



# CITY OF IRWINDALE

5050 N. IRWINDALE AVE., IRWINDALE CA 91706 • PHONE: (626) 430-2200 • FACSIMILE: 962-4209

MARK A. BRECEDA  
MAYOR

ALBERT F. AMBRIZ  
MAYOR PRO TEM

LARRY G. BURROLA  
COUNCILMEMBER

MANUEL R. GARCIA  
COUNCILMEMBER

H. MANUEL ORTIZ  
COUNCILMEMBER

**AGENDA FOR THE REGULAR MEETING OF THE  
CITY COUNCIL  
SUCCESSOR AGENCY TO THE  
IRWINDALE COMMUNITY REDEVELOPMENT AGENCY  
HOUSING AUTHORITY  
RECLAMATION AUTHORITY  
SEPTEMBER 14, 2016**

**5:30 P.M. - CLOSED SESSION**

**6:30 P.M. - OPEN SESSION**

**IRWINDALE CITY HALL / COUNCIL CHAMBER**

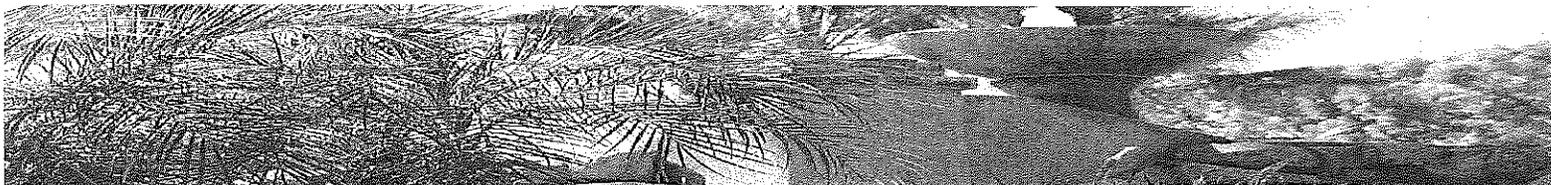
**CLOSED SESSION – CITY HALL CONFERENCE ROOM  
REGULAR MEETING – CITY HALL COUNCIL CHAMBER**

**Spontaneous Communications:** The public is encouraged to address the City Council on any matter listed on the agenda or on any other matter within its jurisdiction. The City Council will hear public comments on items listed on the agenda during discussion of the matter and prior to a vote. The City Council will hear public comments on matters not listed on the agenda during the Spontaneous Communications period.

Pursuant to provisions of the **Brown Act**, no action may be taken on a matter unless it is listed on the agenda, or unless certain emergency or special circumstances exist. The City Council may direct staff to investigate and/or schedule certain matters for consideration at a future City Council meeting.

**Americans with Disabilities Act:** In compliance with the ADA, if you need special assistance to participate in a City Council meeting or other services offered by this City, please contact City Hall at (626) 430-2200. Assisted listening devices are available at this meeting. Ask the Deputy City Clerk if you desire to use this device. Upon request, the agenda and documents in the agenda packet can be made available in appropriate alternative formats to persons with disabilities. Notification of at least 48 hours prior to the meeting or time when services are needed will assist the City staff in assuring that reasonable arrangements can be made to provide accessibility to the meeting or service.

**Note:** Staff reports are available for inspection at the office of the Deputy City Clerk, City Hall, 5050 N. Irwindale Avenue, during regular business hours (8:00 a.m. to 6:00 p.m., Monday through Thursday).



## Code of Ethics

As City of Irwindale Council Members, our fundamental duty is to serve the public good. We are committed to the principle of an efficient and professional local government. We will be exemplary in obeying the letter and spirit of Local, State and Federal laws and City policies affecting the operation of the government and in our private life. We will be independent and impartial in our judgment and actions.

We will work for the common good of the City of Irwindale community and not for any private or personal interest. We will endeavor to treat all people with respect and civility. We will commit to observe the highest standards of morality and integrity, and to faithfully discharge the duties of our office regardless of personal consideration. We shall refrain from abusive conduct, personal charges or verbal attacks upon the character or motives of others.

We will inform ourselves on public issues, listen attentively to public discussions before the body, and focus on the business at hand. We will base our decisions on the merit and substance of that business. We will be fair and equitable in all actions, claims or transactions. We shall not use our official position to influence government decisions in which we have a financial interest or where we have a personal relationship that could present a conflict of interest, or create a perception of a conflict of interest.

We shall not take advantage of services or opportunities for personal gain by virtue of our public office that are not available to the public in general. We shall refrain from accepting gifts, favors or promises of future benefit that might compromise our independence of judgment or action or give the appearance of being compromised.

We will behave in a manner that does not bring discredit or embarrassment to the City of Irwindale. We will be honest in thought and deed in both our personal and official lives.

Ultimate responsibility for complying with this Code of Ethics rests with the individual elected official. In addition to any other penalty as provided by law, violation of this Code of Ethics may be used as a basis for disciplinary action or censure of a Council Member.

These things we hereby pledge to do in the interest and purposes for which our government has been established.

*IRWINDALE CITY COUNCIL*



**CLOSED SESSION – 5:30 P.M.**

1. Conference with Legal Counsel – Existing Litigation

Pursuant to California Government Code Section 54956.9

1) Name of Case: USA Waste of California, Inc. v. City of Irwindale, et al.  
Case Number: LASC Case Number KC 066276

2) Name of Case: City of Gardena vs. Regional Water Quality Control Board, et al  
Case Number: OC Superior Court Case No. 30-2016-00833722 CU-WM-CJC

2. Conference with Real Property Negotiators

Pursuant to California Government Code Section 54956.8

Property: 15768 Arrow Highway (Shannon Casket)  
Negotiating Parties: Irwindale Industrial Medical Clinic & Successor Agency  
Under Negotiation: Price and terms of sale  
Conflict of Interest: Breceda

**ADJOURN**

**OPEN SESSION – 6:30 P.M.**

**A. CALL TO ORDER**

**B. PLEDGE OF ALLEGIANCE**

**C. INVOCATION**

**D. ROLL CALL: Councilmembers: Larry G. Burrola, Manuel R. Garcia, H. Manuel Ortiz;  
Mayor Pro Tem Albert F. Ambriz; Mayor Mark A. Breceda**

**E. REPORT FROM CLOSED SESSION**

**F. CHANGES TO THE AGENDA**

- G. COUNCIL MEMBER TRAVEL REPORTS
- H. ANNOUNCEMENTS
- I. INTRODUCTION OF NEW EMPLOYEES/PROMOTIONS
- J. PROCLAMATIONS / PRESENTATIONS / COMMENDATIONS

### SPONTANEOUS COMMUNICATIONS

This is the time set aside for members of the audience to speak on items not on this agenda. State law prohibits any Council discussion or action on such communications unless 1) the Council by majority vote finds that a catastrophe or emergency exists; or 2) the Council by at least four votes finds that the matter (and need for action thereon) arose within the last five days. Since the Council cannot (except as stated) participate it is requested that all such communications be made in writing so as to be included on the next agenda for full discussion and action. If a member of the audience feels he or she must proceed tonight, then each speaker will be limited to 2 minutes and each subject limited to 6 minutes, unless such time limits are extended.

#### 1. CONSENT CALENDAR

The Consent Calendar contains matters of routine business and is to be approved with one motion unless a member of the City Council requests separate action on a specific item. At this time, members of the audience may ask to be heard regarding an item on the Consent Calendar.

##### A. Minutes

Recommendation: Approve the following minutes:

1. Regular meeting held August 24, 2016
2. Special meeting held August 31, 2016

##### B. Warrants/Demands/Payroll

Recommendation: Approve

##### C. Proposed End-of-Year Closure of City Facilities for 2016

Recommendation: Approve the closure of some City facilities during the period of December 25, 2016 through and including January 7, 2017, and authorize the City Manager to implement said closure.

D. Request to Approve Contract Amendment No. 1 for Environmental Impact Sciences to Provide Additional Environmental Consulting Services

Recommendation: Approve the attached Contract Amendment No. 1 with Environmental Impact Sciences ("EIS") to provide additional environmental consulting services for the preparation of California Environmental Quality Act (CEQA) documents (Initial Study and Mitigated Negative Declaration) for a proposed development located at 242 Live Oak Avenue (Project).

E. Approve a Fee Waiver for a Fundraising Event in Support of the Police Department's Pink Patch Project in Partnership with Irwindale Crossfit for Breast Cancer Awareness on October 29, 2016

Recommendation: **Adopt Resolution No. 2016-56-2870** entitled, "A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF IRWINDALE APPROVING A SPONSORSHIP IN THE FORM OF A FEE WAIVER FOR A FUNDRAISING EVENT IN SUPPORT OF THE POLICE DEPARTMENT'S PINK PATCH PROJECT IN PARTNERSHIP WITH IRWINDALE CROSSFIT FOR BREAST CANCER AWARENESS ON OCTOBER 29, 2016" reading by title only and waiving further reading thereof.

F. Traffic Impact Mitigation Fee Agreement between City of Irwindale and 10<sup>th</sup> Street XC, LLC for the development of a 342,629 square foot industrial and warehousing building on the west side of Todd Avenue opposite Tenth Street in the City of Azusa

G. Acceptance of Public Works Construction Contract - Construction of Traffic Signal and Striping Modifications for Myrtle Avenue and Longden Avenue

Recommendation: (1) ratify changes in the work and accept the improvements and maintenance responsibility for the construction of a traffic signal and striping modifications for Myrtle Avenue and Longden Avenue (2) authorize the recording of the notice of completion; (3) approve the final construction contract amount of \$267,417.29; and authorize the release of the 5% retention amount for the project; (4) approve the final cost of inspection services for Samir Koury, dba Coory Engineering.

H. Approval of Amendment No. 1 to Exchange Agreement and Assignment of Federal Surface Transportation Program – Local Funds

Recommendation: Authorize the City Manager to execute an amendment to the Exchange Agreement and Assignment of Federal Surface Transportation Program Local Funds with the Los Angeles County Metropolitan Transportation Authority (LACMTA)

**2. NEW BUSINESS**

A. Amendment to City Manager Employment Agreement

Recommendation: Approve the attached Amendment No. 3 to City Manager Employment Agreement

B. Resident Benefit Program - Approval of Client Services Agreement with OptumRx, Terminate Contract with Superior Administrators, and Provide Direction to Staff Regarding Copay Changes and Prescription Drug Formulary

Recommendation: 1) **Approve Resolution No. 2016-57-2871**, "A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF IRWINDALE AUTHORIZING A CLIENT SERVICES AGREEMENT WITH OPTUMRX, TERMINATING THE CONTRACT WITH SUPERIOR ADMINISTRATORS, AND PROVIDING DIRECTION TO STAFF REGARDING COPAY CHANGES AND PRESCRIPTION DRUG FORMULARY FOR SERVICES RELATED TO THE RESIDENT BENEFIT PROGRAM," reading by title only and waiving further reading thereof; and 2) authorize the City Manager to execute the Client Services Agreement and City Manager to execute the Business Associate Agreement, subject to review and approval as to form by the City Attorney; and 3) authorize staff to work directly with OptumRx regarding participant eligibility and terminate the contract with Superior Administrators; and 4) provide direction to staff regarding copay changes; 5) provide direction to staff regarding working with OptumRx to implement coordination of benefits and 6) provide direction to staff regarding prescription drug formulary.

C. Update on Traffic Calming Measure on Cypress Avenue (Verbal Update by Public Works Director Tam)

**3. OLD BUSINESS**

**4. PUBLIC HEARINGS**

**5. CITY MANAGER'S REPORT**

**6. ADJOURN**

SUCCESSOR AGENCY TO THE IRWINDALE  
COMMUNITY REDEVELOPMENT AGENCY

A. Report from Closed Session

SPONTANEOUS COMMUNICATIONS

This is the time set aside for members of the audience to speak on items not on this agenda. Spontaneous Communications for the Successor Agency are subject to the same State prohibitions and City guidelines as cited on the City Council agenda.

**1. CONSENT CALENDAR**

A. Minutes

Recommendation: Approve the following minutes:

1. Regular meeting held August 24, 2016

B. Warrants

Recommendation: Approve

C. Purchase and Sale Agreement (PSA) for Acquisition and Development of the Property Located at the 15768 Arrow Highway Site (APN: 8417-035-902)

***Conflict of Interest: Breceda***

Recommendation: Continue this item to the regular meeting of September 28, 2016.

**2. NEW BUSINESS**

**3. PUBLIC HEARINGS**

**4. ADJOURN**

**HOUSING AUTHORITY**

A. Report from Closed Session

**SPONTANEOUS COMMUNICATIONS**

This is the time set aside for members of the audience to speak on items not on this agenda. Spontaneous Communications for the Housing Authority are subject to the same State prohibitions and City guidelines as cited on the City Council agenda.

**1. CONSENT CALENDAR**

A. Minutes

Recommendation: Approve the following minutes:

1. Regular meeting held August 24, 2016

**2. NEW BUSINESS**

**3. PUBLIC HEARINGS**

**4. ADJOURN**

**RECLAMATION AUTHORITY**

*As required by Government Code section 54954.3, members of the City Council are also members of the Reclamation Authority, which is concurrently convening with the City Council this evening and each Council Member is paid an additional stipend of \$300 for attending the Reclamation Authority meeting*

**SPONTANEOUS COMMUNICATIONS**

This is the time set aside for members of the audience to speak on items not on this agenda. Spontaneous Communications for the Reclamation Authority are subject to the same State prohibitions and City guidelines as cited on the City Council agenda.

**1. CONSENT CALENDAR**

A. Minutes

Recommendation: Approve the following minutes:

1. Regular meeting held March
2. Regular meeting held June 22, 2016

B. 2016 Third Quarter Mining Report of Ten SMARA Pits

Recommendation: Receive and file the report.

C. Investment Quarterly Report – June 30, 2016

Recommendation: Receive and file the Investment Quarterly Report for June 30, 2016.

3. **NEW BUSINESS**
4. **PUBLIC HEARING**
5. **ADJOURNMENT**

AFFIDAVIT OF POSTING

I, Laura M. Nieto, Deputy City Clerk, certify that I caused the agenda for the regular meeting of the City Council, Irwindale Successor Agency to the Irwindale Community Redevelopment Agency, Housing and Reclamation Authorities, to be held on September 14, 2016 be posted at the City Hall, Library, and Post Office on September 8, 2016.

*Laura M. Nieto, CMC*

Laura M. Nieto, CMC  
Deputy City Clerk

**COUNCIL AGENDA**  
**ITEM 1A1**

**IRWINDALE CITY COUNCIL CHAMBER**  
**5050 N. IRWINDALE AVENUE**  
**IRWINDALE, CALIFORNIA 91706**

SEP 14 2016

**AUGUST 24, 2016**  
**WEDNESDAY**  
**5:33 P.M.**

The Irwindale **CITY COUNCIL** met in regular session at the above time and place.

**ROLL CALL:**

Present: Councilmembers Larry G. Burrola, H. Manuel Ortiz;  
Mayor Pro Tem Albert F. Ambriz; Mayor Mark A. Breceda

Absent: Councilmember Manuel R. Garcia

Also present: John Davidson, City Manager; Fred Galante, City Attorney; Anthony Miranda, Police Chief; Eva Carreon, Director of Finance; William Tam, Director of Public Works / City Engineer; Gus Romo, Director of Community Development; Mary Hull, Human Resources Manager, and Laura Nieto, Deputy City Clerk

**RECESS TO**  
**CLOSED SESSION**

At 5:33 p.m., the City Council recessed to Closed Session to discuss the following:

**Conference with Legal Counsel – Existing Litigation**

Pursuant to California Government Code Section 54956.9

Name of Case: USA Waste of California, Inc., v. City of Irwindale, et al.

Case Number: LASC Case Number KC 066276

**ACTION:** Update received, direction provided; no further reportable action taken.

**Public Employee Performance Evaluation**

Pursuant to California Government Code Section 54957

Title: City Manager

**ACTION:** City Council performed the evaluation, provided direction; no further reportable action taken.

**Conference with Legal Counsel – Anticipated Litigation**

Significant exposure to litigation pursuant to paragraph (3) of subdivision (d) of Section 54956.9

Number of cases: One

**ACTION:** Discussed; no further reportable action taken.

**RECONVENE IN**  
**OPEN SESSION**

At 6:38 p.m., the City Council reconvened in Open Session.

**CHANGES TO THE  
AGENDA**

None.

**COUNCILMEMBER  
TRAVEL REPORTS**

None.

**ANNOUNCEMENTS**

**COUNCILMEMBER  
BURROLA**

Councilmember Burrola spoke on a recent "Coffee in the Park" event with the Police Department, spoke on concerns of residents, and requested that speed surveys be conducted on the streets surrounding the park and asked that the park be closed at 10 p.m. instead of 11 p.m.

**MAYOR PRO TEM  
AMBRIZ**

Mayor Pro Tem Ambriz noted that he previously requested a staff report to discuss the extension of pool hours; however, City Manager Davidson and staff have already made the necessary arrangements to extend the hours of the swimming pool. Mayor Pro Tem Ambriz noted that all participants of the pool programs are very appreciative of the change.

**CITY MANAGER  
DAVIDSON**

City Manager Davidson added that the pool programs were originally scheduled to conclude prior to tonight's meeting. However, staff was able to extend the aqua fitness and swimming classes. He stated that this is a wonderful opportunity for the community, and expressed his appreciation of the Council's support on this matter.

**COUNCILMEMBER  
ORTIZ**

Councilmember Ortiz advised that a Mexican Independence Fiesta will take place in September and encouraged the community to support it.

**MAYOR BRECEDA**

Mayor Breceda expressed his pride with the return of the Fiesta and noted that it had previously been cancelled due to low attendance, since it competes directly with the LA County Fair. He said that, if this event is successful, it will return next year.

**INTRODUCTION OF  
NEW EMPLOYEES /  
PROMOTIONS**

**INTRODUCTION OF  
NEW PRINCIPAL  
PLANNER MARILYN  
SIMPSON**

**INTRODUCTION OF NEW PRINCIPAL PLANNER MARILYN  
SIMPSON**

The introduction was made.

**PROCLAMATIONS /  
PRESENTATIONS /  
COMMENDATIONS**

CHAMBER OF COMMERCE BUSINESS OF THE MONTH – TWO MEN AND A TRUCK  
CHAMBER OF COMMERCE BUSINESS OF THE MONTH – TWO MEN AND A TRUCK  
The presentation was made.

PRESENTATION TO IRWINDALE POLICE OFFICERS' ASSOCIATION FROM SOCAL ATHLETICS 10U  
PRESENTATION TO IRWINDALE POLICE OFFICERS' ASSOCIATION FROM SOCAL ATHLETICS 10U  
The presentation was made.

PRESENTATION OF GFOA AWARD - CERTIFICATE OF ACHIEVEMENT FOR EXCELLENCE IN FINANCIAL REPORTING  
PRESENTATION OF GFOA AWARD – CERTIFICATE OF ACHIEVEMENT FOR EXCELLENCE IN FINANCIAL REPORTING  
The presentation was made.

RECOGNITION OF THE IRWINDALE YOUNG CITIZEN OF THE YEAR PARTICIPANTS  
RECOGNITION OF THE IRWINDALE YOUNG CITIZEN OF THE YEAR PARTICIPANTS  
The presentation was made.

**SPONTANEOUS  
COMMUNICATIONS**

AL CONTRERAS  
Al Contreras spoke on his background and his political aspirations.

SUZANNE GOMEZ  
Suzanne Gomez requested to speak on Consent Calendar Item Nos. D, G, I, and L.

MARLENE CARNEY  
Marlene Carney, President and CEO of the Irwindale Chamber of Commerce, invited all to attend the Chamber's Environmental Awards function.

BRANDON FRAIJO  
Brandon Fraijo requested that the tennis court nets at the park be replaced.

**CONSENT CALENDAR**

MOTION  
A motion was made by Mayor Breceda, seconded by Councilmember Ortiz, to approve the Consent Calendar; reading resolutions and ordinances by title only and waiving further reading thereof, with the exception of Item Nos. 1D, 1G, 1I, 1J, and 1L, which were removed for separate consideration. The motion was

unanimously approved; Councilmember Ortiz abstaining on Item No. 1B; Councilmember Garcia absent.

ITEM NO. 1A  
MINUTES

MINUTES

The following minutes were approved:

- 1) Regular meeting held August 10, 2016.

ITEM NO. 1B  
WARRANTS / DEMANDS  
/ PAYROLL

WARRANTS / DEMANDS / PAYROLL

The warrants / demands / payroll were approved; Councilmember Ortiz abstaining.

ITEM NO. 1C  
ISSUE REQUEST FOR  
PROPOSALS (RFP FOR  
TOW SERVICES)

ISSUE REQUEST FOR PROPOSALS (RFP FOR TOW SERVICES)

RESOLUTION NO.  
2016-54-2868  
ADOPTED

**Resolution No. 2016-54-2868**, entitled:

“A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF IRWINDALE AUTHORIZING THE ISSUANCE OF A REQUEST FOR PROPOSALS FOR TOW SERVICES,” was adopted.

ITEM NO. 1E  
REJECTION OF CLAIM  
KAREN WU VS. CITY  
OF IRWINDALE

REJECTION OF CLAIM – KAREN WU VS. CITY OF IRWINDALE

The claim of Karen Wu vs. City of Irwindale was rejected and staff was directed to send a standard letter of rejection.

ITEM NO. 1F  
CANCELLATION OF  
NOVEMBER 23, 2016,  
AND DECEMBER 28,  
2016, CITY COUNCIL  
MEETINGS

CANCELLATION OF NOVEMBER 23, 2016, AND DECEMBER 28, 2016, CITY COUNCIL MEETINGS

The cancellation of the regular City Council (and its agencies) meetings scheduled for November 23, 2016, and December 28, 2016, was approved.

ITEM NO. 1H  
DECLARATION OF  
SURPLUS PROPERTY

DECLARATION OF SURPLUS PROPERTY

The equipment described in the list attached to the staff report was determined to be surplus property and the City Manager or his designee was authorized to dispose of the property in accordance with Section 3.44.150 of the Irwindale Municipal Code.

ITEM NO. 1K  
2<sup>ND</sup> READING OF  
ORDINANCE NO. 705

2<sup>ND</sup> READING OF **ORDINANCE NO. 705**

ORDINANCE NO. 705  
ADOPTED ON  
SECOND READING

**Ordinance No. 705**, entitled:

“AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF IRWINDALE APPROVING DEVELOPMENT AGREEMENT NO. 01-2015 BETWEEN CITY OF IRWINDALE AND MT. OLIVE STORAGE, LLC, TO ALLOW THE INSTALLATION OF A V-SHAPED, TWO-PANEL, DIGITAL DISPLAY BILLBOARD AT THE SOUTH POINT OF PROPERTY LOCATED AT THE 2500 E. CENTRAL AVENUE (APN: 8604-018-002) CURRENTLY OCCUPIED BY THE MT. OLIVE SELF-STORAGE FACILITY EAST OF THE I-605 FREEWAY AND NORTH OF THE I-210 FREEWAY IN THE M-2 (HEAVY MANUFACTURING) ZONE SUBJECT TO CONDITIONS AS SET FORTH HEREIN AND MAKING FINDINGS IN SUPPORT THEREOF; AND FINDING THE PROJECT EXEMPT FROM THE PROVISIONS OF THE CALIFORNIA ENVIRONMENTAL QUALITY ACT,” was passed, approved, and adopted on second reading, reading by title only and waiving further reading thereof.

ITEM NO. 1M  
APPROVAL OF  
PARCEL MAP NO.  
73909 – ALDERSON  
DEVELOPMENT

APPROVAL OF PARCEL MAP NO. 73909 – ALDERSON  
DEVELOPMENT

Parcel Map No. 73909 was approved and the City Clerk, City Treasurer, and the City Engineer were approved to sign the map on behalf of the City; and the City Engineer was directed to submit Parcel Map No. 73909 to the Los Angeles County Registrar Recorder’s Office for recordation and return a recorded copy of this Tract Map to the City Clerk’s Office.

CITY ATTORNEY  
GALANTE

City Attorney Galante clarified that staff will not record the map until after escrow closes and all applicable conditions are met.

**END OF CONSENT CALENDAR**

ITEM NO. 1D  
DESTRUCTION OF  
CITY RECORDS

DESTRUCTION OF CITY RECORDS

DIRECTOR CARREON

Director Carreon discussed the staff report.

CITY ATTORNEY  
GALANTE

City Attorney Galante added that the city has adopted a document retention schedule which cites the legal statutes that call for the timeline of records destruction. He also noted that he verifies the timeline before any record is destroyed.

SUZANNE GOMEZ

Responding to a question by Suzanne Gomez, Director Carreon advised that the retention schedule indicates which records are permanent and which ones can be destroyed after they have met their retention periods.

MOTION

A motion was made by Mayor Breceda, seconded by Councilmember Ortiz, to receive and file the list of records which are eligible for destruction as they have surpassed their retention periods, per the City's adopted records retention schedule. The motion was unanimously approved; Councilmember Garcia absent.

ITEM NO. 1G  
APPROPRIATION OF  
FUNDS AND APPROVE  
ISSUANCE OF  
PURCHASE ORDER  
FOR THE PURCHASE  
OF BARRACUDA  
BACKUP SERVER

APPROPRIATION OF FUNDS AND APPROVE ISSUANCE OF  
PURCHASE ORDER FOR THE PURCHASE OF BARRACUDA  
BACKUP SERVER

SUZANNE GOMEZ

Responding to several questions by Suzanne Gomez, Housing Coordinator Olivares advised that the current computer backup system that the city uses was purchased four years ago and that this system backs up the data to the cloud. She also discussed the efforts and research that staff has committed in selecting the most appropriate system. Quotes for the system were received from several vendors and staff selected the quote with the lowest price.

COUNCILMEMBER  
BURROLA

Councilmember Burrola cited his concern over the cost of the requested items, to which Housing Coordinator Olivares advised that the only available alternative to the proposed system would be to re-implement a tape-based backup system, though that would cost approximately \$40,000. The drawback from the tape-based system is that the data can be completely destroyed during a local catastrophe, such as an earthquake. A cloud-based system would allow the city to continue providing crucial services after a catastrophe since its data is stored in the cloud.

Councilmember Burrola then asked when staff anticipated the need to purchase the proposed server, to which Housing Coordinator Olivares provided background information on this project and how the city, at one point, was utilizing 17 servers. She also spoke on the requirement of the Department of Justice that police data be stored on their own servers. These servers have since become obsolete. She also discussed funding for this item.

MOTION

A motion was made by Councilmember Ortiz, seconded by Mayor Breceda, to adopt:

RESOLUTION NO.  
2016-49-2863  
ADOPTED

**Resolution No. 2016-49-2863**, entitled:

"A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF IRWINDALE APPROPRIATING \$29,796.17 AND APPROVING THE PURCHASE OF THE BARRACUDA BACKUP SERVER 890," and approve the issuance of a purchase order to Intelli-Tech in an

amount not to exceed \$29,796.17. The motion was unanimously approved; Councilmember Garcia absent.

ITEM NO. 1I  
APPROVE  
RESOLUTION TO  
APPROPRIATE FUNDS  
TO COMPLETE A  
COMPREHENSIVE  
CLASSIFICATION AND  
COMPENSATION STUDY

APPROVE **RESOLUTION NO. 2016-53-2867** TO APPROPRIATE FUNDS TO COMPLETE A COMPREHENSIVE CLASSIFICATION AND COMPENSATION STUDY

CITY MANAGER  
DAVIDSON

City Manager Davidson discussed the staff report.

SUZANNE GOMEZ

Responding to several questions by Suzanne Gomez, City Manager Davidson advised that this study is completely unrelated to the study that the city conducted a few years ago. He advised that the previous study yielded results that were unacceptable. This new study will have input from the employee unions and will not include any of the data used in the previous study. Staff salaries will be analyzed against salaries of staff members of other comparable cities.

RESOLUTION NO.  
2016-53-2867  
ADOPTED

**Resolution No. 2016-53-2867**, entitled:

"A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF IRWINDALE AUTHORIZING APPROPRIATION OF FUNDS FOR THE COMPLETION OF A COMPREHENSIVE CLASSIFICATION AND COMPENSATION STUDY," was passed, approved, and adopted, on the motion of Councilmember Ortiz, seconded by Mayor Breceda, and unanimously approved; Councilmember Garcia absent.

ITEM NO. 1J  
APPROVE ISSUANCE  
OF PURCHASE  
ORDERS FOR THE  
PURCHASE OF  
MICROSOFT 2016  
LICENSES AND  
COMPUTERS FOR  
THE POLICE  
DEPARTMENT  
AND LIBRARY

APPROVE ISSUANCE OF PURCHASE ORDERS FOR THE PURCHASE OF MICROSOFT 2016 LICENSES AND COMPUTERS FOR THE POLICE DEPARTMENT AND LIBRARY

COUNCILMEMBER  
BURROLA

As requested by Councilmember Burrola, Housing Coordinator Olivares discussed bid amounts that were received and noted that staff anticipated last year that the computers at the Police Department and the Library would need to be replaced since they

are beginning to malfunction and are out of warranty. She added that new computers have already been purchased for City Hall, Recreation, Public Works/Engineering, and the Senior Center.

MOTION

A motion was made by Councilmember Burrola, seconded by Councilmember Ortiz, to 1) approve the issuance of a purchase order to HPC Computers USA Inc. in an amount not to exceed \$40,942.58 for the Police Department and Library Staff Computers, and 2) approve the issuance of a purchase order to CDW-G in an amount not to exceed \$30,459.40 for the Microsoft Office 2016 Licenses. The motion was unanimously approved; Councilmember Garcia absent.

ITEM NO. 1L  
APPROVE PURCHASE  
OF NEW GLOCK  
SEMI-AUTOMATIC  
HANDGUNS AND  
SAFARILAND  
HOLSTERS FOR  
SWORN PERSONNEL  
AND WAIVE FORMAL  
BIDDING PROCEDURE

APPROVE PURCHASE OF NEW GLOCK SEMI-AUTOMATIC  
HANDGUNS AND SAFARILAND HOLSTERS FOR SWORN  
PERSONNEL AND WAIVE FORMAL BIDDING PROCEDURE

CHIEF MIRANDA

Chief Miranda discussed the staff report.

COUNCILMEMBER  
BURROLA

Responding to a question by Councilmember Burrola, Chief Miranda advised that two officers are certified to perform maintenance on the guns.

SUZANNE GOMEZ

Suzanne Gomez stated that the Police Department needs to have updated equipment to perform its duties. She also said that 1) she hopes that the park would be closed earlier, 2) she looks forward to the police department enforcing speed laws near the park, and 3) suggested that a task force be implemented to crack down on the use of illegal fireworks.

RESOLUTION NO.  
2016-51-2865  
ADOPTED

**Resolution No. 2016-51-2865**, entitled:

"A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF IRWINDALE DECLARING USED POLICE DEPARTMENT SERVICE WEAPONS AS SURPLUS AND AUTHORIZING THE DISPOSITION OF THE SURPLUS," and

RESOLUTION NO.  
2016-55-2869  
ADOPTED

**Resolution No. 2016-55-2869**, entitled:

"A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF IRWINDALE APPROVING THE PURCHASE OF THIRTY-FIVE (35) HANDGUNS/HOLSTERS TOTALING \$20,195.71 AND WAIVING FORMAL BIDDING PROCEDURES PER IRWINDALE MUNICIPAL

CODE SECTION 3.44.080(C)," were passed, approved, and adopted, reading by title only and waiving further reading thereof, on the motion of Councilmember Burrola, seconded by Mayor Pro Tem Ambriz, and unanimously approved; Councilmember Garcia absent.

**NEW BUSINESS**

**ITEM NO. 2A**

SUBSTANTIAL CONFORMANCE DETERMINATION FOR PROPOSED MODIFICATION TO THE EXTERIOR BUILDING ELEVATIONS FOR SP&DR OF A SPECULATIVE LIGHT INDUSTRIAL BUSINESS PARK AT 4224/4342 ALDERSON AVE. AND 14808/14910 LOS ANGELES ST.

SUBSTANTIAL CONFORMANCE DETERMINATION FOR PROPOSED MODIFICATION TO THE EXTERIOR BUILDING ELEVATIONS FOR SITE PLAN & DESIGN REVIEW NO. 02-2015, OF A SPECULATIVE LIGHT INDUSTRIAL BUSINESS PARK TOTALING APPROXIMATELY 192,700 SQUARE FEET ON PROPERTY LOCATED AT 4224/4342 ALDERSON AVENUE AND 14808/14910 LOS ANGELES STREET

DIRECTOR ROMO

Director Romo discussed the staff report.

DESIGN DISCUSSED

A short discussion was held relating to the design of the building.

MOTION

A motion was made by Councilmember Ortiz, seconded by Mayor Brededa, to direct that the exterior building elevations for Site Plan & Design Review Permit No. 02-2015 be implemented as originally approved by the City Council on July 13, 2016. The motion was unanimously approved; Councilmember Garcia absent.

**OLD BUSINESS**

None.

**PUBLIC HEARINGS**

**ITEM NO. 4A**

AN ORDINANCE AMENDING CHAPTER 13.04 SANITARY SEWER AND INDUSTRIAL WASTE AND ADOPTING BY REFERENCE DIVISION 2 OF TITLE 20 OF THE LOS ANGELES CO. CODE, AS AMENDED, PERTAINING TO

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF IRWINDALE AMENDING CHAPTER 13.04 SANITARY SEWER AND INDUSTRIAL WASTE OF THE IRWINDALE MUNICIPAL CODE AND ADOPTING BY REFERENCE DIVISION 2 OF TITLE 20 OF THE LOS ANGELES COUNTY CODE, AS AMENDED, PERTAINING TO SANITARY SEWER INDUSTRIAL WASTE, TOGETHER WITH CERTAIN AMENDMENTS, ADDITIONS, AND DELETIONS, INCLUDING INDUSTRIAL WASTE CONTROL PROGRAM FEES AND PENALTIES AND REPEALING ALL OTHER ORDINANCE OR PORTIONS OF ORDINANCES IN CONFLICT THEREWITH, PURSUANT TO GOVERNMENT CODE SECTION 50022.2 ET. SEQ.

SANITARY SEWER  
INDUSTRIAL WASTE

INTERIM MANAGEMENT ANALYST RODRIGUEZ Interim Management Analyst Rodriguez discussed the staff report.  
ANALYST RODRIGUEZ

MAYOR PRO TEM AMBRIZ Responding to a question by Mayor Pro Tem Ambriz, Interim Management Analyst Rodriguez advised that this ordinance will update the city's fees to be in line with the county's 2016 fees; there is no anticipated impact to the general fund.

OPEN PUBLIC HEARING At 7:52 p.m., Mayor Breceda opened the public hearing.

CLOSE PUBLIC HEARING There being no speakers, Mayor Breceda closed the public hearing at 7:52 p.m.

ORDINANCE NO. 704 ADOPTED ON SECOND READING **Ordinance No. 704**, entitled:  
"AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF IRWINDALE AMENDING CHAPTER 13.04 SANITARY SEWER AND INDUSTRIAL WASTE OF THE IRWINDALE MUNICIPAL CODE AND ADOPTING BY REFERENCE DIVISION 2 OF TITLE 20 OF THE LOS ANGELES COUNTY CODE, AS AMENDED, PERTAINING TO SANITARY SEWER AND INDUSTRIAL WASTE, TOGETHER WITH CERTAIN AMENDMENTS, ADDITIONS, AND DELETIONS, INCLUDING INDUSTRIAL WASTE CONTROL PROGRAM FEES AND PENALTIES AND REPEALING ALL OTHER ORDINANCE OR PORTIONS OF ORDINANCES IN CONFLICT THEREWITH, PURSUANT TO GOVERNMENT CODE SECTION 50022.2 *ET SEQ*", was passed, approved, and adopted, reading by title only and waiving further reading thereof; and the Department of Public Works was directed to file the amended ordinance with Los Angeles County, on the motion of Mayor Pro Tem Ambriz, seconded by Councilmember Burrola, and unanimously approved; Councilmember Garcia absent.

ITEM NO. 4B  
ADOPTION OF A RESOLUTION FINDING THE CITY TO BE IN CONFORMANCE WITH THE CONGESTION MANAGEMENT PLAN ADOPTION OF A RESOLUTION FINDING THE CITY TO BE IN CONFORMANCE WITH THE CONGESTION MANAGEMENT PLAN

INTERIM MANAGEMENT ANALYST RODRIGUEZ Interim Management Analyst Rodriguez discussed the staff report.  
ANALYST RODRIGUEZ

OPEN PUBLIC HEARING At 7:54 p.m., Mayor Breceda opened the public hearing.

CLOSE  
PUBLIC HEARING

There being no speakers, Mayor Breceda closed the public hearing at 7:54 p.m.

RESOLUTION NO.  
2016-45-2859  
ADOPTED

**Resolution No. 2016-45-2859**, entitled:

“A RESOLUTION OF THE IRWINDALE CITY COUNCIL FINDING THE CITY TO BE IN CONFORMANCE WITH THE CONGESTION MANAGEMENT PROGRAM (CMP) AND ADOPTING THE CMP LOCAL IMPLEMENTATION REPORT, IN ACCORDANCE WITH CALIFORNIA GOVERNMENT CODE SECTION 65089,” was adopted, reading by title only and waiving further reading thereof, and the City Clerk was directed to transmit a fully-executed copy of the resolution and the Local Development Report to the Los Angeles County Metropolitan Transportation Authority (MTA) by September 1, 2016, on the motion of Councilmember Ortiz, seconded by Councilmember Burrola, and unanimously approved; Councilmember Garcia absent.

**CITY MANAGER'S  
REPORT**

CITY MANAGER  
DAVIDSON

City Manager Davidson reported on pool operations.

**ADJOURNMENT**

There being no further business to conduct, the meeting was adjourned at 7:55 p.m.

---

Laura M. Nieto, CMC  
Deputy City Clerk

**COUNCIL AGENDA**  
**ITEM 1A2**

**IRWINDALE CITY COUNCIL CHAMBER**  
**5050 N. IRWINDALE AVENUE**  
**IRWINDALE, CALIFORNIA 91706**

SEP 14 2016

**AUGUST 31, 2016**  
**WEDNESDAY**  
**5:30 P.M.**

The Irwindale **CITY COUNCIL** met in regular session at the above time and place.

**ROLL CALL:**

Present: Councilmembers Larry G. Burrola, Manuel R. Garcia,  
H. Manuel Ortiz; Mayor Pro Tem Albert F. Ambriz;  
Mayor Mark A. Breceda

Also present: John Davidson, City Manager; Fred Galante, City  
Attorney

**RECESS TO**  
**CLOSED SESSION**

At 5:30 p.m., the City Council recessed to Closed Session to  
discuss the following:

Conference with Legal Counsel – Existing Litigation  
Pursuant to California Government Code Section 54956.9

Name of Case: USA Waste of California, Inc., v. City of  
Irwindale, et al.

Case Number: LASC Case Number KC 066276

**ACTION:** Update received, direction provided; no further  
reportable action taken.

**ADJOURNMENT**

There being no further business to conduct, the meeting was  
adjourned at 6:21 p.m.

---

Laura M. Nieto, CMC  
Deputy City Clerk

# Accounts Payable

## Checks by Date - Summary By Check Number

User: mzepeda  
 Printed: 9/7/2016 - 11:34 AM



| Check Number  | Vendor No | Vendor Name                       | Check Date | Check Amount |
|---------------|-----------|-----------------------------------|------------|--------------|
| 60301         | Ayala01   | Leonor Ayala                      | 08/18/2016 | 187.50       |
| 60302         | CALIFO02  | California American Water         | 08/18/2016 | 11.63        |
| 60303         | CHART01   | Charter Communications            | 08/18/2016 | 240.97       |
| 60304         | FEDEX     | FedEx                             | 08/18/2016 | 5.77         |
| 60305         | FRONT01   | Frontier Communications           | 08/18/2016 | 312.18       |
| 60306         | GOLDEN01  | Golden Optometric Group           | 08/18/2016 | 3,401.00     |
| 60307         | GUADAL01  | Guadalupe's                       | 08/18/2016 | 599.50       |
| 60308         | HOMEDE    | Home Depot Credit Services        | 08/18/2016 | 163.18       |
| 60309         | MCIWOR    | MCI Comm Service                  | 08/18/2016 | 35.35        |
| 60310         | PETTYC05  | City of Irwindale Petty Cash      | 08/18/2016 | 288.95       |
| 60311         | RESI01    | Resi-Shred                        | 08/18/2016 | 277.00       |
| 60312         | RICOH01   | Ricoh USA, Inc                    | 08/18/2016 | 992.49       |
| 60313         | SANGAB11  | San Gabriel Valley Newspaper      | 08/18/2016 | 2,086.88     |
| 60314         | SMART&    | Smart & Final                     | 08/18/2016 | 519.32       |
| 60315         | SCEB02    | Southern California Edison        | 08/18/2016 | 11,795.75    |
| 60316         | VASQUE08  | Dan Vasquez                       | 08/18/2016 | 150.00       |
| 60317         | WAGONER   | Pamela Wagoner                    | 08/18/2016 | 112.00       |
| 60318         | XEROXC    | Xerox Corporation                 | 08/18/2016 | 403.09       |
| 60319         | ZEPEDA06  | Megan Zepeda                      | 08/18/2016 | 191.62       |
| 60320         | AMERIC34  | American Fidelity Assurance Co    | 08/18/2016 | 1,760.47     |
| 60321         | BLUECR02  | Anthem Blue Cross                 | 08/18/2016 | 13,864.31    |
| 60322         | PERS      | California Public Employees Retit | 08/18/2016 | 167,854.40   |
| 60323         | ICEA      | Irwindale City Employee Assoc.    | 08/18/2016 | 560.00       |
| 60324         | IMEA      | Irwindale Mgmt Employee Assoc.    | 08/18/2016 | 290.00       |
| 60325         | IRWIND02  | Irwindale Police Officers Assoc.  | 08/18/2016 | 3,389.20     |
| 60326         | NATION23  | National Union Fire Insurance     | 08/18/2016 | 443.84       |
| 60327         | TEXAS01   | Texas Life Insurance Co.          | 08/18/2016 | 620.75       |
| 60328         | GOLDEN01  | Golden Optometric Group           | 08/18/2016 | 1,077.00     |
| 60329         | HOMEDE    | Home Depot Credit Services        | 08/18/2016 | 88.19        |
| 60330         | PETTYC05  | City of Irwindale Petty Cash      | 08/18/2016 | 152.68       |
| Report Total: |           |                                   |            | 211,875.02   |

# Accounts Payable

## Checks by Date - Summary By Check Number

User: mzepeda  
Printed: 8/22/2016 - 9:43 AM



| Check Number  | Vendor No | Vendor Name             | Check Date | Check Amount |
|---------------|-----------|-------------------------|------------|--------------|
| 60332         | ORANGE01  | Orange County Sheriff's | 08/22/2016 | 210.00       |
| Report Total: |           |                         |            | 210.00       |

# Accounts Payable

## Checks by Date - Summary By Check Number

User: mzepeda  
Printed: 9/7/2016 - 11:36 AM



| Check Number | Vendor No | Vendor Name                    | Check Date      | Check Amount |
|--------------|-----------|--------------------------------|-----------------|--------------|
| 60334        | AMERIFID  | American Fidelity Assurance    | 08/25/2016      | 4,761.36     |
| 60335        | AMERIT    | Ameritas Life Insurance Corp   | 08/25/2016      | 11,616.60    |
| 60336        | AT&T02    | AT & T                         | VOID 08/25/2016 | 0.00         |
| 60337        | AT&T06    | AT & T                         | 08/25/2016      | 124.48       |
| 60338        | FEDEX     | FedEx                          | 08/25/2016      | 60.31        |
| 60339        | FRONT01   | Frontier Communications        | 08/25/2016      | 283.20       |
| 60340        | GUTIER04  | Rubi Gutierrez                 | 08/25/2016      | 520.00       |
| 60341        | KNUTH01   | Jarred Knuth                   | 08/25/2016      | 35,500.00    |
| 60342        | LEDEZMA   | Erica Ledezma                  | 08/25/2016      | 653.00       |
| 60343        | LEVEL01   | Level 3 Communications         | 08/25/2016      | 1,931.96     |
| 60344        | COUNTY10  | Los Angeles County             | 08/25/2016      | 322.00       |
| 60345        | MCI       | MCI                            | 08/25/2016      | 37.74        |
| 60346        | POMONA01  | Pomona Valley Mining Co.       | 08/25/2016      | 2,000.00     |
| 60347        | SCE02     | Southern California Edison     | 08/25/2016      | 831.79       |
| 60348        | STANDA01  | Standard Insurance Co. RV      | 08/25/2016      | 475.30       |
| 60349        | STANDA03  | Standard Insurance Company     | 08/25/2016      | 1,896.90     |
| 60350        | SUPERI02  | Superior Administrators, Inc.  | 08/25/2016      | 86,000.00    |
| 60351        | AMERIC34  | American Fidelity Assurance Co | 09/01/2016      | 1,739.63     |
| 60352        | PMIDEN    | Delta Dental Insurance Company | 09/01/2016      | 2,079.16     |
| 60353        | FRANC06   | Franchise Tax Board            | 09/01/2016      | 250.00       |
| 60354        | JenkinsH  | Helen Louise Jenkins           | 09/01/2016      | 750.00       |
| 60355        | VISION01  | Vision Service Plan - (CA)     | 09/01/2016      | 3,944.82     |
| 60356        | AT&T02    | AT & T                         | 09/01/2016      | 42.76        |
| 60357        | AT&T06    | AT & T                         | 09/01/2016      | 166.05       |
| 60358        | CINGULAR  | AT & T Mobility                | 09/01/2016      | 626.15       |
| 60359        | AVILAR02  | Robert Avila                   | 09/01/2016      | 2,250.00     |
| 60360        | Ayala01   | Leonor Ayala                   | 09/01/2016      | 106.25       |
| 60361        | CAMPOS03  | Manuel Campos                  | 09/01/2016      | 2,250.00     |
| 60362        | CHARTE01  | Charter Communications         | 09/01/2016      | 240.97       |
| 60363        | CHIRINO   | Gina Chirino                   | 09/01/2016      | 225.00       |
| 60364        | COSTCO02  | Costco Wholesale               | 09/01/2016      | 47.96        |
| 60365        | DRDANI    | Daniel T. Martinez             | 09/01/2016      | 3,070.00     |
| 60366        | DEPATI01  | Jeanette DePatie               | 09/01/2016      | 270.00       |
| 60367        | FEDEX     | FedEx                          | 09/01/2016      | 35.53        |
| 60368        | FRAIJO02  | John Fraijo                    | 09/01/2016      | 2,250.00     |
| 60369        | FRONT01   | Frontier Communications        | 09/01/2016      | 667.05       |
| 60370        | GASCOM    | Gas Company, The               | 09/01/2016      | 304.19       |
| 60371        | GATTO01   | Rudy Gatto                     | 09/01/2016      | 142.63       |
| 60372        | SOUTHE17  | Golden State Water Company     | 09/01/2016      | 962.45       |
| 60373        | GOMEZG    | Greg Gomez                     | 09/01/2016      | 8.45         |
| 60374        | LAKE01    | Lake Natoma Inn                | 09/01/2016      | 285.00       |
| 60375        | MCIWOR    | MCI Comm Service               | 09/01/2016      | 70.70        |
| 60376        | RAFTERJ   | John Rafter                    | 09/01/2016      | 810.00       |
| 60377        | RESI01    | Resi-Shred                     | 09/01/2016      | 285.00       |
| 60378        | RICOH02   | Ricoh USA, Inc                 | 09/01/2016      | 317.63       |

| Check Number  | Vendor No | Vendor Name                  | Check Date | Check Amount |
|---------------|-----------|------------------------------|------------|--------------|
| 60379         | SHAKER    | Shaker Shirts                | 09/01/2016 | 256.00       |
| 60380         | SCE02     | Southern California Edison   | 09/01/2016 | 25,985.56    |
| 60381         | SPARKL    | Sparkletts Drinking Water    | 09/01/2016 | 132.96       |
| 60382         | VALLEY01  | Valley County Water District | 09/01/2016 | 127,320.00   |
| 60383         | VERIZO01  | Verizon California           | 09/01/2016 | 50.08        |
| 60384         | verizonw  | Verizon Wireless             | 09/01/2016 | 905.33       |
| 60385         | WAGONER   | Pamela Wagoner               | 09/01/2016 | 180.00       |
| 60386         | WELLS01   | Wells Fargo Vendor Fin Serv  | 09/01/2016 | 82.26        |
| Report Total: |           |                              |            | 326,124.21   |

# Accounts Payable

## Checks by Date - Summary By Check Number

User: mzepeda  
Printed: 9/7/2016 - 12:02 PM



| Check Number | Vendor No | Vendor Name                    | Check Date | Check Amount |
|--------------|-----------|--------------------------------|------------|--------------|
| 60388        | ALLSTATE  | All State Police Equipment Co. | 09/14/2016 | 134.04       |
| 60389        | AZUSAP01  | Azusa Plumbing Supply          | 09/14/2016 | 78.93        |
| 60390        | BAKER01   | Baker & Taylor Books           | 09/14/2016 | 1,072.23     |
| 60391        | BILLST    | Bill's Truck Repair, Inc.      | 09/14/2016 | 670.41       |
| 60392        | BMI01     | BMI                            | 09/14/2016 | 336.00       |
| 60393        | BRITTEW   | Brite Works                    | 09/14/2016 | 7,859.56     |
| 60394        | CALIBE01  | Caliber Commercial Pool Servic | 09/14/2016 | 950.00       |
| 60395        | CARDEN01  | Rudy Cardenas                  | 09/14/2016 | 150.00       |
| 60396        | CARQUEST  | Carquest                       | 09/14/2016 | 52.19        |
| 60397        | CHANDL    | Chandler's Air Conditioning &  | 09/14/2016 | 256.99       |
| 60398        | CHICOB    | Bernie Chico                   | 09/14/2016 | 75.00        |
| 60399        | CHICOJ    | John Chico                     | 09/14/2016 | 75.00        |
| 60400        | CINTAS    | Cintas Corporation No. 2       | 09/14/2016 | 1,344.95     |
| 60401        | BREA01    | City of Brea - IT              | 09/14/2016 | 14,300.00    |
| 60402        | CITY0F01  | City of Pasadena               | 09/14/2016 | 10,200.00    |
| 60403        | COASTL01  | Coastline Equipment            | 09/14/2016 | 1,039.86     |
| 60404        | COM01     | COM-Net                        | 09/14/2016 | 35,000.00    |
| 60405        | COMMUN01  | Communications Center          | 09/14/2016 | 448.46       |
| 60406        | DEPART06  | Department Of Animal Care      | 09/14/2016 | 915.58       |
| 60407        | GEOLOG    | Geologic Associates            | 09/14/2016 | 28,274.75    |
| 60408        | GOMEZ07   | Alejandra Gomez                | 09/14/2016 | 17.00        |
| 60409        | HDLCOR    | HdL Coren & Cone               | 09/14/2016 | 745.00       |
| 60410        | Iher      | Carol Hernandez                | 09/14/2016 | 300.00       |
| 60411        | HINDER    | Hinderliter, De Llamas & Assoc | 09/14/2016 | 3,373.19     |
| 60412        | HONEYW01  | Honeywell International Inc.   | 09/14/2016 | 1,016.98     |
| 60413        | HUNTIN04  | Huntington Beach Honda         | 09/14/2016 | 32,092.65    |
| 60414        | INTERV    | Inter-Valley Pool Supply       | 09/14/2016 | 1,522.11     |
| 60415        | INTOXI    | Intoximeters, Inc.             | 09/14/2016 | 1,483.21     |
| 60416        | IRWIND21  | Irwindale Hand Wash & Auto Det | 09/14/2016 | 221.89       |
| 60417        | IRWIND14  | Irwindale Industrial Clinic    | 09/14/2016 | 455.00       |
| 60418        | JCSPLU    | JC's Plumbing & Backfolw Svc   | 09/14/2016 | 700.00       |
| 60419        | JUSTIRE   | Just Tires                     | 09/14/2016 | 323.89       |
| 60420        | KJSERV01  | K.J Services Environmental     | 09/14/2016 | 651.74       |
| 60421        | LAKESH01  | Lakeshore Learning Materials   | 09/14/2016 | 240.66       |
| 60422        | LEGASP01  | Monique Legaspi                | 09/14/2016 | 75.00        |
| 60423        | LEWISE    | Lewis Engraving, Inc.          | 09/14/2016 | 350.98       |
| 60424        | MARIPO    | Mariposa Landscapes, Inc.      | 09/14/2016 | 4,667.00     |
| 60425        | MISSIO    | Mission Linen Supply           | 09/14/2016 | 993.93       |
| 60426        | MOTOPO01  | Motoport                       | 09/14/2016 | 1,969.56     |
| 60427        | MOUNTA02  | Mountain Motorsports           | 09/14/2016 | 265.73       |
| 60428        | NAPA01    | Napa Auto Care - West Covina   | 09/14/2016 | 2,424.25     |
| 60429        | NUTRIT01  | Nutrition Services             | 09/14/2016 | 2,602.95     |
| 60430        | OFFICE03  | Office Depot                   | 09/14/2016 | 524.93       |
| 60431        | ORANGE01  | Orange County Sheriff's        | 09/14/2016 | 140.00       |
| 60432        | ORKINP    | Orkin Pest Control             | 09/14/2016 | 720.00       |

| Check Number         | Vendor No | Vendor Name                           | Check Date | Check Amount |
|----------------------|-----------|---------------------------------------|------------|--------------|
| 60433                | PROPRINT  | Pro Printing, Inc.                    | 09/14/2016 | 111.18       |
| 60434                | PUMP01    | Pumpman                               | 09/14/2016 | 125.00       |
| 60435                | QUINONES  | Adam Quinones                         | 09/14/2016 | 75.00        |
| 60436                | ROINETWK  | ROI Networks, LLC                     | 09/14/2016 | 957.50       |
| 60437                | ROJAS02   | Cruz Rojas                            | 09/14/2016 | 75.00        |
| 60438                | MARUNA    | Masataka Sakaue                       | 09/14/2016 | 84.91        |
| 60439                | SANDIE08  | San Diego Marriot-Mission Valley      | 09/14/2016 | 863.40       |
| 60440                | SANGAB16  | San Gabriel Basin Water               | 09/14/2016 | 1,880.00     |
| 60441                | SCFUELS   | SC Fuels                              | 09/14/2016 | 4,266.78     |
| 60442                | SHELTE01  | ShelterClean, Inc.                    | 09/14/2016 | 1,400.00     |
| 60443                | SkyBluep  | Sky Blueprint & Supplies, Inc         | 09/14/2016 | 130.80       |
| 60444                | SUPERI05  | Superior 5                            | 09/14/2016 | 75.00        |
| 60445                | SWANK01   | Swank Motion Pictures, Inc.           | 09/14/2016 | 375.00       |
| 60446                | NORTHR    | The Northridge Group, Inc.            | 09/14/2016 | 5,447.66     |
| 60447                | V&V01     | V & V Manufacturing, Inc.             | 09/14/2016 | 991.36       |
| 60448                | VARGAS01  | Yvonne Vargas                         | 09/14/2016 | 75.00        |
| 60449                | AERUSE    | Acrus Electroflux                     | 09/14/2016 | 270.07       |
| 60450                | CALIFO42  | California Building Standards         | 09/14/2016 | 471.60       |
| 60451                | CASC01    | CASC Engineering & Consulting         | 09/14/2016 | 9,010.00     |
| 60452                | CHARTE03  | Charter Communications                | 09/14/2016 | 665.00       |
| 60453                | CONVER    | Converse Consultants, Inc.            | 09/14/2016 | 4,635.20     |
| 60454                | AGRICU    | County of Los Angeles                 | 09/14/2016 | 5,579.79     |
| 60455                | DAVEBA    | Dave Bang Associates, Inc.            | 09/14/2016 | 4,509.79     |
| 60456                | ESTRADA0  | Estrada Construction & Material, Inc. | 09/14/2016 | 1,500.00     |
| 60457                | FEDERA    | Federal Signal Corporation            | 09/14/2016 | 814.84       |
| 60458                | GEOLOG    | Geologic Associates                   | 09/14/2016 | 31,087.25    |
| 60459                | HENKEL01  | Henkels & McCoy                       | 09/14/2016 | 390.00       |
| 60460                | HOT01     | Hot Line Construction, Inc.           | 09/14/2016 | 2,525.00     |
| 60461                | INTELL01  | Intelli-tech, Inc.                    | 09/14/2016 | 1,555.43     |
| 60462                | KAREYO    | Kare Youth League                     | 09/14/2016 | 161,400.00   |
| 60463                | LOSANG09  | Los Angeles County                    | 09/14/2016 | 2,327.00     |
| 60464                | NAPA01    | Napa Auto Care - West Covina          | 09/14/2016 | 493.68       |
| 60465                | QUINONES  | Adam Quinones                         | 09/14/2016 | 47.00        |
| 60466                | STUMPFEN  | Stump Fence Co.                       | 09/14/2016 | 9,540.00     |
| <b>Report Total:</b> |           |                                       |            | 414,866.84   |

CITY OF IRWINDALE  
PAYROLL WARRANT REGISTER  
August 2016

| Payroll Batch<br>DATE OF ISSUE<br>8/4/16  | 430-08-16<br>DEPARTMENT                       | AMOUNT      |
|---|---|-------------|
|   | 11 City Council                               | 1,253.10    |
|   | 13 City Administrative Office                 | 27,564.30   |
|   | 14 Finance Department                         | 14,120.99   |
|   | 15 Summer Youth                               | 2,240.00    |
|   | 35 Police Department                          | 164,088.83  |
|   | 40 Recreation Department                      | 25,946.85   |
|   | 42 Senior Citizens' Center                    | 8,389.73    |
|   | 44 Library                                    | 9,191.34    |
|   | 51 Planning                                   | 13,692.92   |
|   | 52 Engineering                                | 49,315.23   |
|   | Gross Payroll                                 | 315,803.29  |
|   | Required Deductions                           | (87,283.41) |
|   | Voluntary Deductions                          | (7,517.06)  |
|   | Net Payroll                                   | 221,002.82  |
| <br>                                      |   |             |
| Payroll Batch<br>DATE OF ISSUE<br>8/8/16  | 408-08-16<br>DEPARTMENT                       | AMOUNT      |
|   | 44 Library                                    | 2,681.25    |
|   | Gross Payroll                                 | 2,681.25    |
|   | Required Deductions                           | (727.37)    |
|   | Voluntary Deductions                          | -           |
|   | Net Payroll                                   | 1,953.88    |
| <br>                                      |   |             |
| Payroll Batch<br>DATE OF ISSUE<br>8/18/16 | 413-08-16, 414-08-16, 418-08-16<br>DEPARTMENT | AMOUNT      |
|   | 11 City Council                               | 5,562.86    |
|   | 13 City Administrative Office                 | 26,861.23   |
|   | 14 Finance Department                         | 14,972.75   |
|   | 15 Summer Youth                               | 1,087.50    |
|   | 35 Police Department                          | 157,246.42  |
|   | 40 Recreation Department                      | 28,938.99   |
|   | 42 Senior Citizens' Center                    | 8,378.36    |
|   | 44 Library                                    | 7,161.85    |
|   | 51 Planning                                   | 12,978.00   |
|   | 52 Engineering                                | 49,193.35   |
|   | Gross Payroll                                 | 312,381.31  |
|   | Required Deductions                           | (83,783.33) |
|   | Voluntary Deductions                          | (7,771.93)  |
|   | Net Payroll                                   | 220,826.05  |

AGENDA REPORT

SEP 14 2016

Date: September 14, 2016  
To: Mayor and Members of the City Council  
From: John Davidson, City Manager  
Issue: Proposed End-of-Year Closure of City Facilities for 2016

**City Manager's Recommendation:**

That the City Council approve the closure of some City facilities during the period December 25, 2016 through and including January 7, 2017, and authorize the City Manager to implement said closure.

**Analysis:**

For the past eight years, the Council has authorized end-of year closures; the closures have been for a period of one and one-half to two weeks. The closures have proven to be very successful. Employees have reacted positively to the extended time off, and because this time of year is historically very slow, we have not received any complaints from the public as a result of the closure. We are again proposing a two-week end-of-year closure from December 25, 2016 through and including January 7, 2017. The closure will require affected employees to use their leave accruals or take time off without pay if they do not have sufficient leave accruals. There are several reasons to favorably consider this closure:

- This time of year is historically a very slow time in most departments (both internally and externally) so the impact to public services is minimal;
- If the entire department is out during this slow period, there won't be a backlog of work an employee typically faces upon return to work after a vacation;
- This could result in a savings to the City in that employees will take the time off using accrued leave, which reduces the City's leave liability;
- There would be modest reduction in utilities expense, fuel and supplies consumption;
- This would enable employees in one- and two-person departments to take off at the same time without impacting service to the public.

It is proposed that all departments would close to the public with the exception of Police (Records and Administrative staff excluded) and Recreation. We are proposing that employees be offered the option to use accrued leave (comp time, floating holiday, vacation, or administrative leave) or take the time off with no pay. The holiday schedule in 2016 will require the use of 76.00 hours of leave

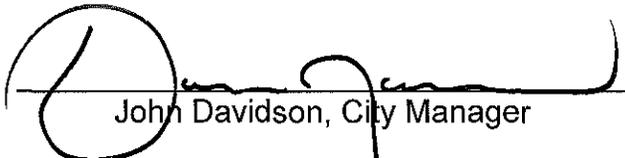
during the proposed closure period from December 25, 2016 through and including January 7, 2017. All departments and impacted bargaining units (IMEA and ICEA) have been consulted regarding this potential closure, as the MOU with these bargaining units provides that the City Manager and City Council may authorize the closure for a period not to exceed three (3) weeks. If approved, the City Manager would implement the closure after advance notification to all employees, residents, and other stakeholders. The City Manager may authorize, on a case-by-case basis, an employee to work during the closure to meet critical work deadlines or demands.

As in previous years, future decisions to close will be made on a year-to-year basis after consideration on impact to operations and the public, meeting with departments and bargaining units, and at the discretion of the City Manager.

**Fiscal Impact:**  (Initial of CFO) No additional cost to the City; instead would most likely result in savings as mentioned above relating to utilities, fuel, accrued leave reduction, and other operating expenses.

**Legal Impact:**  (Initial of Legal Counsel)

**Prepared By/Contact Person:** Theresa Olivares, Housing Coordinator  
**Phone:** (626) 430-2294

  
John Davidson, City Manager

**AGENDA REPORT**

SEP 14 2016

*Date: September 14, 2016*

*To: Mayor and Council Members*

*From: John Davidson, City Manager*

*Issue: Request to Approve Contract Amendment No. 1 for Environmental Impact Sciences to provide additional environmental consulting services.*

**City Manager's Recommendation:**

*That the City Council approve the attached Contract Amendment No. 1 with Environmental Impact Sciences ("EIS") to provide additional environmental consulting services for the preparation of California Environmental Quality Act (CEQA) documents for a proposed development located at 242 Live Oak Avenue (Project).*

**Analysis:**

On April 4, 2016, a contract was approved by the City Manager between the City and EIS in an amount not to exceed \$19,990 for preparation of an Initial Study and Mitigated Negative Declaration (IS/MND) for the Project, an approximately 85,400 square-foot industrial building on property owned by the Successor Agency to the former Irwindale Community Redevelopment Agency. Panattoni Development Company ("Applicant") has provided a deposit account pursuant to the contract between the City and EIS to reimburse the City 100% of the costs and expenses incurred by the City in preparing the CEQA documents. Following contract execution with EIS, the City commenced work on the CEQA documents. During the preparation of the CEQA documents issues arose resulting in revisions to the Project site plan, which subsequently necessitated additional environmental work over and above the approved EIS scope of services and budget. The Applicant has agreed to reimburse the City 100% of all costs and expenses incurred by the City for the additional environmental work associated with the City's review of the Project. The proposed Contract Amendment No. 1 is attached.

**Fiscal Impact:**

The City's General Fund will not be impacted. The Applicant will pay an additional \$7,600.00 to the City to cover 100% of the cost for this additional consultant work.

 Fiscal Impact: \_\_\_\_\_ (Initial of CFO)

 Legal Impact: \_\_\_\_\_ (Initial of Legal Counsel)

**Contact Person:** Gus Romo, Community Development Director  
626.430.2206  
gromo@irwindaleca.gov

  
John Davidson, City Manager

**Attachment:** Contract Amendment No. 1 for services with Environmental Impact Sciences

**AMENDMENT NO. 1 TO CONTRACT SERVICES AGREEMENT FOR  
ENVIRONMENTAL CONSULTING SERVICES**

This AMENDMENT NO. 1 TO CONTRACT SERVICES AGREEMENT FOR ENVIRONMENTAL CONSULTING SERVICES ("Amendment") is made and entered into this 14<sup>th</sup> day of September, 2016, by and between the **CITY OF IRWINDALE**, a Municipal Corporation (herein "**City**") and **ENVIRONMENTAL IMPACT SCIENCES**, 26051 Via Concha, Mission Viejo, CA 92691 (herein "**Contractor**").

**RECITALS**

WHEAREAS, on April 4, 2016, the City and Contractor entered into that certain Contract Services Agreement ("Agreement") for Contractor to prepare the environmental documentation pursuant to CEQA Guidelines for the proposed Industrial/Warehouse development located at 242 Live Oak Avenue (Project) for the City; and

WHEREAS, the City is desirous of amending the Agreement to include additional environmental analysis in support of the environmental documentation prepared for the City on behalf of the Project;

**AGREEMENT**

NOW THEREFORE, in consideration of the mutual promises of the parties hereto and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, City and Contractor agree as follows:

1. Scope of Services. The provisions of Section 1.1 of the Agreement shall be amended to include additional services as described in "Change Order No. 1: Live Oak Avenue Warehouse Project (LOWP) dated August 22, 2016, (Change Order No. 1) included as Exhibit A, Scope of Services.
2. Contract Sum. The provisions of Section 2.1 of the Agreement shall be amended to supplement the total contract sum payable to Contractor by the amount of "SEVEN THOUSAND SIX HUNDRED DOLLARS (\$7,600.00)" for Fiscal Year 2016 - 2017 so that the Contract Sum of "NINETEEN THOUSAND NINE HUNDRED NINETY DOLLARS (\$19,990.00) referenced in Section 2.1 shall be amended to read: "TWENTY SEVEN THOUSAND FIVE HUNDRED NINETY DOLLARS AND NO CENTS (\$27,590.00) (herein "Contract Sum")." Except as so modified, the remaining provisions of Section 2.1 shall remain unmodified and in full force and effect.
3. Due Execution. The person(s) executing this Amendment on behalf of the parties hereto warrant that (i) such party is duly organized and existing, (ii) they are duly authorized to execute and deliver this Amendment on behalf of said party, (iii) by so executing this Amendment, such party is formally bound to the provisions of this Amendment, and (iv)

that entering into this Agreement does not violate any provision of any other agreement to which said party is bound.

4. Full Force and Effect. The parties further agree that, except as specifically provided in this Amendment, the terms of the Agreement shall remain unchanged and in full force and effect.

IN WITNESS WHEREOF, the parties herto have executed this Amendment as of the date set forth above.

“CITY”  
CITY OF IRWINDALE, a California municipal corporation

\_\_\_\_\_  
John Davidson,  
City Manager

ATTEST

\_\_\_\_\_  
Laura Nieto,  
Deputy City Clerk

APPROVED AS TO FORM:  
ALESHIRE & WYNDER, LLP

\_\_\_\_\_  
Fred Galante  
City Attorney

CONTRACTOR:  
**ENVIRONMENTAL IMPACT  
SCIENCES**

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

Address: 26051 Via Concha  
Mission Viejo, CA 92691

[End of Signatures]

**EXHIBIT "A"**

**SCOPE OF SERVICES**



## Environmental Impact Sciences

26051 Via Concha  
Mission Viejo, California 92691-5614  
949.837.1195 949.837.3935 Fax

August 22, 2016

Gustavo Romo, Director  
**City of Irwindale**  
**Community Development Department**  
5050 North Irwindale  
Irwindale, California 91706

### **Change Order No. 1: Live Oak Avenue Warehouse Project (LOWP)**

Dear Gus:

This letter supplements the information presented in our firm's August 19, 2016 request for a budget augmentation for the proposed "Live Oak Warehouse Project" (LOWP) and presents further documentation in support of the amount requested therein.

As indicated in the attached matrix, based on the substantial differences in the project addressed in our February 12, 2016 scope of services and the project subsequently presented for our independent analysis, **Environmental Impact Sciences** (EIS) incurred \$4,995.00 in additional costs not assumed therein. As a professional courtesy to the City of Irwindale (City) and as evidence of our firm's commitment to the City and its constituents, although asked to examine two design options rather than only a single development plan, EIS was prepared to absorb those costs under the assumption that the "screencheck" presented to the Community Development Department (Department) on August 8, 2016 was complete and that the only task then outstanding was to attend an upcoming Planning Commission and City Council meeting.

The Department has forwarded along a new site plan which is substantively different from those previously provided. As a result, independent of whether the three development scenarios are retained or only a single development plan is to be presented in the final CEQA documentation, major changes to the August 8, 2016 "screencheck" are now required. Hopefully, the Department can recognize that incurring additional unbudgeted costs constitutes an unreasonable burden when all such costs were incurred at the direction of the Department and constitute "out-of-scope" activities initiated after contract award.

Assuming that the three development scenarios are retained, as indicated in the attached matrix, EIS anticipates that an additional 20 labor hours will be required to revise the "screencheck" to address the new site plan. Based on remaining contract funds, including the existing overage, an estimated \$7,593.25 is required to present a revised "screencheck" and complete the remaining tasks. This cost estimate would likely increase if: (1) additional technical comments are received from the City Engineer or from others; and (2) the CEQA document were to be subsequently revised to examine only a single site plan.

Our August 19, 2016 letter requested a change order in a "not-to-exceed amount" of \$10,000. That amount provided a contingency if additional changes were to occur and sought to avoid the need to process any further change orders. If the Department would prefer, under the caveat that additional delays could be encountered if any of our task-based or labor-based assumptions are exceeded, a change order in a "fixed fee amount" of \$7,600 would be acceptable to EIS.

Gustavo Romo, Director  
242 Live Oak Avenue, Irwindale  
August 22, 2016  
Page 2

In our August 19, 2016 letter, assuming the Department's support, EIS expressed a willingness to proceed prior to any City Council authorization with regards to this change order request. If there are outstanding issues as to the propriety of this request, EIS will need to address those concerns prior to incurring any further costs. Pending a confirming response, the LOWP will be placed on hold.

Should you have any questions concerning this request, please contact me at (949) 837-1195.

Sincerely,

A handwritten signature in black ink, appearing to read "Peter Lewandowski". The signature is written in a cursive style with a large initial "P".

Peter Lewandowski  
Principal

Attachment (1)

c: Debby Linn, Project Manager (w/ attachment)

**Live Oak Warehouse Project**  
**Change Order No. 1**  
Contract Amount: \$19,990.00

| Activity       | Description                    | Original Budget |              | Expended to Date |              | Change Order 1 |              |
|----------------|--------------------------------|-----------------|--------------|------------------|--------------|----------------|--------------|
|                |                                | Hours           | Dollars (\$) | Hours            | Dollars (\$) | Hours          | Dollars (\$) |
| Major Task 1.0 | Project Description            | 6               | 940.00       | 48               | 7,400.00     | 8              | 1,480.00     |
| Major Task 2.0 | Initial Study                  | -               | -            | -                | -            | -              | -            |
| Task 2.1       | Screencheck Initial Study      | 24              | 4,500.00     | 36               | 4,440.00     | -              | -            |
| Subtask 2.1.1  | Traffic Letter Report          | 20              | 3,500.00     | 12               | 2,220.00     | 4              | 740.00       |
| Subtask 2.1.2  | Geotechnical Investigation     | 8               | 1,500.00     | 4                | 740.00       | -              | -            |
| Subtask 2.1.3  | Phase I ESA                    | 12              | 2,250.00     | 8                | 1,480.00     | -              | -            |
| Subtask 2.1.4  | Other Topical Analyses         | 8               | 1,500.00     | 8                | 1,480.00     | -              | -            |
| Task 2.2       | Draft/Final Initial Study      | 10              | 1,650.00     | 10               | 1,850.00     | 8              | 1,480.00     |
| Major Task 3.0 | CEQA Notices                   | -               | -            | -                | -            | -              | -            |
| Task 3.1       | Mitigated Negative Declaration | 2               | 350.00       | 0                | 0.00         | -              | -            |
| Task 3.2       | No Effect Determination        | 2               | 350.00       | 2                | 370.00       | -              | -            |
| Task 3.3       | Notice of Determination        | 2               | 350.00       | 0                | 0.00         | -              | -            |
| Major Task 4.0 | Posting/Publication            | -               | No Bid       | -                | -            | -              | No Bid       |
| Major Task 5.0 | Response to Comments           | -               | No Bid       | -                | -            | -              | No Bid       |
| Major Task 6.0 | Meeting Attendance             | 16              | 3,100.00     | 8                | 1,480.00     | 12             | 2,220.00     |
|                | Mileage                        |                 |              |                  | 63.25        |                | 140.00       |
|                | Total                          | 110             | 19,990.00    | 109              | 21,523.25    | 32             | 6,060.00     |
|                | Invoiced to Date               | -               | 16,528.25    | -                | 16,528.25    | -              | -            |
|                | Expended but Not Invoiced      | -               | -            | -                | 4,995.00     | -              | -            |
|                | Remaining Funds                | -               | 3,461.75     | -                | 3,461.75     | -              | -            |
|                | Remaining Contract Balance     | -               | -            | -                | (1,533.25)   |                |              |
|                | Required to Complete           | -               | -            | -                | -            | -              | 6,060.00     |
|                | Remaining Balance              |                 |              |                  |              |                | (1,533.25)   |
|                | Change Order No. 1             |                 |              |                  |              |                | 7,593.25     |

**EXHIBIT "B"**

**SCHEDULE OF COMPENSATION**

The Contract Sum shall not exceed \$27,590.00 as described in Section 2.1 of this Agreement and is inclusive of all costs and fees for labor, equipment, and materials of any kind utilized by Contractor to complete the services under this Agreement. Contractor shall not be entitled to any other compensation or reimbursement of expenses beyond the above contract sum for performance of services under this agreement.

AGENDA REPORT

SEP 14 2016

*Date: September 14, 2016*

*To: Honorable Mayor and City Council*

*From: John Davidson, City Manager*

*Issue: Approve a Fee Waiver for a Fundraising Event in Support of the Police Department's Pink Patch Project in Partnership with Irwindale Crossfit for Breast Cancer Awareness on October 29, 2016.*

**City Manager's Recommendation:**

**Adopt Resolution No. 2016-56-2870** entitled: **"A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF IRWINDALE APPROVING A SPONSORSHIP IN THE FORM OF A FEE WAIVER FOR A FUNDRAISING EVENT IN SUPPORT OF THE POLICE DEPARTMENT'S PINK PATCH PROJECT IN PARTNERSHIP WITH IRWINDALE CROSSFIT FOR BREAST CANCER AWARENESS ON OCTOBER 29, 2016"** waiving further reading;

**Analysis:**

The Irwindale Police Department has created a breast cancer awareness campaign for the month of October in collaboration with the City of Hope. This idea was birthed from several of our city employees battling cancer and losing loved ones to this horrible disease. As we all know, the month of October is Breast Cancer Awareness month and people nationwide wear pink ribbons to show support and raise awareness for the cause.

To demonstrate our support, the police department crafted a pink police shoulder patch to sell and wear on the uniforms. The funds from this campaign will support research, education and treatment for those suffering from this disease. Our goal is to raise \$10,000 for the City of Hope and donate the funds in November at a press conference.

Several avenues are being used to raise the funds in an attempt to reach our goal of \$10,000. These include, the sale of the patch to collectors, employees and anyone wanting a keepsake, the sale of t-shirts commemorating the event and **through** donations. All of this is being made possible through a strong social media campaign and through word of mouth at civic events.

We will be having a fitness competition, co-sponsored with Irwindale Crossfit, on October 29, 2016 at 16222 Arrow Highway, Irwindale. All proceeds from this event will go directly to the Pink Patch Project (City of Hope) and assist with reaching our goal. In order to host such an event, the city requires a Special Event permit to be issued prior

to the event date. We are seeking a city sponsorship by waiving the Special Event Permit fees to make this event possible.

**Fiscal Impact:**

The approval of this item will result in a fee waiver of \$150.

**Fiscal Impact:**  (Initial of CFO)

**Legal Impact:**  (Initial of Legal Counsel)

**Completed By:** Chief Anthony Miranda  
**Phone:** (626) 430-2236

  
John Davidson, City Manager

**RESOLUTION NO. 2016-56-2870**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF IRWINDALE  
APPROVING A SPONSORSHIP IN THE FORM OF A FEE WAIVER FOR A  
FUNDRAISING EVENT IN SUPPORT OF THE POLICE DEPARTMENT'S PINK  
PATCH PROJECT IN PARTNERSHIP WITH IRWINDALE CROSSFIT FOR  
BREAST CANCER AWARENESS ON OCTOBER 29, 2016**

**WHEREAS**, the month of October is Breast Cancer Awareness month and people nationwide wear pink ribbons to show support and raise awareness for the cause; and

**WHEREAS**, the Irwindale Police Department created a breast cancer awareness campaign for the month of October in collaboration with the City of Hope; and

**WHEREAS**, the police department crafted a pick police shoulder patch to sell and wear on the uniforms; and

**WHEREAS**, the goal of the police department is to raise \$10,000 for the City of Hope and donate the funds in November at a press conference; and

**WHEREAS**, the police department co-sponsored with Irwindale Crossfit to have a fitness competition and all proceeds from this event will go directly to the Pink Patch Project; and

**NOW, THEREFORE**, the City Council of the City of Irwindale, California, resolves, determines and orders as follows:

**SECTION 1.** The City Council finds that waiving the Special Event Permit fee of \$150 for the fitness competition in support of the Irwindale Police Department's Pink Patch Project serves the public purpose of supporting and raising awareness for Breast Cancer Awareness month.

**SECTION 2.** Based on the above finding, the City Council hereby approves the City sponsorship by waiving the Special Event Permit fee of \$150.

**SECTION 3.** The Deputy City Clerk shall attest to the adoption of this resolution which shall, in turn, have immediate effect.

**PASSED, APPROVED AND ADOPTED** this 14<sup>th</sup> day of September 2016.

---

Mark A. Breceda, Mayor

ATTEST:

---

Laura Nieto, CMC  
Deputy City Clerk

STATE OF CALIFORNIA        }  
COUNTY OF LOS ANGELES    } ss.  
CITY OF IRWINDALE         }

I, Laura Nieto, Deputy City Clerk of the City of Irwindale, do hereby certify that the foregoing Resolution No. 2016-56-2870 was duly and regularly passed and adopted by the City Council of the City of Irwindale at its regular meeting held on the 14<sup>th</sup> day of September 2016, by the following vote:

**AYES:**        Councilmembers:

**NOES:**        Councilmembers:

**ABSENT:**     Councilmembers:

**ABSTAIN:**    Councilmembers:

---

Laura Nieto, CMC  
Deputy City Clerk

AGENDA REPORT

SEP 14 2016

Date: September 14, 2016  
To: Honorable Mayor and Members of the City Council  
From: John Davidson, City Manager  
Issue: TRAFFIC IMPACT MITIGATION FEE AGREEMENT – 10<sup>th</sup> Street  
XC, LLC

**City Manager's Recommendation:**

That the City Council approve and authorize the Mayor to execute a Traffic Impact Mitigation Fee Agreement with 10<sup>th</sup> Street XC, LLC.

**Analysis:**

1. The Developer, 10<sup>th</sup> Street XC LLC, intends to construct a 342,629 square foot industrial and warehouse space within three (3) buildings on approximately 21.63 acres (Project) located on the west side of Todd Avenue opposite Tenth Street, immediately north of the Union Pacific Railroad Tracks in the City of Azusa, California (Site). The physical location of the project site is outside the City of Irwindale city limits.
2. In accordance with this development site layout and the Project Traffic Impact Report, the project's construction and operation traffic will have a direct impact to Irwindale maintained streets and intersections, specifically the intersections of Irwindale Avenue and Foothill Boulevard and Irwindale Avenue and the I-210 Freeway.
3. Since Irwindale does not have a Development Impact Fee structure to address this type of development project, the project developer has proposed that we accept a traffic impact mitigation fee in the amount of \$14,655.00 to perform necessary improvements to our streets and traffic signal in the area.
4. As stated in this attached agreement, the developer will submit to the City the agreeable amount within thirty (30) days of the receipt of building permits from the City of Azusa to begin the construction of the Project.
5. The Traffic Impact Mitigation Fee Agreement has been reviewed and approved by the City Attorney's office.

6. The traffic mitigation fee received from this agreement will be combined with other available funds to be used towards a capital improvement project in the impacted area. As such, it would result in General Fund savings where it might otherwise need to be used.

**Fiscal Impact:** \_\_\_\_\_ (Initial of CFO) See Note 6.

**Legal Impact:** \_\_\_\_\_ (Initial of Legal Counsel) See Note 5.

**Prepared by:** Elizabeth Rodriguez, Interim Management Analyst (626) 430-2211

**Contact Person:** William Tam, Public Works Director/City Engineer (626) 430-2212

  
John Davidson, City Manager

Attachment: Traffic Impact Mitigation Fee Agreement

## TRAFFIC IMPACT MITIGATION FEE AGREEMENT

This Traffic Impact Mitigation Fee Agreement ("Agreement"), dated as of September 14, 2016, is entered into by and between 10th Street XC, LLC, a Delaware limited liability company ("Developer") and the City of Irwindale ("City"). Developer and City are also sometimes individually referred to herein as a "Party" and collectively as the "Parties". This Agreement is entered into with reference to the following facts and circumstances:

### RECITALS

WHEREAS, the Developer intends to construct 342,629 square feet of industrial and warehousing space within three (3) buildings on approximately 21.63 acres ("Project"). The project site is located on the west side of Todd Avenue opposite Tenth Street, immediately north of the Union Pacific Railroad Tracks ("Site"). This project is known as the Tenth Street Industrial Park Project in the City of Azusa as shown on the proposed site plan in the attached Exhibit "A"; and

WHEREAS, the intersections of Irwindale Avenue and Foothill Boulevard, and Irwindale Avenue and I-210 Freeway ramps are identified as significant project impacts, which are located within the City of Irwindale at approximately one-half mile south of the project site; and

WHEREAS, City and Developer agree that it is in the best interests of both parties to mutually determine an amount of compensation to the City to mitigate this potential impact to a level of insignificance.

### AGREEMENT

**NOW, THEREFORE**, in furtherance of the mutual desires set forth above, and in good and sufficient consideration of the mutual covenants and conditions set forth below, the Parties hereby agree as follows:

1. Recitals. The recitals are incorporated herewith by reference.
2. Effective Date. The "**Effective Date**" of this Agreement is the date of approval of this Agreement by the respective governing bodies of the Parties and full execution of this Agreement.
3. Traffic Impact Fee Mitigation Amount. Within thirty (30) days of the receipt of building permits from the City of Azusa to begin the construction of the Project, the Developer shall remit to the City's Public Works Director, a check payable to the City of Irwindale, in the amount of Fourteen Thousand Six Hundred and Fifty Five Dollars (\$14,655.00) as the "Traffic Impact Mitigation Fee Amount."

4. Release from Future Damage. The City acknowledges and agrees that Project construction and operation traffic will occur as a result of the Project and the City hereby releases and forever holds the Developer and its construction contractors harmless and free from the obligation to pay further mitigation payments for, or otherwise mitigate impacts to, the roadways in the City of Irwindale identified in the above Recitals as it pertains to Project-related construction and operations traffic. This release shall be strictly limited to the foregoing and shall not encompass any damage to persons or real or personal property, injuries, or other liability or damages that may arise due to the acts or omissions of Developer, its contractors, employees or agents for which Developer shall remain be responsible.
5. Covenant Not To Sue. City agrees not to commence any action or proceeding against the Developer concerning the specific released roadway impacts under this Agreement, as specifically limited in Section 4.
6. Mutual Release. Upon the City's receipt of the Traffic Impact Mitigation Fee Amount, in consideration of the respective covenants and agreements set forth in this Agreement, except for the rights, warranties, representations, agreements, covenants, conditions, obligations and stipulations made or to be performed by the Parties as set forth in this Agreement, all of which shall survive, each of the Parties, acting for itself and for each of its elected and appointed trustees, directors, officials, officers, employees, agents, and/or representatives (collectively, "Releasors") hereby release, remise, and forever discharge the other Party and its elected and appointed trustees, directors, officials, officers, employees, agents, and/or representatives (collectively, "Releasees"), from any and all obligations, claims, counts, liens, demands, actions, causes of action, in law or in equity, suits, debts, damages, costs, expenses, losses, and liabilities, of every type, nature, character, and description, whether known or unknown, whether suspected and unsuspected, whether fixed or contingent, whether matured or unmatured, and whether director consequential, that the Releasors, or any of the Releasees, in connection with, or arising out of the release set forth in Section 4 of this Agreement (collectively, "Claims").
7. No Transfer of Claim. The Releasors, and each of them, represent and warrant that none of them has assigned or otherwise transferred, voluntarily or involuntarily, any interest in any of the Claims that it may have against the Releasees.
8. Mutual Waiver. Upon the City's receipt of the Traffic Impact Mitigation Fee Amount, the Parties acknowledge and understand that there is a risk that, subsequent to their execution of the Agreement, the Parties may accrue, obtain, incur, suffer or sustain claims which in some conceivable way arise out of, are caused by, are connected with, or relate to the Claims,

which are unknown and unanticipated at the time this Agreement is signed or which are not presently capable of being ascertained. The Parties further acknowledge that there is a risk that any claims that are known or should be known with respect to the released matters may become more serious than now expected or anticipated. Nevertheless, each of the Parties hereby expressly and knowingly waives all rights each may have to assert or pursue such claims in any court and any jurisdiction. Each of the Parties acknowledge that each has had the benefit of or opportunity to consult with counsel of their own choosing, and to understand the provision of California Civil Code §1542, and that each expressly waives the provisions of Civil Code §1542, which provides as follows:

**A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS WHICH THE CREDITOR DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE, WHICH IF KNOWN BY HIM OR HER MUST HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR.**

In giving the releases contained herein, the Parties hereby specially and knowingly waive any and all rights and benefits under said section, and any other statute or common law principle of similar effect, as they relate to the matters released, and acknowledge that this settlement would not be made without such a waiver.

9. Indemnification. Pursuant to Government Code Section 895.4, each Party assumes the liability imposed on its members, trustees, directors, officers, agents, contractors, invitees, and employees for injury caused by a negligent or wrongful act or omission occurring in the performance of that Party's obligations under this Agreement to the same extent that such liability would be imposed in the absence of Government Code Section 895.2. Accordingly, each Party shall defend indemnity and hold harmless the other Party for any claim, demand, cause of action, loss, liability, damage, cost, or expense that may be imposed on such Party solely by virtue of said Section 895.2, but excluding such claims or liabilities to the extent arising from the negligence, recklessness or willful misconduct of the Party, its members, trustees, directors, officers, agents, contractors, invitees, or employees.
  
10. Notice. Any notice, demand or other communication of any kind that a Party may be required to serve upon the other Party, pursuant to this Agreement, shall be given in writing and be delivered (a) in person (including express, courier, or overnight service), (b) by facsimile (if confirmed in writing sent by registered or certified mail, postage prepaid, return receipt requested), or (c) by certified or registered mail, postage prepaid, return receipt requested, and, in any such case, addressed as follows:

If to Developer, addressed to:

10th Street XC, LLC  
c/o XEBEC Realty  
3010 Old Ranch Pkwy Suite470  
Seal Beach, CA 90740  
Attn: Benjamin M. Horning  
Telephone No.: 562-546-0252

Email: BenH@xbcinc.com

With a copy to:

If to City, addressed to:

City Clerk  
City of Irwindale  
5050 N. Irwindale Ave.  
Irwindale, CA 91706  
(626)430-2200

With a copy to:

Fred Galante, City Attorney  
Aleshire & Wynder, LLP  
18881 Von Karman Ave., #1700  
Irvine, CA 92612  
Telephone: (949)223-1170  
Facsimile: (949)223-1180

or to such other address or to such other person as a Party shall have last designated by such notice to the other Party. Each such notice, demand, or other communication, if addressed as aforesaid and delivered by one of the options specified in this paragraph, shall be effective upon the date of delivery, whether or not accepted by the addressee.

11. No Admission of Liability. Nothing contained in this Agreement or any action taken by a Party shall be construed as an admission or concession by a Party or an admission of liability.

12. Headings. The titles and headings of the paragraphs and sections of this Agreement are intended solely for convenience of reference, and shall not be construed as an explanation, modification or intended construction of any of the terms or provisions of this Agreement.
13. Integration. It is expressly understood and agreed that this Agreement contains the entire agreement and understanding of the Parties concerning the specific subject matter of this Agreement, and merges, supersedes and replaces all prior discussions, understandings, negotiations, agreements, representations, conditions, warranties, covenants and all other communications between the Parties, whether written or oral, relating to the Project.
14. Modification. This Agreement may not be altered or amended except by written agreement executed by the Parties to this Agreement or their respective successors in interest.
15. Waiver; Amendment. No provision herein may be waived unless in writing and signed by the Party or Parties whose rights are thereby waived or their respective successors in interest. Waiver of any one provision herein shall not be deemed to be a waiver of any other provision herein.
16. Binding Effect. This Agreement shall bind, and shall inure to the benefit of, the Parties and their respective successors and assigns.
17. No Third Parties Benefited. Nothing in this Agreement, express or implied, is intended to confer upon any person or entity, other than the Parties or their respective successors and assigns, any rights or benefits under or by reason of this Agreement. This Agreement is for the sole benefit of the Parties.
18. Severability. If any provision of this Agreement becomes invalid, illegal, null or void for any reason or is determined, held, or found to be invalid, illegal, null, unenforceable, void or against public policy, the remaining provisions of this Agreement shall remain in full force and effect, provided that the economic and legal substance of the transactions contemplated here are not affected in any manner materially adverse to any Party. In the event of any such determination, holding, or finding, the Parties agree to negotiate in good faith to modify this Agreement to fulfill as closely as possible the original intent and purposes hereof. To the extent permitted by law, the Parties hereby to the same extent waive any provisions of law that render any provision of this Agreement prohibited or unenforceable in any respect.
19. No Agency. Nothing contained in this Agreement shall be construed to deem a Party to be the agent of the other or as participants in a joint or common undertaking.

20. Governing Law; Venue. This Agreement is made and entered into in the State of California, and the rights and obligations of the Parties shall in all respects be construed and enforced in accordance with, and governed by, the laws of the State of California. Any action to enforce this Agreement shall be brought in the County of Los Angeles, California.
21. Attorneys' Fees. In the event that any litigation shall be commenced concerning this Agreement or any Party's alleged breach of this Agreement, the prevailing party in such litigation shall be entitled to recover, in addition to such other relief as may be granted, its reasonable costs and expenses, including without limitation attorneys' fees and court costs, whether or not taxable, as awarded by a court of competent jurisdiction.
22. Preparation of Document. Each Party has cooperated in the drafting and preparation of this Agreement and, accordingly, the normal rule of construction to the effect that ambiguities are to be resolved against the drafting party shall not be employed in the interpretation of this Agreement.
23. Authority. Each Party represents and warrants that all legal action necessary for effectuation and execution of this Agreement has been validly taken and that the individuals whose signatures appear below on behalf of each Party are duly authorized to execute this Agreement on behalf of the respective Parties, and to bind them to the terms hereof.
24. Voluntary Agreement and Advice of Counsel. This Agreement is executed voluntarily by each of the Parties hereto without any duress or undue influence on the part of, or on behalf of, any of them. Each Party acknowledges that it has been represented in the negotiations for and in the execution and performance of this Agreement by counsel of its own choice, that it has read this Agreement, and each of its terms, fully explained by such counsel or has had such opportunity, and that it is fully aware of the contents of this Agreement and of its legal effect.
25. Counterparts. This Agreement may be executed in counterparts, and when each Party has signed and delivered at least one such counterpart, each counterpart shall be deemed an original and, when taken together with other signed counterparts, shall constitute one Agreement, which shall be binding upon and effective as to all Parties.

[SIGNATURES ON NEXT PAGE]

IN WITNESS WHEREOF, the Parties have executed this Agreement as of the date first above written.

**10<sup>th</sup> STREET XC, LLC,**

a Delaware limited liability company,  
Its Authorized Signatory

By:

By: \_\_\_\_\_  
Name: Gretchen Sauer  
Its: COO

DATED: \_\_\_\_\_

**CITY OF IRWINDALE**

DATED: \_\_\_\_\_ By: \_\_\_\_\_  
Its: Mayor

DATE OF COUNCIL APPROVAL OR RATIFICATION: \_\_\_\_\_

**ATTEST:**

\_\_\_\_\_  
Laura M. Nieto, Deputy City Clerk

**APPROVED AS TO FORM:**

\_\_\_\_\_  
Fred Galante, City Attorney

**EXHIBIT "A"**

**Tenth Street Industrial Park Project**

**Development Description**

Address: 1207-1223 N. Todd Avenue, Azusa, CA

Parcel Size: 21.63 Acres (942,310 SF)

Proposed Use: Three (3) Class "A" Industrial Buildings

Buildings Details Below:

|       | Total            | Warehouse       | Office           |
|-------|------------------|-----------------|------------------|
|       | <u>Area</u>      | <u>Area</u>     | <u>Area</u>      |
| A     | 88,859SF         | 79,729SF        | 9,130SF          |
| B     | 75,740SF         | 69,125SF        | 6,615SF          |
| C     | <u>179,100SF</u> | <u>79,100SF</u> | <u>166,709SF</u> |
| TOTAL | 343,699SF        | 315,563SF       | 28,136SF         |

AGENDA REPORT

SEP 14 2016

Date: September 14, 2016

To: Honorable Mayor and Members of the City Council

From: John Davidson, City Manager

Subject: ACCEPTANCE OF PUBLIC WORKS CONSTRUCTION CONTRACT FOR THE CONSTRUCTION OF TRAFFIC SIGNAL AND STRIPING MODIFICATIONS FOR MYRTLE AVENUE AND LONGDEN AVENUE

**City Manager's Recommendation:**

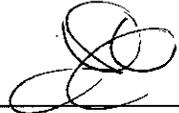
That the City Council (1) ratify changes in the work and accept the improvements and maintenance responsibility for the construction of a traffic signal and striping modifications for Myrtle Avenue and Longden Avenue (2) authorize the recording of the notice of completion; (3) approve the final construction contract amount of \$267,417.29; and authorize the release of the 5% retention amount for the project; (4) ratify the City Manager's approval of this inspection services Purchase Order for the final cost of inspection services for Samir Koury, dba Coory Engineering.

**Analysis:**

- 1) On October 14, 2015, the construction of a traffic signal and striping modifications for Myrtle Avenue and Longden Avenue was awarded to PTM General Engineering Services in the amount of \$218,812.00 and a 15% project contingency in the amount of \$32,823.00 was also approved to cover any unforeseeable conditions that may arise during construction. This project has been completed per the approved plans and specifications.
- 2) Fourteen (14) contract change orders were issued on the project for the following additional work: relocation of traffic signal pole and custom foundation design due to differing site conditions; new fencing to ensure pedestrian safety; upgrade of an outdated service meter; repairs to pavement, sidewalk, driveway, and curb & gutter; installation of a video detection camera in lieu of traffic loops due to the location of a concrete bridge deck; and other minor miscellaneous items. The original construction contract amount authorized by the City Council was \$251,635.00, including the 15% contingency. The final amount of the construction contract is \$267,417.29 or \$15,782.29 more than the authorized contract amount.
- 3) The City originally hired one of the City's as-needed inspection services company Samir Khoury, dba Coory Engineering, per Purchase Order Number

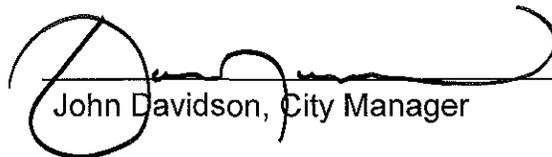
5537 to provide inspection services for this project in the amount of \$13,600.00. As a result of the unforeseen site conditions and additional work required to complete this project, the cost of inspection services was also increased by \$16,150.00 for a total of \$29,750.00. The final amount is slightly over the City Manager's signature authority of \$20,000 or less. As such, it is recommended that the city council ratify the City Manager's approval of this inspection services Purchase Order to cover the additional cost incurred. A change order to Purchase Order Number 5537 will then be issued to document this change.

- 4) Ratification of the changes in the work and acceptance of the work by the City Council is in compliance with the acceptance and prompt payment provisions of the Public Contract Code.
- 5) Sufficient funds are available in the current year CIP budget in the Special Mining and Gas Tax Funds to cover the total value of the contract, including the additional change orders.

**Fiscal Impact:**  (Initial of CFO) See item 5 above.

**Legal Impact:** Approved Electronically by Fred Galante (Initial of Legal Counsel) None.

**Contact person/Prepared by:** William K. Tam, Public Works Director/City Engineer  
**Phone:** (626) 430-2212

  
John Davidson, City Manager

AGENDA REPORT

Date: September 14, 2016

SEP 14 2016

To: Honorable Mayor and City Council Members

From: Fred Galante, City Attorney

Issue: Amendment to City Manager Employment Agreement

**City Manager's Recommendation:**

***That the City Council approve the attached Amendment No. 3 to City Manager Employment Agreement***

**Background:**

On October 12, 2011, the City hired John Davidson as city manager for the City per the terms of the City Manager Employment Agreement ("Agreement"). The Agreement called for an initial 3 year term of service, which term was extended on January 23, 2013 by Amendment No. 1 for an additional 2 years. The City Council has performed an evaluation of the City Manager per the terms of the Agreement. Following such evaluation, the Council directed the City Attorney to prepare a proposed amendment to extend the term of the Agreement with Mr. Davidson for 2 additional years, while keeping all other terms of the Agreement the same. Mr. Davidson has communicated his commitment to continuing to serve for the extended term.

**Analysis:**

The proposed Amendment No. 3 to City Manager Employment Agreement provided with this report extends the term of the City Manager's service to the City for an additional 2 years, or until October 11, 2018. Amendment No. 3 also includes, at Exhibit "A," the proposed goals and objectives to be met by the City Manager for the next year of the term/

The Council has considered the proposed goals and objectives and finds that they are reflective of the priorities the Council would like to see the City Manager accomplish in the upcoming year. The Council remains free to make additional changes to those proposed goals and objectives before its consideration of Amendment No. 3 or at any time during the term of the extended Agreement.

No other change in salary, benefits or other provision of any kind is proposed to the Agreement.

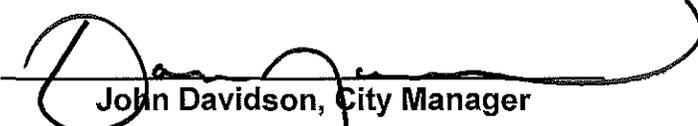
**Fiscal Impact:**  (Initial of CFO)

None

**Legal Impact:** \*Approved electronically by City Attorney Galante (Initial of CA)

**Contact Person:** John Davidson, City Manager  
Fred Galante, City Attorney

**Phone:** 626-430-2217

  
John Davidson, City Manager

**Attachments:** Amendment No. 3 to City Manager Employment Agreement

Coordinated With:

City Manager's Office  
Finance  
City Attorney

## AMENDMENT NO. 3 TO CITY MANAGER EMPLOYMENT AGREEMENT

This AMENDMENT NO. 3 TO CITY MANAGER EMPLOYMENT AGREEMENT (“Amendment”) is effective the 14th day of September, 2016, by and between the CITY OF IRWINDALE, a California municipal corporation (“City”) and JOHN DAVIDSON, an individual (“City Manager”).

### A. RECITALS

WHEREAS, on October 12, 2011; City and City Manager approved the Employment Agreement (“Agreement”) for City Manager to serve in the position of city manager for the City pursuant to state law, the City’s Charter and Municipal Code for a term of 3 years;

WHEREAS, on January 23, 2013, City and City Manager entered into that certain Amendment No. 1 (“Amendment No. 1”) to the Agreement to extend the term of the Agreement by 2 years;

WHEREAS, on May 14, 2014, the City and City Manager entered into that certain Amendment No. 2 (“Amendment No. 2”) to the Agreement to increase the severance payable to City Manager; and

WHEREAS, the City Council and City Manager now wish to further amend the Agreement to extend the term of the Agreement by 2 years and update the Council directed goals and objectives for the City Manager to accomplish for the upcoming year of the term with all other terms remaining the same.

NOW, THEREFORE, in consideration of the mutual promises, covenants and conditions contained herein, City and City Manager hereby agree as follows:

### B. AGREEMENT

1. Term. The Agreement, shall be amended to revise Section 3.2 to provide an additional 2 years for the City Manager’s term of service for a total of 7 years, beginning from the October 12, 2011 Effective Date until October 12, 2018, which amended language shall read as follows:

“3.2 Term. The term of this Agreement will be for seven (7) years following the Effective Date (“Term”) and, thereafter, the term of this Agreement may be extended for such an additional term(s) as City Manager and Council mutually deem appropriate, as evidenced by a writing signed by both parties.”

2. Goals and Objectives. Pursuant to Section 5.2 of the Agreement, the City Manager has provided and the Council approves the updated proposed goals and objectives as part of City Manager’s annual performance, which goals and objectives are attached hereto as Exhibit “A” and shall be updated from time-to-time. City Manager accomplishment of such goals and objectives shall be used as part of his performance review and evaluation per Article 5 of the

Agreement. Such goals and objectives are provided concurrently with this Amendment and shall be updated annually per Section 5.2 of the Agreement.

3. Full Force and Effect. Except as specifically provided in this Amendment, the terms of the Agreement, as amended by Amendment No. 1 and Amendment No. 2, shall remain unchanged and in full force and effect.

IN WITNESS WHEREOF, the City Council of the City of Irwindale has caused this Amendment to be signed and executed on its behalf by its Mayor, and duly attested, and City Manager has signed and executed this Amendment.

CITY OF IRWINDALE

\_\_\_\_\_  
Mark A. Breceda, Mayor

ATTEST:

\_\_\_\_\_  
Laura M. Nieto, CMC  
Deputy City Clerk

APPROVED AS TO FORM

\_\_\_\_\_  
Fred Galante, City Attorney

CITY MANAGER:

JOHN DAVIDSON

\_\_\_\_\_  
John Davidson

## Exhibit "A"

DATE: August 24, 2016  
TO: Mayor and City Council  
FROM: John Davidson, City Manager  
SUBJECT: Goals and Objectives

The following is a brief overview of goals and objectives that I would like to accomplish over the next 12 to 24 months. As your city manager I am committed to working with City Council, staff, city attorney, resident and business community to complete projects/programs as listed below:

- Complete comprehensive Classification and Compensation Study and present to City Council for consideration in January/February 2017.
- Secure multi-year employment contracts with all three City recognized labor groups (IPOA;IMEA;ICEA)
- Finalize State Audit of the City of Irwindale being conducted by the California's Joint Legislative Audit Committee and work with City Attorney and staff to respond to issues raised before audit is finalized.
- Continue to work with our Joint Powers Insurance Authority (JPIA) to secure and maintain our good standing with the JPIA by continuing to responsibly maintain all City facilities, buildings and streets. In addition, efforts in this area would include any required modification of the City's logo and to follow the City's ADA action plan.
- Complete comprehensive User Fee Study for the City and present to Council for consideration.
- Refine and finalize a five-year financial model for effective budget planning.
- Aggressively explore all grant opportunities for City purchases including - equipment needs, capital improvement projects and personnel training.
- Secure funding to replace and update playground equipment in City parks as needed, with a focus on Irwindale Park due to the condition and age of the Park's current playground facilities.
- Completion of the Irwindale Materials Recovery Facility and Transfer Station Project.
- Continue efforts for the reclamation, mining and or development of the Olive Pit, Manning Pit, Kincaid Pit and others.

- Continue efforts to explore and clearly identify development opportunities for the Irwindale Speedway and surrounding acreage.
- Continue City's effort to increase our general fund reserves and reduce our existing deficit of approximately \$1.5 M.
- Complete the Irwindale Housing Authority's Low/Mod Housing project.
- Present Cypress Avenue traffic improvement plan (between Nora and Fraijo) for City Council review, consideration and possible action.
- Complete a comparison of JPIA's rates and services with other insurance pool providers.
- Work with Vulcan on securing development of Reliance II so as to best uphold the Council's desires.
- Develop and present possible traffic improvements for vehicle and pedestrian safety on Calle De Paseo and surrounding streets/neighborhood.
- Complete City Hall improvement projects that address ADA concerns, customer service enhancement, personnel safety and Mayor and City Council office.
- Recruitment and selection process for new Recreation Services Manager upon Dan Grijalva's pending retirement (March/April 2017).
- Work with Mayor and City Council expeditiously as issues arise.

Thank you very much for your time and consideration and it is truly my honor to serve the Irwindale City Council, staff and community since 2011 and would welcome the opportunity to continue to serve as your city manager.

Sincerely,

John Davidson  
City Manager

AGENDA REPORT

SEP 14 2016

Date: September 14, 2016

To: Honorable Mayor and Members of the City Council

From: John Davidson, City Manager

Issue: Resident Benefit Program - Approval of Client Services Agreement with OptumRx, Terminate Contract with Superior Administrators, and Provide Direction to Staff Regarding Copay Changes and Prescription Drug Formulary

**City Manager's Recommendation:**

It is recommended that the City Council:

1. Approve Resolution No. 2016-57-2871, "A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF IRWINDALE AUTHORIZING A CLIENT SERVICES AGREEMENT WITH OPTUMRX, TERMINATING THE CONTRACT WITH SUPERIOR ADMINISTRATORS, AND PROVIDING DIRECTION TO STAFF REGARDING COPAY CHANGES AND PRESCRIPTION DRUG FORMULARY FOR SERVICES RELATED TO THE RESIDENT BENEFIT PROGRAM," reading by title only and waiving further reading thereof; and
2. Authorize the City Manager to execute the Client Services Agreement and City Manager to execute the Business Associate Agreement, subject to review and approval as to form by the City Attorney.
3. Authorize staff to work directly with OptumRx regarding participant eligibility and terminate the contract with Superior Administrators.
4. Provide direction to staff regarding copay changes.
5. Provide direction to staff regarding working with OptumRx to implement coordination of benefits.
6. Provide direction to staff regarding prescription drug formulary.

**Analysis:**

Since April 1988, the City of Irwindale has offered a Resident Benefit Program ("Program"), including a reduced cost prescription and vision program, to the residents of Irwindale. In April 1988, the Program was offered to individuals who were 50 years or older and was revised in August 1988 to include all eligible Irwindale residents. There were 305 eligible residents enrolled in the program in August 1989 and 477 eligible residents as of December 2015; the annual cost to provide these benefits were approximately \$127,000.00 and \$885,600.00, respectively. Over the past 28 years, enrollment has increased by 172 individuals; however the cost to provide the Program has risen by more than 6.5 times the initial costs. Additionally, the co-pay paid by participants  $\geq 50$  for prescriptions remains at \$3 per fill, which is the initial co-pay established in 1989. The co-pay for participants  $< 50$  was increased in April 2009 from \$3 per fill to \$10 per fill for generic medication and a \$35 co-pay for brand name medication. It is anticipated that the costs to provide this program, particularly the

prescription benefit program, will continue to increase into the unforeseeable future and it is not known by what percent these costs will continue to rise.

Given the City's current financial situation and the continued cost escalation of the prescription program, in August 2014, the Council approved an agreement with Segal Consulting ("Segal") to evaluate the City's Program. Segal has completed its assessment of the current Program, has negotiated a contract with OptumRx on the behalf of the City, and has prepared a memorandum identifying immediate and long-term savings opportunities.

#### Immediate Saving Opportunities:

##### **1. Direct Contracting**

Staff is recommending that Council approve the proposed Client Services Agreement between OptumRx of Wisconsin, LLC and City of Irwindale ("Agreement"). Segal solicited multiple Pharmacy Benefit Managers (PBMs) and determined that the City would best be served by contracting with its current provider, OptumRx. The City is currently utilizing OptumRx, through its third party administrator, Superior Administrators, however the terms under the new Agreement result in a savings to the City. Additionally, as a result of the analysis performed by Segal, it has been determined that PBM services provided by Superior Administrators could be performed by City staff for an additional savings. The estimated annual cost saving to the City in approving the contract and terminating service with Superior Administrators is \$100,000.

##### **2. Copay Changes**

In 2009, the Council took action to increase the copay for all participants of the program from \$3 per fill to \$10 per fill for generic medication and \$35 per fill for brand name medication. In April 2009, the Council directed staff to revert back to the \$3 copay for generic and brand name medications for participants ≥50 years of age. Segal is recommending that the copay structure for the program be the same for all age groups; which is \$10 for generic medication and \$35 for brand name medications. It is estimated that the alignment of this fee structure could result in a savings between \$54,000 and \$147,000 annually.

#### Long-Term Saving Opportunities

##### **3. Coordination of Benefits (COB)**

Segal is recommending that the City work with OptumRx to implement coordination of benefits; the participant's private insurance serving as the primary coverage and the City's Program serving as secondary coverage. Staff is working with OptumRx to determine the information and format required to implement this program. Should the Council elect to implement this feature, the copay, in some cases may result in no out of pocket expenses for the participant. For example, if a participant utilizes their private insurance as the primary for a generic prescription that costs \$100; the private insurance would cover \$90 for the prescription and the participant would be required to pay the \$10 copay. The City's program would then be utilized as the secondary insurance and cover the \$10 copay; resulting in no out of pocket expense to the participant. If the prescription is for a brand name, then the City's program would cover \$35.

The implementation of the COB will require participants to provide the City with the primary insurance coverage for their household. This is information that the City has been requesting for several years and is updated as the participants renew their applications.

**4. Additional Savings – Provider Network and Prescription Drug Formulary**

As part of Segal's analysis, staff requested Segal to evaluate the benefit and cost savings of utilizing one pharmacy as opposed to utilizing any pharmacy. Segal has determined that there would be insignificant cost savings in moving to one provider and potential dissatisfaction from participants due to pharmacy network restrictions. The proposed contract does not require the participants to utilize a specific pharmacy.

Drug Formulary is a list of medications (generic and brand name) allowed under the plan. The City may opt to select a different prescription drug formulary in the future, which may help manage program costs, but this change may also cause disruptions to the participants. Specifically, a prescription that is covered under the current plan may not be covered under a different drug formulary and as a result the participant may need to request their physician to change the prescription that is covered. The current formulary utilized by the City is one that is standard in the industry.

**Fiscal Impact:**  (Initial of CFO)  
See above analysis.

**Legal Impact:** electronically approved by Attorney Galante on 9/8/2016  
(Initial of Legal Counsel)

**Prepared By/Contact Person:** Theresa Olivares, Housing Coordinator  
**Phone:** (626) 430-2294

  
John Davidson, City Manager

**Attachment:**

1. Resolution 2016-57-2871, "A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF IRWINDALE AUTHORIZING A CLIENT SERVICES AGREEMENT WITH OPTUMRX, TERMINATING THE CONTRACT WITH SUPERIOR ADMINISTRATORS, AND PROVIDING DIRECTION TO STAFF REGARDING COPAY CHANGES AND PRESCRIPTION DRUG FORMULARY FOR SERVICES RELATED TO THE RESIDENT BENEFIT PROGRAM"
2. Client Services Agreement Between OptumRx PBM of Wisconsin, LLC and City of Irwindale
3. Memorandum From Segal Dated March 11, 2016

**RESOLUTION NO. 2016-57-2871**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF IRWINDALE AUTHORIZING A CLIENT SERVICES AGREEMENT WITH OPTUMRX, TERMINATING THE CONTRACT WITH SUPERIOR ADMINISTRATORS, AND PROVIDING DIRECTION TO STAFF REGARDING COPAY CHANGES AND PRESCRIPTION DRUG FORMULARY FOR SERVICES RELATED TO THE RESIDENT BENEFIT PROGRAM**

**WHEREAS**, the City of Irwindale ("City") has established Resident Benefit Program ("Program") in April 1988, including a reduced cost prescription and vision program for the residents of Irwindale; and

**WHEREAS**, the estimated annual cost to provide these benefits in 1988 was \$127,000 and are estimated to be \$960,000 for fiscal year 2016-2017; and

**WHEREAS**, given the City's current financial condition and the continued cost increase of the prescription program, the City contracted with Segal Consulting ("Segal") on August 27, 2014 to assess the current Program and recommend cost saving measures for the Council to consider in order to maintain the Program at a reduced cost; and

**WHEREAS**, Segal has completed its analysis and determined that the City would best be served by entering into a contract with OptumRx and terminating service with Superior Administrators; and

**WHEREAS**, staff requires direction from Council regarding Segal's suggested copay alignment, working with OptumRx to implement coordination of benefits, and drug formulary; and

**NOW, THEREFORE**, the City Council of the City of Irwindale does hereby find and determine as follows:

**SECTION 1.** The City Council approves the Client Services Agreement with OptumRx, in a form approved by the City Attorney.

**SECTION 2.** The City Council authorizes the City Manager to take the necessary action to terminate the contract with Superior Administrators; and directs staff to perform these duties once performed by Superior Administrators.

**[SECTION 3.** The City Council hereby approves Segal's suggested copay alignment so that the copay structure for the program be the same for all age groups; which is \$10 for generic medication and \$35 for brand name medications.

**SECTION 4.** The City Council hereby further approves Segal's suggested coordination of benefits so that a participant's private insurance serve as the primary coverage and the City's Program serve as secondary coverage.]

**SECTION 5.** The Deputy City Clerk shall certify to the passage and adoption of this resolution, and the same shall thereupon take effect and be in force.

**SECTION 6.** The City Manager and/or any authorized officers are hereby authorized to take such actions, perform such acts as may be necessary to implement this Resolution.

**PASSED, APPROVED, AND ADOPTED** this 14<sup>th</sup> day of September 2016.

\_\_\_\_\_  
Mark A. Breceda, Mayor

ATTEST

\_\_\_\_\_  
Laura M. Nieto  
Deputy City Clerk

STATE OF CALIFORNIA            }  
COUNTY OF LOS ANGELES       } ss.  
CITY OF IRWINDALE             }

I, Laura M. Nieto, Deputy City Clerk of the City of Irwindale, do hereby certify that the foregoing Resolution No. 2016-57-2871 was adopted at a regular meeting of the City of Irwindale held on September 14, 2016, by the following vote:

AYES:           Councilmembers:

NOES:           Councilmembers:

ABSENT:         Councilmembers:

ABSTAIN:        Councilmembers:

\_\_\_\_\_  
Laura M. Nieto, Deputy City Clerk  
City of Irwindale

City of Irwindale  
March 11, 2016

## MEMORANDUM

**To:** City of Irwindale  
**From:** Daljit Johl, Pharm.D.  
Stephen E. Murphy, CEBS, MSHRM  
**Date:** March 11, 2016  
**Re:** Resident Pharmacy Program

---

On behalf of the City of Irwindale, Segal Consulting conducted an analysis of the Resident Pharmacy Program to identify opportunities for improvements in financial efficiency in order to extend the viability of the program. Our review identified the following immediate and long-term savings opportunities.

### Immediate:

#### ➤ Direct Contracting

The City currently contracts with OptumRx (Catamaran prior to acquisition) for pharmacy benefit services through Superior Administrators. Our recent analysis of proposals submitted by multiple Pharmacy Benefit Managers (PBMs) concluded that the improved terms offered by OptumRx would deliver the highest overall cost savings. However, due to the expenses charged by Superior Administrators (over \$33,000 in annual administrative fees and commissions, plus 30 percent of pharmacy manufacturer rebates) the savings to the City are reduced considerably. By eliminating Superior Administrators and transferring eligibility directly to OptumRx, Irwindale's Resident Pharmacy Program could save nearly \$100,000 in the first contract year (due to savings in administrative fees and retention of 100 percent of earned rebates).

#### ➤ Copay Changes

Based on program utilization during 2015, OptumRx estimates that alignment of prescription drug copayments for participants 50 years and older with the copayments for the other plan participants could save the City between \$54,000 and \$147,000 annually.

### Long-Term:

#### ➤ Coordination of Benefits

While the financial impact of implementing a Coordination of Benefits (COB) provision could not be calculated due to data limitations, COB could incrementally extend the funds dedicated to the Resident Pharmacy Program by reimbursing claims as

a secondary payer. In order for OptumRx to implement and administer a COB provision, the City's eligibility file will need to include the following information:

- Is the City's coverage primary or secondary (for each participant)?
- If the City's coverage is primary, what is the effective date of coverage?
- If the City's coverage is secondary, what is the effective date and end date of coverage, if known?
- Alternative Insurance Flag (D=Dual Coverage, N=No, X=Dual Coverage, Y=Yes, 0=Additional Coverage; OptumRx anticipates the City would primarily use a Y (Yes) or N (No) as the alternative insurance flag)

➤ Provider Network Alternatives

After an analysis of retail pharmacy utilization and prescription drug claims volume, OptumRx concluded that a limited retail pharmacy network would not yield any significant savings. In addition, a limited network could result in participant dissatisfaction due to pharmacy network restrictions.

➤ Prescription Drug Formulary

A drug formulary consists of prescription drugs, both generic and brand name, used by providers to dispense drugs that offer the greatest overall therapeutic and economic value. PBMs utilize committees of physicians, nurse practitioners, and pharmacists to evaluate and make changes to their formularies. The City has the choice to select an alternative prescription drug formulary in the future, to help manage program costs. While reducing costs to the City, changing to a more managed formulary may cause participant disruption, however, OptumRx can mitigate disruption with advanced notification to affected participants and their providers.

We look forward to working with the City in the future to assist in the management of prescription drug trend.

cc: Theresa Olivares

**CLIENT SERVICES AGREEMENT  
BETWEEN  
OPTUMRx PBM OF WISCONSIN, LLC  
AND  
CITY OF IRWINDALE**

This Client Services Agreement (this “**Agreement**”) is effective \_\_\_\_\_, 20\_\_ between OptumRx PBM of Wisconsin, LLC. (“**PBM**”) a Wisconsin limited liability company and **City of Irwindale** (“**Client**”) a **California municipality**, each a “**Party**” and together the “**Parties**”.

Capitalized terms used in this Agreement and not otherwise defined shall have the meaning set forth in Exhibit A attached hereto and incorporated herein by reference.

The Parties agree:

1. Obligations of PBM.

(a) Claims Processing.

(i) Claims Processing Services. PBM shall provide the services related to processing Claims for prescriptions dispensed on or after **November 1, 2016** (“**Implementation Date**”) so long as this Agreement is signed by Client by October 1, 2016. If this Agreement is not received in this time frame, pricing will be implemented no later than the first date of the month occurring sixty (60) days after PBM’s receipt of this signed Agreement. PBM will process Claims received from Participating Pharmacies and Eligible Members, determine whether such Claims qualify for reimbursement in accordance with the terms of the Plan Design Document, and determine the payment applicable to the Claim. PBM will process Claims within the National Council for Prescription Drug Programs (“**NCPDP**”) standard adopted under the Health Insurance Portability and Accountability Act of 1996 (“**HIPAA**”) implemented Regulations promulgated thereunder. Upon termination of this Agreement, PBM shall be solely responsible to process only those Claims that are for prescriptions dispensed before the termination date and received by PBM from Participating Pharmacies no later than thirty (30) days after the termination date and from Eligible Members no later than sixty (60) days after the termination date.

(ii) Claims from Participating Pharmacies. The following services will be provided upon receipt of a Claim:

(A) Verification that the individual for whom the prescription has been provided is an Eligible Member;

(B) Verification that the medication dispensed is covered under the Plan Design Document; and

(C) If applicable, verification that the prescriber is authorized under the Plan Design Document.

(b) Retail Participating Pharmacy Network.

(i) National Network. PBM will provide a national network of Participating Pharmacies (“**PBM National Network**”) to provide Covered Prescription Drug Services to Eligible Members. PBM may terminate a specific Participating Pharmacy for good cause, including quality of care issues, loss of appropriate licensure, or an economic analysis that the pharmacy is not needed. PBM will promptly notify Client of any termination of a Participating Pharmacy and Client will promptly send notice to any Eligible Members who have utilized a terminated Participating Pharmacy during the prior six months.

(ii) Collection of Copayment by Participating Pharmacies. Prior to providing an Eligible Member any of the Covered Prescription Drug Services to which the Eligible Member is entitled under the Plan Design Document, PBM will require the Participating Pharmacy to collect any Copayment from the Eligible Member. PBM shall require that Participating Pharmacies shall not recover any unpaid balances, other than any Copayment due Participating Pharmacies from such Eligible Members.

(iii) Payments to Participating Pharmacies. PBM will pay the PBM National Network within an industry-standard time frame for such payments to the Participating Pharmacies.

(iv) Customer Service for Participating Pharmacies. PBM will provide a call center telephone line available to all Participating Pharmacies 24-hours per day, 7 days per week.

(c) Mail Service Pharmacy. PBM shall provide the following services from its mail service pharmacies:

(i) receive prescriptions as permitted by applicable law at an address as specified by PBM, subject to and in accordance with the Plan Design Document;

(ii) fill prescriptions during normal business hours, subject to the professional judgment of the dispensing pharmacist, provided that the prescription is accompanied by the correct Copayment. As of the Implementation Date, PBM's base maximum accounts receivable amount before not delivering mail order prescriptions to a Member is \$100.00;

(iii) provide Members toll-free telephone access to a pharmacist and customer service representative;

(iv) provide to Client informational materials that explain to Members how to use the mail service program, as well as any other materials Members may require to begin using the mail service program and Client shall distribute such information to Members;

(v) provide computerized drug interaction monitoring of Members based upon the Member profile, programs for generic substitution and therapeutic intervention, pharmaceutical cost containment services and safety edits, and subject to prescriber approval, clinical appropriateness, the terms of the Plan and applicable law; and

(vi) ship all prescription orders to Members via U.S. Postal Service or other appropriate carrier to the address provided by Client and/or the Member, as long as such addresses are located in the United States;

(d) Specialty Pharmacy. PBM shall provide the following services from its specialty pharmacy:

(i) receive prescriptions for Specialty Drugs, as identified in the Specialty Drug List as permitted by applicable law, from Members via the U.S. mail or commercial carrier at an address specified by PBM, subject to and in accordance with the Plan Design Document.

(ii) fill prescriptions during normal business hours, subject to the professional judgment of the dispensing pharmacist via U.S. mail or commercial carrier or facsimile at an address or telephone number specified by PBM from time to time;

(iii) provide Members toll-free telephone access to a pharmacist and customer service representative;

(iv) provide to Client informational materials that explain to Members how to use the specialty service program, as well as any other materials Members may require to begin using the specialty program and Client shall distribute such information to Members;

(v) provide computerized drug interaction monitoring of Members based upon the Member profile, programs for generic substitution and therapeutic intervention, pharmaceutical cost containment services and safety edits, and subject to prescriber approval, clinical appropriateness, the terms of the Plan and applicable law;

(vi) ship all prescription orders to Members via U.S. Postal Service or other appropriate carrier to the address provided by Client and/or the Member, as long as such addresses are located in the United States; and

(vii) provide Client with a list of certain drugs that will be subject to the specialty pharmacy pricing rate. PBM's specialty pharmacy will not dispense drugs if the prescription is not accompanied by the Copayment.

(e) PBM Rebate Program.

(i) Upon the Implementation Date, Client may be eligible to receive Rebates from certain pharmaceutical manufacturers (the "**Covered Manufacturer**") or third party rebate aggregator ("Aggregator") for prescription drugs dispensed to Eligible Members which meet the following criteria:

(A) PBM publishes a drug Formulary or other Preferred Drug List managed solely by PBM, including all subsequent revisions and provides the Formulary electronically to Client;

(B) If Client is using a formulary based on Client's parameters ("Custom Formulary"), the Custom Formulary (and any revisions thereto) must be reviewed and approved by PBM as meeting the eligibility criteria to receive Rebates from Covered Manufacturers; and

(C) Client meets the eligibility inclusion criteria of each of the respective Covered Manufacturers for the applicable Plan Design Document.

If Client is utilizing a PBM standard Preferred Drug List, on an annual basis, but no later than twenty (20) days prior to the beginning of each calendar year, PBM will provide Client with updated Formulary document templates in a mutually agreeable format. Client will reimburse PBM for expenses incurred in the production of any custom formulary, as indicated on Exhibit C, if applicable.

(ii) Payment of Rebates. Subject to the terms and conditions of this Agreement, PBM will receive Rebates paid by Covered Manufacturers or Aggregator for Qualified Claims. Claims data shall be processed based on the Formulary on the date dispensed. PBM shall have no obligation to make payments to Client for Rebates until PBM receives undisputed payments from Covered Manufacturers or Aggregator. Client acknowledges that payments received under the PBM Rebate Program will not be paid to Client until approximately one hundred eighty (180) days following the close of each calendar quarter of Client's participation in the PBM Rebate Program. Qualified Claims are those Claims that are approved by Covered Manufacturers or Aggregator for payment.

(iii) Eligible Rebate Data. Drug utilization submitted by any entity other than PBM (or any entity on behalf of PBM) including, but not limited to the following government entities (the "**Government Plans**"): Medicaid, Medicare, or other state or federal health care program that receive rebates, discounts, or other forms of price reduction directly or indirectly from Covered Manufacturers, shall not be eligible to participate in the PBM Rebate Program. Client shall clearly identify to PBM all Eligible Members whose drug utilization or Claims have been otherwise submitted to Covered Manufacturers or Aggregator or whose Claims have been or will be filed for reimbursement with Government Plans, as well as the affected Claims, to the extent that Client is aware of such

circumstances. If Client fails to identify such known Eligible Members or Claims and any Covered Manufacturer's audit of its rebate program reveals improperly calculated Rebates involving such Eligible Members or Claims, then Client shall be solely responsible for the reimbursement of any Rebates improperly made or calculated and any corresponding costs or penalties associated with the audit. Notwithstanding the foregoing, this provision shall not be construed to prohibit Client from participating in Medicare or Medicaid risk contracting.

(iv) Rebate Limitations. Client waives, releases, and forever discharges PBM from any claims, demands, losses, attorneys' fees, costs, expenses, or liabilities of any nature, whether known or unknown, arising from (i) a Covered Manufacturer's breach of any agreement related to the PBM Rebate Program; or (ii) a Covered Manufacturer's negligence or misconduct, except where PBM is determined to have been the cause of such claim, demand or loss.

(v) Other Pharmaceutical Relationships. Nothing in this Agreement shall preclude PBM from pursuing other sources of revenue from Covered Manufacturers or Aggregator or engaging in other revenue-producing relationships with Covered Manufacturers, including, but not limited to, obtaining funding for Clinical Communications as described in Section 1(f)(iv).

(vi) Pharmacy & Therapeutics (P&T) Committee. PBM P&T Committee is an external advisory committee comprised of healthcare professionals (physicians, pharmacists, nurses, etc.) that is responsible for managing and administering the PBM drug formulary system, including utilization management strategies. The P&T Committee will develop, maintain, and review the complete PBM formularies at least annually to verify that the formularies are appropriately revised to adapt to both the number and types of drugs on the market.

(f) Clinical Services. PBM will provide Clinical Services elected by Client as identified in the most recent executed Clinical Documentation Form which is incorporated by reference herein. Examples of Clinical Services include:

(i) Concurrent Drug Utilization Review. PBM will provide concurrent on-line drug utilization review ("DUR") to Participating Pharmacies for all Claims submitted through point of sale. DUR is intended to assist the pharmacist in identifying possible drug interactions and other issues which may be indicative of prescribing inappropriate drugs.

(ii) Prior Authorization. At Client's request, PBM shall perform a prior authorization review, consisting of administering rules and conditions established by Client to determine if certain drugs or drug classes or categories are approved under the Plan Design Document.

(iii) Formulary Management. PBM will provide an electronic Formulary to Client. If Client is using a custom Formulary, it shall pay PBM an additional fee as set forth in the Clinical Documentation Form to manage the Formulary. Client acknowledges and agrees that any Client-imposed changes to the PBM-managed Formulary may reduce or eliminate the amount of Rebates to Client.

(iv) Clinical Communications/Programs. The Clinical Services Department of PBM may have cause to communicate directly with Members or conduct clinical programs, designed to support the Plan's goals. The communications are intended to promote patient safety, quality of care, reduction in cost (Plan and/or Member), and drive better healthcare outcomes. Communications and programs may address safety, product selection, choices in drug delivery options, wellness, disease education, medication adherence or disease state management. Client will not be charged for the cost of these communications. Other types of clinical communication, associated with specific clinical programs, may carry an associated charge and will be discussed in relation to the specific clinical program.

(g) Benefit Plan Administration. PBM shall provide support in pharmacy benefit plan development, set-up and administration to assist Client. PBM will maintain pharmacy benefit plan

administration protocols as requested by Client via plan implementation documents provided by Client to PBM. Client and PBM shall mutually agree on the format of the implementation documents; however, Client will have the ultimate responsibility for approving all pharmacy benefit plan design and protocols. Additionally, Client acknowledges that nothing in this Agreement shall be deemed to confer upon PBM the status of fiduciary as defined in the Employee Retirement Income Security Act of 1974, as amended, or any responsibility for the terms or validity of the pharmacy benefit plans.

(h) Client and Member Services.

(i) Account Management. PBM shall provide trained, experienced account service resources to serve as liaison between Client and PBM for the purpose of facilitating operational activities, resolving issues, and providing consultative support. Account management support includes scheduling conference calls to monitor and discuss outstanding priorities. Account management staff will act as the primary contact to Client after the implementation process is completed.

(ii) Member Customer Service. Member Customer Service provides Eligible Members with information regarding pharmacy locations, eligibility, drug coverage, Copayment, prior authorization requirements, appeals process, direct member reimbursement instructions, claims status and general information regarding their prescription benefit plan. Member Customer Service is available 24 hours a day, 7 days a week, 365 days a year.

(iii) Implementation Support. PBM shall provide trained, experienced project management resources to serve as liaison between Client and PBM and to manage the implementation process. A PBM implementation project manager will act as the primary contact to Client during implementation. Implementation support shall include establishing a project plan; identifying necessary activities to support the implementation; and coordinating internally, within PBM, to identify and resolve implementation issues.

(i) Appeals. PBM shall conduct first level appeals and will coordinate with third parties to conduct second and third level medical necessity appeals, as applicable, for the fees set forth in Exhibit C.

(j) Ancillary Services. If Client requests additional or ancillary services, including consultative services, other than those described herein PBM shall attempt to accommodate Client at a mutually agreed upon rate under a separate agreement signed by the Parties prior to the performance of the services.

2. Client Responsibilities.

(a) Administrative Payments to PBM. PBM shall invoice Client on a monthly basis for services provided pursuant to this Agreement on the schedule set forth in Exhibit C. Client will pay all valid invoices for such services within thirty (30) days after the date of the invoice. Late payments shall bear a late fee of the lesser of one and one-half percent (1½%) or the highest rate allowed by law, for each thirty (30) days that payment is late.

(b) Network Claims Funding. All payments by Client to PBM for the PBM National Network for Covered Prescription Drug Services (“**Network Claims Funding**”) shall be made via electronic fund transfer or Automated Clearing House (together “**Electronic Payment**”) debit within five (5) calendar days after Client receives notification of the amount due from PBM. Late payment shall bear a fee of the lesser of one and one-half percent (1½%) or the highest rate allowed by law, for each thirty (30) days, that payment is late. PBM shall retain cash management responsibilities over the Network Claims Funding to support prompt payment to Participating Pharmacies.

(c) Non-payment. If Client fails to meet the payment obligations of Section 2(b) within the time specified, Client shall be deemed in breach of the Agreement. Notwithstanding any other provisions

contained herein, if Client fails to cure such breach within three (3) business days, PBM, in its sole discretion, shall have the non-exclusive and cumulative options in addition to its remedies under this Agreement, at law or in equity, to: (i) suspend performance of any or all of PBM's obligations under or in connection with this Agreement, including processing of Claims, (ii) require Client to pre-fund a pharmacy spend account in the amount of two (2) times the average monthly prescription drug spend of Client, (iii) utilize available deposited or escrowed funds or (iv) set off against any amounts payable to Client (including any Rebates that would otherwise be payable to Client) any amounts due to PBM (including late interest charges).

(d) Subrogated Claims Processing. Client acknowledges that Medicaid agencies and other Government Plans have legal rights and/or obligations to pursue claims reimbursement ("Subrogated Claims") and /or confirm eligibility from applicable third parties. PBM will process, and Client will reimburse PBM, for Subrogated Claims in accordance with applicable law. Client agrees that in accordance with applicable law, PBM may exchange eligibility information with Government Plans.

(e) Plan Design Specifications. Client will provide a Plan Design Document for each plan administered by PBM in sufficient detail to permit PBM to perform its duties and obligations under this Agreement. Any changes to the Plan Design Document will be submitted by Client to PBM through a revised Plan Design Document no less than thirty (30) days prior to their intended implementation to permit timely implementation and minimal disruption of Claims processing services for Eligible Members.

(f) Eligible Member File. Client will agree to provide PBM a complete file (each an "Eligibility File") on electronic media acceptable to PBM of all Eligible Members of each Plan to be serviced by PBM hereunder. Client will promptly furnish PBM on electronic media acceptable by PBM, files of all Eligible Members whose enrollment has been terminated and an Eligibility File containing each new Eligible Member and PBM shall implement each file within one (1) business day of receipt by PBM. PBM shall not be liable for any prescriptions filled or processed for any ineligible persons due to incorrect or untimely eligibility data provided to PBM.

(g) Client's Ability to Modify. The Parties may agree to modify the obligations and responsibilities of PBM during the term of this Agreement following the execution of an amendment hereto by the Parties. Upon acceptance by PBM of such modifications, Client will be responsible for the additional fees and expenses agreed to by the Parties.

### 3. Term and Termination.

(a) Term. This Agreement will become effective on the date hereof and continue for a period of three (3) years after the Implementation Date (the "Initial Term"). **THEREAFTER, THIS AGREEMENT SHALL AUTOMATICALLY CONTINUE IN EFFECT FOR ADDITIONAL ONE-YEAR TERMS (EACH A "RENEWAL TERM"), PROVIDED THAT EITHER PARTY MAY TERMINATE THIS AGREEMENT EFFECTIVE AS OF THE LAST DAY OF THE INITIAL TERM OR ANY RENEWAL TERM BY PROVIDING WRITTEN NOTICE OF NON-RENEWAL TO THE OTHER PARTY AT LEAST NINETY (90) DAYS PRIOR TO THE END OF SUCH INITIAL TERM OR RENEWAL TERM.** Notwithstanding any provision in this Agreement to the contrary, in no event may either Party terminate this Agreement without cause prior to the expiration of the Initial Term.

(b) Termination for Cause. Either Party may terminate this Agreement following a material breach by the other Party. The non-breaching Party shall notify the breaching Party of the breach and the breaching Party shall have thirty (30) days (the "Cure Period") to cure the breach to the reasonable satisfaction of the non-breaching Party. If the breaching Party fails to cure the breach within the Cure Period, then the non-breaching Party may terminate the Agreement immediately.

(c) Effect of Termination. Any accrued and unpaid Rebate amounts will be payable to Client after the termination of this Agreement, if Client has met all of the terms set forth in this Agreement, as long as the Rebate amounts were earned during the term of this Agreement as it applies to Client and Client does not owe any outstanding payments to PBM. Notwithstanding the foregoing, if Client

terminates this Agreement without cause or if PBM terminates this Agreement for default by Client prior to the end of the Initial Term or any Renewal Term, PBM will retain any and all pending or future Rebates payable under this Agreement.

#### 4. Confidentiality.

(a) Confidential Information. For purposes of this Agreement, “**Confidential Information**” means any data or information that is proprietary to the Party making disclosure (“**Disclosing Party**”) and not generally known to the public, whether in tangible or intangible form, whenever and however disclosed, including, but not limited to: (i) any marketing strategies, plans, financial information, or projections, operations, sales estimates, business plans and performance results relating to the past, present or future business activities of such Party, its affiliates, subsidiaries and affiliated companies; (ii) plans for products or services, and customer or supplier lists; (iii) any scientific or technical information, invention, design, process, procedure, formula, improvement, technology or method (iv) any concepts, reports, data, know-how, works-in-progress, designs, development tools, specifications, computer software, source code, object code, flow charts, databases, inventions, information and trade secrets; (v) any and all summaries, analysis, determinations, distillations, excerpts, work product, results or other documents utilizing or incorporating Confidential Information, whether in whole or in part; (vi) any Protected Health Information, as that term is defined by the HIPAA Privacy Rule, 45 C.F.R. Secs. 160 and 164, that is provided by either PBM or Client pursuant to this Agreement; (vii) any information that either Party learns or becomes aware of, directly or indirectly, through the disclosure of Confidential Information; (viii) the terms of this Agreement; and (ix) any other information that should reasonably be recognized as Confidential Information of the Disclosing Party. Confidential Information need not be novel, unique, patentable, copyrightable or constitute a trade secret in order to be designated Confidential Information. The Party receiving the information (“**Receiving Party**”) acknowledges that the Confidential Information is proprietary to the Disclosing Party, has been developed and obtained through great efforts by the Disclosing Party and that Disclosing Party regards all of its Confidential Information as trade secrets. All Confidential Information shall at all times, and throughout the world, remain the property of either PBM or the Client (as the case may be), exclusively, and all applicable rights in patents, copyrights, trademarks, service marks, trade names and trade secrets shall remain vested in the appropriate Party, exclusively.

(b) Use of Confidential Information. The Receiving Party shall use the Confidential Information it receives pursuant to this Agreement for the sole purpose of its obligations under this Agreement. Except as specifically provided herein, in no event shall the Receiving Party disseminate or communicate the Confidential Information in any form to any other person, firm, corporation without the express written consent of the Disclosing Party. The Receiving Party shall only disclose Confidential Information to persons within its organization who (i) need to know the Confidential Information in order to accomplish the objectives in connection with this Agreement, and (ii) are required to protect and otherwise not disclose or use the Confidential Information except as provided in this Agreement. Such persons who receive any Confidential Information shall be subject to written agreement no less restrictive than this Section 4.

(c) Derivatives of Confidential Information. Any reports, documents, notes or other information in whatever form or medium that are derived or result from the receipt of Confidential Information shall be governed by the same terms and conditions respecting confidentiality and use as is the Confidential Information itself.

(d) Rights in Confidential Information. All Confidential Information of the Disclosing Party shall be and remain the property of the Disclosing Party. The Receiving Party shall not obtain any rights of any nature whatsoever in or to the Confidential Information as a result of such disclosure. Upon the Disclosing Party’s request, the Receiving Party shall promptly destroy or return to the Disclosing Party all of the Disclosing Party’s Confidential Information, including all copies thereof. An officer of the Receiving Party shall certify to the Disclosing Party that all Confidential Information has been destroyed or returned to the Disclosing Party provided that Receiving Party shall not be required to return or destroy copies

retained as part of its documentation retention program or electronic back-up copies, but such copies shall remain subject to the terms of this section.

(e) Exceptions. Notwithstanding any provisions contained in this Agreement, the Receiving Party shall not be required to maintain in confidence the following information: (i) information which, at the time of disclosure to the Receiving Party, is in the public domain; (ii) information which, after disclosure, becomes part of the public domain by publication or otherwise, except by breach of this Agreement; (iii) information which was in the Receiving Party's possession at the time of disclosure to the Receiving Party, and which was not acquired, directly or indirectly, from the Disclosing Party; (iv) information which the Receiving Party can demonstrate resulted from its own research and development, independent of disclosure from the Disclosing Party; (v) information which the Receiving Party received from third parties, provided that such information was not obtained by such third parties from the Disclosing Party on a confidential basis.

(f) Disclosures Required by Law. Receiving Party may disclose Disclosing Party's Confidential Information to the extent required by applicable law or a court order, provide that the Disclosing Party is given reasonable notice of such law or order and an opportunity to attempt, at the expense of the Disclosing Party, to preclude or limit such production. The Receiving Party shall have the burden of showing any one or more of these exceptions apply. Receiving Party shall limit the disclosure of any Confidential Information to that which is minimally necessary to comply with applicable law or court order.

Provisions of this section shall apply to Confidential Information received prior to the Implementation Date.

## 5. Access and Records.

(a) Record Maintenance. For the longer of the period required by law or seven (7) years from the date of rendering any Covered Prescription Drug Service, the Parties will maintain records related thereto, including, but not limited to, prescription records and other documentation related to healthcare services provided to Eligible Members.

(b) Use of Information. Except for Confidential Information, each Party may use, reproduce, or adapt information obtained in connection with this Agreement, including Claims data information and eligibility information, in any manner such Party deems appropriate, except that each Party and its agents, employees, and contractors shall maintain the confidentiality of this information to the extent required by applicable law or regulation including the provisions of HIPAA, and may not use the information in any way prohibited by law. Each Party shall be solely responsible for its own use of such information, and shall indemnify and hold the other Party harmless for, from and against any and all costs, losses, and damages incurred by the other Party as a result of such use.

(c) Claims and Rebate Audits. Provided that this Agreement has been duly executed by PBM and Client and Client's account does not reflect a delinquent balance at the commencement or during an audit, Client may once annually audit PBM in relation to its duties and obligations under this Agreement, including auditing Claims, Rebates, and other relevant records as required to verify PBM's compliance with the terms of this Agreement. Such records shall be provided to Client in PBM's standard format thirty (30) calendar days after PBM's receipt of Client's written audit notice and Client's completion of any required audit request documentation. Any audit conducted pursuant to this Section shall be conducted during PBM's regular business hours. Due to the extraordinary demands placed on staff during the annual renewal period of December and January, no audits may be initiated during these months. Any Rebate audit conducted pursuant to this Section must: (i) be for the sole purpose of validating PBM's compliance with the terms of this Agreement; (ii) be completed by a third party auditor as outlined in Section b, below; and (iii) must take place on-site at PBM's headquarters. The scope of any audit conducted pursuant to this Section will cover a period not to exceed twenty four (24) months. If Client submits an audit request more than six (6) months after the period to be audited has ended, it may require the regeneration of archived data and PBM will pass through the costs related to regenerating archived data to Client. The audited period may not be re-audited once the audit is complete. PBM will

be liable for agreed upon findings attributable to the audit period only. Client may audit up to twelve (12) months after the date of the termination of this Agreement. Client acknowledges that it shall not be entitled to audit: (i) documents, in whole or in part, that PBM deems proprietary, confidential or trade secret; and (ii) documents, in whole or in part, that PBM is barred from disclosing by law or pursuant to an obligation of confidentiality to a third party. All information and records reviewed pursuant to this section shall be considered Confidential Information for purposes of this Agreement.

(d) Audit Costs. Client shall be responsible for all expenses of any audit conducted pursuant to this Agreement, unless an audit confirms material errors by PBM that are 100% attributable to PBM, in which case PBM shall reimburse client for such reasonable audit expenses.

(e) Third Party Auditors. Except as outlined herein for Rebate audits, only Client or a mutually agreed upon independent third-party auditor will have the right to review PBM's records pursuant to subsection (c) of this Section 5. Only a mutually agreeable auditor can inspect and audit PBM's Rebate contracts, provided that if the firm conducting the audit also acts as a consultant or broker on behalf of Client, or on behalf of any other PBM clients (hereinafter referred to collective as "Consultants"), then the auditor conducting the audit must provide for an internal firewall preventing PBM's confidential information relating to the Rebate audit from being made available to the Consultants. No third party may be allowed or designated to conduct an audit without an executed nondisclosure agreement with PBM no less than thirty (30) calendar days prior to the date of the audit, ensuring the confidentiality of PBM's Confidential Information. Client's auditor shall not be an individual or entity that is: a competitor of PBM, a Covered Manufacturer representative, or any retail, mail or specialty drug pharmacy representative or vendor.

(f) Audit Close. A final audit report shall be provided by Client or its third party auditor in writing to PBM within forty five (45) calendar days of the end of the audit. Such final audit report will contain a representative sample of claims or the entire suspected error population, as well as the dollar amount associated with any suspected errors. If Client or its third party auditor provides PBM with the entire suspected error population, then PBM will review a statistically valid sample of the claims and provide Client or its third party auditor with its response within thirty (30) calendar days of PBM's receipt of the final audit report. However, if the audit requires PBM's review of six (6) or more findings, PBM may request additional time to respond to the audit. Client or its third party auditor shall have thirty (30) calendar days to respond to PBM's response. If Client or its third party auditor fails to provide an initial final audit report to PBM within forty five (45) calendar days of the end of the audit or fails to respond to PBM's response to the final audit report within thirty (30) calendar days, then the audit will be considered closed.

6. Indemnification. Each Party (an "**Indemnitor**") shall indemnify and hold harmless the other Party (an "**Indemnitee**"), and its officers, directors, shareholders, employees and other agents, from and against any third party claims, liabilities, damages, judgments or other losses (including, but not limited to, reasonable attorneys' fees and expenses) incurred by the Indemnitee to the extent arising out of or as a result of any acts or omissions of the Indemnitor, or its officers, directors, employees or other agents in connection with the performance of any of their duties and obligations contained within this Agreement. Indemnitee will provide Indemnitor with prompt notice of a claim for indemnification and with reasonable information and assistance for Indemnitor to defend such claim, demand, or cause of action.

7. Limitation on Liability. In no event shall either Party be liable to the other for any loss of profits, lost business opportunity or any special, indirect, consequential, incidental, or similar damages arising out of or in connection with this Agreement, regardless of the cause of action.

PBM will not be responsible for any claims, losses, or damages sustained as a result of the actions, or failure(s) to act, by any retail pharmacy, pharmaceutical manufacturer or other pharmaceutical providers or other third party not under control of PBM pursuant to this Agreement.

8. Client's Authority over Plan. Client acknowledges that it has the sole authority to control and administer the Plan. Client further acknowledges that PBM is engaged to perform services as an independent contractor and not as a fiduciary of the Plan or as an employee or agent of the Client, or as the Plan administrator. Nothing in this Agreement shall be construed or deemed to confer upon PBM any responsibility for or control over the terms or validity of the Plan. PBM shall have no discretionary authority over or responsibility for the Plan's administration. Further, because PBM is not an insurer, Plan sponsor, Plan administrator, or a provider of health care services to Members, PBM shall have no responsibility for (i) funding of Plan benefits; (ii) any insurance coverage relating to the Client, the Plan or the Members; or (iii) the nature or quality of professional health care services rendered to Members.

9. Notices. Unless otherwise specifically provided in this Agreement, all notices, consents, requests, demands and other communications required or permitted in this Agreement:

- (a) shall be in writing;
- (b) shall be sent by messenger, certified or registered U.S. mail, a recognized national overnight delivery service for next business day delivery, facsimile or e-mail (if by e-mail with a copy sent by one of the foregoing means), charges prepaid as applicable, to the appropriate address or number set forth below; and
- (c) shall be deemed to have been given on the date of receipt by the addressee (or, if the date of receipt is not a business day, on the first business day after the date of receipt), as evidenced by (i) a receipt executed by the addressee (or a responsible person in his or her office), the records of the person delivering such communication or a notice to the effect that such addressee refused to claim or accept such communication, if sent by messenger, U.S. mail or recognized national overnight delivery service, or (ii) a receipt, or other evidence of transmittal, generated by the sender's facsimile or e-mail software showing that such communication was sent to the appropriate number or e-mail address on a specified date, if sent by facsimile or e-mail.

All such communications shall be sent to the following addresses or numbers, or to such other addresses or numbers as any Party may inform the others by giving five (5) business days' prior notice:

If to PBM: OptumRx  
1600 McConnor Parkway, Schaumburg, IL 60173  
Attention: Legal Department  
E-Mail: legal@catamaranrx.com

If to Client: City of Irwindale  
5050 N. Irwindale Avenue, Irwindale, CA 91706  
Attention: \_\_\_\_\_  
Facsimile: \_\_\_\_\_  
E-Mail: \_\_\_\_\_

10. General Provisions.

(a) Advertising. Neither Party shall use promotional material referencing or referring to the other Party without the prior consent of the other Party; provided, however, that the Parties may publicize that PBM provides Covered Prescription Drug Services to Client. Both Parties will cease any and all usage immediately upon termination of this Agreement.

(b) Intellectual Property. Any rights in information, innovations, ideas, discoveries, products, creative works and the like (whether or not copyrightable or patentable), suggestions, communications, data, reports and results conceived, derived, reduced to practice, made or developed by either Party as a

direct result of the services under this Agreement shall be the sole property of the Party developing such intellectual property.

(c) Other Obligations. The Parties represent and warrant that the terms of this Agreement are not inconsistent with any other obligations whether contractual or otherwise that the Party may have or with the policies of any other entity with which the Parties are associated.

(d) Governing Law. This Agreement will be governed by and construed according to the laws of the State of California without regard to its choice of law provisions.

(e) Independent Contractors. Each Party is an independent entity and nothing in this Agreement shall be construed to establish an employer/employee or principal/agent relationship or any fiduciary or other relationship other than independent Parties contracting with each other for the purpose of carrying out the duties and obligations of this Agreement. Nothing in this Agreement is intended or shall be construed to confer upon any person or entity (including Participating Pharmacies, Covered Manufacturers and Eligible Members) other than the Parties hereto and their successors or permitted assigns, any rights or remedies under or by reason of this Agreement.

(f) Force Majeure. Neither Party shall be deemed to have breached this Agreement or be held liable for any failure or delay in the performance of all or any portion of its obligations under this Agreement if prevented from doing so by a cause or causes beyond its control. Without limiting the generality of the foregoing, such causes include acts of God or the public enemy, fires, floods, storms, earthquakes, riots, strikes, boycotts, lock-outs, acts of third parties (e.g., wholesalers), wars and war-operations, restraints of government, power or communication line failure or other circumstances beyond the Party's control, or by reason of the judgment, ruling, order of any court or agency of competent jurisdiction, or materially altering the law or regulations covering the subject matter of this Agreement or any other change in such law or regulations subsequent to the execution of this Agreement. However, if the force majeure event continues for thirty (30) consecutive days the Party not directly affected by it may terminate this Agreement immediately upon written notice to the other Party without penalty to it.

(g) Non-Solicitation of Employees. During the term of this Agreement and for one (1) year thereafter, neither Party may (without the prior written consent of the other Party) actively solicit any person employed then or within the preceding year by the other Party and involved directly or indirectly in the performance of this Agreement. Such consent may be withheld in the other Party's sole discretion. The term "actively solicit" does not include any employment of the other Party's personnel through means of advertisements, job postings, job fairs and the like and any employment where the individual has made the initial approach to the hiring Party.

(h) Assignment. Neither Party may assign any rights or obligations under this Agreement without the other Party's prior written consent, except that either Party may assign this Agreement without the consent of the other Party to a parent company, controlled affiliate, or affiliate under common control with the assigning Party. The Parties acknowledge that services under this Agreement may be provided by affiliates of PBM. Notwithstanding the foregoing, PBM may assign this Agreement in connection with a sale of assets, or other business combination, without the consent of Client.

(i) Successors and Assigns. This Agreement shall inure to the benefit of and be binding upon the successors and permitted assigns of each of the Parties.

(j) Severability and Waiver. The invalidity or unenforceability of any term or provision of this Agreement shall in no way affect the validity or enforceability of any other term or provision. The waiver by either Party of a breach of any provision of this Agreement shall not operate as or be construed as a waiver of any subsequent breach thereof.

(k) Headings. The headings to the sections and subsections of this Agreement shall be disregarded in its interpretation.

(l) Dispute Resolution Procedures. The Parties shall make a good faith effort to resolve any disputes arising during the term of this Agreement.

(i) If the Parties are unable to resolve the dispute through informal discussions, either Party may submit a written complaint to the other Party describing the dispute and proposing a manner of resolving such dispute. The Party receiving such complaint shall respond by accepting, rejecting, or modifying such proposed resolution, in writing, within thirty (30) days of the date of receipt of such complaint.

(ii) If the Parties are still unable to resolve the dispute within such thirty (30) day period, and only after both Parties have determined through proper documentation that they have complied with Section 10(l)(i) above, then both Parties shall agree to meet in person for a reasonable amount of time at a mutually agreeable location. This meeting shall be held within fifteen (15) days of the expiration of the thirty (30) day period above and shall be attended by at least (1) one senior member of each Party with the authority to settle disputes arising from this Agreement.

(iii) Only after the Parties have tried in good faith to resolve disputes through informal means, both Parties have tried to resolve disputes through formal written means, and they have met to resolve disputes in person as described above, may either Party pursue legal action.

Nothing herein prevents either Party from immediately commencing judicial proceedings if the dispute is with respect to intellectual property rights, or interim relief from a court is necessary to prevent serious and irreparable injury to a Party or others.

(m) Exclusivity. Client agrees to utilize only PBM to provide it with any of the services comparable to those described herein during the term of this Agreement.

(n) Survival of Terms. The provisions of Sections 4 through 9 shall survive the termination of this Agreement.

(o) Entire Agreement. This Agreement, any Exhibits, attachments, and any documents incorporated by reference constitute the entire agreement of the Parties regarding the subject matter hereof. It supersedes any prior agreements, negotiations or representations, either oral or written, relating to the subject matter of this Agreement. This Agreement may be modified only by a writing executed by both Parties.

**CITY OF IRWINDALE**

**OPTUMRx PBM OF WISCONSIN, LLC**

\_\_\_\_\_  
Authorized Signature

\_\_\_\_\_  
Authorized Signature

\_\_\_\_\_  
Printed Name

\_\_\_\_\_  
Printed Name

\_\_\_\_\_  
Title

\_\_\_\_\_  
Title

\_\_\_\_\_  
Date

\_\_\_\_\_  
Date

## EXHIBIT A

### DEFINITIONS

In addition to the capitalized terms defined elsewhere in this Agreement, the following terms shall have the following meanings:

1. **“Administrative Fee”** means all fees provided by PBM except cost and dispensing fees.
2. **“Average Wholesale Price” or “AWP”** means the average wholesale price of a prescription drug as set forth by the Pricing Source on the date dispensed.
3. **“Brand” or “Brand Drug(s)”** means a single-source or multi-source Prescription Drug designated by Administrator as a “Brand Drug” based upon indicators included in the Pricing Source.
4. **“Claims” – See “Processed Claims”**
5. **“Copayment or Copay”** (collectively **“Copayment”**) mean the fees, other than premiums, which an Eligible Member is required to pay for certain Covered Prescription Drug Services provided under the Benefit Plan. A Copayment may be either a specified dollar amount or a percentage of eligible expenses. An Eligible Member is responsible for the payment of any Copayment directly to a Participating Pharmacy at the time the prescription is dispensed and for remitting the payment of any Copayment to the Mail Service Pharmacy or Specialty Pharmacy. This may also be identified as “Coinsurance” or “Deductible”.
6. **“Covered Prescription Drug Services”** means those outpatient prescription drugs and pharmacy products, services and supplies as described in a current Plan Design Document.
7. **“Dispensing Fee”** means the fee charged to Client for the filling of a single prescription. Dispensing Fee refers to the amount paid to the Participating Pharmacy for filling of a single prescription.
8. **“Eligible Members” or “Members”** means those individuals who are entitled to Covered Prescription Services through Client.
9. **“Formulary” or “Preferred Drug List”** (collectively known as **“Formulary”**) means the list of prescription drugs and medications that are recommended by PBM to Client for regular use and which will be dispensed through Participating Pharmacies, the Mail Service Pharmacy or the Specialty Pharmacy to Eligible Members.
10. **“Generic” or “Generic Drug”** means a Prescription Drug, whether identified by its chemical, proprietary or non-proprietary name, that is therapeutically equivalent and interchangeable with a Prescription Drug having an identical amount of the same active ingredient(s) and approved by the Federal Drug Administration (FDA). For purposes of this agreement, the Generic Drug determination is made based upon indicators included in the Pricing Source.
11. **“Implementation Date”** means the date which claims will first be processed under this Agreement.
12. **“Ingredient Cost”** means the discounted drug cost (excluding the Dispensing Fee and any sales taxes) for a Covered Drug dispensed to a Member.
13. **“Maximum Allowable Cost” or “MAC”** means the unit price that has been established by PBM for a multi-source drug included on its MAC drug list developed for PBM clients which may be amended from time to time by PBM in its sole discretion.

14. **“Net Paid Claim”** means all paid Claims minus reversals for a single prescription fill.
15. **“Participating Pharmacy”** means a retail pharmacy that has entered into an agreement with PBM under which the pharmacy has agreed to provide Covered Prescription Drug Services to Eligible Members and to comply with applicable regulatory requirements.
16. **“Pharmacy & Therapeutics Committee”** or **“P&T”** means the committee formed by PBM or Client that reviews a legend drug for inclusion on the PBM or Client Formulary and creates criteria, policies and procedure for such inclusion including, but not limited to, clinically-appropriate quantity restrictions, step therapies and prior authorizations.
17. **“Plan”** means the health plan sponsored by Client that includes the prescription drug benefit for Eligible Members as reflected in the Plan Design Document that describes the Covered Prescription Drug products and PBM Services reimbursement for which an applicable Member of that Plan is entitled.
18. **“Plan Design Document”** means a document describing the Plan as mutually agreed to by the Parties.
19. **“Pricing Source”** as of the Implementation Date means Medi-Span. The Pricing Source is subject to change by PBM. Only one Pricing Source shall be used at a time.
20. **“Processed Claims, Claims, or Claim Forms”** (collectively **“Claims”**) means electronic or paper pharmacy claims that are (i) transmitted to PBM by Participating Pharmacies or Eligible Members as a result of Covered Prescription Drug Services being supplied to Eligible Members by Participating Pharmacies, and (ii) processed by PBM with the result being that the claims are either paid, denied, rejected or reversed.
21. **“Rebates”** mean retrospective discounts or other payments based upon the utilization of a pharmaceutical manufacturer’s Brand Drug pursuant to a valid prescription, and exclusive of services fees, and purchase discounts. PBM shall retain other earned revenue which is deemed separate and apart from “Rebates”.
22. **“Specialty Drugs”** shall mean medications that have one or more of the following characteristics (i) treat rare disease and/or unique populations, (ii) require close therapy management and monitoring, (iii) require special handling and/or storage, (iv) are produced through biotechnologies, (v) are expensive and may involve complex reimbursement processes, or (vi) are generally administered as injections, infusions or oral.
23. **“Specialty Drug List”** means the list provided to Client and updated from time to time by PBM and associated pricing.
24. **“Usual and Customary”** or **“U&C”** means the price, including all applicable customer discounts, such as special customer, senior citizen and frequent shopper discounts, that a cash paying customer pays a pharmacy for Prescription Drugs.
25. **“Zero Balance”** or **“Minimum Copay”** means Member will pay the lower of the applicable Copayment, or the pharmacy’s Usual and Customary charge for the product.

## EXHIBIT B

### STANDARD PBM PRODUCTS AND SERVICES

PBM shall provide the following standard services (all as more fully described in this Agreement) to Client consistent with Client's current Plan Design Document.

Standard Services included with Base Fees:

1. Claims Processing Services
  - a. Eligibility Management
  - b. Eligibility Verification
  - c. On-line Electronic Claims Processing/Administration
  - d. Data Retention – 15 months Operational On-line Data
2. National Pharmacy Network Services
  - a. Administration of the National Pharmacy Network
  - b. Pharmacy Help Desk
3. Pharmaceutical Manufacturer Rebate Services (PBM Standard Formulary only)
  - a. Management and Administration of Pharmaceutical Rebate Program
4. Clinical Services
  - a. Concurrent Drug Utilization Review (DUR)
5. Plan Design Administration
  - a. Plan Design Development, Setup and Administration
6. Client & Member Services
  - a. Member Services Help Desk
  - b. Administrative overrides to plan benefit (*Additional charge will apply for specialty pharmacy when BrioVaRx is not the exclusive specialty provider.*)
  - c. Account Management
  - d. Implementation Support
  - e. Standard Reporting Package
7. ID Cards Production & Mailing
  - a. Standard Member Communication, e.g., Welcome Letter with ID Cards (initial mailing at time of program activation included, fees for subsequent mailings on Exhibit C)
  - b. Standard Replacement Card Carrier (fees for mailings on Exhibit C)
8. Online Client Access to Member Eligibility
  - a. Verifying, Entering or updating member eligibility
  - b. Viewing member claims history
9. Online Standard Reporting (for up to 2 users at no additional charge)
10. Online Member Website Access
  - a. Member web site for access to general and plan-specific information
11. Mail Service and Specialty Pharmacy
  - a. Postage included (additional charges may apply for express shipments)

**EXHIBIT C**

**CLAIMS ADMINISTRATION AND OTHER FEES**

A. **Service Fees.** Client will pay PBM for the services provided herein pursuant to the following table:

| Pass Through*   |   |
|---|---|
| <b>Administrative Fees- Yrs 1,2,3</b>   |   |
| <b>Base Fees</b>  | Retail 30: \$1.25 Per Net Paid Claim<br>Retail 90: \$1.25 Per Net Paid Claim<br>Mail Service: \$1.25 Per Net Paid Claim<br>Specialty: \$1.25 Per Net Paid Claim |
| <b>Paper Claim Fees</b>   | \$2.50 Per Paper Claim plus the Base Administrative Fee   |
| Retail 30 Pharmacy Network  |   |
| <b>Retail Pricing- Yrs 1,2,3</b>  |   |
| <b>Brand Drugs</b>  | Lower of U&C or AWP minus 15.0% plus \$1.30 dispensing fee  |
| <b>Generic MAC Drugs</b>  | Lower of U&C, Catamaran MAC plus \$1.30 dispensing fee  |
| <b>Non-MAC Generic Drugs</b>  | Lower of U&C or AWP minus 15.0% plus \$1.30 dispensing fee  |
| <b>Effective Overall Generic Guarantee (ingredient cost)</b>  | AWP minus 75.00%  |
| Retail 90 (>83 day supply) Pharmacy Network   |   |
| <b>Retail 90 Pricing- Yrs 1,2,3</b>   |   |
| <b>Brand Drugs</b>  | Lower of U&C or AWP minus 18.5% plus \$0.00 dispensing fee  |
| <b>Generic MAC Drugs</b>  | Lower of U&C, Catamaran MAC plus \$0.00 dispensing fee  |
| <b>Non-MAC Generic Drugs</b>  | Lower of U&C or AWP minus 18.5% plus \$0.00 dispensing fee  |
| <b>Effective Overall Generic Guarantee (ingredient cost)</b>  | AWP minus 76.00%  |
| Mail Service Pharmacy   |   |
| <b>Mail Pricing- Yrs 1,2,3</b>  |   |
| <b>Brand Drugs</b>  | AWP minus 22.0% plus \$0.00 dispensing fee  |
| <b>Generic MAC Drugs</b>  | Catamaran MAC plus \$0.00 dispensing fee  |
| <b>Generic Non-MAC Drugs</b>  | AWP minus 22.0% plus \$0.00 dispensing fee  |
| <b>Effective Overall Generic Guarantee (ingredient cost)</b>  | AWP minus 79.50%  |
| Specialty - Open Network  |   |
| See Specialty Pricing Schedule for Individual Drug Level Pricing Information- Disp. Fees are \$2.50 |   |
| Rebates (2 Tier, National)  |   |
| <b>Rebates- Yrs 1,2,3</b>   |   |
| <b>Retail 30 Fixed</b>  | \$22.00 Rebates Per Net Paid Brand Claim  |
| <b>Retail 90 Fixed</b>  | \$60.00 Rebates Per Net Paid Brand Claim  |
| <b>Mail Fixed</b>   | \$90.00 Rebates Per Net Paid Brand Claim  |

*\*Experience for specific network pharmacies may differ. These rates represent the average net effective rate for the overall network. Client will be charged actual rates.*

1. Under the Pass Through Pricing Model, Client shall pay the actual retail pharmacy rates paid by PBM for prescriptions electronically processed and dispensed to a Member through PBM's retail pharmacy network, which are estimated to be the rates set forth above.
2. The discounts and the dispensing fees set forth above shall be measured annually over the initial three (3) year term of the Agreement, and thereafter annually over successive one (1) year terms. Each line-item discount category above is individually guaranteed, and shall be measured solely with respect to the charges applicable to that category; excess discounts in one line-item

category cannot be credited to another category for purposes of satisfying the guarantee applicable to the other category. Any credits due to Client relating to guarantees set forth above shall be issued ninety (90) days after the measurement period. Compounds, Specialty claims, 340B claims, Indian Health Services and/or Tribal claims, Direct Member Reimbursement Claims, Coordination of Benefit Claims, Long Term Care claims, Home Infusion claims and claims with ancillary charges such as Vaccines will be excluded from the calculation. Additionally, claims filled outside the PBM National Network shall be excluded from this calculation. Certain conditions such as pharmacies with "Most Favored Nations pricing" obligations, remote area pharmacies, in-house or Client-owned pharmacies, and Client requests for additions to a selected network may result in a rate change or differential with respect to the affected pharmacy(ies) that will be passed on to Client, plus an administrative fee. Notwithstanding anything in this Agreement to the contrary, the financial guarantees set forth above apply only if Client has received PBM's services for a full calendar year. Furthermore, if this Agreement is terminated prior to the end of a given contract year, then PBM is not required to meet the financial guarantees set forth above.

3. The Eligible Member will pay the lower (i) of Eligible Member Copayment, (ii) pharmacy contracted rate, plus dispensing fee; (iii) or the pharmacy's Usual and Customary charge for the product.
4. PBM may, from time to time, receive reimbursement from pharmacies for its costs in connection with transmitting claims and discounts on its own behalf from wholesalers and manufacturers as a purchaser of pharmaceutical products for its mail service and specialty pharmacies.
5. PBM compensation for its services shall be the Claims Administration Fees set forth above and a fee in an amount agreed to by the parties for any additional services authorized by Client.
6. "Net Paid Claim" means all paid Claims minus reversals for a single prescription fill.
7. A minimum charge of \$7.99 shall apply for all mail service orders.
8. "Single source generics" or "Non-MAC generics" are generic drugs that have either recently come off patent and do not generate discounts traditionally delivered by generic drugs, or have an exclusive pharmaceutical manufacturer. For purposes of pricing, brand drug pricing will apply to single source generics and non-MAC generic drugs, unless otherwise specified above. Single source generics will be included in the overall generic drug guarantee.
9. The effective overall generic discount rate is the only generic rate guaranteed for purposes of retail and mail service pharmacy rates.
10. PBM negotiates rebates based on market share over its aggregate book of business and not on behalf of any client. Rebates shall be based upon net paid brand claims submitted on behalf of Client, allocable to Client. The two-tier rebate guarantees above apply to all qualified two-tier plan designs, and three tier plan designs with less than a \$15 differential between preferred and non-preferred brands and compliance with PBM's National formulary. PBM and affiliated or unaffiliated third party contractors may retain reasonable administrative fees for its role in securing Rebates. PBM may withhold Rebates until this Agreement is signed.
11. For the purposes of this Agreement, "Rebates" means retrospective discounts or other payments based upon the utilization of a pharmaceutical manufacturer's Brand Drug pursuant to a valid prescription and exclusive of services fees, and purchase discounts. PBM shall retain other earned revenue which is deemed separate and apart from "Rebates".
12. PBM may pay a commission or other remuneration (e.g., fees to compensate for costs of administration) to a broker, consultant or administrator in connection with this Agreement, which

commission or other remuneration may vary depending on plan design or other factors, and the Client acknowledges and expressly consents to the payment of said commission or other remuneration. Information regarding said commission or other remuneration will be provided by PBM upon written request.

13. Effective date of any changes to rebate arrangements shall be at the beginning of a calendar quarter following the Implementation Date of this Agreement.
14. PBM specialty pharmacies shall be specialty providers under this Agreement and Client Members shall utilize PBM specialty pharmacies and other specialty providers. Additionally, Client Members may utilize any retail pharmacy in the PBM National Network for Specialty Drugs. Specialty dispensing fees and Specialty Drug pricing shall apply for any Specialty Drugs filled at retail and mail. The provided Specialty Drug List may be updated from time to time.]
15. PBM reserves the right to modify or amend the financial provisions of this Agreement upon prior notice to Client in the event of (a) any government imposed change in federal, state or local laws or interpretation thereof or industry wide change that would make PBM's performance of its duties hereunder materially more burdensome or expensive, including changes made to the AWP benchmark or methodology; (b) a change in the scope of services to be performed under this Agreement upon which the financial provisions included in this Agreement are based, including a change in the plan design and the exclusion of a service line (ie. retail, mail, specialty) from Client's service selection; (c) a reduction of greater than twenty percent (20%) in the total number of members from the number provided to PBM during pricing negotiations upon which the financial provisions included in this Agreement are based; (d) unexpected movement of a branded product to off-patent or where there are generic or over-the-counter substitutes available; (e) implementation or addition of one hundred percent (100%) Member paid plans; or (f) any substantive change in Client's formulary, which may impact Rebates from Covered Manufacturers.

**B. Additional Services.** Certain services as indicated below are not included in the standard Administrative Fee and are available for an additional charge. This is not an inclusive list. PBM may charge for any products or services not specifically represented herein.

**General Ancillary Services**

|  |  |
|--|--|
| Group Set Up Fees  | Included   |
| Member Communication – Printing  | Included   |
| Member Communication – Mailing   | Postage, shipping & handling   |
| On-line Access / Query   | \$250 per month/user   |
| On-line Access / Reports   | \$150 per month/user   |
| Ad Hoc Reports / Custom Reporting  | \$150 per hour   |
| Member/Participant ID Cards – Replacements<br>(Note: Initial ID Cards are included in the financial offer. However, postage, shipping & handling for initial ID Cards is not.) | \$1.00 per ID Card for standard card w/ logo plus postage, shipping & handling |
| Manual Eligibility Maintenance   | \$0.50 per record  |
| Explanation of Benefits (EOB)  | \$2.00 plus postage  |
| Audit Administration (Desktop)   | 25% of recovered amount  |
| Audit Administration (On-site)   | 25% of recovered amount  |
| Coordination of Benefits   | NC if standard / Enhanced priced as % of savings                               |

**Specialty Pharmacy Miscellaneous**

|   |   |
|---|---|
| 24-hour Call Center support for participant calls | Included                                      |
| Postage   | Included                                      |
| Prior Authorization Administrative Overrides      | No charge when sole source specialty provider |

## EXHIBIT D

### **BUSINESS ASSOCIATE AGREEMENT**

This Business Associate Agreement ("BAA") is incorporated into and made part of the services agreements (collectively, the "Agreement"), by and between **OptumRx PBM of Wisconsin, LLC**, on behalf of itself and its subsidiaries and affiliates ("Business Associate"), and **City of Irwindale** ("Covered Entity"), that involve the use or disclosure of PHI (as defined below). The parties agree as follows.

#### **1. DEFINITIONS**

1.1 All capitalized terms used in this BAA not otherwise defined herein have the meanings established for purposes of the Health Insurance Portability and Accountability Act of 1996 and its implementing regulations, as amended and supplemented (collectively, "HIPAA").

1.2 "Breach" means the acquisition, access, use or disclosure of PHI in a manner not permitted by the Privacy Rule that compromises the security or privacy of the PHI, subject to the exclusions in 45 C.F.R. § 164.402.

1.3 "PHI" means Protected Health Information, as defined in 45 C.F.R. § 160.103, and is limited to the Protected Health Information received from, or received, created, maintained or transmitted on behalf of, Covered Entity.

1.4 "Privacy Rule" means the federal privacy regulations, and "Security Rule" means the federal security regulations, as amended, issued pursuant to HIPAA and codified at 45 C.F.R. Parts 160 and 164 (Subparts A, C & E).

1.5 "Services" means the services provided by Business Associate to Covered Entity to the extent they involve the receipt, creation, maintenance, transmission, use or disclosure of PHI.

**2. RESPONSIBILITIES OF BUSINESS ASSOCIATE.** With regard to its use and/or disclosure of PHI, Business Associate agrees to:

2.1 not use and/or further disclose PHI except as necessary to provide the Services, as permitted or required by this BAA and in compliance with the applicable requirements of 45 C.F.R. § 164.504(e), or as Required by Law; provided that, to the extent Business Associate is to carry out Covered Entity's obligations under the Privacy Rule, Business Associate will comply with the requirements of the Privacy Rule that apply to Covered Entity in the performance of those obligations.

2.2 implement and use appropriate administrative, physical and technical safeguards and comply with applicable Security Rule requirements with respect to ePHI, to prevent use or disclosure of PHI other than as provided for by this BAA.

2.3 without unreasonable delay, report to Covered Entity (i) any use or disclosure of PHI not provided for in this BAA and/or (ii) any Security Incident of which Business Associate becomes aware in accordance with 45 C.F.R. § 164.314(a)(2)(i)(C). For the purposes of reporting under this BAA, a reportable "Security Incident" shall not include unsuccessful or inconsequential incidents that do not represent a material threat to confidentiality, integrity or availability of PHI (such as scans, pings, or unsuccessful attempts to penetrate computer networks).

2.4 report to Covered Entity within ten business days: (i) any Breach of Unsecured PHI of which it becomes aware in accordance with 45 C.F.R. § 164.504(e)(2)(ii)(C). Business Associate shall provide to Covered Entity a description of the Breach and a list of Individuals affected (unless Covered Entity is a plan sponsor ineligible to receive PHI). Business Associate shall provide required notifications to Individuals and the Media and Secretary, where appropriate, in accordance with the Privacy Rule and with Covered Entity's approval of the notification text. Business Associate shall pay for the reasonable and actual costs associated with those notifications and with credit monitoring, if appropriate.

2.5 in accordance with 45 C.F.R. § 164.502(e)(1)(ii) and 45 C.F.R. § 164.308(b)(2), ensure that any

subcontractors of Business Associate that create, receive, maintain or transmit PHI on behalf of Business Associate agree, in writing, to the same restrictions on the use and/or disclosure of PHI that apply to Business Associate with respect to that PHI, including complying with the applicable Security Rule requirements with respect to ePHI.

2.6 make available its internal practices, books and records relating to the use and disclosure of PHI to the Secretary for purposes of determining Covered Entity's compliance with the Privacy Rule, in accordance with 45 C.F.R. § 164.504(e)(2)(ii)(I).

2.7 within ten business days after receiving a written request from Covered Entity or an Individual, make available to Covered Entity or an Individual information necessary for an accounting of disclosures of PHI about an Individual, in accordance with 45 C.F.R. § 164.528.

2.8 provide access to Covered Entity or an Individual, within ten business days after receiving a written request from Covered Entity or an Individual, to PHI in a Designated Record Set about an Individual, sufficient for compliance with 45 C.F.R. § 164.524.

2.9 to the extent that the PHI in Business Associate's possession constitutes a Designated Record Set, make available, within ten business days after a written request by Covered Entity or an Individual, PHI for amendment and incorporate any amendments to the PHI as requested in accordance with 45 C.F.R. § 164.526.

**3. RESPONSIBILITIES OF COVERED ENTITY. Covered Entity:**

3.1 shall identify the records it furnishes to Business Associate that it considers to be PHI for purposes of the Agreement, and provide to Business Associate only the minimum PHI necessary to accomplish the Services.

3.2 in the event that the Covered Entity honors a request to restrict the use or disclosure of PHI pursuant to 45 C.F.R. § 164.522(a) or makes revisions to its notice of privacy practices of Covered Entity in accordance with 45 C.F.R. § 164.520 that increase the limitations on uses or disclosures of PHI or agrees to a request by an Individual for confidential communications under 45 C.F.R. § 164.522(b), Covered Entity agrees not to provide Business Associate any PHI that is subject to any of those restrictions or limitations, unless Covered Entity notifies Business Associate of the restriction or limitation and Business Associate agrees in writing to honor the restriction or limitation.

3.3 shall be responsible for using administrative, physical and technical safeguards to maintain and ensure the confidentiality, privacy and security of PHI transmitted to Business Associate pursuant to the Agreement, in accordance with the requirements of HIPAA.

3.4 shall obtain any consent or authorization that may be required by applicable federal or state laws prior to furnishing Business Associate the PHI for use and disclosure in accordance with this BAA.

3.5 if Covered Entity is an employer sponsored health plan, Covered Entity represents that to the extent applicable, it has ensured and has received certification from the applicable Plan Sponsor that the Plan Sponsor has taken the appropriate steps in accordance with 45 C.F.R. § 164.504(f) and 45 C.F.R. § 164.314(b) to enable Business Associate on behalf of Covered Entity to disclose PHI to Plan Sponsor, including but not limited to amending its plan documents to incorporate the requirements set forth in 45 C.F.R. § 164.504(f)(2) and 45 C.F.R. § 164.314(b). Covered Entity shall ensure that only employees authorized under 45 C.F.R. § 164.504(f) shall have access to the PHI disclosed by Business Associate to Plan Sponsor.

**4. PERMITTED USES AND DISCLOSURES OF PHI. Business Associate may:**

4.1 use and disclose PHI as necessary to provide the Services to Covered Entity.

4.2 use and disclose PHI for the proper management and administration of Business Associate or to carry out the legal responsibilities of Business Associate, provided that any disclosures are Required by Law or any third party to which Business Associate discloses PHI provides written assurances that: (i) the information will be held confidentially and used or further disclosed only for the purpose for which it was disclosed to the third party or as Required by Law; and (ii) the third party promptly will notify Business

Associate of any instances of which it becomes aware in which the confidentiality of the information has been breached, in accordance with 45 C.F.R. § 164.504(e)(4).

4.3 De-identify any PHI received or created by Business Associate under this BAA in accordance with the Privacy Rule.

4.4 provide Data Aggregation services relating to the Health Care Operations of the Covered Entity in accordance with the Privacy Rule.

4.5 use PHI for Research projects conducted by Business Associate, its Affiliates or third parties, in a manner permitted by the Privacy Rule, by obtaining documentation of individual authorizations, an Institutional Review Board, or a privacy board waiver that meets the requirements of 45 C.F.R. § 164.512(i)(1), and providing Covered Entity with copies of such authorizations or waivers upon request.

4.6 make PHI available for reviews preparatory to Research in accordance with the Privacy Rule at 45 C.F.R. § 164.512(i)(1)(ii).

4.7 use the PHI to create a Limited Data Set ("LDS") and use or disclose the LDS for the health care operations of the Covered Entity or for Research or Public Health purposes as provided in the Privacy Rule.

4.8 use and disclose PHI for Covered Entity's health care operations purposes in accordance with the Privacy Rule.

**5. TERMINATION**

5.1 Covered Entity may terminate this BAA and the Agreement if Business Associate materially breaches this BAA, Covered Entity provides written notice of the breach to Business Associate, and Business Associate fails to cure the breach within the reasonable time period set by Covered Entity.

5.2 Within thirty (30) days after the expiration or termination for any reason of the Agreement and/or this BAA, Business Associate shall return or destroy all PHI, if feasible to do so, including all PHI in possession of Business Associate's subcontractors. In the event that return or destruction of the PHI is not feasible, Business Associate may retain the PHI subject to this Section 5.2. Business Associate shall extend any and all protections, limitations and restrictions contained in this BAA to Business Associate's use and/or disclosure of any PHI retained after the expiration or termination of the Agreement and/or this BAA, and shall limit any further uses and/or disclosures solely to the purposes that make return or destruction of the PHI infeasible.

**6. MISCELLANEOUS.** The terms of this BAA shall be construed to allow Covered Entity and Business Associate to comply with HIPAA. Nothing in this Addendum shall confer upon any person other than the parties and their respective successors or assigns, any rights, remedies, obligations or liabilities whatsoever. Sections 4 and 5.2 shall survive the expiration or termination of this BAA for any reason.

**7. NOTICES.** Notwithstanding the notice provision in the Agreement, all notices given in connection with this BAA shall be made to the following:

To Covered Entity:

Address: \_\_\_\_\_

Phone Number: \_\_\_\_\_

Email Address: \_\_\_\_\_

To Business Associate:

Address: 1600 McConnor Parkway,  
Schaumburg, IL 60173

Email Address: [privacy@optum.com](mailto:privacy@optum.com)

City of Irwindale  
March 11, 2016

## MEMORANDUM

**To:** City of Irwindale  
**From:** Daljit Johl, Pharm.D.  
Stephen E. Murphy, CEBS, MSHRM  
**Date:** March 11, 2016  
**Re:** Resident Pharmacy Program

---

On behalf of the City of Irwindale, Segal Consulting conducted an analysis of the Resident Pharmacy Program to identify opportunities for improvements in financial efficiency in order to extend the viability of the program. Our review identified the following immediate and long-term savings opportunities.

### Immediate:

#### ➤ Direct Contracting

The City currently contracts with OptumRx (Catamaran prior to acquisition) for pharmacy benefit services through Superior Administrators. Our recent analysis of proposals submitted by multiple Pharmacy Benefit Managers (PBMs) concluded that the improved terms offered by OptumRx would deliver the highest overall cost savings. However, due to the expenses charged by Superior Administrators (over \$33,000 in annual administrative fees and commissions, plus 30 percent of pharmacy manufacturer rebates) the savings to the City are reduced considerably. By eliminating Superior Administrators and transferring eligibility directly to OptumRx, Irwindale's Resident Pharmacy Program could save nearly \$100,000 in the first contract year (due to savings in administrative fees and retention of 100 percent of earned rebates).

#### ➤ Copay Changes

Based on program utilization during 2015, OptumRx estimates that alignment of prescription drug copayments for participants 50 years and older with the copayments for the other plan participants could save the City between \$54,000 and \$147,000 annually.

### Long-Term:

#### ➤ Coordination of Benefits

While the financial impact of implementing a Coordination of Benefits (COB) provision could not be calculated due to data limitations, COB could incrementally extend the funds dedicated to the Resident Pharmacy Program by reimbursing claims as

a secondary payer. In order for OptumRx to implement and administer a COB provision, the City's eligibility file will need to include the following information:

- Is the City's coverage primary or secondary (for each participant)?
- If the City's coverage is primary, what is the effective date of coverage?
- If the City's coverage is secondary, what is the effective date and end date of coverage, if known?
- Alternative Insurance Flag (D=Dual Coverage, N=No, X=Additional Coverage, Y=Yes, 0=Additional Coverage; OptumRx anticipates the City would primarily use a Y (Yes) or N (No) as the alternative insurance flag)

➤ Provider Network Alternatives

After an analysis of retail pharmacy utilization and prescription drug claims volume, OptumRx concluded that a limited retail pharmacy network would not yield any significant savings. In addition, a limited network could result in participant dissatisfaction due to pharmacy network restrictions.

➤ Prescription Drug Formulary

A drug formulary consists of prescription drugs, both generic and brand name, used by providers to dispense drugs that offer the greatest overall therapeutic and economic value. PBMs utilize committees of physicians, nurse practitioners, and pharmacists to evaluate and make changes to their formularies. The City has the choice to select an alternative prescription drug formulary in the future, to help manage program costs. While reducing costs to the City, changing to a more managed formulary may cause participant disruption, however, OptumRx can mitigate disruption with advanced notification to affected participants and their providers.

We look forward to working with the City in the future to assist in the management of prescription drug trend.

cc: Theresa Olivares

Successor Agency Agenda

IRWINDALE CITY COUNCIL CHAMBER  
5050 N. IRWINDALE AVENUE  
IRWINDALE, CALIFORNIA 91706

Item No. 1A1  
September 14, 2016

AUGUST 24, 2016  
WEDNESDAY  
5:33 P.M.

The Irwindale **SUCCESSOR AGENCY TO THE IRWINDALE COMMUNITY REDEVELOPMENT AGENCY** met in regular session at the above time and place.

**ROLL CALL:** Present: Councilmembers Larry G. Burrola, H. Manuel Ortiz; Mayor Pro Tem Albert F. Ambriz; Mayor Mark A. Breceda

Absent: Councilmember Manuel R. Garcia

Also present: John Davidson, City Manager; Fred Galante, City Attorney; Anthony Miranda, Police Chief; Eva Carreon, Director of Finance; William Tam, Director of Public Works / City Engineer; Gus Romo, Director of Community Development; Mary Hull, Human Resources Manager, and Laura Nieto, Deputy City Clerk

**RECESS TO  
CLOSED SESSION**

At 5:33 p.m., the Successor Agency recessed to Closed Session to discuss the following:

Conference with Real Property Negotiators  
Pursuant to California Government Code Section 54956.8

Property: 2424 Mountain Avenue  
8534-001-901

Negotiating Parties: Successor Agency and IMD Enterprises, LLC  
Under Negotiation: Price and terms

ACTION: Discussion held, direction provided, no further reportable action taken

**RECONVENE IN  
OPEN SESSION**

At 7:55 p.m., the Successor Agency convened in Open Session.

**SPONTANEOUS  
COMMUNICATIONS**

There were no speakers.

**CONSENT CALENDAR**

**MOTION**

A motion was made by Mayor Pro Tem Ambriz, seconded by Mayor Breceda, to approve the Consent Calendar; reading resolutions and ordinances by title only and waiving further reading thereof. The motion was unanimously approved; Mayor Breceda abstaining on Item No. 1C; Councilmember Garcia absent.

**ITEM NO. 1A1  
MINUTES**

**MINUTES**

The following minutes were approved:

- 1) Regular meeting held August 10, 2016

ITEM NO. 1B  
WARRANTS

WARRANTS

The warrants were approved.

ITEM NO. 1C  
PURCHASE AND SALE  
AGREEMENT FOR  
ACQUISITION AND  
DEVELOPMENT OF  
THE PROPERTY  
LOCATED AT 15768  
ARROW HIGHWAY

PURCHASE AND SALE AGREEMENT (PSA) FOR ACQUISITION  
AND DEVELOPMENT OF THE PROPERTY LOCATED AT 15768  
ARROW HIGHWAY (APN 8417-035-902)

This item was continued to the regular meeting of September 14,  
2016.

**END OF CONSENT CALENDAR**

ADJOURNMENT

There being no further business to conduct, the meeting was  
adjourned at 7:55 p.m.

---

Laura M. Nieto, CMC  
Deputy City Clerk

Successor Agency Agenda

Item No. 1B

September 14, 2016

Accounts Payable

Checks by Date - Summary By Check Number

City of Irwindale as Successor Agency to the  
Irwindale Community Redevelopment Agency



| Check Number | Vendor No | Vendor Name                | Check Date    | Check Amount |
|--------------|-----------|----------------------------|---------------|--------------|
| 60331        | ROSENO    | Rosenow Spevacek Group Inc | 08/18/2016    | 7,080.37     |
|              |           |                            | Report Total: | 7,080.37     |

Accounts Payable

Checks by Date - Summary By Check Number

**City of Irwindale as Successor Agency to the  
Irwindale Community Redevelopment Agency**



| Check Number | Vendor No | Vendor Name                | Check Date    | Check Amount |
|--------------|-----------|----------------------------|---------------|--------------|
| 60333        | ROSENO    | Rosenow Spevacek Group Inc | 08/22/2016    | 2,112.50     |
|              |           |                            | Report Total: | 2,112.50     |

## AGENDA REPORT

Date: September 14, 2016

To: Honorable Chair and Members of the Successor Agency

From: John Davidson, Executive Director

Issue: PURCHASE AND SALE AGREEMENT (PSA) FOR ACQUISITION AND DEVELOPMENT OF THE PROPERTY LOCATED AT THE 15768 ARROW HIGHWAY SITE (APN: 8417-035-902)

### Executive Director's Recommendation:

*That the Successor Agency to the Irwindale Community Redevelopment Agency (Successor Agency) continue this item to the regular meeting of September 28, 2016.*

### Background:

This item was originally scheduled for the August 24, 2016 Successor Agency meeting, but was continued to the September 14, 2016 meeting. Public Works staff is reviewing easement documents related to the proposed street connection between Hidalgo and Juarez Streets and needs additional time to complete their review.

### Fiscal Impact:

None at this time. Analysis to be provided at September 28, 2016 meeting.

Fiscal Impact:  (Initial of CFO)

Legal Impact: *\*Approved electronically on 9/7/16* (Initial of Legal Counsel)

Contact Person: Gus Romo, Community Development Director  
626.430.2206  
gromo@irwindaleca.gov

  
John Davidson, Executive Director

HOUSING AGENDA  
ITEM   1A1  

IRWINDALE CITY COUNCIL CHAMBER  
5050 N. IRWINDALE AVENUE  
IRWINDALE, CALIFORNIA 91706

SEP 14 2016

AUGUST 24, 2016  
WEDNESDAY  
5:33 P.M.

The Irwindale **HOUSING AUTHORITY** met in regular session at the above time and place.

**ROLL CALL:** Present: Authority Members Larry G. Burrola, H. Manuel Ortiz;  
Vice Chair Albert F. Ambriz; Chair Mark A. Breceda

Absent: Authority Member Manuel R. Garcia

Also present: John Davidson, Executive Director; Fred Galante, Authority Attorney; Eva Carreon, Finance Director; Anthony Miranda, Chief of Police; William Tam, Director of Public Works / City Engineer; Gus Romo, Director of Community Development; Mary Hull, Human Resources Manager; and Laura Nieto, Assistant Authority Secretary

**RECESS TO  
CLOSED SESSION**

At 5:33 p.m., the Housing Authority recessed to Closed Session to discuss the following:

Conference with Real Property Negotiators  
Pursuant to California Government Code Section 54956.8

Property: 2428 Mountain Avenue  
Negotiating Parties: IMD Development and Housing Authority  
Under Negotiation: Price and terms of sale

**ACTION:** Discussion held, direction provided, no further reportable action taken

*Property: 16023 Peppertree Lane\**  
*Negotiating Parties: Housing Authority and Robert Gonzales*  
*Under Negotiation: Price and terms*

**ACTION:** *Direction provided; no further reportable action taken (Authority Member Garcia absent; Vice Chair Ambriz abstained and did not participate in the discussion)*

*\* A motion was made by Chair Breceda, seconded by Authority Member Ortiz, to add this matter to the Closed Session agenda, noting that the item arose subsequent to the posting of the agenda. The motion was unanimously approved; Authority Member Garcia absent.*

**RECONVENE IN  
OPEN SESSION**

At 7:56 p.m., the Housing Authority convened in Open Session.

**SPONTANEOUS  
COMMUNICATIONS**

AL CONTRERAS Al Contreras spoke on the work that the Valley County Water District has been performing on a property on Hidalgo.

**CONSENT CALENDAR**

MOTION A motion was made by Authority Member Ortiz, seconded by Chair Breceda, to approve the Consent Calendar; reading resolutions and ordinances by title only and waiving further reading thereof. The motion was unanimously approved; Chair Breceda abstaining on Item No. 1B.

**ITEM NO. 1A1  
MINUTES**

**MINUTES**

The following minutes were approved:

- 1) Regular meeting held August 10, 2016

**ITEM NO. 1B  
VALLEY COUNTY  
WATER DISTRICT  
DEVELOPMENT  
AGREEMENT –  
15000 E. HIDALGO  
STREET**

**VALLEY COUNTY WATER DISTRICT DEVELOPMENT  
AGREEMENT – 15000 E. HIDALGO STREET**

**RESOLUTION NO.  
HA 2016-06-509  
ADOPTED**

**Resolution No. HA 2016-06-509, entitled:**

“A RESOLUTION OF THE IRWINDALE HOUSING AUTHORITY AUTHORIZING A DEVELOPMENT AGREEMENT WITH VALLEY COUNTY WATER DISTRICT FOR INSTALLATION OF WATER MAIN AND FIRE HYDRANT TO BE LOCATED AT 15000 E. HIDALGO STREET,” was adopted, reading by title only and waiving further reading thereof, and the Executive Director was authorized to execute the Development Agreement, subject to review and approval as to form by the Authority Attorney; Chair Breceda abstaining.

**END OF CONSENT CALENDAR**

**NEW BUSINESS**

**ITEM NO. 2A  
UPDATE ON MAYANS  
HOUSING PROJECT**

UPDATE ON MAYANS HOUSING PROJECT (Requested by Ortiz, Verbal)

HOUSING  
COORDINATOR  
OLIVARES

Housing Coordinator Olivares presented a verbal update on the project:

- 1) A groundbreaking ceremony was held on June 18.
- 2) Four rehabilitated units have been sold and their owners are currently occupying the units.
- 3) The next phase, which consists of 11 units, will possibly have their grading work begin within the next two weeks.
- 4) The developer has pulled a demolition permit for the Juarez and Hidalgo properties, with the work to begin the week of September 5.
- 5) The Juarez property needs some environmental remediation work to be performed; this will be done as part of the demolition process.
- 6) She noted that she has requested that the developer take rodent-control measures, which have already been implemented.
- 7) Staff hopes that the 11 units will be completed by March 2017.
- 8) The developer will also be working on phase 2, which includes sites on Hidalgo and Nora. Staff is currently reviewing the final map for the Nora properties so that the final map could be recorded.
- 9) The Valley County Water District anticipates completing the installation of a new fire hydrant and a new main line by the end of 2016.
- 10) Staff anticipates beginning work on these six units in November, with completion around April of 2017.
- 11) Two additional properties are currently in escrow: one on Mountain and another on Irwindale Avenue.
- 12) The property on Irwindale Avenue has been cleaned and staff anticipates closing escrow within the next two weeks.
- 13) Regarding the property on Mountain: the property owner has indicated that the necessary remediation work has been completed. Staff is awaiting a closeout report, which will take about six weeks, after which escrow can close, which will take an additional 3 weeks approximately.
- 14) An addendum to the Disposition and Development Agreement with the developer will be necessary for the development of these two sites. After the agreement is approved, the developer anticipates that construction will take about seven months.

COUNCILMEMBER  
ORTIZ

Councilmember Ortiz asked about grading on the site at the corner of Irwindale Avenue and Calle Breceda, to which Housing Coordinator Olivares advised that the developer had begun grading work, but the city issued a stop order since it had not obtained a grading permit. Councilmember Ortiz noted that the program participants are very excited to see that the project is proceeding. He then asked about a vacant senior apartment Las Casitas, to which Housing Coordinator Olivares advised that staff is currently accepting applications for the unit.

COUNCILMEMBER  
BURROLA

Burrola expressed concern over the length of time and the amount of paperwork involved in this process, and asked whether the project can be expedited, to which Housing Coordinator Olivares advised that she has requested that the developer prepare to submit grading plans for the property on Nora even though it is not time to submit the final map for recordation. She added that the Nora property will be developed in conjunction with the Hidalgo properties.

**ADJOURNMENT**

There being no further business to conduct, the meeting was adjourned at 8:11 p.m.

---

Laura M. Nieto, CMC  
Assistant Authority Secretary

Reclamation Authority Agenda

Item No. 1A1

IRWINDALE CITY HALL COUNCIL CHAMBER  
5050 N. IRWINDALE AVENUE  
IRWINDALE, CALIFORNIA 91706

September 14, 2016

MARCH 9, 2016  
WEDNESDAY  
7:38 P.M.

The Irwindale RECLAMATION AUTHORITY met in regular session at the above time and place.

**ROLL CALL:** Present: Authority Members Larry G. Burrola, Manuel R. Garcia, H. Manuel Ortiz; Vice Chair Albert F. Ambriz; Chair Mark A. Breceda

Also present: John Davidson, Executive Director; Fred Galante, Authority Attorney; William Tam, Director of Public Works / City Engineer; Eva Carreon, Finance Director; Fred Galante, Authority Attorney; Anthony Miranda, Chief of Police; Gus Romo, Director of Community Development; Natalie Nocom, Acting Human Resources Manager; and Laura Nieto, Assistant Authority Secretary

**ANNOUNCEMENT**

ASSISTANT  
AUTHORITY  
SECRETARY NIETO

Assistant Authority Secretary Nieto announced the following:

"As required by Government Code Section 54954.3, members of the City Council are also members of the Reclamation Authority, which is concurrently convening with the City Council this evening and each Council Member is paid an additional stipend of \$300 for attending the Reclamation Authority meeting."

**SPONTANEOUS  
COMMUNICATIONS**

There were no speakers.

**CONSENT CALENDAR**

MOTION

A motion was made by Authority Member burrola, seconded by Authority Member Ortiz, to approve the Consent Calendar, reading resolutions by title only and waiving further reading thereof. The motion was unanimously approved.

**ITEM NO. 1A  
MINUTES**

MINUTES

The following minutes were approved:

1) Regular meeting held December 9, 2015

**ITEM NO. 1B  
2016 FIRST  
QUARTER MINING  
REPORT**

2016 FIRST QUARTER MINING REPORT

The 2016 First Quarter Mining Report was received and filed.

**END OF CONSENT CALENDAR**

**NEW BUSINESS**

**ITEM NO. 2A**  
COMPREHENSIVE  
ANNUAL FINANCIAL  
REPORT AND OTHER  
AUDIT REPORTS FOR  
THE FISCAL YEAR  
ENDED JUNE 30, 2015

COMPREHENSIVE ANNUAL FINANCIAL REPORT AND OTHER  
AUDIT REPORTS FOR THE FISCAL YEAR ENDED JUNE 30,  
2015 (Joint Item on Successor Agency, Housing Authority, and  
Reclamation Authority Agendas)

EXECUTIVE DIRECTOR  
DAVIDSON

Executive Director Davidson introduced Maria Luisa Valdez with  
Lance, Soll, and Lunghard. He indicated that the CAFR report shows  
the financial health of the city.

MARIA LUISA VALDEZ

Mrs. Valdez presented the CAFR report.

AUTHORITY MEMBER  
ORTIZ

Responding to several questions by Authority Member Ortiz, Mrs.  
Valdez advised that she has participated in the auditing of Irwindale  
for the past three years. She said that her firm had to look closely at  
the city's payroll and looks for any changes in the department, such  
as changes to management. Her firm looks at each fund and  
ensures that the necessary transfers are in place and performs  
samples of revenues and expenditures to ensure they are in line with  
the budget.

EXECUTIVE DIRECTOR  
DAVIDSON

Executive Director Davidson thanked the Finance Department,  
particularly Director Carreon, for their diligence and hard work.

MOTION

A motion was made by Vice Chair Ambriz, seconded by Authority  
Member Ortiz, to receive and accept the Comprehensive Annual  
Financial Report and other audit reports for the Fiscal Year ended  
June 30, 2015. The motion was unanimously approved.

**ITEM NO. 2B**  
OLIVE PIT PROJECT -  
ESTABLISHING A  
RECLAMATION FUND

OLIVE PIT PROJECT – ESTABLISHING A RECLAMATION FUND  
AND PROJECT OVERSIGHT (Joint Item on the City Council  
agenda)

DIRECTOR TAM

Director Tam discussed the staff report.

AUTHORITY ATTORNEY  
GALANTE

Authority Attorney Galante added that there are SMARA regulations  
in place to require independent oversight of pits when a  
governmental operator owns it. This is why this item is being created  
as a separate fund. He said that, though this action seems like it  
would cause a significant expenditure of funds, it is necessary to  
ensure that the pit is compacted properly and that roads stay

appropriately cleaned, and settle whatever may be a cause for concern from neighbors and the city.

DIRECTOR TAM

Director Tam added that this allows for the creation of a budget for the Olive Pit oversight team in order to maintain transparency and to make a separation between normal funding sources for normal operations and project operations.

AUTHORITY MEMBER  
ORTIZ

Responding to a question by Authority Member Ortiz regarding whether the \$240,000 that will be set aside for 10 years will accrue interest, Director Tam advised that the funds will remain in place until the reclamation of the 32 acres is completed and development starts. The funding will go back to the Olive Pit project royalty funds and anything left from that funding will go to the General Fund reserves.

Authority Member Ortiz also asked about how the new team will be paid, to which Director Tam indicated that he would like to pay them from the Olive Pit project royalty fund. This team would cover the operations at the pit six days out of the week; one worker would work in the morning while the other would work in the afternoon. The funding from the royalty fund will first be set-aside for the operation of the Olive Pit oversight project, which would include auditing services and a legal budget to enforce the provisions of the agreements that have been executed. Anything remaining would transfer to the general fund reserves.

AUTHORITY ATTORNEY  
GALANTE

Authority Attorney Galante said that the amount being set aside is small compared to the royalties that will be deposited into the general fund.

AUTHORITY MEMBER  
ORTIZ

Authority Member Ortiz said that, while he is not opposed to hiring the new team since it is something that the city needs, his priority is to maximize the amount of money that can be deposited into the general fund. He suggested waiting to see if the oversight of the pit can be accomplished with existing staff.

DIRECTOR TAM

Director Tam stated that the existing SMARA enforcement team is not to be used to monitor the Olive Pit mining operations since it could raise potential conflicts. The intent of hiring the new workers would be to promote transparency and avoid conflicts that the state may question.

AUTHORITY ATTORNEY  
GALANTE

Authority Attorney Galante added that owners of pits have the incentive to ensure that the pits are compacted well. Operators have the opposite incentive; to quickly fill pits and leave. Even though United Rock has its own engineer, this would allow for city staff to oversee the work that they do. He added that the funding would get released to the mining fund once the pit is properly reclaimed.

AUTHORITY MEMBER  
BURROLA

Responding to several questions by Authority Member Burrola, Director Tam advised that the first royalty payment was received by the city about a month ago. Mining will not occur until the operator completes the construction of the access road, the design of which is being checked by the city. Staff anticipates that the final design review should take place within the next few weeks. Once that is completed, they can begin bringing in materials to start the construction of the access road along the southerly side of the pit. The commencement of the filling of the pit depends on availability of materials, but staff hopes that it can begin within eight to 10 months. Landscaping will proceed after construction is initiated. Once they begin, city staff will begin designing the retaining block wall along the easterly side. After the construction of the road, they will mine 50 acres along the easterly side of the pit, since that will be the future area of the reclamation parcel.

RESOLUTION NO.  
2016-10-2824  
ADOPTED

**Resolution No. 2016-10-2824**, entitled:

"A JOINT RESOLUTION OF THE CITY COUNCIL OF THE CITY OF IRWINDALE AND THE BOARD OF DIRECTORS OF THE IRWINDALE RECLAMATION AUTHORITY APPROPRIATING TWO HUNDRED AND FORTY THOUSAND DOLLARS AND NO CENTS (\$240,000) AND TRANSFERRING SAID AMOUNT FROM THE PROJECT ROYALTY FUND BALANCE TO THE IRWINDALE RECLAMATION AUTHORITY AND RESOLUTION OF THE IRWINDALE RECLAMATION AUTHORITY ACCEPTING THE SAID AMOUNT TO THE RECLAMATION FUND AS THE APPROPRIATE AMOUNT OF FINANCIAL ASSURANCES FOR THE RECLAMATION OF THE OLIVE PIT," was passed, approved, and adopted, (2) the establishment of a project oversight team to manage the day-to-day operations of the project, was authorized; and (3) the City Manager / Executive Director was directed to prepare the necessary budget to maintain the operation of this project until the full completion of said project, on the motion of Vice Chair Ambriz, seconded by Chair Breceda, and unanimously approved.

**ADJOURNMENT**

There being no further business to conduct, the meeting was adjourned at 7:39 p.m.

---

Laura M. Nieto, CMC  
Assistant Authority Secretary

Reclamation Authority Agenda

Item No. 1A2

IRWINDALE CITY HALL COUNCIL CHAMBER  
5050 N. IRWINDALE AVENUE  
IRWINDALE, CALIFORNIA 91706

September 14, 2016

JUNE 22, 2016  
WEDNESDAY  
8:06 P.M.

The Irwindale **RECLAMATION AUTHORITY** met in regular session at the above time and place.

**ROLL CALL:** Present: Authority Members Larry G. Burrola, Manuel R. Garcia, H. Manuel Ortiz; Vice Chair Albert F. Ambriz; Chair Mark A. Breceda

Also present: John Davidson, Executive Director; Fred Galante, Authority Attorney; William Tam, Director of Public Works / City Engineer; Eva Carreon, Finance Director; Fred Galante, Authority Attorney; Anthony Miranda, Chief of Police; Gus Romo, Director of Community Development; Mary Hull, Human Resources Manager; and Laura Nieto, Assistant Authority Secretary

**ANNOUNCEMENT**

ASSISTANT  
AUTHORITY  
SECRETARY NIETO

Assistant Authority Secretary Nieto announced the following:

"As required by Government Code Section 54954.3, members of the City Council are also members of the Reclamation Authority, which is concurrently convening with the City Council this evening and each Council Member is paid an additional stipend of \$300 for attending the Reclamation Authority meeting."

**SPONTANEOUS  
COMMUNICATIONS**

There were no speakers.

**CONSENT CALENDAR**

MOTION

A motion was made by Vice Chair Ambriz, seconded by Authority Member Burrola, to approve the Consent Calendar, reading resolutions by title only and waiving further reading thereof. The motion was unanimously approved.

**ITEM NO. 1A  
MINUTES**

MINUTES

No minutes for approval; no action necessary

**ITEM NO. 1B  
INVESTMENT POLICY  
REVIEW AND  
DELEGATION OF  
INVESTMENT  
AUTHORITY**

INVESTMENT POLICY REVIEW AND DELEGATION OF INVESTMENT AUTHORITY (Joint Item with City Council, Successor Agency, and Housing Authority)

RESOLUTION NO.  
RA 2016-03-017  
ADOPTED

**Resolution No. RA 2016-03-017**, entitled:

“A JOINT RESOLUTION OF THE CITY COUNCIL OF THE CITY OF IRWINDALE, SUCCESSOR AGENCY BOARD, HOUSING AUTHORITY BOARD, AND RECLAMATION AUTHORITY BOARD RATIFYING THE CITY OF IRWINDALE INVESTMENT POLICY, AND DELEGATING AUTHORITY TO THE CITY TREASURER TO INVEST THE SURPLUS FUNDS OF THE CITY OF IRWINDALE, IRWINDALE SUCCESSOR AGENCY, IRWINDALE HOUSING AUTHORITY, AND IRWINDALE RECLAMATION AUTHORITY,” was adopted.

**END OF CONSENT CALENDAR**

**ADJOURNMENT**

There being no further business to conduct, the meeting was adjourned at 8:06 p.m.

---

Laura M. Nieto, CMC  
Assistant Authority Secretary

September 14, 2016

**AGENDA REPORT**

Date: September 14, 2016

To: Honorable Chairman and Members of the Irwindale Reclamation Authority

From: John Davidson, Executive Director

Issue: 2016 THIRD QUARTER MINING REPORT OF TEN SMARA PITS

**Executive Director's Recommendation:**

That the Irwindale Reclamation Authority receive and file this report.

**Summary:**

- 1) The table below summarizes the estimated production of five SMARA pits currently conducting mining activities in the City.

| <b>Mine Site</b>     | <b>Estimated Production<br/>June 2016 through<br/>August 2016 (Tons)</b> | <b>Estimated Remaining<br/>Reserve (Tons)</b> |
|----------------------|--|---|
| Lehigh Hanson Pit    | 615,000  | 66.2M   |
| Peck Road Gravel Pit | 45,000   | 665K  |
| United Pit No. 3     | 228,190  | 3.6M  |
| Vulcan Reliance I    | 275,000  | 31.8M   |
| Vulcan Durbin        | 585,000  | 42.2M   |

- 2) A total of approximately one million seven hundred forty-eight thousand one hundred ninety (1,748,190) tons of material was produced during the reporting period from the five SMARA pits stated above, which is approximately 280,190 tons more than the previous quarter production reported.
- 3) Below is a summary of the current activities of the remaining four SMARA pits in the City.

| <b>Mine Site</b>  | <b>Status</b> | <b>Activity</b>             |
|-------------------|---------------|-----------------------------|
| United Pit No. 2  | Idle(IMP)     | South Slope Remediation     |
| United Pit No. 4  | Active        | Processing Plant            |
| JH Partners Pit   | Active        | Under reclamation           |
| Azusa Western Pit | Idle(IMP)     | Inactive                    |
| Olive Pit         | Active        | Access Road<br>Construction |

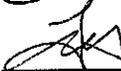
- 4) During the second quarter reporting period, reclamation activities were also being reported at three SMARA Pits. Below is a summary of the reclamation activities at these three SMARA Pits.

| Mine Site              | Estimated Fill Placed June 2016 through August 2016<br>(C.Y.) |
|------------------------|---|
| Lehigh Hanson Pit      | 147K  |
| Vulcan Reliance II Pit | 810K  |
| Vulcan Durbin Pit      | 20K   |

- 5) City Owned Olive Pit, CA Mine IS # 91-19-0052

The operator, United Rock Products, is at the final stage of grading the area adjacent to the Big Dalton Wash. This area is leased from the County Department of Public Works as a staging area during the initial phase of mining. After the completion of the grading at this location, the construction of the new access road along the southerly boundary of the pit will begin. It is anticipated that the construction of this access road will be completed in approximately 15 months.

**Fiscal Impact:**  (Initial of CFO) None.

**Legal Impact:**  (Initial of Legal Counsel) None.

**Prepared By:** Elizabeth Rodriguez, Interim Management Analyst **Phone:** (626) 430-2211

**Reviewed By:** William K. Tam, Public Works Director/City Engineer **Phone:** (626) 430-2212

  
John Davidson, Executive Director

September 14, 2016

**AGENDA REPORT**

*Date: September 14, 2016*  
*To: Reclamation Authority Board*  
*From: John Davidson, Executive Director*  
*Subject: Investment Quarterly Report – June 30, 2016*

**City Manager’s Recommendation:**

For the Reclamation Authority to receive and file the Investment Quarterly Report for June 30, 2016.

**Background:**

California Government Code Section 53646 requires that the City Treasurer submit a quarterly report of investments to the City Council/Boardmembers for review and compliance with the City’s adopted Investment Policy.

The City’s Investment Policy applies to all funds held by the City, Successor Agency, Housing Authority, and Reclamation Authority. These funds are pooled to produce a greater interest yield on investments. The Investment Report for the quarter ended June 30, 2016 was presented to the City Council, Successor Agency Board, and Housing Authority Board on July 27, 2016. The Reclamation Authority was not scheduled to meet on that date, and therefore it is appropriate to present the same Quarterly Investment Report to the Reclamation Authority during their next regularly scheduled meeting.

The attached investment report summarizes the City’s investments as of June 30, 2016. The report shows that funds are invested in the Local Agency Investment Fund (LAIF), certificates of deposits and federal agency securities. All investments are in compliance with the City’s adopted investment policy.

**Fiscal Impact**  (Initial of CFO) None.

**Legal Impact**  (Initial of Legal Counsel) None.

**Contact Person:** Eva Carreon, City Treasurer  
(626) 430-2221

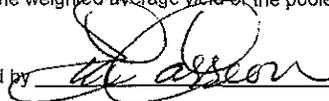
  
John Davidson, Executive Director

**CITY OF IRWINDALE  
SCHEDULE OF INVESTMENTS  
June 30, 2016**

| DESCRIPTION OF SECURITY                 | FACE VALUE<br>OR ORIGINAL<br>COST | CURRENT<br>YIELD TO<br>MATURITY | PURCHASE<br>DATE | MATURITY<br>DATE | MARKET<br>VALUE          | INVESTMENT<br>RATING |
|---|-----------------------------------|---------------------------------|------------------|------------------|--------------------------|----------------------|
| <b>CITY OF IRWINDALE INVESTMENTS</b>    |                                   |                                 |                  |                  |                          |                      |
| <b>MONEY MARKET FUNDS</b>               |                                   |                                 |                  |                  |                          |                      |
| LOCAL AGENCY INVESTMENT FUND (LAIF):    |                                   |                                 |                  |                  |                          |                      |
| ACCOUNT # 98-19-394 - CITY              | \$ 16,328,281                     | 0.58%                           |                  |                  | \$ 16,328,281            |                      |
| ACCOUNT # 25-19-004 - HOUSING AUTHORITY | 12,664,851                        | 0.58%                           |                  |                  | 12,664,851               |                      |
| ACCOUNT # 65-19-050 - SUCCESSOR AGENCY  | 11,138,923                        | 0.58%                           |                  |                  | 11,138,923               |                      |
| <b>CERTIFICATES OF DEPOSIT</b>          |                                   |                                 |                  |                  |                          |                      |
| CIT BANK SALT LAKE CITY UTAH            | 225,000                           | 1.80%                           | 08/17/11         | 08/17/16         | 225,347                  |                      |
| REPUBLIC BANK BOUNTIFUL UTAH            | 225,000                           | 1.70%                           | 08/19/11         | 08/19/16         | 225,331                  |                      |
| VERMILLION STATE BANK MN                | 225,000                           | 1.50%                           | 08/31/11         | 08/31/16         | 225,356                  |                      |
| LUANA SAVINGS BANK                      | 225,000                           | 1.50%                           | 09/02/11         | 09/02/16         | 225,367                  |                      |
| ALLY BANK                               | 240,000                           | 1.15%                           | 10/30/13         | 10/31/16         | 240,499                  |                      |
| BARCLAYS BANK DELAWARE                  | 240,000                           | 1.90%                           | 12/07/11         | 12/07/16         | 241,298                  |                      |
| EVERGREEN BANK GROUP                    | 240,000                           | 0.80%                           | 12/30/14         | 12/30/16         | 240,382                  |                      |
| TCB NATIONALBANK                        | 240,000                           | 0.80%                           | 12/31/14         | 01/03/17         | 240,293                  |                      |
| BANK OF BARODA                          | 240,000                           | 1.10%                           | 02/04/14         | 02/06/17         | 240,874                  |                      |
| CELTIC BANK                             | 240,000                           | 1.00%                           | 12/30/14         | 03/30/17         | 240,701                  |                      |
| STEARNS BANK NA                         | 240,000                           | 0.80%                           | 12/31/14         | 03/31/17         | 240,564                  |                      |
| INDEPENDENT BANK MEMPHIS                | 240,000                           | 1.00%                           | 12/30/14         | 06/30/17         | 240,636                  |                      |
| SYNOVUS BANK GA                         | 240,000                           | 1.10%                           | 12/30/14         | 06/30/17         | 240,826                  |                      |
| THIRD FED SAVINGS & LOAN                | 240,000                           | 1.40%                           | 11/27/13         | 11/27/17         | 242,417                  |                      |
| MEDALLION BK                            | 240,000                           | 1.25%                           | 12/28/15         | 12/28/17         | 241,025                  |                      |
| BRICKELL BANK CTF                       | 240,000                           | 1.20%                           | 12/31/15         | 12/29/17         | 241,027                  |                      |
| EAGLE BANK CTF                          | 240,000                           | 1.25%                           | 12/30/15         | 12/29/17         | 241,378                  |                      |
| FNB OF MCGREGOR TX                      | 240,000                           | 1.15%                           | 12/31/14         | 01/02/18         | 241,025                  |                      |
| FIRST NIAGARA BANK CTF                  | 240,000                           | 1.30%                           | 01/08/16         | 01/08/18         | 241,092                  |                      |
| LYONS NATIONAL BANK (LYNB)              | 240,000                           | 1.30%                           | 01/30/14         | 01/30/18         | 241,426                  |                      |
| MERCHANTS NATL BANK OH                  | 240,000                           | 1.60%                           | 11/27/13         | 06/27/18         | 243,816                  |                      |
| BANK OF THE CALIFORNIA                  | 240,000                           | 1.50%                           | 12/31/14         | 06/29/18         | 242,026                  |                      |
| MORTON COMMUNITY BANK (HCBCT)           | 240,000                           | 1.30%                           | 12/30/14         | 06/29/18         | 241,982                  |                      |
| COMPASS BANK CTF                        | 240,000                           | 1.55%                           | 12/31/15         | 07/02/18         | 242,546                  |                      |
| BMW BANK OF NORTH                       | 240,000                           | 2.10%                           | 10/25/13         | 10/25/18         | 245,093                  |                      |
| GE CAPITAL RETAIL BANK                  | 240,000                           | 2.15%                           | 10/25/13         | 10/25/18         | 245,916                  |                      |
| SALLIE MAE BANK                         | 240,000                           | 2.00%                           | 11/27/13         | 11/27/18         | 245,136                  |                      |
| WELLS FARGO BANK                        | 240,000                           | 1.55%                           | 12/30/15         | 12/31/18         | 243,773                  |                      |
| BELMONT BANK & TRUST                    | 240,000                           | 1.35%                           | 01/13/16         | 01/14/19         | 244,723                  |                      |
| GOLDMAN SACHS BANK                      | 240,000                           | 2.00%                           | 05/07/14         | 05/07/19         | 245,376                  |                      |
| BANK LIBERTY                            | 240,000                           | 1.50%                           | 12/30/15         | 06/28/19         | 240,166                  |                      |
| FARM BUREAU BANK (FARMBU)               | 240,000                           | 1.50%                           | 01/14/16         | 07/15/19         | 242,441                  |                      |
| AMERICAN EXPRESS                        | 240,000                           | 2.05%                           | 12/30/15         | 12/30/19         | 246,538                  |                      |
| CONNECTONE BK NJ                        | 240,000                           | 1.85%                           | 12/30/14         | 12/30/19         | 246,814                  |                      |
| GUARANTY BANK                           | 240,000                           | 1.80%                           | 12/29/15         | 12/30/19         | 246,094                  |                      |
| MB FINANCIAL BANK                       | 240,000                           | 1.60%                           | 01/08/16         | 01/08/20         | 247,438                  |                      |
| EAGLE BANK CTF                          | 240,000                           | 1.60%                           | 01/13/16         | 01/13/20         | 240,276                  |                      |
| CENTRAL BANK ILLINOIS                   | 240,000                           | 1.90%                           | 12/31/15         | 12/31/20         | 241,548                  |                      |
| INVESTORS COMM BANK                     | 240,000                           | 1.90%                           | 12/31/15         | 12/31/20         | 244,680                  |                      |
| <b>US GOVERNMENT AGENCIES</b>           |                                   |                                 |                  |                  |                          |                      |
| FEDERAL HOME LOAN BANK - FHLB           | 1,998,000                         | 1.00%                           | 03/26/14         | 06/21/17         | 2,007,800                | AAA                  |
| FEDERAL NATIONAL MORTGAGE ASSN - FNMA   | 2,457,500                         | 1.25%                           | 03/19/14         | 01/30/19         | 2,500,375                | AAA                  |
| FEDERAL FARM CREDIT UNION - FFCB        | 3,000,000                         | 1.25%                           | 03/29/16         | 03/29/19         | 3,005,340                | AAA                  |
| FEDERAL NATIONAL MORTGAGE ASSN - FNMA   | 1,400,000                         | 1.00%                           | 06/30/16         | 06/28/19         | 1,400,000                | AAA                  |
| FEDERAL HOME LOAN MTG CORP - FHLMC      | 988,500                           | 1.25%                           | 12/29/15         | 10/02/19         | 1,011,880                | AAA                  |
| FEDERAL HOME LOAN MTG CORP - FHLMC      | 3,000,000                         | 1.42%                           | 03/30/16         | 03/30/20         | 3,007,260                | AAA                  |
| FEDERAL NATIONAL MORTGAGE ASSN - FNMA   | 4,000,000                         | 1.17%                           | 06/30/16         | 03/30/20         | 4,000,000                | AAA                  |
| FEDERAL HOME LOAN MTG CORP - FHLMC      | 4,000,000                         | 1.50%                           | 04/14/16         | 04/14/21         | 4,005,520                | AAA                  |
| FEDERAL HOME LOAN MTG CORP - FHLMC      | 5,000,000                         | 1.00%                           | 06/30/16         | 06/30/21         | 5,000,000                | AAA                  |
| <b>TOTAL INVESTMENTS</b>                | <b><u>75,276,055</u></b>          |                                 |                  |                  | <b><u>75,463,470</u></b> |                      |

It has been verified that this investment portfolio is in conformity, exclusive of items identified, with the City of Irwindale's investment policy which was approved by City Council on June 22, 2016. The Treasurer's cash management program and cash flow analysis indicates that sufficient liquidity is on hand to meet estimated future expenditures for a period of six months. The weighted average of maturity of the pooled investment portfolio is 1.49 years. The weighted average yield of the pooled investments at cost is 0.907%. Market prices of securities are obtained directly through Bank of the West.

Approved by



Eva Carreon, Director of Finance/City Treasurer