# AVALON CITY COUNCIL MEETING
# TUESDAY, AUGUST 16, 2016 – 6:00 P.M.
# CITY COUNCIL CHAMBERS
# 410 AVALON CANYON ROAD, AVALON
# A G E N D A

In compliance with the Americans with Disability Act, if you need special assistance to participate in this meeting, please contact Denise Radde, City Clerk (310) 510-0220. Notification 48 hours prior to the meeting will enable the City to make reasonable arrangements to ensure accessibility to this meeting. (28 CFR 35. 102-35.104 ADA Title II). All public records relating to an agenda item on this agenda are available for the public inspection at the time the records are distributed to all, or a majority of all, members of the City Council. Such records shall be available at City Hall located at 410 Avalon Canyon Rd.

## CALL TO ORDER

## PLEDGE OF ALLEGIANCE / INVOCATION / ROLL CALL

## ANNOUNCEMENTS / WRITTEN COMMUNICATIONS

## CITY MANAGER REPORT / CITY ATTORNEY REPORT

## COUNCILMEMBER REPORTS / MAYOR REPORT

## PRESENTATION

1. Proclamation for Childhood Cancer Awareness Month.
2. Update from Southern California Edison on Stage II Water Rationing.

## ORAL COMMUNICATION

Members of the public may address the City Council at this time. No action will be taken on non-agenda items at this meeting. Speakers should limit comments to three (3) minutes each.

## CONSENT CALENDAR

All items listed on the Consent Calendar are considered to be routine by the Council and will be enacted with one motion. There will be no separate discussion of these items unless a specific item is removed from the Consent Calendar for further discussion and possible action.

1. Actions
   Although the live recording is the official record of public meetings, actions are prepared for the Council's approval.
   Recommended Action
   Approve actions from the August 2, 2016 regular City Council meeting.

2. Expenditures Submitted for Approval
   - Warrants in the amount of $1,959,893.66.
   - Two payrolls in the amount of $463,629.8.
   - Four electronic fund transfers totaling $803,157.62.

Recommended Action
Approve total expenditure amount of $3,226,681.09.

3. Award of Annual Contract to Perform Business Revenue Audits
The City annually engages an accounting firm to audit businesses operating within the City to ensure they are properly paying revenues to the City. Such as revenues derived from Transient Occupancy Tax Revenues, Harbor Use Fees, Admission Taxes, Percentage Rent Payments, and Wharfage Fees.
Recommended Action
Authorize City Manager to execute a professional services agreement with Brownell & Duffey CPAs in an amount not to exceed $30,000 to perform the annual business revenue audits.

4. Equipment Purchase and Request for Proposal of Site-Work and Installation - Avalon Canyon Fit Trail Project
The City of Avalon received a grant in the amount of $299,700 from the Los Angeles County Regional Park and Open Space District with the assistance of Supervisor Don Knabe. The grant category was specifically for urban/rural trail projects. The Avalon Canyon Fit Trail Project, which qualifies as such a project, will construct two outdoor fitness zones, one at Peoples Park and one a Joe Machado Field, with signage, mile markers and exercises along Avalon Canyon Road linking the two zones together.
Recommended Action
Authorize the purchase of equipment for the Avalon Canyon Fit Trail Project in the amount of $76,426.39, approval of the site plan and approval to publicly bid the site-work and equipment installation.

5. Declare Three 1994 Molly Trolleys as Surplus Property
The City of Avalon public transit system has been updated over the past few months and three 1994 Molly Trolleys were taken out of commission and replaced with three all-electric buses. Staff has researched the value of the trolley's taking into account their current condition and estimates the minimum value of each trolley at $10,000. Staff would like to initiate a sealed bid process for the sale of the trolleys with a minimum required bid of $10,000 per trolley.
Recommended Action
Adopt resolution declaring equipment listed in resolution as surplus property and authorize the City Manager to dispose of it properly by selling it to the highest bidder.

6. Senior Accountant Position
The Finance Department requires a Senior Accountant to assist the Finance Director with recording daily transactions, reconciling accounts, and reporting financial data monthly, quarterly, and annually so that the Finance Director can continue to streamline

the Finance Department processes, develop financial support mechanisms for infrastructure, and provide staff development.
Recommended Action
Approve the new job description for the Senior Accountant position and authorize the City Manager to fill the position.

7. Resolution Adopting Gateway Cities Council of Governments Position Opposing the MTA Expenditure Plan for the 2016 Proposed Ballot Measure
Council Member Cassidy is requesting the City Council adopt a resolution requested by the Gateway Cities Council of Governments opposing a measure on the 2016 Ballot. The Staff report reflects the reasons why they are opposed to this measure.
Recommended Action
Adopt resolution supporting the Gateway Cities Council of Governments position opposing the MTA Expenditure Plan for the 2016 Proposed Ballot Measure.

**GENERAL BUSINESS**

8. Cabrillo Mole Recreation Revitalization Project
The City of Avalon received a grant in the amount of $300,000 from the Los Angeles County Regional Park and Open Space District with the assistance of Supervisor Don Knabe for the Cabrillo Mole Recreation Revitalization Project. An additional $75,000 was allocated in the FY 2016/2017 Budget. Funds are also available in the Prop. A Maintenance and Servicing Fund, in the amount of approximately $95,780, totaling $470,782 available for the Cabrillo Mole Recreation Revitalization Project.
Recommended Action
Discuss the approved Mole Park Project, give Staff direction to any changes City Council would like to see to the proposed amenities and authorize the City Manager to publicly bid the site-work, purchase of equipment and installation for the project.

9. Supplemental Funding Contribution of the City of Avalon to Southern California Edison for the Construction and Installation of an Additional Desalination Unit for Southern California Edison's Santa Catalina Island Water Utility
On June 7, 2015, the City entered into an Agreement with Southern California Edison for a supplemental funding contribution to aid in an additional desalination unit on the island. This supplemental desalination unit aimed to generate additional gallons per day of potable water to reduce drawdowns and potentially avoid increased mandatory water conservation on the island.
Recommended Action
Authorize payment of the supplemental funding contribution in the amount of $500,000 for the completion of an additional desalination unit for Southern California Edison's Santa Catalina Island Utility and request a similar payment from the County of Los Angeles.

**CLOSED SESSION**

1. CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION
   Paragraph (1) of Subdivison (d) of Section 54956.9
   Avalon K-12 School Site, 200 Falls Canyon Road, Avalon, CA 90704
   Docket No. I/SED 11/12-003

**ADJOURN**

**NOTICE OF POSTING**

I, Denise Radde, declare that the City Council Agenda for August 16, 2016 was posted Thursday, August 11, 2016, on the City's website www.cityofavalon.com, and at City Hall, 410 Avalon Canyon Road. Copies of agendas and staff reports are available at City Hall.

Denise A. Radde, City Clerk / Chief Administrative Officer

# CITY OF AVALON CITY COUNCIL

**MEETING DATE:** August 16, 2016

**AGENDA ITEM:** 1

**ORIGINATING DEP:** City Clerk

**CITY MANAGER:**

**PREPARED BY:** Denise Radde, City Clerk

**SUBJECT:** City Council Actions

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**RECOMMENDED ACTION(S):** Approve actions from the August 2, 2016 regular City Council meeting.

**REPORT SUMMARY:** Although the live recording is the official record of public meetings, actions are prepared for the Council's approval.

**FISCAL IMPACTS:** N/A

**GOAL ALIGNMENT:** Not aligned,

**CONSEQUENCES OF NOT FOLLOWING RECOMMENDED ACTION:** N/A

**FOLLOW UP ACTION:** File Actions in the City Clerk's office.

**ADVERTISING, NOTICE AND PUBLIC CONTACT:** This item was properly listed on the posted agenda pursuant to the Brown Act.

**ATTACHMENTS:**

- Actions will be provided under separate cover.

## CITY OF AVALON CITY COUNCIL

**MEETING DATE:** August 16, 2016 **AGENDA ITEM:** 2

**ORIGINATING DEP:** Finance **CITY MANAGER:**

**PREPARED BY:** Robert Mescher, Finance Director

**SUBJECT:** Warrants

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**RECOMMENDED ACTION(S):** Approve the total disbursements from July 7, 2016 to August 8, 2016 totaling $3,226,681.09.

**REPORT SUMMARY:** These disbursements from July 7, 2016 to August 8, 2016 are comprised of warrants totaling $1,959,893.66, two payrolls totaling $463,629.81, and four electronic funds transfers totaling $803,157.62.

| |
|---|
| US Bank Warrants #22749 - $13.99 – July 7, 2016 FY 17 |
| US Bank Warrants #22750-22778 - $735,665.91 – July 15, 2016 FY 17 |
| US Bank Warrant #22779-22856 - $761,004.50 – July 15, 2016 FY 16 |
| US Bank Warrant #22857-22888 - $185,277.03 – July 29, 2016 FY 16 |
| US Bank Warrants #22889-22934 - $267,333.37 – July 29, 2016 FY 17 |
| US Bank Warrants #22935 - $631.68 – July 29, 2016 FY 16 |
| US Bank Warrants #22936-22938 - $9,967.18– August 1, 2016 FY 16 |
| Payroll - $227,836.62 – July 22, 2016 |
| Payroll - $235,793.19 – August 5, 2016 |
| EFT – CALPERS Retirement Annual Invoice - Unfunded Liab - $661,433.00 – July 22, 2016 |
| EFT – CALPERS Health - $77,165.85 – July 27, 2016 |
| EFT – CALPERS Retirement - $32,079.39 – July 28, 2016 |
| EFT – CALPERS Retirement - $32,479.38 – August 8, 2016 |

Expenses that have been reimbursed through payroll totaled $2,076.29.

**GOAL ALIGNMENT:** Ongoing meeting of City obligations.

**FISCAL IMPACTS:** There are sufficient funds available, and the expenditures are included in the adopted FY 2015-2016 budget and the adopted 2016-2017 budget.

**CONSEQUENCES OF NOT FOLLOWING RECOMMENDED ACTION:** N/A

**FOLLOW UP ACTION**: N/A

**ADVERTISING, NOTICE AND PUBLIC CONTACT:** Pursuant to the Brown Act.

**ATTACHMENTS:** Audit Certificate and Warrant List

CITY OF AVALON
DISBURSEMENTS FOR MONTH OF JULY & AUGUST 2016
August 16, 2016

| DESCRIPTION | YEAR | AMOUNT | DATE |
|---|---|---|---|
| US BANK WARRANTS CK# 22749 | FY 17 | $ 13.99 | 7/7/2016 |
| US BANK WARRANTS CK# 22750-22778 | FY 17 | 735,665.91 | 7/15/2016 |
| US BANK WARRANT CK #22779-22856 | FY 16 | 761,004.50 | 7/15/2016 |
| US BANK WARRANT CK# 22857-22888 | FY 16 | 185,277.03 | 7/29/2016 |
| US BANK WARRANTS CKS# 22889-22934 | FY 17 | 267,333.37 | 7/29/2016 |
| US BANK WARRANTS CK# 22935 | FY 16 | 631.68 | 7/29/2016 |
| US BANK WARRANTS CKS# 22936-22938 | FY 16 | 9,967.18 | 8/1/2016 |
| PAYROLL | | 227,836.62 | 7/22/2016 |
| PAYROLL | | 235,793.19 | 8/5/2016 |
| EFT - CALPERS RETIREMENT ANNUAL INVOICE | | 661,433.00 | 7/22/2016 |
| EFT - CALPERS HEALTH | | 77,165.85 | 7/27/2016 |
| EFT - CALPERS RETIREMENT | | 32,079.39 | 7/28/2016 |
| EFT - CALPERS RETIREMENT | | 32,479.38 | 8/8/2016 |
| TOTAL DISBURSEMENTS | | **$ 3,226,681.09** | |

EXPENSES REIMBURSED THROUGH PAYROLL
AND INCLUDED IN THE ABOVE TOTAL $ 2,076.29

CERTIFICATE

IN ACCORDANCE WITH SECTION 32702 OF THE GOVERNMENT CODE, I CERTIFY THAT THE ABOVE DEMANDS ARE ACCURATE AND THAT FUNDS ARE AVAILABLE FOR PAYMENT.

I CERTIFY UNDER PENALTY OF PERJURY THAT THE FOREGOING IS TRUE AND CORRECT.

EXECUTED THIS 16TH DAY OF AUGUST 2016

APPROVED AND AUDITED
THIS 16TH DAY OF AUGUST 2016

AUDIT COMMITTEE - RICHARD HERNANDEZ

AUDIT COMMITTEE - CINDE CASSIDY

FINANCE DIRECTOR - ROBERT MESCHER

AVALON CITY COUNCIL
MEETING OF AUGUST 16, 2016

**FY 16**

| CHECK NUMBER | DATE ISSUED | AMOUNT | PAYEE | DESCRIPTION |
|---|---|---|---|---|
| 22935 | 7/29/2016 | 631.68 | PEBBLY BEACH BUILDING SUPPLY | SUPPLIES - ALL DEPTS |
| 22936 | 8/1/2016 | 1,367.18 | BUDDY'S ALL STARS | SUPPLIES - RECREATION |
| 22937 | 8/1/2016 | 4,300.00 | HERNANDEZ, SALVADOR | YELLOW JACKET CONTROL |
| 22938 | 8/1/2016 | 4,300.00 | TAEGER, KEVIN | YELLOW JACKET CONTROL |
| | | **10,598.86** | | |

**FY 17**

AVALON CITY COUNCIL
MEETING OF AUGUST 16, 2016

| CHECK NUMBER | DATE ISSUED | AMOUNT | PAYEE | DESCRIPTION |
|---|---|---|---|---|
| 22889 | 7/29/2016 | 0.00 | VOID - MULTI STUB CHECK | VOID - MULTI STUB CHECK |
| 22890 | 7/29/2016 | 45,287.82 | AAA OIL, INC | RESALE FUEL - FD |
| 22891 | 7/29/2016 | 102.42 | AFTCO | UNIFORMS - HARBOR |
| 22892 | 7/29/2016 | 614.10 | ANTHEM BLUE CROSS | RETIREE MEDICAL - AUG 16 |
| 22893 | 7/29/2016 | 461.12 | ART, CAPS N' DESIGN | UNIFORMS - HARBOR |
| 22894 | 7/29/2016 | 2,307.01 | ASSOCIATED SOILS ENGINEER | SERVICE - FUEL DOCK |
| 22895 | 7/29/2016 | 41.51 | AT & T | COMMUNICATIONS - ALL DEPTS |
| 22896 | 7/29/2016 | 361.59 | AVALON FREIGHT SERVICES | FREIGHT - ALL DEPTS |
| 22897 | 7/29/2016 | 3,395.50 | BEYOND SOFTWARE SOLUTIONS | CONTRACT SVCS - IT |
| 22898 | 7/29/2016 | 395.53 | BISHOP COMPANY | SUPPLIES - GARAGE |
| 22899 | 7/29/2016 | 3,057.93 | CATALINA BEVERAGE CO | SUPPLIES - ALL DEPTS |
| 22900 | 7/29/2016 | 105,284.00 | CATALINA CHAMBER OF COMM | TOT - AUG 16/TOT - BAL JUL 16 |
| 22901 | 7/29/2016 | 30,048.40 | CATALINA EXPRESS | SUBSIDY - 1ST HALF JULY/ USC |
| 22902 | 7/29/2016 | 1,063.77 | CATALINA ISLAND PLUMBING | SERVICE - P/W |
| 22903 | 7/29/2016 | 0.00 | VOID - MULTI STUB CHECK | VOID - MULTI STUB CHECK |
| 22904 | 7/29/2016 | 0.00 | VOID - MULTI STUB CHECK | VOID - MULTI STUB CHECK |
| 22905 | 7/29/2016 | 1,089.18 | CHET'S HARDWARE | SUPPLIES - ALL DEPTS |
| 22906 | 7/29/2016 | 361.50 | COASTLINE EQUIPMENT | SUPPLIES - GARAGE |
| 22907 | 7/29/2016 | 6,882.41 | DELTA DENTAL | DENTAL - 08/16 |
| 22908 | 7/29/2016 | 4,140.00 | CONSTRUCTORS PLUS | CONTRACT SVCS - ADMIN |
| 22909 | 7/29/2016 | 3,780.00 | CONSTRUCTORS PLUS | CONTRACT SVCS - ADMIN |
| 22910 | 7/29/2016 | 568.17 | DODGE DATA & ANALYTICS | SERVICE - ADMIN |
| 22911 | 7/29/2016 | 230.58 | EDISON | UTILITIES - ALL DEPTS |
| 22912 | 7/29/2016 | 64.06 | EDISON - PROPANE | PROPANE - GARAGE |
| 22913 | 7/29/2016 | 90.35 | ENNIS PAINT, INC | SUPPLIES - HARBOR |
| 22914 | 7/29/2016 | 13,000.00 | GATEWAY CITIES COUNCIL OF | ANNUAL DUES - 16/17 |
| 22915 | 7/29/2016 | 400.00 | GEISHECKER, JUNE | SUPPLIES - HARBOR |
| 22916 | 7/29/2016 | 647.65 | GRAINGER | SUPPLIES - FIRE/HRB/PW |
| 22917 | 7/29/2016 | 683.73 | HOME DEPOT CREDIT SERVICE | SUPPLIES - P/W |
| 22918 | 7/29/2016 | 1,144.50 | INDUSTRIAL METAL SUPPLY C | SUPPLIES - P/W |
| 22919 | 7/29/2016 | 390.91 | MED - TECH RESOURCE, INC | SUPPLIES - HARBOR |
| 22920 | 7/29/2016 | 15,000.00 | MONTGOMERY, LORI | CONTRACT SVCS - ADMIN |
| 22921 | 7/29/2016 | 114.24 | NAPA AUTO PARTS | SUPPLIES - P/W |
| 22922 | 7/29/2016 | 268.28 | NORTHWIND REFRIGERATION | SERVICE - ADMIN |
| 22923 | 7/29/2016 | 4,900.00 | OPENGOV, INC | REISSUE CK NO. 22745 |
| 22924 | 7/29/2016 | 1,162.26 | OUTDRIVE EXCHANGE | SUPPLIES - GARAGE |
| 22925 | 7/29/2016 | 540.07 | PEBBLY BEACH BUILDING SUPPLY | SUPPLIES - P/W |
| 22926 | 7/29/2016 | 134.27 | PORT SUPPLY | SUPPLIES - GARAGE |
| 22927 | 7/29/2016 | 120.88 | QUILL CORP | SUPPLIES - ALL DEPTS |
| 22928 | 7/29/2016 | 904.75 | RICOH AMERICAS CORP | COPIER LEASE - PLN |
| 22929 | 7/29/2016 | 39.08 | SATCOM GLOBAL FZE | SERVICE - FIRE |
| 22930 | 7/29/2016 | 9,240.00 | SIRIA'S CLEANING SERVICE | CONTRACT SVCS - JUL 16 |
| 22931 | 7/29/2016 | 2,257.09 | SUNGARD PUBLIC SECTOR, IN | SERVICE - FINANCE |
| 22932 | 7/29/2016 | 33.72 | UNITED PARCEL SERVICE | FREIGHT - ALL DEPTS |
| 22933 | 7/29/2016 | 94.99 | US BANK | SUPPLIES - HARBOR |
| 22934 | 7/29/2016 | 6,630.00 | WANDA STONE | SOFTWARE LEASE - HRBR |
| | | **267,333.37** | | |

AVALON CITY COUNCIL
MEETING OF AUGUST 16, 2016

**FY 16**

| CHECK NUMBER | DATE ISSUED | AMOUNT | PAYEE | DESCRIPTION |
|---|---|---|---|---|
| 22857 | 7/29/2016 | 4,213.50 | JAICH, DENNIS | REIMB O/P COSTS |
| 22858 | 7/29/2016 | 670.11 | AAA OIL, INC | RESALE FUEL - FD |
| 22859 | 7/29/2016 | 666.00 | ANTONIO'S | SENIOR MEALS - JUN 16 |
| 22860 | 7/29/2016 | 499.20 | AVALON FREIGHT SERVICES | FREIGHT - ALL DEPTS |
| 22861 | 7/29/2016 | 3,515.61 | AVALON MOORING & DIVING | SERVICE - HARBOR |
| 22862 | 7/29/2016 | 43,578.82 | BEST, BEST, KREIGER | LEGAL FEES - 05/16 |
| 22863 | 7/29/2016 | 77.40 | CALIF. BUILDING STANDARD | QTRLY PYMT - JAN - MAR 16 |
| 22864 | 7/29/2016 | 2,432.42 | CATALINA BEVERAGE CO | SUPPLIES - ALL DEPTS |
| 22865 | 7/29/2016 | 30.00 | CHAMBER OF COMMERCE | MIXER FEES - ADMIN |
| 22866 | 7/29/2016 | 459.90 | CATALINA ISLANDER | ADVERTISING - ALL |
| 22867 | 7/29/2016 | 4,666.80 | CATALINA TRANPORTATION | CONTRACT SVC - JUN 16 |
| 22868 | 7/29/2016 | 12,626.08 | CHARLES ABBOTT ASSOCIATE | CONTRACT SVCS - PLANN |
| 22869 | 7/29/2016 | 20,510.36 | CO. OF LA SHERIFF'S DEPT. | WATERFRONT PT MAY/JUNE 16 |
| 22870 | 7/29/2016 | 202.53 | DIV OF ADMINISTRATIVE SERV | QTRLY PYMT - JAN - MAR 16 |
| 22871 | 7/29/2016 | 26,705.76 | EDISON | UTILITIES - ALL DEPTS |
| 22872 | 7/29/2016 | 7,054.89 | ESGIL CORPORATION | SERVICE - PLANNING |
| 22873 | 7/29/2016 | 505.08 | GRAINGER | SUPPLIES - GARAGE |
| 22874 | 7/29/2016 | 403.88 | ISLAND THREADZ | SUPPLIES - PW/PLN/HBR |
| 22875 | 7/29/2016 | 3,784.50 | JOHNSON FRANK & ASSOC | BAL DUE - PLANNING |
| 22876 | 7/29/2016 | 30.00 | JORDAHL CONSTRUCTION | SERVICE - GARAGE |
| 22877 | 7/29/2016 | 20.43 | NAPA AUTO PARTS | INVOICE BALANCE |
| 22878 | 7/29/2016 | 1,117.00 | OUTDRIVE EXCHANGE | SUPPLIES - GARAGE |
| 22879 | 7/29/2016 | 509.64 | PEBBLY BEACH BUILDING SU | SUPPLIES - ALL DEPTS |
| 22880 | 7/29/2016 | 84.55 | PORT SUPPLY | SUPPLIES - GARAGE |
| 22881 | 7/29/2016 | 66.26 | PRAXAIR | SUPPLIES - GARAGE |
| 22882 | 7/29/2016 | 500.00 | MICHAEL BAKER INT. | CONTRACT SVCS - JUN 16 |
| 22883 | 7/29/2016 | 986.50 | REGIONAL GOVERNMENT SERV | SERVICE - ADMIN |
| 22884 | 7/29/2016 | 885.70 | COUNTY OF LOS ANGELES | ELECTION 2016 |
| 22885 | 7/29/2016 | 840.00 | SIRIA'S CLEANING SERV | SERVICE - JMF/TREMONT |
| 22886 | 7/29/2016 | 34.50 | AVALON FREIGHT SERVICES | FREIGHT - ALL DEPTS |
| 22887 | 7/29/2016 | 962.20 | GRAINGER | SUPPLIES - GARAGE |
| 22888 | 7/29/2016 | 46,637.41 | PARKING CONCEPTS, INC | CONTRACT SVC - JUN 16 |

**$185,277.03**

AVALON CITY COUNCIL
MEETING OF AUGUST 16, 2016

**FY 16**

| CHECK NUMBER | DATE ISSUED | AMOUNT | PAYEE | DESCRIPTION |
|---|---|---|---|---|
| 22779 | 7/15/2016 | 24,225.65 | AAA OIL, INC | RESALE FUEL - FD |
| 22780 | 7/15/2016 | 67.70 | AIR SOURCE INDUSTRIES | SUPPLIES - FIRE |
| 22781 | 7/15/2016 | 0.00 | VOID - MULTI STUB CHECK | VOID - MULTI STUB CHECK |
| 22782 | 7/15/2016 | 18,702.74 | AMERICAN EXPRESS | CREDIT CARD CHGS - ALL DEPTS |
| 22783 | 7/15/2016 | 249.40 | AMERIFLEX | FSA ADMIN FEES |
| 22784 | 7/15/2016 | 126,809.80 | ASSOCIATED PACIFIC CONSTRUC. | PROGRESS PYMT #7 - FD |
| 22785 | 7/15/2016 | 2,773.50 | AT & T | COMMUNICATIONS - ALL DEPTS |
| 22786 | 7/15/2016 | 12.24 | AT & T LONG DISTANCE | LONG DISTANCE - ADMIN |
| 22787 | 7/15/2016 | 249.90 | AT & T MOBILITY | COMMUNICATIONS - HARBOR |
| 22788 | 7/15/2016 | 121,373.65 | AVALON ENVIRONMENTAL | CONTRACT SVC - JUN 16 |
| 22789 | 7/15/2016 | 256.72 | AVALON FREIGHT SERVICES | FREIGHT - ALL DEPTS |
| 22790 | 7/15/2016 | 971.72 | AVALON MOORING & DIVING | SERVICE - HARBOR |
| 22791 | 7/15/2016 | 155.20 | A-Z LOGIC SYSTEMS | SUPPLIES - HARBOR |
| 22792 | 7/15/2016 | 74.10 | BEST, BEST & KRIEGER | CONTRACT SVC - MAR 16 |
| 22793 | 7/15/2016 | 143.97 | BLUE TARP FINANCIAL | SUPPLIES - PUBLIC WKS |
| 22794 | 7/15/2016 | 312.00 | BRIMAR INDUSTRIES, INC. | SUPPLIES - PUBLIC WKS |
| 22795 | 7/15/2016 | 300.03 | CANBY, CLAUDIA | SUPPLIES - HARBOR |
| 22796 | 7/15/2016 | 1,709.63 | CANDELARIO, REGAN | CM RECRUITMENT REIM. O/P COST |
| 22797 | 7/15/2016 | 7,698.84 | CATALINA BEVERAGE | SUPPLIES - ALL DEPTS |
| 22798 | 7/15/2016 | 13,154.37 | CATALINA BOATYARD | SERVICE - HARBOR |
| 22799 | 7/15/2016 | 49.95 | CATALINA BROADBAND SOLUTIONS | SERVICE - IT |
| 22800 | 7/15/2016 | 31,202.80 | CATALINA EXPRESS | SUBSIDY - 2ND HLF 6/2016 |
| 22801 | 7/15/2016 | 164.76 | CATALINA FLYING BOATS | SERVICE - ADMIN |
| 22802 | 7/15/2016 | 119,965.37 | CIMC | SALES TAX PASS THRU |
| 22803 | 7/15/2016 | 32.30 | CATALINA YAMAHA | SUPPLIES - GARAGE |
| 22804 | 7/15/2016 | 93.99 | CHET'S HARDWARE | SUPPLIES - ADMIN/CODE |
| 22805 | 7/15/2016 | 104,618.05 | CO. OF LA SHERIFF'S DEPARTMENT | RESIDENT DEPUTY - JUN 16 |
| 22806 | 7/15/2016 | 1,157.24 | CREATIVE SCREEN ART | SUPPLIES - GARAGE |
| 22807 | 7/15/2016 | 1,228.22 | CUMMINS CAL PACIFIC, LLC | SUPPLIES - GARAGE |
| 22808 | 7/15/2016 | 40.00 | DEWEY PEST CONTROL | SERVICE - ADMIN |
| 22809 | 7/15/2016 | 201.52 | DON MILLER & SONS | SUPPLIES - CITY RESTROOMS |
| 22810 | 7/15/2016 | 14,957.07 | EDISON | UTILITIES - ALL DEPTS |
| 22811 | 7/15/2016 | 87,521.58 | ENVIRON STRATEGY CONSULTANTS | CONTRACT SVC - JUN 16 |
| 22812 | 7/15/2016 | 416.06 | GALLS, LLC | UNIFORMS - HARBOR |
| 22813 | 7/15/2016 | 399.99 | ARIENS SPECIALTY BRANDS | UNIFORMS - GARAGE/PW |
| 22814 | 7/15/2016 | 54.98 | GRAINGER | SUPPLIES - FIRE |
| 22815 | 7/15/2016 | 758.50 | HOME DEPOT CREDIT SERVICES | SUPPLIES - PUBLIC WKS |
| 22816 | 7/15/2016 | 5,548.48 | HOTEL METROPOLE | LODGING - LASD SUBSISTENCE |
| 22817 | 7/15/2016 | 467.68 | JUDICIAL DATA SYSTEMS | PARKING ACTIVITY - MAY 16 |
| 22818 | 7/15/2016 | 1,542.00 | KATIE'S KITCHEN | SENIOR MEALS - MAY/JUN 16 |
| 22819 | 7/15/2016 | 2,122.25 | KENNY ROZAK | REFUND - MOORING PERMIT |
| 22820 | 7/15/2016 | 2,106.41 | MAID IN AVALON | CASINO WAY SHOWERS - JUN 16 |
| 22820 | 7/15/2016 | 675.00 | MAID IN AVALON | JANITORIAL SVCS - ADMIN |
| 22821 | 7/15/2016 | 286.00 | MANAGED HEALTH NETWORK | SERVICE - ADMIN |
| 22822 | 7/15/2016 | 29.88 | MCMASTER-CARR | SUPPLIES - GARAGE |
| 22823 | 7/15/2016 | 516.23 | MED-TECH RESOURCE, INC | SUPPLIES - HARBOR |
| 22824 | 7/15/2016 | 2,415.13 | MONTAGUE, STEVEN | REIMB RETIREE MED JAN-JUN 16 |
| 22825 | 7/15/2016 | 624.00 | MR. NING'S | SENIOR MEALS - JUN 16 |
| 22826 | 7/15/2016 | 1,718.92 | NAPA AUTO PARTS | SUPPLIES - GARAGE |
| 22827 | 7/15/2016 | 45.00 | NORTON MEDICAL INDUSTRIES | SERVICE - ADMIN |
| 22828 | 7/15/2016 | 4,026.00 | ON THE WING FALCONRY, INC. | CONTRACT SVCS - CDO |

AVALON CITY COUNCIL
MEETING OF AUGUST 16, 2016

FY 16

| CHECK NUMBER | DATE ISSUED | AMOUNT | PAYEE | DESCRIPTION |
|---|---|---|---|---|
| 22829 | 7/15/2016 | 3,309.28 | OUTDRIVE EXCHANGE | SUPPLIES - GARAGE |
| 22830 | 7/15/2016 | 8,926.04 | PARSAC | QTRLY W/C SIR - ALL DEPTS |
| 22831 | 7/15/2016 | 1,599.92 | PORT SUPPLY | SUPPLIES - GARAGE |
| 22832 | 7/15/2016 | 1,002.23 | QUILL CORP. | SUPPLIES - ALL DEPTS |
| 22833 | 7/15/2016 | 2,837.84 | QUINN CO. | SUPPLIES - GARAGE |
| 22834 | 7/15/2016 | 500.00 | MICHAEL BAKER INTERNATIONAL | SERVICE - PUBLIC WKS |
| 22835 | 7/15/2016 | 7,150.00 | REGIONAL GOVERNMENT SERVICES | CONTRACT SVC - JUN 16 |
| 22836 | 7/15/2016 | 375.00 | RICHARD MAINTENANCE | SERVICE - FUEL DOCK |
| 22837 | 7/15/2016 | 210.80 | RIPPETOW LAW, P.C. | LITIGATIONS FEES - ADMIN |
| 22838 | 7/15/2016 | 350.00 | ROHR, PAUL | REIMB O/P COSTS - DAMAGE |
| 22839 | 7/15/2016 | 75.00 | ROSENOW SPEVACEK GROUP | SERVICE - HA/SA |
| 22840 | 7/15/2016 | 263.55 | SACRAMENTO METROPOLITAN FIRE | GEMT FEES - FIRE |
| 22841 | 7/15/2016 | 34.48 | ALBERTSONS SAFEWAY | SUPPLIES - ADMIN/FIRE |
| 22842 | 7/15/2016 | 5,083.13 | SANTA CATALINA ISLAND RESORT S\ | FUEL DK/UTILITIES/PROP TAX |
| 22843 | 7/15/2016 | 686.03 | SHERWIN-WILLIAMS | SUPPLIES - GARAGE/HARBOR |
| 22844 | 7/15/2016 | 2,672.75 | STATE LANDS COMMISSION | TRUE UP LEASE - HARBOR |
| 22845 | 7/15/2016 | 6,400.00 | SUNGARD PUBLIC SECTOR | FINANCE SOFTWARE UPGRADE |
| 22846 | 7/15/2016 | 275.00 | SUPERIOR COURT OF CALIFORNIA | PARKING CITATIONS - MAY 16 |
| 22847 | 7/15/2016 | 18.00 | UNDERGROUND SERVICE ALERT | SERVICE - PLANNING |
| 22848 | 7/15/2016 | 37.72 | UNITED PARCEL SERVICE | FREIGHT - HARBOR |
| 22849 | 7/15/2016 | 125.00 | VEGA, SALVADOR | SERVICE - GARAGE |
| 22850 | 7/15/2016 | 855.05 | VERIZON WIRELESS | COMMUNICATIONS - ALL DEPTS |
| 22851 | 7/15/2016 | 55.73 | WALTERS WHOLESALE ELECTRIC | SUPPLIES - PUBLIC WKS |
| 22852 | 7/15/2016 | 1,075.00 | WITTMAN ENTERPRISES, LLC | CONTRACT SVC - JUN 16 |
| 22853 | 7/15/2016 | 455.00 | AMMA TRANSIT PLANNING | CONTRACT SVC - JUN 16 |
| 22854 | 7/15/2016 | 4,850.00 | JORDAHL CONSTRUCTION | SERVICE - PUBLIC WKS |
| 22855 | 7/15/2016 | 1,555.43 | SIR SPEEDY PRINTING | SUPPLIES - TRANSIT |
| 22856 | 7/15/2016 | 6,000.00 | CATALINA BOATYARD | BAL DUE - HARBOR |

**761,004.50**

AVALON CITY COUNCIL
MEETING OF AUGUST 16, 2016

FY 17

| CHECK NUMBER | DATE ISSUED | AMOUNT | PAYEE | DESCRIPTION |
|---|---|---|---|---|
| 22749 | 7/7/2016 | 13.99 | CHET'S HARDWARE | SUPPLIES - P/W |
| 22750 | 7/15/2016 | 23,419.89 | AAA OIL, INC | RESALE FUEL - FD |
| 22751 | 7/15/2016 | 12,691.10 | AVALON FREIGHT SERVICES | FREIGHT - ALL DEPTS |
| 22752 | 7/15/2016 | 1,845.00 | BEYOND SOFTWARE SOLUTIONS | CONTRACT SVC - ADMIN |
| 22753 | 7/15/2016 | 367.69 | BOUND TREE MEDICAL | SUPPLIES - FIRE |
| 22754 | 7/15/2016 | 2,548.00 | CALIFORNIA CONTRACT CITIES | DUES - 16/17 |
| 22755 | 7/15/2016 | 94,850.00 | CATALINA CHAMBER OF COMMERCE | TOT - JULY 16 |
| 22756 | 7/15/2016 | 15,000.00 | CATALINA ISLAND HUMANE SO | ANNL CONTRIBUTION FY 17 |
| 22757 | 7/15/2016 | 325.00 | CATALINA STEAM CLEANING | CONTRACT SVCS - HARBR |
| 22758 | 7/15/2016 | 950.00 | COLLIVER, JOHN | SERVICE - 4TH OF JULY |
| 22759 | 7/15/2016 | 6,882.41 | DELTA DENTAL | DENTAL - JUL 16 |
| 22760 | 7/15/2016 | 4,410.00 | CONSTRUCTORS PLUS | CONTRACT SVCS - ADMIN |
| 22761 | 7/15/2016 | 4,320.00 | CONSTRUCTORS PLUS | CONTRACT SVCS - ADMIN |
| 22762 | 7/15/2016 | 268.00 | DEWEY PEST CONTROL | SERVICE - ADMIN |
| 22763 | 7/15/2016 | 1,025.03 | FIDELITY SECURITY LIFE INS. | VISION - JUL 16 |
| 22764 | 7/15/2016 | 197.96 | GRAINGER | SUPPLIES - FIRE |
| 22765 | 7/15/2016 | 15,000.00 | GWMA | DUES - FY 17 |
| 22766 | 7/15/2016 | 102.74 | MCMASTER - CARR | SUPPLIES - HARBOR |
| 22767 | 7/15/2016 | 250.00 | MYGOV | SERVICE - PLANNING |
| 22768 | 7/15/2016 | 0.00 | VOID - MULTI STUB CHECK | VOID - MULTI STUB CHECK |
| 22769 | 7/15/2016 | 510,607.00 | PARSAC | POLICY RENEWALS - FY 17 |
| 22770 | 7/15/2016 | 125.00 | PINS ADVANTAGE INC. | SERVICE - ADMIN |
| 22771 | 7/15/2016 | 375.00 | RICHARD MAINTENANCE | SERVICE - FUEL DOCK |
| 22772 | 7/15/2016 | 250.00 | RUALO, DITHMAR | SERVICE - 4TH OF JULY |
| 22773 | 7/15/2016 | 600.00 | RUBIO, LOUIS | SERVICE - 4TH OF JULY |
| 22774 | 7/15/2016 | 13,749.00 | SANTA CATALINA ISL RESORT SVCS | FUEL DOCK RENT - JUL-DEC 16 |
| 22775 | 7/15/2016 | 2,257.09 | SUNGARD PUBLIC SECTOR, IN | SOFTWARE LEASE |
| 22776 | 7/15/2016 | 9,525.00 | VEGA, EDMUNDO | CONTRACT SVCS - 08/16 |
| 22777 | 7/15/2016 | 11,440.00 | CAL TIP | EBUS INS -16/17 |
| 22778 | 7/15/2016 | 2,285.00 | EBUS, INC. | SERVICE - EBUSES |

**735,679.90**

AVALON CITY COUNCIL

**FY 17** MEETING OF AUGUST 16, 2016

| CHECK NUMBER | DATE ISSUED | AMOUNT | PAYEE | DESCRIPTION |
|---|---|---|---|---|
| 18106 | 7/22/2016 | 103.79 | CARSTARPHEN, ORNE | REIMBURSE - SAFETY WEAR |
| 18106 | 7/22/2016 | 29.00 | CARSTARPHEN, ORNE | REIMBURSE - TRAINING |
| 53821 | 7/22/2016 | 721.69 | JINKENS, DAVID | REIMBURSE - TRAVEL/MEETINGS |
| 18208 | 8/5/2016 | 37.50 | BRAY, JOHN BRIAN | REIMBURSE - TRAVEL/MEETINGS |
| 53837 | 8/5/2016 | 133.28 | GEORGE, DEREK | REIMBURSE - TRAVEL/MEETINGS |
| 53837 | 8/5/2016 | 114.58 | GEORGE, DEREK | REIMBURSE - TRAVEL/MEETINGS |
| 18244 | 8/5/2016 | 12.20 | MONROE, JORDAN | REIMBURSE - TRAVEL/MEETINGS |
| 18244 | 8/5/2016 | 15.43 | MONROE, JORDAN | REIMBURSE - TRAVEL/MEETINGS |
| 18248 | 8/5/2016 | 908.82 | OLSEN, WILFRED | REIMBURSE - TRAVEL/MEETINGS |
| | | **$2,076.29** | | |

**CITY OF AVALON CITY COUNCIL**

**MEETING DATE:** August 16, 2016 **AGENDA ITEM:** 3

**ORIGINATING DEPT:** Finance **CITY MANAGER:**

**PREPARED BY:** Robert Mescher, Finance Director

**SUBJECT:** Award of Annual Contract to Perform Business Revenue Audits

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**RECOMMENDED ACTION(S):** Authorize City Manager to execute a professional services agreement with Brownell & Duffey CPAs in an amount not to exceed $30,000 to perform the annual business revenue audits.

**REPORT SUMMARY:** The City annually engages an accounting firm to audit businesses operating within the City to ensure they are properly paying the following revenues to the City:

- Transient Occupancy Tax Revenues
- Harbor Use Fees
- Admission Taxes
- Percentage Rent Payments
- Wharfage Fees

Last year, no audit was performed due to the transition from the Interim Finance Director and the current Finance Director.

Brownell & Duffey has been performing the audits for the City since 1989 and the firm is very familiar with the City's Code and its businesses.

Businesses are primarily selected for audit based on a rotational cycle. However, a business may be selected again the following year if the prior audit was not able to be completed satisfactorily (e.g. missed audit meeting or inadequate records,) or if material collections resulted from the prior year audit.

Letter would be mailed in September informing businesses they have been selected for audit and to arrange a meeting with the auditor in the following months. Most of the meetings will take place in Avalon, unless the business records are elsewhere. The period audited will be calendar tax years 2014 and 2015. The audit will be scheduled to be completed before March 2017.

**GOAL ALIGNMENT:** Not aligned.

**FISCAL IMPACTS:** In prior annual business revenue audits, Brownell & Duffey has identified at least $12,000 of unpaid revenue and as much as $62,000; the average is about $30,000.

The $30,000 cost of the audit is included in the adopted FY16-17 Budget for General Fund Internal Services – Accounting and Auditing 101-35-5010.

**CONSEQUENCES OF NOT FOLLOWING RECOMMENDED ACTION:** The City of Avalon may experience a reduction of revenue due to lack of enforcement of Municipal Code.

**FOLLOW UP ACTION:** Staff to act on City Council directions.

**ADVERTISING, NOTICE AND PUBLIC CONTACT:** Pursuant to the Brown Act.

**ATTACHMENTS:** Brownell & Duffey Proposal for Services

**BROWNELL & DUFFEY**
*Certified Public Accountants*

6064 Corte del Cedro
Carlsbad, CA 92011
Phone (760) 929-2227
Fax (760) 683-6814

7676 Hazard Center Drive
San Diego, CA 92108
Phone (619) 258-3999
Fax (619) 892-7844

August 8, 2016

Bob Mescher
Finance Director
City of Avalon
Avalon, CA 90704

Dear Bob Mescher:

We are pleased to submit our proposal for services to for the City of Avalon (City).

We will apply the agreed-upon procedures listed below with respect to transient occupancy tax revenue payments, harbor use fee payments, admission tax payments; percentage rent payments, and wharfage fee payments received by the City from selected operators within the City (e.g. hotels, etc.) for 2014 and 2015 in accordance with the City's municipal code. The City will provide list of selected operators. This engagement is solely to assist the City in evaluating the reasonableness of those payments received.

Although the procedures described below are required to determine basic compliance with the City's TOT ordinance we have found that there is much skill and experience involved in providing this service. For this reason my partner, Richard Duffey, and I will do **all** of the on-site work on our TOT engagements. We have found that many Cities are losing revenues because the lodging operators are not aware of some of the more subtle rules regarding the collection of TOT. Many of the items we have encountered not only result in an immediate finding for the City but also provide continued additional revenue for future years. For example many lodging operators omit "no-show" income from taxable income, but a careful reading of the standard City TOT ordinance requires tax to be paid on money received for a room whether it is occupied or not. The same is true for the other City revenues such as franchise fees, admissions tax, and special contract agreements. Each of us has over 20 years of experience in performing these reviews.

We have performed this service for the City for several years and have an extensive historical knowledge of the City and most if not all of the operators and other companies paying taxes and fees to the City. Attached is a schedule showing the results of our findings and savings for the City for the past ten years.

Scope of Work

For transient occupancy tax revenue payments we will perform the following agreed-upon procedures:

a. Hotel guest payments will be totaled and verified to daily occupancy records on randomly selected days. Daily occupancy records will be totaled and agreed to monthly revenue amounts on a test basis. Occupancy records will be compared to bank statements when appropriate.

b. Monthly occupancy revenues totals will be added and traced to transient occupancy tax returns.

c. Transient occupancy tax returns will be tested for math accuracy and a reasonableness test was performed for total taxes received.

d. Total room revenue for the year will be traced to the operator's general ledger, financial statements, and federal income tax returns when available.

e. Non-taxable exempt transient occupancy will be reviewed for compliance with the *City's municipal code*

f. Operator's revenue sources, per operator's financial statements, will be considered for applicability as to inclusion in taxable room revenue.

For harbor use fee payments we will perform the following agreed-upon procedures:

a. We will agree the total gross revenues subject to harbor use fees for 2014 and 2015 per the "report of use fees" to the operator's monthly sales journal, cash receipts journal, or financial schedules.

b. On a test basis we will agree daily sales amounts per the monthly sales journal, cash receipts journal, or financial schedules to a total of that days cash receipts, invoices, waivers, and/or other supporting documentation. We will total the daily sales amounts to arrive at the monthly sales total as noted in step "a" above, on a test basis. We will compare deposits per the operator's bank statements to these monthly reports when appropriate.

c. We will recompute the calculation of harbor use fees.

d. We will total the monthly sales amounts for 2014 and 2015 from step "a" above, to arrive at yearly sales and will agree those yearly sales totals to the operator's

year-end profit and loss statements and federal income tax returns, when available.

For admissions tax payments we will perform the following agreed-upon procedures:

a. We will agree the total admission receipts for 2014 and 2015 per the monthly "Report of Tax on Admissions" to the operator's monthly sales journal, cash receipts journal, or other financial schedules.

b. On a test basis we will agree daily sales amounts per the monthly sales reports, cash receipts journal, or other financial detail to a total of that days cash receipts, invoices, waivers, and/or other supporting documentation. We will total the daily sales amounts to arrive at the monthly sales total as noted in step "a" above, on a test basis. We compared deposits per the operator's bank statements to the monthly sales journals when appropriate.

c. We will recompute the calculation of admissions tax.

d. We will total the monthly sales amounts, from step "a" above, to arrive at yearly sales, and will agree those yearly sales totals to the operator's year-end federal tax returns and profit and loss statements, when available.

For percentage rent payments we will perform the following agreed-upon procedures:

a. We will agree the percentage rent receipts as reported to the City for 2014 and 2015 to the operator's monthly sales journal, cash receipts journal, or financial schedules.

b. On a test basis we will agree daily sales amounts per the monthly sales reports or cash receipts journal to a total of that days cash receipts, invoices, waivers, and/or other supporting documentation. We will total the daily sales amounts to arrive at the monthly sales total as noted in step "a" above, on a test basis. We will compare deposits per the operator's bank statements to the monthly sales journals when appropriate.

c. We will recompute the calculation of percentage rents in accordance with the lease agreement.

d. We will total the monthly sales amounts, from step "a" above, to arrive at an annual sales amount and will agree these annual sales totals to the operator's year-end income tax returns, sales tax returns (when retail sales are involved) and profit and loss statements, when available.

For wharfage fee payments we will perform the following agreed-upon procedures:

a. We will agree the total passengers subject to wharfage fees per the "report of wharfage fees" to the carrier's passenger count recap. On a test bases we will trace the daily number of landed and embarked passengers per the passenger

count recap to the captain's vessel logbook. On a test basis we will add the daily entries and agree this amount to the monthly totals per the passenger count recap.

b. We will recompute the calculation of wharfage fees revenue for each month.

We will submit a report listing the procedures performed and our findings. The agreed upon materiality limit for a reportable finding is under-reported tax of $100.00 or more.

Pricing

We have found that on average we can perform the on-site portion of our agreed upon procedures in about six hours and off-site clean up and general in about another one hour per operator, unless any unusual problems or issues arise. Our fee for this service would typically be $1,050 per entity review, plus travel expenses. Do to our prior experience with the City of Avalon, the large number of operators, and the number of smaller operators we could reduce our fee to $900 per operator, plus travel expenses.

On our most recent engagement the City selected 27 operators for review. If the City requested us to again review 27 operators the price would be $24,300 plus travel expenses. Alternatively the City could budget a specific amount and we could review as many operators as possible for the $900 rate plus travel costs.

The fee for any extra ordinary work would be at our normal hourly rates of $150 per hour. We would discuss with the City the need for additional work before proceeding. Our standard hourly rates vary according to the degree of responsibility involved and the experience level of the personnel assigned. Our hourly rates for this or any other additional work would be as follows:

| | |
|---|---|
| Partners | $ 150.00 |
| Accounting Staff | $ 75.00 |
| Clerical | $ 35.00 |

Experience

Our firm, Brownell & Duffey, has two offices, one in Carlsbad, California and one in San Diego California. The partnership was formed in 1986 to provide auditing services to California Cities, Water Districts and Special Districts. The partners in our firm have over 60 years of combined municipal and governmental auditing experience.

Qualifications of Key Persons

Richard A. Duffey, Partner
Mr. Duffey is a certified public accountant. He graduated in 1974 from California State University, Fullerton with a Bachelor of Arts in Finance. From July, 1977 to January, 1986 he was employed with Diehl, Evans and Company. During that time Mr. Duffey supervised many non-profit and municipal audits. Since February 1986 Mr. Duffey has been a partner of Brownell and Duffey and has been the partner in charge of numerous municipal and non-profit audits.

Mr. Duffey has over thirty years experience in non-profit and municipal accounting and financial reporting, and has over twenty five years experience with agreed-upon procedures engagements. He has met all continuing education requirements as required in Government Auditing Standards 1988. He has been a past chairman of the North County Discussion Group for the California Society of Certified Public Accountants.

Gary W. Brownell, Partner:

Mr. Brownell is a certified public accountant. He graduated in 1975 from San Diego State University with a Bachelor of Science and has taken various computer science courses. Mr. Brownell was employed by Diehl, Evans and Company for five years where he specialized in computer auditing services. Prior to joining Diehl, Evans and Company he was an in-house management consultant with Imperial Corporation of American for three years. Since February 1986 Mr. Brownell has been a partner of Brownell and Duffey and has been the partner in charge of numerous municipal and non-profit audits.

Mr. Brownell has over twenty eight years experience in non-profit and governmental accounting and auditing, and has over twenty five years experience with agreed-upon procedures engagements.

We thank the City for the opportunity to submit this proposal. If you have any questions please give us a call.

Gary Brownell, Partner
BROWNELL & DUFFEY

City of Avalon
Summary of Findings from Agreed-upon Procedures testing by Brownell and Duffey CPA's over the last ten years
2004 through 2013

| Field Work Year | Operators' Accounting Years | $ Amount of Findings | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | | Admissions Tax | Harbor Use Fees | Wharfage Fees | TOT | Percentage Rents | Franchise Fees | Total Findings |
| 2004 | 2002 & 2003 | $ 5,777.42 | $ 12,826.02 | $ 723.78 | $ 11,067.80 | $ 14,938.00 | $ - | $ 45,333.02 |
| 2005 | 2003 & 2004 | 8,680.68 | 2,173.52 | - | 10,023.14 | 6,920.06 | - | 27,797.40 |
| 2006 | 2004 & 2005 | 11,174.28 | 6,808.54 | - | 2,332.41 | 17,700.13 | - | 38,015.36 |
| 2007 | 2005 & 2006 | (3,597.71) | 3,356.96 | - | 19,256.17 | - | - | 19,015.42 |
| 2008 | 2006 & 2007 | 879.60 | 21,446.78 | 3,718.43 | 9,794.01 | 2,406.70 | - | 38,245.52 |
| 2009 | 2007 & 2008 | 11,835.77 | 1,000.04 | 22,050.00 | 14,119.81 | 13,734.52 | - | 62,740.14 |
| 2010 | 2008 & 2009 | 8,216.94 | 10,866.80 | - | 1,265.77 | - | - | 20,349.51 |
| 2011 | 2009 & 2010 | 10,259.25 | - | - | 4,418.84 | - | - | 14,678.09 |
| 2012 | 2010 & 2011 | (6,261.54) | - | - | 6,415.69 | 12,534.13 | - | 12,688.28 |
| 2013 | 2011 & 2012 | 10,639.01 | 18,825.88 | (5,317.50) | 11,830.74 | - | - | 35,978.13 |
| TOTAL | | $ 57,603.70 | $ 77,304.54 | $ 21,174.71 | $ 90,524.38 | $ 68,233.54 | $ - | $ 314,840.87 |

Average findings per year $ 31,484.09

NOTES

1. Some findings are a one time event but many others have a multi year effect that results in additional revenue to the City, year after year, that is not reflected in the findings above (e.g. a category of income, such as no show income, that the hotel was incorrectly excluding from reportable income)
2. Besides findings, we also report on incomplete records or lack of records as required by the City's municipal code.
3. Negative numbers reflect findings that are in the operators favor.

## CITY OF AVALON CITY COUNCIL

**MEETING DATE:** August 16, 2016 **AGENDA ITEM:** 4

**ORIGINATING DEP:** Administration **CITY MANAGER:**

**PREPARED BY:** Audra McDonald, Administrative Analyst

**SUBJECT:** Equipment Purchase and Request for Proposal of Site-Work and Installation - Avalon Canyon Fit Trail Project

---

**RECOMMENDED ACTION(S):** Authorize the purchase of equipment for the Avalon Canyon Fit Trail Project in the amount of $76,426.39, approval of the site plan and approval to publicly bid the site-work and equipment installation.

**REPORT SUMMARY:** The City of Avalon received a grant in the amount of $299,700 from the Los Angeles County Regional Park and Open Space District with the assistance of Supervisor Don Knabe. The grant category was specifically for urban/rural trail projects. The Avalon Canyon Fit Trail Project, which qualifies as such a project, will construct two outdoor fitness zones, one at Peoples Park and one a Joe Machado Field, with signage, mile markers and exercises along Avalon Canyon Road linking the two zones together.

The City retained the services of Brian Ulaszewski, City Fabrick, to assist with community outreach, design and construction documents. A series of two public workshops were held to receive community input regarding all aspects of the project. Utilizing the feedback from the workshops, Mr. Ulaszewski and Staff worked together closely to come up with a project designed to meet the needs of the community, including a 2-person wheel chair accessible pull down and vertical press machine.

Staff proposes to purchase the fitness equipment from Greenfields, a leader in outdoor fitness equipment. City Staff tested outdoor fitness equipment from multiple manufacturers and agreed Greenfields equipment is the most attractive, user friendly and durable. The City is a member of NJPA, a national purchasing cooperative that provides agencies the lowest possible price and alleviates the need for the public bid process of recreation equipment.

Upon approval from the City Council tonight, it is intended to issue the solicitation for construction and installation no later than August 17, 2016, with approval of the contract at the October 4, 2016, meeting.

**GOAL ALIGNMENT:** Enhance Recreation Opportunities.

**FISCAL IMPACTS:** The proposed project will be funded in its entirety through grant funds.

**CONSEQUENCES OF NOT FOLLOWING RECOMMENDED ACTION:** The project would not move forward.

**FOLLOW UP ACTION**:

- Issue a purchase order to Greenfields in the amount of 76,426.39
- Publicly Bid the Construction and Equipment Installation

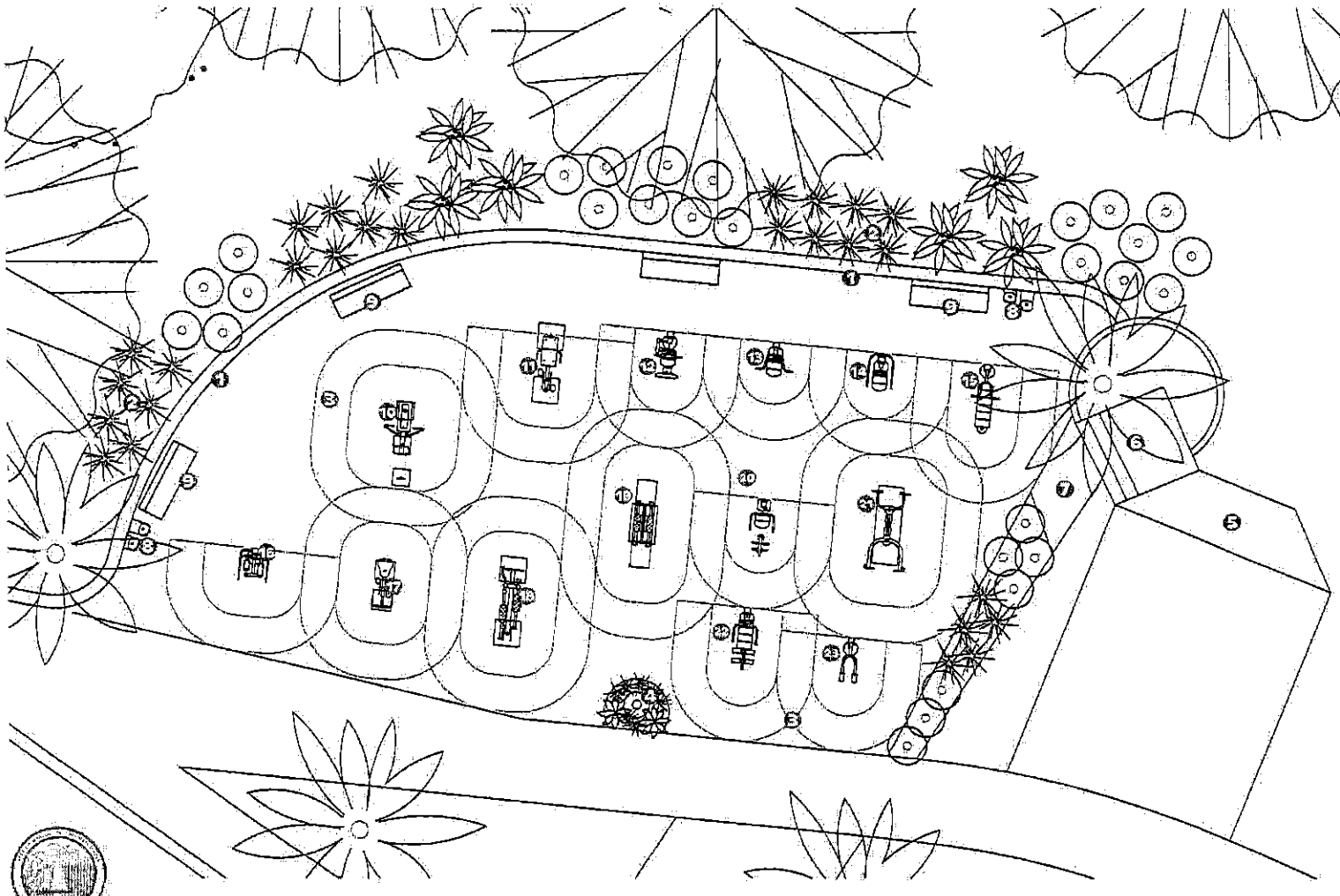
**ADVERTISING, NOTICE AND PUBLIC CONTACT:** This item was properly listed on the posted agenda pursuant to the Brown Act.

**ATTACHMENTS:**

1. Site Plan
2. Greenfields Quote

# PROPOSED SITE PLAN - PEOPLES PARK

16.0808



1. Stone Retaining Wall
   maximum 3' tall, +/-90 LF
2. New Landscaping
   in construction documents
3. Rubber Surfacing
   +/- 2,100 SF
4. Existing Light Pole
   to remain
5. Bandshell
   existing
6. Concrete Paving
7. Decomposed Granite
8. Drinking Fountain
9. Concrete Bench
10. Rower GR2005-1-91
11. Recumbant Bike
    GR2005-1-49
12. Ab Toner UBX-211
13. Shoulder Press UBX-248
14. Triceps Press UBX-244
15. Bench Press UBX-293
16. Stepper UBX-292
17. Upright Bike GR2005-1-89
18. Elliptical HP2009-5-03
19. Single Cross Country Ski
    GR2005-1-09
20. Leg Press UBX-215
21. Acessible Lat Pull Down &
    Vertical Press
    GR20051-48C-W
22. Leg Curl UBX-298
23. Squat UBX-217

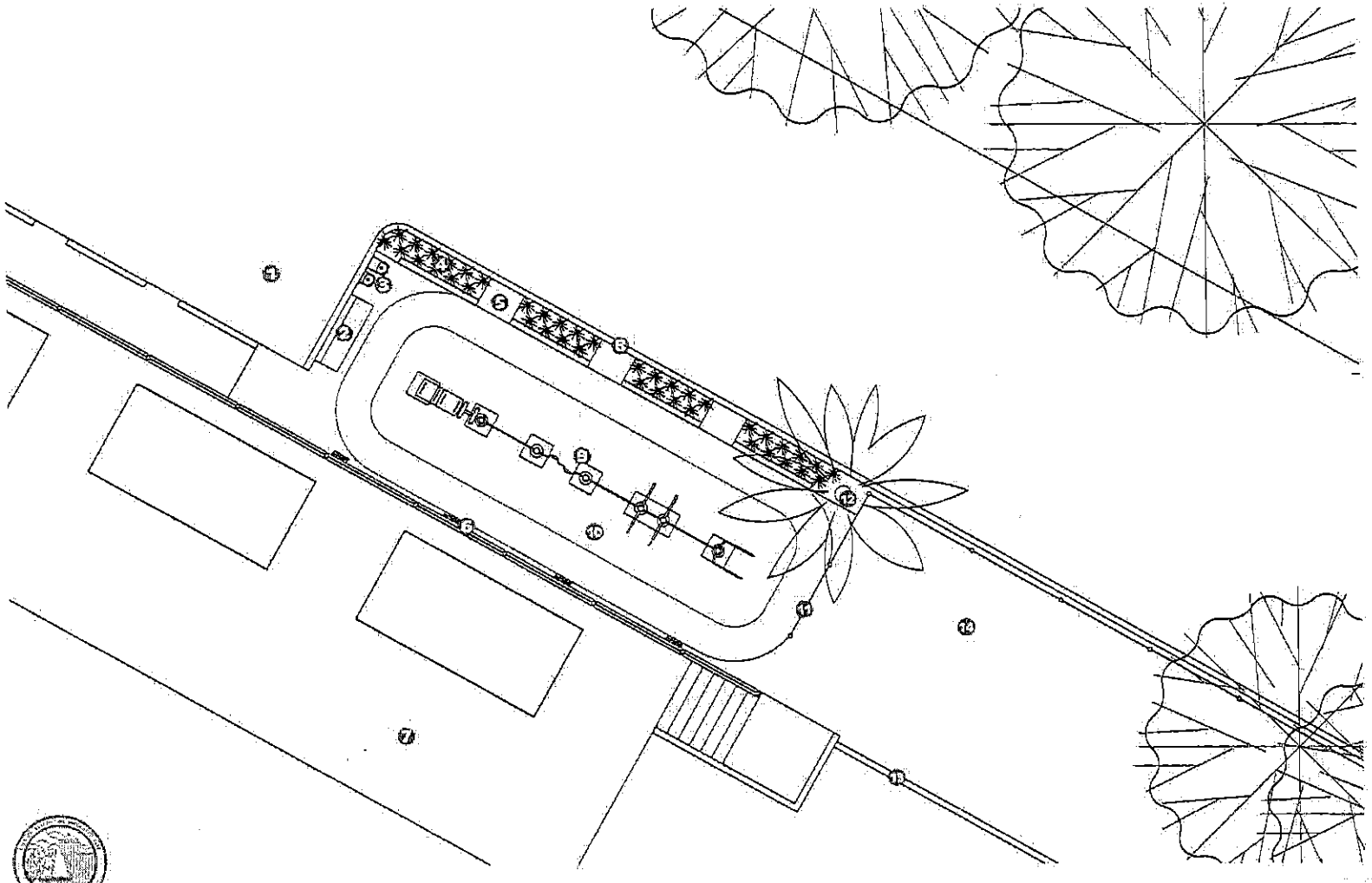
1 | AVALON CANYON FITNESS TRAIL

N

0 4' 8' 16'

# PROPOSED SITE PLAN - JOE MACHADO FIELD

16.0714



1. Parking existing
2. Wood/Metal Bench
3. Drinking Fountain
4. Shrubs at Fencing
5. Concrete Entrance
6. Low Shrub Planting
7. Lower Bleachers existing
8. Extend Asphalt Curb +/-40 LF
9. 8 Person Linear Combo Exercise Equipment
10. Decomposed Granite Paving +/-700 SF
11. Chainlink Fencing
12. Existing Palm Tree to remain
13. Existing Wall to remain
14. Upper Bleachers

# Customer Quotation

Greenfields Outdoor Fitness
2617 West Woodland Drive, Anaheim CA 92801 USA
T: 888.315.9037 F: 866.308.9719 Info@Greenfieldsfitness.com

| Date | Quote # |
|---|---|
| 8/8/2016 | 7436 |

| Sold To |
|---|
| **City of Avalon**<br>**David Hart - Director**<br>**410 Avalon Canyon Rd.**<br>**Avalon, CA 90704**<br><br>**Tel: 310-510-0220 x 231** *Fax:*<br>**E-mail: dhart@cityofavalon.com** |

| Ship To |
|---|
| **City of Avalon**<br>**David Hart - Director**<br>**410 Avalon Canyon Rd.**<br>**Avalon, CA 90704** |

| Project Name | Terms | Quote Valid Until | Rep |
|---|---|---|---|
| Peoples Park | 50% Deposit, Balance | 12/31/2016 | SM |

| Item | Description | Color | Qty | Rate | Total |
|---|---|---|---|---|---|
| | NJPA Contract 022113-PPC | | | | |
| **GR2005-1-48C-W** | 2-Person Wheelchair Accessible Lat Pull-Down & Vertical Press COMBO | Green / Tan / Green | 1 | 7,253.40 | 7,253.40T |
| **GR2005-1-09** | Single Cross Country Ski | Green / Tan / Green | 1 | 2,501.40 | 2,501.40T |
| **GR2005-1-91** | Rower | Green / Tan / Green | 1 | 2,501.40 | 2,501.40T |
| **GR2005-1-89** | Upright Bike | Green / Tan / Green | 1 | 2,164.80 | 2,164.80T |
| **GR2005-1-49** | Recumbent Bike | Green / Tan / Green | 1 | 2,164.80 | 2,164.80T |
| **HP2009-5-03** | Single Elliptical Cross Trainer | Green / Tan / Green | 1 | 3,293.40 | 3,293.40T |
| **UBX-211** | AB Toner | Green | 1 | 5,273.40 | 5,273.40T |
| **UBX-215** | Leg Press | Green | 1 | 5,273.40 | 5,273.40T |
| **UBX-217** | Squat | Green | 1 | 5,273.40 | 5,273.40T |
| **UBX-244** | Triceps Press | Green | 1 | 5,273.40 | 5,273.40T |
| **UBX-248** | Shoulder Press | Green | 1 | 5,273.40 | 5,273.40T |
| **UBX-292** | Cardio Stepper | Green | 1 | 5,995.00 | 5,995.00T |
| **UBX-293** | Bench Press | Green | 1 | 6,593.40 | 6,593.40T |
| **UBX-298** | Leg Extension & Curl | Green | 1 | 5,273.40 | 5,273.40T |
| | Subtotal | | | | 64,108.00 |
| **NJPA Discount** | NJPA Advantage Discount | | | -7.00% | -4,487.56 |
| **Shipping** | Ships in large crates - forklift is needed to unload | | | 3,990.00 | 3,990.00 |
| **On-Site Supervisi...** | On-Site Warranty Inspection & Supervision | | 2 | 1,250.00 | 2,500.00 |

**FINANCING OPTIONS ARE NOW AVAILABLE. CALL FOR DETAILS.**

COLOR SELECTION
Please be advised that there can only be one color for each welded assembly

CUSTOMER APPROVAL: I hereby approve this order, the item selection, color selection and overall Terms & Conditions of this order. I understand should collection of this agreement become necessary, I agree to pay all collection fees and attorney fees/court cost, etc. subject to the amount being charged by the agent.

Name: _____ Date: _____

Signature: _____ PLEASE SIGN & FAX BACK TO: 866-308-9719

| | |
|---|---|
| **Subtotal** | $66,110.44 |
| **Sales Tax (0.0%)** | $0.00 |
| **Total** | **$66,110.44** |

# Customer Quotation

Greenfields Outdoor Fitness
2617 West Woodland Drive, Anaheim, CA 92801 USA
T: 888.315.9037 F: 866.308.9719 Info@Greenfieldsfitness.com

| Date | Quote # |
|---|---|
| 7/22/2016 | 7381 |

**Sold To**

City of Avalon
David Hart - Director
410 Avalon Canyon Rd.
Avalon, CA 90704

Tel: 310-510-0220 x 231 Fax:
E-mail: dhart@cityofavalon.com

**Ship To**

City of Avalon
David Hart - Director
410 Avalon Canyon Rd.
Avalon, CA 90704

| Project Name | Terms | Quote Valid Until | Rep |
|---|---|---|---|
| Joe Machado Field | 50% Deposit, Balance | 12/31/2016 | SM |

| Item | Description | Color | Qty | Rate | Total |
|---|---|---|---|---|---|
| GR2005-1-77 | NJPA Contract 022113-PPC<br>8 Person Linear Station (Pull Ups, Dips, Sit-Up, Leg raises, Assisted Pull-Up, Assisted Push Up, Hand Cycle) | Green / Tan / Green | 1 | 10,393.50 | 10,393.50T |
| | Subtotal | | | | 10,393.50 |
| NJPA Discount | NJPA Advantage Discount | | | -7.00% | -727.55 |
| Shipping | Ships in large crates - forklift is needed to unload | | | 650.00 | 650.00 |

**Additional Terms and Conditions of Sale**

1. THIS QUOTE IS LIMITED TO AND GOVERNED BY THE TERMS CONTAINED HEREIN. Greenfields Outdoor Fitness, Inc. ("Greenfields") objects to any other terms proposed by Customer, in writing or otherwise, as material alterations, and all such proposed terms shall be void. Customer authorizes Greenfields to ship the Equipment and agrees to pay Greenfields the total amount specified. Shipping terms are FOB the place of shipment via common carrier designated by Greenfields. Payment terms are specified on Quote and all charges are due and payable in full to Greenfields Outdoor Fitness Inc, 2617 West Woodland Drive, Anaheim, CA 92801 unless notified otherwise by Greenfields in writing. Customer agrees to pay all additional service charges for past due invoices. Customer must provide proper tax exemption certificates to Greenfields, and shall promptly pay and discharge all otherwise applicable taxes, license fees, levies and other impositions on the Equipment at customers own expense. Purchase orders and payments should be made to the order of Greenfields Outdoor Fitness, Inc.
2. Use & Maintenance. Customer agrees to regularly inspect and maintain the Equipment as recommended by Greenfields.
3. Default, Remedies & Delinquency Charges. Customer's failure to pay any invoice when due, or its failure to otherwise comply with the terms of this Quote, shall constitute a default under all unsatisfied invoices ("Event of Default"). Upon an Event of Default, Greenfields shall have all remedies available to it at law or equity, including, whithout limitation, all remedies afforded a secured creditor under the uniform Commercial Code.
Customer agrees to assist and cooperate with Greenfields to accomplish its filing and enforcement of mechanic's or other liens with respect to the Equipment or its location or its repossession of the Equipment, and Customer expressly waives all rights to possess the Equipment after an Event of Default. All remedies are cumulative and not alternative, and no exercise by Greenfields of a remedy will prohibit or waive the exercise of any other remedy. Customer shall pay all reasonable attorneys' fees plus any costs of collection incurred by Greenfields in enforcing its rights hereunder.
Subject to any limitations under law, Customer shall pay to Greenfields as liquidated damages, and not as a penalty, an amount equal to 1.5% per month of any payment that is delinquent in such month and is not received by Greenfields within ten (10) days after the date on which due.

CUSTOMER APPROVAL
I hereby approve this order, the item selection, color selection and overall Terms & Conditions of this order.

Name: _____ Date: _____

Signature: _____ PLEASE SIGN & FAX BACK TO: 866-308-9719

| | |
|---|---|
| **Subtotal** | $10,315.95 |
| **Sales Tax (0.0%)** | $0.00 |
| **Total** | $10,315.95 |

## CITY OF AVALON CITY COUNCIL

**MEETING DATE:** August 16, 2016 **AGENDA ITEM:** 5

**ORIGINATING DEP:** Administration **CITY MANAGER:** _____

**PREPARED BY:** Audra McDonald, Administrative Analyst

**SUBJECT:** Declare Three 1994 Molly Trolleys as Surplus Property

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**RECOMMENDED ACTION(S):** Adopt the resolution declaring equipment listed in resolution as surplus property and authorize the City Manager to dispose of it properly by selling it to the highest bidder.

**REPORT SUMMARY:** The City of Avalon public transit system has been updated over the past few months including taking out of service three, 1994 Molly Trolleys and replacing them with three, all-electric buses.

The following is the list of equipment/vehicles that Staff requests be declared surplus:

| Name/Description | License Plate | VIN |
|---|---|---|
| 1994 Ford Molly Trolley | 1177978 | 3FCMF53G3RJB00885 |
| 1994 Ford Molly Trolley | 1177979 | 3FCMF53G1RJB06121 |
| 1994 Ford Molly Trolley | 1237405 | 3FCMF53G5RJB00886 |

Staff has researched the value of the trolley's taking into account their current condition and estimates the minimum value of each trolley at $10,000. With Council concurrence, Staff will initiate a sealed bid process for the sale of the trolleys with a minimum required bid of $10,000 per trolley.

**GOAL ALIGNMENT:** Non Applicable

**FISCAL IMPACTS:** Revenue from the sale of the vehicles was not included in the FY 16/17 budget and will need to be placed in the transportation fund.

**CONSEQUENCES OF NOT FOLLOWING RECOMMENDED ACTION:** The City of Avalon will have in their possession old excess equipment.

**FOLLOW UP ACTION**: Implement City Council direction.

**ADVERTISING, NOTICE AND PUBLIC CONTACT:** Pursuant to the Brown Act.

**ATTACHMENTS:** Resolution

**RESOLUTION NO. 16-**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF AVALON DECLARING SPECIFIED VEHICLES TO BE SURPLUS AND AUTHORIZING THE SALE OR DISPOSAL THEREOF**

**WHEREAS**, Government Code Section -37350 authorizes the City Council to control and dispose of property for the common benefit; and

**WHEREAS**, the City Council wishes to declare certain vehicles to be surplus and has determined that sale or disposal, as indicated below, is appropriate and will benefit the City:

**NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF AVALON DECLARES, FINDS AND RESOLVES AS FOLLOWS:**

**Section 1.** The City Council hereby declares the following vehicle to no longer be useful or necessary to the City's services and programs and therefore surplus property, to be disposed of as indicated below:

| Name/Description | License Plate | VIN |
|---|---|---|
| 1994 Ford Molly Trolley | 1177978 | 3FCMF53G3RJB00885 |
| 1994 Ford Molly Trolley | 1177979 | 3FCMF53G1RJB06121 |
| 1994 Ford Molly Trolley | 1237405 | 3FCMF53G5RJB00886 |

**Section 2.** Staff is authorized to dispose of the listed vehicles in accordance with the foregoing provisions.

PASSED, APPROVED AND ADOPTED this 16th day of August, 2016.

Ayes:
Noes:
Absent:
Abstain:

_____
Ann H. Marshall, Mayor

ATTEST:

_____
Denise A. Radde, City Clerk

# CITY OF AVALON CITY COUNCIL

**MEETING DATE:** August 16, 2015 **AGENDA ITEM:** 6

**ORIGINATING DEPT:** Finance **CITY MANAGER:**

**PREPARED BY:** Robert Mescher, Finance Director

**SUBJECT:** Senior Accountant Position

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**RECOMMENDED ACTION(S):** Approve the new job description for the Senior Accountant position and authorize the City Manager to fill the position.

**REPORT SUMMARY:** The Finance Department requires a Senior Accountant to assist the Finance Director with recording daily transactions, reconciling accounts, and reporting financial data monthly, quarterly, and annually so that the Finance Director can continue to streamline the Finance Department processes, develop financial support mechanisms for infrastructure, and provide staff development.

**GOAL ALIGNMENT:** Encourage and continue ongoing efforts to foster and nourish professionalism and effectiveness within the Finance Department by streamlining the Finance Department processes, developing financial support mechanisms for infrastructure, and providing staff development.

**FISCAL IMPACTS:** The position and the costs were included in the adopted FY16-17 Budget. The budgeted annual salary is $63,000.

**CONSEQUENCES OF NOT FOLLOWING RECOMMENDED ACTION:** The position would not be filled and the staffing would be insufficient to meet the financial goals of the City Council and the Finance Department.

**FOLLOW UP ACTION:** Staff to act on City Council directions.

**ADVERTISING, NOTICE AND PUBLIC CONTACT:** Pursuant to the Brown Act.

**ATTACHMENTS:** Senior Accountant Job Description.

**AUGUST 2016**
**FLSA: EXEMPT**

# SENIOR ACCOUNTANT

## DEFINITION

Under general supervision, records transactions; reconciles bank accounts, general ledger accounts, and subsidiary accounts; prepares financial, statistical and analytical reports for the Finance Director and City Staff; assists in the budget preparation; collects accounts receivable; conducts internal audits; assists in the coordination of the external audits; cross-trains in all areas of the Finance Department; and performs related work as required.

## SUPERVISION RECEIVED AND EXERCISED

Receives general supervision from the Finance Director. May exercise technical and functional supervision over Accounting Technicians and other Finance Department staff.

## CLASS CHARACTERISTICS

This is the journey-level class in the professional accounting series. Incumbents perform the full range of routine and complex departmental accounting and record-keeping programs under only minimal supervision. Responsibilities require the use of tact, discretion, and independent judgment. Successful performance of the work requires knowledge of governmental accounting practices and procedures, and thorough knowledge of Generally Accepted Accounting Principals (GAAP).

## EXAMPLES OF TYPICAL JOB FUNCTIONS (Illustrative Only)

*Management reserves the right to add, modify, change, or rescind the work assignments of different positions and to make reasonable accommodations so that qualified employees can perform the essential functions of the job.*

- Provides responsible professional and technical assistance in the administration and implementation of the City's financial, auditing, and accounting programs.
- Prepares a wide variety of financial and statistical reports, including daily, monthly, quarterly, and year-end reporting, budgetary reports, assisting in the preparation of the basic annual financial report, and preparing other documents and management analysis.
- Monitors expenditures, revenues, and budget allocations to determine the City's financial status and prepares custom reports, graphs, and schedules as needed.
- Monitors contracts and prepares reports comparing actual expenditures to authorized expenditures.
- Ensures City Staff adherence to the City's procurement policy.
- Verifies accuracy of payroll batches before finalizing payroll.
- Prepares and records asset, liability, revenue, and expenses entries by compiling and analyzing account information.
- Prepares journal entries.
- Reconciles general ledger, subsidiary, and bank accounts and resolve discrepancies.

- Summarizes financial status by collecting information; preparing balance sheet, profit and loss, and other statements.
- Prepares monthly and quarterly financial statements for Department Heads; prepares numerous monthly financial reports and special reports as needed.
- Alerts the Finance Director of any internal control weaknesses.
- Ensure that required periodic payments and reports are completed timely.
- Review monthly tax income, investigating discrepancies and delinquent payments.
- Records and maintains appropriate controls for fixed assets, including City-owned vehicles and land; assists in the City's purchase orders and accounts payable system, auditing and financial analysis, grant accounting, and special reports.
- Maintains and monitors the City's grant funds and ensures compliance with rules and regulations governing the use of each grant.
- Receives and tracks property tax payments; ensures that property tax bills are remitted to the proper City departments for payment authorization.
- Tracks Capital Improvement Program expenditures and allocates funds to the appropriate Capital Improvement Project account.
- Assists in the coordination of external audits by analyzing and scheduling general ledger accounts and providing information for auditors.
- Assists with daily, monthly, and quarterly cash reporting and projections.
- Participates in the compilation and preparation of the annual budget, including assisting other departments with budget preparation, providing personnel cost projections and estimated grant revenues and expenditures, monitoring expenditures to ensure compliance with adopted budget, and assisting in publication of the budget.
- Tracks and collects accounts receivable.
- Cross-trains in all functions of the Finance Department.
- Conducts audits to monitor adherence to internal controls.
- Attends meetings, conferences, workshops, and training sessions, and reviews publications to remain current on principles, practices, and new developments in the field of accounting.
- Protects organization by keeping information confidential.
- Performs other duties as assigned.

## QUALIFICATIONS

**Proficient in:**

- Generally Accepted Accounting Principals (GAAP).
- Modern office equipment, computers, and software applications
- Microsoft Excel
- Reconciling general ledger, subsidiary ledger, and bank accounts
- Data importing and exporting
- General math skills
- Analyzing financial data and draw sound conclusions.
- 10-Key calculator
- English grammar, spelling, vocabulary, and punctuation (bilingual Spanish is a plus)

**Knowledge of:**

- Government Accounting Standards
- Microsoft Office Suite
- Collections of Accounts Receivable
- Techniques for providing a high level of customer service by effectively communicating with the public, vendors, contractors, and City staff.

**Ability to:**

- Prepare clear, complete, and concise financial statements and reports.
- Make accurate arithmetic, financial, and statistical computations.
- Enter and retrieve data from a computer with sufficient speed and accuracy.
- Establish and maintain a variety of filing, record-keeping, and tracking systems.
- Understand and carry out a variety of complex instructions in a responsible and independent manner.
- Organize and prioritize a variety of projects and multiple tasks in an effective and timely manner; organize own work, set priorities, and meet critical time deadlines.
- Use English effectively to communicate in person, over the telephone, and in writing.
- Use tact, initiative, prudence, and independent judgment within general policy, procedural, and legal guidelines.
- Establish, maintain, and foster positive and effective working relationships with those contacted in the course of work.

**Education and Experience:**

*Any combination of training and experience that would provide the required knowledge, skills, and abilities is qualifying. A typical way to obtain the required qualifications would be:*

Graduation from an accredited four-year college or university with major coursework in accounting, business, or public administration and at least two years of accounting work experience; or

Two or more years of college and at least six years of progressive accounting work experience.

**License:**

- Possession of, or ability to obtain, a valid California Driver's License by time of appointment.

## PHYSICAL DEMANDS

Must possess mobility to work in a standard office setting and use standard office equipment, including a computer; vision to read printed materials and a computer screen; and hearing and speech to communicate in person, before groups, and over the telephone. This is primarily a sedentary office classification although standing and walking between work areas may be required. Finger dexterity is needed to access, enter, and retrieve data using a computer keyboard or calculator and to operate standard office equipment. Positions in this classification occasionally bend, stoop, kneel, reach, push, and pull drawers open and closed to retrieve and file information. Employees must possess the ability to lift, carry, push, and pull materials and objects weighing up to 25 pounds.

## ENVIRONMENTAL ELEMENTS

Employees work in an office environment with moderate noise levels, controlled temperature conditions, and no direct exposure to hazardous physical substances. Employees may interact with upset staff and/or public and private representatives in interpreting and enforcing departmental policies and procedures.

# CITY OF AVALON CITY COUNCIL

**MEETING DATE:** August 16, 2016 **AGENDA ITEM:** 7

**ORIGINATING DEP:** Administration **CITY MANAGER:**

**PREPARED BY:** David Jinkens, City Manager

**SUBJECT:** Resolution Adopting Gateway Cities Council of Governments Position Opposing the MTA Expenditure Plan for the 2016 Proposed Ballot Measure

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**RECOMMENDED ACTION(S):** Adopt a resolution of the City Council supporting the Gateway Cities Council of governments position ***opposing*** the MTA Expenditure Plan for the 2016 Proposed Ballot Measure.

**REPORT SUMMARY:** Council Member Cassidy is requesting the City Council to adopt a resolution as stated. The Gateway Cities Council of Governments opposes the measure because it does not fairly allocate revenue from the ballot measure to needed projects in member cities, it does not increase the allocation of local return funds to make up for less gas-tax revenue, it opposes the MTA proposal asking cities hosting a Metro Rail project to contribute 3% of the capital cost of the rail extension, opposes the measure because 19 of 44 listed City priority projects are new and not ones requested by member cities; and finally the classification of projects defined as "system connectivity" is strictly being interpreted and exclude projects such as the I-710 and the I-5. (See attached report from COG).

As the City Council knows, gaining support from elected leaders in cities for increases in tax measures come when City officials and the public can see that the measure provides direct benefit to their city. In this instance, elected leaders of the COG cannot find in the expenditure plan that justification.

**GOAL ALIGNMENT:** Inter-Public Agency Cooperation.

**FISCAL IMPACTS:** No identified negative fiscal impact on the City of Avalon If greater gas tax dollars result from future measures the City could benefit.

**CONSEQUENCES OF NOT FOLLOWING RECOMMENDED ACTION:** Lack of support of the COG and fellow city official members could impact their willingness to support Avalon in requests we are making or will make in the future for funding. The COG is the direct City collective voice in dealing with regional governmental agencies and solidarity in this instance is important. In addition, regional agencies cannot propose major tax increases that provide no obvious benefits to the people living in COG cities.

**ADVERTISING, NOTICE AND PUBLIC CONTACT:** This item was properly listed on the posted agenda pursuant to the Brown Act.

**ATTACHMENTS:**

- Resolution
- Letter from Gateway Cities to the Los Angels County Metropolitan Transportation Authority
- Email requesting the City's support

**RESOLUTION NO. _____**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF AVALON OPPOSING THE LOS ANGELES COUNTY METROPOLITAN TRANSPORTATION AUTHORITY EXPENDITURE PLAN FOR THE 2016 PROPOSED BALLOT MEASURE**

WHEREAS, the Gateway Cities Council of Governments (COG) participated in the development of a countywide process to accumulate a listing of all subregional transportation projects. This process resulted in the identification of $275 billion of transportation projects countywide

WHEREAS, the Los Angeles County Metropolitan Transportation Authority (MTA) in response to the identified need developed an expenditure plan to address the project capital and operational needs for the County. This expenditure plan will be the Los Angeles County template for mobility for the next 40 years. The tax itself will remove the sunset form Measure R continue in perpetuity or until repealed by the electorate.

WHEREAS, instead of giving Measure R project initiatives first priority for new tax revenues, assuring that 2nd and 3rd decade Measure R projects are completed, the MTA initiated a modeling process, utilizing performance metrics, that places well defined projects with analysis in competition with new projects with assigned attributes. This modeling exercise has resulted in a reordering or resequencing of projects. This new implementation schedule has not proven to be advantageous to the Gateway Cities.

WHEREAS, multi-modal projects that would benefit the Gateway Cities are being leapfrogged by higher profile projects in more affluent areas, which are also being given priority access to federal funding. That is simply not geographically equitable, nor is it fair to our residents who will be funding these projects for decades before they truly benefit.

NOW, THEREFORE, BE IT RESOLVED, that the City Council of the City of Avalon opposes the Adopted Ballot Measure Expenditure Plan

PASSED, APPROVED, AND ADOPTED this 16th day of August, 2016.

Ayes:
Noes:
Absent:
Abstain:

_____
Ann H Marshall, Mayor

ATTEST:

_____
Denise A. Radde, City Clerk

Artesia
Avalon
Bell
Bellflower
Bell Gardens
Cerritos
Commerce
Compton
Cudahy
Downey
Hawaiian Gardens
Huntington Park
Industry
La Habra Heights
La Mirada
Lakewood
Long Beach
Lynwood
Maywood
Montebello
Norwalk
Paramount
Pico Rivera
Santa Fe Springs
Signal Hill
South Gate
Vernon
Whittier
County of Los Angeles
Port of Long Beach

GATEWAY CITIES
COUNCIL OF GOVERNMENTS

July 12, 2016

The Honorable John Fasana, Chairman and
Board of Directors
Los Angeles County Metropolitan Transportation Authority
One Gateway Plaza
Los Angeles, CA. 90012

Dear Chairman Fasana and Members of the Board of Directors:

**Gateway Cities Council of Governments Opposition to MTA's Proposed 2016 Ballot Measure**

At its regular meeting on July 6, 2016, the Gateway Cities Council of Governments (GCCOG) Board of Directors voted to oppose MTA's proposed countywide transportation sales tax measure planned for the November 8, 2016 ballot. The member cities of this COG are acutely aware of the need for additional transportation funding, and strongly supported the grounds up approach and the process that led to the identification of subregional project transportation needs. Support for the measure began to erode with the release of the initial Expenditure Plan and the delay and definition of the major Gateway Cities initiatives. GCCOG staff has actively participated in the Council of Governments meetings held by MTA CEO Phil Washington and GCCOG City Managers also met with him and senior staff to explore potential solutions to the areas of disagreement. Regretfully, significant changes were not made to the document released for public review and the "tweaks" that were offered do not provide sufficient foundation for this organization's support.

The GCCOG Board of Directors voted 21-1 to oppose the measure, with one abstention. The GCCOG did not make this decision lightly or without considerable deliberation. The GCCOG Board even held a special meeting on June 21, to discuss the final expenditure plan that resulted in the adoption of an "oppose unless amended" position. Mr. Fasana, our Board sincerely appreciates the time you personally took to address our Board. We also appreciate the considerable time and effort spent by Mr. David Yale in trying to explain the MTA point of view.

Fundamental to the vote to oppose are issues that were raised by both the Gateway Cities and South Bay COGs that were not addressed in the Expenditure Plan and Ordinance. The following major concerns were expressed:

- The GCCOG recommended that 2nd and 3rd decade Measure R transit projects be formally accelerated to qualify for 2018 PBM funding and that Measure R projects be advanced through the environmental and preliminary engineering phases to receive funding on a construction-ready status, as envisioned in the 30-10 Board approved policy, and not be superseded by new PBM projects. The COG also asserted that keeping with the 2008 Measure R promises that the recently adopted Performance Metrics be applied solely to PBM projects and not retroactively to Measure R 2nd and 3rd decade projects. We view these principles as honoring the Measure R commitment made to the voters in 2008.

- Like the South Bay COG and other cities throughout the county, GCCOG requested an increase in the allocation of local return funds. The justification for the increase is that cities have traditionally relied upon gasoline sales tax subventions and revenue for the improvement and maintenance of local streets. This source continues to decline. The dramatic decreases in revenues are already adversely impacting our ability to reduce congestion, improve access and safety of our local streets and highways. Even the increased 17% local return allocation fails to recognize that a city's streets are the foundation of all the other elements of the transportation system. With the increased emphasis on active transportation and First/Last mile connections, it is critical that the foundation for these elements, the city street, be funded at a level sufficient to meet the increased demand. A 20% local return allocation effective from day one would help fund the increased demand on city streets. We are disappointed that there was no discussion on alternative formulas for the distribution of local return funds. The South Bay COG suggested a sales tax receipts/population/lane-mile formula and Gateway Cities requested consideration of a different formula that would be more equitable to those cities that are bedroom communities at night but have a robust daytime infrastructure. Cities like Vernon, Commerce, Industry, Pico Rivera and La Mirada do not receive an adequate return on their contribution.

- The GCCOG does not support the continued expectation that local jurisdictions hosting a Metro Rail project be required to contribute 3% of the capital cost of the extension based on a proportionate share of route miles and station locations. This requirement is potentially devastating to smaller communities. The West Santa Ana Branch/Eco-Rapid Transit corridor goes through the heart of Gateway Cities' disadvantaged communities as identified by the Cal EPA EnviroScreen; requiring a 3%contribution would tie-up local return funds for decades.

Like the South Bay COG, GCCOG supports encouraging local jurisdictions to invest in community infrastructure such as active transportation,

enhanced transit safe pedestrian paths and other First/Last Mile connections that will improve access to the stations, enhance safety and aesthetics adjacent to the rail rights of way, and undertake economic development initiatives that will add local ridership once the project is completed.

- The GCCOG's objections to the reprioritization of Measure R projects stems from the reality that 19 of the 44 listed projects in the Expenditure Plan are new (44%). Many of these new projects are also accelerated past the Measure R initiatives based on their "performance" under the Board approved Performance Metrics criteria. In the first 15 years, 11 of the total projects are new projects. The cost estimates and performance benefit for the new projects are speculative until they undergo specific project development, environmental clearance and other analyses. This speculative nature allows a project with little or no definition to utilize attributes for the most favorable mode and model accordingly. It also has allowed funding scenarios to be created that may have very little relation to the ultimate financial plan. Projects scheduled behind massive, new undefined initiatives are at risk of being further delayed because of unknowns and resultant cost increases. This risk is simply not acceptable to the Gateway Cities jurisdictions

- The last area of contention is the classification of projects as system connectivity. This classification was strictly interpreted to exclude projects such as the I-710 and the I-5 even though they met the definition below:

*"... These regional facilities for passengers and goods include airports, seaports, central rail stations, and the modernization of highway and transit infrastructure that serve these facilities. This program is intended to support system-wide highway improvements, access to airports and seaports, and transit connectivity and modernization. System-wide highway improvements include improved technology to better manage traffic flow on freeways and roadways, freeway construction projects that eliminate key bottlenecks and enable increased volumes of commuters to travel on freeways at faster speeds through new carpool lanes, and expanded services that eliminate bottlenecks created by traffic incidents such as Freeway Service Patrol. Access improvements to the Los Angeles County airports and seaports include projects that improve the direct access to the airports and seaports from the highway system, improving the flow of goods and passengers on the highway system while reducing the impact of truck and vehicle traffic to the surrounding communities through projects that use technology to reduce air pollution emitted from truck traffic."*

A comprehensible rationale for exempting nationally recognized freight corridors has never been provided to the GCCOG and, as a result, the I-5 Corridor (I-605/I-710) has been designated a "Subregional project" as has the I-710, which serves the nation's largest ports.

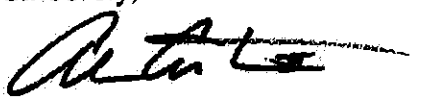
The MTA Board compounded the sub-regional inequity at its June 23, 2016, meeting by approving an amendment that designated $189 million for a new and undefined bus rapid transit line with an unknown total cost that will link the West San Fernando Valley to Cal State Northridge and labeling it "system connectivity" to allow for the entire county to pay for this project.

The ballot language states that a "Yes" vote will:

*"...improve freeway traffic flow/safety; repair potholes/sidewalks; repave local streets; earthquake retrofit bridges; synchronize signals;..."*

What is left out of the ballot measure is the reality that most of this will not even begin until 2026 (I-710) or 2032 (I-5) and that fixing potholes will be an even greater challenge given the funding commitment. The GCCOG finds this situation unacceptable, hence the approval of the attached Resolution.

Sincerely,



Al Austin II, President
Board of Directors

Enclosure: Resolution 2016-02

cc: Board of Directors -Gateway Cities Council of Governments
MTA Board of Directors
Mr. Phillip Washington, Metro CEO
All State and Federal Legislative Offices

**From:** Mike Egan, City Manager [mailto:megan@norwalkca.gov]
**Sent:** Friday, August 05, 2016 1:29 PM
**To:** 'Ivy M. Tsai'; A. Beltran (abeltran@lynwood.ca.us); Art Gallucci (agallucci@cerritos.us); Arturo Sanchez (arturo.sanchez@longbeach.gov); Charlie Honeycutt (choneycutt@cityofsignalhill.org); David Jinkins (djinkins@cityofavalon.com); Edgar Cisneros (ecisneros@hpca.gov); Francesca Tucker-Schuyler (lguzman@cityofmontebello.com); Gilbert A. Livas (glivas@downeyca.org); Howard Brown (hbrown@cityofbell.org); Howard Chambers; J. Arnoldo Beltran (chandley@lynwood.ca.us); Jeff Boynton; Jeff Collier; Jeffrey L. Stewart (jeff.stewart@bellflower.org); Jeffrey L. Stewart (Lydia.munoz@bellflower.org); John Moreno (jmoreno@paramountcity.com); John Ornelas (scrum@hpca.gov); John Oropeza (joropeza@bellgardens.org); Jorge Rifa (adminstaff@ci.commerce.ca.us); Jorge Rifa (jorger@ci.commerce.ca.us); Jose E. Pulido (jpulido@cityofcudahyca.gov); I. Hollingsworth; Linda Benedetti-Leal; Linda Hollinsworth (lhollinsworth@hgcity.org); M. Flad; Michael Flad; Mike Egan, City Manager; P. Wagner; Pat West (patrick.west@longbeach.gov); Paul Philips (admin@cityofindustry.org); Philip Wagner (pwagner@bellgardens.org); Rene Bobadilla; Rene Bobadilla (rbobadilla@pico-rivera.org); Reuben Martinez (reuben.martinez@cityofmaywood.org); Roger Haley (rhaley@comptoncity.org); Ron Bates (esauceda@pico-rivera.org); Thaddeus McCormack; Tom Modica (tom.modica@longbeach.gov); Wagner; William Rawlings (sgomes@cityofartesia.us); Anton Dahlerbruch (Citymanager@Pvestates.Org); Arnold Shadbehr (ashadbehr@hawthorneca.gov); Artie Fields (AFields@Cityofinglewood.org); Doug Prichard (DougP@RollingHillsEstatesCA.gov); Douglas Willmore (dwillmore@rpvca.gov); Greg Carpenter (gcarpenter@elsegundo.org); Joseph Martin Hoefgen (joe.hoefgen@redondo.org); Kenneth Farsing (kfarfsing@carson.ca.us); LeRoy J. Jackson (CityManager@TorranceCA.Gov); Mark Danaj (mdanaj@citymb.info); Mitch Lansdell (citymanager.web@ci.gardena.ca.us); Raymond R. Cruz (rcruz@cityofrh.net); Ryan Smoot (r.smoot@lomitacity.com); Steve Mandoki (smandoki@lawndalecity.org); tbakaly@hermosabch.org
**Cc:** Gabriela Garcia; Richard Powers; Karen Heit; Steve@southbaycities.org; Jacki Bacharach (jacki@southbaycities.org)
**Subject:** Metro Ballot Measure

Colleagues:

By now you are all aware that the Gateway COG approved the engagement of the Lew Edwards Group to help us educate our communities on the local impacts of the Metro Ballot Measure. We are also hopeful the South Bay COG will join this effort. The Gateway COG will administer the agreement for the duration of the project. The total cost of the project is $400,000. If all participate, the cost is roughly $10,000 per City. We understand we are all different sizes and I am attaching a minimum request for each City to fund this project. If everyone does not participate the cost to those participating is obviously larger. Please feel free to call me to discuss.

Please use the following paragraph to describe the project to your City Councils in your staff reports. This has been vetted through the COG's Attorney, Ivy Tsai, copied here.

The investment of these funds to communicate the local impacts of a proposed tax is critical for our citizens. It is permissible for public agencies to disseminate factual information to constituents and the public about a given policy matter. With this in mind, funds will be used to: 1) assess public attitudes towards MTA's proposed projects, including understanding regional similarities and differences in public viewpoints by geography and audience; 2) retain experts to develop effective, accessible informational messages about this issue, engage the public, respond to questions, and create informational toolkits or training for Gateway member cities; 3) disseminate information about local impacts in permissible, cost-effective mediums in accordance with our usual methods for dissemination of information to the public, including: press events and conferences; stakeholder and influential updates; web-based video, social media, and new media. All information provided will be factual, as no campaign advocacy can occur using public funds.

Mike Egan
City Manager
City of Norwalk
(562) 929-5772

## CITY OF AVALON CITY COUNCIL

**MEETING DATE:** August 16, 2016 **AGENDA ITEM:** 8

**ORIGINATING DEP:** Community Services **CITY MANAGER:**

**PREPARED BY:** Dan Huncke, Community Services Director

**SUBJECT:** Cabrillo Mole Recreation Revitalization Project

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**RECOMMENDED ACTION(S):** Discuss the approved Mole Park Project, give Staff direction to any changes City Council would like to see to the proposed amenities and authorize the City Manager to publicly bid the site-work, purchase of equipment and installation for the project.

**REPORT SUMMARY:** The City of Avalon received a grant in the amount of $300,000 from the Los Angeles County Regional Park and Open Space District with the assistance of Supervisor Don Knabe. The Cabrillo Mole Recreation Revitalization Project, as it was named, was also allocated $75,000 at the July 14, 2016 Fiscal Year 2016/2017 Budget Study Session. Funds are also available in the Prop. A Maintenance and Servicing Fund, (funds available to maintain Prop. A projects), in the amount of approximately $95,780, totaling $470,782 available for the Cabrillo Mole Recreation Revitalization Project.

The scope of the approved project replaces the current outdated children's play structure with a pirate ship themed "wonderland" for climbing, sliding and exploring. Along with the ship's theme, the surfacing tiles will be replaced with Poured-In-Place Surfacing (PIP) leading to a bank of five swing: two bucket swings for younger children; two belt swings for children 3 years and older and one expression swing for special needs children. The extension of the children's play structure and the addition of the swings replace the existing sand volleyball court. The plan also calls for a slight reduction to the basketball court, taking it from 53' in length to 45', while replacing the existing backboards with one glass backboard and placing "sports court" type matting on top of the concrete.

As indicated, between the grant for the project, the City Council allocation in the current fiscal budget and the Prop. A funding, there is $470,782 provided for this project. Staff estimates the current project as approved will cost approximately $462,000.

In light of some public concern for keeping the sand volleyball court, Staff would recommend as an option for City Council to consider the following modification to the previously approved project:

- The play structure as proposed gets reduced in size to be accommodated in the existing area while keeping the pirate ship theme

- The swings are eliminated in the proposed location to keep the volleyball court with upgrades to the volleyball fencing consistent with the newly proposed fencing, while adding a permanent retaining boarder to keep the sand on the court
- The basketball court keeps its current footprint with the proposed "sport court" flooring and two glass backboards are installed
- Along with this proposal, Staff would further recommend that two swings are located just east of the Veteran's Memorial, past the circular raised tree well and the first barbeque pit. This proposed site will be partially fenced for safety purposes and retain the same PIP surfacing as the newly installed playground equipment.

As outlined with this recommendation, Staff anticipates the projected cost to be approximately $375,000.

Staff is requesting City Council do one of two things: approve the plan to the Mole Park Project as outlined in the staff report (see attachments for the layout and conceptual drawings); or approve the scenario leaving the sand volleyball court in place at this time, which reduces the size of the newly proposed pirate ship play structure while placing two swings just east of the project.

It is imperative that the decision on the amenities featured at Mole Park are made at the August 16, 2016 City Council meeting as to not jeopardize the grant funding for the project and all the hard work Staff put into securing the grant opportunity.

**GOAL ALIGNMENT:** Enhance the overall look to the Mole Park area while creating additional recreation opportunities.

**FISCAL IMPACTS:** The proposed project will be funded through the Los Angeles County Regional Park and Open Space District in the amount of $300,000 and another $75,000 allocated to the project in the 2016/2017 fiscal budget. Any monies above and beyond that would come out of the Prop. A Maintenance and Servicing Fund.

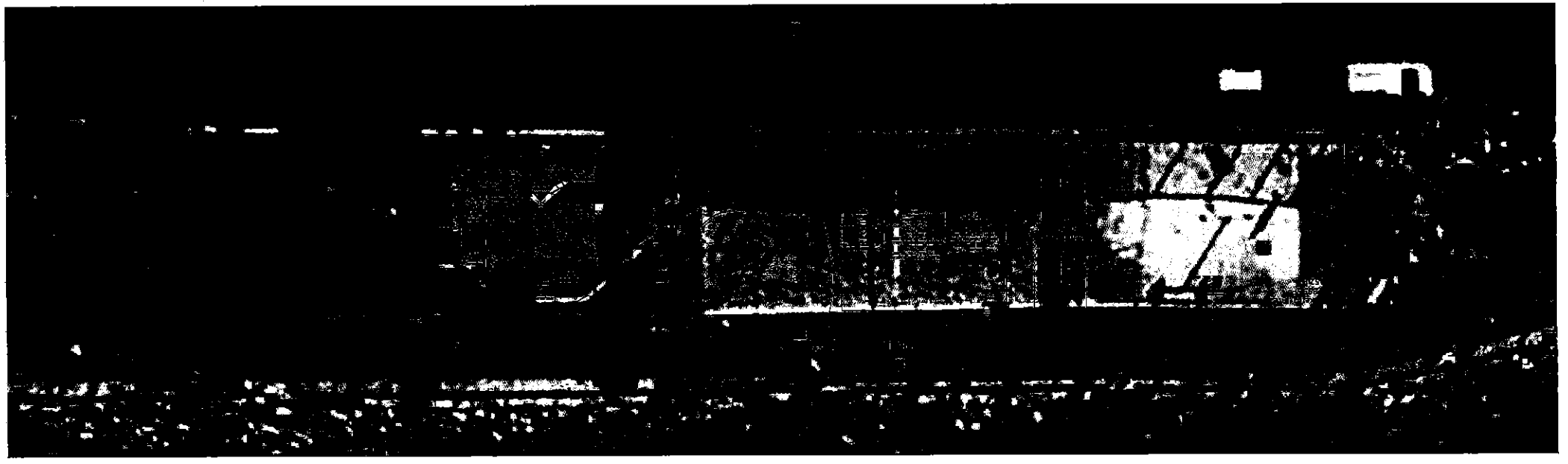
**CONSEQUENCES OF NOT FOLLOWING RECOMMENDED ACTION:** The project needs to be given specific staff direction at the August 16, 2016 City Council meeting as to be completed by December 31, 2016 as to not put the project in jeopardy of losing the $300,000 in grant funding.

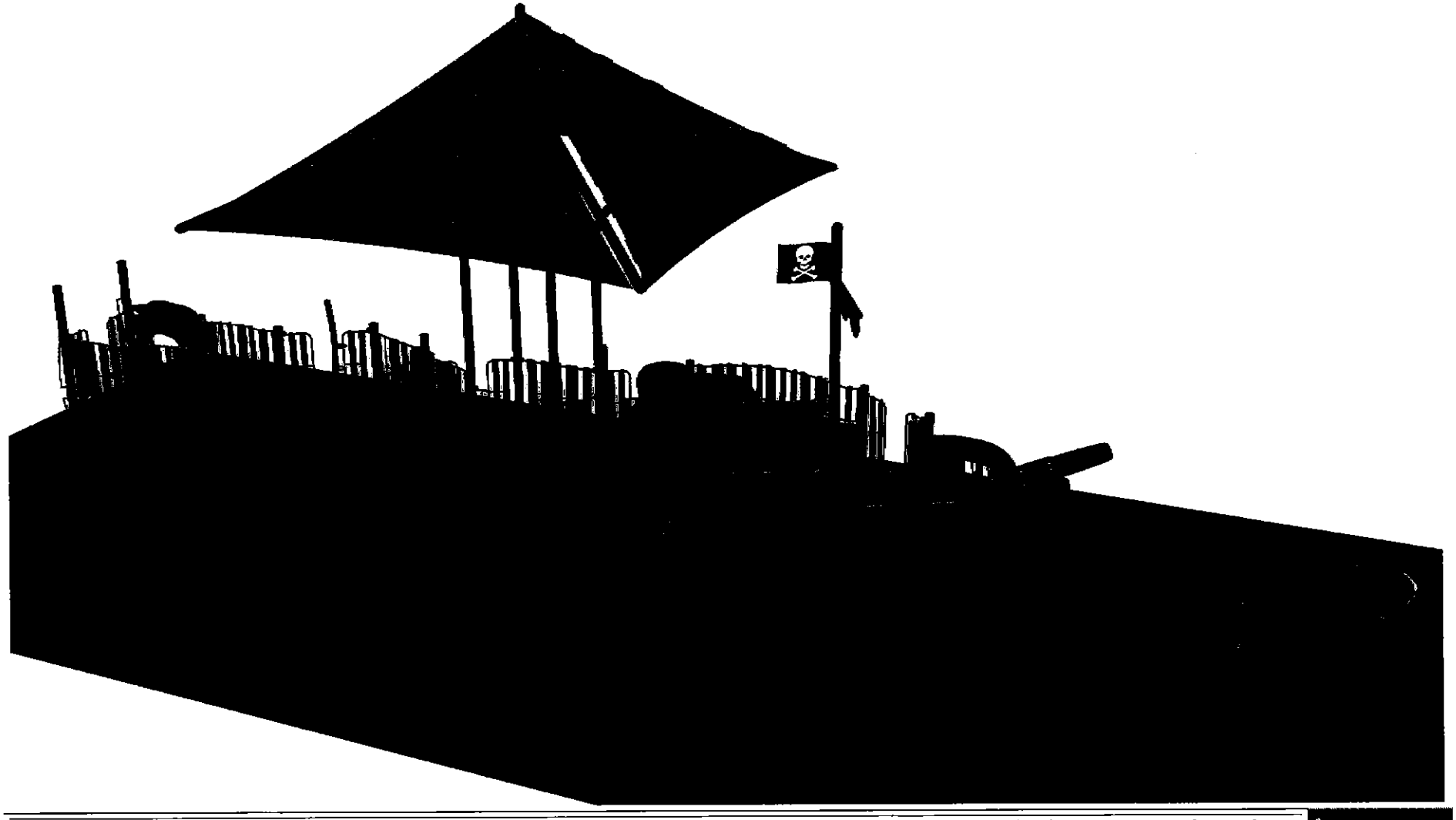
**FOLLOW UP ACTION**: Implement City Council direction, such as Publicly Bid the Construction and Equipment Installation

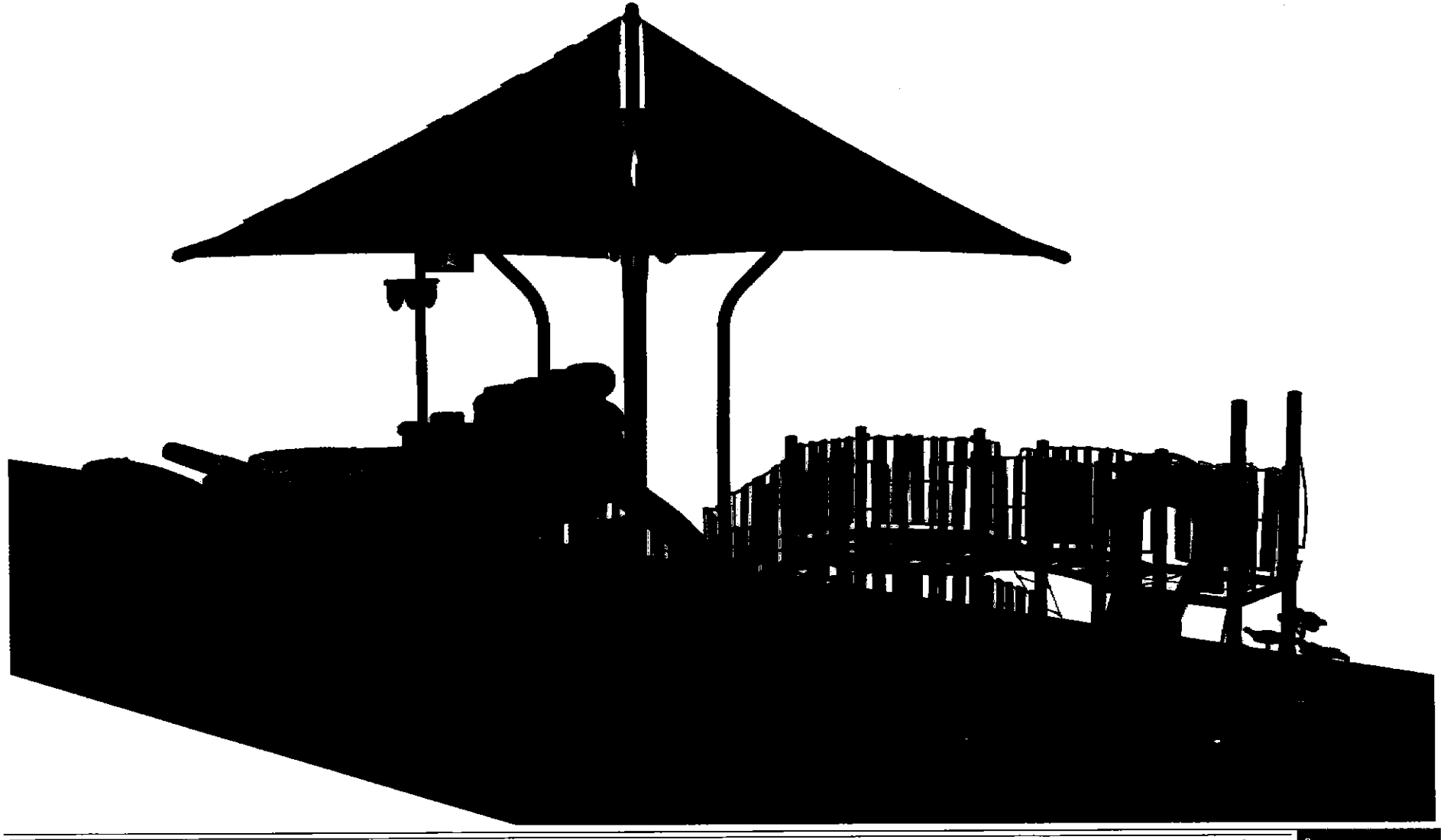
**ADVERTISING, NOTICE AND PUBLIC CONTACT:** This item was properly listed on the posted agenda pursuant to the Brown Act.

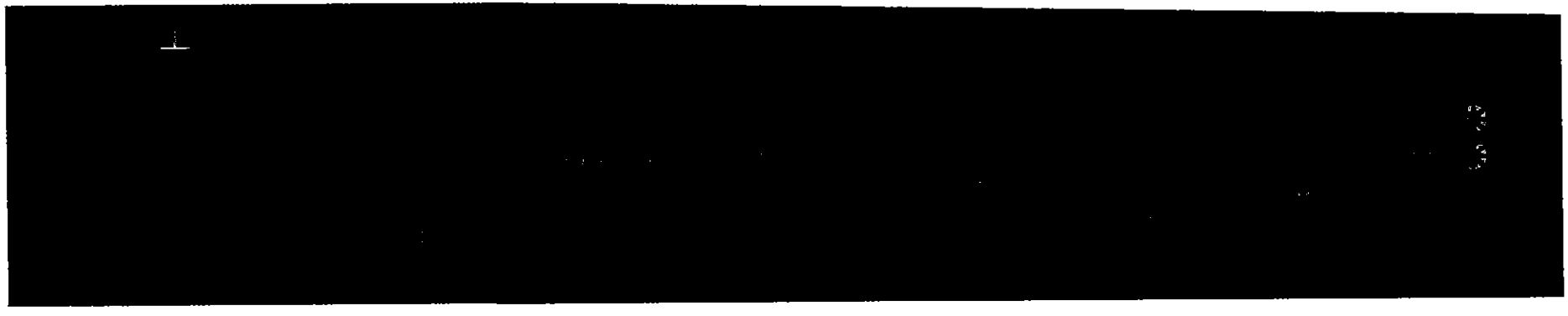
**ATTACHMENTS:**

1. Site plan of approved Mole Park Project over existing amenities
2. Layout of proposed equipment for the Mole Park Project









**CITY OF AVALON CITY COUNCIL**

**MEETING DATE:** August 16, 2016 **AGENDA ITEM:** 9

**ORIGINATING DEP:** City Attorney **CITY MANAGER:**

**PREPARED BY:** Scott Campbell, City Attorney

**SUBJECT:** Supplemental Funding Contribution of the City of Avalon to Southern California Edison for the Construction and Installation of an Additional Desalination Unit for Southern California Edison's Santa Catalina Island Water Utility

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**RECOMMENDED ACTION(S):** Authorize payment of the Supplemental Funding Contribution in the amount of $500,000 for the completion of an Additional Desalination Unit for Southern California Edison's Santa Catalina Island Utility and request a similar payment from the County of Los Angeles.

**REPORT SUMMARY:** On June 7, 2015, the City entered into an Agreement For Supplemental Funding Contribution with Southern California Edison ("SCE"). This Agreement was in furtherance of SCE's efforts to build an additional desalination unit on the island. This supplemental desalination unit aimed to generate additional gallons per day of potable water to reduce drawdowns and potentially avoid increased mandatory conservation of water on the island. In order to facilitate the prompt installation and operation of the additional desalination unit, the City agreed to provide supplemental funding in the amount of $500,000 if certain terms and conditions were met. The Agreement also provided that if the County contributed funding to the desalination plant, that funding would be credited entirely to the City up to the City's contribution.

Those conditions for this payment included SCE obtaining all permits and approvals, the additional desalination unit being installed and operational, the unit producing additional domestic water in accordance with its operating specifications (about 120,000 gallons per day), and that SCE has provided written verification to the reasonable satisfaction of the City that the foregoing conditions have been satisfied. The Agreement terminated on May 1, 2016, alleviating the City's contractual obligation to pay the supplemental funding contribution but the Agreement provided that the City had the option of still making the payment.

On July 27, 2016, the City received a letter from Greg Ferree, Vice President at SCE, informing the City that as of April 2016 the additional desalination unit is fully installed and operational. However, all permits were not received by the May 1, 2016 date and the plant did not start producing potable water that could actually be used until late July. That letter also demonstrated the "operating specifications" of the plant, and informed the City that SCE has received permitting from the State Water Resources Control Board to operate in both "brine" and "seawater only" modes going forward. The unit is now operating at 88 gallons per minute,

over the 120,000 gallons a day in the technical specification. . As a result, Mr. Ferree has requested the City remit payment of $500,000 per the 2015 Agreement.

To ensure proper operation of SCE's desalination units, the City asked for a full assessment of the additional desalination unit by Carollo Engineers. On July 29, 2015, the City received a letter from Carollo summarizing those findings. The letter indicated that with the approval to operate in both "brine" and "seawater only" modes, Carollo estimates the net increase in potable water production capacity achieved by SCE to be 120,000 gallons per day.

Because not all conditions were satisfied by May 1, 2016, the City is not required to pay the $500,000 supplemental funding contribution due to the delays in completion by SCE. However, Staff recommends payment in good faith as a result of SCE's completion and operation of the new unit in compliance with the other terms and conditions of the original agreement, which has been confirmed by an independent engineering review of the facilities and their production capacity.

In addition to this payment, Staff recommends that the City request the County of Los Angeles pay SCE an additional $500,000 to assist in covering expenses of the construction and operation of these facilities and to offset increased charges to ratepayers as a result of the new facilities. The County has informed the City that it will only contribute the additional $500,000 if the County's contribution is in addition to the City's contribution, not in place of the City's contribution. This is because the potential impact on ratepayers if a rate increase is sought to recover the capital costs of the desalination plant would be less with contributions totaling $1,000,000, rather than $500,000.

**GOAL ALIGNMENT:** Fresh Water Resources

**FISCAL IMPACTS:** $500,000 for Fiscal Year 16/17 from the General Fund.

**CONSEQUENCES OF NOT FOLLOWING RECOMMENDED ACTION:** Ratepayers will be required to shoulder the burden of paying for the new unit, which will lead to increased monthly charges.

**ADVERTISING, NOTICE AND PUBLIC CONTACT:** This item was properly listed on the posted agenda pursuant to the Brown Act.

**ATTACHMENTS:**

1. Letter from Greg Ferree
2. Letter from Carollo Engineers

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**Greg Ferree**
Vice President
Distribution Business Line

August 11, 2016

Scott Campbell, Partner
Best Best & Krieger, LLP
Scott.Campbell@bbklaw.com

Dear Mr. Campbell,

I write in response to your two emails to Southern California Edison (SCE) Senior Attorney Russell Archer of August 8, 2016. In your first email, you stated that the City had received my July 27, 2016 letter, which demonstrated that Desalination Plant 2 had fully satisfied the conditions of the Agreement, even as those conditions have been construed by the City. Your email stated that you would take the issue to the City Council for approval of the City's funding obligation (which was characterized as "discretionary") on Tuesday, August 16, 2016. Your email requested production data from July 27 - present, in order to "verify that the plant is operating at the designed capacity for more than a week." Your second email requested a copy of the Division of Drinking Water (DDW) permit(s) that allow Desalination Plant 2 to operate in brine mode.

SCE disagrees that the City's funding obligation is any way "discretionary," or that Desalination Plant 2 must be operated in brine mode for a certain amount of time for a certain number of days in order to satisfy the Agreement's conditions. SCE runs its desalination plants as a comprehensive system, balancing the goals of maximizing overall desalination production, meeting customer demand, reducing drawdown of the Middle Ranch Reservoir, prudently undertaking necessary maintenance, and other routine utility functions. As you know, the Agreement indisputably gives SCE the right to operate Desalination Plant 2 "in its discretion", "on a day-to-day basis using its experience and judgment as a public utility."

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Greg Ferree
Vice President
Distribution Business Line

In addition, the Agreement specifically contemplates that Desalination Plant 2 will not operate when "scheduled and unscheduled maintenance is necessary."

Accordingly, using its utility discretion, and in furtherance of the goals discussed above, since July 27, 2016, SCE operated the desalination plants in a variety of different configurations. On most of those days, as illustrated by the chart below, Desalination Plant 2 has not been running in brine mode. Using its judgment, SCE has determined that it is prudent to operate Desalination Plant 2 as the primary plant in seawater mode for the remainder of the peak demand summer season. Taking into account the necessary maintenance of the desalination plants and permit conditions established by the DDW, SCE has determined that this configuration will maximize the overall production of the desalination plants and minimize the Avalon Distribution System's reliance on Middle Ranch Reservoir production during this period. It is important to note that the operation of Desalination Plant 2 has produced material incremental water for Avalon since April above what would have been available in its absence, and allows SCE to undertake much-needed maintenance on Desalination Plant 1, which had been running much more than it has historically due to the ongoing severe drought. After the completion of the necessary desalination plant maintenance work, SCE plans to operate Desalination Plant 2 in brine mode when prudent to serve demand. Of course, future operation of the plants is always subject to SCE's utility discretion.

| Date | Weekday | Desalination Production (Gallons) | Operation Note |
|---|---|---|---|
| 27-Jul-16 | WED | 192,000 | Plant 1 |
| 28-Jul-16 | THU | 183,000 | Plant 1 |
| 29-Jul-16 | FRI | 182,000 | Plant 1 |
| 30-Jul-16 | SAT | 104,000 | Plant 1 |
| 31-Jul-16 | SUN | 149,000 | Plant 1 |

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Vice President
Distribution Business Line

| | | | |
|---|---|---|---|
| 1-Aug-16 | MON | 229,000 | Plant 1 & 2 BRINE |
| 2-Aug-16 | TUES | 179,000 | Plant 1 |
| 3-Aug-16 | WED | 194,000 | Plant 1 |
| 4-Aug-16 | THU | 192,000 | Plant 1 |
| 5-Aug-16 | FRI | 5,000 | Plant 1 |
| 6-Aug-16 | SAT | 127,000 | Plant 2 |
| 7-Aug-16 | SUN | 215,000 | Plant 2 |
| 8-Aug-16 | MON | 242,000 | Plant 2 |
| 9-Aug-16 | TUES | 244,000 | Plant 2 |

Note: Unless otherwise noted, when used in this chart "Plant 2" indicates Plant 2 running in seawater mode.

I attach to this letter the additional DDW permitting documentation you requested. SCE is confident that on August 18, 2016, you and Staff will recommend to the City Council that it live up to its contractual obligation to immediately submit its Supplemental Funding Obligation for Desalination Plant 2 to SCE. If for some reason that does not come to pass, SCE reserves all of its rights to enforce the Agreement.

Best regards,

Greg Ferree

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909-274-1120/PAX 61120
Fax 909-274-3656/63656

STATE OF CALIFORNIA

# *AMENDMENT TO THE*

# *DOMESTIC WATER SUPPLY PERMIT ISSUED TO*

## *Southern California Edison – Santa Catalina*

***System No. 1910006***

**By The**

**State Water Resources Control Board,**

**Division of Drinking Water**

ORIGINAL PERMIT: ***#75-029***
PERMIT AMENDMENT: ***1910006PA-005***

DATE OF ISSUE: August 20, 1975
EFFECTIVE DATE: July 15, 2016

| Permit Amendments | Date | Description |
|---|---|---|
| N/A | 8/20/1975 | Original Full Permit |
| None | 12/27/1979 | Add Cottonwood 2 Well |
| None | 5/5/1980 | Add Cottonwood 1A Well |
| 03-90-000 | 10/22/1990 | Add Toyon Canyon Well 3 and Sweetwater Canyon Well 1 |
| 03-91-000 | 5/29/1991 | Operate Desalination Plant #1 |
| 04-93-000 | 12/22/1993 | Add three wells (SW-1A, MR-1A, and BJ-1) |
| 1910006PA-001 | 10/17/2003 | Reactivate Desalination Plant #1 with the addition of two new wells (Quarry Seawater Wells 1 and 2) |
| 1910006PA-002 | 3/23/2004 | Install and operate an aeration system for lead and copper treatment |
| 1910006PA-003 | 1/20/2006 | Add Middle Ranch Well 06A |
| 1910006PA-004 | 3/21/2016 | Install and operate Desalination Plant #2 in Operating Scenario 2, Seawater Treatment |
| 1910006PA-005 | 7/15/2016 | Operate Desalination Plant #2 in Operating Scenario 1, Brine Treatment, and Operating Scenario 2, Seawater Treatment |

**WHEREAS:**

I. The **Southern California Edison Company – Santa Catalina** (*hereinafter*, ***SCE***) submitted an application to the State Water Resources Control Board, Division of Drinking Water (*hereinafter*, Division) dated ***October 16, 2015*** for an

amendment to the Domestic Water Supply Permit issued to ***SCE*** on ***August 20, 1975.***

II. The purpose of the amendment, as stated in the application, is to allow ***SCE*** to make the following modification to the public water system:

***Operate Desalination Plant #2 to supplement the existing desalination plant, Desalination Plant #1. Desalination Plant #2 is capable of operating in two different operating scenarios:***

1. ***Treating a blend of brine discharge from Desalination Plant #1 and raw seawater from Quarry Seawater Wells 01 and 02***

2. ***Treating raw seawater from Quarry Seawater Wells 01 and 02, bypassing Desalination Plant #1***

***Desalination Plant #2 includes the following components:***

***a) Seawater anti-scalant injection system to prevent deposition of salts on the reverse osmosis membranes.***

***b) Two (2) sets of cartridge filters to remove large particulates from the raw seawater. Each set contains a 5-micron filter followed by a 1-micron filter.***

***c) One 5,000 gallon break tank and two brine feed pumps to provide surge volume for brine feed or a blend of brine feed and seawater. The pumps deliver feed water from the break tank to the reverse osmosis unit.***

***d) One General Electric (GE) SeaTECH-84 reverse osmosis (RO) unit consisting of 12 vessels to provide desalination treatment for seawater and brine feed.***

***e) Carbon dioxide gas injection system for pH control.***

***f) Sodium hypochlorite disinfection system to provide disinfection for the water delivered to the new TWT-2 storage tank.***

***g) Two (2) calcite treater vessels to provide water softening and pH control.***

***h) Zinc orthophosphate injection system for corrosion inhibition.***

***i) Treated Water Tank TWT-2, a 10,000 gallon storage tank to provide disinfection contact time. Also serves as a blending point for***

***Desalination Plant #1 product water and Desalination Plant #2 product water in Operating Scenario 1, Brine Treatment.***

***j) Two booster pumps to deliver water from the TWT-2 storage tank to the distribution system***

III. ***SCE*** has submitted all of the supporting information required to evaluate the application.

IV. The Division has evaluated the application and the supporting material and has determined that the proposed modifications comply with all applicable State drinking water requirements.

**THEREFORE:**

I. The State Water Resources Control Board, Division of Drinking Water hereby approves the application submitted by ***SCE*** for a permit amendment. The Domestic Water Supply Permit issued to ***SCE*** on ***August 20, 1975*** is hereby amended as follows:

***Desalination Plant #2 is approved for operation in the operating scenarios listed below and delivering the treated water to SCE's customers:***

1. ***Brine Treatment: Treating a blend of brine discharge from Desalination Plant #1 and raw seawater from Quarry Seawater Wells 01 and 02***

2. ***Seawater Treatment: Treating raw seawater from Quarry Seawater Wells 01 and 02, bypassing Desalination Plant #1***

II. This permit amendment is subject to the following conditions:

**GENERAL**

1. This document amends and adds to the Domestic Water Supply Permit issued to ***SCE*** on August 20, 1975 and eight subsequent amendments issued by the Division. If any condition in this amendment conflicts with the permit and its subsequent amendments, the conditions in this amendment shall be followed.

2. ***SCE*** shall comply with all of the requirements set forth in the California Safe Drinking Water Act, California Health and Safety Code, and any regulations, standards, or orders adopted thereunder.

3. The only sources approved for potable water supply are as follows:

**Table 1. Approved Sources**

| Source | PS Code | Status | Capacity (gpm[1]) |
|---|---|---|---|
| Blackjack Well 01 | 1910006-023 | Active | 2 |
| Cottonwood Well 02 | 1910006-005 | Active | 20 |
| Cottonwood Well 01A | 1910006-006 | Active | 35 |
| Howlands Landing Well 01 | 1910006-012 | Active | 45 |
| Sweetwater Canyon Well 01A | 1910006-014 | Active | 24 |
| Middle Ranch Well 01A | 1910006-016 | Active | 375 |
| Middle Ranch Well 05A | 1910006-031 | Active | 350-425 |
| Middle Ranch Well 06A | 1910006-030 | Active | 300 |
| Toyon Canyon Well 03 | 1910006-019 | Active | 14 |
| Whites Landing Well | 1910006-020 | Active | 40 |
| Quarry Seawater Well 01 | 1910006-038 | Active | 300 |
| Quarry Seawater Well 02 | 1910006-039 | Active | 300 |

[1]gpm = gallons per minute

4. The only approved treatment facilities are listed in Table 2.

**Table 2. Approved Treatment**

| Facility | PS Code | Treatment | Remark | Treatment Classification |
|---|---|---|---|---|
| Blackjack Well | 1910006-037 | Disinfection | 12.5% Sodium Hypochlorite | NA |
| Cottonwood Wells | 1910006-021 | Disinfection | 12.5% Sodium Hypochlorite | NA |
| Howlands Landing Well 01 | 1910006-032 | Disinfection | 12.5% Sodium Hypochlorite | NA |
| Sweetwater Canyon Well 01A | 1910006-033 | Disinfection | 12.5% Sodium Hypochlorite | NA |
| Middle Ranch Wells | 1910006-034 | Disinfection | 12.5% Sodium Hypochlorite | NA |
| Toyon Canyon Well 03 | 1910006-035 | Disinfection | 12.5% Sodium Hypochlorite | NA |
| Whites Landing Well | 1910006-036 | Disinfection | 12.5% Sodium Hypochlorite | NA |
| Pump House #2 | 1910006-042 | Disinfection | 12.5% Sodium Hypochlorite | NA |
| Pump House #2 | 1910006-043 | Corrosion Control | Aeration and Orthophosphate Injection | T1 |
| Desalination Plant #1 | 1910006-040 (Influent)<br><br>1910006-041 (Product Water/TWT-1 Outlet)<br><br>1910006-045 (After Zinc Orthophosphate Injection, Before Blending Point with Desalination Plant #2 Product Water) | Desalination | Reverse Osmosis, $CO_2$ Gas, 12.5% Sodium Hypochlorite, Calcite, Zinc Orthophosphate | T2 |
| Desalination Plant #2 | 1910006-046 (GE RO Unit Influent)<br><br>1910006-047 (Combined GE RO Permeate)<br><br>1910006-048 (After Zinc Orthophosphate Injection, Before Blending Point with Desalination Plant #1 Product Water)<br><br>1910006-049 (Product Water/TWT-2 Outlet) | Desalination | Reverse Osmosis, $CO_2$ Gas, 12.5% Sodium Hypochlorite, Calcite, Zinc Orthophosphate | T2 |

5. No additions, changes, or modifications shall be made to the sources or treatment facilities outlined in Conditions 3 and 4 unless an amended water permit has first been obtained from the Division.

6. All treatment facilities shall be operated by personnel who have been certified in accordance with the California Code of Regulations (CCR), Title 22, Chapter 13, Operator Certification Regulations. The minimum certification requirements for the chief and shift operators(s) for each treatment facility are listed in Table 3. Disinfection facilities for which no *Giardia* or virus reduction is required may be operated by either a certified treatment operator or a certified distribution operator.

**Table 3: Minimum Treatment Operator Certification Requirements**

| Treatment Plant | Chief Operator | Shift Operator |
|---|---|---|
| Pump House #2 | T1 | T1 |
| Desalination Plant #1 | T2 | T1 |
| Desalination Plant #2 | T3 | T2 |

7. The distribution system shall be operated by personnel who have been certified in accordance with CCR Title 22, Chapter, 13, Operator Certification Regulations. ***SCE***'s distribution system has been classified as a D3 system. The minimum requirement for the Chief and Shift Distribution Operators are D3 and D2 distribution operator certification, respectively.

8. All water supplied by ***SCE*** for domestic purposes shall meet all applicable Maximum Contaminant Levels (MCLs) established by the Division. If the water quality does not comply with the California Drinking Water Standards, additional treatment shall be provided to meet standards, subject to permit approval.

9. ***SCE*** shall monitor all sources listed in Table 1 in accordance with CCR Title 22, Chapter 15 and the Division's most recent Vulnerability Assessment and Monitoring Frequency Guidelines. In addition, ***SCE*** shall monitor Quarry Seawater Wells 01 and 02 for gross beta and boron at least once per compliance period.

10. Except for bacteriological analyses and constituents without chemical storet numbers, all water quality monitoring results obtained at a certified laboratory shall be submitted to the Division via Electronic Data Transfer (EDT) using the appropriate Primary Station (PS) Codes listed in Table 1 for sources and Table 2 for treatment facilities. Analytical results of all sample analyses completed in a calendar month shall be reported to the Division no later than the tenth day of the following month.

11. ***SCE*** shall comply with CCR Title 17 to protect the water system and treatment facilities from contamination from possible cross-connections. ***SCE*** shall maintain a program for the protection of the domestic water system against backflow from

premises having dual or unsafe water systems in accordance with Title 17. All backflow devices shall be tested at least annually. ***SCE*** shall inform the Division immediately of any actual or suspected cross-connection contamination.

## TREATMENT

12. ***SCE*** shall continuously provide a minimum of 99.9 percent (3-log) reduction of Giardia Lamblia cysts (Giardia), 99.99 percent (4-log) reduction of viruses, and 99 percent (2-log) reduction of Cryptosporidium oocysts (Cryptosporidium) through reverse osmosis and disinfection at Desalination Plant #2.

13. Desalination Plant #2 shall be designed and operated to conform with California's Surface Water Treatment Rule (SWTR). The General Electric (GE) SeaTECH-84 reverse osmosis (RO) filtration technology is an alternative treatment technology which is considered to achieve 2.5-log removal of Giardia, 2-log removal of viruses, and 2-log removal of Cryptosporidium provided that operating and performance criteria are met.

14. The only approved sources for Desalination Plant #2 are as follows:

| Raw Water Source Name | Flows To | Status | PS Code |
|---|---|---|---|
| Quarry Seawater Well 01 | Desalination Plant #2 | Active | 1910006-038 |
| Quarry Seawater Well 02 | Desalination Plant #2 | Active | 1910006-039 |

15. The disinfectant residual concentration of the water being delivered from the TWT-2 storage tank to the distribution system shall be measured and recorded continuously pursuant to CCR Title 22, Section 64656. ***SCE*** shall record the disinfectant residual concentration of the TWT-2 storage tank outlet at least once every four (4) hours. ***SCE*** shall commence measuring and recording the disinfectant residual concentration of the water being delivered from Desalination Plant #1 or Desalination Plant #2 to the distribution system continuously within one (1) year after issuance of this permit amendment.

16. ***SCE*** shall provide at least 0.5-log inactivation of Giardia and 2-log inactivation of viruses through the disinfection process at Desalination Plant #1 and at Desalination Plant #2 at all times in order to demonstrate the reliability of multibarrier treatment of approved surface water.

17. When Desalination Plant #2 is operating in Operating Scenario 1, ***SCE*** shall provide a continuous flow of Desalination Plant #1 product water for blending with Desalination Plant #2 product water at all times to comply with all applicable MCLs per Condition 8.

18. The two level sensors installed in the TWT-2 storage tank shall be maintained per manufacturer's instructions to remain in working order.

19. A baffling factor of 0.3 shall be used for calculating CT in the TWT-2 storage tank. If ***SCE*** would like a higher baffling factor, a tracer study may be performed. The tracer study protocol shall be submitted to the Division for review and approval prior to conducting the test. A report with the tracer study findings shall be prepared for review and approval by the Division prior to using a higher baffling factor.

20. Desalination Plant #2 shall be operated such that the GE RO influent flow rate does not exceed 500 gpm and the combined GE RO unit permeate maximum production flow rate does not exceed 200 gpm without first applying for and obtaining an amended permit from the Division.

21. There shall be no bypassing of any required treatment process at any time. The processes for water treatment include: Cartridge filters, reverse osmosis, corrosion control via calcium carbonate stabilization and pH adjustment, and free chlorine disinfection.

22. The turbidity performance standard for the combined GE RO unit permeate shall be equal to or less than 0.1 NTU in at least 95 percent of the measurements taken each month and shall not exceed 1.0 NTU at any time. ***SCE*** shall shut down Desalination Plant #2 or send the treated water to waste when the combined GE RO unit permeate turbidity is greater than 0.14 NTU. To determine compliance with the turbidity performance standards, the turbidity of the combined GE RO unit permeate shall be monitored continuously and recorded at least once every 15 minutes that Desalination Plant #2 is in operation. In addition, ***SCE*** shall monitor the raw seawater turbidity at least daily when either Desalination Plant #1 or Desalination Plant #2 is in operation.

**MONITORING**

23. Monitoring, recordkeeping, and reporting shall be conducted in accordance with CCR Title 22, Sections 64654.8, 64655, 64656, 64662, 64663, 64664, and the Division-approved Operations Plan.

24. ***SCE*** shall follow the same sampling and monitoring schedule as described in Condition 9 for Quarry Seawater Wells 01 and 02 at the following locations:

    a. Desalination Plant #2 product water between zinc orthophosphate injection point and blending point with Desalination Plant #1 product water in Operating Scenario 1
    b. TWT-2 storage tank outlet in each operating scenario

25. ***SCE*** shall conduct an initial round of standard tap sampling for lead and copper by September 30, 2016, and a second round of standard tap sampling for lead and copper six (6) months after the initial standard tap sampling. ***SCE*** shall conduct each round of standard tap sampling at a minimum of 40 sample sites.

Sample site selection and sample collection methods for taps shall be conducted per CCR Title 22, Article 3. Upon completion of the two rounds of standard tap sampling, ***SCE*** may reduce tap sampling frequency and the number of sample sites pursuant to CCR Title 22, Sections 64675 and 64675.5.

26. The combined raw seawater from Quarry Seawater Wells 01 and 02 shall be monitored at least monthly for bacteriological density [most probable number (MPN)] for total coliform and fecal coliform and for colony-forming units (CFU) for Enterococcus and Heterotrophic Plate Count (HPC). ***SCE*** shall record the time and date of sampling. ***SCE*** may use the results obtained from monitoring requirements specified in this condition to satisfy combined raw seawater bacteriological monitoring requirements for both Desalination Plant #1 and Desalination Plant #2.

27. ***SCE*** shall sample the Desalination Plant #2 product water after post treatment for total coliform, fecal coliform, enterococcus, and HPC monthly during normal operation. If either Desalination Plant #1 or Desalination Plant #2 is shut down or taken offline for longer than 72 hours, ***SCE*** shall sample the product water after post treatment for the offline desalination plant for total coliform and fecal coliform upon startup (first flow to the distribution system) following the shutdown. If startup occurs after normal business hours, ***SCE*** shall sample the Desalination Plant #1 product water or Desalination Plant #2 product water during the next business day.

28. ***SCE*** shall notify the Division whenever Desalination Plant #2 is shut down or taken offline for more than 72 hours, any events trigger the critical water quality alarms identified in the Division-approved Operations Plan, or any significant operational problems are experienced with Desalination Plant #2 via e-mail or letter. The notification shall be provided within five (5) days of shutdown initiation and shall include the following for each instance or event:

    a. Location of the problem
    b. Cause of the interruption
    c. Date, approximate time, and duration of the problem
    d. Action steps taken to correct the problem
    e. Precautions taken to minimize contamination of the supply and notification of affected users

29. The GE RO unit shall be operated to achieve 2.5-log removal of Giardia and 2-log removal of Cryptosporidium and viruses at all times. To ensure this minimum log removal value, ***SCE*** shall perform a membrane integrity test (MIT) by monitoring the RO performance for the removal of conductivity. An indirect MIT shall be performed by monitoring the combined GE RO unit permeate for conductivity at a minimum of once every four hours. A direct MIT shall be performed by monitoring the GE RO unit influent and the individual GE RO vessel effluent for conductivity daily at a minimum. Results of the MIT shall be

submitted to the Division together with the monthly operational reports described in Condition 30. In the event that the GE RO unit fails an indirect or direct MIT, ***SCE*** shall follow the procedures in the approved Operations Plan.

30. ***SCE*** shall conduct an evaluation of the TDS and conductivity correlation for both the GE RO unit influent and combined GE RO unit permeate at least biweekly by monitoring the GE RO unit influent and combined GE RO unit permeate for TDS and conductivity. The evaluation findings shall be used to ensure that the MIT results obtained per Condition 29 represent a 2-log reduction of TDS. The calculation for converting the GE RO unit influent and combined GE RO unit permeate conductivity to TDS for use in the RO MIT described in Condition 29 shall be adjusted to reflect the correlation findings. This evaluation shall be submitted to the Division with the monthly operational reports described in Condition 31. After one month of operation, ***SCE*** may request a reduced frequency for conducting the evaluation. When Desalination Plant #2 is operating in Operating Scenario 1, if 2-log reduction of TDS is not achieved and if the combined GE RO unit permeate has a TDS level exceeding 900 mg/L, ***SCE*** shall conduct monitoring of the combined GE RO unit permeate and the TWT-2 outlet for TDS at least weekly until the combined GE RO unit permeate TDS level is below 900 mg/L.

31. ***SCE*** shall submit a monthly operational report on the operation of Desalination Plant #2 to the Division by the 10th day of the following month. The report shall include the following information:

    a. A summary of all bacteriological results obtained during the month

    b. A summary of all chemical water quality results obtained during the month

    c. The dates and times of operating Desalination Plant #2 in each operating scenario

    d. The daily amount of water treated by Desalination Plant #2 and the average daily flow rates of the following:
        i. Combined raw seawater from Quarry Seawater Wells 01 and 02
        ii. Desalination Plant #1 RO influent
        iii. Desalination Plant #1 combined RO permeate
        iv. Combined GE RO unit permeate
        v. TWT-2 outlet

    e. Disinfection monitoring results including:
        i. Daily calculated CT values in each operating scenario, including daily pH, temperature, and contact time in the TWT-2 storage tank, to demonstrate that a minimum of 0.5-log Giardia and 2-log virus inactivation was achieved via disinfection each day that the plant was in operation.

ii. Date and duration of each instance when the disinfectant residual in the water supplied to the distribution system is less than 0.2 mg/L and when the Division was notified of this occurrence
iii. The lowest daily measurement of disinfectant residual in the water entering the distribution system

f. Daily values for the raw seawater turbidity and conductivity of the GE RO unit influent and each GE RO vessel effluent. If more than one value is recorded each day, the highest value of all values recorded that day may be reported in lieu of reporting all of that day's values

g. Conductivity measurements taken every four (4) hours from the combined GE RO unit permeate in each operating scenario and the TWT-2 outlet in Operating Scenario 1

h. For the combined GE RO unit permeate:
   i. The total number of turbidity measurements
   ii. The results of turbidity measurements
   iii. The number and percent of turbidity measurements taken that are less than or equal to 0.14 NTU
   iv. The date, time, and value of any turbidity measurements taken from the combined GE RO unit permeate that exceeded 0.14 NTU
   v. The average daily turbidity level
   vi. Alternatively, SCE may choose to provide the turbidity achieved 50, 90, 95, 98, and 99 percent of the time that Desalination Plant #2 was producing water in lieu of Conditions ii-v

i. The date, time, and value of any turbidity measurements taken from the raw seawater that exceeded 1 NTU

j. A summary of MIT failures and actions taken

k. Correlation study between TDS and conductivity levels at the GE RO unit influent and combined GE RO unit permeate as described in Condition 30

l. A log of turbidimeter calibrations

m. Written explanations of any violation of the performance standards specified in Sections 64653 and 64654

n. American National Standard Institute/National Sanitation Foundation (ANSI/NSF) 60 and 61 certification for any new additive, chemical, material, lubricant, or product used in the treatment process

o. Middle Ranch Reservoir water level

32. ***SCE*** shall notify the Division by telephone or other equally rapid means immediately upon discovery of any condition judged to create a significant potential or existing health hazard to users. Such conditions include, but are not limited to, actual or threatened sabotage and/or vandalism and/or unplanned water outages with pressure less than 5 psi, which result from inadequate source storage or pump capacity or any other unplanned loss of system pressure. ***SCE*** shall keep the Water Quality Emergency Notification Plan (WQENP) current at all times.

33. ***SCE*** shall notify the Division as soon as possible, but no later than by the next business day or within 24 hours, whichever is sooner, whenever:

    a. The combined GE RO unit permeate turbidity exceeds 1.0 NTU for more than one hour while measured continuously or when two or more consecutive combined GE RO unit permeate turbidity measurements exceed 1.0 NTU when grab sampling every four hours
    b. A failure to meet disinfection inactivation requirements or maintain a minimum disinfectant residual of 0.2 mg/L in the water delivered to the distribution system. ***SCE*** shall report whether or not the disinfectant residual was restored to at least 0.2 mg/L within four hours
    c. An event occurs that may affect the ability of the plant to produce safe potable water, including hazardous waste spills and unit treatment process failures
    d. The occurrence of an acute infectious illness that may be potentially attributable to the water system
    e. Analysis of water produced by Desalination Plant #2 fails to meet any MCL, any provision of this permit amendment, or any order issued under applicable laws and regulations.

    These events may require corrective action and public notification.

34. ***SCE*** shall maintain all treatment plant operational records onsite per CCR Title 22, Section 64662 in addition to the information listed below for at least three (3) years. ***SCE*** shall provide this information to the Division upon request.

    a. The required RO monitoring and membrane integrity tests per the Division-approved Operations Plan and the permit conditions cited in this permit amendment
    b. Dates and results of turbidimeter and conductivity analyzer calibration
    c. Dates of GE RO unit clean-in-place and membrane inspections

35. All equipment and analyzers shall be maintained, calibrated, and verified in accordance with manufacturer recommendations and the Division-approved Operations Plan. The procedures and frequency for verifying and calibrating these equipment and analyzers shall be included in the Division-approved Operations Plan. Logbooks shall be maintained for each analyzer that details

calibration, cleaning, and maintenance. The logbooks shall include date, model, location of analyzer, and procedures used.

## OPERATIONS

36. All operators and supervisory personnel involved with the operation or oversight of Desalination Plant #2 shall have a copy of and shall be familiar with the conditions of this permit amendment. A copy of the conditions shall be maintained at Desalination Plant #2 for reference.

37. ***SCE*** shall operate Desalination Plant #2 in accordance with CCR Title 22, the most recent Division-approved Operations Plan, and permit conditions cited in this permit amendment. Any proposed changes to the Operations Plan shall be submitted to the Division for review and shall receive the Division's approval prior to implementation. The current Division-approved Operations Plan was prepared by ***SCE*** and is dated July 15, 2016 and titled "Southern California Edison Operations and Maintenance Manual for Additional Desal System for the Pebbly Beach Generating Station, Catalina Island, California".

38. Alarms critical to plant operations, such as high turbidity, high conductivity, and low chlorine residual, shall be enabled at all times. Set points shall be as per the Division-approved Operations Plan. No changes to critical alarms in the Operations Plan shall be made without prior written consent from the Division. Alarms critical to plant operations shall be tested at least as frequently as specified in the Division-approved Operations Plan.

39. The only approved RO membranes for Desalination Plant #2 are Toray TM820V-400 membranes. ***SCE*** shall obtain written approval from the Division for use of any membranes other than those specified in this condition prior to procurement, installation, or placing into service.

40. The RO membranes shall be operated within the manufacturer's recommended limitations on operating temperature, feed pressure, pH, silt density index, and chlorine residual. The maximum feed water pressure shall be less than 1,000 psi (pounds per square inch). The RO membrane operating flux shall be maintained within the manufacturer's recommendations. ***SCE*** shall also follow the RO manufacturer's recommended membrane cleaning and replacement schedule.

41. ***SCE*** shall only use additives that have been tested and certified as meeting the standards of ANSI/NSF Standard 60. ***SCE*** shall only use chemicals, materials, lubricants, or products that have been tested and certified as meeting the specifications of ANSI/NSF Standard 61 unless conditions listed in CCR Title 22, Section 64593 are met. These requirements shall be met under testing conducted by a product certification organization accredited for this purpose by ANSI. Any chemicals used to maintain the RO membranes shall have ANSI/NSF Standard 60 certification. This includes clean-in-place (CIP) chemicals. ***SCE*** shall

follow the manufacturer's instructions and ANSI/NSF Standard 60 limitations on the use of the product and for returning a cleaned membrane to service. ***SCE*** shall submit the material safety data sheet (MSDS) and ANSI/NSF Standard 60 certificates for the CIP chemicals to the Division for review and approval prior to purchase and use of the chemical(s).

42. Within 60 days following one year after issuance of this permit amendment, ***SCE*** shall submit an engineering report prepared by a qualified engineer describing the effectiveness of Desalination Plant #2 operation covering the first year of operation. The report shall include all areas of treatment, results of all water quality tests performed, and shall evaluate compliance with established performance standards under actual operating conditions. It shall also include an assessment of problems experienced, corrective actions needed, and a schedule for providing needed improvements. The report shall include a discussion of all TDS breakthrough events, MIT failures, and the feasibility of adding a flow sensor to the chlorine injection pump and continuously recording the flow rates of product water from each desalination plant and the TWT-2 storage tank outlet conductivity.

43. ***SCE*** shall optimize the carbon dioxide and zinc orthophosphate dosing and the flow through the calcite treaters as a means for corrosion control treatment. The engineering report required per Condition 42 shall include an evaluation of these optimization processes.

This amendment shall be appended to and shall be considered to be an integral part of the Domestic Water Supply Permit issued to ***SCE*** on ***August 20, 1975.***

**FOR THE STATE WATER RESOURCES CONTROL BOARD, DIVISION OF DRINKING WATER**

July 15, 2016
***Date***

Sutida Bergquist
***Sutida Bergquist, P.E., District Engineer***
***Central District***