and developer have submitted the executed easement dedication documents to the City for formal acceptance.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF COVINA, CALIFORNIA, DOES HEREBY RESOLVE AS FOLLOWS:

SECTION 1. The City Council does hereby find that SPR 23-244 conforms to CEQA.

SECTION 2. The City Council does hereby approve and accept the dedication to the City of Covina of an easement for public street and highway purposes for the southerly three and one-half (3½) feet of the subject property located at 270 W. Dexter Street for future alley widening purposes.

SECTION 3. The City Clerk shall certify to the passage and adoption of this resolution.

APPROVED and **PASSED** this 1st day of April, 2025.

City of Covina, California

BY: _____
JOHN C. KING, Mayor

ATTACHMENT A

ATTEST:

FABIAN VELEZ, Chief Deputy City Clerk

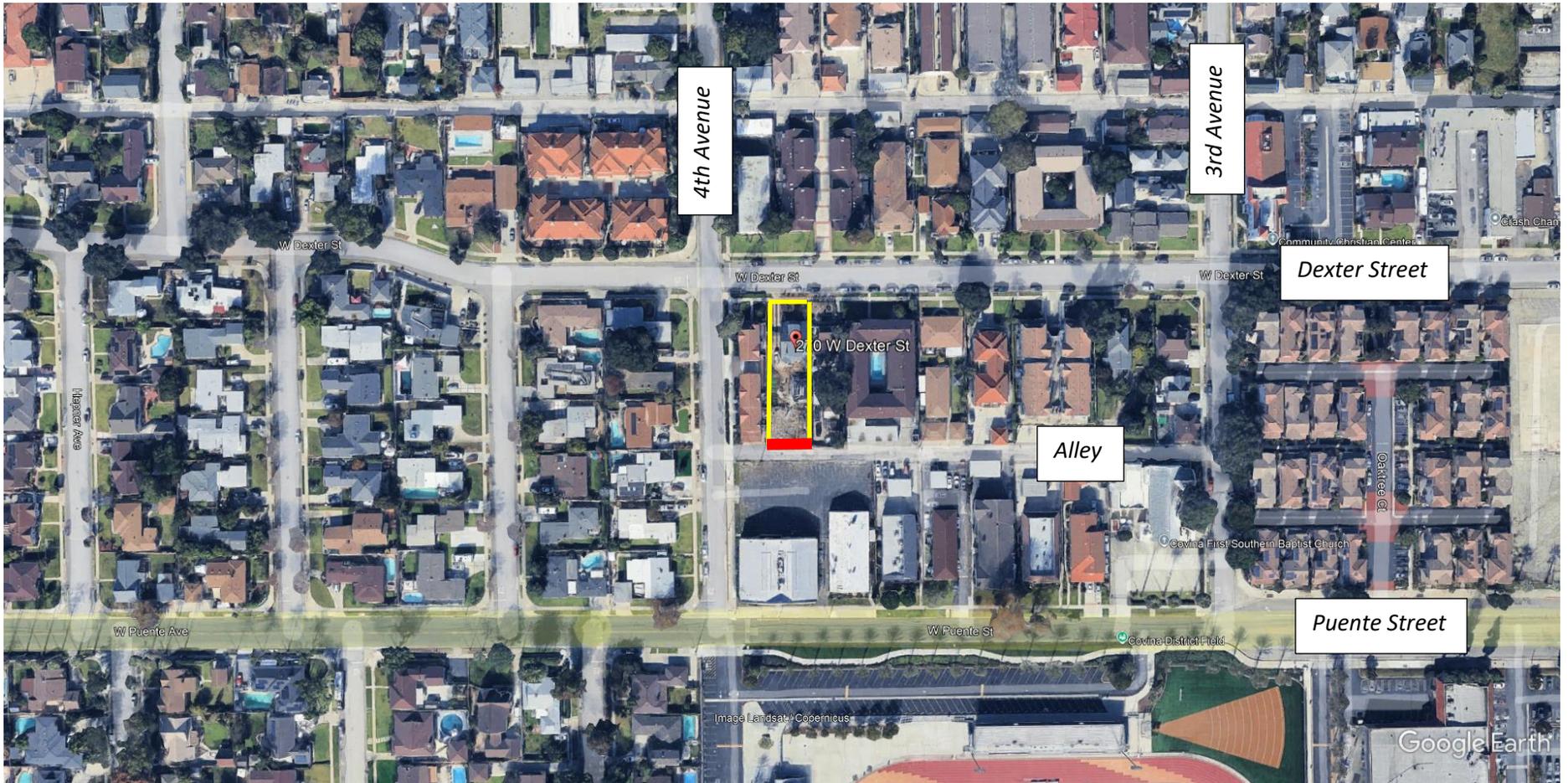
CERTIFICATION

I, Fabian Velez, Chief Deputy City Clerk of the City of Covina, do hereby certify that Resolution CC 2025-22 was duly adopted by the City Council of the City of Covina at a regular meeting held on the 1st day of April, 2025, by the following vote:

AYES: COUNCIL MEMBERS:
NOES: COUNCIL MEMBERS:
ABSTAIN: COUNCIL MEMBERS:
ABSENT: COUNCIL MEMBERS:

Dated:

FABIAN VELEZ, Chief Deputy City Clerk



Denotes 3.5-foot Alley Dedication

ATTACHMENT B – LOCATION MAP
270 W. DEXTER STREET

RECORDING REQUESTED BY:
CITY OF COVINA

WHEN RECORDED RETURN TO:
CITY CLERK
CITY OF COVINA
125 EAST COLLEGE STREET
COVINA, CA 91723-2199

Recording fee: Exempt
(Government Code section 6103)

SPACE ABOVE THIS LINE FOR RECORDER'S USE

STREET DEED

Documentary Transfer Tax: Exempt (Revenue & Taxation Code – Section 11922)

FOR A VALUABLE CONSIDERATION, receipt of which is hereby acknowledged,

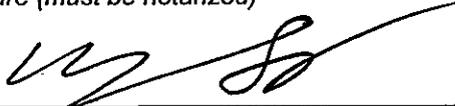
Owner: **Longcong Ke and Meiqin Ke**, husband and wife, as community property with right of survivorship

Hereby GRANTS to the CITY OF COVINA, a municipal corporation, an easement for Street and Alley purposes and all other uses appurtenant thereto (including but not limited to the construction, use, operation, maintenance and repair) in, over, under, and upon the real property located in the City of Covina, County of Los Angeles, State of California described in Exhibit "A" (legal description) and as shown on Exhibit "B" (plat).

See Legal Description and Plat Map attached thereto and by this reference made a part hereof.

Also known as: 270 W. Dexter Street Assessor's Parcel No. 8444-010-010
Address

Signature (must be notarized)



Longcong Ke

Signature (must be notarized)



Meiqin Ke

CITY ACCEPTANCE STATEMENT

This is to certify that the interest in real property conveyed by the within instrument to the City of Covina, California, a municipal corporation, is hereby accepted by order of the City Council on _____ and the grantee consents to the recordation thereof by its duly authorized officer.

Dated: _____

By: _____

Andrew Aleman
City Clerk

This certificate is attached to a 1 page document dealing with/entitled Street Deed and dated 03/06/2025

California JURAT

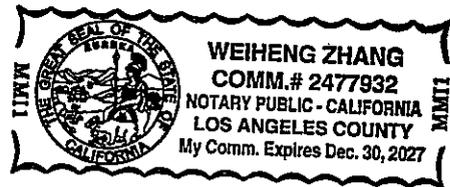
A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California

County of Los Angeles

Subscribed and sworn to (or affirmed) before me on this 6th day of March, 2025, by Meiqin Ke

proved to me on the basis of satisfactory evidence to be the person(s) who appeared before me.



Signature  (Seal)

Printed 01-20

This certificate is attached to a 1 page document dealing with/entitled Street Deed and dated 03/06/2025.

California JURAT

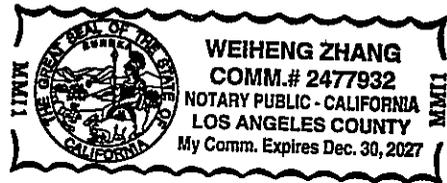
A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California

County of Los Angeles

Subscribed and sworn to (or affirmed) before me on this 6th day of March, 2025, by Longcong Ke,

proved to me on the basis of satisfactory evidence to be the person(s) who appeared before me.



Signature  (Seal)

Printed 01-20

EXHIBIT "A"
LEGAL DESCRIPTION
GRANT OF EASEMENT

POR. APN: 8444-010-010
PARCEL 1:

PORTIONS OF LOTS 9 AND 10 IN BLOCK 20 OF PHILLIPS TRACT, IN THE CITY OF COVINA, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 9, PAGE 3 OF MISCELLANEOUS RECORDS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY. SAID PORTIONS MORE PARTICULARLY DESCRIBED AS FOLLOWS:

THE SOUTHERLY 3.50 FEET OF THE EAST 15.00 FEET OF SAID LOT 10 AND THE SOUTHERLY 3.50 FEET OF THE WEST 40.00 FEET OF SAID LOT 9.

THE ABOVE DESCRIBED EASEMENT CONTAINS AN APPROXIMATE AREA OF 193 SQUARE FEET, MORE OR LESS.

ALL AS SHOWN ON EXHIBIT "B" ATTACHED HERETO AND BY REFERENCE MADE A PART HEREOF.

Francis K. Lin

FRANCIS K. LIN
P.L.S. NO. 9645

FEBRUARY 14, 2025
DATE





Standard Application Form – 1

Community Development Department – Planning Division

125 East College Street • Covina, California 91723 • (626) 384-5450 / Fax: (626) 384-5479

Applicant Information

Name of Proposed Project:		STAFF USE ONLY
Project Address: 270 W Dexter St, Covina, CA 91723		
Assessor's Parcel Number: 8444-010-010		
Phone: ()	E-Mail:	
Applicant Name:		
Applicant Address:		
Property Owner Name: Longcong Ke and Meiqin Ke		
Property Owner Address:		

Project Type

Please check the type of project review requested. If you are applying for more than one review you may check all that apply.

- | | | |
|--|--|---|
| <input type="checkbox"/> Conditional Use Permit | <input type="checkbox"/> PCD Amendment | <input type="checkbox"/> Tree Preservation Permit
<input type="checkbox"/> Minor |
| <input type="checkbox"/> Development Agreement | <input type="checkbox"/> Public Convenience or necessity (ABC) | <input checked="" type="checkbox"/> Vacation of Alley, Easement, Street |
| <input type="checkbox"/> General Plan Amendment | <input type="checkbox"/> Site Plan Review-Major | <input type="checkbox"/> Variance |
| <input type="checkbox"/> Historic Structure Designation | <input type="checkbox"/> Site Plan Review-Minor (Residential) | <input type="checkbox"/> Variance (Minor) |
| <input type="checkbox"/> Lot Line Adjustment | <input type="checkbox"/> Site Plan Review-Minor (Non-Residential) | <input type="checkbox"/> Zoning Code Amendment/ Zone Change |
| <input type="checkbox"/> Pre-Application Review | <input type="checkbox"/> Tentative Parcel Map
<input type="checkbox"/> Time Extension | <input type="checkbox"/> _____
(Other) |
| <input type="checkbox"/> Planned Community Development (PCD) | <input type="checkbox"/> Tentative Tract Map
<input type="checkbox"/> Time Extension | <input type="checkbox"/> _____
(Other) |

Project Description

Detailed Description of Proposed Project (Attach Additional Sheets if Necessary)

Owner Certification

I certify that I am presently the legal owner of the above described property. Further, I acknowledge the filing of this application and certify that all of the above information is true and correct. If applicant is different from the legal property owner, a property owner's authorization form must accompany this application.

Date: _____ Signature: _____

Print Name and Title: _____

STAFF USE ONLY

Date Received:	Received by:	Fees:	Receipt No:
----------------	--------------	-------	-------------



Standard Application – 2

Property Owner's Authorization Form

Community Development Department – Planning Division

125 East College Street • Covina, California 91723 • (626) 384-5450 / Fax: (626) 384-5479

List the name(s) and address(es) of all property owner(s).

1. Owner Name: Longcong Ke
Complete Address: _____
Email: _____ Phone: _____
2. Owner Name: Meiqin Ke
Complete Address: _____
Email: _____ Phone: _____
3. Owner Name: _____
Complete Address: _____
Email: _____ Phone: _____

Certification Statement

This letter shall serve to notify you and certify that I/we am/are the legal owner(s) of the property described in the attached application and do hereby authorize:

Applicant's Name: Longcong Ke Phone: _____

Applicant's Complete Address: _____ Email: _____

To file and present my/our interest for the referenced application(s): _____

Name (printed): Longcong Ke

Title: _____ Date: _____

Signature: _____



Standard Application – 3

Project Description Form

Community Development Department – Planning Division

125 East College Street • Covina, California 91723 • (626) 384-5450 / Fax: (626) 384-5479

The following information must be completed and submitted with new applications: (Print or type all information entered)

A. General Information

Project Address or Assessor's Parcel Number: 8444-010-010

Site Area: _____ Building Area: _____ Building Height: _____ No. of Floors: _____

Total anticipated number of employees: _____ Max shift: _____ Hours of operation: _____

Does the business involve the sale of any food or beverages? No Yes

Will the project be built in phases? No Yes If YES, a phasing plan is required to be submitted.

Will any permits be required from agencies other than the City (including a Hazardous Materials Business Plan)?

No Yes If yes, list: _____

Will the project use, store, or dispose of potentially hazardous chemicals, materials, toxic substances, flammables or explosives? No Yes If yes, describe: _____

If any of the above answers are YES, please describe in detail on a separate sheet.

B. Existing Land Uses of the Subject and Surrounding Properties

Subject property: _____

North: _____

East: _____

South: _____

West: _____

C. Physical Site

Will the project modify existing natural features? No Yes If YES, please describe in detail on a separate sheet?

Estimated cubic yards of grading involved in the project: None Cut = _____ Fill = _____

What is the maximum height and grade of constructed slopes? _____

D. Archaeological/Historical

Is the project located in an area of archaeological or historical sensitivity as identified in the Covina General Plan?

No Yes If YES, please describe in detail on a separate sheet.

E. Flora and Fauna

Describe the types of vegetation and trees in the project area: _____

Number of Oak trees on the site: _____ Number of Oak trees to be removed: _____ a Tree Permit application must be obtained

Describe the types of wildlife found in the project area: _____

F. Noise

Will the project increase noise levels within the project area of surrounding neighborhood?

No Yes If YES, please describe in detail on a separate sheet

Will the project increase the amount of light, vibration, dust, ash, smoke, or odors during construction or after development? No Yes If YES, please describe in detail on a separate sheet.

G. List of Attached Environmental Reports

Contact person for environmental: _____ Phone: _____

Environmental firm: _____ E-mail: _____

Mailing Address: _____

H. Certifications

Government Code Section 65962.5 requires the Planning Division to make available to applicants the most current list of "Identified Hazardous Waste Sites" from the State Office of Planning and Research. The list is available on the web at <http://www.dtsc.ca.gov/under> Mandated Web Site Postings.

All applicants must complete and sign the following statement in order for the Planning Division to deem the application complete.

"I, _____, certify that I have reviewed the list of "Identified Hazardous Waste Sites" from the Office of Planning and Research and have determined that the site that is the subject of this application is not on said list."

I hereby certify that to the best of my ability, the statements furnished above and the exhibits submitted with this application present the data and information required for this initial evaluation and that the facts, statements, and information presented are true and correct to the best of my knowledge. Furthermore, I understand that failure to provide the plans and information required may result in this application not being accepted as complete for planning and processing.

Name (printed): Longcong Ke Date: _____

Signature: _____

Representative for: _____

Title: _____



Standard Application Project Contact List

Community Development Department – Planning Division

125 East College Street • Covina, California 91723 • (626) 384-5450 / Fax: (626) 384-5479

The following information must be completed and submitted with new applications: (Print or type all information entered)

Project Location: 270 W Dexter St, Covina, CA 91723

**STAFF USE ONLY
FILE NO.:**

Applicant: Longcong Ke

MUNIS:

Primary Contact Person: Longcong Ke

RELATED FILES:

Address:

Phone:

Fax:

E-mail Address:

Secondary Contact Person: (Please Specify Name, Company, Title)

Address:

Phone:

Fax:

E-mail Address:

Legal Property Owner: Longcong Ke and Meiqin Ke

Address:

Phone:

Fax:

E-mail Address:

Architect: **Contact Person:**

Address:

Phone:

Fax:

E-mail Address:

Engineer: **Contact Person:**

Address:

Phone:

Fax:

E-mail Address:

Landscape Architect: **Contact Person:**

Address:

Phone:

Fax:

E-mail Address:



Standard Application Non-Residential Project Summary Table

Community Development Department – Planning Division
125 East College Street • Covina, California 91723 • (626) 384-5450 / Fax: (626) 384-5479

PROJECT INFORMATION

Project Name: _____
 Project Address: _____
 General Plan: _____
 Zoning District: _____

PROJECT AREA			
Gross			Acres
Net (Exclusive of dedication for major external and secondary streets)			Acres
AREA DISTRIBUTION (Net Area)	Acres/Sq. FT.	% of Net Project Area	
Building Coverage			
Landscape Coverage			
Vehicular Coverage (Including parking, drive aisles, etc.)			
Floor Area Ratio			
FLOOR AREA DISTRIBUTION BY PROPOSED USE (Based on Net Area)			
Area of Building Pad	No. of Stores	Gross Floor Area	Proposed Use
PARKING (Calculate Each Use Within a Building Separately)			
Type of Use	Parking Ratio	# Spaces Req.	# Spaces Provided
Total:			



Standard Application Residential Project Summary Table (5 or more Lots/Units)

Community Development Department – Planning Division
125 East College Street • Covina, California 91723 • (626) 384-5450 / Fax: (626) 384-5479

PROJECT INFORMATION

Project Name: _____
 Project Address: _____
 General Plan: _____
 Zoning District: _____

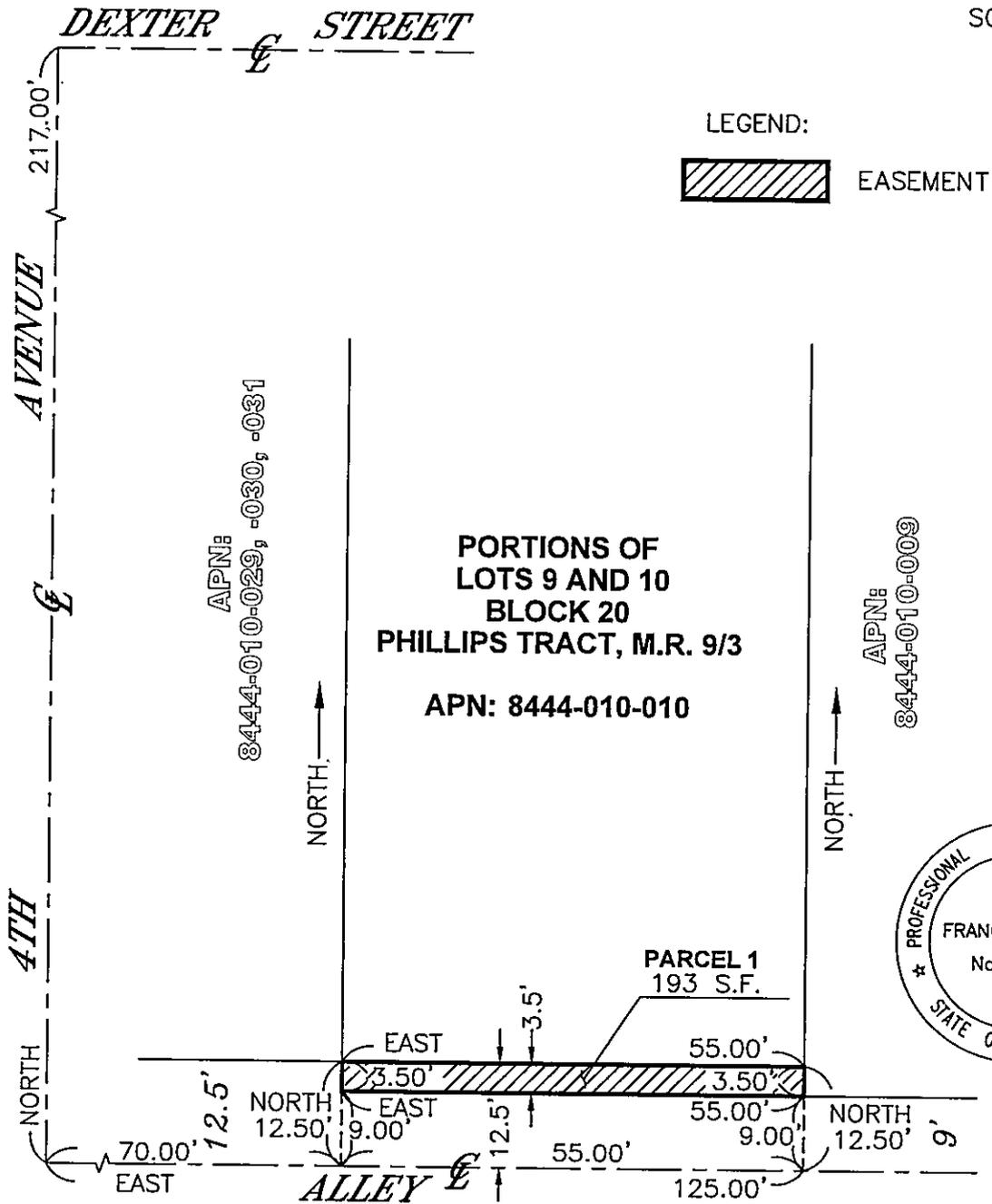
PROJECT AREA				
Gross			Acres	
Net (Exclusive of dedication for major external and secondary streets)			Acres	
DWELLING UNITS (Based on Net Area)	Number	Net Density		
Single Family Detached				
Duplex				
Multi Family				
Bachelor				
One Bedroom				
Two Bedroom				
Three Bedroom				
Four Bedroom				
Total:				
AREA DISTRIBUTION (Based on Net Area)	Acres/Sq. Ft.	% of Net Project Area		
Building Coverage				
Landscape Coverage				
Common Open Space				
Private Open Space				
Usable Open Space (Common + Private)				
Floor Area Ratio				
PARKING	Parking Ratio	# of Units	Spaces Req'd	Spaces Provided
Single Family Detached				
Duplex				
Multi Family				
Bachelor				
One Bedroom				
Two Bedroom				
Three Bedroom				
Four Bedroom				
Guest Parking				
Total:				

EXHIBIT "B"
GRANT OF EASEMENT
PLAT MAP

NOTE:
THIS PLAT WAS PREPARED FROM
PHILLIPS TRACT, M.R. 9/3.



SCALE 1"=20'



CAL LAND ENGINEERING & ASSOCIATES, INC.
574 E. LAMBERT ROAD, BREA, CA 92821
(714)671-1050 FAX (714)671-1090

Francis K. Lin

FRANCIS K. LIN PLS 9645
FEBRUARY 13, 2025

270 W. DEXTER STREET
COVINA, CA 91723



CC Regular Meeting AGENDA ITEM REPORT

Meeting: April 1, 2025

Title: Initiate Proceeding to Annex Territory, Levy & Collect Annual Assessment for FY 2025/2026, Set Public Hearing for Protests & Declare Intent to Annex Territory to Covina Landscape Maintenance District No. 1 – Zone 19

Presented by: Rafael M. Fajardo, Director of Public Works/City Engineer

Recommendation: 1. Adopt Resolution CC 2025-23 initiating proceedings for the annexation of territory (Zone 19) to Covina Landscape Maintenance District No. 1 and the levy and collection of annual assessments related thereto commencing with FY 2025/2026, pursuant to the Provisions of Part 2 of Division 15 of the California Streets and Highways Code; and 2. Adopt Resolution CC 2025-24 declaring the City’s intention to annex territory (Zone 19) and to levy and collect annual assessments and call for a property owner protest ballot proceeding for the Covina Landscape Maintenance District No. 1.

EXECUTIVE SUMMARY:

Adopt Resolution CC 2025-23 (Attachment A) initiating proceedings for the annexation of territory (Zone 19) to Covina Landscape Maintenance District No. 1 and the levy and collection of annual assessments related thereto commencing with Fiscal Year 2025/2026, pursuant to the provisions of Part 2 of Division 15 of the California Streets and Highways Code and adopt Resolution CC 2025-24 (Attachment B) declaring the City’s intention to annex territory (Zone 19) to Covina Landscape Maintenance District No. 1.

BACKGROUND:

The Covina Maintenance Landscape District No. 1 (hereafter referred to as “District”) was formed on April 6, 1981, pursuant to the provisions of the *California Streets and Highways Code, Division 15, Part 2, Landscaping and Lighting Act of 1972* (hereafter referred to as the “Act”), in order to provide and maintain public landscape improvements in specified areas within the City of Covina.

Each fiscal year, prior to making and collecting assessments within the Covina Landscape Maintenance District No. 1, the City Council must adopt resolutions directing the City’s Licensed Engineer to prepare and file a report regarding the proposed assessment(s) for each Zone, approving the Engineer’s Report (Attachment C), and declaring the City Council’s intention to levy and collect assessments for the upcoming fiscal year. Additionally, before any assessments may be made, the City Council must also adopt a resolution establishing a noticed public hearing to hear any protests against the assessment and for the approval of the Engineer’s Report and adoption of a resolution ordering the levy of assessments for Fiscal Year 2025/2026.

DISCUSSION:

Pursuant to the provisions of the 1972 Act, being Division 15, Part 2 of the California Streets and Highways Code, commencing with Section 22500, the attached Engineer’s Report is prepared in compliance with the requirements of Chapter 1, Article 4 of the Act regarding the annexation of territory into the City’s existing Covina Landscape Maintenance District No. 1.

The City Council of the City of Covina, being the legislative body for the District, may, pursuant to the Act, annex territory and levy annual assessments for the operations and administration of the District. In Section 22608 of the Act, it states “*right of majority protest shall be limited to the territory proposed to be annexed.*”

In addition, the Act provides for the levy of annual assessments after annexation into or formation of an assessment district for the continued maintenance and servicing of the improvements. The Act further allows various areas to be annexed into an existing district when the territory in the annexation receives substantially the same proportional special benefits from the improvements. The costs associated with the installation, maintenance, and servicing of the improvements may be assessed to properties which benefit from the installation, maintenance, and servicing of such improvements.

In accordance with the Act, the District utilizes benefit zones to address variations in the nature, location, and extent of the improvements that provide special benefits to parcels in the District. Within the boundaries of the District, parcels are assigned to a zone, each of which is associated with specific improvements that provide special benefits to properties within the zone.

The attached Engineer’s Report specifically addresses the annexation of Tract No. 84311. Tract No. 84311 will be designated as Zone 19, which will develop out to seventy-five (75) condominiums, established in the Report in connection with the annexation territory for Fiscal Year 2025/2026, pursuant to a resolution of the City Council. The Report consists of five parts: Part I: Plans and Specifications, Part II: Method of Apportionment, Part III: Estimate of Costs, Part IV: Boundary Diagram, and Part V: Assessment Roll.

The annexation territories are more specifically identified as follows.

Zone 19

Tract No. 84311, generally located north of Limoncello Lane, east of Ruby Red Drive and west of Barranca Avenue, will develop out to seventy-five (75) condominiums and is currently identified by the Los Angeles County Assessor’s Office as parcel 8430-015-021. Improvements within this area will consist of eight (8) trees and 1,008 square feet of irrigated landscaping.

The City recommends that the rate of \$20.20 per EBU be imposed for Zone 19 for Fiscal Year 2025/2026, which will generate sufficient revenue to cover projected expenses with an inflator. The annexation territory budget can be found on page 15 of the Fiscal Year 2025/2026 Annexation Engineer’s Report.

In order to assure that the improvement funding is sufficient in the future to address the ongoing maintenance and replacement cost increases that naturally occur over time due to inflation, the special benefit assessments being presented to the property owners in the ballot proceeding conducted in connection with the Engineer’s Report includes an annual inflationary adjustment (assessment range formula). This inflationary adjustment formula provides for the Fiscal Year 2025/2026 maximum assessment (initial maximum assessment rate) for the Annexation Territory to increase by an amount equal to the lesser of: (1) three percent (3.0%), or (2) the annual percentage increase of the Local Consumer Price Index (CPI) for “All Urban Consumers” for the Los Angeles-Long Beach-Anaheim Area (February of the given year from the previous February or similar timeframe).

Table 1: Covina Landscape District No. 1, Zone 19 – FY 2025/2026 Summary

Budget Item	Zone 19
Proposed Assessments	\$1,514
General Benefit Subsidy	\$0
Total Projected Revenue	\$1,514
Landscape Maintenance Expenses	\$1,037
Administration	\$164
Total Projected Expenses	\$1,201
Estimated Ending Fund Balance (Reserves)	\$313

There is no general benefit contribution from the City for Zone 19 at present. The general benefit represents what the City would pay for minimum service if the Zone did not exist, but the improvements were in place and need to be maintained at a minimum level of service.

Requirement

Balloting proceedings will be held on June 3, 2025. The City will conduct a property owner protest ballot proceeding (“Ballot Proceeding”) at that time for the proposed levy of a new assessment pursuant to the provisions of the California Constitution, Article XIID, Section 4 and in accordance with the provisions of Government Code, Section 53753. In conjunction with this Ballot Proceeding, the City Council will conduct a noticed public hearing to consider public testimonies, comments, and written protests regarding the annexation, the resulting new Zone boundaries, and the new assessments described herein.

FISCAL IMPACT:

There is no fiscal impact currently for Zone 19.

CEQA (CALIFORNIA ENVIRONMENTAL QUALITY ACT):

Not applicable.

Respectfully submitted,



Rafael M. Fajardo
Director of Public Works/City Engineer

RESOLUTION CC 2025-23

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF COVINA, CALIFORNIA, INITIATING PROCEEDINGS FOR THE ANNEXATION OF TERRITORY (TRACT NO. 84311) TO COVINA LANDSCAPE MAINTENANCE DISTRICT NO. 1 AND THE LEVY AND COLLECTION OF ANNUAL ASSESSMENTS RELATED THERETO COMMENCING WITH FISCAL YEAR 2025/2026, PURSUANT TO THE PROVISIONS OF PART 2 OF DIVISION 15 OF THE CALIFORNIA STREETS AND HIGHWAYS CODE

WHEREAS, the City Council through previous resolutions has established and levied annual assessments for the Covina Landscape Maintenance District No. 1 (hereinafter referred to as the “District”), pursuant to the provisions of the Landscaping and Lighting Act of 1972, Part 2, Division 15 of the California Streets and Highways Code (hereinafter referred to as the “Act”) that provides for the collection of special benefit assessments by the County of Los Angeles on behalf of the City of Covina to pay the maintenance and services of improvements and facilities related thereto, and

WHEREAS, the City Council desires to initiate proceedings for the annexation of territories identified as Tract No. 84311 (hereinafter referred to as the “Annexation Territory”), to the District pursuant to Chapter 2, Article 2 of the Act; and the establishment of the proposed maximum annual assessment related thereto; and the levy and collection of annual assessments against lots and parcels of land within the Annexation Territory commencing in Fiscal Year 2025/2026 for the landscaping improvements and services that will provide special benefits to the properties within the Annexation Territory pursuant to Chapter 4, Article 2 of the Act and the California Constitution Article XIID, and

WHEREAS, the City Council has retained Willdan as the Assessment Engineer of Work, for the purpose of assisting with the annexation of the territory to the District, the establishment of annual assessments, and to prepare and file an Engineer’s Report with the City Clerk in accordance with the Act.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF COVINA, CALIFORNIA, DOES HEREBY RESOLVE AS FOLLOWS:

SECTION 1. Engineer’s Report: The City Council hereby orders the Assessment Engineer to prepare and file with the City Clerk an Engineer’s Report concerning the annexation of territory to the District; the improvements and services connected therewith and the proposed levy of annual assessments beginning in the fiscal year commencing July 1, 2025, ending June 30, 2026, in accordance with Chapter 3 Section 22623 of the Act. Said Engineer’s Report shall contain a description of the improvements and services, an estimate of the costs financed by the levy of the assessments, the properties benefiting from the improvements and the method of apportioning the assessments connected with the annexation of said territory to the District.

SECTION 2. Proposed Improvements: The proposed improvements and services for the Annexation Territory may include installation, construction, or maintenance of any authorized improvements under the Act, including, but not limited to landscaping improvements and any

facilities which are appurtenant to any of the aforementioned or which are necessary or convenient for the maintenance or servicing thereof. The Engineer’s Report prepared in connection with the Annexation Territory shall provide a more detailed description of the improvements and services to be provided and for which properties are to be assessed.

SECTION 3. Annexation Territory: The City Council hereby finds that proposed territory within the Annexation Territory consists of all lots, parcels, and subdivisions of land within Tract No. 84311, known as “Assessor Parcel Number 8430-015-021,” generally located north of Limoncello Lane, east of Ruby Red Drive and west of Barranca Avenue, which will develop out to seventy-five (75) condominium units. The Annexation Territory will include all properties that receive special benefits from the improvements to be provided.

SECTION 4. Assessments: The City Council hereby determines that in order to provide the improvements described in the Engineer’s Report, it is necessary to levy and collect assessments against the lots and/or parcels within the Annexation Territory commencing in Fiscal Year 2025/2026 and said assessments shall be outlined and described in the Engineer’s Report and imposed pursuant to the provisions of the Act and the California Constitution Article XIID.

APPROVED and **PASSED** this 1st day of April, 2025.

City of Covina, California

BY: _____
JOHN C. KING, Mayor

ATTEST:

FABIAN VELEZ, Chief Deputy City Clerk

CERTIFICATION

I, Fabian Velez, Chief Deputy City Clerk of the City of Covina, do hereby certify that Resolution CC 2025-23 was duly adopted by the City Council of the City of Covina at a regular meeting held on the 1st day of April, 2025 by the following vote:

AYES: COUNCIL MEMBERS:
NOES: COUNCIL MEMBERS:
ABSTAIN: COUNCIL MEMBERS:
ABSENT: COUNCIL MEMBERS:

Dated:

FABIAN VELEZ, Chief Deputy City Clerk

RESOLUTION CC 2025-24

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF COVINA, CALIFORNIA, DECLARING THE CITY'S INTENTION TO ANNEX TERRITORY TO THE COVINA LANDSCAPE MAINTENANCE DISTRICT NO. 1 AS ZONE 19 AND TO LEVY AND COLLECT ANNUAL ASSESSMENTS RELATED THERETO COMMENCING IN FISCAL YEAR 2025/2026, PURSUANT TO THE PROVISIONS OF PART 2 OF DIVISION 15 OF THE CALIFORNIA STREETS AND HIGHWAYS CODE, AND CALLING FOR A PROPERTY OWNER PROTEST BALLOT PROCEEDING TO SUBMIT TO THE QUALIFIED PROPERTY OWNERS THE QUESTION OF LEVYING SUCH ASSESSMENTS FOR SAID ANNEXATION TERRITORY PURSUANT TO THE PROVISIONS OF THE CALIFORNIA CONSTITUTION, ARTICLE XIII

WHEREAS, the City Council, pursuant to provisions of the Landscaping and Lighting Act of 1972 being Part 2, Division 15 of the California Streets and Highways Code (hereinafter referred to as the "Act"), did by previous resolution, initiate proceedings for the annexation of territory known as Tract No. 84311 generally located north of Limoncello Lane, east of Ruby Red Drive and west of Barranca Avenue (hereafter referred to as the "Annexation Territory") to the Covina Landscape Maintenance District No. 1 (hereinafter referred to as the "District") and the levy and collection of assessments against lots and parcels within said Annexation Territory commencing in Fiscal Year 2025/2026; and

WHEREAS, the City Council desires to annex the parcel of land comprising the Annexation Territory to the District, to establish such territory as Zone 19 (Tract No. 84311) within said District, and to levy and collect new assessments against lots and parcels of land within the Annexation Territory to pay the cost and expenses related to the special benefits received from the maintenance and operation of the landscape improvements connected therewith; and

WHEREAS, the Assessment Engineer of Work has prepared and filed an Engineer's Report in connection with the Annexation Territory and the levy of annual assessments connected therewith commencing in Fiscal Year 2025/2026 (beginning July 1, 2025, ending June 30, 2026) with the City Clerk pursuant to Section 22623 of the Act and said Report has been presented to the City Council and is incorporated herein by reference.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF COVINA, CALIFORNIA, DOES HEREBY RESOLVE AS FOLLOWS:

SECTION 1. Engineer's Report, Content: The Engineer's Report as presented, consists of the following:

The Plans and Specifications which describe the boundaries of the Annexation Territory (Tract No. 84311), and the improvements associated therewith that provide special benefits to the parcels therein.

The Method of Apportionment details the method of calculating proportional special benefit and the annual assessment obligation for each affected parcel.

The Estimate of Improvement Costs including the calculation of the assessments and the estimated annual funding (Budget) required for the annual maintenance, servicing, and operation of landscape improvements and specifically the costs associated with the improvements determined to be of special benefit to parcels within the Annexation Territory establishing the proposed maximum assessment for Fiscal Year 2025/2026.

The Assessment Range Formula (Annual Inflationary Adjustment) to be applied to the proposed Maximum Assessment per Equivalent Dwelling Unit established in Fiscal Year 2025/2026 is applicable in subsequent fiscal years. The proposed Maximum Assessments including the Assessment Range Formula shall be presented to the property owner(s) of record in a protest ballot proceeding pursuant to the California Constitution Article XIID.

A Boundary Diagram outlining the boundaries of the Annexation Territory.

An Assessment Roll containing the maximum assessments and proposed assessments for Fiscal Year 2025/2026 for each Assessor Parcel Number within the Annexation Territory.

SECTION 2. Engineer's Report, Approval: The Engineer's Report is hereby approved on a preliminary basis as submitted or amended by direction of this City Council and is hereby ordered to be filed in the Office of the City Clerk as a permanent record and to remain open to public inspection.

SECTION 3. Intention: The City Council hereby declares its intention to annex the development known as Tract No. 84311 to the Covina Landscape Maintenance District No. 1 pursuant to Chapter 2, Article 2 of the Act, and to levy and collect annual assessments against parcels of land within the Annexation Territory commencing with Fiscal Year 2025/2026 in accordance with the Act and the provisions of the California Constitution Article XIID. The territory being annexed to the District as part of these proceedings shall subsequently be designated as Zone 19 of the Landscape Maintenance District No. 1.

SECTION 4. Annexation Territory: The City Council hereby finds that proposed territories within the Annexation Territory consists of all lots, parcels, and subdivisions of land within a plan area which will consist of seventy-five (75) condominiums identified as Tract No. 84311 consisting of Los Angeles County Assessor's Parcel Number 8430-015-021. This Annexation Territory includes all properties that receive special benefits from the improvements to be provided.

SECTION 5. Improvements: The proposed improvements and services for the Annexation Territory include installation, construction, or maintenance of any authorized improvements under the Act, including, but not limited to, landscape improvements and any facilities which are appurtenant to any of the aforementioned or which are necessary or convenient for the maintenance or servicing thereof. The Engineer's Report, prepared in connection with the Annexation Territory, provides a more detailed description of the improvements and services to be provided and for which properties shall be assessed and by reference that Engineer's Report is made part of this resolution.

SECTION 6. Assessments: The City Council hereby determines that to provide the improvements described in Section 5 of this resolution, it is necessary to levy and collect assessments against lots and parcels within the Annexation Territory commencing in Fiscal Year 2025/2026. The Engineer's Report referred to in Section 2 of this resolution establishes the proposed maximum assessment including an inflationary adjustment to the maximum assessment rate for Fiscal Year 2025/2026 and an estimate of the assessments necessary to provide for the annual operation, administration, services, and maintenance of the improvements for Fiscal Year 2025/2026.

SECTION 7. Compliance with the Constitution: Pursuant to California Constitution Article XIID, an assessment ballot proceeding is hereby called on the matter of confirming the proposed new assessments for the Annexation Territory. The ballots and notices so authorized shall be distributed by first class mail to the property owners of record as of the last County equalized roll, and each property owner may return the ballot by mail or in person to the City Clerk not later than the conclusion of the public hearing for this matter.

While provisions of the California Constitution Article XIID require that the City conduct a public hearing not less than forty-five (45) days after mailing a notice of the proposed assessment to record owners of each parcel which will have a special benefit conferred upon them and upon which an assessment will be imposed, California Civil Code, Section 3513 allows anyone to waive the advantage of a law intended solely for their benefit, and the forty-five (45) day mailed ballot period before the scheduled public hearing is not established for a public reason, but is solely for the advantage of the parcels having a special benefit conferred upon them and which an assessment will be imposed.

SECTION 8. Mailed Notice and Ballot: The City Council hereby authorizes and directs the City Clerk or their designee to prepare and mail a Notice of the Public Hearing, and in the same or separate mailing, mail the property owner protest ballot(s) to the subject property owner regarding the proposed levy of assessments and the assessment range formula outlined in the Engineer's Report, for return receipt prior to the date and time of the public hearing set forth in this resolution.

SECTION 9. Public Hearing: The City Council hereby declares its intention to conduct a public hearing concerning the Annexation Territory, the improvements, and the levy of assessments and in accordance with Section 22624 (e) and 22625 of the Act, notice is hereby given that on Tuesday, May 20, 2025, at 7:30 P.M., the City Council will hold a public hearing for the Annexation Territory and the levy and collection of assessments related thereto commencing in Fiscal Year 2025/2026, or as soon thereafter as feasible. The public hearing will be held in the City Council Chambers, located at 125 East College Street, in the City of Covina, California, at the time so fixed. At the public hearing, all interested persons shall be afforded the opportunity to hear and be heard.

SECTION 10. Determination of Majority Protest: The property owner protest ballot proceeding conducted for the Annexation Territory shall constitute the property owner's approval or rejection of the annual levy of assessments and assessment range formula. The property owner may return the ballot by mail or in person to the City Clerk no later than the conclusion of the public hearing on Tuesday, May 20, 2025. After the close of the public hearing, pursuant to Section 4, Sub-Section 4 (e) of the California Constitution, the City shall tabulate the ballots returned to

determine if majority protest exists. The ballots shall be weighted according to the proportional financial obligation of the affected property. Majority protest exists if, upon the conclusion of the hearing, ballots submitted in opposition to the assessment exceed the ballots submitted in favor of the assessment.

Any interested person may file a written protest with the City Clerk prior to the conclusion of the hearing, or having previously filed a protest, may file a written withdrawal of that protest. A written protest shall state all grounds of objection, and protest by a property owner shall contain a description sufficient to identify the property owned by such property owner. At the public hearing, all interested persons shall be afforded the opportunity to hear and be heard.

SECTION 11. Notice: The City Clerk is hereby authorized and directed to give notice of such public hearing as provided by law.

SECTION 12. The City Clerk shall certify the passage and adoption of this resolution and shall enter the same in the Book of Original Resolutions.

APPROVED and **PASSED** this 1st day of April, 2025.

City of Covina, California

BY: _____
JOHN C. KING, Mayor

ATTEST:

FABIAN VELEZ, Chief Deputy City Clerk

CERTIFICATION

I, Fabian Velez, Chief Deputy City Clerk of the City of Covina, do hereby certify that Resolution CC 2025-24 was duly adopted by the City Council of the City of Covina at a regular meeting held on the 1st day of April, 2025 by the following vote:

AYES: COUNCIL MEMBERS:
NOES: COUNCIL MEMBERS:
ABSTAIN: COUNCIL MEMBERS:
ABSENT: COUNCIL MEMBERS:

Dated:

FABIAN VELEZ, Chief Deputy City Clerk



City of Covina

Landscape Maintenance District No. 1

Engineer's Report

Annexation of Territory and Establishment of
Zone 19

(Tract No. 84311)

Commencing Fiscal Year 2025/2026

Intent Meeting: April 1, 2025

Public Hearing: May 20, 2025

27368 Via Industria
Suite 200
Temecula, CA 92590
T 951.587.3500
F 951.587.3510

www.willdan.com



ENGINEER'S ANNEXATION REPORT AFFIDAVIT

City of Covina

Landscape Maintenance District No. 1 Annexation of Territory and Improvements; and Establishment of Zone 19 Commencing in Fiscal Year 2025/2026

City of Covina, County of Los Angeles, State of California

As part of the Resolution of Intention packet presented for the consideration of the Covina City Council, this Report and the enclosed budget, diagrams, and description outline specific proposed changes to the Landscape Maintenance District No. 1 (LMD No. 1) for Fiscal Year 2025/2026, including the annexation of territory to LMD No. 1, the expansion of the improvements to be maintained within LMD No. 1, and the proposed annual assessments for all parcels within the Annexation Territory commencing in Fiscal Year 2025/2026. Reference is hereby made to the Los Angeles County Assessor's Parcel Maps for a detailed description of the lines and dimensions of parcels within LMD No. 1, Zone 19 and annexation territory known as Tract No. 84311 that will be subject to the proposed annual assessment.

The undersigned respectfully submits the enclosed Report as directed by the City Council.

Dated this _____ day of _____, 2025.

Willdan Financial Services
Assessment Engineer
On Behalf of the City of Covina

By: _____

Stacee Reynolds
Principal Consultant

By: _____

Tyrone Peter
R. C. E. # C81888

Table of Contents

INTRODUCTION	1
ANNEXATION TERRITORY	2
PROCEEDINGS AND REPORT CONTENT	3
PART I — PLANS AND SPECIFICATIONS	6
DESCRIPTION OF THE DISTRICT	6
EXISTING DISTRICT ZONES AND IMPROVEMENTS	7
ZONES AND IMPROVEMENTS ANNEXATION TERRITORY FISCAL YEAR 2025/2026	9
PART II — METHOD OF APPORTIONMENT.....	10
LEGISLATIVE REQUIREMENTS FOR ASSESSMENTS	10
BENEFIT ANALYSIS.....	10
ASSESSMENT METHODOLOGY	11
PART III — ESTIMATE OF COSTS	14
PROPOSED BUDGET AND ASSESSMENT	14
PART IV — BOUNDARY DIAGRAMS.....	17
PART V — ASSESSMENT ROLL.....	20

Introduction

The City of Covina ("City"), under the provisions of the Landscaping and Lighting Act of 1972, Part 2 of Division 15 of the California Streets and Highways Code ("1972 Act") established the assessment district designated as:

LANDSCAPE MAINTENANCE DISTRICT NO. 1

(hereinafter referred to as "LMD" or "District"). Pursuant to the provisions of the 1972 Act and in compliance with the substantive and procedural requirements of Article XIID of the California State Constitution (the "California Constitution"), the City Council of the City of Covina, proposes to annex territory established as Zone 19 to expand the improvements to be provided and maintained within the LMD, and to conduct a property owner protest ballot proceeding for special benefit assessments to be levied and collected annually on the parcels within the Annexation Territory in order to fund in whole or in part the maintenance and operation of certain public improvements that may include, but is not limited to landscaping, parks and appurtenant facilities that provide special benefits to those properties commencing in Fiscal Year 2025/2026.

As required pursuant to Chapter 1, Article 4 of the 1972 Act, this Report shall serve as the detailed Engineer's Report for the annexation of territory to Landscape Maintenance District No. 1 for Zone 19 (hereafter referred to as the, "Annexation Territory") and the establishment of annual assessments to be levied and collected upon properties within the proposed Annexation Territory in connection with the special benefits each property receives from the maintenance and servicing of the improvements to be provided by the City through the District. The assessments described herein will provide an annual funding source to adequately support the ongoing maintenance, servicing, operation, and incidental expenses associated with the landscape improvements, and appurtenant facilities and amenities that benefit the identified properties within the Annexation Territory. The Annexation Territory as shown in the diagram contained in Part IV of this Report, encompasses all lots and parcels of land within a defined area of the City that will receive special benefits from the improvements to be funded by the assessments. Parcels within the Annexation Territory will be assessed for their proportionate special benefit of the shared landscape improvements and appurtenant facilities.

The City Council of the City of Covina adopted its General Plan with various elements to provide guidelines for orderly development of property within the City. The City Council further adopted ordinances and regulations governing the development of land providing for the installation and construction of certain landscaping and appurtenant facilities to enhance the quality of life and to benefit the value of property.

The requirement for the installation of landscaping, streets and appurtenant facilities is a condition of development provided for in the City's Subdivision Ordinance and is a requirement for issuance of a permit for construction of commercial, residential, and planned unit development. These improvements generally include but are not limited to street lights and related equipment and fixtures; various landscape materials such as trees, turf, shrubs, vines, and ground cover; irrigation and drainage systems; structural amenities such as monuments, block walls, retaining walls, or other fencing; hardscapes including mulch, trail and path surfaces, stamped concrete and pavers; recreational amenities such as benches, picnic facilities and play structures; signage; and related appurtenances.

The installation of landscaping and appurtenant facilities is the responsibility of the sub-divider or other development/applicant, triggered by the approval of a tentative subdivision map or other development application. After installation, it is City policy that the servicing, operation, maintenance, repair and replacement of landscaping and appurtenant facilities in turn become the financial responsibility of the properties that specially benefit from the facilities.

In accordance with the 1972 Act, the District utilizes benefit zones ("Zones") to address variations in the nature, location, and extent of the improvements that provide special benefits to parcels in the District. Within the boundaries of the District, parcels are assigned to a Zone, each of which is associated with specific improvements that provide special benefit to properties within that Zone.

ANNEXATION TERRITORY

The Annexation Territory consists of all lots and parcels of land within the planned areas identified as Tract No. 84311. Tract No. 84311 will develop out to seventy-five (75) condominiums designated as Zone 19. This annexation area will pay the special benefit costs associated with the ongoing annual maintenance of the improvements within the Zone.

This Report has been prepared pursuant to the provisions of the California Constitution and the 1972 Act and shall serve as the detailed Engineer's Report regarding the annexation of the designated Annexation Territory into the Covina Landscape Maintenance District No. 1 and the proposed assessments to be levied on the properties therein commencing in Fiscal Year 2025/2026 for the proportional special benefits the properties will receive from the ongoing maintenance and servicing of the improvements associated with and/or resulting from the development of properties within the Annexation Territory.

The City Council proposes to annex the Annexation Territory into the District as Zone 19 (Proposed Zone), and to levy and collect annual special benefit assessments on the County tax rolls to provide ongoing funding for the direct expenditures, incidental expenses, and fund balances that are necessary to service and maintain the landscaping improvements associated with and resulting from the development of property within the Annexation Territory. The improvements described in this Report for the Annexation Territory are based on the initial improvement and development plans for Assessor Parcel Number 8430-015-021 and by reference those plans and specifications are made part of this Report.

The estimated budget provided herein is based on the City's estimate of the expenses for local improvements and services within the Annexation Territory. The resulting annual assessments are calculated utilizing the method of apportionment established under Part II of this report and are made pursuant to the 1972 Act and the substantive and procedural provisions of the California Constitution.

The word "parcel," for the purposes of this Report, refers to an individual property assigned its own Assessor's Parcel Number (APN) by the Los Angeles County Assessor's Office. The Los Angeles County Auditor/Controller uses APNs and specific Fund Numbers to identify properties to be assessed on the tax roll for the special benefit assessments.

PROCEEDINGS AND REPORT CONTENT

This Report specifically addresses the proposed annexation of territory, establishment of the Zone, the resulting Zone boundary, the various improvements within the Zone, and the proposed assessment to be levied in connection with the special benefits the properties will receive from the maintenance and servicing of the improvements based on the estimated operating and maintenance expenses. The proposed annual assessments to be levied on properties within the Annexation Territory will provide a source of funding for the continued operation, maintenance and servicing of the landscaping and appurtenant facilities (collectively referred to as improvements) to be provided by the District for the special benefit of properties within the Zone.

The District assessments as described herein are based on the City's estimate of the costs to maintain, operate and service the improvements. The costs of the improvements and the proposed annual assessments budgeted and assessed against properties within the Annexation Territory may include, but are not limited to the estimated expenditures for regular annual maintenance and repairs; incidental expenditures related to the operation and administration of the District; deficits or surpluses from prior years; revenues from other sources; and the collection of funds for operational reserves and/or periodic repairs, replacements and rehabilitation projects as authorized by the 1972 Act. The net annual cost to provide the improvements for each Zone are allocated to the benefiting properties within that Zone using a weighted method of apportionment (refer to Assessment Methodology in Part II, Method of Apportionment) that calculates the proportional special benefit and assessment for each parcel as compared to other properties that benefit from the District improvements and services. Thus, each parcel is assessed proportionately for only those improvements, services and expenses for which the parcel will receive special benefit.

Ballot Proceedings

As part of these proceedings, the City shall conduct a property owner protest ballot proceeding ("Ballot Proceeding") for the proposed levy of an assessment pursuant to the provisions of the California Constitution, Article XIII D Section 4, and in accordance with the provisions of Government Code, Section 53753. In conjunction with this Ballot Proceeding, the City Council will conduct a noticed public hearing to consider public testimonies, comments and written protests regarding the annexation, the resulting Zone boundaries and the assessments described herein. Upon conclusion of the public hearing, property owner protest ballots received will be opened and tabulated to determine whether majority protest exists as defined in Article XIII D of the California Constitution.

As specified by the California Constitution, Article XIII D Section 4e:

"A majority protest exists if, upon the conclusion of the hearing, ballots submitted in opposition to the assessment exceed the ballots submitted in favor of the assessment. In tabulating the ballots, the ballots shall be weighted according to the proportional financial obligation of the affected property."

After completion of the ballot tabulation, the City Council will confirm the results of the balloting. If majority protest exists for the Proposed Zone assessments, further proceedings to annex the parcels within the Proposed Zone into the District shall be abandoned.

If tabulation of the ballots indicate that majority protest does not exist for the Proposed Zone assessments and the assessment range formula presented and described herein, the City Council by resolution may adopt this Report (as submitted or amended); approve the assessment diagrams (Zone Boundary Diagram) contained herein; order the annexation of the parcels to the LMD and the improvements to be made; and confirm the assessments as outlined in this Report.

The assessments as approved, may be levied and collected on the County tax rolls commencing in Fiscal Year 2025/2026 together with the assessments for other properties in the District. For Fiscal Year 2025/2026 and each subsequent fiscal year, an engineer's annual levy report for the District shall be prepared and presented to the City Council to address any proposed changes to the District, including Zone 19, as well as any proposed changes to the improvements, budgets and assessments for that fiscal year. The City Council shall hold a noticed public hearing regarding these matters prior to approving and ordering the levy of annual assessments for the District.

If in any fiscal year, the proposed annual assessments for parcels with the District exceed the maximum assessments described herein, such an assessment would be considered an increased assessment and must be confirmed through a mailed property owner protest ballot proceeding for the affected parcels before that or increased assessment may be imposed.

Report Content

This Report has been prepared in connection with the annexation of a parcel into the LMD and the resulting assessments for the parcels at build-out within Zone 19 established herein in connection with the annexation of territory for Fiscal Year 2025/2026, pursuant to a resolution of the City Council and consists of the following five (5) parts.

Part I — Plans and Specifications

Contains a general description of the District and zones of benefit ("Zones") and specifically addresses the improvements and services that provide special benefits to the parcels within the Annexation Territory which include, but is not limited to local landscaping, and related amenities including operational expenses and fund balances authorized by the 1972 Act. The plans and specifications contained in this Report generally describe the nature and extent of the improvements. In conjunction with these general descriptions of the improvements a visual depiction of the improvements is provided in the Zone Boundary Diagram contained in Part IV of this Report. The detailed plans and specifications for the improvements in the Annexation Territory are on file in the Public Works Department of the City of Covina and by reference are made part of this Report.

Part II — Method of Apportionment

Outlines the special and general benefits associated with the improvements to be provided within the Annexation Territory, and the basis upon which the estimated costs to provide such improvements has been apportioned to each parcel of land therein in proportion to the special benefits to be received.

Part III — Estimate of Costs

Identifies the estimated annual funding costs (budget) required for the maintenance and operation of the improvements including, but not limited to, annual maintenance and service expenses, utility costs, related incidental expenses, and fund balances authorized by the 1972 Act and deemed appropriate to fully support the improvements. Those improvements and/or costs determined to be of general benefit shall be funded by a City contribution. This budget establishes the maximum assessments to be approved by the property owner(s) of record within the Annexation Territory as part of the Ballot Proceeding.

This section also identifies and outlines an Assessment Range Formula (inflationary adjustment) that provides for an annual adjustment to the maximum assessment rate that establishes limits on future assessments but also provides for reasonable cost adjustments due to inflation.

Part IV — Boundary Diagrams

Diagrams showing the existing District and Annexation Territory. The lines and dimensions of each lot, parcel, and subdivision of land contained in this diagram are inclusive of all parcels listed in “Part V — Assessment Roll” of this Report and the corresponding County Assessor’s Parcel Maps for said parcels as they existed at the time this Report was prepared and shall include all subsequent subdivisions, lot-line adjustments, or parcel changes therein. Reference is hereby made to the Los Angeles County Assessor’s maps for a detailed description of the lines and dimensions of each lot and parcel of land within the Annexation Territory.

Part V — Assessment Roll

A listing of the proposed assessment amounts for each parcel within the Annexation Territory. The “Balloted Maximum Assessment” amount for each parcel represents that parcel’s proposed maximum assessment amount for each parcel within the Proposed Zone commencing in Fiscal Year 2025/2026 and is based on the parcel’s calculated proportional special benefit as outlined in “Part II — Method of Apportionment,” and calculated assessment rate established by the budget in “Part III — Estimate of Costs.” The assessment amount identified as the “FY 2025/2026 Estimated Assessment” represents the anticipated assessment amounts to be levied and collected on the County Tax Rolls for Fiscal Year 2025/2026. The actual assessment amounts to be levied and collected for Fiscal Year 2025/2026 shall be finalized, approved and adopted by the City Council together with the assessments for other properties in the District as part of the annual assessment process for Fiscal Year 2025/2026.

If any section, subsection, subdivision, sentence, clause, phrase, or portion of this Report is, for any reason, held to be invalid or unconstitutional by the decision of any court of competent jurisdiction, such decision shall not affect the validity of the remaining provisions of the Report and each section, subsection, subdivision, sentence, clause, phrase, or portion thereof, irrespective of the fact that any one or more sections, subsections, sentences, clauses, phrases, or portions might subsequently be declared invalid or unconstitutional.

Part I — Plans and Specifications

DESCRIPTION OF THE DISTRICT

The purpose of this District and specifically the Annexation Territory is to provide in part through annual assessments, funding for the ongoing operation, maintenance, and servicing of local landscaping, and related appurtenant facilities and services in specified areas of the City. The territory within the District consists of those lots or parcels of land within the City of Covina for which the City, through the District, maintains these local improvements and related amenities installed in connection with the development of those properties and for the benefit of those lots or parcels.

As authorized by the 1972 Act, the improvements provided by the District and associated with the Zone incorporate various local and related amenities installed in connection with the development of the property (properties) and are maintained and serviced for the benefit of real property within Zone 19. The maintenance of the improvements may also include various appurtenances including, but not limited to block walls, retaining walls or other fencing, trail and path surfaces, stamped concrete, pavers, mulch or other hardscapes, irrigation and related electrical equipment and drainage systems, benches, play structures, picnic or other recreational facilities, monuments, signage, ornamental lighting, street lighting, and related equipment. The work to be performed within the Zone may include but is not limited to (as applicable), the personnel, materials, equipment, electricity, water, contract services, repair and rehabilitation of the improvements and incidental expenses required to operate the District and provide the improvements and services.

Improvements provided within the District may include but are not limited to:

- Landscaping and related facilities and amenities located within designated street medians, parkway and streetscape side-panels, and entryways within the public right of ways or easements adjacent to public right of ways; and within public places including greenbelt areas, open spaces, and neighborhood parks within Zone 19. These improvements may include, but are not limited to:
 - Various landscape materials such as trees, turf, shrubs, vines, ground cover, annual or perennial plantings;
 - Irrigation and drainage systems;
 - Structural amenities such as monuments, block walls, retaining walls, or other fencing; and
 - Hardscapes including mulch, trail and path surfaces, stamped concrete and pavers.

The maintenance of these improvements may include, but is not limited to the regularly scheduled mowing, trimming, pruning, fertilization, pest control, weed and graffiti abatement, installation, replacement and rehabilitation of the landscaping, repair or replacement of irrigation or drainage systems, and repair or replacement of hardscape improvements and recreational amenities. The City Public Works Department shall authorize and schedule such maintenance and servicing as needed and based on available Zone funding.

EXISTING DISTRICT ZONES AND IMPROVEMENTS

In accordance with the 1972 Act, the District utilizes Zones and/or Sub-Zones (collectively referred to as Zones) to address variations in the nature, location, and extent of the improvements that provide special benefits to parcels in the District. Each Zone is associated with specific improvements and/or types of improvements that provide special benefit to properties within that Zone. The boundaries of each Zone are based on the improvements to be maintained and the relationship and proximity of the developments and properties that derive special benefits from those specific improvements.

As of Fiscal Year 2024/2025, the District is comprised of the following Zones and developments.

Zone 1

Generally located in the southeast region of the City, south of Covina Hills Road, north of Holt Avenue and the San Bernardino Freeway, and east of Grand Avenue. The Zone was established in April 1981 and the annual assessments provide for the maintenance of landscaping in Parque Xalapa, Forest Hills Drive and Covina Hills Road Slope and Oak Tree Park.

Zone 2

Generally located in the north-central region of the City, south of Arrow Highway, north of Cienega and west of Grand Avenue. The Zone was established in April 1981 and the annual assessments provide for the maintenance of landscaping at the entrances to Arrow Grand Circle off Arrow Highway and the north side of Cienega Street between Grand Avenue and Barranca Avenue that is adjacent to the properties within the Zone.

Zone 4

Comprised of four (4) residential developments (single-family and condominiums) generally located south of Arrow Highway, north of Puente Street along the Azusa Avenue corridor. These four residential developments are inclusive of Tract 15506, Tract 14394, Tract 18642, Tract 33882 and Tract 34224. The annual assessments for Zone 4 provide for the maintenance of street landscaping (including street tree maintenance) associated with the properties as well as a portion of the maintenance costs of Azusa Avenue landscaping (15% of the costs).

Zone 5

Comprised of the commercial/industrial properties generally located south of Arrow Highway, north of Badillo Street along the Azusa Avenue corridor. The annual assessments for Zone 5 provide for the maintenance of street landscaping (including street tree maintenance) specifically associated with these properties including 85% of the maintenance costs of Azusa Avenue landscaping.

Zone 6

Annexed into the District in Fiscal Year 2017/2018. Tract No. 73455 is comprised of sixty-three (63) single-family residential properties, generally located south of E. Cypress Street, west of N. Kidder Avenue and east of N. Banna Avenue. Improvements within this area consist of approximately 6,143 square feet of parkway landscaping and twenty-eight (28) local street trees.

Zone 7

Known as Citrus Promenade was annexed into the District in Fiscal Year 2018/2019. Tract No. 74512-1, generally located east of Citrus Avenue and west of Fairvale Avenue is comprised of one hundred seventeen (117) townhomes. Improvements within this area consist of median and parkway landscaping along Citrus Avenue.

Zone 8

Annexed into the District in Fiscal Year 2018/2019. Parcel Map No. 72690 generally located south of Dexter Street and east of 4th Avenue has been developed into three (3) townhomes and is identified by the Los Angeles County Assessor's Office as parcel 8444-010-031. Improvements within this area consist of four (4) street trees.

Zone 9

Annexed into the District in Fiscal Year 2018/2019. Parcel Map No. 73595 generally located south of E. Ruddock Street, west of Reeder Avenue and north of E. Badillo Street was planned to be subdivided into a four (4) lot residential subdivision and is identified by the Los Angeles County Assessor's Office as parcel 8427-022-045. Improvements within this area were planned for four (4) street trees. However, development has not occurred and Zone 9 has not been levied commencing Fiscal Year 2023/2024.

Zone 10

Known as Atwood, annexed into the District in Fiscal Year 2019/2020. Tract No. 72116 generally located south of W. San Bernardino Road, west of N. Citrus Avenue and north of W. Orange Street contains sixty-eight (68) townhomes, four (4) live/work lofts and one (1) parcel containing three (3) office/retail units. Improvements within this area consist of thirty-one (31) street trees.

Zone 11

Annexed into the District in Fiscal Year 2021/2022. Tract No. 73660 generally located west of N. Citrus Avenue and north of W. Orange Street developed into eight (8) condominium units and is identified by the Los Angeles County Assessor's Office as parcel 8431-028-113. Improvements within this area consist of two (2) street trees.

Zone 12

Annexed into the District in Fiscal Year 2021/2022. Tract No. 1224 Lot 6, generally located west of N. Citrus Avenue and north of W. Orange Street developed into two (2) commercial buildings and is identified by the Los Angeles County Assessor's Office as parcel 8431-028-111. Improvements within this area will consist of six (6) street trees.

Zone 13

Known as Covina Bowl was annexed into the District in Fiscal Year 2022/2023. Tract No. 82874 generally located south of W. San Bernardino Road, north of W. Badillo Street and west of N. Rimsdale Avenue developed out to a restaurant and one hundred thirty-two (132) condominiums originally identified by the Los Angeles County Assessor's Office as parcels 8434-017-008, 8434-017-009, and 8434-018-020. Improvements within this area will consist of twenty-five (25) street trees and 7,757 square feet of irrigated landscaping.

Zone 14

Known as Zest was annexed into the District in Fiscal Year 2022/2023. Tract No. 83178 generally located south of Kelby Park and west of Barranca Avenue developed into one hundred fifty-one (151) townhomes and was identified by the Los Angeles County Assessor's Office as parcel 8430-015-018. Improvements within this area consist of four (4) street trees and 662 square feet of irrigated landscaping.

Zone 15

Known as Campsite Brewery was annexed into the District in Fiscal Year 2023/2024. Tract No. 45569 (Campsite Brewery) generally located north of Front Street and west of Curtis Avenue is one (1) business with two (2) buildings and identified by the Los Angeles County Assessor's Office as parcel 8430-018-019. Improvements within this area consist of twelve (12) street trees and 2,307 square feet of irrigated landscaping.

Zone 16

Annexed into the District in Fiscal Year 2023/2024. Parcel Map No. 82493 generally located north of East Puente Street and west of Monte Vista Avenue with two (2) residential parcels currently identified by the Los Angeles County Assessor's Office as parcel 8446-009-020 and 021. Improvements within this area consist of three (3) street trees.

Zone 17

Annexed into the District in Fiscal Year 2023/2024. Tract No. 83343 is generally located north of Covina Boulevard, west of Fairvale Avenue and east of Citrus Avenue developed into thirty-eight (38) residential townhomes and was identified by the Los Angeles County Assessor's Office as parcel 8406-019-098. Improvements within this area consist of eighteen (18) street trees and 3,275 square feet of irrigated landscaping.

Zone 18

Annexed into the District in Fiscal Year 2023/2024. Tract No. 83203 is generally located north of W. Puente Street, east of S. 4th Avenue and west of S. 3rd Avenue and is planned for ten (10) residential townhomes currently identified by the Los Angeles County Assessor's Office as parcel 8444-010-028. Improvements within this area consist of fourteen (14) street trees and 2,750 square feet of irrigated landscaping.

ZONES AND IMPROVEMENTS ANNEXATION TERRITORY FISCAL YEAR 2025/2026

Zone 19

Tract No. 84311, generally located north of Limoncello Lane, east of Ruby Red Drive and west of Barranca Avenue, will develop out to seventy-five (75) condominiums and is currently identified by the Los Angeles County Assessor's Office as parcel 8430-015-021. Improvements within this area will consist of eight (8) trees and 1,008 square feet of irrigated landscaping.

Part II — Method of Apportionment

LEGISLATIVE REQUIREMENTS FOR ASSESSMENTS

The costs of the proposed improvements have been identified and allocated to properties within the Annexation Territory based on proportional special benefit, consistent with the provisions of the 1972 Act and the assessment provisions of Proposition 218 (being contained in Article XIID of the California Constitution). The improvements provided by this District and for which properties within the Annexation Territory are assessed, are identified as local landscaping and related amenities that were either installed in direct connection with the development of properties to be included within the designated Proposed Zone or were installed for the benefit of those properties as a result of property development or potential development of those properties and were considered necessary elements for the development of such properties to their full and best use. The formulas used for calculating assessments and the designation of Zones herein reflect the composition of parcels within the Annexation Territory, and the improvements and activities to be provided, and have been designed to fairly apportion the cost of providing those improvements based on a determination of the proportional special benefits to each parcel.

In addition to the provisions of the 1972 Act, Article XIID of the California Constitution outlines specific requirements regarding assessments including the following:

Article XIID Section 2d defines District as follows:

“District means an area determined by an agency to contain all parcels which will receive a special benefit from a proposed public improvement or property-related service.”

Article XIID Section 2i defines Special Benefit as follows:

“Special benefit means a particular and distinct benefit over and above general benefits conferred on real property located in the district or to the public at large. General enhancement of property value does not constitute “special benefit.”

Article XIID Section 4a defines proportional special benefit assessments as follows:

“An agency which proposes to levy an assessment shall identify all parcels which will have a special benefit conferred upon them and upon which an assessment will be imposed. The proportionate special benefit derived by each identified parcel shall be determined in relationship to the entirety of the capital cost of a public improvement, the maintenance and operation expenses of a public improvement, or the cost of the property related service being provided. No assessment shall be imposed on any parcel which exceeds the reasonable cost of the proportional special benefit conferred on that parcel.”

BENEFIT ANALYSIS

Landscaping Special Benefit

The ongoing maintenance of landscaped areas within the District (specifically Zone 19 as addressed in this Report), provide aesthetic benefits to the properties and a more pleasant environment to walk, drive, live, and/or work. The primary function of these landscape improvements and related amenities is to serve as an aesthetically pleasing enhancement and green space for the benefit of the immediately surrounding properties and developments for which the improvements were constructed and installed and/or were facilitated by the development or potential development of properties within Zone 19. These landscape

improvements are an integral part of the physical environment associated with the parcels in the Zone and while some of the improvements may in part be visible to properties outside the Zone, collectively if these improvements are not properly maintained, it is the parcels within the Zone (as may be applicable) that would be aesthetically burdened. Additionally, the street landscaping in Zone 19 serve as a pleasant aesthetic amenity that enhances the approach to the parcels. In some District zones, the landscaped areas may include green space areas (neighborhood parks, greenbelts, open space and/or trails) that may provide a physical buffer between properties, overall open space within a development, and/or recreational areas that serve as an extension of the physical attributes of the parcels assessed, such as their front or rear yards. As a result, the maintenance of these landscape improvements and the related amenities provide particular and distinct benefits to the properties and developments associated with those improvements within each Zone.

Landscaping General Benefit

Based on the parameters of special benefit as outlined by the California Constitution, general benefit may be described as an overall and similar benefit to the public in general resulting from the improvements, activity or services to be provided for which an assessment is levied. Although the Proposed Zone improvements are located on public streets that are visible to the general public, it is clear that the ongoing maintenance of these improvements are only necessary for the appearance, safety and advantage of the properties within the Zone and are not required nor necessarily desired by any properties outside the Zone. Inasmuch as the improvements and the services to be provided are specific to the development and properties within the Zone and these improvements and services do not extend beyond the Zone's boundaries, any access or proximity to these improvements by other nearby properties or developments would be considered incidental and the potential general benefits to the public at large are considered intangible.

ASSESSMENT METHODOLOGY

To assess benefits equitably it is necessary to calculate each property's relative share of the special benefits conferred by the funded improvements and service. The Equivalent Benefit Unit (EBU) method of assessment apportionment is utilized for this District and establishes a basic unit (base value) of benefit and then calculates the benefit derived by each assessed parcel as a multiple (or a fraction) of that basic unit. The EBU method of apportioning special benefits is typically seen as the most appropriate and equitable assessment methodology for assessment districts, as the benefit to each parcel from the improvements are apportioned as a function of comparable property characteristics which may include but is not limited to land use and property size.

For the purposes of this Engineer's Report, an EBU is the quantum of benefit derived from the various Zone improvements by a single-family residential parcel. The single-family residential parcel has been selected as the basic unit for calculation of assessments. Thus, the "benchmark" property (the single-family residential parcel) derives one EBU of benefit and is assigned 1.00 Equivalent Benefit Unit. Pursuant to the 1972 Act, the costs of the District may be apportioned by any formula or method that fairly distributes the net amount to be assessed, among all assessable parcels in proportion to the estimated benefits to be received by each parcel from the improvements. The benefit formula used for the District should reflect the composition of the parcels, and the improvements and services provided, to fairly apportion the costs based on special benefit to each parcel.

The existing District's Method of Apportionment utilizes commonly accepted assessment engineering practices, established pursuant to the 1972 Act and the provisions of the California Constitution. The method outlined for Zone 19 is based on the premise that each assessed parcel receives benefit from the improvements maintained and financed by the District's assessments. The desirability of properties within the Zone is enhanced by the presence of well-maintained landscaping in close proximity to those properties. The costs associated with the improvements within Zone 19 are equitably spread among the benefiting parcels within the Zone and the funds collected shall be dispersed and used for only the improvements and services provided by the District.

Identifiers for each Zone designation are identified below:

Zones 1, 2, 5 and 12

$$\begin{aligned} \text{Balance to Levy} / \text{Total Number of 1,000 sq. ft. (Lot Size)} &= \text{Levy per 1,000 sq. ft.} \\ &\text{Converted to Equivalent Benefit Units ("EBU")} \\ \text{Balance to Levy} / \text{Total Number of EBUs} &= \text{Assessment Rate per EBU} \end{aligned}$$

Zones 4, 6, 7, 8, 9, 11, 14, 16, 17 and 18

$$\begin{aligned} \text{Balance to Levy} / \text{Total Number of Units} &= \text{Levy per Unit} \\ &\text{Converted to EBU} \\ \text{Balance to Levy} / \text{Total EBU} &= \text{Assessment Rate per EBU} \end{aligned}$$

Zone 10

Residential

$$\begin{aligned} \text{Balance to Levy} / \text{Total Number of Units} &= \text{Levy per Unit} \\ &\text{Converted to EBU} \\ \text{Balance to Levy} / \text{Total EBU} &= \text{Assessment Rate per EBU} \end{aligned}$$

Commercial

$$\begin{aligned} \text{Balance to Levy} / \text{Total Number of 1,000 sq. ft. (Lot Size)} &= \text{Levy per 1,000 sq. ft.} \\ &\text{Converted to EBU} \\ \text{Balance to Levy} / \text{Total Number of EBUs} &= \text{Assessment Rate per EBU} \end{aligned}$$

Live/Work

Each residential unit is assessed one (1) Equivalent Benefit Unit (EBU), and each commercial parcel is assessed at a rate per square foot. The four (4) live-work units are assessed 1 EBU per residential unit plus 1,000 square feet per levy for non-residential use. It is anticipated that the typical live-work unit will be 5,453.50 SF (square feet) with 70% of the area assigned to non-residential use, which equals 3,809.75 SF.

$$\begin{aligned} \text{Balance to Levy} / \text{Total Number of Units (Levy Units) plus Levy per Acre} & \\ &\text{Converted to EBU} \\ \text{Balance to Levy} / \text{Total EBU} &= \text{Assessment Rate per EBU} \end{aligned}$$

Zone 13

Residential

*Balance to Levy / Total Number of Units = Levy per Unit
Converted to EBU*

Balance to Levy / Total EBU = Assessment Rate per EBU

Commercial

*Balance to Levy / Total Number of 1,000 sq. ft. (Lot Size) = Levy per 1,000 sq. ft.
Converted to EBU*

Balance to Levy / Total Number of EBUs = Assessment Rate per EBU

The levy amount for each parcel is then calculated by multiplying the Zone Assessment Rate by assigned EBU on each parcel:

Assessment Rate x Parcel's EBU = Parcel Levy Amount

Zone 15

Commercial

*Balance to Levy / Total Number of 1,000 sq. ft. (Lot Size) = Levy per 1,000 sq. ft.
Converted to EBU*

Balance to Levy / Total Number of EBUs = Assessment Rate per EBU

New Annexation Territory

Zone 19

Residential

*Balance to Levy / Total Number of Units = Levy per Unit
Converted to EBU*

Balance to Levy / Total EBU = Assessment Rate per EBU

Part III — Estimate of Costs

The 1972 Act provides that the estimated costs of the improvements shall include the total cost of the improvements, including incidental expenses.

The 1972 Act also provides that the amount of any surplus, deficit, or contribution be included in the estimated cost of improvements. The net amount to be assessed on the lots or parcels within the Annexation Territory is the total cost of maintenance and servicing with adjustments either positive or negative for reserves, surpluses, deficits, and/or contributions.

PROPOSED BUDGET AND ASSESSMENT

The budget and assessments outlined on the following page for the Annexation Territory for the designated Zone 19 are based on the national standards and related funding necessary for the operation, maintenance and servicing of the District improvements identified in Part I of this Report.

This budget represents an estimate of the special benefit expenses anticipated to be collected for Fiscal Year 2025/2026 at the time this Report was prepared and establishes the maximum assessment rates to be balloted and approved by the property owner(s) of record within the Annexation Territory as part of the Ballot Proceeding.

Annexation Territory Budget Fiscal Year 2025/2026

BUDGET ITEM	Zone 19 Budget
ANNUAL MAINTENANCE (DIRECT COSTS)	
Direct Landscape Maintenance Expenses	
Landscape Maintenance and Appurtenant Facilities	\$483
Tree Trimming	143
Landscape Utilities (Water/Electricity)	170
Maintenance & Street Infrastructure	69
Rehabilitation & Replacement	172
Total Annual Landscape Maintenance Expenses	\$1,037
INDIRECT COSTS	
Administration	
Administration Overhead	\$45
County Administration Fee	21
Professional Services	73
Legal Notices	25
Total Administration	\$164
Total Costs & Expenses	\$1,201
LEVY ADJUSTMENTS	
Operational Reserves	\$313
General Benefit (contribution)	0
General Fund (Contribution)	0
Total Levy Adjustments	\$313
BALANCE TO LEVY	\$1,514
DISTRICT STATISTICS	
Current Parcel Count	1
Total Parcels at Built -Out	75
Parcels Levied at Built Out	75
Total EBUs	75.0000
Proposed Maximum Assessment per EBU	\$20.20
Proposed Assessment for FY 2025/2026	\$20.20

Note: The budget has been rounded to the nearest dollar.

Annual Inflationary Adjustment (Assessment Range Formula)

It is recognized that the cost of providing for the improvements described in Part I, Plans and Specifications, of this Report will inevitably increase over time as a result of inflation and that any "new or increased assessments" require certain noticing and balloting requirements pursuant to Article XIID of the California Constitution (Proposition 218). However, Government Code Section 54954.6(a) provides that a "new or increased assessment" does not include "an assessment that does not exceed an assessment formula or range of assessments...previously adopted by the agency or approved by the voters in the area where the assessment is imposed." This definition of a new or increased assessment is reaffirmed in the Proposition 218 Omnibus Implementation Act, Government Code Section 53753.5.

To assure that the improvement funding is sufficient in the future to address the ongoing maintenance and replacement cost increases that naturally occur over time due to inflation, the special benefit assessments being presented to the property owners during the Ballot Proceeding conducted in connection with this Report includes an annual inflationary adjustment (assessment range formula). This inflationary adjustment formula provides for the Fiscal Year 2025/2026 maximum assessments (initial maximum assessment rate) established herein for the Annexation Territory to increase by an amount equal to the lesser of: (1) three percent (3.0%), or (2) the annual percentage increase of the Local Consumer Price Index (CPI) for "All Urban Consumers" for the Los Angeles-Long Beach-Anaheim Areas (February of the given year from the previous February or similar time frame).

The adoption of the maximum assessment rates and the Assessment Range Formula described herein does not mean that the annual assessments will necessarily increase each fiscal year, nor does it absolutely restrict the assessments to the annually adjusted maximum assessment rates. Although the maximum assessment rates that may be levied shall be increased each fiscal year, the actual amount to be assessed will be based on the Balance to Levy for that fiscal year. If the calculated assessment is less than the adjusted maximum assessment, then the calculated assessment may be approved by the City Council for collection. If the calculated assessment (based on the proposed budget) is greater than the adjusted maximum assessment for that fiscal year, then the assessment would be considered an increased assessment and would require property owner approval through another property owner protest ballot proceeding before imposing such an increase. Otherwise, it would be necessary to reduce the budget or provide a contribution from the City to reduce the Balance to Levy (amount to be assessed) to an amount that can be supported by an assessment rate less than or equal to the adjusted maximum assessment rate authorized for that fiscal year.

The Assessment Range Formula shall be applied to the maximum assessment rates for Zone 19 in the Annexation Territory commencing in Fiscal Year 2025/2026 and shall be applied in each subsequent fiscal year unless the City Council formally suspends its application.

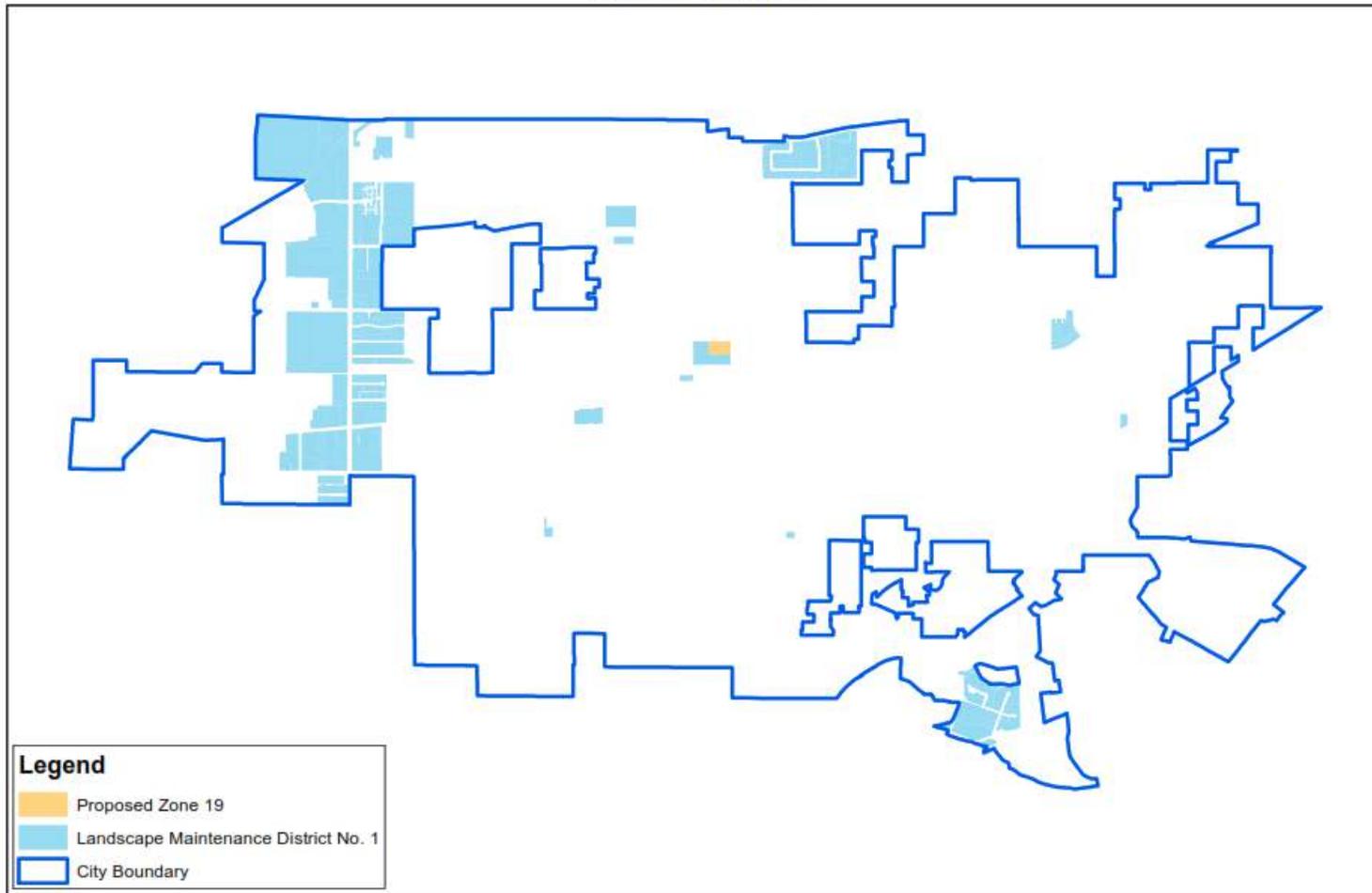
Part IV — Boundary Diagrams

The Fiscal Year 2025/2026 District Diagrams on the following pages show the boundaries of the Covina Landscape Maintenance District No. 1 including Zone 19 (Sheet 1) and a separate diagram for Zone 19 (Sheet 2).

LANDSCAPE MAINTENANCE DISTRICT NO. 1

CITY OF COVINA
COUNTY OF LOS ANGELES
STATE OF CALIFORNIA
ANNEXATION

SHEET 1 OF 2



LANDSCAPE MAINTENANCE DISTRICT NO. 1

SHEET 2 OF 2

CITY OF COVINA
COUNTY OF LOS ANGELES
STATE OF CALIFORNIA
ANNEXATION



Part V — Assessment Roll

Parcel identification for each lot or parcel within the Annexation Territory shall be the APN as shown on the Los Angeles County Secured Roll for the year in which this Report is prepared and reflective of the Assessor's Parcel Maps.

The following is the lot and parcel of land (parcel) within the Annexation Territory and the corresponding maximum assessments being set for Fiscal Year 2025/2026.

APN	Zone	Owner	Area	Acres	EBU	Maximum Rate Per Assessment Unit FY 2025/2026	Maximum Assessment FY 2025/2026
8430-015-021	19	TH BARRANCA II LLC	Tract 84311	2.780	75.000	\$20.20	\$1,515.00



CC Regular Meeting

AGENDA ITEM REPORT

Meeting:	April 1, 2025
Title:	Initiate Proceedings for to Annex Territory & to Levy and Collect Annual Assessments Commencing with FY 2025/2026, Set Public Hearing for Protests in Relation Thereto, & Declaring Intention to Annex Territory to Covina Lighting District No. 1978-79
Presented by:	Rafael M. Fajardo, Director of Public Works/City Engineer
Recommendation:	<ol style="list-style-type: none">1. Adopt Resolution CC 2025-25 initiating proceedings for the annexation of territory to Covina Lighting District No. 1978-79 and the levy and collection of annual assessments related thereto commencing with FY 2025/2026, pursuant to the Provisions of Part 2 of Division 15 of California Streets and Highways Code; and2. Adopt Resolution CC 2025-26 declaring the City's intention to annex territory (No. 83) and to levy and collect annual assessments and call for a property owner protest ballot proceedings for the Covina Lighting District No. 1978-79.

EXECUTIVE SUMMARY:

Adopt Resolution CC 2025-25 (Attachment A) initiating proceedings for the annexation of territory to Covina Lighting District No. 1978-79 and the levy and collection of annual assessments related thereto commencing with Fiscal Year 2025/2026, pursuant to the provisions of Part 2 of Division 15 of California Streets and Highways Code and adopt Resolution CC 2025-26 (Attachment B) declaring the City's intention to annex territory to Covina Lighting District No. 1978-79.

BACKGROUND:

The Covina Lighting District No. 1978-79 (hereafter referred to as "District") was formed on November 20, 1978 pursuant to the *California Streets and Highways Code, Division 15, Part 2, Landscaping and Lighting Act of 1972* (hereinafter referred to as the "1972 Act"), to finance the energy and maintenance costs of new streetlights installed by several commercial and residential developers. The District was formed through a public hearing process and the properties within the District were designated Zone A for single-family residential and condominium units and Zone B for commercial, industrial, and apartment properties.

The City expanded the District in 1980 to include all developments that may or may not be required to install new streetlights but were required to construct public improvements adjacent to the property being developed, except when the development did not increase the existing floor area by fifty percent pursuant to the regulations of Chapter 11 of the Covina Municipal Code. Although a citywide District was not implemented, it was the City's intent to work toward incrementally expanding the District to cover the entire City.

In December 1988, the District was expanded by annexing (through public hearing proceedings) parcels east and west of Azusa Avenue from Arrow Highway to 600 feet south of Badillo Street. A number of parcels were annexed to the District when streetlights were installed in conjunction with utility undergrounding projects. Parcels were also annexed to the District in connection with City sponsored street projects. These annexations were in areas where the property owners requested that streetlights be installed on their blocks with the owners paying for the installation of the streetlights. Subsequent annexations to the District included similar projects and developments but also included various individual residential and commercial properties that were annexed to the District as a condition of property improvements (building permits). This process of annexation resulted in the existing District that represents approximately thirty-five percent (35%) of the parcels within the City.

Each fiscal year, prior to making and collecting assessments within the Covina Lighting District No. 1978-79, the City Council must adopt resolutions directing the City's Licensed Engineer to prepare and file a report regarding the proposed assessments for each Zone, approving the Engineer's Report (Attachment C), and declaring the City Council's intention to levy and collect assessments for the upcoming fiscal year. Additionally, before any assessments may be levied, the City Council must also adopt a resolution establishing a noticed public hearing to hear any protests against the assessment and for the approval of the Engineer's Report and adoption of a resolution ordering the levy of assessments for Fiscal Year 2025/2026.

DISCUSSION:

Pursuant to the provisions of the 1972 Act, being Division 15, Part 2 of the California Streets and Highways Code, commencing with Section 22500, the attached Engineer's Report is prepared in compliance with the requirements of Chapter 1, Article 4 of the Act regarding the annexation of territory into the City's existing Covina Lighting District No. 1978-79.

The City Council of the City of Covina, being the legislative body for the District, may, pursuant to the Act, annex territory and levy annual assessments for the operation and administration of the District. In Section 22608 of the Act, it states "*right of majority protest shall be limited to the territory proposed to be annexed.*"

In addition, the Act provides for the levy of annual assessments after annexation into or formation of an assessment district for the continued maintenance and servicing of the improvements. The Act further allows various areas to be annexed into an existing district when the territory in the annexation receives substantially the same proportional special benefits from the improvements. The costs associated with the installation, maintenance, and servicing of the improvements may be assessed to properties which benefit from the installation, maintenance, and servicing of such improvements.

In accordance with the Act, the District utilizes benefit zones to address variations in the nature, location, and extent of the improvements that provide special benefit to parcels in the District. There are two Zones in the Covina Lighting District No. 1978-79 designated as Zones A and B. Zone A is comprised of single-family residences and condominium units. Zone B is comprised of commercial, industrial, apartment and similar multi-family residential properties. The proposed assessments are for the costs of providing street lighting in these two zones.

The attached Engineer's Report specifically addresses the annexation of approximately 2.78 acres of territory consisting of Tract No. 84311, which will develop out to seventy-five (75) condominiums, as established in the Report in connection with the annexation territory for Fiscal Year 2025/2026, pursuant to a resolution of the City Council. The Report consists of five parts: Part I: Plans and Specifications, Part II: Method of Apportionment, Part III: Estimate of Costs, Part IV: Boundary Diagram, and Part V: Assessment Roll.

This territory is more specifically identified as:

APN 8430-015-021 (Tract 84311)

APN 8430-015-021 at build out will be comprised of seventy-five (75) condominiums generally located north of Limoncello Lane, east of Ruby Red Drive and west of Barranca Avenue.

This annexation territory is proposed to be annexed into the District and levied assessments commencing in Fiscal Year 2025/2026 and shall be known and referred to as:

Annexation No. 83 for the Covina Lighting District No. 1978-79

This annexation area will pay the special benefit costs associated with the on-going annual maintenance of the improvements including the servicing, operation, maintenance, repair, and replacement of the improvements.

The Fiscal Year 2025/2026 proposed assessment rate is \$20.80 per Benefit Unit (BU) for Zone A. The rate of \$20.80 per unit for Zone A is the maximum assessment rate for Zone A.

Table 1: Annexation No. 83 Assessment Rates and Revenue

Zone A	Units/BU	Proposed Rate	Assessment Revenue
Tract No. 84311	75 units	\$20.80/unit	\$1,560.00

The Engineer’s Report proposes a \$1,508.00 General Fund contribution for Zone A for Fiscal Year 2025/2026.

Table 2: Annexation No. 83 – Fiscal Year 2025/2026 Summary

Zone A	
Budget Item	Total Amount
Proposed Assessments	\$1,560
General Fund Contribution	\$1,508
Total Projected Revenue	\$3,068
Energy and Maintenance	\$2,785
Administration	\$283
Total Projected Expenditures	\$3,068
Estimated Ending Fund Balance	(\$0)

Requirement

Balloting proceedings will be held on June 3, 2025. The City will conduct a property owner protest ballot proceeding (“Ballot Proceeding”) at that time for the proposed levy of a new assessment pursuant to the provisions of the California Constitution, Article XIID, Section 4, and in accordance with the provisions of Government Code, Section 53753. In conjunction with this Ballot Proceeding, the City Council will conduct a noticed public hearing to consider public testimonies, comments, and written protests regarding the annexation, the resulting new Zone boundaries, and the new assessments described herein.

FISCAL IMPACT:

The assessment of properties within Annexation No. 83, under the proposed assessment rates, raises the funds to pay part of the special benefit portion of the costs associated with Annexation No. 83. A General Fund contribution to the Lighting District (Fund 2710) in the amount of \$1,508.00 will be included in Fiscal Year 2025/2026 budget.

CEQA (CALIFORNIA ENVIRONMENTAL QUALITY ACT):

Not applicable.

Respectfully submitted,



Rafael M. Fajardo
Director of Public Works/City Engineer

RESOLUTION CC 2025-25

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF COVINA, CALIFORNIA, INITIATING PROCEEDINGS FOR THE ANNEXATION OF TERRITORY (TRACT NO. 84311) TO THE COVINA LIGHTING DISTRICT 1978-79 AND THE LEVY AND COLLECTION OF ANNUAL ASSESSMENTS RELATED THERETO COMMENCING WITH FISCAL YEAR 2025/2026, PURSUANT TO THE PROVISIONS OF PART 2 OF DIVISION 15 OF THE CALIFORNIA STREETS AND HIGHWAYS CODE

WHEREAS, the City Council through previous resolutions has established and levied annual assessments for the Covina Lighting District 1978-79 (hereinafter referred to as the “District”), pursuant to the provisions of the Landscaping and Lighting Act of 1972, Part 2, Division 15 of the California Streets and Highways Code (hereinafter referred to as the “Act”) that provides for the collection of special benefit assessments by the County of Los Angeles on behalf of the City of Covina to pay for the maintenance and services of improvements and facilities related thereto, and

WHEREAS, the City Council desires to initiate proceedings for the annexation of territory identified as Tract No. 84311 generally located north of Limoncello Lane, east of Ruby Red Drive and west of Barranca Avenue (hereafter referred to as the “Annexation Territory”), to the District pursuant to Chapter 2, Article 2 of the Act; and the establishment of the proposed maximum annual assessment related thereto; and the levy and collection of annual assessments against lots and parcels of land within the Annexation Territory commencing in Fiscal Year 2025/2026 for the lighting improvements and services that will provide special benefits to the properties within the Annexation Territory pursuant to Chapter 4, Article 2 of the Act and the California Constitution Article XIID, and

WHEREAS, the City Council has retained Willdan as the Assessment Engineer of Work, for the purpose of assisting with the annexation of the territory to the District, the establishment of annual assessments, and to prepare and file an Engineer’s Report with the City Clerk in accordance with the Act.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF COVINA, CALIFORNIA, DOES HEREBY RESOLVE AS FOLLOWS:

SECTION 1. Engineer’s Report: The City Council hereby orders the Assessment Engineer to prepare and file with the City Clerk an Engineer’s Report concerning the annexation of territory to the District; the improvements and services connected therewith and the proposed levy of annual assessments beginning in the fiscal year commencing July 1, 2025, ending June 30, 2026, in accordance with Chapter 3 Section 22623 of the Act. Said Engineer’s Report shall contain a description of the improvements and services, an estimate of the costs financed by the levy of the assessments, the properties benefiting from the improvements and the method of apportioning the assessments connected with the annexation of said territory to the District.

SECTION 2. Proposed Improvements: The proposed improvements and services for the Annexation Territory may include installation, construction or maintenance of any authorized improvements under the Act, including, but not limited to lighting improvements and any facilities which are appurtenant to any of the aforementioned or which are necessary or convenient for the maintenance or servicing thereof. The Engineer’s Report prepared in connection with the Annexation Territory shall provide a more detailed description of the improvements and services to be provided and for which properties are to be assessed.

SECTION 3. Annexation Territory: The City Council hereby finds that proposed territory within the Annexation Territory consists of all lots, parcels and subdivisions of land within Tract No. 84311, known as “Assessor Parcel Number 8430-015-021,” generally located north of Limoncello Lane, east of Ruby Red Drive and west of Barranca Avenue and will develop out to seventy-five (75) condominium units. This Annexation Territory includes all properties that receive special benefits from the improvements to be provided.

SECTION 4. Assessments: The City Council hereby determines that in order to provide the improvements described in the Engineer’s Report, it is necessary to levy and collect assessments against the lots and/or parcels within the Annexation Territory commencing in Fiscal Year 2025/2026 and said assessments shall be outlined and described in the Engineer’s Report and imposed pursuant to the provisions of the Act and the California Constitution Article XIID.

APPROVED and PASSED this 1st day of April, 2025.

City of Covina, California

BY: _____
JOHN C. KING, Mayor

ATTEST:

FABIAN VELEZ, Chief Deputy City Clerk

CERTIFICATION

I, Fabian Velez, Chief Deputy City Clerk of the City of Covina, do hereby certify that Resolution CC 2025-25 was duly adopted by the City Council of the City of Covina at a regular meeting held on the 1st day of April, 2025 by the following vote:

AYES: COUNCIL MEMBERS:
NOES: COUNCIL MEMBERS:
ABSTAIN: COUNCIL MEMBERS:
ABSENT: COUNCIL MEMBERS:

Dated:

FABIAN VELEZ, Chief Deputy City Clerk

RESOLUTION CC 2025-26

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF COVINA, CALIFORNIA, DECLARING THE CITY'S INTENTION TO ANNEX TERRITORY TO THE COVINA LIGHTING DISTRICT NO. 1978-79 AND TO LEVY AND COLLECT ANNUAL ASSESSMENTS RELATED THERETO COMMENCING IN FISCAL YEAR 2025/2026, PURSUANT TO THE PROVISIONS OF PART 2 OF DIVISION 15 OF THE CALIFORNIA STREETS AND HIGHWAYS CODE; AND CALLING FOR A PROPERTY OWNER PROTEST BALLOT PROCEEDING TO SUBMIT TO THE QUALIFIED PROPERTY OWNERS THE QUESTION OF LEVYING SUCH ASSESSMENTS FOR SAID ANNEXATION TERRITORY PURSUANT TO THE PROVISIONS OF THE CALIFORNIA CONSTITUTION, ARTICLE XIID

WHEREAS, the City Council, pursuant to provisions of the Landscaping and Lighting Act of 1972 being Part 2, Division 15 of the California Streets and Highways Code (hereinafter referred to as the "Act"), did by previous resolution, initiate proceedings for the annexation of territory known as Tract No. 84311 generally located north of Limoncello Lane, east of Ruby Red Drive and west of Barranca Avenue (hereafter referred to as the "Annexation Territory") to the Covina Lighting District No. 1978-79 (hereinafter referred to as the "District") and the levy and collection of assessments against lots and parcels within said Annexation Territory commencing in Fiscal Year 2025/2026; and

WHEREAS, the City Council desires to annex the parcel of land comprising the Annexation Territory to the District, to establish such territory as Annexation No. 83 (Tract No. 84311) within said District, and to levy and collect new assessments against lots and parcels of land within the Annexation Territory to pay the cost and expenses related to the special benefits received from the maintenance and operation of the lighting improvements connected therewith; and

WHEREAS, the Assessment Engineer of Work has prepared and filed an Engineer's Report in connection with the Annexation Territory and the levy of annual assessments connected therewith commencing in Fiscal Year 2025/2026 (beginning July 1, 2025 and ending June 30, 2026) with the City Clerk pursuant to Section 22623 of the Act and said Report has been presented to the City Council and is incorporated herein by reference.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF COVINA, CALIFORNIA. DOES HEREBY RESOLVE AS FOLLOWS:

SECTION 1. Engineer's Report, Content: The Engineer's Report as presented, consists of the following:

The Plans and Specifications which describe the boundaries of the Annexation Territory (Assessor Parcel Number 8430-015-021 - Tract No. 84311) and the improvements associated therewith that provide special benefits to the parcels therein.

ATTACHMENT B

The Method of Apportionment details the method of calculating proportional special benefit and the annual assessment obligation for each affected parcel.

The Estimate of Improvement Costs including the calculation of the assessments and the estimated annual funding (Budget) required for the annual maintenance, servicing, and operation of lighting improvements and specifically the costs associated with the improvements determined to be of special benefit to parcels within the Annexation Territory establishing the proposed maximum assessment for Fiscal Year 2025/2026.

The proposed Maximum Assessments shall be presented to the property owner(s) of record in a protest ballot proceeding pursuant to the California Constitution Article XIID.

A Boundary Diagram outlining the boundaries of the Annexation Territory.

An Assessment Roll containing the maximum assessments and proposed assessments for Fiscal Year 2025/2026 for each Assessor Parcel Number within the Annexation Territory.

SECTION 2. Engineer's Report, Approval: The Engineer's Report is hereby approved on a preliminary basis as submitted or amended by direction of this City Council and is hereby ordered to be filed in the Office of the City Clerk as a permanent record and to remain open to public inspection.

SECTION 3. Intention: The City Council hereby declares its intention to annex the developments known as Tract No. 84311 (Assessor Parcel Number 8430-015-021) to the Covina Lighting District No. 1978-79 pursuant to Chapter 2, Article 2 of the Act, and to levy and collect annual assessments against parcels of land within the Annexation Territory commencing with Fiscal Year 2025/2026 in accordance with the Act and the provisions of the California Constitution Article XIID. The territory being annexed to the District as part of these proceedings shall subsequently be designated as Annexation No. 83 of the Covina Lighting District No. 1978-79.

SECTION 4. Annexation Territory: The City Council hereby finds that proposed territory within the Annexation Territory (Annexation No. 83) consists of all lots, parcels, and subdivisions of land within the planned seventy-five (75) condominiums known as "Assessor Parcel Numbers 8430-015-021" and that this Annexation Territory includes all properties that receive special benefits from the improvements provided.

SECTION 5. Improvements: The proposed improvements and services for the Annexation Territory include installation, construction, or maintenance of any authorized improvements under the Act, including, but not limited to, lighting improvements and any facilities which are appurtenant to any of the aforementioned or which are necessary or convenient for the maintenance or servicing thereof. The Engineer's Report, prepared in connection with the Annexation Territory, provides a more detailed description of the improvements and services to be provided and for which properties shall be assessed and by reference that Engineer's Report is made part of this resolution.

SECTION 6. Assessments: The City Council hereby determines that to provide the improvements described in Section 5 of this resolution, it is necessary to levy and collect assessments against lots and parcels within the Annexation Territory commencing in Fiscal Year 2025/2026. The Engineer's Report referred to in Section 2 of this resolution establishes the proposed maximum assessment for Fiscal Year 2025/2026 and an estimate of the assessments necessary to provide for the annual operation, administration, services, and maintenance of the improvements for Fiscal Year 2025/2026.

SECTION 7. Compliance with the Constitution: Pursuant to California Constitution Article XIID, an assessment ballot proceeding is hereby called on the matter of confirming the proposed new assessments for the Annexation Territory. The ballots and notices so authorized shall be distributed by first class mail to the property owners of record as of the last County equalized roll, and each property owner may return the ballot by mail or in person to the City Clerk no later than the conclusion of the public hearing for this matter.

While provisions of the California Constitution Article XIID require that the City conduct a public hearing not less than forty-five (45) days after mailing a notice of the proposed assessment to record owners of each parcel which will have a special benefit conferred upon them and upon which an assessment will be imposed, California Civil Code, Section 3513, allows anyone to waive the advantage of a law intended solely for their benefit, and the forty-five (45) day mailed ballot period before the scheduled public hearing is not established for a public reason, but is solely for the advantage of the parcels having a special benefit conferred upon them and which an assessment will be imposed.

SECTION 8. Mailed Notice and Ballot: The City Council hereby authorizes and directs the City Clerk or their designee to prepare and mail the Notice of Public Hearing, and in the same or separate mailing, mail the property owner protest ballot(s) to the subject property owner regarding the proposed levy of assessments and the assessment range formula outlined in the Engineer's Report, for return receipt prior to the date and time of the public hearing set forth in this resolution.

SECTION 9. Public Hearing: The City Council hereby declares its intention to conduct a public hearing concerning the Annexation Territory, the improvements, and the levy of assessments and in accordance with Section 22624 (e) and 22625 of the Act, notice is hereby given that on Tuesday, May 20, 2025 at 7:30 P.M., the City Council will hold a public hearing for the Annexation Territory and the levy and collection of assessments related thereto commencing in Fiscal Year 2025/2026, or as soon thereafter as feasible. The public hearing will be held in the City Council Chambers, located at 125 East College Street, in the City of Covina, California, at the time so fixed. At the public hearing, all interested persons shall be afforded the opportunity to hear and be heard.

SECTION 10. Determination of Majority Protest: The property owner protest ballot proceeding conducted for the Annexation Territory shall constitute the property owner's approval or rejection of the annual levy of assessments and assessment range formula, if applicable. The property owner may return the ballot by mail or in person to the City Clerk no later than the conclusion of the public hearing on Tuesday, May 20, 2025. After the close of the public hearing, pursuant to Section 4, Sub-Section 4 (e) of the California Constitution, the City shall tabulate the

ballots returned to determine if majority protest exists. The ballots shall be weighted according to the proportional financial obligation of the affected property. Majority protest exists if, upon the conclusion of the hearing, ballots submitted in opposition to the assessment exceed the ballots submitted in favor of the assessment.

Any interested person may file a written protest with the City Clerk prior to the conclusion of the hearing, or having previously filed a protest, may file a written withdrawal of that protest. A written protest shall state all grounds of objection, and protest by a property owner shall contain a description sufficient to identify the property owned by such property owner. At the public hearing, all interested persons shall be afforded the opportunity to hear and be heard.

SECTION 11. Notice: The City Clerk is hereby authorized and directed to give notice of such public hearing as provided by law.

SECTION 12. The City Clerk shall certify the passage and adoption of this resolution and shall enter the same in the Book of Original Resolutions.

APPROVED and **PASSED** this 1st day of April, 2025.

City of Covina, California

BY: _____
JOHN C. KING, Mayor

ATTEST:

FABIAN VELEZ, Chief Deputy City Clerk

CERTIFICATION

I, Fabian Velez, Chief Deputy City Clerk of the City of Covina, do hereby certify that Resolution CC 2025-26 was duly adopted by the City Council of the City of Covina at a regular meeting held on the 1st day of April, 2025 by the following vote:

AYES: COUNCIL MEMBERS:
NOES: COUNCIL MEMBERS:
ABSTAIN: COUNCIL MEMBERS:
ABSENT: COUNCIL MEMBERS:

Dated:

FABIAN VELEZ, Chief Deputy City Clerk



City of Covina
Lighting District No. 1978-79
Engineer's Report
Annexation No. 83
Commencing Fiscal Year 2025/2026

Intent Meeting: April 1, 2025

Public Hearing: May 20, 2025

27368 Via Industria
Suite 200
Temecula, CA 92590
T 951.587.3500
F 951.587.3510

www.willdan.com



ENGINEER'S ANNEXATION REPORT AFFIDAVIT

City of Covina

Covina Lighting District No. 1978-79

Annexation No. 83

Commencing in Fiscal Year 2025/2026

**City of Covina,
Los Angeles County, State of California**

As part of the Resolution of Intention packet presented for the consideration of the Covina City Council, this Report and the enclosed budget, diagrams, and description outline specific proposed changes to the Covina Lighting District No. 1978-79 for Fiscal Year 2025/2026, including the annexation of territory to the District; and the proposed new annual assessments for all parcels within Annexation No. 83 commencing in Fiscal Year 2025/2026. Reference is hereby made to the Los Angeles County Assessor's Parcel Maps for a detailed description of the lines and dimensions of parcels within Annexation No. 83 known as Assessor Parcel Number 8430-015-021 (Tract No. 84311) that will be subject to the proposed annual assessments.

The undersigned respectfully submits the enclosed Report as directed by the City Council.

Dated this _____ day of _____, 2025.

Willdan Financial Services
Assessment Engineer
On Behalf of the City of Covina

By: _____

Stacee Reynolds
Principal Consultant

By: _____

Tyrone Peter
R. C. E. # C81888

Table of Contents

INTRODUCTION	1
PART I — PLANS AND SPECIFICATIONS	3
IMPROVEMENTS AUTHORIZED BY THE 1972 ACT	3
DESCRIPTION OF IMPROVEMENTS TO BE MAINTAINED AND SERVICED.....	4
PART II — METHOD OF APPORTIONMENT.....	5
LEGISLATIVE REQUIREMENTS FOR ASSESSMENTS	5
SPECIAL BENEFITS.....	5
GENERAL BENEFIT	6
ASSESSMENT METHODOLOGY	6
APPORTIONMENT.....	7
PART III — ESTIMATE OF COSTS	8
PART IV — ASSESSMENT DIAGRAM	9
PART V — ASSESSMENT ROLL.....	10

Introduction

Pursuant to the provisions of the Landscaping and Lighting Act of 1972, being Part 2, Division 15, of the California Streets and Highways Code, commencing with Section 22500 (hereafter referred to as the "1972 Act"), this report is prepared in compliance with the requirements of Article 4, Chapter 1, of the 1972 Act regarding the annexation of territory into the City's existing Covina Lighting District No. 1978-79 (hereafter referred to as "District").

The City Council of the City of Covina, being the legislative body for the District, may, pursuant to the 1972 Act, annex territory and levy annual assessments for the operation and administration of the District. In Section 22608 of the 1972 Act, it states "*right of majority protest shall be limited to the territory proposed to be annexed.*"

In addition, the 1972 Act provides for the levy of annual assessments after annexation into or formation of an assessment district for the continued maintenance and servicing of the improvements. The 1972 Act further allows various areas to be annexed into an existing district when the territory in the annexation receives substantially the same proportional special benefits from the improvements. The costs associated with the installation, maintenance, and servicing of the improvements may be assessed to properties benefiting from the installation, maintenance, and servicing of such improvements.

This report specifically addresses the annexation of approximately 2.78 acres of territory consisting of one parcel (Tract No. 84311).

In accordance with the 1972 Act, the District utilizes benefit zones ("Zones") to address variations in the nature, and extent of the improvements that provide special benefits to parcels in the District. Within the boundaries of the District, parcels are assigned to either Residential Zone A or Commercial Zone B.

This territory is more specifically identified as:

- **APN 8430-015-01** located north of Limoncello Lane, east of Ruby Red Drive and west of Barranca Avenue, will develop out to seventy-five (75) condominiums. This development will benefit from existing streetlights.

This annexation territory is proposed to be annexed into the District and levied assessments commencing in Fiscal Year 2025/2026, and shall be known and referred to as:

Annexation No. 83 for the Covina Lighting District No. 1978-79

(hereafter referred to "Annexation No. 83"). The properties associated with and identified herein as Annexation No. 83 are shown on the Assessment Diagrams incorporated herein as Part IV of this Report.

This Report has been prepared in connection with the annexation of parcels into the District for Fiscal Year 2025/2026, designated as Annexation No. 83, pursuant to a resolution of the City Council and consists of the following five (5) parts.

Part I – Plans and Specifications

Contains a description of the improvements to be maintained or serviced throughout the District.

Part II – Method of Apportionment

Describes the basis on which the costs have been apportioned to each parcel of land within the District, in proportion to the estimated benefits to be received.

Part III – Estimate of Costs

Identifies the estimated cost of the services or maintenance to be provided throughout the District, including incidental costs and expenses in connection therewith.

Part IV – Assessment Diagram

Contains a diagram showing the existing exterior boundaries of the District, and the location and parcels that receive special benefits from the streetlight improvements to be provided and maintained as part of Annexation No. 83. The lines and dimensions of each lot, parcel, and subdivision of land within Annexation No. 83 are inclusive of all parcels listed in Part V, Assessment Roll, of this Report and the corresponding Los Angeles County Assessor's Parcel Maps for said parcels as they existed at the time this Report was prepared and shall include all subsequent subdivisions, lot-line adjustments, or parcel changes therein. Reference is hereby made to the Los Angeles County Assessor's maps for a detailed description of the lines and dimensions of each lot and parcel of land within Annexation No. 83.

Part V – Assessment Roll

Identifies the maximum assessment to be levied on each benefited lot or parcel of land within Annexation No. 83.

If any section, subsection, subdivision, sentence, clause, phrase, or portion of this Report is, for any reason, held to be invalid or unconstitutional by the decision of any court of competent jurisdiction, such decision shall not affect the validity of the remaining provisions of the Report and each section, subsection, subdivision, sentence, clause, phrase, or portion thereof, irrespective of the fact that any one or more sections, subsections, sentences, clauses, phrases, or portions might subsequently be declared invalid or unconstitutional.

Part I — Plans and Specifications

IMPROVEMENTS AUTHORIZED BY THE 1972 ACT

As applicable or may be applicable to the District, the 1972 Act defines improvements to mean one or any combination of the following:

- The installation or construction of public lighting facilities.
- The maintenance and/or servicing of any public lighting facilities.
- The acquisition of any existing lighting improvement otherwise authorized pursuant to this section.

The 1972 Act defines “incidental expenses” to include all of the following:

- The costs of preparation of the report, including plans, specifications, estimates, diagram, and assessment.
- The costs of printing, advertising, and the giving of published, posted, and mailed notices.
- Compensation payable to the county for collection of assessments.
- Compensation of any engineer or attorney employed to render services in the proceeding pursuant to this part.
- Any other expenses incidental to the construction, installation, or maintenance and servicing of the improvements.
- Any expenses incidental to the issuance of bonds or notes pursuant to Section 22662.5.
- Costs associated with any elections held for the approval of a new or increased assessment.

The 1972 Act defines “maintain” or “maintenance” to mean furnishing of services and materials for the ordinary and usual maintenance, operation, and servicing of any improvement, including the repair, removal, or replacement of all or any part of any improvement.

DESCRIPTION OF IMPROVEMENTS TO BE MAINTAINED AND SERVICED

The District was established to collect funds to cover the expenses for energy and maintenance of streetlights in the City. These costs are billed by the Southern California Edison Company for all District streetlights currently owned and maintained by Edison (approximately 1,247 streetlights) and all District streetlights owned by the City (approximately 215 streetlights).

The following tables show the wattage and lumens of the City's streetlights, distinguishing between those owned by Edison and those owned by the City, along with the number of units in each zone.

Edison-Owned	Zone A	Zone B
Delivery and Maintenance	Units	Units
20.01 - 25W	5	2
25.1 - 30W	1	0
30.01 - 35W	448	138
35.01 - 40W	2	0
40.01 - 45W	32	135
70.01 - 75W	0	1
70.01 - 75W	0	1
80.01 - 85W	0	3
85.01 - 90W	62	289
85.01 - 90W	0	94
120.1 - 125W	0	3
135.01 - 140W	0	0
160.01 - 165W	3	20
5800 Lumens	1	0
9500 Lumens	1	0
16000 Lumens	0	4
22000 Lumens	0	1
27500 Lumens	0	1
Total	555	692

City-Owned	Zone A	Zone B
Delivery and Maintenance	Units	Units
30.1 - 35W	0	3
35.01 - 40W	0	92
45.01 - 50W	6	1
60.01 - 65W	8	6
80.01 - 85W	8	9
100.1 - 105W	20	56
165.01 - 170W	0	2
27500 Lumens	3	1
Total	45	170

The existing improvements for the District include, but are not limited to, and may be generally described as follows:

- The installation of streetlighting, traffic signals, and other appurtenant facilities that are necessary for the daily operation of said lighting located within City road rights-of-way. Installation covers all work necessary for the installation or replacement of said lighting and all appurtenant work necessary to complete said installation or replacement.
- The operation, maintenance, and servicing of all existing streetlighting, traffic signals, and other appurtenant facilities necessary for the daily operation of said lighting located within City road rights-of-way. Operation, maintenance, and servicing means all work necessary to maintain said lights in proper operation including providing energy to operate the lights.

Locations of all streetlights for the District are included in a database held at the City. The annexation diagram is on page 9 of this report, as Annexation No. 83. The Los Angeles County Assessor's Maps, copies of which are in the City of Covina Engineering Division's office, are made a part hereof.

Part II — Method of Apportionment

LEGISLATIVE REQUIREMENTS FOR ASSESSMENTS

The costs of the proposed improvements have been identified and allocated to properties within Annexation No. 83 based on proportional special benefit with the Assessor Parcel Numbers currently in the District, consistent with the provisions of the 1972 Act and the assessment provisions of Proposition 218 (being contained in Article XIID of the California Constitution). The improvements provided by this District and for which properties within the annexation areas are assessed are identified as streetlights that were installed prior to this annexation. The formulas used for calculating assessments and the designation of Zones herein reflect the composition of parcels within Annexation No. 83, and the streetlight improvements are fairly apportioned among the parcels in the District.

In addition to the provisions of the 1972 Act, Article XIID of the California Constitution outlines specific requirements regarding assessments including the following:

Article XIID Section 2d defines District as follows:

“District means an area determined by an agency to contain all parcels which will receive a special benefit from a proposed public improvement or property-related service.”

Article XIID Section 2i defines Special Benefit as follows:

“Special benefit means a particular and distinct benefit over and above general benefits conferred on real property located in the district or to the public at large. General enhancement of property value does not constitute “special benefit.”

Article XIII D Section 4a defines proportional special benefit assessments as follows:

“An agency which proposes to levy an assessment shall identify all parcels which will have a special benefit conferred upon them and upon which an assessment will be imposed. The proportionate special benefit derived by each identified parcel shall be determined in relationship to the entirety of the capital cost of a public improvement, the maintenance and operation expenses of a public improvement, or the cost of the property related service being provided. No assessment shall be imposed on any parcel which exceeds the reasonable cost of the proportional special benefit conferred on that parcel.”

SPECIAL BENEFITS

Street lighting in the District is primarily useful for illuminating the streets that provide access to the properties in the District as well as the sidewalks and parking lanes associated with those properties. While it is recognized that both streetlights and traffic signals serve in part to enhance traffic safety, installation and construction of these improvements were clearly required by the development of properties within the District and these improvements provide three main special benefits to those properties: (i) property security benefit, (ii) pedestrian safety benefit, and (iii) parkway/roadway egress benefit. Furthermore, because traffic circulation in the City is largely the result of local traffic to and from these properties by the property owners and guests, it is reasonable to assume that these properties derive a particular and distinct benefit from the streetlights and traffic signals that support the safe access to the properties and essentially all pedestrians and parking vehicles in the lit areas will, after dark, be directly associated with the assessed properties. As a result, the maintenance of these lighting improvements is a particular and distinct benefit to the properties in Zone A.

GENERAL BENEFIT

In regard to street lighting on the arterial streets, similar to local streetlights located on the collector streets and development perimeters, it is certainly reasonable to recognize that arterial streetlights provide a measure of general benefit to the public and to properties in general resulting from nighttime traffic safety and circulation on these primary streets. Based on a report completed by Meyer, Mohaddes Associates, in March 2006, regarding the City's Transportation Impact Fee Program, it is estimated that the average number of vehicular trips generated by properties within the City account for approximately sixty-six percent (66%) of the total daily trips on the City's arterial streets, with thirty-four percent (34%) being either pass-through trips from outside the City or additional trips above the average from properties within the City. Utilizing this information as part of the analysis for separating general benefits from special benefits, it is reasonable to conclude that thirty-four percent (34%) of the street light improvements and associated costs of the City's arterial streetlights can be identified as general benefit to the public at large and to the properties that are assessed. Therefore, thirty-four percent (34%) of the District's maintenance costs are for general traffic-related improvements along the City's arterial streets, which together improve the overall safety of the community at large, and the properties therein and therefore, are considered to be a general benefit.

ASSESSMENT METHODOLOGY

To assess benefits equitably it is necessary to calculate each property's relative share of the special benefits conferred by the funded improvements and service. The Benefit Unit (BU) method of assessment apportionment is utilized for this District and establishes a basic unit (base value) of benefit and then calculates the benefit derived by each assessed parcel as a multiple (or a fraction) of that basic unit. The BU method of apportioning special benefits is typically seen as the most appropriate and equitable assessment methodology for assessment districts, as the benefit to each parcel from the improvements are apportioned as a function of comparable property characteristics which may include, but are not limited to, land use and property size.

For the purposes of this Engineer's Report, BU is the quantum of benefit derived from the various Zone improvements by a single-family residential parcel. The single-family residential parcel has been selected as the basic unit for calculation of assessments. Thus, the "benchmark" property (the single-family residential parcel) derives one BU of benefit and is assigned 1.00 Equivalent Benefit Unit. Pursuant to the 1972 Act, the costs of the District may be apportioned by any formula or method that fairly distributes the net amount to be assessed, among all assessable parcels in proportion to the estimated benefits to be received by each parcel from the improvements. The benefit formula used for the District should reflect the composition of the parcels, and the improvements and services provided, to fairly apportion the costs based on special benefit to each parcel.

The existing District's Method of Apportionment utilizes commonly accepted assessment-engineering practices and were established pursuant to the 1972 Act and the provisions of the California Constitution. The method outlined for each Zone is based on the premise that each assessed parcel receives benefit from the improvements maintained and financed by the District's assessments.

APPORTIONMENT

Assessments proposed for individual lots within the District are for special benefit received and are determined based upon two benefit zones, Zone A and Zone B, which are identified in the chart below:

Benefit Zones	FY 2025/2026 Maximum Assessment per Benefit Unit
(1) Residential - Zone A	\$20.80
(2) Non-Residential - Zone B	\$2.70

Zone A residential parcels are assigned one (1) unit per dwelling unit and BUs for commercial parcels in Zone B are calculated per thousand square feet of land area.

This same method of apportionment is applicable to parcels within Annexation No. 83.

The benefit to properties for traffic signals, intersection lighting and local safety lighting on City streets are a benefit to the parcels within the City. The parcels within the District share equally the cost of the signal and safety lights. Thus, the total benefit to each parcel within the District is a combination of the traffic signal and safety lighting.

Part III — Estimate of Costs

The 1972 Act provides that the estimated costs of the improvements shall include the total cost of the improvements, including incidental expenses.

The 1972 Act also provides that the amount of any surplus, deficit, or contribution be included in the estimated cost of improvements. The net amount to be assessed on the lots or parcels within Annexation No. 83 is the total cost of maintenance and servicing with adjustments either positive or negative for reserves, surpluses, deficits, and/or contributions.

The estimated annual improvement costs for Annexation No. 83 are identified below.

BUDGET ESTIMATES

Note: A full breakdown of Revenue and Expenses will be provided in the Annual Engineers Reports for Fiscal Year 2025/2026 for Lighting District No. 1978-79.

Annexation to Zone A Tract 84311	
Proposed Expenses	
Delivery and Maintenance	\$2,717
Engineering Services	68
Administrative Overhead	271
Legal Notices	1
Property Tax Administrative Fees	10
Contingency ⁽¹⁾	0
Expense Total	\$3,068
Estimated Revenues	
Proposed Assessment Revenue	\$1,560
General Fund Contribution	1,508
Revenue Total	\$3,068
Benefit Units (BUs) at Build Out	75.00
Proposed Assessment Rate Per Unit	\$20.80

Part IV — ASSESSMENT DIAGRAM

LIGHTING DISTRICT NO. 1978-79

CITY OF COVINA
COUNTY OF LOS ANGELES
STATE OF CALIFORNIA

ANNEXATION NO. 83

SHEET 2 OF 2



Part V — ASSESSMENT ROLL

Parcel identification for each lot or parcel within Annexation No. 83 shall be the parcels as shown on the Los Angeles County Secured Roll for the year in which this Report is prepared and reflective of the Assessor's Parcel Maps.

The following is a list of the parcels of land (parcels) within the District and the corresponding maximum assessments being set for Fiscal Year 2025/2026, as determined by the assessment rate and method of apportionment described herein.

APN	Zone	Owner	Area	EBU	Maximum Rate Per Assessment Unit FY 2025/2026	Maximum Assessment FY 2025/2026
8430-015-021	83	TH BARRANCA II LLC	Tract 84311	75.0000	\$20.80	\$1,560.00



CC Regular Meeting **AGENDA ITEM REPORT**

Meeting: April 1, 2025
Title: Xerox Copier Lease and Managed Print Service Agreement
Presented by: Angel Carrillo, Deputy City Manager
Recommendation: Authorize the City Manager to Execute an Agreement with PEAC Solutions and Excel Office Services to Provide Copiers and Managed Print Services.

EXECUTIVE SUMMARY:

The City currently has four Xerox copiers on contract that will expire at the end of this month. There are two at City Hall, one at the Public Works yard and one servicing Parks and Recreation. The new contract will replace the existing copiers with new models.

BACKGROUND:

The City currently has four Xerox Copiers, two at City Hall, one at the Public Works yard, and one at Parks and Recreation. The current monthly cost of the four copiers is \$676 for the lease financed with Xerox Financial Services. Additionally, there is a Managed Print Services contract with Excel Office Services at a rate of \$10 base monthly charge per machine and a per page print cost ranging from \$.0.0092 to \$0.0717.

DISCUSSION:

The City's copier needs have been serviced well by the existing contracts. Recently PEAC Solutions took over Xerox Financial Services lease contracts. Staff is recommending moving forward with PEAC Solutions for the commercial equipment lease agreement on the four copiers and Excel Office Services to provide the Managed Print Services contract. The cost for the lease agreement will remain the same as the last contract at \$676 per month and the managed print services contract will see a slight reduction in per print charges identified in Attachment A.

This agreement falls under Sourcewell's cooperative purchasing contract, which allows the City to leverage a competitively bid contract for cost-effective procurement. Peak/Excel is an approved supplier under Sourcewell's cooperative purchasing program (see Attachment B). Sourcewell, formerly known as the National Joint Powers Alliance (NJPA), is a government agency service cooperative available to educational institutions, government entities, non-public schools, and nonprofit organizations. As a participating member of Sourcewell (Member ID#93699), the City of Covina is authorized to utilize Sourcewell's competitively bid cooperative purchasing agreements.

FISCAL IMPACT:

The fiscal impact for the 60-month lease including the Managed Print Services will be a total monthly cost of up to \$1050.00, \$12,600 annually and a five-year total of \$63,000.

CEQA (CALIFORNIA ENVIRONMENTAL QUALITY ACT):

Not applicable.

Respectfully submitted,

A handwritten signature in cursive script, appearing to read "Angel Carrillo".

Angel Carrillo
Deputy City Manager



COMMERCIAL EQUIPMENT LEASE AGREEMENT

Marlin Leasing Corporation dba PEAC Solutions ("PEAC", "We" or "Us"): 300 Fellowship Road, Mt. Laurel, NJ 08054 | P: 888-479-9111 | F: 888-479-1100 | www.peacsolutions.com

DESCRIPTION OF LEASED EQUIPMENT ("PRODUCTS") (Include quantity, make, model, serial number, and accessories. Attach schedule if necessary.) **MUST BE COMPLETED**
1-Xerox C8270, One Xerox C8255, Two-Xerox B8245 App#

CUSTOMER ("YOU")

Company Name (Exact business name): City of Covina City Hall, Public Works, Parks and Recreation Tax Exempt:
Address: 125 E College Street, Covina, 91723
Street City County State Zip
Phone: (626)384-5400 Email: ACarrillo@covina.gov Federal Tax ID#: 95-6000699 Corp. Limited Liability Corp. Partnership Prop.
Products Location (if different from above): See Schedule C State of Incorporation/Organization: Ca.
Vendor: Excel Office Services Address: 2020 S Robertson, Los Angeles, Ca. 90034

Lease Term (Mos.) 60	Total No. of Payments	Amount of Each Payment \$676.00 (Plus applicable taxes)	Advance Rentals First <u> </u> and Last <u> </u> month(s)	Payment Frequency <input checked="" type="checkbox"/> Monthly <input type="checkbox"/> Quarterly <input type="checkbox"/> Other:	Purchase Option <input checked="" type="checkbox"/> FMV <input type="checkbox"/> \$1.00 <input type="checkbox"/> Other:
--------------------------------	-----------------------	--	--	--	---

TERMS OF AGREEMENT

1. REQUEST FOR US TO ACQUIRE PRODUCTS FOR YOU. You (the Customer) wish to acquire certain Products from the vendor identified above. Rather than purchasing it yourself, you have come to PEAC and asked us to purchase it and then lease it back to you. In exchange for our agreement to do this, you have agreed to the terms in this equipment lease agreement (the "Agreement"). We have given you an opportunity to discuss and negotiate these terms with us, and the following is the final version of our contract. If there is any information deleted from above, you give us permission to fill it in. This Agreement is not binding on us until we sign it. You agree all terms are accurately filled in and you have reviewed all pages of the Agreement.

2. THE PRODUCTS. We agree to lease to you, and you agree to lease from us, the Products identified above and on any schedules attached to this Agreement. This Agreement also covers any and all replacement Products, add-ons, substitutions or accessories (collectively referred to as the "Products"). The other details of the Agreement such as the Payment amount, the initial Agreement term and other matters are set forth in the boxes above.

3. YOUR SELECTION OF THE VENDOR AND THE PRODUCTS. You hereby acknowledge and agree that: (a) YOU SELECTED THE VENDOR AND THE PRODUCTS BASED ON YOUR OWN SKILL AND KNOWLEDGE. (b) WE DID NOT SELECT OR INSPECT THE PRODUCTS, HAVE NEVER SEEN THE PRODUCTS AND HAVE NO EXPERT KNOWLEDGE REGARDING THEM. (c) YOU AGREE THAT THIS AGREEMENT IS A FINANCE LEASE AS DEFINED IN ARTICLE 2A OF THE UNIFORM COMMERCIAL CODE. IT IS ALSO A "TRUE LEASE," MEANING THAT IT IS NOT A "LEASE INTENDED AS SECURITY," A CONDITIONAL SALE, A LOAN OR A SIMILAR ARRANGEMENT. (d) Prior to executing the Agreement, you received and approved the supply contract (if any) from the vendor, and you are now advised hereby that you may have rights against the vendor under the supply contract (if any) and that you may contact the vendor for information about what your rights against the vendor are (if any).

4. NO RIGHT TO CANCEL; OTHER IMPORTANT TERMS OF THE AGREEMENT. YOU AGREE AS FOLLOWS: (a) AGREEMENT CANNOT BE REVOKED; NO "TEST PERIOD." Because we are purchasing the Products for you at your request and cannot get a refund, this Agreement cannot be cancelled or revoked by you for any reason at any time, including but not limited to Products failure or defects, damage or loss. The Agreement cannot be prepaid except with our prior written permission on terms acceptable to us. There is no "test period" for the Products. (b) **PEAC IS NOT RELATED TO MANUFACTURER OR VENDOR; NO CLAIMS TO BE MADE AGAINST PEAC.** We are not related in any way to the Products manufacturer or vendor. Neither the vendor nor anyone else is an agent of ours, and no statement, representation, guarantee or warranty made by the vendor or other person is binding on us or will affect your obligations to us. Only an executive officer of PEAC is authorized to waive or alter any of the terms of this Agreement, and then only in writing. If the Products fail to operate properly, or the vendor or any other person fails to provide any installation, maintenance, or other service, you will make any complaint only against the vendor or other person and not against us (either by way of a claim, counterclaim, defense or excuse to payment). (c) **PEAC MAKES NO WARRANTIES.** The Products are leased by us to you "as is," "where is" and with any and all faults. We have made no statement, representation, or warranty regarding the Products. We disclaim all express and implied warranties, including without limitation any implied warranty of merchantability or fitness for a particular purpose. We shall transfer to you all express warranties, if any, made by the vendor to us, but this does not imply that there are any such warranties. You may contact the vendor to get a statement of all warranties, if any. (d) **BARGAINED FOR WAIVER OF RIGHTS.** You waive any and all rights and remedies you have under article 2a of the Uniform Commercial Code, including sections 508 through 522 thereof. (e) **DISCLAIMER OF LIABILITY.** We are not liable for any loss, damage (including lost profits, special damages or incidental or consequential damages) or injury to you, your employees or any other person or property caused by the Products. (f) Time is of the essence with respect to the obligations of Customer under this Agreement. (g) Any provision of this Agreement that is unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such unenforceability without invalidating the remaining provisions of this Agreement, and any such unenforceability in any jurisdiction shall not render unenforceable such provision in any other jurisdiction.

5. PAYMENT AMOUNT; INTERIM RENT; LATE FEE; DOCUMENTATION FEE. The monthly or other periodic Payment you have agreed to pay is stated above. You agree that we may adjust the Payment amount above if the final Products cost varies by up to 15% from the amount the Payment was based upon. You also agree to pay a partial payment (interim rent) covering the period between the delivery date and the date the first regular Payment is due. If we do not receive your Payment of any amount due under this Agreement by its due date, there will be a late fee equal 15% of the late amount (or, if less, the maximum amount allowable under applicable law), which you agree is a reasonable estimate of the costs we incur with respect to late Payments and is not a penalty. Upon your request, we will waive the first assessed late charge. We may charge you a one-time documentation fee up to \$125. You agree to pay (i) a convenience fee for any Payment you elect to make by telephone and (ii) a charge of \$30 if any Payment made by ACH or check is dishonored or returned. You agree to reimburse us and pay us for all costs we incur to send you documentation associated with and/or regarding this Agreement via an overnight carrier service.

6. AGREEMENT COMMENCEMENT AND TERM. This Agreement will commence when the Products are delivered to you and will continue for the entire Agreement term plus any interim rent period and any renewal term. The monthly (or other periodic) due date will be established by us. The due date for the first regular rental Payment will also be established by us; however, it will not be greater than 30 days from the date on which the Products were delivered to you.

7. ADVANCE PAYMENT(S). If the Agreement does not commence for reasons other than our own negligence, we may retain such monies to compensate us for our credit and other administrative costs.

8. PRODUCTS DELIVERY AND USE. You understand and agree that we are not responsible for packaging, delivery, installation or testing of the Products. You (and/or the Vendor, if you have made such arrangements with the Vendor) are responsible for all such matters. You agree that you will not have any complaint against us if the Vendor or any other person improperly packages the Products or delays in delivering or installing them. **YOU REPRESENT TO US THAT THE PRODUCTS WILL BE USED ONLY FOR COMMERCIAL, BUSINESS OR AGRICULTURAL PURPOSES, AND NOT FOR PERSONAL, FAMILY OR HOUSEHOLD PURPOSES.** In addition, you agree not to attach the Products to any realty or otherwise permit to become a "fixture" to real estate or a structure thereon, nor will you trade it in, make alterations to it, sell or dispose of it without our prior written permission. **(Agreement continues on Page 2)**

ACCEPTANCE OF EQUIPMENT LEASE AGREEMENT THIS IS A BINDING CONTRACT. IT CANNOT BE CANCELED. READ IT CAREFULLY BEFORE SIGNING AND CALL US IF YOU HAVE ANY QUESTIONS.

X
Signature of Customer Print Name of Signer Title Date

Accepted and Signed by PEAC Solutions Print Name of Signer Title Date

DISCLOSURE - www.peacsolutions.com/customerdisclosure PEAC PRIVACY POLICY DISCLOSURE - www.peacsolutions.com/privacy-policy/

To help the government fight the funding of terrorism and money laundering activities, federal law requires all financial institutions to obtain, verify and record information that identifies each person who opens an account. What this means to you: when you open an account, we will ask you for your name, address, date of birth, and other information that will allow us to identify you. We may also ask to see your driver's license or other identifying documents. Privacy Policy - Please visit www.peacsolutions.com/privacy-policy/ to learn how your information is being protected.

ACCEPTANCE OF DELIVERY - ONLY THOSE AUTHORIZED TO SIGN ON BEHALF OF THE CUSTOMER SHOULD SIGN THIS ACCEPTANCE OF DELIVERY

I AM AUTHORIZED TO SIGN THIS CERTIFICATE ON BEHALF OF THE CUSTOMER. I CERTIFY TO PEAC THAT THE PRODUCTS HAVE BEEN DELIVERED AND ARE INSTALLED AND WORKING PROPERLY. I HEREBY AUTHORIZE PEAC TO PAY THE VENDOR AND COMMENCE THE AGREEMENT.

X
Authorized Signature Name and Title (Please Print) Date

TERMS OF AGREEMENT (continued)

You shall not allow any liens or encumbrances (for example, a mechanic's lien) to be placed on the Products. You will keep and use the Products only at the address listed above, will not move or return them prior to the end of the Agreement term and will not allow the Products to be used outside of the United States.

9. MAINTENANCE AND SERVICE. You agree that we are not responsible for installation, maintenance, repairs or service to the Products. You agree to use the Products strictly in the manner for which they are intended by the manufacturer, and you shall maintain the Products in good operating order. At the end of the term of the Agreement, unless you have been given a written option to purchase the Products and you make the purchase, you will be liable for all damage or distress to the Products. Your Payments may include amounts you owe to the vendor under a separate maintenance, service and/or supply arrangement. We may invoice such amounts on the vendor's behalf for your convenience. You agree that any claims related to maintenance, service or supplies will not impact your obligation to pay us the full amount due under the Agreement.

10. AGREEMENT ASSIGNMENT; SUBLEASE OF PRODUCTS. You agree that you may not assign, transfer or sell any of your rights or interests under the Agreement to any other person or entity, nor may you sublease or rent any of the Products to any other person or entity. However, you agree that we may assign, transfer, sell, pledge or otherwise encumber any or all of our rights and interests under this Agreement (including our rights and interests in the Products) to any other person or entity (including a bank or other secured party or a buyer) (collectively, a "third party") without prior notice to you. Such third party may also assign, transfer, sell, pledge or otherwise encumber its rights and interests. In this event, you agree that such third party, or its assignee or transferee, will receive all the rights and interests we had under the Agreement but none of our obligations or liabilities, if any. We will continue to be responsible for all such liabilities and will retain and honor all such obligations, if any. You promise and agree that you will not assert any claims, counterclaims, defenses or setoffs against such third party. You hereby acknowledge that any transfer of our rights and/or interests to a third party would not materially change your obligations under the Agreement or increase your risks.

11. DAMAGE TO PRODUCTS; RISK OF LOSS OF PRODUCTS; INSURANCE. You agree that we are not liable or responsible for any damage to the Products, or any loss of or casualty to the Products from any cause whatsoever. NO SUCH DAMAGE, CASUALTY OR LOSS WILL AFFECT YOUR RESPONSIBILITIES AND OBLIGATIONS UNDER THE AGREEMENT. You will notify us in writing within 5 days of any item becoming lost, stolen or damaged. If any item is lost, stolen, destroyed, damaged beyond repair or rendered permanently unfit for use for any reason, or in the event of condemnation or seizure of any item, you will promptly pay us, within 10 days of our demand, an amount equal to PEAC's Loss as defined in Section 16 with respect to such item at the time of payment based on the proportion that the original cost of such item bears to the total cost of all items of the Products. Upon payment of such amount to us, such item shall become your property, we will transfer to you, without recourse or warranty, all of our right, title and interest therein, the rent with respect to such item will terminate, and the rental payments on the remaining items will be reduced accordingly. You shall pay any sales and use taxes due on such transfer. Any insurance or condemnation proceeds received will be credited to your obligation under this section and you will be entitled to any surplus. Whenever the Products are damaged and such damage can be repaired, you shall, at your expense, promptly effect such repairs as we deem necessary for compliance with section 9 above. You must maintain acceptable liability insurance with a minimum limit of \$1 million per occurrence naming us as "additional insured". You must keep the Products insured against all risks of loss in an amount equal to the replacement cost and have us listed on the policy as "loss payee" with a Lender's Loss Payable endorsement for the entire term of the Agreement. If you do not give us proof of the required insurance within 30 days after the Agreement commences (or within 30 days of any subsequent renewal date), then depending on the original cost of the Products we may, but are not obligated to, obtain insurance to cover our interests and charge you a fee for such coverage (including a monthly administration fee and a profit to us). You can cancel the insurance coverage fee at any time by delivering the required proof of insurance.

12. TAXES AND CERTAIN FEES RELATING TO THE AGREEMENT OR THE PRODUCTS. You agree and understand that the amounts we are charging you to rent the Products do NOT cover taxes, governmental fees and similar types of costs. Accordingly, you agree to pay us upon demand for all taxes (including but not limited to sales, property, use and other taxes), administrative costs and other charges and fees relating to this Agreement or to the use or ownership of the Products. We may adjust this Agreement and the monthly (or other periodic) Payment amount to finance for you any taxes due at Agreement inception. We may bill you based on our estimate of the taxes or based on actual assessments we receive. We may charge you an annual property tax administration fee up to \$25. If we gave you a \$1.00 purchase option, we may require you to file all personal property tax returns. You agree the estimation may result in a profit to us.

13. TITLE TO THE PRODUCTS. You agree that the Products are and will remain throughout the term of the Agreement solely our property. We will have title to the Products throughout the term, and this is a "true lease." You hereby grant us a first priority security interest in the Products and you authorize us and our agents to file Uniform Commercial Code Financing Statements recording such security interest (in case this is later determined not to be a "true lease").

14. YOUR REPRESENTATIONS TO US. The person signing this Agreement on behalf of the Customer hereby represents and warrants to PEAC that: This Agreement has been authorized by any and all action required of the corporation, partnership, limited liability company or other form of business (whichever applies in your case), and no consent of any other person or entity is necessary; the Customer has complete power to enter into this Agreement, and the person signing on behalf of the Customer has been authorized to do so; the Agreement is a legal, valid and binding obligation of the Customer, and enforceable against the Customer in accordance with its terms; all factual statements made in this Agreement and all other information supplied to us by the Customer or your representatives, is accurate and complete in all material respects. All prior conversations, agreements and representations relating to this Agreement or the Products are integrated herein. You will promptly execute and deliver to us such further documents and take such further action as we may request in order to carry out more effectively the intent and purpose of this Agreement.

15. DEFAULT DEFINED. You will be in default under this Agreement if any of the following events occur: (a) you fail to make any rental Payment or pay any other amount due under this Agreement by its due date; (b) you fail to comply with any other term or condition of this Agreement or any other agreement between us, or fail to perform any obligation imposed upon you relating to this Agreement or any such other agreement; or (c) you become deceased (if the Customer under this Agreement is one or more natural persons), go out of business, admit your inability to pay your debts as they fall due, become insolvent, make an assignment for the benefit of your creditors, file (or have filed against you) a petition in bankruptcy, a trustee or receiver of your business assets is appointed, or you sell all or substantially all of such assets; (d) you allow a controlling interest in the Customer (you) to be sold, transferred, or assigned to any person(s) or entity(ies) other than those who hold a controlling interest as of the date hereof whether by merger, sale or otherwise; (e) you enter into any merger or reorganization in which the Customer is not the surviving entity; or (f) you allow a Blocked Person to have ownership interest in or control of Customer. "Blocked Person" means any person or entity that is now or at any time (A) on a list of Specially Designated Nationals issued by the Office of Foreign Assets Control ("OFAC") of the United States Department of the Treasury or any sectoral sanctions identification list, or (B) whose property or interests in property are blocked by OFAC or who is subject to sanctions imposed by law, including any executive order of any branch or department of the United States government or (C) otherwise designated by the United States or any regulator having jurisdiction or regulatory oversight over PEAC, to be a person with whom PEAC is not permitted to extend credit to or with regard to whom, a Customer relationship may result in penalties against PEAC or limitations on a lessor's ability to enforce a transaction. A default of this Agreement will constitute a default of all other Agreements you have with us, and a default in any other agreement you have with us will constitute a default of this Agreement.

16. OUR REMEDIES UPON DEFAULT. In the event you default under this Agreement, as defined above, we will have the right to take ANY OR ALL of the following actions, in addition to any and all other remedies that may be available to us under law: (a) terminate the Agreement without prior notice or warning to you; (b) directly debit, via the Automated Clearing House (ACH) system, any Payment(s) due or amounts owed to us from any bank account(s) we have on file for you or that you may provide us with from time to time and, in doing so, you agree to be bound by the ACH Operating Rules; (c) file a lawsuit against you to collect PEAC's Loss. "PEAC's Loss" means the sum of (1) all past due rent Payments then due plus (2) all rent Payments that will become due in the

future during the unexpired term discounted from the dates the respective rent Payments would be due at a discounted rate of 3% per annum, plus (3) the "residual value" of the Products as determined by us in our sole but reasonable judgment, plus (4) all other fees, charges or amounts that are then due. You agree to pay all of our reasonable legal costs, including but not limited to reasonable attorney's fees, and/or reasonable overhead for employee time spent on preparing for suit or attempting to collect Payments; and/or (d) repossess or disable the Products or apply to a court for an order allowing repossession. In this event, you agree that, after the Products are repossessed or disabled, you will have no further rights in the Products, and you agree we may resell, re-lease or otherwise remarket the Products without notice to you. You agree (and you waive any rights that may provide to the contrary) that we will NOT be required to disable, repossess, resell, re-lease or otherwise remarket the Products at any time, and that our failure to do so will not affect our other rights of collection and other rights under this Agreement or under law. No delay or omission on our part in exercising any rights hereunder shall operate as a waiver of any of our rights and a waiver on any one occasion shall not be construed as a bar to or waiver of any right or remedy on any future occasion. No waiver or consent shall be binding upon us unless it is in writing and signed by us.

17. PERSONAL JURISDICTION OVER YOU IN PENNSYLVANIA, PLACE FOR ANY LAWSUIT. You hereby acknowledge that this Agreement was accepted by us in Pennsylvania, where we maintain an office, and it did not take effect until we received the executed legal documents in our Pennsylvania office. Accordingly, YOU AGREE THAT THIS AGREEMENT SHALL BE GOVERNED BY THE LAWS OF THE COMMONWEALTH OF PENNSYLVANIA. YOU AGREE THAT ANY SUIT RELATING TO THIS AGREEMENT SHALL BE BROUGHT IN A STATE OR FEDERAL COURT IN PENNSYLVANIA, AND YOU IRREVOCABLY CONSENT AND SUBMIT TO THE JURISDICTION OF SUCH COURTS, AND WAIVE ANY CLAIM THAT ANY SUCH COURT IS AN INCONVENIENT OR IMPROPER FORUM. EACH PARTY WAIVES ANY RIGHT TO A JURY TRIAL. Any action by you against us must be commenced within one year after the cause of action arises or be forever barred. We and you have agreed that a scanned, facsimile or electronic version of this Agreement and of the signatures of both parties shall be as valid, authentic and legally binding as an original version for all purposes and shall be admissible in court as final and conclusive evidence of this transaction and the execution of the Agreement. Our copy of this Agreement will be deemed chattel paper and evidence your monetary obligation to us. Any written notice hereunder to Customer or PEAC shall be deemed to have been given when delivered personally or deposited with a recognized overnight courier service or in the United States mail, postage prepaid, addressed to recipient at its address set forth on the first page of this Agreement or at such other address as may be last known to the sender.

18. TAX BENEFITS BELONG TO PEAC. The following applies to this Agreement UNLESS, at the commencement of this Agreement, we execute and deliver to you a document signed by an executive officer of PEAC giving you the option at the end of the Agreement term to purchase the Products for one dollar (\$1.00): For all state, federal and local tax purposes, we (or our successors and assigns) are the sole owner of the Products and we are entitled to all tax benefits relating to the Products, including but not limited to tax credits, depreciation and deductions. You agree not to do anything that is inconsistent with our ownership of the Products. You agree not to claim to be the owner of the Products on any tax returns or in any other document or for any other purpose. If you do anything or file anything that causes us to lose any such tax benefit contemplated above, or if we suffer any harm, damage, cost, loss, liability (for example, if interest or tax penalties are imposed against us), or if any suit or proceeding is brought against us, arising out of your breach of any of the agreements you have made in this section, you agree to hold us harmless, defend us and indemnify (reimburse or pay) us with respect to the amount of such lost benefits or other damage, loss, cost (including reasonable attorneys fees) or liability. This duty to indemnify us shall survive the termination of this Agreement.

19. OTHER INDEMNIFICATION. You understand that we have no control over your use of the Products and for the amount of rent we are charging we cannot agree to accept any financial, liability or other risks relating to the use or ownership of the Products. Accordingly, you agree to hold us harmless, indemnify (pay or reimburse) and defend us against all claims, liabilities, losses, suits, proceedings, damages, costs (including reasonable legal fees) relating to this Agreement or to the use or ownership of the Products, including but not limited to claims for death or injury to persons and claims for property damage. This duty to indemnify shall survive the termination of this Agreement.

20. RETURN OF THE PRODUCTS; RENEWAL. You may purchase all of the Products for the Purchase Option amount above. Unless your Purchase Option is \$1.00, you will give us written notice by certified mail between 60 and 150 days before the expiration of the initial Agreement term (or any renewal term) of your intention to return the Products or purchase the Products. After you have (i) paid all amounts owing under the Agreement and (ii) given us the proper and timely notice, then at the end of the Agreement Term, you shall return the Products pursuant to the instructions we provide to you. You are responsible for the cost to return the Products. You agree to reimburse us for our costs to refurbish returned Products for damage beyond normal wear and tear. You are solely responsible for removing all data/images stored on the Products prior to its return. If you fail to notify us as provided herein, this Agreement will extend on a month to month basis, until you have given at least 30 days written notice of your intention to return or purchase the Products.

21. FISCAL FUNDING (FOR MUNICIPALITIES ONLY). You warrant that you have funds available to pay all Payments due under this Agreement until the end of your current appropriation period. If your legislative body or other funding authority does not appropriate funds for the Payments for any subsequent appropriation period and you do not otherwise have funds available to lawfully pay the Payments (A "Non-Appropriation Event") you may, subject to the conditions herein and upon prior written notice to us (the "Non-Appropriation Notice"), effective 60 days after our receipt of such notice, terminate the Agreement and be released of your obligations to make all Payments due to us after the Non-Appropriation Event date. As a condition for exercising your rights under this Section you shall provide to us (a) a certification of a responsible official that a Non-Appropriation Event has occurred, (b) deliver to us an opinion of your counsel addressed to us verifying that the Non-Appropriation Event as set forth in the Non-Appropriation Notice has occurred, (c) return the Products subject to this Agreement on or before the Non-Appropriation Event date to a location designated by us, in the condition required by, and in accordance with the return provisions of this Agreement and at your expense; and (d) pay us all sums due and outstanding to us under the Agreement up to the Non-Appropriation Event date. In the event of any Non-Appropriation Event, we shall retain all sums paid by you, including any advance rentals. This Section is not intended to permit you to terminate this Agreement at will, for convenience or for any other reason except non-appropriation.

22. COMMUNICATION VIA PHONE AND EMAIL. By providing a telephone number (landline and cell) and email address, You authorize PEAC, its affiliates and agents to contact You using any means of communication, including calls placed to your cellular telephone, using an automatic dialer, prerecorded messages or SMS text messages, and emails regarding any current or future payments owed to PEAC, or marketing and promotional information regarding products from PEAC, its affiliates or partners.

Managed Print Service Agreement

Agreement No:		CUSTOMER #			
Customer CITY OF COVINA CITY HALL, PUBLIC WORKS, PARKS & RECREATION		Customer's Contact Person: Angel Carrillo		Contact Person's E-mail: ACarrillo@covinaca.gov	
Street 925 E College Street	City Covina	State CA	County LA	Zip Code 91723	Customer's Telephone (626) 384-5400

In this Cost Per Print Agreement, the “**Agreement**” may be amended or supplemented from time to time without notice. “**Customer**” represents the Customer named at the top of the agreement. “**Company**” represents **EXCEL OFFICE SERVICES, INC.**, an authorized Xerox Partner Print Services reseller for Xerox Corporation (“**Xerox**”).

1. SERVICES. XEROX WILL PROVIDE THE SERVICES IDENTIFIED IN THE ATTACHED DESCRIPTION OF SERVICES (“SERVICES”) FOR THE DEVICES IDENTIFIED IN EXHIBIT A TO THIS AGREEMENT (“MANAGED DEVICES”). The Tools (as defined below, in Section 8) will be used to monitor the Networked Devices identified in Exhibit A. The Tools provide automatic service and supplies alerts to the Help Desk (e.g. low toner) and are used for automated meter collection, new device discovery, and device data collection for reporting. The Tools periodically scan approved ranges of Customer’s network for devices which may be eligible to be added as Managed Devices. Devices identified through this process may be added as Managed Devices and billed at the rates identified in Exhibit A. Customer promises to pay to Company the “Minimum Monthly Charges” set forth on Exhibit A, any excess print charges, monthly fees and consumable charges for Non-Networked Devices identified in Exhibit A, and all other amounts stated herein.

2. TERM AND TERMINATION. The agreement is effective from the commencement date and shall continue for an initial minimum term agreed upon in Exhibit A (page 4). Thereafter, this Agreement shall automatically be renewed on a one year term unless terminated sooner by either party on no less than ninety (90) days' prior written notice to the other party. The prices, terms and conditions for such successive term(s) shall be those in effect at the time of renewal. All Agreements shall be billed monthly in arrears. An early termination charge of \$100 per unit. In addition, customer shall be billed the average previous 12 months for the remaining term of the agreement. A reinstatement fee of \$100 per unit is required if the customer wishes to reinstate their agreement. If Customer does not ensure that all managed devices are communicating with the Tools for 75 calendar days, and/or respond to correspondence from Company to assist in the communication of devices with the Tools, Company may terminate contract and impose any termination charge(s) and any reinstatement fee(s) stated above.

3. BREAK FIX SERVICES. Except for Other Devices identified as “Supplies Only” in Exhibit A, Xerox will keep the Managed Devices in good working order (“Break Fix Services”).

- a) Break Fix Services may be initiated by the Tools for Networked Devices or by Customer calling the Help Desk.
- b) If a device fault cannot be resolved remotely, Xerox will dispatch a service technician to perform on-site Break Fix Services, which will usually be within 24 to 48 hours from the service call being placed. On-site Break Fix Services are provided Monday through Friday (excluding New Year’s Day, Memorial Day, Independence Day, Labor Day, Thanksgiving Day and Christmas Day) from 8:00AM to 5:00PM local time (“Service Hours”). Break-Fix Services exclude repairs due to: (i) misuse, neglect, abuse or operation of a Managed Device outside the original equipment manufacturers (“OEM”) specifications; (ii) failure of the Customer’s PC to comply with the OEM’s published specifications; (iii) act of God or other force majeure event; (iv) relocation, alterations, or use of options, accessories, service or supplies not provided by Xerox; (v) failure to perform any Customer Responsibilities identified in the section titled “Customer Responsibilities”; or (vi) acts or omissions of Customer or any party not affiliated with Company or Xerox.
- c) If Xerox determines that a Managed Device is beyond repair, or is classified by the OEM as service discontinued, or parts or Supplies (defined below) are no longer commercially available, Customer may (i): replace the device at its own expense with a device that is then supported by Xerox, or (ii): notify Company to delete the device from the Agreement, which will be subject to an early termination fee.
- d) Replacement parts may be new or used and all removed, replaced parts become Xerox’s property.
- e) If a maintenance kit or drum is required for a Managed Device, Xerox will provide Customer with the drum or maintenance kit component(s). Drums and maintenance kits are included in pricing. Technicians are not dispatched for preventative maintenance or cleaning or for installation of maintenance kits or drums if such items are designated as CRUs.
- f) Company cannot be held not responsible for any loss of data while performing any service or general maintenance on device(s).

4. SUPPLIES. Xerox will furnish toner or ink (“Supplies”), as applicable, for Managed Devices as identified in Exhibit A.

- a) Supplies requests may be placed by the Tools or by Customer calling the Help Desk.
- b) Supplies are Xerox’s property until used by Customer, and Customer will use them only with the Managed Devices. Selling, transferring, bartering or otherwise conveying Supplies to anyone is strictly prohibited and is subject to civil and criminal penalties.
- c) Upon request, Customer will provide an inventory of Supplies in its possession. No “safety stock” of Supplies is permitted under this Agreement. “Safety Stock” means more than one consumable item (e.g. toner cartridge) that is not installed in a Managed Device. Upon expiration or termination of the Agreement Customer will, at Xerox’s option and expense, return any unused Supplies to Xerox, permit access to its facilities to permit collection, or dispose of them as directed in writing by Xerox.
- d) To prevent excessive shipment of Supplies, when Supplies are ordered for Networked Devices, Xerox will: (i) check the current consumables level, if available, to validate a low consumables condition; and (ii) check the metered impression volume since the last Supplies shipment to determine if impression volume exceeds the expected yield. If these conditions are not satisfied, Supplies will be billed to Customer.
- e) Xerox may not provide Supplies if a current meter read is not received for a Networked Device. If Customer requests expedited shipping, the cost of second day, overnight, or other non-standard shipping will be billed to Customer accordingly.
- f) Customer must separately purchase all supplies other than those specifically listed on Exhibit A, including, without limitation, paper and staples, at Customer’s own cost.
- g) A Supplies shipping/processing charge will be assessed monthly based on overage. Company has the right to adjust this fee at any time.

5. HELP DESK. The Help Desk is available during the Service Hours to receive, track, escalate, process and close service issues, remotely resolve certain issues, and process Customer requests for Break Fix Services and Supplies.

6. CUSTOMER RESPONSIBILITIES. Customer will:

- a) Notify Company if Customer wishes to relocate a Managed Device, and Company will advise Customer if Services are available at the new location.
- b) Assure that Networked Devices are Simple Network Management Protocol (“SNMP”) enabled and can route SNMP over the network.
- c) Provide a dedicated PC (or server) that is connected to Customer’s network at all times (“Customer PC”); and allow Company and Xerox to install, use, access, update and maintain the Tools on the Customer PC. The Tools cannot be installed on a PC where other SNMP-based applications or other Xerox Tools are installed, because they may interfere with the Tools.
- d) Ensure that proper virus protection is installed, maintained, and enabled on any servers, desktop workstations, laptop computers and other hardware attached to the Customer’s network and output environment, as well as on any server or computer hosting the Tools or any data on the Customer’s network. Neither Company nor Xerox is responsible for the disruption of Services or loss of functionality of the Tools caused by any of the foregoing. If the Tools become inoperable due to Customer implemented changes to its network, Company will work with Customer to remotely re-install Tools.
- e) Assist in implementation of the Tools by providing relevant network information such as the IP address ranges or subnets on which Managed Devices reside.
- f) Distribute Supplies within Customer’s site and install them in Managed Devices, clear paper jams, and resolve any network or Customer PC issues, or any Managed Device software issues.
- g) Replace Managed Device cartridges and CRUs. **Customer Replaceable Units (“CRUs”) are those items that an operator can install without service assistance, including toner, fusers, drums and maintenance kits.**
- h) Provide reasonable access to Customer’s facilities and personnel as required for the performance of the Services.
- i) Ensure that Managed Devices are installed and operating within the OEM’s specifications and are readily accessible to the Xerox authorized service representative.
- j) Submit meter data for Non-Networked Devices when such cannot be provided by the Tools.
- k) Request Break Fix Services and Supplies from the Help Desk for Managed Devices that are not compatible with the Tools.
- l) Grant or transfer to Xerox sufficient rights to use software owned, licensed or otherwise controlled by Customer, as required, solely for the purpose of providing the Services.
- m) Legally dispose of all hazardous wastes generated from use of Managed Devices and associated Supplies and CRUs
- n) Responsible for firmware updates (company will provide instruction on how to obtain latest firmware version if needed)

Neither Company nor Xerox will be liable for delays or services failures, including but not limited to implementation delays if Customer does not perform or facilitate completion of its designated responsibilities.

7. PRINT CHARGES; LATE FEES AND TAXES. Each month, Customer agrees to pay Company, by the due date as set forth on the invoice, all Minimum Monthly Charges, excess print charges and all other amounts due under this Agreement (including all applicable taxes). **Customer agrees to pay the Base Monthly Charges each month even if Customer does not make the number of prints included in the Base Monthly Charge. Customer may not carry over a credit from any month during which Customer would make fewer than minimum number of prints.** If meter reads are not provided, Company (i) may estimate the number of prints used and invoice Customer accordingly, then will adjust the estimated charge for excess prints upon receipt of actual meter readings; (ii) will assess a \$100 Missing Meter Read Fee will be charged for each device that has not reported for more than 30 consecutive days. If Company does not receive payment in full on or before its due date, Customer shall pay (i) a fee equal to the greater of 1.5% of the amount that is late or \$25, plus (ii) interest on the part of the payment that is late in the amount of 1.5% per month from the due date to the date paid. Customer is responsible for all taxes (including, without limitation, sales, use and personal property taxes, and excluding only taxes based on Our income), levies, assessments, license and registration fees and other governmental charges relating to this Agreement (collectively, “Taxes”). Company may periodically bill Customer for, and Customer agrees to promptly pay any Taxes. Customer authorizes Company to pay any Taxes when and as they may become due, and Customer agrees to reimburse Company promptly upon demand for the full amount (less any estimated amounts previously paid by Customer). If the Customer fails to provide payment for greater than 60 days, their service will be placed on hold. Customer will be responsible for any reinstatement fee(s) that are required to have the Agreement operational again.

8. XEROX CLIENT TOOLS & XEROX TOOLS. Company will use certain Xerox software tools that are installed on Customer’s network (“Xerox Client Tools”), and/or certain other proprietary Xerox software (“Xerox Tools”), to perform Company’s obligations under this Agreement. Xerox Client Tools and Xerox Tools (collectively, “Tools”) are Xerox trade secrets. Xerox Client Tools and any related documentation are licensed under a separate click wrap or shrink-wrap license agreement that Company must accept at the time of installation. Xerox Tools are operated and used only by Company and Xerox, and Customer has no right to use, access or operate the Xerox Tools. Customer shall not decompile or reverse engineer the Tools. The Tools will be removed by Company at the expiration or termination of this Agreement. Xerox Client Tools facilitate performance of the Services through automatic collection and transmission of data to a secure off-site location. Examples of automatically transmitted data include product registration, meter read, supply level, equipment configuration and settings, software version, and problem/fault code data. All such data will be transmitted in a secure manner. The automatic data transmission capability does not allow Company or Xerox to read, view or download the content of any of Customer’s documents residing on or passing through the Managed Devices or Customer’s information management systems. If a meter reading is not generated by Xerox Client Tools or, upon request, Customer fails to provide a meter reading, Company may estimate the reading and bill Customer accordingly.

9. INTELLECTUAL PROPERTY INDEMNITY. Xerox will defend, and pay any settlement agreed to by Xerox or any final judgment for, any claim that the Tools infringe a third party’s U.S. intellectual property rights. Customer must promptly notify Company and Xerox of any alleged infringement and permit Xerox to direct the defense. Neither Company nor Xerox is responsible for any non-litigation expenses or settlements unless Xerox and Company pre-approve them in writing. To avoid infringement, Xerox may modify or substitute an equivalent tool, or obtain any necessary licenses. Xerox is not liable for any infringement based upon a modification of the Tools to Customer’s specifications or the Tools being used by Customer in a manner not permitted by this Agreement.

10. NO WARRANTIES; LIMITATION OF LIABILITY. The Services will be performed in a skillful and workmanlike manner. NEITHER XEROX NOR COMPANY MAKE ANY OTHER WARRANTIES AND BOTH XEROX AND COMPANY DISCLAIM ALL IMPLIED WARRANTIES OF NON-INFRINGEMENT AND FITNESS FOR A PURPOSE. With the exception of liabilities arising from obligations related to Section 9 or either party's willful misconduct or gross negligence, any liability for any cause whatsoever shall be limited to amounts paid by Customer under this Agreement. This limitation shall apply regardless of the form of action, whether contract or tort, including without limitation negligence actions, provided, however, that this limitation shall not apply to damages resulting from personal injury caused by Company's negligence or breach of this Agreement. In no event, shall Xerox or Company be liable to Customer for any special, indirect, incidental, consequential, exemplary or punitive damages in any way arising out of or relating to this Agreement.

11. LOSS AND DAMAGE. Customer bears the risk of loss and damage to the Managed Devices and Customer shall continue to perform its obligations even if it becomes damaged or suffers a loss.

12. ASSIGNMENT. CUSTOMER SHALL NOT SELL, ASSIGN, OR OTHERWISE TRANSFER (collectively, "TRANSFER") THIS AGREEMENT, IN WHOLE OR IN PART, WITHOUT THE PRIOR WRITTEN CONSENT OF COMPANY. However, Customer may assign this Agreement without written consent (a) to an affiliate; (b) to an acquirer in connection with any merger, consolidation, or sale of all or substantially all of its assets; or (c) in connection with any transaction or series of transactions resulting in a change of control. Any other attempted assignment or delegation without the prior written consent of Company shall be void. Although Xerox is not a party to this Agreement, Xerox is a third-party beneficiary of this Agreement. Customer acknowledges that Company may, without notice to Customer, Transfer this Agreement to Xerox or a third-party reseller of Xerox products.

13. DEFAULT. Customer will be in default hereunder if Customer fails to pay any amount within 60 days of the due date as set forth in an invoice issued under this Agreement or if Customer fails to perform any other material obligation under this Agreement. If Customer defaults, Company may do any or all of the following, at Company's option: (a) terminate this Agreement, (b) require Customer to pay to Company, on demand, an amount equal to the sum of (i) all amounts then due and past due, (ii) all remaining Minimum Monthly Charges for the Term and (iii) all other amounts that may thereafter become due hereunder to the extent that Company will be obligated to collect and pay such amounts to a third party, and/or (c) exercise any other remedy available to Company under law. Customer also agrees to reimburse Company on demand for all reasonable expenses of enforcement (including, without limitation, reasonable attorneys' fees and other legal costs) for any payment default that continues for a period of ten (10) days or for any default arising from a material breach that continues for a period of thirty (30) days, in either case after Customer receives written notice from Xerox of such default.

14. NOTICES. Notices must be in writing and will be deemed given five (5) days after mailing, or two (2) days after sending by nationally recognized overnight courier, to the other party's business address, or to such other address designated by either party to the other by written notice given pursuant to this sentence.

15. APPLICABLE LAW; VENUE; JURISDICTION. Any action related to this Agreement shall be governed by the laws of California without regard to choice of law principles, and any litigation hereunder shall take place in the state or federal courts located in California, Los Angeles County. Each term hereof shall be interpreted to the maximum extent possible to be enforceable under applicable law.

16. MISCELLANEOUS. This Agreement may be executed in counterparts, all of which together shall constitute the same document. Customer agrees that a facsimile or other copy containing the signatures of both parties shall be as enforceable as the original executed Agreement. The failure of either party to enforce at any time any provision of this Agreement shall not be construed to be a waiver of such provision or the right thereafter to enforce each and every provision hereof. No waiver by either party, either express or implied, or any breach of these terms or conditions shall be construed as a waiver of any other term or condition. The provisions of this Agreement that by their nature continue in effect shall survive the termination or expiration of this Agreement. The Agreement represents the final and only agreement between Customer and Company and may not be contradicted by evidence of prior, contemporaneous or subsequent oral agreements. The Agreement can be changed only by a written agreement between the parties. **Customer hereby acknowledges to Company that this Agreement is legally binding and enforceable in accordance with its terms.**

Accepted by: Excel Office Services, Inc.	Customer: CITY OF COVINA CITY HALL, PUBLIC WORKS, PARKS & RECREATION	
By: _____ / _____ (Date)	Print Name: _____	Title: _____



Managed Print Service Agreement

Black and White Prints/Color Prints

Schedule to
Agreement No: _____

CITY OF COVINA CITY HALL, PUBLIC WORKS, PARKS & RECREATION

THIS XPPS SCHEDULE ("Schedule") amends the XPPS Cost Per Print Agreement ("Agreement") between the Customer named above ("you" or "your") and EXCEL OFFICE SERVICES, INC. ("We," "Us" and "Our"). **"Consumables" provided under this Schedule include consumables, maintenance kits, waste trays, and imaging units, as applicable.**

Exhibit A

<u>Equipment Description:</u>			<u>Black and White Prints</u> (Duplex Prints = 2 Prints)		<u>Color Prints*</u> (Duplex Prints** = 2 Prints)	
<u>Brand & Model</u>	<u>Serial Number</u> (Allocated at day of install)	<u>Base Monthly Charge:</u>	<u>Number of Copies/Prints Included in Base Monthly Charge:</u>	<u>Cost for Each Additional Mono Print:</u>	<u>Number of Copies/Prints Included in Base Monthly Charge:</u>	<u>Cost for Each Additional Color Print:</u>
Xerox C8270 125 E College Street, Covina, 91723 Dept. Clerk Office	TBD	\$10.00	0	\$0.0084	0	.0672
Xerox C8255 125 E College Street, Covina, 91723 Dept. Community Development	TBD	\$10.00	0	\$0.0084	0	.0672
Xerox B8245 1250 Hollenbeck Ave., Covina, 91723 Dept. Park and Rec.	TBD	\$10.00	0	\$0.0084	0	.0672
Xerox B8245 534 N Barranca Ave. Covina, 91723 Dept. Public Works	TBD	\$10.00	0	\$0.0084	0	.0672

*Color Prints – If any color print is on a page, it counts as a color page. Note that grey scale images printed with the composite black setting on (the default setting on most devices) count as color pages because color consumables are used.

**Duplex Color Prints – Note that duplex prints with any color print counts as two (2) pages even if color print is only on one side.

Equipment Location (if different than Customer's address shown on page 1 of the Agreement):

Term: One Year or Two Years or Three Years or Four Years or Five Years **Commencement Date (start of Term):**

Cost for Each Additional Print and Monthly Base (Mono and/or Color) May Increase by 15% Annually

Capitalized terms that are not defined in this Schedule shall have the meaning assigned to them in the Agreement. Except as set forth above, the Agreement shall continue in full force and effect. In the event of a conflict between the terms of the Agreement and this Schedule, this Schedule shall control.

Accepted by Excel Office Services, Inc. By: _____ / _____ (Date)	Customer: CITY OF COVINA CITY HALL, PUBLIC WORKS, PARKS & RECREATION By: X _____ / _____ Print Name: _____ Title: _____
---	---



RB Sales Rep Initials



Xerox Corporation

Contract Information

Cooperative Name Sourcewell
Contract Name Digital print technology and related solutions
Contract Number 030321-XOX
Contract Term 07/02/2021 - 04/19/2026
Categories Administrative Services
Administrative Services:
Printing
Office & Technology
Office & Technology: Printers, copiers, and multi-function devices

Supplier Information

Classifications Large Business with a Small Business Utilization Plan (Subcontractor Plan)
Environmentally Preferred Supplier