



City Council and Successor Agency to the Brea Redevelopment Agency Agenda

Tuesday, October 3, 2017
7:00 p.m. - General Session

Cecilia Hupp, Mayor

Glenn Parker, Mayor Pro Tem

Christine Marick, Council Member

Marty Simonoff, Council Member

Steven Vargas, Council Member

This agenda contains a brief general description of each item Council will consider. The City Clerk has on file copies of written documentation relating to each item of business on this Agenda available for public inspection. Contact the City Clerk's Office at (714) 990-7756 or view the Agenda and related materials on the City's website at www.cityofbrea.net. Materials related to an item on this agenda submitted to the Council after distribution of the agenda packet are available for public inspection in the City Clerk's Office at 1 Civic Center Circle, Brea, CA during normal business hours. Such documents may also be available on the City's website subject to staff's ability to post documents before the meeting.

Procedures for Addressing the Council

The Council encourages interested people to address this legislative body by making a brief presentation on a public hearing item when the Mayor calls the item or address other items under **Matters from the Audience**. State Law prohibits the City Council from responding to or acting upon matters not listed on this agenda.

The Council encourages free expression of all points of view. To allow all persons the opportunity to speak, please keep your remarks brief. If others have already expressed your position, you may simply indicate that you agree with a previous speaker. If appropriate, a spokesperson may present the views of your entire group. Council rules prohibit clapping, booing or shouts of approval or disagreement from the audience. PLEASE SILENCE ALL PAGERS, CELL PHONES AND OTHER ELECTRONIC EQUIPMENT WHILE COUNCIL IS IN SESSION. Thank you.

Special Accommodations

In compliance with the Americans with Disabilities Act, if you need special assistance to participate in this meeting, please contact the City Clerk's Office at (714) 990-7757. Notification 48 hours prior to the meeting will enable City staff to make reasonable arrangements to ensure accessibility. (28 CFR 35.102.35.104 ADA Title II)

Important Notice

The City of Brea shows both live broadcasts and replays of City Council Meetings on Brea Cable Channel 3 and over the Internet at www.cityofbrea.net. Your attendance at this public meeting may result in the recording and broadcast of your image and/or voice as previously described.

GENERAL SESSION
7:00 p.m. - Council Chamber
Plaza Level

CALL TO ORDER/ ROLL CALL - COUNCIL

1. **Pledge of Allegiance: Brea Boy Scout Troop 801**
2. **Invocation: Pastor Kirk Randolph, Southlands Brea**
3. **Community Announcements**
4. **Matters from the Audience**
5. **Response to Public Inquiries - Mayor / City Manager**

PUBLIC HEARINGS - *This portion of the meeting is for matters that legally require an opportunity for public input. Audience participation is encouraged and is limited to 5 minutes per speaker.*

6. **Transferring and Granting a Pipeline Franchise to Matrix Investments, L.P.** - Introduce **Ordinance 1195** by Title Only, and Waive Further Reading. If Adopted, the New Ordinance Franchise Fee is Estimated at \$8,100 for 2018.

Attachments

Ordinance 1195

Exhibit "A" - Pipeline Location Exhibit

7. **Transferring and Granting a Pipeline Franchise to Torrance Pipeline Company, LLC** - Introduce **Ordinance 1196** by Title Only, and Waive Further Reading. The New Ordinance Franchise Fee is Estimated at \$12,000 for 2018.

Attachments

Ordinance 1196

Exhibit "A" - Pipeline Location Exhibit

ADMINISTRATIVE ITEM - *This agenda category is for City Council consideration of a wide variety of topics related to the City's operations. Public comments regarding items in this section should be presented during "Matters from the Audience."*

8. **Ordinance Adding Chapter 14.06 of the City of Brea Municipal Code by Setting Forth an Expedited, Streamlined Permitting Process for Electric Vehicle Charging Stations as Required by AB 1236** - Adopt **Ordinance 1194** for Second Reading and Waive Further Reading. There is No Fiscal Impact to the General Fund.

Attachments

Ordinance 1194

EV Checklist

CONSENT CALENDAR - *The City Council/Successor Agency approves all Consent Calendar matters with one motion unless Council/Agency or Staff requests further discussion of a particular item. Items of concern regarding Consent Calendar matters should be presented during "Matters from the Audience."*

CITY COUNCIL - CONSENT

9. **September 6, 2017 Joint City Council and Planning Commission Special Meeting Minutes** - Approve.

Attachments

Minutes

10. **September 19, 2017 City Council Regular Meeting Minutes** - Approve.

Attachments

Minutes

11. **The Road Repair and Accountability Act (RRAA) of 2017, Local Streets and Roads Funding Annual Reporting Guidelines** - 1) Approve City Manager or his Designee to Submit a Project List to the California Transportation Commission for the New SB1 Road Maintenance Rehabilitation Account Funds; and 2) Approve **Resolution 2017-064** to Amend the Capital Improvement Program Budget for the Cliffwood Industrial Park Pavement Rehabilitation Project 7317. Based on the Proposed Budget of \$554,974 There Will Be a Net Increase to the Budget of \$4,974 with \$246,965 in New Project Funds Coming from the New RRAA.

Attachments

Exhibit A (New County Revenues from SB1)

Exhibit B (Local Streets and Roads - Projected FY18-19 Revenues)

RRAC Guidelines

Resolution 2017-064

12. **Amendment to Agreement with Minaco Construction for Removal and Replacement of Sidewalks, Curbs, and Gutters** - Approve Amendment with Minaco America Corporation dba Minco Construction. The Total Annual Budget for Concrete Maintenance is Currently at \$180,000 for Fiscal Year 2017-18, with Funding of \$80,000 from Account 110-51-5121-4269 (General Fund) and \$100,000 from the Fixed Asset Replacement Fund (Fund 182) for This Work. No Additional Appropriation is Needed.

Attachments

Attachment A (Agreement)

Attachment B (Amendment #1)

13. **Amendment No. 1 to Cooperative Agreement between the City of Brea and Caltrans for the Highway 57/Lambert Road Interchange Project, Project 7251** - Approve Amendment No. 1 to the Cooperative Agreement Between the City of Brea and Caltrans and Authorize the City Manager to Execute Amendment No. 1. This Action Modifies the Current Agreement with Caltrans Reflecting That the City is the Lead Agency on the Acquisition of Property for this Project and Not Caltrans as Identified in the Current Agreement. This Action Merely Corrects the Current Agreement to Reflect the City as the Lead Agency. No General Funds Are Being Used for the Project and Approving Amendment No. 1 to the Cooperative Agreement Does Not Impact the Approved FY 2017-18 Budget.

Attachments

Cooperative Agreement
Amendment No. 1

14. **Environmental and Pre-Acquisition Work for the Western Extension to The Tracks at Brea Trail** - Approve Professional Services Agreement with JMD Planning and Engineering and Additional Appropriations to Provide Engineering and Environmental Documents for the Potential Western Extension of The Tracks at Brea Trail. The Total Cost for the Proposed PSA with JMD is \$107,677. The Majority of Their Scope of Work, with the Exception of \$19,846, Can be Covered by a \$200,000 Planning and Assessment Grant received by the City From the U.S. Environmental Protection Agency (EPA) for the Proposed Western Extension.

Attachments

Agreement
Proposal

15. **Treasurer's Report for the City of Brea for Period Ending August 31, 2017** - Receive and File.

Attachments

Attachment A

16. **September 22 and 29, 2017 City Check Registers** - Approve.

Attachments

9-22-17 City Check Register
9-29-17 City Check Register

CITY/ SUCCESSOR AGENCY - ADMINISTRATIVE ITEM

17. **Approve the Official Statement Relating to the Issuance and Sale of Tax Allocation Refunding Bonds to Refinance Outstanding 2003 and 2011 Bonds of the Former Brea Redevelopment Agency Relating to Project Area AB, and Approving Related Matters and Official Actions** - Adopt **Resolution SA 2017-11**. This Will Result in an Average Annual Increase of Approximately \$182,570 in Property Tax Revenues to the City's General Fund.

Attachments

Resolution SA 2017-11

Preliminary Official Statement

CITY/ SUCCESSOR AGENCY - CONSENT

18. **Treasurer's Report for the Successor Agency to the Brea Redevelopment Agency for Period Ending August 31, 2017-** Receive and File.

Attachments

Attachment A

ADMINISTRATIVE ANNOUNCEMENTS

19. **City Manager**

20. **City Attorney**

COUNCIL ANNOUNCEMENTS

ADJOURNMENT

City of Brea

COUNCIL COMMUNICATION

TO: Honorable Mayor and City Council Members

FROM: Bill Gallardo, City Manager

DATE: 10/03/2017

SUBJECT: Public Hearing – Transferring and Granting a Pipeline Franchise to Matrix Investments, L.P.

RECOMMENDATION

Introduce Ordinance for First Reading by Title Only, and Waive Further Reading of the Ordinance.

BACKGROUND/DISCUSSION

The California Public Utilities Code ("CPUC") and Brea City Code ("BCC") requires any person, firm or corporation utilizing City property for the conveyance of petroleum or other products to have a valid franchise with the City of Brea. Matrix Investments, L.P. ("Matrix"), as successor in interest to California Resources Production Corporation, has submitted an application requesting that a pipeline franchise be transferred and granted to them in order to operate and maintain the existing petroleum pipelines in the City of Brea.

The CPUC establishes the procedures that the City must follow when considering an application for a pipeline franchise, which is granted by ordinance. In order to act on this franchise application, the City Council is required to:

1. Adopt a Resolution of Intention to grant a franchise and set a Public Hearing date.
2. Conduct the Public Hearing then introduce the franchise ordinance for first reading.
3. Adopt franchise ordinance whereupon it will become effective 30 days later.

On September 5, 2017, the City Council adopted Resolution 2017-060 declaring its intention to consider transferring and granting a pipeline franchise to Matrix. The City Council directed staff to introduce the franchise ordinance and set a public hearing on October 3, 2017. Notice of the public hearing was posted at the three designated City posting places and published in the Brea Star Progress on September 8 and September 15, 2017.

The introduction (first reading) of the Ordinance, attached herewith, and the Public Hearing are being conducted this evening (See attached Ordinance). Staff is recommending waiving the second reading of the Ordinance at the November 7, 2017 City Council meeting. If the Ordinance is adopted at that time, then the Ordinance and franchise would become effective thirty (30) days later and Matrix would be the franchisee of 8,980 linear feet of 6-inch pipelines along Whittier Avenue, Puente Street, Central Avenue, Berry Street and Challenger Way. The term of the franchise would be ten years. Attached is Exhibit 'A' depicting the location of the pipeline facilities owned and operated by Matrix within the City of Brea.

FISCAL IMPACT/SUMMARY

The Public Utilities Commission regulates pipeline activity and establishes the rates charged for franchise agreements. The annual payments are based on a formula associated with the internal diameter and length of the pipelines. The franchise fees for the pipelines depicted in Exhibit 'A' have been paid to the end of 2017 under Ordinance 1057. If adopted, the new Ordinance franchise fee is estimated at \$8,100 for 2018. Therefore, there will be a positive impact to the General Fund.

Matrix has submitted an application requesting that a pipeline franchise be transferred and granted to them in order to operate and maintain the existing petroleum pipelines in the City of Brea. The City Council adopted Resolution 2017-060 declaring its intention to consider transferring and granting a pipeline franchise to Matrix on September 5, 2017 and directed staff to introduce the franchise ordinance and set a Public Hearing on October 3, 2017. Therefore, staff is recommending the City Council to introduce the Ordinance and conduct a Public Hearing at this meeting. Furthermore, staff is recommending the second reading be waived for the adoption of the Ordinance at the November 7, 2017 City Council meeting.

RESPECTFULLY SUBMITTED:

William Gallardo, City Manager

Prepared by: Hsing Chao, Associate Engineer

Concurrence: Steve Kooyman, P.E., City Engineer

Attachments

Ordinance 1195

Exhibit "A" - Pipeline Location Exhibit

ORDINANCE NO. 1195

AN ORDINANCE OF THE CITY OF BREA GRANTING A PIPELINE FRANCHISE TO MATRIX INVESTMENTS, L.P.

A. Recitals:

(i) On June 2, 1992, the Brea City Council adopted Ordinance No. 922, granting to Union Oil Company of California, d/b/a UNOCAL, a California corporation and Ordinance No. 923 to Union California Pipeline Company, a California Corporation, the right to construct, operate and maintain pipelines for the transportation of hydrocarbon substances in the City of Brea, and by their terms, both franchises expired on or about July 1, 2002.

(ii) On February 16, 1996, Union Oil Company conveyed certain pipelines franchised under Ordinance No. 922 to Nuevo Energy Company.

(iii) On August 1, 1998, Nuevo Energy Company conveyed the pipelines referenced in Recital No. (ii), above, to Crimson Resource Management Corporation.

(iv) On September 3, 2002, Brea City Council adopted and approved Ordinance No. 1057. Ordinance No. 1057 transferred certain pipelines that Union Oil Company had operated under the franchise granted by Ordinance No. 922, all of the pipelines that Union California Pipeline Company had operated under the franchise granted by Ordinance No. 923, together with certain additional pipelines not previously franchised to Crimson Resource Management Corporation.

(v) On October 1, 2002, Brea City Council adopted Ordinance 1059 to extend and amend the pipeline franchise granted to Union Oil Company for the remainder of the pipelines granted by Ordinance No. 922.

(vi) On June 3, 2003, Crimson Resource Management Corporation transferred some, but not all, of the franchised pipelines of Ordinance No. 1057 to Bentley-Simonson, Inc.

(vii) On March 1, 2005, Bentley-Simonson conveyed the pipelines referenced in Recital No. (vi), above, to Brown PXP Properties, LLC, which subsequently conveyed the same pipelines to Plains Exploration and Production Company.

(viii) On November 13, 2006, Vintage Production California, LLC, notified the City of Brea that Vintage was going to acquire Plains Exploration and Production Company's interest in Ordinance No. 1057, and the pipelines referenced in Recital No. (vi), above.

(ix) On October 8, 2009, the City of Brea accepted Vintage Production California, LLC's replacement bond for the bond required by Ordinance No. 1057. Vintage's bond replaced the Bentley-Simonson, Inc., bond.

(x) On September 2, 2014 Vintage Production California, LLC, changed its name to California Resources Production Corporation.

(xi) On April 1, 2016, Matrix Investments, LP, acquired California Resources Production Corporation's interest in Ordinance No. 1057, and the pipelines referenced in Recital No. (vi), above.

(xi) On September 5, 2017, the City Council adopted its Resolution No. 2017-060 declaring the Council's intent to grant a pipeline franchise to Matrix Investments, LP, pursuant to California Public Utilities Code § 6201, et seq.

(xii) Pursuant to Resolution No. 2017-060 on September 5, 2017 the City Council conducted and concluded a public hearing concerning the proposed pipeline franchise grant, and thereafter approved the application on the terms and conditions provided herein.

B. ORDINANCE:

NOW, THEREFORE, the City Council of the City of Brea hereby ordains as follows:

Section 1. The facts set forth in the Recitals, Part A, of this Ordinance, are true and correct.

Section 2. In accordance with the provisions of Chapter 8.42 of the Brea City Code, the City Council hereby grants a franchise to Matrix Investments, LP, a California limited partnership ("Franchisee"), for a term of ten (10) years from the effective date of this Ordinance, to maintain, operate, renew, replace, repair, remove or abandon in place existing pipes and pipelines for the collection, transportation or distribution of oil, gas, gasoline, petroleum, wet gas, hydrocarbon substances, water, waste water, mud, steam, and/or other liquid and gaseous substances which are not more hazardous than the aforementioned substances, together with all existing manholes, valves, appurtenances and service connections necessary or convenient for the operation of said pipes or pipelines including existing conduits, cathodic protection devices, wires, cables and other appurtenances necessary or convenient for the exercise of the Franchisee's business, in, under, along or across Brea City streets and other property, all as depicted in Exhibit "A" attached hereto and incorporated by reference herein.

Section 3. This franchise is granted subject to, and the Franchisee shall comply with, all provisions of this Ordinance and Chapter 8.42 of Title 8 of the Brea City Code, and said Chapter is incorporated by reference herein.

Section 4. Compliance. Franchisee shall at all times be in compliance with all applicable federal and state laws and regulations regarding the maintenance, operation,

and testing of the Pipeline Facilities within the City of Brea. Without prior demand by the City, Franchisee shall submit to the City for review, the results of any and all pipeline testing required to be performed pursuant to applicable federal or state law, by January 31st of every year during the term of this Franchise, or otherwise upon request of the City. If such testing is not required by federal or state law to be performed in any given year, then the Franchisee shall report to the City in writing that no testing is required during that year by January 31st

Section 5. To the extent not contrary to Applicable Law, as defined in Chapter 8.42 of Title 8 of the Brea City Code, the City Council may from time to time amend this Ordinance or Chapter 8.42 of Title 8 and such amendments shall apply to the Franchisee to the extent such amendments are of general application to pipeline franchises in the City of Brea. Except as amended by this Ordinance, each and every provision of Chapter 8.42 of Title 8 of the Brea City Code shall apply to the franchise granted herein.

Section 6. Severability. If any section, subsection, sentence, clause, or phrase of this Ordinance is for any reason held to be invalid or unconstitutional by the decision or legislation of any court of competent jurisdiction, or by reason of preemptive legislation, such decision or legislation shall not affect the validity of the remaining portions thereof. The City Council declares that it would have passed this Ordinance, and each section, subsection, sentence, clause and phrase thereof, irrespective of the fact that one or more of the sections, subsections, sentences, clauses, or phrases thereof is declared invalid or unconstitutional.

Section 7. The City Clerk shall certify to the adoption of this Ordinance.

PASSED, APPROVED and ADOPTED this ___ day of _____, 2017.

Cecilia Hupp, Mayor

ATTEST: _____
Lillian Harris-Neal, City Clerk

I, Lillian Harris-Neal, City Clerk of the City of Brea, do hereby certify that the foregoing Ordinance was introduced at a regular meeting of the City Council of the City of Brea, held on the 3rd day of October, 2017, and was finally passed at a regular meeting of the City Council of the City of Brea on the _____ day of _____, 2017, by the following vote:

AYES: COUNCIL MEMBERS:

NOES: COUNCIL MEMBERS:

ABSENT: COUNCIL MEMBERS:

ABSTAINED: COUNCIL MEMBERS:

DATED: _____

Lillian Harris-Neal, City Clerk

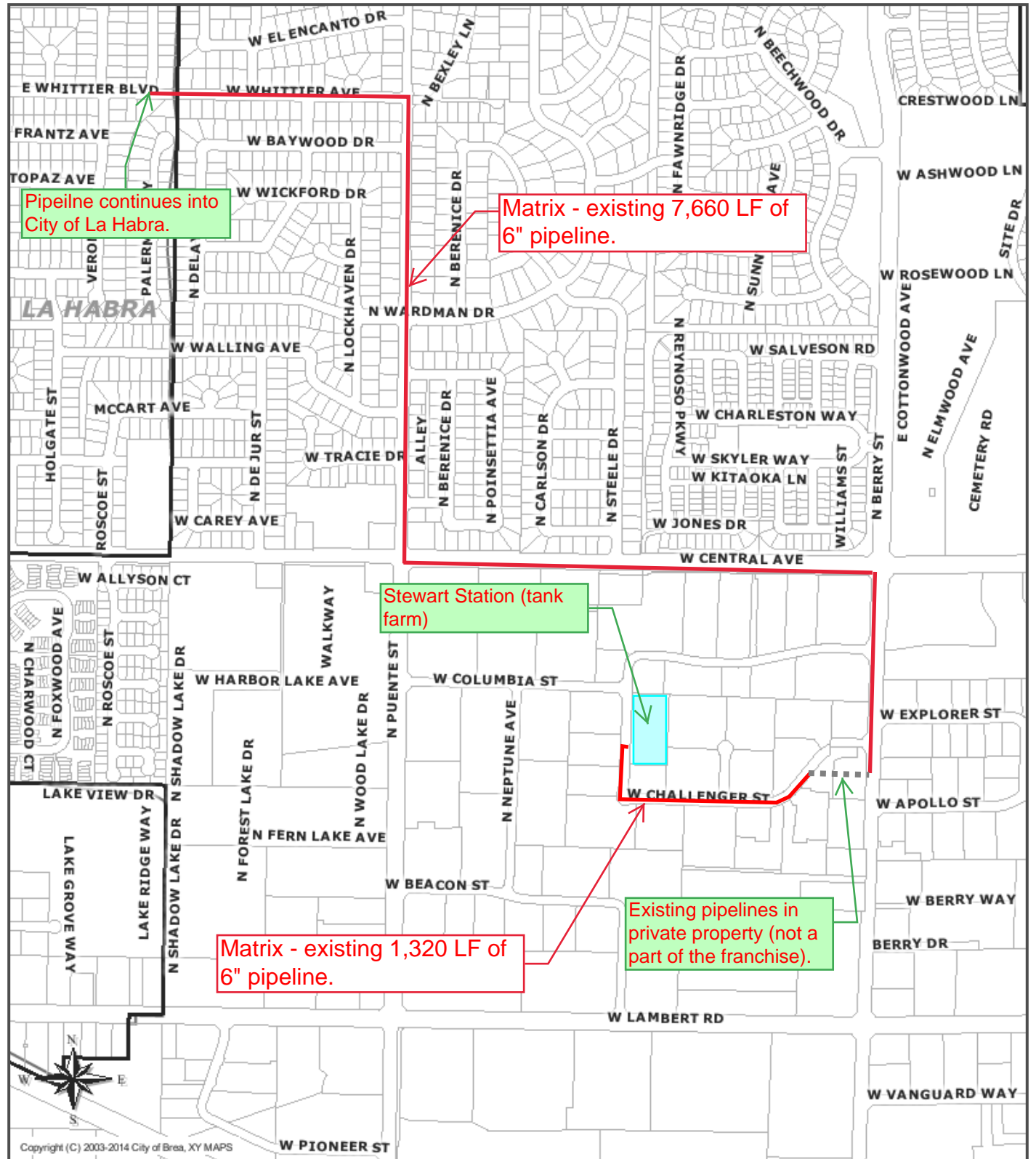


EXHIBIT 'A'

MATRIX INVESTMENTS, L.P.
PIPELINE LOCATION EXHIBIT



Scale: 1 in = 800 ft

Printed 8/21/2017

City of Brea

COUNCIL COMMUNICATION

TO: Honorable Mayor and City Council Members

FROM: Bill Gallardo, City Manager

DATE: 10/03/2017

SUBJECT: Public Hearing – Transferring and Granting a Pipeline Franchise to Torrance Pipeline Company, LLC

RECOMMENDATION

Introduce Ordinance for First Reading by Title Only, and Waive Further Reading of the Ordinance.

BACKGROUND/DISCUSSION

The California Public Utilities Code ("CPUC") and Brea City Code ("BCC") require any person, firm or corporation utilizing City property for the conveyance of petroleum or other products to have a valid franchise with the City of Brea. Torrance Pipeline Company, LLC ("Torrance"), as successor in interest to Exxon Mobile Corporation, has submitted an application requesting that a pipeline franchise be transferred and granted to them in order to operate and maintain the existing petroleum pipelines in the City of Brea.

The CPUC establishes the procedures that the City must follow when considering an application for a pipeline franchise, which is granted by ordinance. In order to act on this franchise application, the City Council is required to:

1. Adopt a Resolution of Intention to grant a franchise and set a Public Hearing date.
2. Conduct the Public Hearing then introduce the franchise ordinance for first reading.
3. Adopt franchise ordinance whereupon it will become effective 30 days later.

On September 5, 2017, the City Council adopted Resolution 2017-061 declaring its intention to consider transferring and granting a pipeline franchise to Torrance. The City Council directed staff to introduce the franchise ordinance and set a public hearing on October 3, 2017. Notice of the public hearing was posted at the three designated City posting places and published in the Brea Star Progress on September 8 and September 15, 2017.

The Draft Ordinance provided in the September 5, 2017 City Council agenda has been updated to reflect a minor revision to Section 3. The revised Section 3 verbiage stipulates the Franchisee to submit the list of pipeline testing and a certification of the test within 60-days after end of each calendar year. This revision has been reviewed by the City Attorney's office and included in the Ordinance, attached hereon.

The introduction (first reading) of the Ordinance and the Public Hearing are being conducted this evening. Staff is recommending waiving the second reading of the Ordinance at the November 7, 2017 City Council meeting. If the Ordinance is adopted at that time, then the ordinance and

franchise would become effective thirty (30) days later and Torrance would be the franchisee for 5,980 linear feet of 8-inch and 9,790 linear feet of 6-inch pipelines on Central Avenue from the westerly City limit to Lambert Road, then on Lambert Road from State College Boulevard to about 800 feet east of Associated Road. Additionally, the franchise also includes 1,100 linear feet of 6-inch pipelines on Blake Road. The term of the franchise would be ten years. Attached is Exhibit 'A' depicting the location of Torrance pipeline facilities within the City of Brea.

FISCAL IMPACT/SUMMARY

The Public Utilities Commission regulates pipeline activity and establishes the rates charged for franchise agreements. The annual payments are based on a formula associated with the internal diameter and length of the pipelines. The franchise fees for the pipelines depicted in Exhibit 'A' have been paid to the end of 2017 under Ordinance 973. If adopted, the new Ordinance franchise fee is estimated at \$12,000 for 2018. Therefore, there will be a positive fiscal impact to the General Fund.

Torrance has submitted an application requesting that a pipeline franchise be transferred and granted to them in order to operate and maintain the existing petroleum pipelines in the City of Brea. The City Council adopted Resolution 2017-061 declaring its intention to consider transferring and granting a pipeline franchise to Torrance on September 5, 2017 and directed staff to introduce the franchise ordinance and set a Public Hearing on October 3, 2017. Therefore, staff is recommending the City Council to introduce the Ordinance and conduct a Public Hearing during this meeting. Furthermore, staff is recommending the second reading be waived for the adoption of the Ordinance at the November 7, 2017 City Council meeting.

RESPECTFULLY SUBMITTED:

William Gallardo, City Manager

Prepared by: Hsing Chao, Associate Engineer

Concurrence: Steve Kooyman, P.E. City Engineer

Attachments

Ordinance 1196

Exhibit "A" - Pipeline Location Exhibit

ORDINANCE NO. 1196

AN ORDINANCE OF THE CITY OF BREA RENEWING AND GRANTING A PIPELINE FRANCHISE TO TORRANCE PIPELINE COMPANY, LLC, TO OPERATE AND MAINTAIN PIPELINES FOR THE TRANSPORTATION OF HYDROCARBON SUBSTANCES IN THE CITY OF BREA.

A. RECITALS:

(i) The City Council of the City of Brea ("City") heretofore adopted Ordinance No.973, granting Mobil Oil Corporation ("Mobil Oil"), a franchise to construct, operate and maintain pipelines and related facilities (collectively, "Pipeline Facilities") for the transportation of hydrocarbon substances in the City ("Original Franchise").

(ii) Mobil Oil changed its name to ExxonMobil Oil Corporation ("ExxonMobil") on June 1, 2001.

(iii) Ordinance No. 973 expired on November 2, 2005.

(iv) Although Ordinance No. 973 expired, ExxonMobil continued to operate the Pipeline Facilities in compliance with all terms and conditions of the Original Franchise.

(v) The Office of the State Fire Marshall has verified that there have not been and are currently no pipeline safety violations concerning the Pipeline Facilities.

(vi) On or around July 1, 2016, the Pipeline Facilities were transferred by ExxonMobil to Torrance Pipeline Company LLC ("Torrance Pipeline").

(vii) Torrance Pipeline has continued to operate the Pipeline Facilities in compliance with all terms and conditions of the Original Franchise.

(viii) Torrance Pipeline has requested the Brea City Council adopt a new ordinance which would renew and grant the right to operate and maintain the Pipeline Facilities for the transportation of oil or products in the City, but subject to newer City regulations governing the operation of such pipelines.

(ix) On September 5th, 2017, the City Council adopted its Resolution No. 2017-061 declaring the Council's intent to renew and grant a pipeline franchise to Torrance Pipeline, pursuant to California Public Utilities Code § 6201, et seq.

(x) Pursuant to Resolution No. 2014-061, on October 3, 2017 the City Council conducted and concluded a public hearing concerning the proposed pipeline franchise renewal and grant, and thereafter approved the application on the terms and conditions provided herein.

(xi) All legal prerequisites to the adoption of this Ordinance have occurred.

B. Ordinance.

NOW, THEREFORE, the City Council of the City of Brea hereby ordains as follows:

Section 1. In accordance with the provisions of Chapter 8.42 of the Brea City Code, the City Council hereby renews the franchise originally granted to Mobil Oil Corporation pursuant to Ordinance No. 973, and based thereon, grants a new franchise to Mobil Oil Corporation's successor-in-interest, Torrance Pipeline Company, LLC, a Delaware Limited Liability Company ("Franchisee"), for a term of ten (10) years from the effective date of this Ordinance, to maintain, operate, renew, repair, remove or abandon in place existing pipes and pipelines for the collection, transportation or distribution of oil, gas, gasoline, petroleum, wet gas, hydrocarbon substances, water, waste water, mud, steam, and/or other liquid and gaseous substances which are not more hazardous than the aforementioned substances, together with all existing manholes, valves, appurtenances and service connections necessary or convenient for the operation of said pipes or pipelines including existing conduits, cathodic protection devices, wires, cables and other appurtenances necessary or convenient for the exercise of the Franchisee's business, in, under, along or across City streets and other property, all as depicted in Exhibit "A" attached hereto and incorporated by reference herein.

Section 2. This franchise is granted subject to, and the Franchisee shall comply with, all provisions of this Ordinance and Chapter 8.42 of Title 8 of the Brea City Code, and said Chapter is incorporated by reference herein.

Section 3. Compliance. Franchisee shall at all times be in compliance with all applicable federal and state laws and regulations regarding the maintenance, operation, and testing of the Pipeline Facilities within the City of Brea. Franchisee shall submit within sixty (60) days after the end of each calendar year and during the life of the franchise for each and every year, including the year of the granting the franchise, a statement listing all pipeline testing, and certification that Torrance Pipeline Company is in compliance with all testing requirements pursuant to applicable federal or state law for the prior reporting period. Notwithstanding the foregoing, City shall, at any time during the term of this Franchise, be authorized to request and obtain a copy of any letter of compliance (or notification of non-compliance) relating to the Pipeline Facilities from California State Fire Marshal pursuant to CFR Title 49, Volume 3, Part 195. Franchisee shall fully cooperate and assist the City in obtaining a copy of any such letter of compliance or notification of non-compliance. Such assistance shall include, but is not limited to, promptly executing any consent, release, or waiver, or any other document required by the California State Fire Marshal as a condition of providing the City with any letter of compliance or notification of non-compliance.

Section 4. To the extent not contrary to Applicable Law, as defined in Chapter 8.42 of Title 8 of the Brea City Code, the City Council may from time to time amend this Ordinance or Chapter 8.42 of Title 8 and such amendments shall apply to the Franchisee to the extent such amendments are of general application to pipeline franchises in the City of Brea. Except as amended by this Ordinance, each and every

provision of Chapter 8.42 of Title 8 of the Brea City Code shall apply to the franchise granted herein.

Section 5. Severability. If any section, subsection, sentence, clause, or phrase of this Ordinance is for any reason held to be invalid or unconstitutional by the decision or legislation of any court of competent jurisdiction, or by reason of preemptive legislation, such decision or legislation shall not affect the validity of the remaining portions thereof. The City Council declares that it would have passed this Ordinance, and each section, subsection, sentence, clause and phrase thereof, irrespective of the fact that one or more of the sections, subsections, sentences, clauses, or phrases thereof is declared invalid or unconstitutional.

Section 6. The City Clerk shall certify to the adoption of this Ordinance.

PASSED, APPROVED and ADOPTED this ___ day of _____, 2017.

Cecilia Hupp, Mayor

ATTEST:

Lillian Harris-Neal, City Clerk

I, Lillian Harris-Neal, City Clerk of the City of Brea, do hereby certify that the foregoing Ordinance was introduced at a regular meeting of the City Council of the City of Brea, held on the 3rd day of October, 2017, and was finally passed at a regular meeting of the City Council of the City of Brea on the _____ day of _____, 2017, by the following vote:

AYES: COUNCIL MEMBERS:

NOES: COUNCIL MEMBERS:

ABSENT: COUNCIL MEMBERS:

ABSTAINED: COUNCIL MEMBERS:

DATED: _____

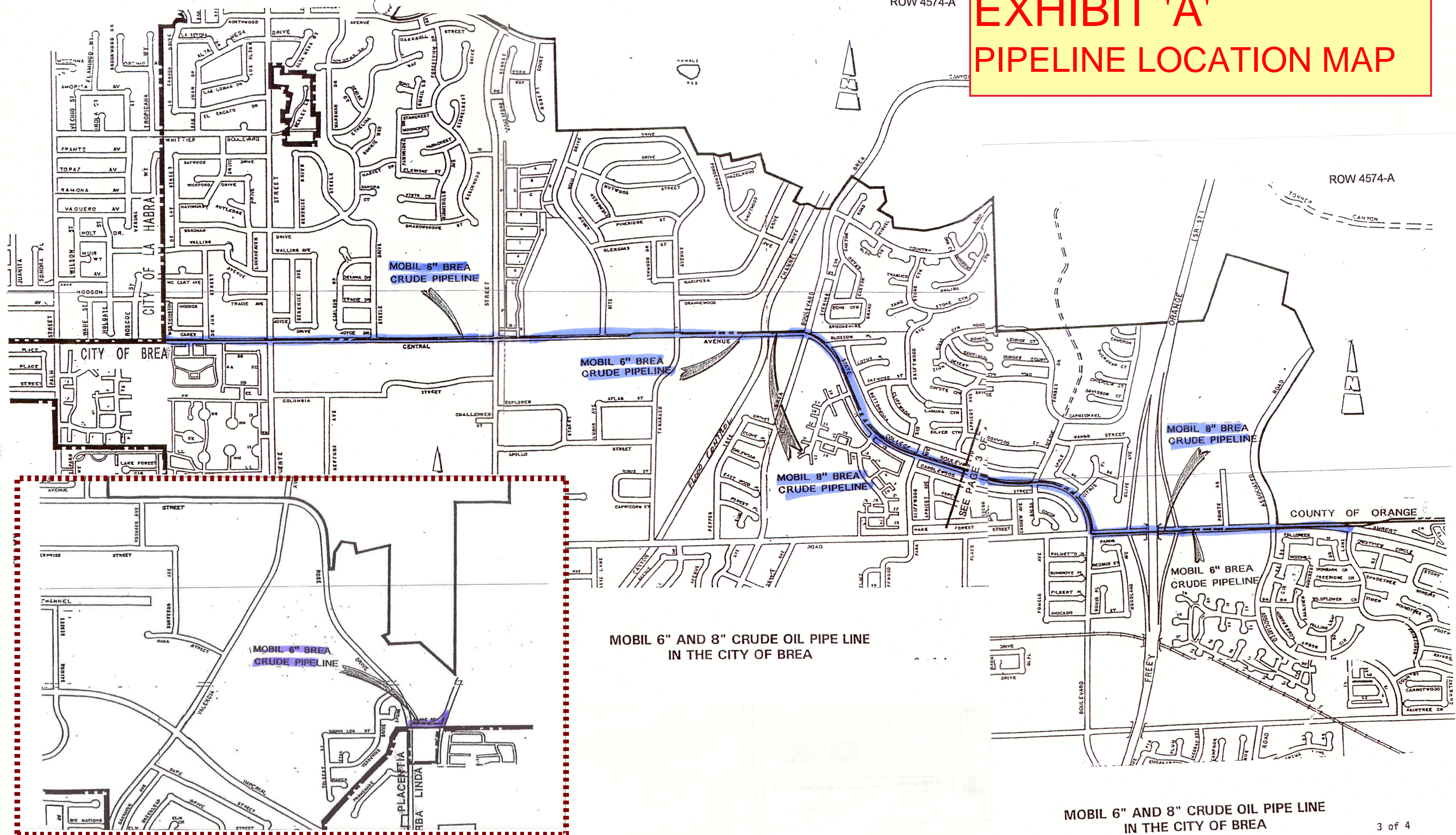
Lillian Harris-Neal, City Clerk

ROW 4574-A

ROW 4574-A

EXHIBIT 'A'

PIPELINE LOCATION MAP



MOBIL 6" AND 8" CRUDE OIL PIPE LINE
IN THE CITY OF BREA

MOBIL 6" AND 8" CRUDE OIL PIPE LINE
IN THE CITY OF BREA

City of Brea

COUNCIL COMMUNICATION

TO: Honorable Mayor and City Council Members

FROM: Bill Gallardo, City Manager

DATE: 10/03/2017

SUBJECT: Adopt an Ordinance adding Chapter 14.06 of the City of Brea Municipal Code by setting forth an expedited, streamlined permitting process for electric vehicle charging stations as required by AB 1236

RECOMMENDATION

Adopt the ordinance for second reading by title only which sets forth an expedited, streamlined permitting process for electric vehicle charging stations, consistent with new State legislative mandates.

BACKGROUND/DISCUSSION

In 2015, the State of California adopted Assembly Bill 1236 (2015, Chiu, Codified as Government Code Section 65850.7), which requires local jurisdictions with a population less than 200,000 residents to adopt an ordinance to create an expedited, streamlined permitting process for electric vehicle charging stations on or before September 30, 2017.

An electric vehicle charging station is any level of electric vehicle supply equipment station which delivers electricity from a source outside an electric vehicle into a plug-in electric vehicle. AB 1236 additionally implements the most current version of the "Plug-In Electric Vehicle Infrastructure Permitting Checklist" of the "Zero-Emission Vehicles in California: Community Readiness Guidebook" published by the Governor's Office of Planning and Research.

The directed permitting process includes the establishment of a checklist containing objective requirements for the installation of an electric vehicle charging station and a process for electronic submittal of permit applications. The content of the checklist requires the permit applicant to check the features of the existing electrical service such as rating in amperes, system voltage, connected or calculated load, spare capacity in amperes, voltage and ampere rating of the electric vehicle supply equipment, circuit rating of the electric vehicle supply equipment, location of the electric vehicle supply equipment, if ventilation is/or is not required, and clearances of the charging equipment to comply with all applicable building and fire safety laws. The checklist also assists the applicant in confirming that the location of the electric vehicle supply equipment will comply with any vehicle clearance requirements in the City's Codes. The State notes that the City's checklist may be based on the "Plug-In Electric Vehicle Infrastructure Permitting Checklist" of the "Zero-Emission Vehicles in California: Community Readiness Guidebook" of the Governor's Office of Planning and Research.

Staff recommends the attached ordinance be introduced for first reading, consistent with the requirements of State Government Code Section 65850.7. The ordinance provides for an

expedited, streamlined permitting process for electric vehicle charging stations for Brea. Most of the procedures, such as electronic submittal of plans are currently in place and comply with the requirements of the Assembly Bill. Building & Safety Division currently issues the EV permits over the counter and by adding the requirements of this mandate will further enhance our services to our business community and residents.

This Item was taken to council for first reading on September 5, 2017.

FISCAL IMPACT/SUMMARY

No Fiscal impact to the General fund

RESPECTFULLY SUBMITTED:

William Gallardo, City Manager

Prepared by: Gabriel Linares, Deputy Director/Building & Safety Manager

Attachments

Ordinance 1194

EV Checklist

ORDINANCE NO. 1194

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF BREA ADOPTING PROCEDURES FOR EXPEDITING PERMITTING PROCESSING FOR ELECTRIC VEHICLE CHARGING STATIONS, AND AMENDING TITLE 14 OF THE BREA CITY CODE

A. RECITALS.

(I) Assembly Bill No. 1236 (2015) states that it is the policy of the state to promote and encourage the use of electric vehicle charging stations and to limit obstacles to their use.

(i) Assembly Bill No. 1236 enacted Government Code Section 65850.7, et seq., and requires the City to adopt procedures, by ordinance, allowing for the expedited processing of applications for permits to install electric vehicle charging stations, on or before September 30, 2017. The ordinance must include a requirements checklist for expedited processing.

(iii) Section 65850.7 requires that charging station permit applications complying with the required checklist must be administratively approved unless the City's Building Official makes a finding based on substantial evidence, that the proposed charging station does not meet all health and safety requirements of local, state, and federal law, or that it could have a specific adverse impact on the public health or safety.

(iv) It is the City Council's intent in adopting this Ordinance to comply with the requirements of Government Code Section 65850.7.

(v) All legal prerequisites to the adoption of this Ordinance have occurred.

B. ORDINANCE.

NOW, THEREFORE, the City Council of the City of Brea does hereby ordain as follows:

SECTION 1. The facts set forth in the Recitals, Part A, of this Ordinance, are true and correct.

SECTION 2. A new Chapter 14.08 is hereby added to Title 14 of the Brea City Code to read as follows:

“CHAPTER 14.08: ELECTRIC VEHICLE CHARGING STATIONS

“Section

<u>14.08.010</u>	Purpose
<u>14.08.020</u>	Definitions
<u>14.08.030</u>	Expedited permitting process
<u>14.08.040</u>	Permit application processing
<u>14.08.050</u>	Prohibited uses
<u>14.08.060</u>	Technical review and appeal of conditions or denial
<u>14.08.070</u>	Electric vehicle charging station installation requirements

§ 14.08.010 PURPOSE.

The purpose of this Chapter is to fulfill the requirements of California Government Code Section 65850.7 and to promote and encourage the use of electric vehicles through the creation of an expedited, streamlined permitting process for electric vehicle charging stations, while protecting public health and safety and preventing adverse impacts in the installation and use of such charging stations.

§14.08.020 DEFINITIONS.

A. “Electric vehicle charging station” or “charging station” means any level of electric vehicle supply equipment station that is designed and built in compliance with Article 625 of the California Electrical Code, as it reads on the effective date of this Chapter, and delivers electricity from a source outside an electric vehicle into a plug-in electric vehicle.

B. “Specific, adverse impact” means a significant, quantifiable, direct, and unavoidable impact, based on objective, identified, and written public health or safety standards, policies, or conditions as they existed on the date the application was deemed complete.

C. “Electronic submittal” means the utilization of one or more of the following:

1. Electronic mail or email.
2. The internet.
3. Facsimile.

§14.08.030 EXPEDITED PERMITTING PROCESS.

Consistent with Government Code Section 65850.7, the Building Official shall implement an expedited, streamlined permitting process for electric vehicle charging stations, and adopt a checklist of all requirements with which electric vehicle charging stations shall comply in order to be eligible for expedited review. The expedited,

streamlined, permitting process and checklist may refer to the recommendations contained in the most current version of the “Plug-In Electric Vehicle Infrastructure Permitting Checklist” of the “Zero-Emission Vehicles in California: Community Readiness Guidebook”, published by the Governor’s Office of Planning and Research. The City’s adopted checklist and any other required permitting documentation shall be published on the City’s website.

§14.08.040 PERMIT APPLICATION PROCESSING.

- A. Prior to submitting an application for processing, the applicant shall verify that the installation of an electric vehicle charging station will not have any specific, adverse impact on health and safety of the public, including building occupants. Information required to be provided by the applicant for verification includes: electrical system capacity and loads; electrical system wiring, bonding and overcurrent protection; building infrastructure affected by charging station equipment and associated conduits; areas of charging station equipment and vehicle parking; any additional information required by the building official to complete such verification due to unusual or unique circumstances.
- B. A permit application that satisfies the information requirements in the City’s adopted checklist shall be deemed complete and shall be promptly processed. Upon confirmation by the Building Official that the permit application and supporting documents meet the requirements of the City’s adopted checklist, and are consistent with all applicable laws and health and safety standards, including the requirements of Government Code Section 65850.7(f), the Building Official shall approve the application and issue all necessary permits. Such approval does not authorize an applicant to energize or utilize the electric vehicle charging station until approval is granted by the City. If the Building Official determines that the permit application is incomplete, he or she shall issue a written correction notice to the applicant, detailing all deficiencies in the application and any additional information required to be eligible for expedited permit issuance.
- C. The Building Official shall allow for electronic submittal of permit applications and any additional application documentation required by this Chapter. In accepting such permit applications, the Building Official shall also accept electronic signatures on all forms, applications, and other documentation in lieu of a wet signature by an applicant.

§ 14.08.050 PROHIBITED USES.

The issuance of an electric vehicle charging station permit shall authorize only the installation of such permitted station, in accordance with all permit requirements. Following its installation, the permitted electric charging station shall be used solely for the purpose of charging electric vehicles. No signage or advertising of any kind, other than labeling identifying the manufacturer, shall be attached to the charging station. Any

use of a permitted charging station for commercial purposes, i.e., requiring payment or rendering of anything of value as a condition of use of the permitted charging station, shall constitute a commercial use of the property where the charging station is located for purposes of the City's Zoning Code, and shall render the permit issued pursuant to this Chapter null and void.

§14.08.060 TECHNICAL REVIEW AND APPEAL OF CONDITIONS OR DENIAL.

- A. It is the intent of this Chapter to encourage the installation of electric vehicle charging stations by removing obstacles to their permitting, while maintaining authority of the Building Official to address higher priority life-safety situations, consistent with Government Code Section 65850.7. If the Building Official makes a specific, written finding based on substantial evidence that the electric vehicle charging station could have a specific, adverse impact upon the public health or safety, as defined in this Chapter, the City may require the applicant to apply for a use permit. No complete application satisfying the requirements of this Chapter shall be denied unless the City makes written findings, based on substantial evidence, that the proposed installation would have a specific, adverse impact upon the public health or safety, and there is no 'feasible method to satisfactorily mitigate or avoid the specific, adverse impact', (as that term is defined in Government Code Section 65850.7(i)(1)).
- B. Any decision of the Building Official to impose conditions or deny a permit may be appealed in accordance with the procedures established by the Board of Appeals, as set forth in Appendix B of the City Building Code, or any successor provisions thereto..
- C. In the technical review of a charging station permit application, consistent with Government Code Section 65850.7, the Building Official shall not condition the approval for any such permit on the approval of such system by an association, as that term is defined by Civil Code Section 4080.

§14.08.070 ELECTRIC VEHICLE CHARGING STATION INSTALLATION REQUIREMENTS.

- A. Electric vehicle charging station equipment shall meet the requirements of the California Electrical Code, the Society of Automotive Engineers, the National Electrical Manufacturers Association, and accredited testing laboratories such as Underwriters Laboratories, and rules of the Public Utilities Commission regarding safety and reliability.
- B. Installation of electric vehicle charging stations and associated wiring, bonding, disconnecting means and overcurrent protective devices shall meet the requirements of Article 625 and all applicable provisions of the California Electrical Code.

- C. Electrical loads resulting from the installation of electric vehicle charging stations shall be incorporated into the load calculations of all new or existing electrical services and shall meet the requirements of the California Electrical Code. Electric vehicle charging equipment shall be considered a continuous load.
- D. Anchorage of either floor-mounted or wall-mounted electric vehicle charging stations shall meet the requirements of the California Building or Residential Code, as applicable, based on the occupancy, and the provisions of the manufacturer's installation instructions. Mounting of charging stations shall not adversely affect building elements."

SECTION 3. PENALTIES.

It shall be unlawful for any person, firm, partnership, or corporation to violate any provision or to fail to comply with any of the requirements of this Ordinance or the Chapter hereby adopted. Any person, firm, partnership or corporation violating any provision of this Ordinance or the Chapter hereby adopted or failing to comply with any of their requirements shall be deemed guilty of a misdemeanor and upon conviction thereof shall be punished by a fine not exceeding one thousand dollars (\$1,000.00), or by imprisonment not exceeding six (6) months, or by both such fine and imprisonment. Alternatively or in addition to the foregoing, violation of this Ordinance or the Chapter adopted hereby, may be punishable by administrative penalty. Each and every person, firm, partnership, or corporation shall be deemed guilty of a separate offense for each and every day or any portion thereof during which any violation of any of the provisions of this Ordinance or the Chapter hereby adopted is committed, continued or permitted by such person, firm, partnership or corporation, and shall be deemed punishable therefore as provided in this Ordinance.

SECTION 4. CIVIL REMEDIES

The violation of any of the provisions of this Ordinance or any of the Chapter hereby adopted shall constitute a nuisance and may be abated by the City through civil process by means of restraining order, preliminary or permanent injunction or in any other manner provided by law for the abatement of such nuisances.

SECTION 5. SEVERABILITY

The City Council declares that, should any provision, section, paragraph, sentence or word of this Ordinance or the Chapter hereby adopted be rendered or declared invalid by any final court action in a court of competent jurisdiction, or by reason of any preemptive legislation, the remaining provisions, sections, paragraphs, sentences and words of this Ordinance and the Chapter hereby adopted shall remain in full force and effect.

SECTION 6. The City Clerk shall certify to the adoption of this Ordinance.

APPROVED AND ADOPTED this 3rd day of October, 2017.

Glenn Parker, Mayor Pro Tem

ATTEST:_____
Lillian Harris-Neal, City Clerk

I, Lillian Harris-Neal, City Clerk of the City of Brea, do hereby certify that the foregoing Ordinance was introduced at a regular meeting of the City Council of the City of Brea, held on the 5th day of September, 2017, and was finally passed at a regular meeting of the City Council of the City of Brea on the 3rd day of October 2017, by the following vote:

AYES:	COUNCIL MEMBERS:
NOES:	COUNCIL MEMBERS:
ABSENT:	COUNCIL MEMBERS:
ABSTAINED:	COUNCIL MEMBERS:

DATED: October 3, 2017

Lillian Harris-Neal, City Clerk



CITY OF BREA
RESIDENTIAL AND NON-RESIDENTIAL
CHECKLIST FOR PERMITTING ELECTRIC VEHICLES
AND ELECTRIC VEHICLE SERVICE EQUIPMENT (EVSE)

Please complete the following information related to permitting and installation of Electric Vehicle Service Equipment (EVSE) as a supplement to the application for a building permit. This checklist contains the technical aspects of EVSE installations and is intended to help expedite permitting and use for electric vehicle charging.

Upon this checklist being deemed complete, a permit shall be issued to the applicant. However, if it is determined that the installation might have a specific adverse impact on public health or safety, additional verification will be required before a permit can be issued.

This checklist substantially follows the *“Plug-In Electric Vehicle Infrastructure Permitting Checklist”* contained in the *Governor’s Office of Planning and Research “Zero Emission Vehicles in California: Community Readiness Guidebook”* and is purposed to augment the guidebook’s checklist.

Job Address:	Permit No.
<div style="display: flex; flex-wrap: wrap;"><div style="width: 33%;"><input type="checkbox"/> Single-Family</div><div style="width: 33%;"><input type="checkbox"/> Multi-Family (Apartment)</div><div style="width: 33%;"><input type="checkbox"/> Multi-Family (Condominium)</div><div style="width: 50%;"><input type="checkbox"/> Commercial (Single Business)</div><div style="width: 50%;"><input type="checkbox"/> Commercial (Multi-Businesses)</div><div style="width: 33%;"><input type="checkbox"/> Mixed-Use</div><div style="width: 33%;"><input type="checkbox"/> Public Right-of-Way</div></div>	
Location and Number of EVSE to be Installed:	
Garage _____ Parking Level(s) _____ Parking Lot _____ Street Curb _____	
Description of Work:	

Applicant Name:	
Applicant Phone & email:	
Contractor Name:	License Number & Type:
Contractor Phone & email:	
Owner Name:	
Owner Phone & email:	

EVSE Charging Level: <input type="checkbox"/> Level 1 (120V) <input type="checkbox"/> Level 2 (240V) <input type="checkbox"/> Level 3 (480V)	
Maximum Rating (Nameplate) of EV Service Equipment = _____ kW	
Voltage EVSE = _____ V	Manufacturer of EVSE: _____
Mounting of EVSE: <input type="checkbox"/> Wall Mount <input type="checkbox"/> Pole Pedestal Mount <input type="checkbox"/> Other _____	

System Voltage: <input type="checkbox"/> 120/240V, 1 ϕ , 3W <input type="checkbox"/> 120/208V, 3 ϕ , 4W <input type="checkbox"/> 120/240V, 3 ϕ , 4W <input type="checkbox"/> 277/480V, 3 ϕ , 4W <input type="checkbox"/> Other _____
Rating of Existing Main Electrical Service Equipment = _____ Amperes
Rating of Panel Supplying EVSE (if not directly from Main Service) = _____ Amps
Rating of Circuit for EVSE: _____ Amps / _____ Poles
AIC Rating of EVSE Circuit Breaker (if not Single Family, 400A) = _____ A.I.C. <i>(or verify with Inspector in field)</i>

Specify Either Connected, Calculated or Documented Demand Load of Existing Panel:
<ul style="list-style-type: none"> Connected Load of Existing Panel Supplying EVSE = _____ Amps
<ul style="list-style-type: none"> Calculated Load of Existing Panel Supplying EVSE = _____ Amps
<ul style="list-style-type: none"> Demand Load of Existing Panel or Service Supplying EVSE = _____ Amps (Provide Demand Load Reading from Electric Utility)
Total Load (Existing plus EVSE Load) = _____ Amps
<p><i>For Single Family Dwellings, if Existing Load is not known by any of the above methods, then the Calculated Load may be estimated using the "Single-Family Residential Permitting Application Example" in the Governor's Office of Planning and Research "Zero Emission Vehicles in California: Community Readiness Guidebook"</i></p> <p>https://www.opr.ca.gov</p>

EVSE Rating _____ Amps x 1.25 = _____ Amps = Minimum Ampacity of EVSE Conductor = # _____ AWG
For Single-Family: Size of Existing Service Conductors = # _____ AWG or kcmil <div style="margin-left: 100px;"> - or - : Size of Existing Feeder Conductor Supplying EVSE Panel = # _____ AWG or kcmil (or Verify with Inspector in field) </div>

I hereby acknowledge that the information presented is a true and correct representation of existing conditions at the job site and that any causes for concern as to life-safety verifications may require further substantiation of information.

Signature of Permit Applicant: _____ Date: _____

City of Brea

COUNCIL COMMUNICATION

TO: Honorable Mayor and City Council Members

FROM: Bill Gallardo, City Manager

DATE: 10/03/2017

SUBJECT: September 6, 2017 Joint City Council and Planning Commission Special Meeting Minutes - Approve.

RESPECTFULLY SUBMITTED:

William Gallardo, City Manager

Prepared by: Lillian Harris-Neal, City Clerk

Attachments

Minutes

DRAFT

JOINT BREA CITY COUNCIL SUCCESSOR AGENCY TO THE BREA REDEVELOPMENT AGENCY AND PLANNING COMMISSION SPECIAL MEETING

MINUTES September 6, 2017

Present: Cecilia Hupp, Mayor; Glenn Parker, Mayor Pro Tem; Christine Marick, Council Member; Marty Simonoff, Council Member; Steve Vargas, Council Member; James McGrade, Planning Commission Chair; Art Willis, Planning Commission Vice Chair; Jim Grosse, Planning Commission Member

Absent: Pat Fox, Planning Commission Member; Melanie Schlotterbeck, Planning Commission Member;

Staff Present: Bill Gallardo; Chris Emeterio; David Crabtree; Jennifer Lilley; Lillian Harris-Neal

Attendees: Karen Gully, Placeworks; Nate Cherry, Callison/RTKL; David Berquist, Kimley-Horn

STUDY SESSION SPECIAL MEETING 6:00 p.m. - Community Rooms A & B Level Two

CALL TO ORDER/ ROLL CALL - CITY COUNCIL AND PLANNING COMMISSION

Mayor Hupp called the Study Session to order at 6:02 p.m.

1. **Matters from the Audience** - None.

DISCUSSION ITEM

2. **Introductory Discussion for the Central City Core Planning Effort**

Community Development Director Crabtree introduced the consultants that are part of the project team and presented a PowerPoint that included the history; project background; what is a Specific Plan; connection to Brea Envisions; project timeline; and public engagement plan.

City Planner Lilley noted that the Brea Envisions Committee suggested the community stay connected to the Brea General Plan. She emphasized that the study of the City Core picks up where Brea Envisions left off examining land use in this specific part of the City. She stated that the City is in the information-gathering phase and that concepts and best practices for planning would be provided based on the information gathered.

City Planner Lilley summarized the original direction of the project and the early feedback that could

possibly expand the study area, and noted that staff will need direction on whether to include the additional areas. She stated that changing the name of the project from Central City Core to something more easily understood by the community is being considered.

In response to Council Member Vargas, City Planner Lilley and Council Member Marick clarified the previous direction by Council to expand the project study area to include Brea Plaza and commercial properties on the south side of Imperial Highway.

Consultant Karen Gully from Placeworks presented background on the project; gave a definition of a Specific Plan; and explained the two (2) phases noting that the City is now in Phase 1. She stated that at the end of the study the team will submit a recommendation for a preferred land plan, and based upon the outcome of that process, Phase 2 will begin. She stressed that the team (staff, consultants and the Brea Envisions Committee) is building upon the Brea Envisions process.

Council expressed concern about the project timeline and questioned whether there is a plan for more educational or informational process and input from the community. City Planner Lilley explained that Brea Envisions input is included in the plan and the team will continue to meet with residents, landowners, and employers and to work with the Brea Envisions Committee. City Planner Lilley stated that the community has been involved in a dialogue about their vision for the future of Brea, and the Core Plan will continue where that work ended. She emphasized that part of the reason for the Special Meeting is to present to Council what the team has learned from the community.

In response to Planning Commission questions, Mayor Pro Tem Parker noted that The Central City Core hasn't been fully defined yet and that is part of the process. Staff clarified that all three (3) consultants fees are included in the Placeworks PSA (Professional Services Agreement).

Consultant Nate Cherry, Callison/RTKL, noted that Brea faces the challenge of taking concepts from Brea Envisions and turning them into a plan that preserves the past and seizes the future for this part of Brea. Some ideas put forth as outcomes of Brea Envisions were mixed-use in Brea's Core; multi-modal streets; re-envisioned parking; niche businesses; unique stores and restaurants; a tech-work campus; additional uses for the Brea Mall; and taking advantage of Brea's proximity to California State University Fullerton. In response to Council questions, Mr. Cherry discussed where the concept of districts came from and how districts impact future planning.

Council Member Marick left the meeting at 7:10 p.m.

Mayor Hupp reopened Matters from the Audience at 7:11 p.m.

Bill Hall expressed appreciation for all the work and time that has already gone into the Core Study and the expanded focus of the study. Ken Salazar commented that the number of residents involved in Brea Envisions was very small in comparison to the population of Brea. Keith Fullington suggested that the Market Study be published in the Brea Line. Council indicated that the City will not be building, but will consider zoning changes; encouraged property owners to think "outside the box;" desired mixed-use zones; and need feedback from the community.

Community Development Director Crabtree assured Council that staff will continue to inform and solicit feedback from the community and indicated that landowners are invited to participate in discussions of the study. He noted that staff understand Council direction includes processes to engage residents on further details for the Central Core. He noted that staff and the team would refine process details and report back.

ADJOURNMENT

Mayor Hupp adjourned the meeting at 7:25 p.m.

Respectfully submitted,

The foregoing minutes are hereby
approved this 3rd day of October 2017.

Lillian Harris-Neal, City Clerk

Glenn Parker, Mayor Pro Tem

City of Brea

COUNCIL COMMUNICATION

TO: Honorable Mayor and City Council Members
FROM: Bill Gallardo, City Manager
DATE: 10/03/2017
SUBJECT: September 19, 2017 City Council Regular Meeting Minutes

RESPECTFULLY SUBMITTED:

William Gallardo, City Manager
Prepared by: Lillian Harris-Neal, City Clerk

Attachments

Minutes

DRAFT

BREA CITY COUNCIL SUCCESSOR AGENCY TO THE BREA REDEVELOPMENT AGENCY MEETING

MINUTES September 19, 2017

CLOSED SESSION 5:45 p.m. - Executive Conference Room Level Three

CALL TO ORDER / ROLL CALL - COUNCIL

Mayor Hupp called the Closed Session to order at 5:45 p.m., all members were present except for Council Member Vargas.

Council Member Vargas arrived to the Closed Session at 6:00 p.m.

Present: Hupp, Parker, Marick, Simonoff, Vargas

- 1. Public Comment**
None.

Closed Session may convene to consider matters of purchase / sale of real property (G. C. §54956.8), pending litigation [G.C. §54956.9(d)(1)], potential litigation [G.C. §54956.9(d)(2)(3) or (4)], liability claims (G. C. §54961) or personnel items (G.C. §54957.6). Records not available for public inspection.

- 2. Conference with Real Property Negotiator (G. C. §54956.8)**
Property: 220 S. Orange Avenue, Brea, California and 255 E. Imperial Highway, Brea, California.
City of Brea Negotiators: David Crabtree, Kathie DeRobbio, James L. Markman, and Terence Boga
Negotiating Party: Jamboree Housing Company
Under Negotiation: Price and Terms of Payment
- 3. Conference with City's Labor Negotiator Pursuant to Government Code §54957.6 Regarding the Administrative and Professional Employees' Association (APEA) - Chris Emeterio and Mario Maldonado, Negotiators**

The City Council recessed the Closed Session at 6:17 p.m.

The City Council reconvened the Closed Session at 7:56 p.m.

The City Council adjourned the Closed Session at 8:17 p.m.

STUDY SESSION 6:15 p.m. - Executive Conference Room Level Three

CALL TO ORDER / ROLL CALL - COUNCIL

Mayor Hupp called the Study Session to order at 6:20 p.m., all members were present.

4. Public Comment

None.

5. Clarify Regular Meeting Topics

Mayor Hupp announced that Consent Calendar Item 21 (North Orange County Public Safety Task Force Operational Agreement) was pulled for separate discussion under Administrative Items.

DISCUSSION ITEMS

6. Proposed Revisions to Purchasing Ordinance

Procurement and Contracts Administrator Groom presented a PowerPoint presentation that included: approval limits - operation, and approval limits - Public Works - CIP.

In response to Council questions, staff clarified that purchase order transactions over \$25,000 will require the Administrative Services Director's signature, contracts approved by Council over \$25,000 will require the Mayor's or City Manager's signature, and payments over \$100,000 will require the signatures of the Finance Division Manager and Administrative Services Director or City Manager; indicated that multiple purchase orders for the same item may exceed the \$25,000 threshold, however, purchase orders are not issued unless they have been approved by Council for payments over \$25,000; and explained that the proposed signature authority for payments over \$500,000 will require the Finance Division Manager and Administrative Services Director or the City Manager and Mayor or Mayor Pro Tem signatures.

Council directed staff to change signature authority to reflect the requirement of City Manager and Administrative Services Director signatures on any payments over \$100,000; additionally, Council directed staff to require the signatures of the Administrative Services Director, City Manager, and a Council Member, for payments over \$500,000.

7. Update on Upcoming Caltrans Projects within the City of Brea

City Engineer Kooyman presented a PowerPoint presentation that included: background of project, grind and groove, slab replacement, ADA ramp upgrades, pavement rehab, pavement rehab detours, and landscape.

In response to Council questions, staff explained that the Pavement Rehab on Valencia and Carbon Canyon Road will start in the Spring of 2018; clarified that in order to ensure the quality of the roads, the contractor will close down northbound Valencia, do a full grind removal of the asphalt and replace it with brand new concrete which will ensure quality and durability; and specified that large trash hauling trucks heading to the landfill will be detoured to Kraemer and Lambert, but that it is possible to have the Caltrans agreement stipulate that the detour would only happen on Sundays and therefore avoid closing Valencia on Saturdays; and suggested that the City work with the landfill to not allow trucks on Valencia for 6 weekends during construction.

Council directed staff to ensure that there is effective traffic enforcement during construction hours: to inform residents and surrounding businesses about the project, planned detours, and other pertinent factors; and gather feedback from the community.

REPORTS

8. Council Member Report

None.

Adjournment

Mayor Hupp adjourned the Study Session at 6:57 p.m.

GENERAL SESSION
7:00 p.m. - Council Chamber
Plaza Level

CALL TO ORDER/ ROLL CALL - COUNCIL

Mayor Hupp called the General Session to order at 7:06 p.m., all members were present.

9. Pledge of Allegiance

The Brea Girl Scouts led the Pledge of Allegiance.

10. Invocation

Pastor Doug Green, North Hills Church delivered the invocation.

11. Hunger Action Month Proclamation

Mayor Hupp proclaimed the month of September as Hunger Action Month and presented Menna Eshete of Second Harvest Food Bank of O.C., with a proclamation.

12. Centennial Committee Update

Doug Green presented the centennial committee update and showed a video of the Brea Fest.

13. Report - Prior Study Session

City Manager Gallardo presented the prior study session report.

14. Community Announcements

Mayor Pro Tem Parker announced that the Centennial Gala is happening on October 21. This special evening event will feature a touch of glamour along with fine food, wine, music, dancing, plus a private viewing of the Watercolor West exhibition and a lively performance by The Alley Cats. For more information, visit CityofBrea.net. He also announced that the Brea Community Center hosts its annual Wellness Festival on September 30, from 10 am-2 pm. This very popular Fitness event also presents a number of special discounts that you can only purchase that day. Check out BreaFitness.com for more information.

Council Member Simonoff announced that Brea's Senior Center hosts their annual Health Fair and Flu Clinic between 9:00 a.m. and 12:30 p.m. In addition to free health screenings and many giveaways, those with their Medicare Part B card can obtain free flu shots. Get event details at BreaSeniorCenter.com. He also announced that the Brea Resource Center will host a Halloween Costume Exchange on Saturday, October 14, from 9 until 11 a.m. It's a smart, economical way to provide a new costume for your growing child each year. Now is the time to donate clean, gently used costumes. Residents can come back that Saturday and pick out something different for this year! Call 714-990-7150 with questions. Lastly, he announced the Charles Phoenix Retro Disneyland Slide Show. Residents can go back and remember when Disneyland was new in an eclectic collection of scenes from the past. Laugh at Charles Phoenix's Retro Disneyland Slide Show, a hilarious nod to the past. He visits the Curtis Theatre on Saturday and Sunday, October 14 and 15, with one show each day. More information is at CurtisTheatre.com

15. Matters from the Audience

Sean Thomas discussed The Lions Club of Brea organization and invited Council to participate in the 95 year anniversary celebration. He requested that the community pray for those affected by the storm and earthquake in Puerto Rico and Mexico.

Darlene Chandler conveyed her support for the North Orange County Public Safety Task Force Operational Agreement and commended Chief Conklin for working towards ensuring that the City of Brea received the funding.

Diane Follansbee expressed concern about traffic speed on Tamarack and requested speed bumps and other improvements to the street to prevent speeding.

Keith Fullington expressed concern about a possible parking shortage if a hotel is built in the place of the Tower Records building and noted that the elevators in the Brea Civic and Cultural Center were not functioning properly.

16. Response to Public Inquiries - Mayor / City Manager

City Manager Gallardo responded to public inquiries.

ADMINISTRATIVE ITEM - *This agenda category is for City Council consideration of a wide variety of topics related to the City's operations. Public comments regarding items in this section should be presented during "Matters from the Audience."*

21. North Orange County Public Safety Task Force Operational Agreement

Council Member Marick recused herself and left the Council Chamber.

Police Chief Conklin provided a brief background of the North Orange County Public Safety Task Force and the development of the Operational Agreement.

In response to Council questions, Police Chief Conklin clarified that City Council will be voting on the acceptance of the funds that the program provides to the City of Brea and to authorize the City Manager to sign the operational agreement; noted that the City of Stanton will administer the funds received from the program; explained that the department has identified two (2) community based organizations that will receive a portion of the funding; noted that the funds may be used to augment salaries and/or create new staff positions if deemed necessary; and indicated that funds will be redistributed in the second year of the program in order to provide funding for four (4) additional cities.

Motion was made by Council Member Vargas, seconded by Mayor Pro Tem Parker To Approve the City's Participation in the North Orange County Public Safety Task Force and Authorize the City Manager to Execute all Necessary Documents and Accept the Accompanying Funds.

AYES: Mayor Hupp, Mayor Pro Tem Parker, Council Member Simonoff, Council Member Vargas

Other: Council Member Marick (ABSTAIN)

Passed

After the vote, Council Member Marick returned to the Council Chamber.

CONSENT CALENDAR - *The City Council/Successor Agency approves all Consent Calendar matters with one motion unless Council/Agency or Staff requests further discussion of a particular item. Items of concern regarding Consent Calendar matters should be presented during "Matters from the Audience."*

CITY COUNCIL - CONSENT

17. September 5, 2017 City Council Regular Meeting Minutes

The City Council Approved the September 5, 2017 City Council Regular Meeting Minutes.

18. Acceptance of Contract and Notice of Completion for Contract with Asplundh Construction Corp for the Birch Street Regional Traffic Signal Synchronization Improvements, Project 7709

The City Council Accepted the Project as Complete and Authorized the City Clerk to Record Notice of Completion; and (2) Authorized City Clerk to Release the Payment and Performance Bond upon Notification from the Public Works Department.

19. Improvement Agreement and Improvement Security Bonds for La Floresta Development Planning Area 2

The City Council Approved the Agreement.

20. Establish the 2017 City of Brea Master Employee Salary Schedule to Comply with CalPERS Regulations

The City Council Adopted Resolution 2017-063, Establishing the 2017 City of Brea Master Employee Pay Schedule Confirming the Pay Rates/Ranges for all City of Brea Established Positions in Order to Comply with CalPERS Regulations and State Requirements for Public Disclosures.

22. Acceptance of Contract and Notice of Completion for Contract with Clean Cut Landscape, Inc. for the Brea Community Center Landscape Improvements, Project 7936

The City Council: (1) Accepted the Project as Complete and Authorizes the City Clerk to Record Notice of Completion; and (2) Authorizes the City Clerk to Release the Payment and Performance Bond Upon Notification from the Public Works Department.

23. August Outgoing Payment Log and September 8 and 15, 2017 City Check Registers

The City Council Approved the August Outgoing Payment Log and September 8 and 15, 2017 City Check Registers.

Motion was made by Mayor Pro Tem Parker, seconded by Council Member Simonoff to Approve Consent Calendar Items 17-20 and 22-23.

AYES: Mayor Hupp, Mayor Pro Tem Parker, Council Member Marick, Council Member Simonoff, Council Member Vargas

Passed

ADMINISTRATIVE ANNOUNCEMENTS

24. City Manager

None.

25. City Attorney

None.

COUNCIL ANNOUNCEMENTS

Mayor Hupp expressed her sympathy for those affected by hurricanes Harvey and Irma and the earthquakes in Mexico City.

ADJOURNMENT

Mayor Hupp adjourned the General Session at 7:51 p.m.

Respectfully submitted,

The foregoing minutes are hereby
approved this 3rd day of October 2017.

Lillian Harris-Neal, City Clerk

Glenn Parker, Mayor Pro Tem

City of Brea

COUNCIL COMMUNICATION

TO: Honorable Mayor and City Council Members

FROM: Bill Gallardo, City Manager

DATE: 10/03/2017

SUBJECT: The Road Repair and Accountability Act of 2017, Local Streets and Roads Funding Annual Reporting Guidelines

RECOMMENDATION

1. Approve City Manager or his Designee to submit a Project List to the California Transportation Commission for the SB1 Road Maintenance Rehabilitation Account funds; and
2. Approve a Resolution to Amend the Capital Improvement Program Budget for the Cliffwood Industrial Park Pavement Rehabilitation Project, Project 7317.

BACKGROUND/DISCUSSION

On April 28, 2017 the Governor signed Senate Bill (SB) 1 (Beall, Chapter 5, Statutes of 2017), which is known as the Road Repair and Accountability Act of 2017 ("RRAA"). The RRAA increases the per gallon fuel excise taxes by 12 cents, increases diesel fuel sales taxes by 20 cents, and increases vehicle registration fees with a provision for inflationary adjustments to tax rates in future years. The main objective of the RRAA is to address basic road maintenance, rehabilitation, and critical safety needs on both the state highway and local streets and road system.

Beginning November 1, 2017, the State Controller ("Controller") will deposit various portions of this new funding into the newly created Road Maintenance and Rehabilitation Account ("RMRA"). A percentage of this new RMRA funding will be apportioned by formula to eligible cities and counties pursuant to Streets and Highways Code ("SHC") Section 2032(h) for basic road maintenance, rehabilitation, and critical safety projects on the local streets and roads system. It is estimated that Orange County will receive approximately \$12 M in Fiscal Year ("FY") 2017/18 and approximately \$34 M in FY 2018/19 with projected increases out to FY 2026/27 (see Exhibit "A"). Of this County estimated apportionment amount, the City of Brea is estimated to receive approximately \$246,000 in FY 2017/18 and \$740,000 in FY 2018/19 pursuant to the SHC Section 2032 (h) formula (see Exhibit "B"). It is anticipated that the first apportionment for the disbursement of RMRA funds to cities and counties for FY 2017/18 will begin in mid-January, 2018.

Additionally, the RRAA emphasizes the importance of accountability and transparency in the delivery of California's transportation programs. Therefore, in order to be eligible for RMRA funding, the statute requires cities and counties to provide basic annual RMRA project reporting to the California Transportation Commission ("Commission"). These reporting requirements as well as other fund use requirements and accounting processes were developed within a RRAC

Local and Streets and Road Funding Annual Reporting Guidelines document ("RRAC Guidelines"). A draft of this document was circulated to all state, city, and county stakeholders in June and July of this year for review and comment and on August 16, 2017, the Commission approved the Final RRAC Guidelines (see attached RRAC Guidelines).

One of the requirements within the RRAC Guidelines requires cities and counties to submit a project list for the use of the funds in October of each year to the Commission for their review prior to the submittal to the State Controller. This first project list is due to the Commission on October 16, 2017. Additionally, the RRAC Guidelines require that the cities and counties appropriate the new funds within their respective FY budgets (Operations or Capital Improvement). The majority of the cities and counties have adopted their budgets pursuant to the State FY (July 1 to June 30), which did not include the appropriations of the new funds. Therefore, the cities and counties will be required to amend their budgets to include the new funding appropriations in order to be eligible to receive the FY 2017/18 apportionment. The City of Brea's Capital Improvement Program ("CIP") budget was approved on June 6, 2017, which did not anticipate the new RMRA funding.

Staff has evaluated the City's 2017 CIP with respect to utilizing the additional funds from RMRA and has determined that the Cliffwood Industrial Park Pavement Rehabilitation Project (Project No. 7317) ("Project") would be a good project to submit to the Commission for use of the RMRA funds. Currently, this Project is in design and will be ready to advertise bids in November. Also, the Project is fully funded with a combination of Measure M funds (Fund 260) and Gas Tax funds (Fund 220). Therefore, staff is recommending that City Council consider authorizing the City Manager or his designee to submit this Project as our FY 2017/18 list to the Commission for consideration of eligibility for the RMRA funding pursuant to the RRAC Guidelines.

Additionally, staff further recommends to the City Council that the current Gas Tax funds appropriated in FY 2016/17 for this Project (\$241,992) be de-obligated and replaced with the new RMRA funds (\$246,966). This added funding amount would increase the Project budget by \$4,974. Staff has prepared a Resolution for this recommendation (see Resolution). The de-obligated Gas Tax funds will be reprogrammed at a later date to the ADA Transition Plan For Public Facilities, Project 7909, for the public right-of-way component of the project. This will help reduce the FARP (Fund 182) funding for this project.

COMMISSION/COMMITTEE RECOMMENDATION

The Finance Committee reviewed staff's recommendation at their September 26, 2017 meeting and it was recommended for City Council approval.

FISCAL IMPACT/SUMMARY

SB 1 (RRAA) was signed by the Governor on April 28, 2017, which provides additional gas tax funds from increases to gas fuel and diesel fuel taxes, and vehicle registration fees. The main objective of the RRAA is to address basic road maintenance, rehabilitation, and critical safety needs on both the state highway and local streets and road system. Staff has identified a project within the 2017 CIP, Project 7317, that would be eligible for the new funding in the amount of \$246,966. In order to obtain the State's apportionment of the new funds, the City is required to submit a project list to the Commission for their review by October 16, 2017. Therefore, staff recommends that the City Council consider authorizing the City Manager or his designee to submit the project list using Project 7317 to the Commission before the deadline pursuant to the RRAC Guidelines. Furthermore, staff recommends the City Council adopt a Resolution, which amends the CIP budget to de-obligate the current allocated Gas Tax funds and appropriates the

new RRAA funds for Project 7317. See the following budget table:

Expenditures	Approved Budget	Proposed Budget
Design	\$ 30,000	\$ 30,000
Right of Way	0	0
Construction	465,000	469,974
Contr. Engineering	55,000	55,000
Total	\$ 550,000	\$ 554,974

Funding Source	Approved Budget	Proposed Budget
Fund 220 (Gas tax)	\$ 255,000	\$ 13,008
Fund 260 (Measure M)	295,000	295,000
RRAA Funds (new)	0	246,966
Total	\$ 550,000	\$ 554,974

Based on the proposed budget within the table above, there will be a net increase to the budget of \$4,974 from the new RRAA funds. If the City Council adopts the Resolution, the reduction in Fund 220 (Gas Tax) amount will be de-obligated from 7317, which will be reprogrammed at a later date to Project 7909 for the public right-of-way component of the project. This will help reduce the FARP (Fund 182) funding for this project. There is no impact to the General Fund for this item.

RESPECTFULLY SUBMITTED:

William Gallardo, City Manager

Prepared by: Steve Kooyman, P.E., City Engineer

Concurrence: Tony Olmos, P.E., Public Works Director

Attachments

Exhibit A (New County Revenues from SB1)

Exhibit B (Local Streets and Roads - Projected FY18-19 Revenues)

RRAC Guidelines

Resolution 2017-064

New County Revenues from SB 1 (Beall, 2017) - Road Maintenance and Rehabilitation Account (RMRA) Revenues ONLY*

EXHIBIT 'A'

COUNTY	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27
Alameda	\$ 5,980,000	\$ 16,540,000	\$ 16,750,000	\$ 18,600,000	\$ 19,390,000	\$ 19,970,000	\$ 20,510,000	\$ 21,180,000	\$ 21,820,000	\$ 22,510,000
Alpine	\$ 120,000	\$ 320,000	\$ 320,000	\$ 360,000	\$ 370,000	\$ 380,000	\$ 390,000	\$ 410,000	\$ 420,000	\$ 430,000
Amador	\$ 550,000	\$ 1,520,000	\$ 1,540,000	\$ 1,710,000	\$ 1,780,000	\$ 1,830,000	\$ 1,880,000	\$ 1,940,000	\$ 2,000,000	\$ 2,060,000
Butte	\$ 1,960,000	\$ 5,410,000	\$ 5,480,000	\$ 6,090,000	\$ 6,340,000	\$ 6,530,000	\$ 6,710,000	\$ 6,930,000	\$ 7,140,000	\$ 7,360,000
Calaveras	\$ 840,000	\$ 2,320,000	\$ 2,350,000	\$ 2,600,000	\$ 2,720,000	\$ 2,800,000	\$ 2,870,000	\$ 2,970,000	\$ 3,060,000	\$ 3,150,000
Colusa	\$ 660,000	\$ 1,820,000	\$ 1,840,000	\$ 2,040,000	\$ 2,130,000	\$ 2,190,000	\$ 2,250,000	\$ 2,330,000	\$ 2,400,000	\$ 2,470,000
Contra Costa	\$ 4,990,000	\$ 13,810,000	\$ 13,990,000	\$ 15,530,000	\$ 16,190,000	\$ 16,680,000	\$ 17,130,000	\$ 17,690,000	\$ 18,220,000	\$ 18,790,000
Del Norte	\$ 340,000	\$ 950,000	\$ 960,000	\$ 1,060,000	\$ 1,110,000	\$ 1,140,000	\$ 1,170,000	\$ 1,210,000	\$ 1,250,000	\$ 1,290,000
El Dorado	\$ 1,760,000	\$ 4,880,000	\$ 4,940,000	\$ 5,490,000	\$ 5,720,000	\$ 5,890,000	\$ 6,050,000	\$ 6,250,000	\$ 6,440,000	\$ 6,640,000
Fresno	\$ 5,990,000	\$ 16,580,000	\$ 16,790,000	\$ 18,640,000	\$ 19,440,000	\$ 20,020,000	\$ 20,560,000	\$ 21,230,000	\$ 21,870,000	\$ 22,560,000
Glenn	\$ 800,000	\$ 2,210,000	\$ 2,230,000	\$ 2,480,000	\$ 2,590,000	\$ 2,660,000	\$ 2,740,000	\$ 2,820,000	\$ 2,910,000	\$ 3,000,000
Humboldt	\$ 1,560,000	\$ 4,300,000	\$ 4,360,000	\$ 4,840,000	\$ 5,050,000	\$ 5,200,000	\$ 5,340,000	\$ 5,510,000	\$ 5,680,000	\$ 5,860,000
Imperial	\$ 2,710,000	\$ 7,490,000	\$ 7,590,000	\$ 8,420,000	\$ 8,780,000	\$ 9,050,000	\$ 9,290,000	\$ 9,600,000	\$ 9,880,000	\$ 10,200,000
Inyo	\$ 960,000	\$ 2,660,000	\$ 2,690,000	\$ 2,990,000	\$ 3,120,000	\$ 3,210,000	\$ 3,300,000	\$ 3,400,000	\$ 3,510,000	\$ 3,620,000
Kern	\$ 5,640,000	\$ 15,600,000	\$ 15,800,000	\$ 17,540,000	\$ 18,290,000	\$ 18,840,000	\$ 19,350,000	\$ 19,980,000	\$ 20,580,000	\$ 21,230,000
Kings	\$ 1,180,000	\$ 3,270,000	\$ 3,310,000	\$ 3,670,000	\$ 3,830,000	\$ 3,950,000	\$ 4,050,000	\$ 4,190,000	\$ 4,310,000	\$ 4,450,000
Lake	\$ 840,000	\$ 2,310,000	\$ 2,340,000	\$ 2,600,000	\$ 2,710,000	\$ 2,790,000	\$ 2,870,000	\$ 2,960,000	\$ 3,050,000	\$ 3,150,000
Lassen	\$ 810,000	\$ 2,250,000	\$ 2,280,000	\$ 2,530,000	\$ 2,640,000	\$ 2,710,000	\$ 2,790,000	\$ 2,880,000	\$ 2,970,000	\$ 3,060,000
Los Angeles	\$ 36,120,000	\$ 99,910,000	\$ 101,200,000	\$ 112,350,000	\$ 117,150,000	\$ 120,650,000	\$ 123,910,000	\$ 127,970,000	\$ 131,830,000	\$ 135,980,000
Madera	\$ 1,710,000	\$ 4,740,000	\$ 4,800,000	\$ 5,330,000	\$ 5,550,000	\$ 5,720,000	\$ 5,880,000	\$ 6,070,000	\$ 6,250,000	\$ 6,450,000
Marin	\$ 1,360,000	\$ 3,750,000	\$ 3,800,000	\$ 4,220,000	\$ 4,400,000	\$ 4,530,000	\$ 4,660,000	\$ 4,810,000	\$ 4,950,000	\$ 5,110,000
Mariposa	\$ 540,000	\$ 1,480,000	\$ 1,500,000	\$ 1,670,000	\$ 1,740,000	\$ 1,790,000	\$ 1,840,000	\$ 1,900,000	\$ 1,960,000	\$ 2,020,000
Mendocino	\$ 1,250,000	\$ 3,460,000	\$ 3,510,000	\$ 3,890,000	\$ 4,060,000	\$ 4,180,000	\$ 4,300,000	\$ 4,440,000	\$ 4,570,000	\$ 4,710,000
Merced	\$ 2,260,000	\$ 6,260,000	\$ 6,340,000	\$ 7,040,000	\$ 7,340,000	\$ 7,560,000	\$ 7,770,000	\$ 8,020,000	\$ 8,260,000	\$ 8,520,000
Modoc	\$ 790,000	\$ 2,170,000	\$ 2,200,000	\$ 2,440,000	\$ 2,550,000	\$ 2,620,000	\$ 2,690,000	\$ 2,780,000	\$ 2,860,000	\$ 2,960,000
Mono	\$ 580,000	\$ 1,610,000	\$ 1,630,000	\$ 1,810,000	\$ 1,890,000	\$ 1,940,000	\$ 1,990,000	\$ 2,060,000	\$ 2,120,000	\$ 2,190,000
Monterey	\$ 2,470,000	\$ 6,830,000	\$ 6,920,000	\$ 7,680,000	\$ 8,010,000	\$ 8,250,000	\$ 8,470,000	\$ 8,750,000	\$ 9,010,000	\$ 9,300,000
Napa	\$ 960,000	\$ 2,640,000	\$ 2,680,000	\$ 2,970,000	\$ 3,100,000	\$ 3,190,000	\$ 3,280,000	\$ 3,390,000	\$ 3,490,000	\$ 3,600,000
Nevada	\$ 980,000	\$ 2,710,000	\$ 2,740,000	\$ 3,050,000	\$ 3,180,000	\$ 3,270,000	\$ 3,360,000	\$ 3,470,000	\$ 3,570,000	\$ 3,690,000
Orange	\$ 12,330,000	\$ 34,120,000	\$ 34,560,000	\$ 38,360,000	\$ 40,000,000	\$ 41,200,000	\$ 42,310,000	\$ 43,700,000	\$ 45,010,000	\$ 46,430,000
Placer	\$ 2,540,000	\$ 7,030,000	\$ 7,120,000	\$ 7,910,000	\$ 8,240,000	\$ 8,490,000	\$ 8,720,000	\$ 9,010,000	\$ 9,280,000	\$ 9,570,000
Plumas	\$ 650,000	\$ 1,790,000	\$ 1,810,000	\$ 2,010,000	\$ 2,090,000	\$ 2,160,000	\$ 2,220,000	\$ 2,290,000	\$ 2,360,000	\$ 2,430,000
Riverside	\$ 9,920,000	\$ 27,420,000	\$ 27,780,000	\$ 30,840,000	\$ 32,160,000	\$ 33,120,000	\$ 34,010,000	\$ 35,130,000	\$ 36,180,000	\$ 37,320,000
Sacramento	\$ 7,370,000	\$ 20,390,000	\$ 20,660,000	\$ 22,930,000	\$ 23,910,000	\$ 24,630,000	\$ 25,290,000	\$ 26,120,000	\$ 26,910,000	\$ 27,760,000
San Benito	\$ 550,000	\$ 1,530,000	\$ 1,550,000	\$ 1,720,000	\$ 1,800,000	\$ 1,850,000	\$ 1,900,000	\$ 1,960,000	\$ 2,020,000	\$ 2,090,000
San Bernardino	\$ 9,600,000	\$ 26,550,000	\$ 26,890,000	\$ 29,860,000	\$ 31,130,000	\$ 32,060,000	\$ 32,930,000	\$ 34,010,000	\$ 35,030,000	\$ 36,140,000
San Diego	\$ 13,820,000	\$ 38,220,000	\$ 38,710,000	\$ 42,980,000	\$ 44,810,000	\$ 46,150,000	\$ 47,400,000	\$ 48,950,000	\$ 50,430,000	\$ 52,010,000
San Francisco*	\$ 2,810,000	\$ 7,770,000	\$ 7,870,000	\$ 8,740,000	\$ 9,110,000	\$ 9,390,000	\$ 9,640,000	\$ 9,960,000	\$ 10,260,000	\$ 10,580,000
San Joaquin	\$ 3,990,000	\$ 11,030,000	\$ 11,170,000	\$ 12,410,000	\$ 12,930,000	\$ 13,320,000	\$ 13,680,000	\$ 14,130,000	\$ 14,560,000	\$ 15,010,000

Local Streets and Roads - Projected FY2017-18 Revenues

Based on State Dept of Finance statewide revenue projections as of May 2017

Estimated 11 May 2017

Based on State Dept of Finance statewide revenue projections as of May 2017						new	new		
Estimated 11 May 2017	Highway Users Tax Acct (HUTA) ⁽¹⁾ Streets & Highways Code					Loan	TOTAL	Road Maintnc	TOTAL
	Sec2103 ⁽⁵⁾	Sec2105 ⁽³⁾	Sec2106 ⁽³⁾	Sec2107 ⁽³⁾	Sec2107.5 ⁽⁴⁾	Repayment ⁽⁶⁾	HUTA	Rehab Acct ⁽⁷⁾	
NAPA COUNTY									
AMERICAN CANYON	89,986	121,185	78,025	156,668	5,000	23,312	474,176	115,115	589,291
CALISTOGA	22,879	30,811	23,417	39,832	2,000	5,927	124,866	29,267	154,133
NAPA	355,880	479,268	294,395	619,598	7,500	92,194	1,848,835	455,262	2,304,097
SAINT HELENA	26,518	35,712	26,379	46,168	2,000	6,870	143,647	33,923	177,570
YOUNTVILLE	13,193	17,767	15,535	22,969	1,000	3,418	73,881	16,877	90,758
NEVADA COUNTY									
GRASS VALLEY	57,218	77,057	51,361	99,619	3,000	14,823	303,078	73,197	376,275
NEVADA CITY	14,398	19,391	16,517	25,068	1,000	3,730	80,104	18,419	98,523
TRUCKEE	71,462	96,239	62,952	1,734,341	4,000	18,513	1,987,507	91,419	2,078,926
ORANGE COUNTY									
ALISO VIEJO	223,083	300,429	186,332	388,395	6,000	57,792	1,162,031	285,381	1,447,411
ANAHEIM	1,581,780	2,130,202	1,291,962	2,753,926	10,000	409,776	8,177,646	2,023,502	10,201,148
BREA	193,054	259,988	161,896	336,113	6,000	50,013	1,007,064	246,966	1,254,030
BUENA PARK	368,119	495,750	304,354	640,906	7,500	95,365	1,911,994	470,918	2,382,912
COSTA MESA	506,167	681,662	416,690	881,252	10,000	131,128	2,626,899	647,518	3,274,416
CYPRESS	219,700	295,873	183,579	382,504	6,000	56,916	1,144,572	281,053	1,425,624
DANA POINT	147,584	198,753	124,895	256,948	6,000	38,233	772,414	188,798	961,212
FOUNTAIN VALLEY	250,489	337,336	208,633	436,109	7,500	64,892	1,304,959	320,439	1,625,398
FULLERTON	629,190	847,338	516,799	1,095,439	10,000	162,998	3,261,763	804,895	4,066,659
GARDEN GROVE	783,094	1,054,603	642,037	1,363,391	10,000	202,869	4,055,994	1,001,779	5,057,772
HUNTINGTON BEACH	862,193	1,161,126	706,403	1,501,104	10,000	223,360	4,464,186	1,102,966	5,567,152
IRVINE	1,141,214	1,536,887	933,454	1,986,888	10,000	295,643	5,904,085	1,459,905	7,363,990
LAGUNA BEACH	104,309	140,475	89,681	181,606	6,000	27,022	549,093	133,438	682,531
LAGUNA HILLS	135,509	182,491	115,069	235,925	6,000	35,105	710,099	173,351	883,450
LAGUNA NIGUEL	292,129	393,414	242,518	508,606	7,500	75,679	1,519,847	373,708	1,893,556
LAGUNA WOODS	71,873	96,792	63,286	125,133	4,000	18,619	379,704	91,944	471,648
LA HABRA	274,118	369,158	227,862	477,248	7,500	71,013	1,426,899	350,667	1,777,566
LAKE FOREST	370,605	499,099	306,377	645,235	7,500	96,009	1,924,826	474,099	2,398,925
LA PALMA	70,919	95,507	62,510	123,472	4,000	18,372	374,781	90,724	465,504
LOS ALAMITOS	51,843	69,818	46,987	90,261	3,000	13,431	275,339	66,321	341,660
MISSION VIEJO	427,099	575,180	352,349	743,593	10,000	110,644	2,218,866	546,370	2,765,236
NEWPORT BEACH	376,241	506,689	310,963	655,047	7,500	97,469	1,953,909	481,309	2,435,218
ORANGE	624,610	841,170	513,072	1,087,465	10,000	161,812	3,238,128	799,036	4,037,164
PLACENTIA	230,830	310,862	192,636	401,882	7,500	59,799	1,203,509	295,291	1,498,800
RANCHO SANTA MARGARIT	214,281	288,574	179,169	373,069	6,000	55,512	1,116,605	274,120	1,390,725
SAN CLEMENTE	292,584	394,027	242,888	509,398	7,500	75,797	1,522,195	374,290	1,896,485
SAN JUAN CAPISTRANO	159,377	214,635	134,492	277,480	6,000	41,288	833,270	203,884	1,037,154
SANTA ANA	1,514,619	2,039,756	1,237,310	2,636,998	10,000	392,378	7,831,062	1,937,587	9,768,648
SEAL BEACH	110,762	149,165	94,932	192,840	6,000	28,694	582,392	141,693	724,086
STANTON	175,568	236,440	147,667	305,670	6,000	45,483	916,828	224,597	1,141,425
TUSTIN	365,336	492,003	302,090	636,061	7,500	94,644	1,897,634	467,359	2,364,993
VILLA PARK	26,271	35,379	26,177	45,738	2,000	6,806	142,370	33,607	175,977
WESTMINSTER	415,492	559,549	342,904	723,385	7,500	107,638	2,156,467	531,521	2,687,988
YORBA LINDA	298,732	402,307	247,891	520,102	7,500	77,390	1,553,922	382,155	1,936,078

Local Streets and Roads - Projected FY2018-19 Revenues

Based on State Dept of Finance statewide revenue projections as of May 2017

Estimated 11 May 2017

Based on State Dept of Finance statewide revenue projections as of May 2017						new	new		
Estimated 11 May 2017	Highway Users Tax Acct (HUTA) ⁽¹⁾ Streets & Highways Code					Loan Repayment ⁽⁶⁾	TOTAL HUTA	Road Mntnc Rehab Acct ⁽⁷⁾	TOTAL
	Sec2103 ⁽⁵⁾	Sec2105 ⁽³⁾	Sec2106 ⁽³⁾	Sec2107 ⁽³⁾	Sec2107.5 ⁽⁴⁾				
NAPA COUNTY									
AMERICAN CANYON	98,984	121,185	78,025	156,668	5,000	23,312	483,175	345,325	828,500
CALISTOGA	25,166	30,811	23,417	39,832	2,000	5,927	127,153	87,797	214,951
NAPA	391,468	479,268	294,395	619,598	7,500	92,194	1,884,423	1,365,706	3,250,129
SAINT HELENA	29,170	35,712	26,379	46,168	2,000	6,870	146,298	101,764	248,062
YOUNTVILLE	14,512	17,767	15,535	22,969	1,000	3,418	75,201	50,628	125,828
NEVADA COUNTY									
GRASS VALLEY	62,940	77,057	51,361	99,619	3,000	14,823	308,800	219,578	528,378
NEVADA CITY	15,838	19,391	16,517	25,068	1,000	3,730	81,544	55,255	136,798
TRUCKEE	78,608	96,239	62,952	1,734,341	4,000	18,513	1,994,653	274,239	2,268,893
ORANGE COUNTY									
ALISO VIEJO	245,391	300,429	186,332	388,395	6,000	57,792	1,184,339	856,092	2,040,431
ANAHEIM	1,739,958	2,130,202	1,291,962	2,753,926	10,000	409,776	8,335,824	6,070,151	14,405,974
BREA	212,359	259,988	161,896	336,113	6,000	50,013	1,026,369	740,853	1,767,223
BUENA PARK	404,931	495,750	304,354	640,906	7,500	95,365	1,948,806	1,412,672	3,361,478
COSTA MESA	556,784	681,662	416,690	881,252	10,000	131,128	2,677,516	1,942,439	4,619,955
CYPRESS	241,670	295,873	183,579	382,504	6,000	56,916	1,166,542	843,108	2,009,650
DANA POINT	162,342	198,753	124,895	256,948	6,000	38,233	787,173	566,360	1,353,533
FOUNTAIN VALLEY	275,538	337,336	208,633	436,109	7,500	64,892	1,330,008	961,262	2,291,270
FULLERTON	692,109	847,338	516,799	1,095,439	10,000	162,998	3,324,682	2,414,545	5,739,227
GARDEN GROVE	861,404	1,054,603	642,037	1,363,391	10,000	202,869	4,134,303	3,005,160	7,139,463
HUNTINGTON BEACH	948,412	1,161,126	706,403	1,501,104	10,000	223,360	4,550,406	3,308,705	7,859,110
IRVINE	1,255,335	1,536,887	933,454	1,986,888	10,000	295,643	6,018,207	4,379,459	10,397,666
LAGUNA BEACH	114,740	140,475	89,681	181,606	6,000	27,022	559,523	400,291	959,815
LAGUNA HILLS	149,060	182,491	115,069	235,925	6,000	35,105	723,650	520,021	1,243,671
LAGUNA NIGUEL	321,342	393,414	242,518	508,606	7,500	75,679	1,549,060	1,121,060	2,670,120
LAGUNA WOODS	79,060	96,792	63,286	125,133	4,000	18,619	386,891	275,816	662,707
LA HABRA	301,530	369,158	227,862	477,248	7,500	71,013	1,454,311	1,051,941	2,506,252
LAKE FOREST	407,666	499,099	306,377	645,235	7,500	96,009	1,961,886	1,422,215	3,384,101
LA PALMA	78,011	95,507	62,510	123,472	4,000	18,372	381,872	272,155	654,027
LOS ALAMITOS	57,028	69,818	46,987	90,261	3,000	13,431	280,524	198,951	479,474
MISSION VIEJO	469,809	575,180	352,349	743,593	10,000	110,644	2,261,576	1,639,013	3,900,589
NEWPORT BEACH	413,865	506,689	310,963	655,047	7,500	97,469	1,991,533	1,443,842	3,435,376
ORANGE	687,071	841,170	513,072	1,087,465	10,000	161,812	3,300,589	2,396,968	5,697,557
PLACENTIA	253,913	310,862	192,636	401,882	7,500	59,799	1,226,592	885,821	2,112,413
RANCHO SANTA MARGARITA	235,709	288,574	179,169	373,069	6,000	55,512	1,138,033	822,312	1,960,345
SAN CLEMENTE	321,843	394,027	242,888	509,398	7,500	75,797	1,551,453	1,122,806	2,674,259
SAN JUAN CAPISTRANO	175,314	214,635	134,492	277,480	6,000	41,288	849,208	611,615	1,460,823
SANTA ANA	1,666,081	2,039,756	1,237,310	2,636,998	10,000	392,378	7,982,524	5,812,420	13,794,943
SEAL BEACH	121,838	149,165	94,932	192,840	6,000	28,694	593,469	425,054	1,018,523
STANTON	193,125	236,440	147,667	305,670	6,000	45,483	934,385	673,751	1,608,136
TUSTIN	401,870	492,003	302,090	636,061	7,500	94,644	1,934,168	1,401,994	3,336,162
VILLA PARK	28,898	35,379	26,177	45,738	2,000	6,806	144,997	100,814	245,812
WESTMINSTER	457,042	559,549	342,904	723,385	7,500	107,638	2,198,016	1,594,470	3,792,487
YORBA LINDA	328,606	402,307	247,891	520,102	7,500	77,390	1,583,795	1,146,399	2,730,194

**THE ROAD REPAIR AND
ACCOUNTABILITY ACT OF 2017**

**2017 LOCAL STREETS AND ROADS
FUNDING**

ANNUAL REPORTING GUIDELINES

August 2017

California Transportation Commission



2017 LOCAL STREETS AND ROADS FUNDING ANNUAL REPORTING GUIDELINES

Adopted by the California Transportation Commission on
August 16, 2017

Pursuant to California Streets and Highways Code Section 2034

Commissioners

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Fran Inman – Vice Chair
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**CALIFORNIA TRANSPORTATION COMMISSION
THE ROAD REPAIR AND ACCOUNTABILITY ACT OF 2017**

ANNUAL REPORTING GUIDELINES FOR LOCAL STREETS AND ROADS FUNDING

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I. Introduction

1. Background and Purpose of Reporting Guidelines

On April 28, 2017 the Governor signed Senate Bill (SB) 1 (Beall, Chapter 5, Statutes of 2017), which is known as the Road Repair and Accountability Act of 2017. To address basic road maintenance, rehabilitation and critical safety needs on both the state highway and local streets and road system, SB 1: increases per gallon fuel excise taxes; increases diesel fuel sales taxes and vehicle registration fees; and provides for inflationary adjustments to tax rates in future years.

Beginning November 1, 2017, the State Controller (Controller) will deposit various portions of this new funding into the newly created Road Maintenance and Rehabilitation Account (RMRA). A percentage of this new RMRA funding will be apportioned by formula to eligible cities and counties pursuant to Streets and Highways Code (SHC) Section 2032(h) for basic road maintenance, rehabilitation, and critical safety projects on the local streets and roads system. For a detailed breakdown of RMRA funding sources and the disbursement of funding please see Sections 5 and 6 of these guidelines.

SB 1 emphasizes the importance of accountability and transparency in the delivery of California's transportation programs. Therefore, in order to be eligible for RMRA funding, statute requires cities and counties to provide basic annual RMRA project reporting to the California Transportation Commission (Commission).

These guidelines describe the general policies and procedures for carrying out the annual RMRA project reporting requirements for cities and counties and other statutory objectives as outlined in Section 2 below. The guidelines were developed in consultation with state, regional, and local government entities and other transportation stakeholders.

The Commission may amend these guidelines after first giving notice of the proposed amendments. In order to provide clear and timely guidance, it is the Commission's policy that a reasonable effort be made to amend the guidelines prior to the due date for project lists or the Commission may extend the deadline for project list submission in order to facilitate compliance with the amended guidelines.

2. Program Objectives and Statutory Requirements

Streets and Highways Code (SHC) Section 2032.5(a) articulates the general intent of the legislation that recipients of RMRA funding be held accountable for the efficient investment of public funds to maintain local streets and roads and are accountable to the people through performance goals that are tracked and reported.

Pursuant to SHC Section 2030(a), the objective of the Local Streets and Roads Program is to address deferred maintenance on the local streets and roads system through the prioritization and delivery of basic road maintenance and rehabilitation projects as well as critical safety projects.

Cities and counties receiving RMRA funds must comply with all relevant federal and state laws, regulations, policies, and procedures. The main requirements for the program are codified in SHC Sections 2034, 2036, 2037, and 2038 and include the following:

- Prior to receiving an apportionment of RMRA funds from the Controller in a fiscal year, a city or county must submit to the Commission a list of projects proposed to be funded with these funds. All projects proposed to receive funding must be included in a city or county budget that is adopted by the applicable city council or county board of supervisors at a regular public meeting [SHC 2034(a)(1)].
- The list of projects must include a description and the location of each proposed project, a proposed schedule for the project's completion, and the estimated useful life of the improvement [SHC 2034(a)(1)]. Further guidance regarding the scope, content, and submittal process for project lists prepared by cities and counties is provided in Sections 9-10.
- The project list does not limit the flexibility of an eligible city or county to fund projects in accordance with local needs and priorities so long as the projects are consistent with RMRA priorities as outlined in SHC 2030(b) [SHC 2034(a)(1)].
- The Commission will report to the Controller the cities and counties that have submitted a list of projects as described in SHC 2034(a)(1) and that are therefore eligible to receive an apportionment of RMRA funds for the applicable fiscal year [SHC 2034(a)(2)].
- The Controller, upon receipt of the report from the Commission, shall apportion RMRA funds to eligible cities and counties pursuant to SHC 2032(h) [SHC 2034(a)(2)].
- For each fiscal year in which RMRA funds are received and expended, cities and counties must submit documentation to the Commission that includes a description and location of each completed project, the amount of funds expended on the project, the completion date, and the estimated useful life of the improvement [SHC 2034(b)]. Further guidance regarding the scope, content, and submittal process for program expenditure reports is provided in Sections 12-13.
- A city or county receiving an apportionment of RMRA funds is required to sustain a maintenance of effort (MOE) by spending at least the annual average of its general fund expenditures during the 2009–10, 2010–11, and 2011–12 fiscal years for street, road, and highway purposes from the city's or county's general fund [SHC 2036]. Monitoring and enforcement of the maintenance of effort requirement for RMRA funds will be carried out by the Controller and is addressed in more detail in Section 15.
- A city or county may spend its apportionment of RMRA funds on transportation priorities other than priorities outlined in SHC 2030(b) if the city or county's average Pavement Condition Index (PCI) meets or exceeds 80 [SHC 2037].
- By July 1, 2023, cities and counties receiving RMRA funds must follow guidelines developed by the California Workforce Development Board (Board) that address participation and investment in, or partnership with, new or existing pre-apprenticeship training programs [SHC 2038]. Further information regarding the forthcoming Board Guidelines and future Board-sponsored grant opportunities is available in Section 16.

3. Program Roles and Responsibilities

Below is a general outline of the roles and responsibilities of recipient cities/counties, the Commission, the Controller, and the California Workforce Development Board, in carrying out the program's statutory requirements, as well as activities the Commission will undertake to meet the legislative intent of SB 1:

Recipient Cities/Counties:

- Develop and submit a list of projects to the Commission each fiscal year.
- Develop and submit a project expenditure report to the Commission each fiscal year.
- Comply with all requirements including reporting requirements for RMRA funding.

Commission:

- Provide technical assistance to cities and counties in the preparation of project lists and reports.
- Receive project lists from cities and counties each fiscal year.
- Provide a comprehensive list to the Controller each fiscal year of cities and counties eligible to receive RMRA apportionments.
- Receive program expenditure reports from cities and counties each fiscal year and provide aggregated statewide information regarding use of RMRA funds to the Legislature and the public (e.g. the Commission's Annual Report to the Legislature and a SB 1 Accountability Website).

Controller:

- Receive list of cities and counties eligible for RMRA apportionments each fiscal year from the Commission.
- Apportion RMRA funds to cities and counties.
- Oversee Maintenance of Effort and other requirements for RMRA funds including reporting required pursuant to SHC 2151.

California Workforce Development Board:

- Pursuant to SHC 2038, establish a pre-apprenticeship development and training grant program beginning January 1, 2019 that local public agencies receiving RMRA funds are eligible to apply for or partner with other entities to apply for.
- Pursuant to SHC 2038, develop guidelines for public agencies receiving RMRA funds to participate, invest in, or partner with, new or existing pre-apprenticeship training programs. Local public agencies receiving RMRA funds must follow the guidelines by no later than July 1, 2023.

4. Program Schedule

The following schedule lists the major milestones for the development of the 2017 Local Streets and Roads Funding Annual Reporting Guidelines, initial submittal of project lists, and transmittal of eligibility list to the Controller. See Appendix C for a more detailed program schedule.

Draft Guidelines Circulated for Public Review	June 19 – July 10, 2017
Commission Adoption of Guidelines	August 16-17, 2017
Technical Assistance and Outreach to Cities/Counties	August 18 – October 16, 2017
Project Lists due to Commission	October 16 , 2017
Commission Adopts List of Eligible Cities and Counties	December 6-7 , 2017
Commission Submits List to Controller	December 6-7, 2017
Controller FY 17-18 Apportionments Begin	Mid-January 2018

II. Funding

5. Source

The State of California imposes per-gallon excise taxes on gasoline and diesel fuel, sales taxes on diesel fuel, and registration taxes on motor vehicles and dedicates these revenues to transportation purposes. Portions of these revenues flow to cities and counties through the Highway Users Tax Account (HUTA) and the newly established RMRA created by SB 1.

The Local Streets and Roads Funding Program administered by the Commission in partnership with the Controller is supported by RMRA funding which includes portions of revenues pursuant to SHC 2031 from the following sources:

- An additional 12 cent per gallon increase to the gasoline excise tax effective November 1, 2017.
- An additional 20 cent per gallon increase to the diesel fuel excise tax effective November 1, 2017.
- An additional vehicle registration tax called the “Transportation Improvement Fee” with rates based on the value of the motor vehicle effective January 1, 2018.
- An additional \$100 vehicle registration tax on zero emissions (ZEV) vehicles of model year 2020 or later effective July 1, 2020.
- Annual rate increases to these taxes beginning on July 1, 2020 (July 1, 2021 for the ZEV fee) and every July 1st thereafter equal to the change in the California Consumer Price Index (CPI).

SHC 2032(h)(2) specifies that 50 percent of the balance of revenues deposited into the RMRA, after certain funding is set aside for various programs, will be continuously appropriated for apportionment to cities and counties by the Controller pursuant to the formula in SHC Section 2103(a)(3)(C)(i) and (ii).

6. Estimation and Disbursement of Funds

While neither, the Commission nor the State Controller's Office prepare formal estimates of RMRA funds, the Department of Finance (DOF) estimates the total amount of funding that will be deposited into the RMRA annually. The California State Association of Counties and the League of California Cities use this information from DOF to develop city and county level estimates of RMRA funds which are available here:

California State Association of Counties

<http://www.counties.org/sb-1-road-repair-and-accountability-act-2017>

League of California Cities

<http://www.californiacityfinance.com/>

Each fiscal year, upon receipt of a list of cities and counties that are eligible to receive an apportionment of RMRA funds pursuant to SHC 2032(h)(2) from the Commission, the Controller is required to apportion RMRA funds to eligible cities and counties consistent with the formula outlined in SHC Section 2103(a)(3)(C)(i) and (ii). It is expected that the Controller will continuously apportion RMRA funds on a monthly basis to eligible cities and counties using a process and system similar to that of HUTA apportionments. RMRA funding is continuously apportioned and is not provided on a reimbursement basis.

The Commission does not approve project lists and provide authorization to proceed with RMRA funded projects. The Commission receives project lists, determines they are complete and meet basic statutory requirements outlined in SHC 2034 and then approves and submits a statewide list to the Controller of cities and counties that are eligible to begin receiving monthly RMRA funding apportionments.

III. Eligibility and Program Priorities

7. Eligible Recipients

Eligible recipients of RMRA funding apportionments include cities and counties that have prepared and submitted a project list to the Commission pursuant to SHC Section 2034(a)(1) and that have been included in a list of eligible entities submitted by the Commission to the Controller pursuant to SHC Section 2034(a)(2).

Recipients of RMRA apportionments must comply with all relevant federal and state laws, regulations, policies, and procedures.

8. Program Priorities and Example Projects

Pursuant to SHC Section 2030(a), RMRA funds made available for the Local Streets and Roads Funding Program shall be prioritized for expenditure on basic road maintenance and rehabilitation projects, and on critical safety projects.

SHC Section 2030(b)(1) provides a number of example projects and uses for RMRA funding that include, but are not limited to, the following:

- Road Maintenance and Rehabilitation
- Safety Projects

- Railroad Grade Separations
- Complete Streets Components (including active transportation purposes, pedestrian and bicycle safety projects, transit facilities, and drainage and stormwater capture projects in conjunction with any other allowable project)
- Traffic Control Devices

SHC Section 2030(b)(2) states that funds made available by the program may also be used to satisfy a match requirement in order to obtain state or federal funds for projects authorized by this subdivision.

SHC Section 2030(c)-(f) specifies additional project elements that will be incorporated into RMRA-funded projects by cities and counties to the extent possible and cost effective, and where feasible (as deemed by cities and counties). These elements are:

- Technologies and material recycling techniques that lower greenhouse gas emissions and reduce the cost of maintaining local streets and roads through material choice and construction method.
- Systems and components in transportation infrastructure that recognize and accommodate technologies including but not limited to ZEV fueling or charging and infrastructure-vehicles communications for transitional or fully autonomous vehicles.
- Project features to better adapt the transportation asset to withstand the negative effects of climate change and promote resiliency to impacts such as fires, floods, and sea level rise (where appropriate given a project's scope and risk level for asset damage due to climate change).
- Complete Streets Elements (such as project features that improve the quality of bicycle and pedestrian facilities and that improve safety for all users of transportation facilities) are expected to be incorporated into RMRA funded projects to the extent (as deemed by cities and counties) beneficial, cost-effective, and practicable in the context of facility type, right-of-way, project scope, and quality of nearby facilities.

Pursuant to SHC Section 2037, a city or county may spend its apportionment of RMRA funds on transportation priorities other than those outlined in SHC Section 2030 if the city's or county's average Pavement Condition Index (PCI) meets or exceeds 80.

IV. Project List Submittal

9. Content and Format of Project List

Pursuant to SHC Section 2034(a)(1), prior to receiving an apportionment of RMRA funds from the State Controller in a fiscal year, a city or county must submit to the Commission a list of projects proposed to be funded with these funds pursuant to an adopted city or county budget, which may include pertinent budget amendments.

Listed below are the specific statutory criteria for the content of the project list along with additional guidance provided to help ensure a consistent statewide format and to facilitate accountability and transparency within the Local Streets and Roads Program.

a.) Included in an Adopted Budget

All proposed projects must be included in a city or county budget that is adopted by the applicable city council or county board of supervisors at a regular public meeting.

To ensure transparency and to meet the intent of SHC Section 2034(a)(1) “included in a city or county budget” can mean either of the following:

- a.) A specific list of projects proposed for RMRA funding adopted as part of the city/county’s regular operating or capital improvement budget, at a regular public meeting; or
- b.) A specific list of projects proposed for RMRA funding amended into the city/county’s regular operating or capital improvement budget, at a regular public meeting.

Documentation of Inclusion in an Adopted Budget

A city or county must provide a public record which illustrates that projects proposed for RMRA funding through the Local Streets and Roads Program have been included in an adopted city or county operating budget. Examples of an acceptable public record include:

- a.) An excerpt from the city/county’s regular operating or capital improvement budget including the relevant list of projects and an adopting resolution;
- b.) An excerpt from the city/county’s regular operating or capital improvement budget including the relevant list of projects and meeting minutes documenting approval at a regular public meeting.
- c.) An excerpt from the city/county’s amended operating or capital improvement budget including the relevant list of projects, or the staff report specifying the projects to be included, as well as an adopting resolution or meeting minutes documenting approval at a regular public meeting.

Submittal of electronic copies of the relevant excerpts from an operating budget (or amendment) and support documentation (i.e. resolution or minutes) is encouraged. Support documentation requirements are further discussed in Appendix A.

b.) List of Projects – Content

Pursuant to SHC 2034(a)(1), the project list must include a description and the location of each proposed project, a proposed schedule for each project’s completion, and the estimated useful life of the improvement. The project list is intended to cover, at a minimum, the applicable fiscal year. Cities and counties may include project information for future fiscal years but are expected to update the project list as needed every fiscal year prior to submittal to the Commission.

Development and Content

The Commission recognizes the inherent diversity of road maintenance and rehabilitation needs among the approximately 540 jurisdictions across the state that may utilize Local Streets and Roads Program funding.

Given the emphasis SB 1 places on accountability and transparency in delivering California’s transportation programs, cities and counties are encouraged to clearly articulate how these funds are being utilized through the development of a robust project list.

To promote statewide consistency in the content and format of project information submitted to the Commission, and to facilitate transparency within the Local Streets and Roads Funding Program, the following guidance is provided regarding the key components of the project list. Please note that project lists included in a city or county budget should, at a minimum, include the elements mandated by statute: description, location, schedule for completion and useful life. Cities and counties should include more detailed project information as described below in the project list submitted to the Commission.

For further assistance, Appendix A has been developed to outline project list content and format.

Project Description

The list must include a project description for each proposed project. The city/county is encouraged to provide a brief non-technical description (up to 5 sentences) written so that the main objectives of the project can be clearly and easily understood by the public.

The level of detail provided will vary depending upon the nature of the project; however, it is highly encouraged that the project description contain a minimum level of detail needed for the public to understand what is being done and why it is a critical or high-priority need.

Project Location

The list must include a project location for each proposed project. The city/county is encouraged to provide project location information that, at a minimum, would allow the public to clearly understand where within the community the project is being undertaken. For example, providing specific street names where improvements are being undertaken and specifying project termini when possible are preferable to more general information such as “various” or “south-west side of city/county”. If project-specific geolocation data is available, it is highly encouraged to be included in the project list submitted to the Commission.

Proposed Schedule for Completion

The list must include a completion schedule for each proposed project. The city/county is encouraged to provide a high-level timeline that provides a clear picture to the public of when a project is reasonably expected to be completed. The proposed schedule for completion should clearly articulate if a project will take multiple years to complete.

Estimated Useful Life

The list must include an estimated useful life for each proposed project. The city/county is encouraged to provide information regarding the estimated useful life of the project that is clear, understandable, and based on industry-standards for the project materials and design, where applicable.

Technology, Climate Change, and Complete Streets Considerations

SHC Section 2030(c)-(f) specifies additional project elements that will be incorporated into RMRA-funded projects by cities and counties to the extent possible and cost effective, and where feasible. These elements are:

- Technologies and material recycling techniques that lower greenhouse gas emissions and reduce the cost of maintaining local streets and roads through material choice and construction method.

- Systems and components in transportation infrastructure that recognize and accommodate technologies including but not limited to ZEV fueling or charging and infrastructure-vehicles communications for transitional or fully autonomous vehicles.
- Project features to better adapt the transportation asset to withstand the negative effects of climate change and promote resiliency to impacts such as fires, floods, and sea level rise (where appropriate given a project's scope and risk level for asset damage due to climate change).
- Complete Streets Elements (such as project features that improve the quality of bicycle and pedestrian facilities and that improve safety for all users of transportation facilities) are expected to be incorporated into RMRA funded projects to the extent (as deemed by cities and counties) beneficial, cost-effective, and practicable in the context of facility type, right-of-way, project scope, and quality of nearby facilities.

Cities and counties are encouraged to consider all of the above for implementation, to the extent possible, cost-effective, and feasible, in the design and development of projects for RMRA funding.

To meet the intent of SHC 2032.5(a) as outlined in Section 2 of these Guidelines, in addition to the statutory requirements outlined in Section 10, the standard forms developed by the Commission will allow cities and counties to report on the inclusion of these elements.

Other Statutory Considerations for Project Lists

Pursuant to SHC Section 2034(a)(1), the project list shall not limit the flexibility of an eligible city or county to fund projects in accordance with local needs and priorities, so long as the projects are consistent with SHC Section 2030(b). After submittal of the project list to the Commission, in the event a city or county elects to make changes to the project list pursuant to the statutory provision noted above, formal notification of the Commission is not required. However, standard reporting forms will provide an opportunity for jurisdictions to annually communicate such changes to the Commission as part of the regular reporting process.

Pursuant to SHC Section 2037, a city or county may spend its apportionment of RMRA funds on transportation priorities other than those outlined in SHC 2030(b) if the city or county's average Pavement Condition Index (PCI) meets or exceeds 80. This provision however, does not eliminate the requirement for cities and counties to prepare and submit a list of projects or the requirement to consider technology, climate change, and complete streets elements to the extent possible, cost-effective and feasible, in the design and development of projects for RMRA funding.

In the event a city or county will spend its apportionment of RMRA funds on transportation priorities other than those outlined in Section 8 of these guidelines and pursuant to SHC 2037, cities and counties are encouraged to work with its respective Regional Transportation Planning Agency or Metropolitan Planning Organization to ensure that projects are included in the applicable Regional Transportation Plan.

c.) List of Projects – Standard Format

Please note that project lists included in a city or county budget should, at a minimum, include the elements mandated by statute: description, location, schedule for completion and useful life elements. Cities and counties should include more detailed project information in the project list submitted to the Commission.

To promote statewide consistency of project information submitted to the Commission, a standard project list format is under development and is further explained in Appendix A.

For the initial submittal of project lists in 2017, cities and counties are required to use the standard form available. The form will be provided by the Commission to cities and counties at the earliest opportunity after adoption of the guidelines.

The Commission intends to make available an online platform so that cities and counties can quickly and easily enter project list information and upload support documentation online.

10. Process and Schedule for Project List Submittal

A city or county must submit a project list and support documentation by **October 16, 2017** to the Commission. All materials should be provided electronically to: ctc@dot.ca.gov. In the event a jurisdiction wishes to submit a hard copy please contact the program manager at:

Eric Thronson, Deputy Director
California Transportation Commission
Eric.Thronson@dot.ca.gov
(916) 654-7179

11. Commission Submittal of Eligible Entities to the State Controller's Office

Pursuant to SHC Section 2034(a), a city or county must submit a project list to the Commission to be eligible for the receipt of RMRA funds, and the Commission must report to the Controller the jurisdictions that are eligible to receive funding. Upon receipt of project lists and support documentation, Commission staff will review submittals to ensure they are complete. Once a project list submittal has been received and deemed complete by staff, the city or county will be added to a list of jurisdictions eligible to receive RMRA funding for that fiscal year as required by SHC Section 2034(a)(2). All project lists and support documentation submitted by cities and counties will be posted to the Commission's website.

The list of eligible cities and counties will be brought forward for Commission consideration at a regularly scheduled meeting where staff will request Commission direction to transmit the list to the Controller. Upon direction of the Commission, staff will transmit the list to the Controller pursuant to SHC Section 2034(a)(2) and the cities and counties included on the list will be deemed eligible to receive RMRA apportionments for that fiscal year pursuant to SHC Section 2034 (a)(1). Upon receipt of the list from the Commission, the Controller is expected to apportion funds to the cities and counties included on the list pursuant to SHC Sections 2034(a)(2) and 2032(h). In the event a city or county does not provide a complete project list and support documentation for Commission consideration and eligibility designation pursuant to deadlines established by these guidelines, cities and counties are expected to work cooperatively with Commission staff to provide any missing information as soon as possible. Once completed information is provided, Commission action to establish eligibility will be taken at the next earliest opportunity.

V. Project Expenditure Reporting and Auditing

12. Scope of Completed and In-Progress Project Expenditure Report

Pursuant to SHC Section 2034(b), for each fiscal year in which an apportionment of RMRA funds is received and upon expenditure of funds, cities and counties must submit documentation to the Commission pertaining to the expenditure of those funds that includes: a description and location of each completed project, the amount of funds expended on the project, the completion date, and the estimated useful life of the improvement. The project expenditure reporting process will also provide an opportunity for cities and counties to report on the progress and expenditures associated with multi-year projects that are not yet complete.

Listed below are the specific statutory criteria for the content of the completed project expenditure report along with additional guidance provided to help ensure a consistent statewide format and to facilitate accountability and transparency within the Local Streets and Roads Program.

a.) Completed and In-Progress Project Expenditure Report – Content

Development and Content

Given the emphasis SB 1 places on accountability and transparency in delivering California's transportation programs, it is vitally important that cities and counties clearly articulate the public benefit of these funds through the development of a robust project expenditure report.

To promote statewide consistency in the content and format of project expenditure information submitted and to facilitate transparency and robust reporting within the Local Streets and Roads Funding Program, the following guidance is provided regarding the key components of the completed project expenditure report. Additionally, Appendix B has been developed to provide an example of project expenditure report content and format.

The project expenditure report must cover the full fiscal year and include projects that have completed construction and are fully operational. The standard form will also provide an opportunity for cities and counties to report on the progress and expenditures associated with multi-year projects that are not yet complete.

Project Description

The report must include a project description for each completed and in-progress project. The city/county is encouraged to provide a brief non-technical description (up to 5 sentences) written so that the main objectives of the project can be clearly and easily understood by the public.

The level of detail provided will vary depending upon the nature of the project; however, it is highly encouraged that the project description contain a minimum level of detail needed for the public to understand exactly what work was completed or will be completed in the future.

Project Location

The report must include a project location for each completed and in-progress project. The city/county is required to provide project location information that, at a minimum, would allow the public to clearly understand where within the community the project was or will be constructed. For example, specific street names where improvements were undertaken

and project termini should be specified. If project-specific geolocation data is available, it is highly encouraged to be included.

The Amount of Funds Expended and the Project Completion Date

The report must include the amount of RMRA funds expended on the project and its date of completion or expected date of completion. For the purposes of the project expenditure report, a project is considered complete when it is operational/open to traffic. Construction contract close-out is not required to be complete.

Estimated Useful Life

The report must include an estimated useful life for each proposed project. The city/county is encouraged to provide information regarding the estimated useful life of the project that is clear, understandable, and based on industry-standards for the project materials and design, where applicable.

Technology, Climate Change, and Complete Streets Considerations

SHC Section 2030(c)-(f) specifies additional project elements that will be incorporated into RMRA-funded projects by cities and counties to the extent possible and cost effective, and where feasible. These elements are:

- Technologies and material recycling techniques that lower greenhouse gas emissions and reduce the cost of maintaining local streets and roads through material choice and construction method.
- Systems and components in transportation infrastructure that recognize and accommodate technologies including but not limited to ZEV fueling or charging and infrastructure-vehicles communications for transitional or fully autonomous vehicles.
- Project features to better adapt the transportation asset to withstand the negative effects of climate change and promote resiliency to impacts such as fires, floods, and sea level rise (where appropriate given a project's scope and risk level for asset damage due to climate change).
- Complete Streets Elements (such as project features that improve the quality of bicycle and pedestrian facilities and that improve safety for all users of transportation facilities) are expected to be incorporated into RMRA funded projects to the extent (as deemed by cities and counties) beneficial, cost-effective, and practicable in the context of facility type, right-of-way, project scope, and quality of nearby facilities.

Cities and counties are encouraged to consider all of the above for implementation, to the extent possible, cost-effective and feasible, in the design and development of projects for RMRA funding. In the event that completed projects contain technology, climate change, and complete streets considerations pursuant to SHC 2030(c)-(f). Standard reporting forms developed by the Commission will allow, cities and counties to report on the inclusion of these elements in RMRA-funded projects.

Standard reporting forms developed by the Commission will also provide space for supplementary information to be provided regarding the benefits of RMRA funded projects. Cities and counties should consider providing additional information in the proposed project list as appropriate in order to clearly communicate how RMRA funding is being effectively put to use.

Other Statutory Considerations for Project Expenditure Reports

Pursuant to SHC Section 2037, a city or county may spend its apportionment of RMRA funds on transportation priorities other than those outlined in SHC Section 2030(b) if the city's or county's average Pavement Condition Index (PCI) meets or exceeds 80. This provision, however, does not eliminate the requirement for cities and counties to prepare and submit a completed project expenditure report or the requirement to consider technology, climate change, and complete streets elements to the extent possible, cost-effective and feasible, in the design and development of projects for RMRA funding.

b.) Project Expenditure Report – Standard Format

To promote statewide consistency of project information submitted, a standard completed and in-progress project expenditure report format has been developed and is further explained in Appendix B.

For the initial submittal of project expenditure reports in 2017, cities and counties are required to use the standard form available. The form will be provided by the Commission to cities and counties at the earliest opportunity after adoption of the guidelines.

The Commission intends to make available an online platform so that cities and counties can quickly and easily enter completed and in-progress project information online.

13. Process and Schedule for Project Expenditure Report Submittal

Completed Project Reports must be developed and submitted to the Commission according to the statutory requirements of SHC Section 2034(b) as outlined above in Section 12.

A city or county must submit a Completed and In-Progress Project Report by **October 1, 2018** and October 1st of each subsequent year to the Commission. All materials should be provided electronically to ctc@dot.ca.gov. In the event a jurisdiction wishes to submit a hard copy please contact the program manager at:

Eric Thronson, Deputy Director
California Transportation Commission
Eric.Thronson@dot.ca.gov
(916) 654-7179

14. Commission Reporting of Project Information Received

In order to meet the requirements of SB 1 which include accountability and transparency in the delivery of California's transportation programs, it is vitally important that the Commission clearly communicate the public benefits achieved by RMRA funds. The Commission intends to articulate these benefits through the development of an SB 1 accountability website and through other reporting mechanisms such as the Commission's Annual Report to the Legislature.

Upon receipt of project expenditure reports, Commission staff will review submittals to ensure they are complete. If any critical project information is missing (i.e. SHC 2034(b) requirements such as project description, location, date of completion, expenditures, and useful life of improvement) Commission staff will notify city/county staff to complete for resubmittal within 10 working days.

All completed project expenditure reports submitted by cities and counties will be posted to the Commission's SB 1 Accountability website. The Commission will also analyze the completed project expenditure reports provided by cities and counties and aggregate the project information to provide both statewide and city/county level summary information such as the number, type, and location of RMRA funded projects. This information will also be provided on the Commission's SB 1 Accountability website by December 1st each year, and included in the Commission's Annual Report to the Legislature which is delivered to the Legislature by December 15th each year.

In the event a city or county does not provide a project expenditure report by the deadline requested (October 1st each year) to allow for Commission analysis and inclusion on the SB 1 accountability website and in the Annual Report to the Legislature, absence of the report will be noted on the website, in the Annual Report, and may be reported to the State Controller.

15. State Controller Expenditure Reporting and Maintenance of Effort Monitoring

This section provides general information regarding the detailed expenditure reporting and maintenance of effort requirements that cities and counties are responsible for demonstrating to the State Controller's Office. It is important to note that the Commission has no oversight or authority regarding these provisions. Specific guidance should be sought from the State Controller's Office in these areas.

In addition to the RMRA completed project reporting requirements outlined in SHC Section 2034(b), SHC Section 2151 requires each city and county to file an annual report of expenditures for street or road purposes with the State Controller's Office. SHC Section 2153 imposes a mandatory duty on the State Controller's Office to ensure that the annual streets and roads expenditure reports are adequate and accurate. Additional information regarding the preparation of the annual streets and roads expenditure report is available online in the [Guidelines Relating to Gas Tax Expenditures for Cities and Counties](#) prepared and maintained by the State Controller's Office. These Guidelines were last updated in August 2015 and are anticipated to be updated again to address new accountability provisions of SB 1.

Expenditure authority for RMRA funding is governed by Article XIX of the California Constitution as well as Chapter 2 (commencing with Section 2030) of Division 3 of the SHC.

RMRA funds received should be deposited as follows in order to avoid the commingling of those funds with other local funds:

- a.) In the case of a city, into the city account that is designated for the receipt of state funds allocated for local streets and roads.
- b.) In the case of a county, into the county road fund.
- c.) In the case of a city and county, into a local account that is designated for the receipt of state funds allocated for local streets and roads.

RMRA funds are subject to audit by the Controller pursuant to Government Code Section 12410 and SHC Section 2153. Pursuant to SHC 2036, a city or county receiving an apportionment of RMRA funds is required to sustain a maintenance of effort (MOE) by spending at least the annual average of its general fund expenditures during the 2009–10, 2010–11, and 2011–12 fiscal years for street, road, and highway purposes from the city's or county's general fund. Monitoring and enforcement of the MOE requirement for RMRA funds will be carried out by the Controller.

MOE requirements are fully articulated in statute as follows:

Streets and Highways Code Section 2036

(a) cities and counties shall maintain their existing commitment of local funds for street, road, and highway purposes in order to remain eligible for RMRA funding apportionment.

(b) In order to receive an allocation or apportionment pursuant to Section 2032, the city or county shall annually expend from its general fund for street, road, and highway purposes an amount not less than the annual average of its expenditures from its general fund during the 2009–10, 2010–11, and 2011–12 fiscal years, as reported to the Controller pursuant to Section 2151. For purposes of this subdivision, in calculating a city's or county's annual general fund expenditures and its average general fund expenditures for the 2009–10, 2010–11, and 2011–12 fiscal years, any unrestricted funds that the city or county may expend at its discretion, including vehicle in-lieu tax revenues and revenues from fines and forfeitures, expended for street, road, and highway purposes shall be considered expenditures from the general fund. One-time allocations that have been expended for street and highway purposes, but which may not be available on an ongoing basis, including revenue provided under the Teeter Plan Bond Law of 1994 (Chapter 6.6 (commencing with Section 54773) of Part 1 of Division 2 of Title 5 of the Government Code), may not be considered when calculating a city's or county's annual general fund expenditures.

(c) For any city incorporated after July 1, 2009, the Controller shall calculate an annual average expenditure for the period between July 1, 2009, and December 31, 2015, inclusive, that the city was incorporated.

(d) For purposes of subdivision (b), the Controller may request fiscal data from cities and counties in addition to data provided pursuant to Section 2151, for the 2009–10, 2010–11, and 2011–12 fiscal years. Each city and county shall furnish the data to the Controller not later than 120 days after receiving the request. The Controller may withhold payment to cities and counties that do not comply with the request for information or that provide incomplete data.

(e) The Controller may perform audits to ensure compliance with subdivision (b) when deemed necessary. Any city or county that has not complied with subdivision (b) shall reimburse the state for the funds it received during that fiscal year. Any funds returned as a result of a failure to comply with subdivision (b) shall be reapportioned to the other counties and cities whose expenditures are in compliance.

(f) If a city or county fails to comply with the requirements of subdivision (b) in a particular fiscal year, the city or county may expend during that fiscal year and the following fiscal year a total amount that is not less than the total amount required to be expended for those fiscal years for purposes of complying with subdivision (b).

16. Workforce Development Requirements and Project Signage

Pursuant to SHC Section 2038, by July 1, 2023, cities and counties receiving RMRA funds must follow guidelines developed by the California Workforce Development Board that address participation & investment in, or partnership with, new or existing pre-apprenticeship training programs. Cities and Counties receiving RMRA funds will also be eligible to compete for funding from the Board's pre-apprenticeship development and training grant program that includes a focus on outreach to women, minority participants, underrepresented subgroups, formerly incarcerated individuals, and local residents to access training and employment opportunities. Upon California Workforce Development Board adoption of guidelines and grant funding opportunities in this area, the Commission will update the Local Streets and Roads Program Reporting Guidelines to incorporate this information by reference.

To demonstrate to the public that RMRA funds are being put to work, cities and counties should consider including project funding information signage, where feasible and cost-effective, stating that the project was made possible by SB 1 – The Road Repair and Accountability Act of 2017.

Appendix A – Local Streets and Roads Project List Form

To promote statewide consistency in the content and format of project information submitted to the Commission, and to facilitate transparency within the Local Streets and Roads Funding Program, Appendix A provides the general outline of a standard Project List form that is under development for cities and counties to use in submitting the proposed list of projects to the Commission. This will be an electronic form with a series of drop-down menus, check-boxes, and fillable fields.

For the initial submittal of project lists in 2017, cities and counties are required to use the standard form once available. The form will be provided by the Commission to cities and counties at the earliest opportunity after adoption of the guidelines. The Commission intends to make available an online platform so that cities and counties can quickly and easily enter project list information and upload support documentation online.

Please note that project lists included in a city or county budget should include, at a minimum, the elements mandated by statute: description, location, schedule for completion and useful life elements, while the form below includes more detailed project information.

The nature/type of information that will be included in the standard form is outlined below:

General Info:

- City and County Name
- Project Lead and Department Contact Information
- Legislative District(s)
- Jurisdiction's Average Network PCI and date/year of measurement
- Fiscal Year
- Supplementary Information¹ (a place for the city/county to report how RMRA projects were identified as a priority, how they demonstrate an efficient investment of public funds, and any additional benefits of the projects).

Proposed Project A

Description:

- Brief description (up to 5 sentences) written in a non-technical way that is understandable to the public and which includes some quantifiable measurement about the project (e.g. replace 5 culverts, repave/resurface 2 miles of road, restripe 1 mile of bike lanes, etc.)
- Have city/county check boxes specifying the type of project it is based on RMRA priorities or "other" and the inclusion of additional Technology, Climate Change and Complete Streets elements (SHC 2030). Space will be provided for cities and counties to provide an optional narrative description of the additional elements and check boxes for why additional elements may not have been included i.e. feasibility.
- Local/Regional project number (if applicable)

^{2,3} Supplementary and location information can be used to demonstrate a variety of benefits of RMRA projects including effective prioritization of funds, equitable distribution, and efficient utilization of funding.

Location:

- Should be as specific as possible (i.e. street names and project termini) and geolocation information should be provided if available²

Proposed Schedule for Completion:

- Anticipated construction year

Estimated Useful Life:

- Should be clear, understandable, and based on industry-standards as applicable.

Support Documentation

- Electronic Copy of excerpt from City/County's Adopted Budget or Budget Amendment including proposed list of projects, or the staff report specifying the projects to be included in a budget amendment
- Adopting resolution or meeting minutes to document budget/amendment approval
- Additional information regarding support documentation is available in Section 10 of the guidelines

Project Flexibility

Pursuant to SHC Section 2034(a)(1), this project list shall not limit the flexibility of an eligible city or county to fund projects in accordance with local needs and priorities, so long as the projects are consistent with SHC Section 2030(b).

^{2,3} Supplementary and location information can be used to demonstrate a variety of benefits of RMRA projects including effective prioritization of funds, equitable distribution, and efficient utilization of funding.

Appendix B - Local Streets and Roads Project Expenditure Report Form

To promote statewide consistency in the content and format of project expenditure information submitted to the Commission, and to facilitate transparency within the Local Streets and Roads Funding Program, Appendix B provides the general outline of a standard Project Expenditure Report form that is under development for cities and counties to use. This will be an electronic form with a series of drop-down menus, check-boxes, and fillable fields.

For the initial submittal of project expenditure reports to the Commission in 2018, cities and counties are required to use the standard form once available. The form will be provided by the Commission to cities and counties at the earliest opportunity after adoption of the guidelines.

The Commission intends to make available an online platform so that cities and counties can quickly and easily enter project expenditure information online.

The nature/type of information that will be included in the standard form is outlined below:

General Info:

- City/County Name
- Project Lead and Department Contact Information
- Legislative District(s)
- Jurisdiction's Average Network PCI and year/date of measurement.
- Total Funds Apportioned during the Fiscal Year
- Supplementary Information³ (a spot for the city/county to report how RMRA projects were identified as a priority, how they demonstrate an efficient investment of public funds, and any additional benefits of the projects).

Completed or In Progress Project A

Description:

- Brief description (up to 5 sentences) written in a non-technical way that is understandable to the public and which includes some quantifiable measurement about the project (e.g. replace 5 culverts, repave/resurface 2 miles of road, restripe 1 mile of bike lanes, etc.)
- Have city/county check boxes specifying the type of project it is based on RMRA priorities or "other" and the inclusion of additional Technology, Climate Change and Complete Streets elements (SHC 2034). Space will be provided for cities and counties to provide an optional narrative description of the additional elements and check boxes for why additional elements may not have been included i.e. feasibility.
- Local/Regional project number (if applicable)
- Space will be provided for cities and counties to identify any project list changes resulting from the flexibility afforded by SHC 2034(a)(1) such as projects added, deleted, or replaced if applicable.

^{3,4} Supplementary and location information can be used to demonstrate a variety of benefits of RMRA projects including effective prioritization of funds, equitable distribution, and efficient utilization of funding.

Location:

- Must be as specific as possible (i.e. street names and project termini) and geolocation information is highly encouraged to be provided if available⁴

Amount of Funds Expended:

- Enter the amount of RMRA funds expended on the project and the total project cost
- Enter the amount and type of other funds expended on the project

Completion Date:

- Drop down menu to select the month and year that the project is complete/operational etc.
- Place to enter status update on multi-year projects and expected completion date

Estimated Useful Life:

- Should be clear, understandable, and based on industry-standards as applicable.

Signage:

- Provide a place to report on the inclusion of project funding information signage, if applicable

^{3,4} Supplementary and location information can be used to demonstrate a variety of benefits of RMRA projects including effective prioritization of funds, equitable distribution, and efficient utilization of funding.

Appendix C – Local Streets and Roads Program Schedule

FY 17-18	
Adoption of Final Guidelines Call for Project Lists	August 16-17, 2017
Technical Assistance and Outreach to Cities/Counties	August 18 – October 16, 2017
Project Lists due to Commission	October 16, 2017
Commission Adopts List of Eligible Cities and Counties	December 6-7, 2017
Commission Submits List to Controller	December 6-7, 2017
Controller FY 17-18 Apportionments Begin	Mid-January 2018
Completed Project Report Submitted to Commission for 2017 - 2018 Fiscal Year	October 1, 2018
Commission Posts Statewide LSR Program Accountability Information Online	December 1, 2018
FY 18-19	
Guidelines Update as Needed	TBD
Call for Project Lists	TBD ⁵
Commission Review, Approval & Adoption of List of Eligible Cities and Counties	TBD ⁶
Commission Submits Final List to Controller	July 1, 2018
Controller FY 18-19 Apportionments Begin	Mid-September 2018
Completed Project Report Submitted to Commission for 2018 - 2019 Fiscal Year	October 1, 2019
Commission Posts Statewide LSR Program Accountability Information Online	December 1, 2019

^{5,6} The Commission is working with city and county representatives to develop a schedule for FY 18-19 that accommodates city and county budgeting processes; statutory clarification may be needed in this area.

RESOLUTION NO. 2017-064

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF BREA TO AMEND THE FISCAL YEAR 2017-18 OF THE CAPITAL IMPROVEMENT PROGRAM BUDGET, DE-OBLIGATE GAS TAX FUNDS (FUND 220), AND APPROPRIATE NEW FUNDS FROM THE ROAD MAINTENANCE AND REHABILITATION ACCOUNT (RMRA) TO THE CAPITAL IMPROVEMENT PROGRAM FUND (510) FOR PROJECT 7317, CLIFFWOOD INDUSTRIAL PARK PAVEMENT REHABILITATION

A. RECITALS:

(i) On April 28, 2017, the Governor signed Senate Bill (SB) 1, which is known as the Road Repair and Accountability Act ("RRAC") of 2017; and

(ii) Beginning on November 1, 2017, the state Controller will deposit various portions of this new funding into a newly created Road Maintenance and Rehabilitation Account ("RMRA") to be apportioned by formula to eligible cities and counties; and

(iii) On August 16, 2017, the California Transportation Commission ("Commission") approved the 2017 Local Streets and Roads Funding Annual Reporting Guidelines ("Guidelines") for the RRAC, which provides specific details and milestones on the use and reporting of the RMRA funds; and

(iv) The City Council has determined that it is in the best interest of the City of Brea to de-obligate Gas Tax Funds (Fund 220) and appropriate new funds from the RMRA pursuant to the Guidelines, to the Capital Improvement Program Fund (510), for Project 7317 for the fiscal year 2017-18; and

(v) The Capital Improvement Program Budget, Resolution No. 2017-041, and subsequent amendments, did not appropriate these new funds for this unanticipated adjustment.

B. RESOLUTION:

NOW, THEREFORE, be it found, determined and resolved by the City Council of the City of Brea that Capital Improvement Program Budget, Resolution No. 2017-041, as heretofore amended, be further amended to:

1. De-obligate funding from the Gas Tax Fund (220) within the Capital Improvement Program Fund (510) for Project 7317, Cliffwood Industrial Park Pavement Rehabilitation Project, by \$241,992; and

2. Appropriate \$246,966 from the new funding source received from the RMRA to the Capital Improvement Program Fund (510) for Project 7317, Cliffwood Industrial Park Pavement Rehabilitation Project.

3. Appropriate an additional \$4,974 for expenditures to the Capital Improvement Program Fund (510) for Project 7317, Cliffwood Industrial Park Pavement Rehabilitation Project.

APPROVED AND ADOPTED this 3rd day of October, 2017.

Glenn Parker, Mayor Pro Tem

ATTEST: _____
Lillian Harris-Neal, City Clerk

I, Lillian Harris-Neal, City Clerk of the City of Brea, do hereby certify that the foregoing Resolution was adopted at a regular meeting of the City Council of the City of Brea, held on the 3rd day of October, 2017, by the following vote:

AYES: COUNCIL MEMBERS:

NOES: COUNCIL MEMBERS:

ABSENT: COUNCIL MEMBERS:

ABSTAINED: COUNCIL MEMBERS:

Dated: _____

Lillian Harris-Neal, City Clerk

City of Brea

COUNCIL COMMUNICATION

TO: Honorable Mayor and City Council Members

FROM: Bill Gallardo, City Manager

DATE: 10/03/2017

SUBJECT: Amendment to Agreement with Minako America Corporation dba Minco Construction for Removal and Replacement of Sidewalks, Curbs, and Gutters.

RECOMMENDATION

Approve Amendment with Minako America Corporation dba Minco Construction for Removal and Replacement of Sidewalks, Curbs, and Gutters.

BACKGROUND/DISCUSSION

In 2015, Minco Construction was awarded the City of Brea concrete maintenance agreement for the removal and replacement of sidewalk, curb, and gutter throughout the City. Maintenance has an annual budget amount of \$180,000. The agreement term is for one year commencing on October 12, 2015 and may be extended for up to four (4) one year terms upon agreement by both parties. Upon renewal, the agreement allows for a cost-of-living adjustment, however, it did not include the methodology to calculate the Cost-of-Living adjustment increases.

In summary, the following proposed provisions would be added to the agreement:

Cost-of-Living Adjustments

For each of the one-year renewal terms, pricing shall be negotiated and agreed upon prior to the expiration date of the then current term based on the following:

- Consumer Price Index (CPI) is published monthly by the U.S. Department of Labor, Bureau of Statistics (Index) for the Los Angeles-Riverside-Orange County area.
- The Adjustment Index (AI) is for the month immediately preceding the adjustment date.
- The Beginning Index (BI) is for the prior 12-month period.
- If the AI is greater than the BI, then prices have increased and may be negotiated in an amount not to exceed the current prices multiplied by AI divided by BI.
- Example:
AI = 250.189 on Dec 2015; BI = 245.357 on Dec 2016
 $250.189 / 245.357 = 1.01969$, rounded up is 1.02 representing a 2.0% increase.

Currently, the contract has been renewed twice with no price increase or budget increase. The contract is now up for a third renewal and will be effective on July 1, 2017.

Minco Construction has provided excellent services, pricing, and customer service that meets the needs of the City of Brea. Staff believes their experience allows them to facilitate the City's need of removing and replacing displaced concrete while providing high-level customer service.

Staff is recommending to amend the agreement with Minco Construction to add language within the agreement to address future incremental cost of living adjustments. Attachment A is the current agreement and Attachment B is the proposed amendment.

COMMISSION/COMMITTEE RECOMMENDATION

Finance Committee recommended approval at the September 26, 2017 meeting.

FISCAL IMPACT/SUMMARY

The total annual budget for concrete maintenance is currently at \$180,000 for Fiscal Year 2017-18, with funding of \$80,000 from account 110-51-5121-4269 (General Fund) and \$100,000 from the Fixed Asset Replacement Fund (Fund 182) for this work. No additional appropriation is needed.

RESPECTFULLY SUBMITTED:

William Gallardo, City Manager
Prepared by: Will Wenz, Public Works Superintendent
Concurrence: Tony Olmos, Public Works Director

Attachments

Attachment A (Agreement)
Attachment B (Amendment #1)

ORIGINAL

AGREEMENT

KNOW ALL MEN BY THESE PRESENTS: That the following agreement is made and entered into, in duplicate, as of the date executed by the City Clerk and the Mayor, by and between

Minako American Corporation dba Minco Construction

hereinafter referred to as the "CONTRACTOR" and the City of Brea, California, hereinafter referred to as "CITY".

WHEREAS, pursuant to Notice inviting Sealed Proposals, proposals were received, Reviewed by Committee, and declared on the date specified in said notice; and

WHEREAS, City did accept the proposal of Contractor
Minako American Corporation dba Minco Construction
and;

WHEREAS, City has authorized the City Clerk and Mayor to enter into a written contract with Contractor for furnishing labor, equipment, and material for the Removal and Replacement of Sidewalks, Curbs and Gutters at various locations within the City of Brea.

NOW, THEREFORE, in consideration of the mutual covenants herein contained, it is agreed:

1. **GENERAL SCOPE OF WORK:** Contractor shall furnish all necessary labor, tools, materials, appliances, and equipment for and do the work for the Repair and Replacement of Sidewalks, Curbs and Gutters at Various Locations in the City Of Brea. Said work to be performed in accordance with specifications and standards on file in the office of the Director of Public Works and in accordance with bid prices hereinafter mentioned and in accordance with the instruction of the Director of Public Works for a period commencing

OCTOBER 12, 2015 through JUNE 30, 2016.

The prices quoted in the proposal shall be in effect for one year, at which time the agreement will be subject to review. The City and contractor shall have the option of extending the term of the agreement, by mutual consent of the parties, four (4) times for periods of one year each. Should the agreement be extended, the contract prices shall be adjusted as set forth in paragraph 6 hereof.

2. INCORPORATED DOCUMENTS TO BE CONSIDERED

COMPLEMENTARY: The aforesaid specifications are incorporated herein by reference hereto and made a part hereof with like force and effect as if all of said documents were set forth in full herein. Said documents, the Resolution Inviting Bids attached hereto, together with this written agreement, shall constitute the contract

between the parties. This contract is intended to require complete and finished piece of work and anything necessary to complete the work properly and in accordance with the law and lawful governmental regulations shall be performed by the Contractor whether set out specifically in the contract or not. Should it be ascertained that any inconsistency exists between the aforesaid documents and this written agreement, the provisions of this written agreement shall control.

3. TERMS OF CONTRACT:

A. The undersigned bidder agrees to execute the contract within ten (10) working days from the date of notice of award of the contract or upon notice by City after ten (10) working days.

B. The CONTRACTOR, while fulfilling the terms of this Contract, is performing as a representative of CITY and shall provide exceptional Customer Care. Any negative contact with staff, residents/citizens, businesses, visitors or other contractors shall be reported by CONTRACTOR immediately to CITY. CONTRACTOR'S management and supervisory personnel shall intercede to resolve or mitigate the negative contact in conjunction with CITY staff. CITY and CONTRACTOR may agree in advance to a single person contact, a representative of the CITY or CONTRACTOR, for the investigation and response to complaints.

4. INSURANCE: The Contractor shall not commence work under this contract until he has obtained all insurance required hereunder in a company or companies acceptable to City nor shall the Contractor allow any subcontractor to commence work on his subcontract until all insurance required of the subcontractor has been obtained. Any tort claims filed against the CITY related to the performance of this Contract and subsequently tendered to the CONTRACTOR shall be promptly investigated, and the resolution of such claims shall be promptly reported to the CITY.

The Contractor shall take out and maintain at all times during the life of this contract the following policies of insurance:

a. Compensation Insurance: Before beginning work, the Contractor shall furnish to the Director of Public Works a certificate of insurance as proof that he has taken out full compensation insurance for all persons whom he may employ directly or through subcontractors in carrying out the work specified herein, in accordance with the laws of the State of California. Such insurance shall be maintained in full force and effect during the period covered by this contract.

Further, such policy of insurance shall provide that the insurer waives all rights of subrogation against City and its elected officials, officers, employees and agents.

In accordance with the provisions of Section 3700 of the California Labor Code, every contractor shall secure the payment of compensation to his employees.

Contractor, prior to commencing work, shall sign and file with the City a certification as follows:

"I am aware of the provisions of Section 3700 of the Labor Code which require every employer to be insured against liability for worker's compensation or to undertake self insurance in accordance with the provisions of that Code, and I will comply with such provisions before commencing the performance of work of this contract."

b. For all operations of the Contractor or any subcontractor in performing the work provided for herein, insurance with the following minimum limits and coverage:

(1) Commercial General Liability (occurrence) – for bodily injury, death and property damage for products/completed operations and any and all other activities undertaken by the Contractor in the performance of this Agreement – – or – – :

(2) (Alternative to Commercial General Liability) – Comprehensive, broad form General Public Liability (occurrence) – for bodily injury, death and property damage arising out of any activities undertaken by Contractor in the performance of this Agreement.

(3) Comprehensive Automobile Liability (occurrence) – for bodily injury, death and property damage insuring against all liability arising out of the use of any vehicle.

(4) Owner's and Contractor's Protective (occurrence) – for bodily injury, death and property damage arising out of any activities undertaken by Contractor in the performance of this Agreement.

(5) Other required insurance, endorsements or exclusions as required by the plans and specifications.

(6) The policies of insurance required in this Section b shall have no less than the following limits of coverage:

(i) \$2,000,000 (Two Million Dollars) for bodily injury or death;

(ii) \$1,000,000 (One Million Dollars) for property damage;

(iii) The total of the limits specified in subsections (i) and (ii), above, where a combined single limit is provided.

c. Each such policy of insurance required in paragraph b shall:

(1) Be subject to no deductible amount unless otherwise provided, or approved in writing by City;

(2) Be issued by an insurance company approved in writing by City, which is admitted and licensed to do business in the State of California and which is rated A VII or better according to the most recent A.M. Best Co. Rating Guide;

(3) Name as additional insured the City, its elected officials, officers, employees, attorneys and agents, and any other parties, including subcontractors, specified by City to be included;

(4) Specify that it acts as primary insurance and that no insurance held or owned by the designated additional insured shall be called upon to cover a loss under said policy;

(5) Specify that it applies separately to each insured against whom claim is made or suit is brought, except with respect to the limits of the insurer's liability;

(6) Contain a clause substantially in the following words:

"It is hereby understood and agreed that this policy may not be canceled nor the amount of coverage thereof reduced until thirty (30) days after receipt by City of written notice of such cancellation or reduction of coverage as evidenced by receipt of a registered letter."

(7) Specify that any failure to comply with reporting or other provisions of the required policy, including breaches of warranty, shall not affect the coverage required to be provided;

(8) Specify that the insurer waives all rights of subrogation against any of the named additional insured; and

(9) Specify that any and all costs of adjusting and/or defending any claim against any insured, including court costs and attorneys' fees, shall be paid in addition to and shall not deplete any policy limits.

(10) Otherwise be in form satisfactory to City.

d. Prior to commencing performance under this Agreement, the Contractor shall furnish the City with original endorsements, or copies of each required policy, effecting and evidencing the insurance coverage required by this Agreement. The endorsements shall be signed by a person authorized by the insurer(s) to bind coverage on its behalf. All endorsements or policies shall be received and approved by the City before Contractor commences performance. If performance of this Agreement shall extend beyond one (1) year, Contractor shall provide City with the required policies or endorsements evidencing renewal of the required policies of insurance prior to the expiration of any required policies of insurance.

5. PREVAILING WAGE: Notice is hereby given that in accordance with the provisions of California Labor Code, Division 2, Part 7, Chapter 1, Articles 1 and 2, the Contractor is required to pay not less than the general prevailing rate of per diem wages for work of a similar character in locality in which the public work is performed, and not less than the general prevailing rate of per diem wages for holiday and overtime work. In that regard, the Director of the Department of Industrial Relations of the State of California is required to and has determined such general prevailing rates of per diem wages. Copies of such prevailing rates of per diem wages are on file in the office of the City Clerk of the City of Brea, Number One Civic Center Circle, Brea, California, and are available to any interested party on request. City also shall cause a copy of such determinations to be posted at the job site.

Pursuant to Labor Code § 1775, the Contractor shall forfeit, as penalty to City, not more than fifty dollars (\$50.00) for each laborer, workman, or mechanic employed for each calendar day or portion thereof, if such laborer, workman, or mechanic is paid less than the general prevailing rate of wages hereinbefore stipulated for any work done under the attached contract, by him or by any subcontractor under him, in violation of the provisions of said Labor Code.

6. APPRENTICESHIP EMPLOYMENT: In accordance with the provisions of Section 1777.5 of the Labor Code as amended by Chapter 971, Statutes of 1939, and in accordance with the regulations of the California Apprenticeship council, properly indentured apprentices may be employed in the prosecution of the work.

Attention is directed to the provisions in Sections 1777.5 and 1777.6 of the Labor Code concerning the employment of apprentices by the Contractor or any subcontractor under him.

Section 1777.5, as amended, requires the Contractor or subcontractor employing tradesmen in any apprenticeable occupation to apply to the joint apprenticeship committee nearest the site of the public works project and which administers the apprenticeship program in that trade for a certificate of approval. The certificate will also fix the ratio of apprentices journeymen that will be used in the performance of the contract. The ratio of apprentices to journeymen in such cases shall not be less than one to five except:

- a. When unemployment in the area of coverage by the joint apprenticeship committee has exceeded an average of 15 percent in the 90 days prior to the request for certificate, or
- b. When the number of apprentices in training in the area exceeds a ratio of one to five, or
- c. When the trade can show that it is replacing at least 1/30 of its membership through apprenticeship training on an annual basis statewide or locally, or

- d. When the Contractor provides evidence that he employs registered apprentices on all of his contracts on an annual average of not less than one apprentice to eight journeymen.

The Contractor is required to make contribution to funds established for the administration of apprenticeship programs if he employs registered apprentices or journeymen in any apprenticeable trade on such contracts and if other contractors on the public works site are making such contributions.

The Contractor and subcontractor under him shall comply with the requirements of Sections 1777.5 and 1777.6 in the employment of apprentices.

Information relative to apprenticeship standards, wage schedules, and other requirements may be obtained from the Director of Industrial Relations, ex-officio the Administrator of Apprenticeship, San Francisco, California, or from the Division of Apprenticeship Standards and its branch offices.

7. LEGAL HOURS OF WORK: Eight (8) hours of labor shall constitute a legal day's work for all workmen employed in the execution of this contract, and the Contractor and any subcontractor under him shall comply with and be governed by the laws of the State of California having to do with working hours set forth in Division 2, Part 7, Chapter 1, Article 3 of the Labor Code of the State of California as amended.

The Contractor shall forfeit, as a penalty to City, twenty-five dollars (\$25.00) for each laborer, workman, or mechanic employed in the execution of the contract, by him or any subcontractor under him, upon any of the work hereinbefore mentioned, for each calendar day during which said laborer, workman, or mechanic is required or permitted to labor more than eight (8) hours in violation of said Labor Code.

8. TRAVEL AND SUBSISTENCE PAY: Contractor agrees to pay travel and subsistence pay to each workman needed to execute the work required by this contract as such travel and subsistence payments are defined in the applicable collective bargaining agreements filed in accordance with Labor Code Section 1773.8.

9. CONTRACTOR'S LIABILITY: The City of Brea and its officers, agents and employees shall not be answerable or accountable in any manner for any loss or damage that may happen to the work or any part thereof, or for any of the materials or other things used or employed in performing the work; or for injury or damage to any person or persons, either workmen, employees of the Contractor or his subcontractors or the public, or for damage to adjoining or other property from any cause whatsoever arising out of or in connection with the performance of the work. The Contractor shall be responsible for any damage or injury to any person or property resulting from defects or obstructions or from any cause whatsoever, except the sole negligence or willful misconduct of City, its employees, servants, or independent contractors who are directly

responsible to City during the progress of the work or at any time before its completion and final acceptance.

The Contractor will indemnify City against and will hold and save City harmless from any and all actions, claims, damages to persons or property, penalties, obligations, or liabilities that may be asserted or claimed by any person, firm, entity, corporation, political subdivision, or other organization arising out of or in connection with the work, operation, or activities of the Contractor, his agents, employees, subcontractors, or invitees provided for herein, whether or not there is concurrent passive or active negligence on the part of City, but excluding such actions, claims, damages to persons or property, penalties, obligations, or liabilities arising from the sole negligence or willful misconduct of City, its employees, servants, or independent contractors who are directly responsible to City, and in connection therewith:

- a. The Contractor will defend any action or actions filed in connection with any of said claims, damages, penalties, obligations, or liabilities and will pay all costs and expenses, including attorneys' fees incurred in connection therewith.
- b. The Contractor will promptly pay any judgment rendered against the Contractor or City covering such claims, damages, penalties, obligations, and liabilities arising out of or in connection with such work, operations, or activities of the Contractor hereunder, and the Contractor agrees to save and hold the City harmless therefrom.
- c. In the event City is made a party to any action or proceeding filed or prosecuted against the Contractor for damages or other claims arising out of or in connection with the work, operation, or activities of the Contractor hereunder, the Contractor agrees to pay to City any and all costs and expenses incurred by City in such action or proceeding together with reasonable attorneys' fees.

So much of the money due to the Contractor under and by virtue of the contract as shall be considered necessary by City may be retained by City until disposition has been made of such actions or claims for damage as aforesaid.

10. NON-DISCRIMINATION: No discrimination shall be made in the employment of persons upon public works because of the race, color, or religion of such persons, and every contractor for public works violating this section is subject to all the penalties imposed for a violation of Division 2, Part 7, Chapter 1 of the Labor Code in accordance with the provisions of Section 1735 of said Code.

11. CONTRACT PRICE AND PAYMENT: City shall pay to the Contractor for furnishing material and doing the prescribed work the unit price set forth in accordance with Contractor's proposal dated August 24, 2015.

12. NOTICES: All notices required or permitted here- under shall be deemed delivered to the party to whom notice is sent upon personal delivery thereof at the addresses set forth upon which said notice is placed, postage pre-paid, in the United States mail and addressed as follows:

CONTRACTOR: Minako American Corporation dba Minco Construction
522 E Airline Way, ~~Gardena, CA 90248~~
Riverside, CA 92509

CITY: Director of Public Works
City of Brea
1 Civic Center Circle
Brea, CA 92821

13. SUPERVISOR DESIGNATION: Contractor shall provide to City's Director of Public Works, upon execution of this Agreement, the name of the individual employed by Contractor designated as the Contractor's primary representative for the supervision and prosecution of the work. Said designated person shall be available, upon 30 minutes notice, to respond personally or by telephone to requests for information or instructions concerning the prosecution of the work from City's authorized representatives.

14. TERMINATION OR ABANDONMENT: This agreement may be terminated by City without cause, upon the giving of a written "Notice of Termination" to Contractor at least fifteen (15) days prior to the termination date specified in said notice. Contractor may terminate this agreement only for cause. Termination of the Contract does not release CONTRACTOR from any and all claims, damages or other liability incurred during the contract until CITY acknowledges such release.

15. ATTORNEYS' FEES: In The event that any action or proceeding is brought by either party to enforce any term or provision of this Agreement, the prevailing party shall recover its reasonable attorneys' fees and costs incurred with respect thereto.

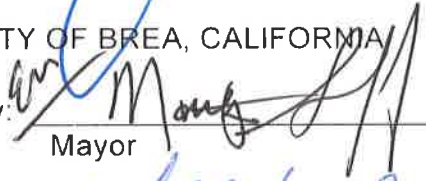
16. IN WITNESS WHEREOF, the parties hereto have caused these presents to be duly executed with all the formalities required by law on the respective dates set forth opposite their signatures.

State of California
Contractor's License No. 612429

(A, B, C7, and C10)

Date: September 2, 2015

By: 
Refaat H. Mina, President

CITY OF BREA, CALIFORNIA
By: 
Mayor

By: 
City Clerk



Date: _____

Contractor's Business Phone: 310-516-7404

Emergency Phone at which Contractor can be reached
at any time: 310-863-2199

AMENDMENT NO. 1
To Agreement dated October 6, 2016
Between City of Brea and Minako American Corporation dba Minco Construction
For Removal and Replacement of Sidewalks, Curbs, and Gutters

This Amendment No. 1 to Agreement dated October 6, 2016, referred to hereunder, is made and entered into this 4 day of October, 2017 ("Effective Date"), between the City of Brea, a municipal corporation ("CITY") and Minako American Corporation dba Minco Construction ("CONTRACTOR").

I. Recitals

- A. CITY and CONTRACTOR ("Parties") on October 6, 2015 entered into an Agreement for Removal and Replacement of Sidewalks, Curbs, and Gutters ("Services") for the prices shown on Exhibit A-Fee Schedule ("Prices"); and
- B. The Parties desire to amend the Agreement to provide for adjustments to the Prices per Exhibit B-Cost-of-Living Adjustments for this third year of the Agreement and for each of the two remaining one-year renewal terms.

II. Amendment

NOW, THEREFORE, it is agreed by and between CITY and CONTRACTOR as follows:

- A. Prices to be increased by two-percent (2.0%) for year three of the Agreement.
- B. Prices may be adjusted according to Exhibit B for each subsequent one-year renewal term; however, the total annual expenditures under this Agreement may not to exceed CITY budget appropriations.
- C. This Amendment No. 1 shall be effective as of the date first set forth above, and shall continue in full force and effect until expiration or termination pursuant to the terms of the Agreement.
- D. Except as expressly amended herein, all terms and conditions of the Agreement shall continue in full force and effect.
- E. Each person executing this Amendment No. 1 hereby warrants that such person is fully authorized by law to do so and to legally and fully bind their principal and respective party.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the day and year first set forth above:

CONTRACTOR

Contractor Name: Minako American Corporation dba Minco Construction

Corporation Type: a California corporation

Printed Name: Refaat H. Mina

Title: President

Signature: 

Date Signed: September 11, 2017

CITY

City of Brea

a Municipal corporation

Printed Name: William Gallardo

Title: City Manager

Signature: _____

Date: _____

ATTEST

Printed Name: Lillian Harris-Neal

Title: City Clerk

Signature: _____

Date: _____

Attachments (attached hereto and incorporated herein by reference):

Exhibit A – Fee Schedule

Exhibit B – Cost-of-Living Adjustments

Exhibit A
Fee Schedule

Schedule of Work				
Item	Description	Unit	Original Prices	Adjusted Prices*
1	Remove and reconstruct four inch thick P.C.C. sidewalk slab per square	Sq. Ft.	\$8.00	\$8.16
2	Remove and re-construct six-inch curb and gutter per linear foot. Includes one foot of asphalt concrete removal and replacement.	Sq. Ft	\$50.00	\$51.00
3	Remove and Reconstruct A.D.A. handicap-access ramp	Sq. Ft	\$50.00	\$51.00
4	Remove and Reconstruct 4" stamped (La Crescenta Brown)	Sq. Ft	\$15.00	\$15.30
5	Remove and Reconstruct interlocking concrete pavers	Sq. Ft	\$18.00	\$18.36

Schedule of Extra Work				
Item	Description	Unit	Original Prices	Adjusted Prices*
1	Removals: Six inch thick PCC driveway/slab	Sq. Ft.	\$3.00	\$3.06
2	Removals: Six or eight inch curb only	Sq. Ft	\$5.00	\$5.10
3	Removals: Eight inch curb and gutter	Sq. Ft	\$10.00	\$10.20
4	Removals and Replacements: 8" Concrete cross gutter	Sq. Ft	\$15.00	\$15.30
5	Remove and Reconstruct P.C.C. roadway, colored to match existing	Sq. Ft	\$17.00	\$17.34

*Adjusted Prices include a two-percent (2.0%) increase over the Original Bid Prices for the third year of this Agreement.

A cost-of-living price adjustment will be made for each subsequent one-year renewal term according to Exhibit B.

Exhibit B
Cost-of-Living Adjustments

For each of the one-year renewal terms, pricing shall be negotiated and agreed upon prior to the expiration date of the then current term based on the following:

- Consumer Price Index (CPI) is published monthly by the U.S. Department of Labor, Bureau of Statistics (Index) for the Los Angeles-Riverside-Orange County area.
- The Adjustment Index (AI) is for the month immediately preceding the adjustment date.
- The Beginning Index (BI) is for the prior 12-month period.
- If the AI is greater than the BI, then prices have increased and may be negotiated in an amount not to exceed the current prices multiplied by AI divided by BI.
- Example:
AI = 250.189 on Dec 2015; BI = 245.357 on Dec 2016
 $250.189 / 245.357 = 1.01969$, rounded up is 1.02 representing a 2.0% increase.



CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)
1/20/2017

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

PRODUCER James G Parker Insurance Associates License #0554959 P O Box 3947 Fresno CA 93650		CONTACT NAME: Mary Amiri PHONE (A/C, No, Ex): (661) 284-1708 E-MAIL: mamiri@jgparker.com ADDRESS:		FAX (A/C, No): (559) 222-1724
INSURED Minako America Corp DBA: Minco Construction 522 E Airline Way Gardena CA 90248		INSURER(S) AFFORDING COVERAGE		NAIC #
		INSURER A: Liberty Surplus Insurance Corp		10725
		INSURER B: Nationwide Mutual Insurance Company		23787
		INSURER C: Great American E & S Insurance Co		37532
		INSURER D: State Compensation Ins Fund		35076
		INSURER E:		
		INSURER F:		

COVERAGES

CERTIFICATE NUMBER: 17-18 GL, auto, excess & WC

REVISION NUMBER:

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	ADD'L SUBR INSD WVD	POLICY NUMBER	POLICY EFF (MM/DD/YY)	POLICY EXP (MM/DD/YYYY)	LIMITS
A	<input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS-MADE <input checked="" type="checkbox"/> OCCUR GEN'L AGGREGATE LIMIT APPLIES PER: <input type="checkbox"/> POLICY <input checked="" type="checkbox"/> PRO-JECT <input type="checkbox"/> LOC <input type="checkbox"/> OTHER:		100018340402	1/1/2017	1/1/2018	EACH OCCURRENCE \$ 1,000,000 DAMAGE TO RENTED PREMISES (Ea occurrence) \$ 50,000 MED EXP (Any one person) \$ Excluded PERSONAL & ADV INJURY \$ 1,000,000 GENERAL AGGREGATE \$ 2,000,000 PRODUCTS - COMP/OP AGG \$ 2,000,000 Employee Benefits \$ 1,000,000
B	<input checked="" type="checkbox"/> AUTOMOBILE LIABILITY <input type="checkbox"/> ANY AUTO <input type="checkbox"/> ALL OWNED AUTOS <input type="checkbox"/> HIRED AUTOS <input type="checkbox"/> SCHEDULED AUTOS <input type="checkbox"/> NON-OWNED AUTOS		ACP3017426078	1/1/2017	1/1/2018	COMBINED SINGLE LIMIT (Ea accident) \$ 1,000,000 BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (Per accident) \$ Uninsured motorist BI-single \$ 1,000,000
C	<input type="checkbox"/> UMBRELLA LIAB <input checked="" type="checkbox"/> EXCESS LIAB <input checked="" type="checkbox"/> OCCUR <input type="checkbox"/> CLAIMS-MADE DED RETENTION \$		FOLLOWING FORM X99952760	10/18/2016	09/30/2017	EACH OCCURRENCE \$ 5,000,000 AGGREGATE \$ 5,000,000
D	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) If yes, describe under DESCRIPTION OF OPERATIONS below	Y/N <input type="checkbox"/> N/A	9164844-2017	1/1/2017	1/1/2018	<input checked="" type="checkbox"/> PER STATUTE <input type="checkbox"/> OTH-ER E.L. EACH ACCIDENT \$ 1,000,000 E.L. DISEASE - EA EMPLOYEE \$ 1,000,000 E.L. DISEASE - POLICY LIMIT \$ 1,000,000

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)

RE: Removal and replacement of sidewalks, curbs and gutters at various locations within the City of Brea. The City of Brea, its elected officials, officers, employees, attorneys and agents and any other parties, including subcontractors, specified by City are included as additional insureds on the general liability and auto policies as per attached endorsements #CG2010 0704, coverage is primary as per attached endorsement #CGL1031 0403 & AC70050315. Waiver of subrogation coverage is included as per attached endorsements #CG2404 0509 & SCIF 10217.

2nd copy of certificate and endorsements e-mailed to insured on 5/30/17.

CERTIFICATE HOLDER

Chrisbe@ci.brea.ca.us

City of Brea
Attn: Chris Beckman
1 Civic Center Circle
Brea, CA 92821

CANCELLATION

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.

AUTHORIZED REPRESENTATIVE

James Parker III/MARY

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CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)
1/20/2017

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PRODUCER James G Parker Insurance Associates License #0554959 P O Box 3947 Fresno CA 93650	CONTACT NAME: Mary Amiri PHONE (A/C, No, Ext): (661) 284-1708 FAX (A/C, No): (559) 222-1724 E-MAIL: mamiri@jgparker.com ADDRESS:
INSURED Minako America Corp DEA: Minco Construction 522 E Airline Way Gardena CA 90248	INSURER(S) AFFORDING COVERAGE INSURER A: Liberty Surplus Insurance Corp 10725 INSURER B: Nationwide Mutual Insurance Company 23787 INSURER C: Great American E & S Insurance Co 37532 INSURER D: State Compensation Ins Fund 35076. INSURER E: INSURER F:

RECEIVED

FEB 14 2017

OFFICE OF THE
CITY CLERK

COVERAGES

CERTIFICATE NUMBER: 17-18 GL, auto, excess & WC

REVISION NUMBER:

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	ADDL INSD	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS
A	<input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS-MADE <input checked="" type="checkbox"/> OCCUR GEN'L AGGREGATE LIMIT APPLIES PER: <input checked="" type="checkbox"/> POLICY <input type="checkbox"/> PRO-JECT <input type="checkbox"/> LOC OTHER:			100018340402	1/1/2017	1/1/2018	EACH OCCURRENCE \$ 1,000,000 DAMAGE TO RENTED PREMISES (Ea occurrence) \$ 50,000 MED EXP (Any one person) \$ Excluded PERSONAL & ADV INJURY \$ 1,000,000 GENERAL AGGREGATE \$ 2,000,000 PRODUCTS - COMP/OP AGG \$ 2,000,000 Employee Benefits \$ 1,000,000
B	AUTOMOBILE LIABILITY <input checked="" type="checkbox"/> ANY AUTO. <input type="checkbox"/> ALL OWNED AUTOS <input type="checkbox"/> SCHEDULED AUTOS <input type="checkbox"/> HIRED AUTOS <input type="checkbox"/> NON-OWNED AUTOS			ACP5017426078	1/1/2017	1/1/2018	COMBINED SINGLE LIMIT (Ea accident) \$ 1,000,000 BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (Per accident) \$ Uninsured motorist BI-single \$ 1,000,000
C	UMBRELLA LIAB <input checked="" type="checkbox"/> OCCUR <input checked="" type="checkbox"/> EXCESS LIAB <input type="checkbox"/> CLAIMS-MADE DED <input type="checkbox"/> RETENTION \$			FOLLOWING FORM XS9952760	10/18/2016	7/18/2017	EACH OCCURRENCE \$ 4,000,000 AGGREGATE \$ 4,000,000
D	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) If yes, describe under DESCRIPTION OF OPERATIONS below	Y/N <input type="checkbox"/> N/A		9164844-2017	1/1/2017	1/1/2018	<input checked="" type="checkbox"/> PER STATUTE <input type="checkbox"/> OTH-ER E.L. EACH ACCIDENT \$ 1,000,000 E.L. DISEASE - EA EMPLOYEE \$ 1,000,000 E.L. DISEASE - POLICY LIMIT \$ 1,000,000

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)

RE: Removal and replacement of sidewalks, curbs and gutters at various locations within the City of Brea. The City of Brea, its elected officials, officers, employees, attorneys and agents and any other parties, including subcontractors, specified by City are included as additional insureds on the general liability policy as per attached endorsements #CG2010 0704, coverage is primary as per attached endorsement #CGL1031 0403. Waiver of subrogation coverage is included as per attached endorsements #CG2404 0509 & SCIF 10217.

CERTIFICATE HOLDER

City of Brea
1 Civic Center Circle
Brea, CA 92821

CANCELLATION

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.

AUTHORIZED REPRESENTATIVE

James Parker III/MARY

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Additional Named Insureds

Other Named Insureds

Joe Joy Enterprises LLC

Minco Construction

Doing Business As

Commercial General Liability



LIBERTY SURPLUS INSURANCE CORPORATION

(A New Hampshire Stock Insurance Company, hereinafter the "Company")

ENDORSEMENT NO. 2

Effective Date:	01/01/2017
Policy Number:	1000183404-02
Issued To:	Minako America Corp DBA Minco Construction

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

ADDITIONAL INSURED – OWNERS, LESSEES OR CONTRACTORS – SCHEDULED PERSON OR ORGANIZATION

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

SCHEDULE

Name Of Additional Insured Person(s) Or Organization(s)	Location(s) Of Covered Operations
Any person or organization for whom you are performing operations when you and such person or organization have agreed in writing in a contract or agreement that such person or organization be added as an additional insured on your policy; Any other person or organization you are required to add as an additional insured under the contract or agreement described in the paragraph above.	All locations of covered operations.

(Information required to complete this Schedule, if not shown above, will be shown in the Declarations)

A. Section II – Who Is An Insured is amended to include as an additional insured the person(s) or organization(s) shown in the Schedule, but only with respect to liability for "bodily injury", "property damage" or "personal and advertising injury" caused, in whole or in part, by:

1. Your acts or omissions; or
2. The acts or omissions of those acting on your behalf;

in the performance of your ongoing operations for the additional insured(s) at the location(s) designated above.

B. With respect to the insurance afforded to these additional insureds, the following additional exclusions apply:

This insurance does not apply to "bodily injury" or "property damage" occurring after:

1. All work, including materials, parts or equipment furnished in connection with such work, on the project (other than service, maintenance or repairs) to be performed by or on behalf of the additional insured(s) at the location of the covered operations has been completed; or



Liberty
Surplus Insurance
Corporation

Commercial General Liability

2. That portion of "your work" out of which the injury or damage arises has been put to its intended use by any person or organization other than another contractor or subcontractor engaged in performing operations for a principal as a part of the same project.

Commercial General Liability



LIBERTY SURPLUS INSURANCE CORPORATION

(A New Hampshire Stock Insurance Company, hereinafter the "Company")

ENDORSEMENT NO. 36

Effective Date:	01/01/2017
Policy Number:	1000183404-02
Issued To:	Minako America Corp DBA Minco Construction

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

WAIVER OF TRANSFER OF RIGHTS OF RECOVERY AGAINST OTHERS TO US

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART
PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE PART

SCHEDULE

Name Of Person Or Organization:

As required by written contract signed by both parties prior to any "occurrence" in which coverage is sought under this policy.

Information required to complete this Schedule, if not shown above, will be shown in the Declarations.

The following is added to Paragraph 8. Transfer Of Rights Of Recovery Against Others To Us of Section IV –
Conditions:

We waive any right of recovery we may have against the person or organization shown in the Schedule above because of payments we make for injury or damage arising out of your ongoing operations or "your work" done under a contract with that person or organization and included in the "products-completed operations hazard". This waiver applies only to the person or organization shown in the Schedule above.



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Commercial General Liability



LIBERTY SURPLUS INSURANCE CORPORATION

(A New Hampshire Stock Insurance Company, hereinafter the "Company")

ENDORSEMENT NO. 34

Effective Date:	01/01/2017
Policy Number:	1000183404-02
Issued To:	Minako America Corp DBA Minco Construction

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

PRIMARY INSURANCE CLAUSE ENDORSEMENT

To the extent that this insurance is afforded to any additional insured under the policy, such insurance shall apply as primary and not contributing with any insurance carried by such additional insured, as required by written contract.

Nothing herein contained shall be held to waive, vary, alter or extend any condition or provision of the policy other than as above stated.



ENDORSEMENT AGREEMENT
WAIVER OF SUBROGATION
BLANKET BASIS

BROKER COPY

REP 03
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RENEWAL
NE
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PAGE 1 OF 1

HOME OFFICE
SAN FRANCISCO

EFFECTIVE JANUARY 1, 2017 AT 12.01 A.M.
AND EXPIRING JANUARY 1, 2018 AT 12.01 A.M.

ALL EFFECTIVE DATES ARE
AT 12:01 AM PACIFIC
STANDARD TIME OR THE
TIME INDICATED AT
PACIFIC STANDARD TIME

MINCO CONSTRUCTION
522 E AIRLINE WAY
GARDENA, CA 90248

WE HAVE THE RIGHT TO RECOVER OUR PAYMENTS FROM ANYONE
LIABLE FOR AN INJURY COVERED BY THIS POLICY. WE WILL
NOT ENFORCE OUR RIGHT AGAINST THE PERSON OR
ORGANIZATION NAMED IN THE SCHEDULE.

THIS AGREEMENT APPLIES ONLY TO THE EXTENT THAT YOU
PERFORM WORK UNDER A WRITTEN CONTRACT THAT REQUIRES YOU
TO OBTAIN THIS AGREEMENT FROM US.

THE ADDITIONAL PREMIUM FOR THIS ENDORSEMENT SHALL BE
2.00% OF THE TOTAL POLICY PREMIUM.

SCHEDULE

<u>PERSON OR ORGANIZATION</u>	<u>JOB DESCRIPTION</u>
ANY PERSON OR ORGANIZATION FOR WHOM THE NAMED INSURED HAS AGREED BY WRITTEN CONTRACT TO FURNISH THIS WAIVER	BLANKET WAIVER OF SUBROGATION

NOTHING IN THIS ENDORSEMENT CONTAINED SHALL BE HELD TO VARY, ALTER, WAIVE
OR EXTEND ANY OF THE TERMS, CONDITIONS, AGREEMENTS, OR LIMITATIONS OF THIS
POLICY OTHER THAN AS STATED. NOTHING ELSEWHERE IN THIS POLICY SHALL BE
HELD TO VARY, ALTER, WAIVE OR LIMIT THE TERMS, CONDITIONS, AGREEMENTS OR
LIMITATIONS OF THIS ENDORSEMENT.

COUNTERSIGNED AND ISSUED AT SAN FRANCISCO: JANUARY 5, 2017


AUTHORIZED REPRESENTATIVE


PRESIDENT AND CEO

City of Brea

COUNCIL COMMUNICATION

TO: Honorable Mayor and City Council Members

FROM: Bill Gallardo, City Manager

DATE: 10/03/2017

SUBJECT: Amendment No. 1 to Cooperative Agreement between the City of Brea and Caltrans for the Highway 57/Lambert Road Interchange Project, Project 7251

RECOMMENDATION

Approve Amendment No. 1 to the Cooperative Agreement between the City of Brea and Caltrans and Authorize the City Manager to Execute Amendment No. 1

BACKGROUND/DISCUSSION

The State Route (SR)-57 & Lambert Road Interchange Improvements ("Project"), Project 7251, was initiated in 1999 between the City of Brea and the State of California Department of Transportation ("Caltrans") to address traffic congestion on Lambert Road at the SR57 interchange and at the adjacent intersection of Lambert Road and State College Boulevard. In 2007, the Project Study Report was completed and the Project was formally programmed in the City's 2008 Capital Improvement Program ("CIP") budget as well as Caltrans' annual budget.

In 2009, the City and Caltrans entered into a Cooperative Agreement for the Project to complete the Project Approval and Environmental Development ("PA&ED"), Right-Of-Way ("R/W"), and Plans, Specifications, and Estimate ("PS&E") Phases (see Cooperative Agreement). The PA&ED Phase was completed in November 2015, with the approval of the Project Report and Environmental Document. As part of the PA&ED, the preferred Project Alternative 7A was selected, which proposes to add a northbound loop on-ramp & realign northbound off-ramp; widen southbound ramps and bridge over the railroad; convert southbound exit ramp to a two (2) lane exit and widen Lambert Road from west State College.

Since November 2015, the City along with Parsons ("Design Consultant") have been working with Caltrans to complete the PS&E Phase. In December 2016, the 65% plans and estimate were completed for the entire Project, with some modifications to the design. Soon thereafter, the Project was separated out into four (4) phases due to construction funding constraints, with the focus on completing the PS&E Phase for the Phase 1 Project. Phase 1 construction will add the northbound loop on-ramp & realign northbound off-ramp and modify the existing northbound on-ramp north of Lambert Road (East of SR-57). Phase 2 will convert the southbound off-ramp to a two (2) lane exit. Phase 3 will widen the southbound on-ramp and bridge over the railroad. This phase will also widen Lambert Road west of the southbound ramps. The final Phase 4 includes widening of Lambert Road and SR-57 bridge modification on the east side of the freeway, which is part of the Caltrans/OCTA Truck Climbing Lane Project.

Since the design of Phase 1 is substantially complete, staff has initiated the R/W Acquisition

Phase and has retained CPSI ("R/W Consultant") to assist the City with the completion of this phase. R/W acquisition for the project will involve a full take and several partial takes. The construction of Phase 1 will require the full acquisition of the existing Carwash on Lambert Road, including a partial acquisitions with the adjacent properties east of the Carwash and Olen Point property on the north side of Lambert Road. Phases 2 and 3 construction also require R/W. However, all parcels affected in Phases 2 and 3 are owned by the City and OCTA. No R/W take is anticipated for the Phase 4 construction, other than some potential utility relocations.

During the initiation of the R/W Phase with Caltrans, it was noted that the current Cooperative Agreement specifies that the Resolution of Necessity ("RON"), with respect to the use of eminent domain to acquire the required property shall be heard by the California Transportation Commission ("CTC"). Since the City will be the lead agency completing the R/W Acquisition Phase as well as for the Design and Construction Phases, Caltrans requested that this provision of the Cooperative Agreement be amended to reflect the lead agency role. Therefore, staff in coordination with the City Attorney's office and Caltrans have developed Amendment No. 1 to the Cooperative Agreement that provides the required language (see Amendment No. 1).

FISCAL IMPACT/SUMMARY

The PA&ED, PS&E, and R/W Phases of the Project are currently funded within the 2017 Capital Improvement Program up to Fiscal Year ("FY") 2017-18 with Fund 540 (Traffic Impact) (\$3,561,743), Federal Grant (\$924,099), OCTA Measure M Grants (\$6,856,200), and State Grants (STIP) (\$9,000,000). There are no General Funds being used for the Project and approving Amendment No. 1 to the Cooperative Agreement does not impact the approved FY 2017-18 budget.

The current Cooperative Agreement specifies that the RON, regarding the use of eminent domain to acquire required property, be heard by CTC. Per Caltrans, since the City will be the lead agency completing the R/W Acquisition Phase as well as for the Design and Construction Phases, the CTC does not need to hear the RON. Hence, Amendment No. 1 to the Cooperative Agreement was developed, with review by the City Attorney's office, that provides the required lead role modification. Therefore, staff recommends the City Council consider approving Amendment No. 1 and authorizing the City Manager to execute said document. Once signed, the partially executed Amendment No. 1 will be submitted to Caltrans for final execution with one fully executed document provided back to the City Clerk.

RESPECTFULLY SUBMITTED:

William Gallardo, City Manager

Prepared by: Steve Kooyman, P.E., City Engineer

Concurrence: Tony Olmos, P.E., Public Works Director

Attachments

Cooperative Agreement

Amendment No. 1

COOPERATIVE AGREEMENT

This agreement, effective on September 24, 2009, is between the State of California, acting through its Department of Transportation, referred to as CALTRANS, and:

City of Brea, a body politic and municipal corporation or chartered city of the State of California, referred to as CITY.

RECITALS

1. CALTRANS and CITY, collectively referred to as PARTNERS, are authorized to enter into a cooperative agreement for improvements within the SHS right of way per Streets and Highways Code sections 114 and/or §30.
2. WORK completed under this agreement contributes toward State Route 57 and Lambert Road Interchange Improvements. Reconfigure existing diamond interchange to loop ramp, add southbound lane on off-ramp, referred to as PROJECT.
3. PARTNERS will cooperate to Reconfigure existing SR-57 diamond interchange to loop ramp, add southbound lane on Lambert Road off-ramp.
4. There are no prior PROJECT-related cooperative agreements.
5. Prior to this agreement, CITY developed the Project Initiation Document.
6. The estimated date for COMPLETION OF WORK is October 1, 2014.
7. PARTNERS now define in this agreement the terms and conditions under which they will accomplish WORK.

DEFINITIONS

CALTRANS STANDARDS – CALTRANS policies and procedures, including, but not limited to, the guidance provided in the *Guide to Capital Project Delivery Workplan Standards* (previously known as WBS Guide) available at <http://www.dot.ca.gov/hq/projmgmt/guidance.htm>.

CEQA – The California Environmental Quality Act (California Public Resources Code, sections 21000 et seq.) that requires State and local agencies to identify the significant environmental impacts of their actions and to avoid or mitigate those significant impacts, if feasible.

COMPLETION OF WORK – All PARTNERS have met all scope, cost, and schedule commitments included in this agreement and have signed a COOPERATIVE AGREEMENT CLOSURE STATEMENT.

COOPERATIVE AGREEMENT CLOSURE STATEMENT – A document signed by PARTNERS that verifies the completion of all scope, cost, and schedule commitments included in this agreement.

FHWA – Federal Highway Administration.

FHWA STANDARDS – FHWA regulations, policies and procedures, including, but not limited to, the guidance provided at <http://www.fhwa.dot.gov/programs.html>.

FUNDING PARTNER – A partner who commits a defined dollar amount to WORK.

FUNDING SUMMARY - The table in which PARTNERS designate funding sources, types of funds, and the project components in which the funds are to be spent. Funds listed on the FUNDING SUMMARY are “not-to-exceed” amounts for each FUNDING PARTNER.

HM-1 – Hazardous material (including, but not limited to, hazardous waste) that may require removal and disposal pursuant to federal or state law whether it is disturbed by PROJECT or not.

HM-2 – Hazardous material (including, but not limited to, hazardous waste) that may require removal and disposal pursuant to federal or state law only if disturbed by PROJECT.

HM MANAGEMENT ACTIVITIES – Management activities related to either HM-1 or HM-2 including, without limitation, any necessary manifest requirements and disposal facility designations.

IMPLEMENTING AGENCY – The partner responsible for managing the scope, cost, and schedule of a project component to ensure the completion of that component.

IQA – Independent Quality Assurance – Ensuring that IMPLEMENTING AGENCY’S quality assurance activities result in WORK being developed in accordance with the applicable standards and within an established Quality Management Plan. IQA does not include any work necessary to actually develop or deliver WORK or any validation by verifying or rechecking work performed by another partner.

NEPA – The National Environmental Policy Act of 1969 that establishes a national policy for the environment and a process to disclose the adverse impacts of projects with a federal nexus.

PA&ED (Project Approval and Environmental Document) – The project component that includes the activities required to deliver the project approval and environmental documentation for PROJECT.

PARTNERS – The term that collectively references all of the signatory agencies to this agreement. This term only describes the relationship between these agencies to work together to achieve a mutually beneficial goal. It is not used in the traditional legal sense in which one partner's individual actions legally bind the other partners.

PROJECT MANAGEMENT PLAN – A group of documents used to guide a project's execution and control throughout the project's lifecycle.

PS&E (Plans, Specifications, and Estimate) – The project component that includes the activities required to deliver the plans, specifications, and estimate for PROJECT.

R/W (Right of Way) – The project component that includes the activities required to deliver the right of way for PROJECT

SAFETEA-LU – The Safe, Accountable, Flexible, Efficient Transportation Equity Act: A Legacy for Users, signed into federal law on August 10, 2005.

SCOPE SUMMARY – The table in which PARTNERS designate their commitment to specific scope activities within each project component as outlined by the *Guide to Capital Project Delivery Workplan Standards* (previously known as WBS Guide) available at <http://www.dot.ca.gov/hq/projmgmt/guidance.htm>.

SHS – State Highway System.

SPONSOR(S) – The partner that accepts the obligation to secure financial resources to fully fund WORK. This includes any additional funds beyond those committed in this agreement necessary to complete the full scope of WORK defined in this agreement or settle claims.

SFM (State Furnished Material) – Any materials or equipment supplied by CALTRANS.

WORK – All scope and cost commitments included in this agreement.

RESPONSIBILITIES

8. CITY is SPONSOR for all WORK.
9. CITY is the only FUNDING PARTNER for this agreement. CITY's funding commitment is defined in the FUNDING SUMMARY.
10. CALTRANS is the CEQA lead agency for PROJECT.

11. CALTRANS is the NEPA lead agency for PROJECT.
12. CITY is IMPLEMENTING AGENCY for PA&ED, PS&E and R/W.

SCOPE

Scope: General

13. All WORK will be performed in accordance with federal and California laws, regulations, and standards.

All WORK will be performed in accordance with FHWA STANDARDS and CALTRANS STANDARDS.

14. IMPLEMENTING AGENCY for a project component will provide a Quality Management Plan for that component as part of the PROJECT MANAGEMENT PLAN.
15. CALTRANS will provide IQA for the portions of WORK within existing and proposed SHS right of way. CALTRANS retains the right to reject noncompliant WORK, protect public safety, preserve property rights, and ensure that all WORK is in the best interest of the SHS.
16. CITY may provide IQA for the portions of WORK outside existing and proposed SHS right of way.
17. PARTNERS may, at their own expense, have a representative observe any scope, cost, or schedule commitments performed by another partner. Observation does not constitute authority over those commitments.
18. Each partner will ensure that all of their personnel participating in WORK are appropriately qualified to perform the tasks assigned to them.
19. PARTNERS will invite each other to participate in the selection and retention of any consultants who participate in WORK.
20. PARTNERS will conform to sections 1720 – 1815 of the California Labor Code and all applicable regulations and coverage determinations issued by the Director of Industrial Relations if PROJECT work is done under contract (not completed by a partner's own employees) and is governed by the Labor Code's definition of a "public work" (section 1720(a)(1)).

PARTNERS will include wage requirements in all contracts for "public work" and will require their contractors and consultants to include prevailing wage requirements in all agreement-funded subcontracts for "public work".

21. IMPLEMENTING AGENCY for each project component included in this agreement will be available to help resolve WORK-related problems generated by that component for the entire duration of PROJECT.

22. CALTRANS will issue, upon proper application, at no cost, the encroachment permits required for WORK within SHS right of way.

Contractors and/or agents, and utility owners will not perform WORK without an encroachment permit issued in their name.

23. If unanticipated cultural, archaeological, paleontological, or other protected resources are discovered during WORK, all work in that area will stop until a qualified professional can evaluate the nature and significance of the discovery and a plan is approved for its removal or protection.

24. PARTNERS will hold all administrative draft and administrative final reports, studies, materials, and documentation relied upon, produced, created, or utilized for PROJECT in confidence to the extent permitted by law. Where applicable, the provisions of California Government Code section 6254.5(e) will govern the disclosure of such documents in the event that PARTNERS share said documents with each other.

PARTNERS will not distribute, release, or share said documents with anyone other than employees, agents, and consultants who require access to complete WORK without the written consent of the partner authorized to release them, unless required or authorized to do so by law.

25. If any partner receives a public records request, pertaining to WORK under this agreement, that partner will notify PARTNERS within five (5) working days of receipt and make PARTNERS aware of any transferred public documents.

26. If HM-1 or HM-2 is found during WORK, IMPLEMENTING AGENCY for the project component during which it is found will immediately notify PARTNERS.

27. CALTRANS, independent of PROJECT, is responsible for any HM-1 found within existing SHS right of way. CALTRANS will undertake HM-1 MANAGEMENT ACTIVITIES with minimum impact to PROJECT schedule.

28. CITY, independent of PROJECT, is responsible for any HM-1 found within the Project limits outside existing SHS right of way. CITY will undertake or cause to be undertaken HM-1 MANAGEMENT ACTIVITIES with minimum impacts to PROJECT schedule.

29. If HM-2 is found within PROJECT limits, the public agency responsible for the advertisement, award, and administration (AAA) of the PROJECT construction contract will be responsible for HM-2 MANAGEMENT ACTIVITIES.

30. CALTRANS' acquisition or acceptance of title to any property on which any HM-1 or HM-2 is found will proceed in accordance with CALTRANS' policy on such acquisition.
31. PARTNERS will comply with all of the commitments and conditions set forth in the environmental documentation, environmental permits, approvals, and applicable agreements as those commitments and conditions apply to each partner's responsibilities in this agreement.
32. IMPLEMENTING AGENCY for each project component will furnish PARTNERS with written monthly progress reports during the implementation of WORK in that component.
33. Upon COMPLETION OF WORK, ownership and title to all materials and equipment constructed or installed as part of WORK within SHS right of way become the property of CALTRANS.
34. IMPLEMENTING AGENCY for a project component will accept, reject, compromise, settle, or litigate claims of any non-agreement parties hired to do WORK in that component.
35. PARTNERS will confer on any claim that may affect WORK or PARTNERS' liability or responsibility under this agreement in order to retain resolution possibilities for potential future claims. No partner shall prejudice the rights of another partner until after PARTNERS confer on claim.
36. PARTNERS will maintain and make available to each other all WORK-related documents, including financial data, during the term of this agreement and retain those records for four (4) years from the date of termination or COMPLETION OF WORK, or three (3) years from the date of final federal voucher, whichever is later.
37. PARTNERS have the right to audit each other in accordance with generally accepted governmental audit standards.

CALTRANS, the State auditor, FHWA, and CITY will have access to all WORK-related records of each partner for audit, examination, excerpt, or transaction.

The examination of any records will take place in the offices and locations where said records are generated and/or stored and will be accomplished during reasonable hours of operation.

The audited partner will review the preliminary audit, findings, and recommendations, and provide written comments within 60 calendar days of receipt.

Any audit dispute not resolved by PARTNERS is subject to dispute resolution. Any costs arising out of the dispute resolution process will be paid within 30 calendar days of the final audit or dispute resolution findings.

38. PARTNERS consent to service of process by mailing copies by registered or certified mail, postage prepaid. Such service becomes effective 30 calendar days after mailing. However, nothing in this agreement affects PARTNERS' rights to serve process in any other matter permitted by law.
39. PARTNERS will not incur costs beyond the funding commitments in this agreement. If IMPLEMENTING AGENCY anticipates that funding for WORK will be insufficient to complete WORK, SPONSOR(S) will seek out additional funds and PARTNERS will amend this agreement.
40. If WORK stops for any reason, IMPLEMENTING AGENCY will place all facilities impacted by WORK in a safe and operable condition acceptable to CALTRANS.
41. If WORK stops for any reason, PARTNERS are still obligated to implement all applicable commitments and conditions included in the PROJECT environmental documentation, permits, agreements, or approvals that are in effect at the time that WORK stops, as they apply to each partner's responsibilities in this agreement, in order to keep PROJECT in environmental compliance until WORK resumes.
42. Each partner accepts responsibility to complete the activities that they selected on the SCOPE SUMMARY. Activities marked with "N/A" on the SCOPE SUMMARY are not included in the scope of this agreement.

Scope: Project Approval and Environmental Document (PA&ED)

43. CALTRANS is the CEQA lead agency. CALTRANS will determine the type of environmental documentation required and will cause that documentation to be prepared.
44. All partners involved in the preparation of CEQA environmental documentation will follow the CALTRANS STANDARDS that apply to the CEQA process including, but not limited to, the guidance provided in the Standard Environmental Reference available at www.dot.ca.gov/ser.
45. Pursuant to SAFETEA-LU Section 6004 and/or 6005, CALTRANS is the NEPA lead agency for PROJECT and will assume responsibility for NEPA compliance and will prepare any needed NEPA environmental documentation or will cause that documentation to be prepared.
46. All partners involved in the preparation of NEPA environmental documentation will follow FHWA STANDARDS that apply to the NEPA process including, but not limited to, the guidance provided in the FHWA Environmental Guidebook available at www.fhwa.dot.gov/hep/index.htm and the Standard Environmental Reference available at www.dot.ca.gov.

47. CITY will prepare the appropriate environmental documentation to meet CEQA requirements.
48. CITY will prepare the appropriate NEPA environmental documentation to meet NEPA requirements.
49. Any partner preparing any portion of the CEQA environmental documentation, including any studies and reports, will submit that portion of the documentation to the CEQA lead agency for review, comment, and approval at appropriate stages of development prior to public availability.
50. Any partner preparing any portion of the NEPA environmental documentation (including, but not limited to, studies, reports, public notices, and public meeting materials, determinations, administrative drafts, and final environmental documents) will submit that portion of the documentation to CALTRANS for CALTRANS' review, comment, and approval prior to public availability.
51. CITY will prepare, publicize and circulate all CEQA-related public notices and will submit said notices to the CEQA lead agency for review, comment, and approval prior to publication and circulation.
52. CITY will prepare, publicize, and circulate all NEPA-related public notices, except Federal Register notices. CITY will submit all notices to CALTRANS for CALTRANS' review, comment, and approval prior to publication and circulation.

CALTRANS will work with the appropriate federal agency to publish notices in the Federal Register.
53. The CEQA lead agency will attend all CEQA-related public meetings.
54. CITY will plan, schedule, prepare materials for, and host all CEQA-related public meetings and will submit all materials to the CEQA lead agency for review, comment, and approval at least 10 working days prior to the public meeting date.
55. The NEPA lead agency will attend all NEPA-related public meetings.
56. CITY will plan, schedule, prepare materials for, and host all NEPA-related public meetings. CITY will submit all materials to CALTRANS for CALTRANS' review, comment, and approval at least 10 working days prior to the public meeting date.
57. If a partner who is not the CEQA or NEPA lead agency holds a public meeting about PROJECT, that partner must clearly state their role in PROJECT and the identity of the CEQA and NEPA lead agencies on all meeting publications. All meeting publications must also inform the attendees that public comments collected at the meetings are not part of the CEQA or NEPA public review process.

That partner will submit all meeting advertisements, agendas, exhibits, handouts, and materials to the appropriate lead agency for review, comment, and approval at least 10 working days prior to publication or use. If that partner makes any changes to the materials, that partner will allow the appropriate lead agency to review, comment on, and approve those changes three (3) working days prior to the public meeting date.

The CEQA lead agency maintains final editorial control with respect to text or graphics that could lead to public confusion over CEQA-related roles and responsibilities. The NEPA lead agency has final approval authority with respect to text or graphics that could lead to public confusion over NEPA-related roles and responsibilities.

58. The partner preparing the environmental documentation, including the studies and reports, will ensure that qualified personnel remain available to help resolve environmental issues and perform any necessary work to ensure that PROJECT remains in environmental compliance.
59. CITY will coordinate the following resource agency permits, agreements, and/or approvals: U.S. Army Corps of Engineers Permit (404), U.S. Forest Service Permit(s), U.S. Coast Guard Permit, Department of Fish and Game 1600 Agreement(s), Coastal Zone Development Permit, Waste Discharge (NPDES) Permit, U.S. Fish and Wildlife Service Approval, and Regional Water Quality Control Board 401 Permit.
60. CITY will obtain the following resource agency permits, agreements, and/or approvals: U.S. Army Corps of Engineers Permit (404), U.S. Forest Service Permit(s), U.S. Coast Guard Permit, Department of Fish and Game 1600 Agreement(s), Coastal Zone Development Permit, Waste Discharge (NPDES) Permit, Regional Water Quality Control Board 401 Permit, and Other Permits.

Scope: Plans, Specifications, and Estimate (PS&E)

61. CITY will ensure that the engineering firm preparing the plans, specifications, and estimate will not be employed by or under contract to the PROJECT construction contractor.

CITY will not employ the engineering firm preparing the plans, specifications, and estimate for construction management of PROJECT.

However, CITY may retain the engineering firm during CONSTRUCTION to check shop drawings, do soil foundation tests, test construction materials, and perform construction surveys.

62. CITY will identify and locate all utility facilities within PROJECT area as part of PS&E responsibilities. All utility facilities not relocated or removed in advance of construction will be identified on the plans, specifications, and estimate for PROJECT.
63. CITY will make all necessary arrangements with utility owners for the timely accommodation, protection, relocation, or removal of any existing utility facilities that conflict with construction of PROJECT or that violate CALTRANS' encroachment policy.
64. The responsibility to advertise, open bids, award, and approve the construction contract will be handled outside the commitments of this agreement.
65. CITY will coordinate the following resource agency permits, agreements, and/or approvals: U.S. Army Corps of Engineers Permit (404), U.S. Forest Service Permit(s), U.S. Coast Guard Permit, Department of Fish and Game 1600 Agreement(s), Coastal Zone Development Permit, Waste Discharge (NPDES) Permit, U.S. Fish and Wildlife Service Approval, Regional Water Quality Control Board 401 Permit and Other Permits.
66. CITY will obtain the following resource agency permits, agreements, and/or approvals: U.S. Army Corps of Engineers Permit (404), U.S. Forest Service Permit(s), U.S. Coast Guard Permit, Department of Fish and Game 1600 Agreement(s), Coastal Zone Development Permit, Waste Discharge (NPDES) Permit, Regional Water Quality Control Board 401 Permit, and Other Permits.
67. CITY will implement the following resource agency permits, agreements, and/or approvals: U.S. Army Corps of Engineers Permit (404), U.S. Forest Service Permit(s), U.S. Coast Guard Permit, Department of Fish and Game 1600 Agreement(s), Coastal Zone Development Permit, Waste Discharge (NPDES) Permit, U.S. Fish and Wildlife Service Approval, Regional Water Quality Control Board 401 Permit, and Other Permits.

Scope: Right of Way (R/W)

68. CITY will provide a land surveyor licensed in the State of California to be responsible for surveying and right of way engineering. All survey and right of way engineering documents shall bear the professional seal, certificate number, registration classification, expiration date of certificate, and signature of the responsible surveyor.
69. CITY will provide CALTRANS-approved verification of its arrangements for the protection, relocation, or removal of all conflicting facilities and that such work will be completed prior to construction contract award or as otherwise stated in the PROJECT plans, specifications, and estimate. This verification must include references to all required SHS encroachment permits.

70. CITY will utilize a qualified CALTRANS-approved public agency or consultant in all right of way activities. Right of way consultant contracts will be administered by a qualified right of way person.
71. CITY will provide a Right of Way Certification to CALTRANS prior to PROJECT advertisement.
72. All right of way conveyances must be completed prior to COMPLETION OF WORK. CALTRANS' acceptance of right of way title is subject to review of an Updated Preliminary Title Report provided by CITY verifying that the title is free of all encumbrances and liens. Upon acceptance, CITY will provide CALTRANS with a Policy of Title Insurance in CALTRANS' name.
73. The California Transportation Commission will hear Resolutions of Necessity.

COST

Cost: General

74. SPONSOR(S) will secure funds for all WORK including any additional funds beyond the FUNDING PARTNERS' existing commitments in this agreement. Any change to the funding commitments outlined in this agreement requires an amendment to this agreement.
75. The cost of any awards, judgments, or settlements generated by WORK is a WORK cost.
76. CALTRANS, independent of PROJECT, will pay all costs for HM MANAGEMENT ACTIVITIES related to HM-1 found within existing SHS right of way.
77. CITY, independent of PROJECT, will pay, or cause to be paid, all costs for HM MANAGEMENT ACTIVITIES related to any HM-1 found within PROJECT limits and outside of existing SHS right of way.
78. HM MANAGEMENT ACTIVITIES costs related to HM-2 are a PROJECT CONSTRUCTION cost.
79. The cost of coordinating, obtaining, complying with, implementing, and if necessary renewing and amending resource agency permits, agreements, and/or approvals is a WORK cost.
80. The cost to comply with and implement the commitments set forth in the environmental documentation is a WORK cost.
81. The cost to ensure that PROJECT remains in environmental compliance is a WORK cost.
82. The cost of any legal challenges to the CEQA or NEPA environmental process or documentation is a WORK cost.

83. Independent of WORK costs, CALTRANS will fund the cost of its own IQA for WORK done within existing or proposed future SHS right of way.
84. Independent of WORK costs, CITY will fund the cost of its own IQA for WORK done outside existing or proposed future SHS right of way.
85. Fines, interest, or penalties levied against any partner will be paid, independent of WORK costs, by the partner whose actions or lack of action caused the levy. That partner will indemnify and defend all other partners.
86. CALTRANS will administer all federal subvention funds identified on the FUNDING SUMMARY.
87. The cost to place PROJECT right of way in a safe and operable condition and meet all environmental commitments is a WORK cost.
88. Because IMPLEMENTING AGENCY is responsible for managing the scope, cost, and schedule of a project component, if there are insufficient funds available in this agreement to place the right of way in a safe and operable condition, the appropriate IMPLEMENTING AGENCY accepts responsibility to fund these activities until such time as PARTNERS amend this agreement.

That IMPLEMENTING AGENCY may request reimbursement for these costs during the amendment process.

89. If there are insufficient funds in this agreement to implement applicable commitments and conditions included in the PROJECT environmental documentation, permits, agreements, and/or approvals that are in effect at a time that WORK stops, the partner implementing the commitments or conditions accepts responsibility to fund these activities until such time as PARTNERS amend this agreement.

That partner may request reimbursement for these costs during the amendment process.

90. PARTNERS will pay invoices within 30 calendar days of receipt of invoice.
91. FUNDING PARTNERS accept responsibility to provide the funds identified on the FUNDING SUMMARY.
92. SPONSOR(S) accepts responsibility to ensure full funding for the identified scope of work.

Cost: Project Approval and Environmental Document (PA&ED)

93. The cost to prepare, publicize, and circulate all CEQA and NEPA-related public notices is a WORK cost.
94. The cost to plan, schedule, prepare, materials for, and host all CEQA and NEPA-related public hearings is a WORK cost.

Cost: Plans, Specifications, and Estimate (PS&E)

95. The cost to positively identify and locate, protect, relocate, or remove any utility facilities whether inside or outside SHS right of way will be determined in accordance with federal and California laws and regulations, and CALTRANS' policies, procedures, standards, practices, and applicable agreements including, but not limited to, Freeway Master Contracts.

SCHEDULE

96. PARTNERS will manage the schedule for WORK through the work plan included in the PROJECT MANAGEMENT PLAN.

GENERAL CONDITIONS

97. This agreement will be understood in accordance with and governed by the Constitution and laws of the State of California. This agreement will be enforceable in the State of California. Any legal action arising from this agreement will be filed and maintained in the Superior Court of the county in which the CALTRANS district office signatory to this agreement resides.
98. All obligations of CALTRANS under the terms of this agreement are subject to the appropriation of resources by the Legislature, the State Budget Act authority, and the allocation of funds by the California Transportation Commission.
99. Any PARTNER who performs IQA does so for its own benefit, further, that PARTNER cannot be assigned liability due to it's IQA activities.
100. Neither CITY nor any officer or employee thereof is responsible for any injury, damage or liability occurring by reason of anything done or omitted to be done by CALTRANS under or in connection with any work, authority, or jurisdiction conferred upon CALTRANS under this agreement.

It is understood and agreed that CALTRANS will fully defend, indemnify, and save harmless CITY and all of its officers and employees from all claims, suits, or actions of every name, kind, and description brought forth under, but not limited to, tortious,

contractual, inverse condemnation, or other theories or assertions of liability occurring by reason of anything done or omitted to be done by CALTRANS under this agreement.

101. Neither CALTRANS nor any officer or employee thereof is responsible for any injury, damage, or liability occurring by reason of anything done or omitted to be done by CITY under or in connection with any work, authority, or jurisdiction conferred upon CITY under this agreement.

It is understood and agreed that CITY will fully defend, indemnify, and save harmless CALTRANS and all of its officers and employees from all claims, suits, or actions of every name, kind, and description brought forth under, but not limited to, tortious, contractual, inverse condemnation, or other theories or assertions of liability occurring by reason of anything done or omitted to be done by CITY under this agreement.

102. This agreement is not intended to create a third party beneficiary or define duties, obligations, or rights in parties not signatory to this agreement. This agreement is not intended to affect the legal liability of PARTNERS by imposing any standard of care for completing WORK different from the standards imposed by law.
103. PARTNERS will not assign or attempt to assign agreement obligations to parties not signatory to this agreement.
104. Any ambiguity contained in this agreement will not be interpreted against PARTNERS. PARTNERS waive the provisions of California Civil Code section 1654.
105. A waiver of a partner's performance under this agreement will not constitute a continuous waiver of any other provision. An amendment made to any article or section of this agreement does not constitute an amendment to or negate all other articles or sections of this agreement.
106. A delay or omission to exercise a right or power due to a default does not negate the use of that right or power in the future when deemed necessary.
107. If any partner defaults in their agreement obligations, the non-defaulting partner(s) will request in writing that the default be remedied within 30 calendar days. If the defaulting partner fails to do so, the non-defaulting partner(s) may initiate dispute resolution.
108. PARTNERS will first attempt to resolve agreement disputes at the PROJECT team level. If they cannot resolve the dispute themselves, the CALTRANS district director and the executive officer of CITY will attempt to negotiate a resolution. If no resolution is reached, PARTNERS' legal counsel will initiate mediation. PARTNERS agree to participate in mediation in good faith and will share equally in its costs.

Neither the dispute nor the mediation process relieves PARTNERS from full and timely performance of WORK in accordance with the terms of this agreement. However, if any

partner stops WORK, the other partner(s) may seek equitable relief to ensure that WORK continues.

Except for equitable relief, no partner may file a civil complaint until after mediation, or 45 calendar days after filing the written mediation request, whichever occurs first.

Any civil complaints will be filed in the Superior Court of the county in which the CALTRANS district office signatory to this agreement resides. The prevailing partner will be entitled to an award of all costs, fees, and expenses, including reasonable attorney fees as a result of litigating a dispute under this agreement or to enforce the provisions of this article including equitable relief.

109. PARTNERS maintain the ability to pursue alternative or additional dispute remedies if a previously selected remedy does not achieve resolution.
110. If any provisions in this agreement are deemed to be, or are in fact, illegal, inoperative, or unenforceable, those provisions do not render any or all other agreement provisions invalid, inoperative, or unenforceable, and those provisions will be automatically severed from this agreement.
111. This agreement is intended to be PARTNERS' final expression and supersedes all prior oral understanding or writings pertaining to WORK.
112. If during performance of WORK additional activities or environmental documentation is necessary to keep PROJECT in environmental compliance, PARTNERS will amend this agreement to include completion of those additional tasks.
113. PARTNERS will execute a formal written amendment if there are any changes to the commitments made in this agreement.
114. This agreement will terminate upon COMPLETION OF WORK or upon 30 calendar days' written notification to terminate and acceptance between PARTNERS, whichever occurs first.

However, all indemnification, document retention, audit, claims, environmental commitment, legal challenge, and ownership articles will remain in effect until terminated or modified in writing by mutual agreement.

115. The following documents are attached to, and made an express part of this agreement: SCOPE SUMMARY, FUNDING SUMMARY.
116. Signatories may execute this agreement through individual signature pages provided that each signature is an original. This agreement is not fully executed until all original signatures are attached.

CONTACT INFORMATION

The information provided below indicates the primary contact data for each partner to this agreement. PARTNERS will notify each other in writing of any personnel or location changes. These changes do not require an amendment to this agreement.

The primary agreement contact person for CALTRANS is:

Pija Ansari, Project Manager
3337 Michelson Drive, Suite: CN 380
Irvine, California 92612-8894
Office Phone: (949) 440-4497

The primary agreement contact person for CITY is:

Raul Lising, P.E., Principal Civil Engineer
1 Civic Center Circle
Brea, California 92821-5732
Office Phone: (714) 671-4450
Fax Number: (714) 990-2258
Email: RaulL@ci.brea.ca.us

SIGNATURES

PARTNERS declare that:

1. Each partner is an authorized legal entity under California state law.
2. Each partner has the authority to enter into this agreement.
3. The people signing this agreement have the authority to do so on behalf of their public agencies.

STATE OF CALIFORNIA

DEPARTMENT OF TRANSPORTATION

By: 

for Cindy Quon
District 12 Director

CERTIFIED AS TO FUNDS:

By: 

District Budget Manager

CITY OF BREA

By: 

Tim O'Donnell
City Manager

Attest: 

James Markman
City Attorney

SCOPE SUMMARY

4	5	6	7	8	Description	CALTRANS	CITY	N/A
2					Project Approval and Environmental Document (PA&ED) - 160, 165, 175, 180, 205	X	X	
	160				Perform Preliminary Engineering Studies and Draft Project Report	X	X	
		05			Updated Project information		X	
		10			Engineering Studies		X	
		15			Draft Project Report		X	
		20			Engineering and Land Net Surveys		X	
		30			Environmental Study Request (ESR)		X	
		40			NEPA Delegation	X		
		45			Base Maps and Plan Sheets for Project Report and Environmental Studies		X	
	165				Perform Environmental Studies and Prepare Draft Environmental Document	X	X	
		05			Environmental Scoping of Alternatives Identified for Studies in Project Initiation Document		X	
		10			General Environmental Studies		X	
		15			Biological Studies		X	
		20			Cultural Resource Studies		X	
			05		Archaeological Survey		X	
				05	Area of Potential Effects/Study Area Maps		X	
				10	Native American Consultation		X	
				15	Records and Literature Search		X	
				20	Field Survey		X	
				25	Archaeological Survey Report		X	
				99	Other Archaeological Survey Products		X	
			10		Extended Phase I Archaeological Studies		X	
				05	Native American Consultation		X	
				10	Extended Phase I Proposal		X	
				15	Extended Phase I Field Investigation		X	
				20	Extended Phase I Materials Analysis		X	
				25	Extended Phase I Report		X	
				99	Other Phase I Archaeological Study Products		X	
			15		Phase II Archaeological Studies		X	
				05	Native American Consultation		X	
				10	Phase II Proposal		X	
				15	Phase II Field Investigation		X	
				20	Phase II Materials Analysis		X	
				25	Phase II Report		X	
				99	Other Phase II Archaeological Study Products		X	
			20		Historical and Architectural Resource Studies		X	

			05	Preliminary Area of Potential Effects/Study Area Maps for Architecture		X	
			10	Historic Resources Evaluation Report - Archaeology		X	
			15	Historic Resource Evaluation Report - Architecture (HRER)		X	
			20	Bridge Evaluation		X	
			99	Other Historical and Architectural Resource Study Products		X	
		25		Cultural Resource Compliance Consultation Documents		X	
			05	Final Area of Potential Effects/Study Area Maps		X	
			10	PRC 5024.5 Consultation		X	
			15	Historic Property Survey Report/Historic Resources Compliance Report		X	
			20	Finding of Effect		X	
			25	Archaeological Data Recovery Plan/Treatment Plan		X	
			30	Memorandum of Agreement		X	
			99	Other Cultural Resources Compliance Consultation Products		X	
		25		Draft Environmental Document or Categorical Exemption/Exclusion	X	X	
			10	Section 4(F) Evaluation		X	
			20	Environmental Quality Control and Other Reviews	X		
			25	Approval to Circulate Resolution	X		
			30	Environmental Coordination		X	
			99	Other Draft Environmental Document Products		X	
		30		NEPA Delegation	X		
		45		Required Permits During PA&ED Development		X	
		50		Permits During PA&ED Development		X	
	175			Circulate Draft Environmental Document and Select Preferred Project Alternative Identification		X	
	180			Prepare and Approve Project Report and Final Environmental Document	X	X	
		05		Final Project Report		X	
		10		Final Environmental Document	X	X	
			05	Approved Final Environmental Document	X		
			25	Statement of Overriding Considerations	X		
			30	CEQA Certification	X		
			40	Section 106 Consultation and MOA	X		
			45	Section 7 Consultation	X		
			50	Final Section 4(F) Statement	X		
			55	Floodplain Only Practicable Alternative Finding	X		
			60	Wetlands Only Practicable Alternative Finding	X		
			65	Section 404 Compliance	X		
			70	Mitigation Measures	X		
		10		Public Distribution of Final Environmental Document and Respond To Comments		X	
		15		Final Right of Way Relocation Impact Document		X	
			99	Other Final Environmental Document Products		X	
		15		Completed Environmental Document	X	X	
		05		Record of Decision (NEPA)	X		
		10		Notice of Determination (CEQA)	X		
		20		Environmental Commitments Record		X	
			99	Other Completed Environmental Document Products		X	
		20		NEPA Delegation	X		

	205			Obtain Permits, Agreements, and Route Adoptions		X	
3				Plans, Specifications, and Estimates (PS&E) - 185, 230, 235, 240, 250, 255, 260, 265	X	X	
	185			Prepare Base Maps and Plan Sheets for PS&E Development		X	
	230			Prepare Draft Plans, Specifications, and Estimates		X	
	235			Mitigate Environmental Impacts and Clean Up Hazardous Waste		X	
	240			Draft Structures Plans, Specifications, and Estimates		X	
	250			Final Structures Plans, Specifications, and Estimates Package		X	
	255			Circulate, Review, and Prepare Final District Plans, Specifications, and Estimates Package		X	
	260			Contract Bid Documents Ready to List		X	
	265			Awarded and Approved Construction Contract			X
	50			Contract Ready for Advertising			X
	55			Advertised Contract			X
	60			Bids Opened			X
	65			Contract Award			X
	70			Executed and Approved Contract			X
	75			Independent Assurance			X
4				Right of Way (R/W) - 195, 200, 220, 225, 245, 300	X	X	
	195			Right of Way Property Management and Excess Land		X	
	200			Utility Relocation		X	
	15			Approved Utility Relocation Plan		X	
	20			Utility Relocation Package		X	
	25			Utility Relocation Management		X	
	30			Utility Close Out		X	
	99			Other Utility Relocation Products		X	
	220			Right of Way Engineering	X	X	
	05			Existing Land Net		X	
	10			Land Net Map		X	
	15			Right of Way Maps		X	
	20			Acquisition Documents		X	
	25			Documents to Convey Property Rights		X	
	35			Field Located Right of Way		X	
	225			Obtain Right of Way Interests for Project Right of Way Certification	X	X	
	50			Parcel and Project Documentation		X	
	55			Right of Way Interests	X	X	
	05			Right of Way Appraisals		X	
	10			Right of Way Acquisition		X	
	15			Right of Way Relocation Assistance		X	
	20			Right of Way Clearance		X	
	25			Right of Way Condemnation	X		
	245			Post Right of Way Certification Work	X		
	300			Final Right of Way Engineering	X	X	
	05			Right of Way Monumentation		X	
	10			Trial Exhibits and Testimony		X	
	25			Relinquishment and Vacation Maps		X	
	30			Deed Package for Excess Land Transactions		X	
	35			Right of Way Record Map		X	

FUNDING SUMMARY

Funding Source	Funding Partner	Fund Type	PA&ED	PS&E	R/W Support	Subtotal Support	Subtotal Capital	Subtotal Funds Type
FEDERAL	CITY	DEMO (TEA)	\$218,700.00	\$766,300.00	\$0.00	\$985,000.00	\$0.00	\$985,000.00
LOCAL	CITY	City (MATCHING)	\$51,300.00	\$179,700.00	\$0.00	\$231,000.00	\$0.00	\$231,000.00
		Subtotals by Component	\$270,000.00	\$946,000.00	\$0.00	\$1,216,000.00	\$0.00	\$1,216,000.00

12-ORA-57-19.89/21.2
Federal Funds
E.A. 0C110
District Agreement No. 12-617 A1

AMENDMENT NO. 1 TO AGREEMENT 12-617

THIS Amendment No. 1 to Agreement (AMENDMENT), entered into and effective on _____, 2017, is between the State of California, acting through its Department of Transportation, referred to as CALTRANS, and

City of Brea, a body politic and municipal corporation or chartered city of the State of California, referred to hereinafter as **CITY**.

RECITALS

1. CALTRANS and CITY collectively referred to as PARTIES, entered into Agreement No. 12-617, (AGREEMENT) on September 24, 2009, defining the terms and conditions for reconfiguration of existing diamond interchange to loop ramp, add southbound lane on Lambert off-ramp, referred to as PROJECT.
2. PARTIES now seek to have CITY hear and adopt Resolution of Necessity instead of CALTRANS.

IT IS THEREFORE MUTUALLY AGREED:

3. Article 73 in the AGREEMENT is replaced in its entirety to read as follows:

“73. CITY will hear and adopt Resolutions of Necessity when authorized to do so by law or will work with local agencies having jurisdiction and authorized under the law to hear and adopt Resolutions of Necessity.

CITY will conduct and document Condemnation Evaluation and Condemnation Panel Review meetings as required in accordance with CALTRANS policy and guidance. CALTRANS will be notified in advance of any Condemnation Panel Review meetings.”

4. A Revised Scope Summary is attached and made a part of the AGREEMENT. Any reference to the Scope Summary in the AGREEMENT is deemed to refer to the Revised Scope Summary attached herein.
5. All other terms and conditions of the AGREEMENT shall remain in full force and effect.
6. This AMENDMENT is deemed to be included and made part of the AGREEMENT.

DEFINITIONS

AGREEMENT - This agreement including any attachments, exhibits, and amendments.

SIGNATURES

PARTIES declare that:

1. Each PARTY is an authorized legal entity under California state law.
2. Each PARTY has the authority to enter into this agreement.
3. The people signing this agreement have the authority to do so on behalf of their public agencies.

STATE OF CALIFORNIA
DEPARTMENT OF
TRANSPORTATION

CITY OF BREA

By: _____
Adnan Maiah
Deputy District Director
Capital Outlay Program

By: _____
Bill Gallardo
City Manager

CERTIFIED AS TO FUNDS:

APPROVED AS TO FORM AND
PROCEDURE:

By: _____
Neda Saber
District Budget Manager

By: _____
James Markman
City Attorney

Attest: _____
City Clerk

REVISED SCOPE SUMMARY

4	5	6	7	8	Description	CALTRANS	CITY	N/A
2					Project Approval and Environmental Document (PA&ED) - 160, 165, 175, 180, 205	X	X	
	160				Perform Preliminary Engineering Studies and Draft Project Report	X	X	
		05			Updated Project information		X	
		10			Engineering Studies		X	
		15			Draft Project Report		X	
		20			Engineering and Land Net Surveys		X	
		30			Environmental Study Request (ESR)		X	
		40			NEPA Delegation	X		
		45			Base Maps and Plan Sheets for Project Report and Environmental Studies		X	
	165				Perform Environmental Studies and Prepare Draft Environmental Document	X	X	
		05			Environmental Scoping of Alternatives Identified for Studies in Project Initiation Document		X	
		10			General Environmental Studies		X	
		15			Biological Studies		X	
		20			Cultural Resource Studies		X	
			05		Archaeological Survey		X	
				05	Area of Potential Effects/Study Area Maps		X	
				10	Native American Consultation		X	
				15	Records and Literature Search		X	
				20	Field Survey		X	
				25	Archaeological Survey Report		X	
				99	Other Archaeological Survey Products		X	
			10		Extended Phase I Archaeological Studies		X	
				05	Native American Consultation		X	
				10	Extended Phase I Proposal		X	
				15	Extended Phase I Field Investigation		X	
				20	Extended Phase I Materials Analysis		X	
				25	Extended Phase I Report		X	
				99	Other Phase I Archaeological Study Products		X	
			15		Phase II Archaeological Studies		X	
				05	Native American Consultation		X	
				10	Phase II Proposal		X	
				15	Phase II Field Investigation		X	

			20	Phase II Materials Analysis		X	
			25	Phase II Report		X	
			99	Other Phase II Archaeological Study Products		X	
		20		Historical and Architectural Resource Studies		X	
			05	Preliminary Area of Potential Effects/Study Area Maps for Architecture		X	
			10	Historic Resources Evaluation Report - Archaeology		X	
			15	Historic Resource Evaluation Report - Architecture (HRER)		X	
			20	Bridge Evaluation		X	
			99	Other Historical and Architectural Resource Study Products		X	
		25		Cultural Resource Compliance Consultation Documents		X	
			05	Final Area of Potential Effects/Study Area Maps		X	
			10	PRC 5024.5 Consultation		X	
			15	Historic Property Survey Report/Historic Resources Compliance Report		X	
			20	Finding of Effect		X	
			25	Archaeological Data Recovery Plan/Treatment Plan		X	
			30	Memorandum of Agreement		X	
			99	Other Cultural Resources Compliance Consultation Products		X	
		25		Draft Environmental Document or Categorical Exemption/Exclusion	X	X	
		10		Section 4(F) Evaluation		X	
		20		Environmental Quality Control and Other Reviews	X		
		25		Approval to Circulate Resolution	X		
		30		Environmental Coordination		X	
		99		Other Draft Environmental Document Products		X	
		30		NEPA Delegation	X		
		45		Required Permits During PA&ED Development		X	
		50		Permits During PA&ED Development		X	
	175			Circulate Draft Environmental Document and Select Preferred Project Alternative Identification		X	
	180			Prepare and Approve Project Report and Final Environmental Document	X	X	
		05		Final Project Report		X	
		10		Final Environmental Document	X	X	
		05		Approved Final Environmental Document	X		
			25	Statement of Overriding Considerations	X		
			30	CEQA Certification	X		
			40	Section 106 Consultation and MOA	X		
			45	Section 7 Consultation	X		
			50	Final Section 4(F) Statement	X		
			55	Floodplain Only Practicable Alternative Finding	X		

			60	Wetlands Only Practicable Alternative Finding	X		
			65	Section 404 Compliance	X		
			70	Mitigation Measures	X		
		10		Public Distribution of Final Environmental Document and Respond To Comments		X	
		15		Final Right of Way Relocation Impact Document		X	
		99		Other Final Environmental Document Products		X	
	15			Completed Environmental Document	X	X	
		05		Record of Decision (NEPA)	X		
		10		Notice of Determination (CEQA)	X		
		20		Environmental Commitments Record		X	
		99		Other Completed Environmental Document Products		X	
	20			NEPA Delegation	X		
	205			Obtain Permits, Agreements, and Route Adoptions		X	
3				Plans, Specifications, and Estimates (PS&E) – 185, 230, 235, 240, 250, 255, 260, 265	X	X	
	185			Prepare Base Maps and Plan Sheets for PS&E Development		X	
	230			Prepare Draft Plans, Specifications, and Estimates		X	
	235			Mitigate Environmental Impacts and Clean Up Hazardous Waste		X	
	240			Draft Structures Plans, Specifications, and Estimates		X	
	250			Final Structures PS&E Package		X	
	255			Circulate, Review, and Prepare Final District Plans, Specifications, and Estimates Package		X	
	260			Contract Bid Documents Ready to List		X	
	265			Awarded and Approved Construction Contract			X
		50		Contract Ready for Advertising			X
		55		Advertised contact			X
		60		Bids Opened			X
		65		Contract Award			X
		70		Executed and Approved contract			X
		75		Independent Assurance			X
4				Right of Way (R/W) – 195, 200, 220, 225, 245, 300	X	X	
	195			Right of Way Property Management and Excess Land		X	
	200			Utility Relocation		X	
		15		Approved Utility Relocation Plan		X	
		20		Utility Relocation Package		X	
		25		Utility Relocation Management		X	
		30		Utility Close Out		X	
		99		Other Utility Relocation Products		X	
	220			Right of Way Engineering		X	
		05		Existing Land Net		X	

District Agreement No. 12-617-A1

		10		Land Net Map		X	
		15		Right of Way Maps		X	
		20		Acquisition Documents		X	
		25		Documents to Convey Property Rights		X	
		35		Field Located Right of Way		X	
	225			Obtain Right of Way Interests for Project Right of Way Certification		X	
		50		Parcel and Project Documentation		X	
		55		Right of Way Interests		X	
		05		Right of Way Appraisals		X	
		10		Right of Way Acquisition		X	
		15		Right of Way Relocation Assistance		X	
		20		Right of Way Clearance		X	
		25		Right of Way Condemnation		X	
	245			Post Right of Way Certification Work		X	
	300			Final Right of Way Engineering		X	
		05		Right of Way Monumentation		X	
		10		Trail Exhibits and Testimony		X	
3		25		Relinquishment and Vacation Maps		X	
		30		Deed Package for Excess Land Transactions		X	
3		35		Right of Way Record Map		X	

City of Brea

COUNCIL COMMUNICATION

TO: Honorable Mayor and City Council Members

FROM: Bill Gallardo, City Manager

DATE: 10/03/2017

SUBJECT: Environmental and Pre-Acquisition Work for the Western Extension to The Tracks at Brea Trail

RECOMMENDATION

Approve Professional Services Agreement with JMD Planning and Engineering and Additional Appropriations to provide engineering and environmental documents for the potential Western Extension of The Tracks at Brea Trail.

BACKGROUND/DISCUSSION

The County of Orange is spearheading an effort to create a 66-mile active transportation corridor for biking and walking throughout the County called "The OC Loop." The Tracks at Brea is part of that loop. Currently, there is a gap in the Loop from the west end of The Tracks at Brea through the City of La Habra. An easement along a railroad right of way could be purchased and developed into a trail to close that gap in the two cities. The Orange County Transportation Authority (OCTA) is leading an effort to negotiate with the owner of the right of way, Union Pacific Railroad (UP), for the purchase of an easement on both the portion of or right of way in La Habra and the portion in Brea. UP has stated that they will only agree to an easement if both cities participate.

In order to continue easement negotiations, environmental studies and documents must be developed. The City of La Habra has been working on this with a Planning and Engineering firm called JMD. As the two cities work closely together, and as the right of way in both cities is very similar and part of the same railroad spur, it is recommended that Brea also work with JMD. This will expedite the needed work and assure coordination between the two cities. Their proposed scope of services includes a series of tasks leading to a Mitigated Negative Declaration. Their scope also includes obtaining a right of entry from UP, developing street crossing plans required by UP, soils assessment, and developing a legal description for the easement. The full scope of work is attached to the PSA.

The proposed scope of work complements the feasibility and conceptual design work David Evans and Associates (DEA) is doing on the Western Extension. DEA's project is almost complete and their survey and other work products will be shared with JMD to keep the City's cost down.

COMMISSION/COMMITTEE RECOMMENDATION

The Finance Committee discussed this agreement at their regular meeting on September 26, 2017 and recommended approval.

FISCAL IMPACT/SUMMARY

The total cost for the proposed PSA with JMD is \$107,677. The majority of their scope of work, with the exception of \$19,846, can be covered by a \$200,000 Planning and Assessment grant received by the City from the U.S. Environmental Protection Agency (EPA) for the proposed Western Extension.

Therefore, City staff is requesting an additional appropriation of \$200,000 which will be included with the next round of CIP quarterly budget adjustments which come before the City Council. The total DEA work needed to date is \$25,525 (previously approved by the Council on April 4, 2017). However, approximately \$13,800 can now be charged to the EPA grant resulting in balance \$11,725. Applying this balance of \$11,725 to the additional expenditure of \$19,846 needed for the approval of the PSA with JMD, an additional appropriation \$6,046 from the General Fund is needed. This additional appropriation of \$6,046 will also be included in the next round of CIP quarterly budget adjustments.

RESPECTFULLY SUBMITTED:

William Gallardo, City Manager

Prepared by: Kathie DeRobbio, Economic Development Manager

Concurrence: David M. Crabtree, AICP, Community Development Director

Attachments

Agreement

Proposal

PROFESSIONAL SERVICES AGREEMENT

THIS AGREEMENT is entered into this _____ day of _____, 2017, by and between **JMDIAZ, INC.** (hereinafter called the "CONSULTANT") and the **CITY OF BREA** (hereinafter called the "CITY").

PARTIES

"CITY"

THE CITY OF BREA, a California municipal corporation

Designated Official:	Name: David Crabtree Title: Community Development Director Telephone: (714) 990-7146
Mailing Address:	1 Civic Center Circle Brea, CA 92821

"CONSULTANT"

JMDIAZ, INC.

Representative:	Name: Juan M. Diaz Title: President/CEO Telephone: (626) 820-1137
Mailing Address:	18645 East Gale Ave., Ste 212 City of Industry, CA 91748

RECITALS

- A. The CITY desires the following professional services: **Engineering and Design Coordination Services for Potential Trail Right-of-Way Easement Purchase.**
- B. The CONSULTANT represents that it has the necessary professional certifications, skills, experience and resources to satisfactorily provide such services.
- C. The CITY desires to engage the CONSULTANT to perform the services as described above and hereinafter in this Agreement, in accordance with the terms and conditions set forth herein.

AGREEMENT

NOW, THEREFORE, the parties agree as follows:

1.0 EMPLOYMENT OF CONSULTANT.

The CITY hereby engages the CONSULTANT and the CONSULTANT shall perform the services required under this Agreement.

2.0 SERVICES.

CONSULTANT shall perform during the term of this Agreement, each and every service set forth on the "**Scope of Services**" attached hereto as "**Exhibit A**" and incorporated herein by this reference. The initiation of service by the CONSULTANT will commence upon receipt of a written notice from the Designated Official authorizing CONSULTANT to proceed, and only to the extent of such authorization.

3.0 TERM AND TIME OF PERFORMANCE.

The term of this Agreement shall commence upon the effective date and shall continue unless and until terminated as provided herein. Notwithstanding the foregoing, the individual services to be performed under this Agreement by CONSULTANT shall be completed on or before the deadlines set forth in Exhibit A.

4.0 COMPENSATION.

CITY shall compensate CONSULTANT for each service which CONSULTANT performs to the satisfaction of CITY in the amount(s) set forth in the CONSULTANT's bid or schedule of payment, attached hereto as Exhibit A and incorporated herein by this reference. No payment for expenses or labor shall be paid by CITY unless it is related to a service requested in the Scope of Services. Total payment to CONSULTANT pursuant to this Agreement shall not exceed **\$107,677.**

5.0 PAYMENT.

The CITY shall pay CONSULTANT upon completion of services required hereunder.

6.0 CHANGES.

The CITY may, from time to time, request changes in the scope of services of the CONSULTANT to be performed under this Agreement. Such changes shall be in the form of a written amendment to this Agreement.

7.0 STANDARD OF SKILL.

CONSULTANT agrees and represents that CONSULTANT, and CONSULTANT's staff, if any, are skilled in the professional calling necessary to perform the work agreed to be done pursuant to this Agreement, and CONSULTANT further acknowledges that such skill of the CONSULTANT, and CONSULTANT's staff, if any, to do and perform such work in a skillful manner is a material inducement to CITY entering into this Agreement. The acceptance of CONSULTANT's work by the CITY shall not operate as a release of the CONSULTANT from such standard of care and workmanship.

8.0 INDEPENDENT CONTRACTOR.

CONSULTANT is retained by CITY only to the extent set forth in this Agreement, and the CONSULTANT's relationship to the CITY is that of an independent contractor. CONSULTANT shall be free to dispose of all portions of CONSULTANT's time and activities which CONSULTANT is not obligated to devote to the CITY in such a manner and to such persons, firms, or corporations as the CONSULTANT sees fit except as expressly provided in this Agreement. Neither the CITY nor any of its agents shall have control over the conduct of the CONSULTANT or any of the CONSULTANT's employees, except as set forth in this Agreement. CONSULTANT shall not be considered to have the status of an employee under this Agreement, or be entitled to participate in any insurance, medical care, vacation, sick leave or other benefits provided for CITY's officers or employees. CONSULTANT shall have no power to incur any debt, obligation, or liability on behalf of CITY or otherwise act on behalf of the CITY as an agent. CONSULTANT shall not, at any time, or in any manner, represent that it or any of its agents or employees are in any manner agents or employees of the CITY.

9.0 INDEMNIFICATION.

CONSULTANT agrees that the CITY and CITY's employees, agents and officials should, to the extent permitted by law, be fully protected from any loss, injury, damage, claim, lawsuit, cost, expense, attorney's fees, litigation costs, defense costs, court costs or any other cost arising out of or in any way related to CONSULTANT's performance of this Agreement as set forth below in Article 9.0.A but not subsection A.1. Accordingly, the provisions of this indemnity provision as set forth below in Article 9.0.A but not subsection A.1 are intended by the parties to be interpreted and construed to provide the fullest protection possible under the law to the CITY. CONSULTANT acknowledges that CITY would not have entered into this Agreement in the absence of the commitment of CONSULTANT to indemnify and protect CITY as set forth here.

- A. Other than in the performance of professional services and to the fullest extent permitted by law, CONSULTANT shall indemnify, defend and hold the CITY, and CITY's elected officials, officers, employees, agents and volunteers free and harmless from and against all tort liability, including liability for claims, suits, actions, expenses or costs of any kind, whether actual, alleged or threatened, actual attorney's fees, court costs, and expert

witness fees incurred by CITY, arising out of or in any way connected with, in whole or in part, the performance of this Agreement by CONSULTANT, or any of CONSULTANT's officers, agents, employees or contractors, including but not limited to, claims, suits and liabilities for bodily injury, death or property damage to any individual or entity, including employees or officials of CONSULTANT.

- A.1. Regarding CONSULTANT's professional services, only the following indemnity obligation shall apply:

CONSULTANT shall indemnify, defend and hold free and harmless the CITY, and CITY's elected officials, officers and employees from and against any and all losses, liabilities, damages, costs and expenses, including reasonable attorney's fees, expert witness fees, and costs to the extent the same are actually caused by negligence of CONSULTANT, or any of CONSULTANT's officers, agents, employees or contractors, in the performance of professional services pursuant to this Agreement.

- B. Subject to the provisions of subsection A, above, and without affecting the rights of CITY under any provision of this Agreement or this section, CONSULTANT shall not be required to indemnify and hold harmless CITY as set forth above for liability attributable to the sole fault of CITY, provided such sole fault is determined by agreement between the parties or the findings of a court of competent jurisdiction. This exception will apply only in instances where the CITY is shown to have been solely at fault and not in instances where CONSULTANT is solely or partially at fault or in instances where CITY's fault accounts for only a percentage of the liability involved. In those instances, the obligation of CONSULTANT will be all-inclusive and CITY will be indemnified for all liability incurred, even though a percentage of the liability is attributable to the conduct of the CITY.
- C. Subject to the provisions of subsection A, above, but not subsection A.1, CONSULTANT acknowledges that its obligation pursuant to this section extends to liability attributable to CITY, if that liability is other than the sole fault of CITY. CONSULTANT has no obligation under this Agreement for liability proven in a court of competent jurisdiction or by written agreement between the parties to be the sole fault of CITY.
- D. The obligations of CONSULTANT under this or any other provision of this Agreement will not be limited by the provisions of any workers compensation act or similar act. CONSULTANT expressly waives its statutory immunity under such statutes or laws as to CITY, and their employees, agents and officials.

10.0 TERMINATION OF AGREEMENT.

Either party may terminate this Agreement at any time during the term of the Agreement by giving the other party thirty (30) days' notice in writing.

11.0 SAFETY REQUIREMENTS.

All work performed under this Agreement shall be performed in such a manner as to provide safety to the public and to meet or exceed the safety standards outlined by CAL OSHA. The CITY reserves the right to issue restraint or cease and desist orders to the CONSULTANT when unsafe or harmful acts are observed or reported relative to the performance of the work under this Agreement. The CONSULTANT shall maintain the work sites it physically controls free of hazards to persons and property resulting from its operations. Any hazardous condition noted by the CONSULTANT, which is not the result of his operations, shall immediately be reported to the CITY.

12.0 MANDATORY INSURANCE.

CONSULTANT shall maintain the following insurance coverage throughout the term of this Agreement, and upon request CONSULTANT shall show CITY evidence of such coverage, which may include visual inspection of all policies, copies of declarations page, endorsements signed by an authorized representative of the underwriting company, or certificates of insurance. Insurance coverage shall be provided in the following form:

1. Insurance Services Office Commercial General Liability coverage occurrence form number CG 00 01 11 85 or 88.
2. Insurance Services Office form number CA 00 01 06 92 including symbol 1 (any auto) covering Automobile Liability.
3. Workers Compensation insurance as required by the State of California and Employer's Liability insurance.
4. Error and Omissions liability insurance. Errors and Omissions coverage is to be endorsed to include contractual liability.

12.1 Minimum Limits of Insurance. CONSULTANT shall maintain insurance coverage limits no less than:

1. General Liability: \$2,000,000 per occurrence for bodily injury, personal injury, and property damage. If Commercial General Liability Insurance or other form with a general aggregate limit is used, either the general aggregate limit shall apply separately to this project/location or the general aggregate limit shall be twice the required occurrence limit, and shall contain specified language creating a duty to defend against any suit seeking damages.
2. Automobile Liability: \$2,000,000 per accident for bodily injury and property damage.
3. Employer's Liability: \$1,000,000 per accident for bodily injury or disease.

12.2 Deductibles and Self-insured Retentions. Any deductibles and/or self-insured retentions must be declared to and approved by the CITY. At the option of the CITY, either: the insurer shall reduce or eliminate such deductibles or self-insured retentions as respects the CITY, its officers, officials, employees and

volunteers; or, the CONSULTANT shall provide a financial guarantee satisfactory to the CITY, guaranteeing payment of losses and related investigations, claim administration and defense expenses.

12.3 Other Insurance Provisions. The CONSULTANT and CITY further agree as follows:

1. All insurance coverage and limits provided pursuant to this agreement shall apply to the full extent of the policies involved, available or applicable. Nothing contained in this Agreement or any other agreement relating to the CITY or its operations limits the application of such insurance coverage.
2. Requirements of specific coverage features or limits contained in this Section are not intended as a limitation on coverage, limits or other requirements, or a waiver of any coverage normally provided by any insurance. Specific reference to a given coverage feature is for purposes of clarification only and is not intended by any party to be all inclusive, or to the exclusion of other coverage, or a waiver of any type.
3. For any claims related to this project, the CONSULTANT's insurance coverage shall be primary to any other similar insurance. Any insurance or self-insurance maintained by the CITY, its officers, employees or volunteers, shall be excess of the CONSULTANT's insurance and shall not contribute with it.
4. For purposes of insurance coverage only, this Agreement will be deemed to have been executed immediately upon any party hereto taking any steps that can be deemed to be in furtherance of or towards, performance of this Agreement.
5. All general or auto liability insurance coverage provided pursuant to this Agreement, or any other agreements pertaining to the performance of this Agreement, shall not prohibit CONSULTANT, and CONSULTANT's employees, or agents, from waiving the right of subrogation prior to a loss. CONSULTANT hereby waives all rights of subrogation against CITY.
6. CONSULTANT shall provide proof that policies of insurance required herein expiring during the term of this Agreement have been renewed or replaced with other policies providing at least the same coverage. Such proof will be furnished prior to the expiration of the coverage's.
7. Any actual or alleged failure on the part of CITY or any other additional insured under these requirements to obtain proof of insurance required under this Agreement in no way waives any right or remedy of CITY or any additional insured, in this or any other regard.
8. The CITY, and their officers, officials, employees, and volunteers are to be covered as insureds with respect to liability arising out of automobiles owned, leased, hired or borrowed by or on behalf of the CONSULTANT and with respect to liability arising out of work or operations performed by or on behalf of the CONSULTANT including materials, parts or equipment furnished in connection

with such work or operations. General liability coverage can be provided in the form of an endorsement to the CONSULTANT's insurance, or as a separate owner's policy.

9. Except for any errors and omissions policy, if required, the comprehensive general liability and automobile liability insurance policies shall name the CITY, and their officers, officials, employees, and volunteers, as additional insureds.
10. All insurance coverage shall contain a provision that prohibits cancellation, modification or lapse without thirty (30) days' prior written notice from insurer to the CITY. CONSULTANT agrees to require its insurer to modify the certificates of insurance to delete any exculpatory wording stating that failure of the insurer to mail written notice of cancellation imposes no obligation, and to delete the word "endeavor" with regard to any notice provisions.
11. All insurance coverage shall include a severability of interests clause substantially similar to the following: "The insurance afforded by this policy applies separately to each insured against whom a claim or suit is made or suit is brought, except with respect to the limit of the insurer's liability."
12. All insurance coverage shall contain a clause substantially in the following words: "It is hereby understood and agreed that this policy shall not be canceled nor materially changed except upon thirty (30) days' prior written notice to the City of Brea of such cancellation or material change as evidence by a return receipt for a registered letter."
13. All insurance coverage shall cover the operations of the CONSULTANT pursuant to the terms of this Agreement.
14. CONSULTANT shall provide proof that policies of insurance required herein expiring during the term of this Agreement have been renewed or replaced with other policies providing at least the same coverage. Such proof will be furnished prior to the expiration of the coverages.
15. Any actual or alleged failure on the part of CITY or any other additional insured under these requirements to obtain proof of insurance required under this Agreement in no way waives any right or remedy of CITY or any additional insured, in this or any other regard.
16. In the event any policy of insurance required under this Agreement does not comply with these requirements or is canceled and not replaced, CITY has the right but not the duty to obtain the insurance it deems necessary and any premium paid by CITY will be promptly reimbursed by CONSULTANT.
17. CONSULTANT agrees to provide immediate notice to CITY of any claim or loss against CONSULTANT that includes CITY as a defendant. CITY assumes no obligation or liability by such notice, but has the right (but not the duty) to monitor the handling of any such claim or claims if they are likely to involve the CITY.

18. If the CONSULTANT is a Limited Liability Company, general liability coverage must be amended so that the Limited Liability Company is insured, its Managers are insured, its Members are insured, its Affiliates are insured, its employees are insured, its agents are insured, and other persons necessary or incidental to the operation of the CONSULTANT are insured.

12.4 Acceptability of Insurers. Coverage shall be written by insurers with a current A.M. Best's rating of no less than "A:VII," and be admitted to conduct business in the State of California by the Department of Insurance.

12.5 Verification of Coverage. CONSULTANT shall furnish the CITY with evidence of the insurance required by this Section, satisfactory to CITY, consisting of original certificates of insurance and amendatory endorsements, and an additional insured endorsement using Insurance Services Office form CG 20 10 11 85. The endorsements should be on forms provided by the CITY or on other than the CITY's forms or a separate owner's policy, provided those forms or policies are approved by the CITY, and amended to conform to the CITY's requirements. All certificates and endorsements are to be received and approved by the CITY before work commences. The CITY reserves the right to require complete, certified copies of all required insurance policies, including endorsements affecting the coverage required by these specifications at any time. CONSULTANT agrees to provide complete copies of policies to CITY upon request.

12.6 Subcontractors. CONSULTANT shall include all subcontractors or any other party involved in the project by CONSULTANT as insured under its policies or shall require subcontractors or any other party involved in the project by CONSULTANT to carry the same insurance as required herein. CONSULTANT agrees to obtain certificates evidencing such coverage and make reasonable efforts to ensure that such coverage is provided as required here. CONSULTANT agrees to require that no contract used by any subcontractor, or contracts CONSULTANT enters into on behalf of CITY, will reserve the right to charge back to CITY the cost of insurance required by this agreement. CONSULTANT agrees that upon request, all agreements with subcontractors or others with whom CONSULTANT contracts with on behalf of CITY, and all certificates of insurance obtained in compliance with this paragraph will be submitted to CITY for review. Failure of CITY to request copies of such documents will not impose a liability on CITY, or its employees.

13.0 WORK PRODUCT.

13.1 Deliverables. CONSULTANT shall deliver to the CITY all reports required to be provided pursuant to Exhibit A. CONSULTANT shall, upon completion of all work, submit to the CITY all information developed in the course of the CONSULTANT's services. CONSULTANT shall furnish the CITY, upon request, copies of all documents and other materials prepared or developed in relation with, or as part of, the project. CONSULTANT shall, in such time and in such form as the CITY may require, furnish reports concerning the status of services required under this Agreement. CONSULTANT shall, upon request by CITY and upon completion or termination of this Agreement, deliver to the CITY all material furnished to CONSULTANT by the CITY.

13.2 Ownership. Each and every document, map, report, draft, work product, record and other document reproduced, prepared, or caused to be prepared by the CONSULTANT pursuant to or in connection with this Agreement shall be the exclusive property of the CITY.

13.3 Confidentiality. CONSULTANT shall not disclose, publish, or authorize others to disclose or publish, prepared and/or obtained documents, design data, maps, drawings, personal information, specifications, reports, or other information pertaining to the projects assigned to CONSULTANT by the CITY or other information to which the CONSULTANT has had access during the term of this Agreement without the prior written approval of the Designated Official.

13.4 Records. CONSULTANT shall maintain complete and accurate records with respect to sales, costs, expenses, receipts, and other such information required by the CITY or the Designated Official. The CONSULTANT shall maintain adequate records on services provided in sufficient detail to permit an evaluation of service. All such records shall be maintained in accordance with generally accepted accounting principles and shall be clearly identified and readily accessible. CONSULTANT shall provide access to the Designated Official or his designee's at all proper times to such books and records, and gives the Designated Official or his designees the right to examine and audit such books and records and to make transcripts as necessary, and to allow inspection of all work, data, documents, proceedings, and activities related to this Agreement.

14.0 AGREEMENT.

This Agreement is personal to the CONSULTANT. Any attempt at assignment by the CONSULTANT shall be void unless approved in writing by the Designated Official. CONSULTANT's services pursuant to this Agreement shall be provided by the Representative or directly under the supervision of the Representative and CONSULTANT shall not assign another to supervise the CONSULTANT's performance of this Agreement without the prior written approval of the CITY, by and through the Designated Official.

15.0 MISCELLANEOUS TERMS.

15.1 Nuisance. CONSULTANT shall not maintain, commit, or permit the maintenance or commission of any nuisance in connection with the performance of services under this Agreement.

15.2 Permits and Licenses. CONSULTANT, at its sole expense, shall obtain and maintain during the term of this Agreement, all appropriate permits, licenses, and certificates that may be required in connection with the performance of services under this Agreement.

15.3 Conflicts of Interest. CONSULTANT agrees to be familiar with and comply with all applicable federal, state, and local conflict of interest laws.

15.4 Waiver. A waiver by the CITY of any breach of any term, covenant, or condition contained in this Agreement shall not be deemed to be a waiver of any

subsequent breach of the same or any other term, covenant, or condition contained in this Agreement whether of the same or different character.

15.5 Accomplishment of Project. The CONSULTANT shall commence, carry on, and complete its assignments with all practicable dispatch, in a sound, economical, and efficient manner in accordance with all applicable laws and generally accepted industry standards.

15.6 Matters to be Disregarded. The titles of the sections, subsections, and paragraphs set forth in this Agreement are inserted for convenience and reference only and shall be disregarded in construing or interpreting any of the provisions of this Agreement.

15.7 Notices. Any notice required by this Agreement to be given in writing to the person, at the addresses specified on first page of this Agreement. Either party may change the specified person or address at which it is to receive notices by advising the other party in writing.

15.8 CITY Not Obligated to Third Parties. The CITY shall not be obligated or liable under this Agreement to any party other than the CONSULTANT.

15.9 When Rights and Remedies Not Waived. In no event shall the making by the CITY of any payment to the CONSULTANT constitute or be construed as a waiver by the CITY of any breach of covenant, or any default which may then exist, on the part of the CONSULTANT, and the making of any such payment by the CITY while any such breach or default shall exist shall in no way impair or prejudice any right or remedy available to the CITY with regard to such breach or default.

15.10 Cost of Litigation. If any legal action is necessary to enforce any provision of this Agreement or for damages by reason of an alleged breach of any provisions of this Agreement, the prevailing party shall be entitled to receive from the losing party all costs and expenses in such amount as the courts may determine to be reasonable. In awarding the cost of litigation, the court shall not be bound by any court fee schedule, but shall, if it is in the interest of justice to do so, award the full amount of costs, expenses, and attorneys' fees paid or incurred in good faith.

15.11 Compliance with Laws. In the performance of the work required by this Agreement, CONSULTANT shall exercise due professional care to abide by and conform with and to any and all applicable laws of the United States and the State of California, and the City of Brea's Municipal Code, ordinances, regulations and policies of the City of Brea.

15.12 Severability. If any part, term, or provision of this Agreement shall be held illegal, unenforceable, or in conflict with any law of a federal, state, or local government having jurisdiction over this Agreement, the validity of the remaining portions or provisions shall not be affected by such holding.

15.13 Governing Law. The terms of this Agreement shall be interpreted according to the laws of the State of California. Should litigation occur, venue shall be in a competent Court of Orange County, California.

15.14 Integrated Contract. This Agreement represents the entire Agreement between the CITY and CONSULTANT. No verbal agreement or implied covenant shall be held to vary the provisions of this Agreement. This Agreement shall bind and inure to the benefit of the parties to this Agreement and any subsequent successors and assigns.

15.15 In the event of any inconsistency between the provisions of this Agreement and CONSULTANT's proposal, the provisions of this Agreement shall control.

In recognition of the obligations stated in this Agreement, the parties have executed this Agreement on the date indicated above.

Executed the day and year first above written.

CITY
CITY OF BREA
a California municipal corporation

CONSULTANT
JMDIAZ, INC.

Name _____
William Gallardo, City Manager

Name  _____
Juan M. Diaz, President/CEO

Attest: _____
Lillian Harris-Neal, City Clerk



CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)

9/7/2017

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must have ADDITIONAL INSURED provisions or be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

PRODUCER Edgewood Partners Insurance Center (EPIC) 19000 MacArthur Blvd. PH Floor Irvine, CA 92612 www.edgewoodins.com	CONTACT NAME:	
	PHONE (A/C, No, Ext): (949) 263-0606	FAX (A/C, No): (949) 263-0906
INSURED JM Diaz, Inc. DBA: JMD 18645 E. Gale Ave., Ste #212 City of Industry CA 91748	E-MAIL ADDRESS:	
	INSURER(S) AFFORDING COVERAGE	
	INSURER A: Travelers Property Casualty Company of America	NAIC # 25674
	INSURER B: Travelers Casualty and Surety Co America	31194
	INSURER C: Travelers Indemnity Company of CT	25682
	INSURER D:	
	INSURER E:	
	INSURER F:	

COVERAGES**CERTIFICATE NUMBER:** 37616106**REVISION NUMBER:**

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	ADDL INSD	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS
A	<input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS-MADE <input checked="" type="checkbox"/> OCCUR GEN'L AGGREGATE LIMIT APPLIES PER: <input type="checkbox"/> POLICY <input type="checkbox"/> PRO-JECT <input checked="" type="checkbox"/> LOC OTHER:			680-2J330994	6/27/2017	6/27/2018	EACH OCCURRENCE \$ 1,000,000 DAMAGE TO RENTED PREMISES (Ea occurrence) \$ 1,000,000 MED EXP (Any one person) \$ 5,000 PERSONAL & ADV INJURY \$ 1,000,000 GENERAL AGGREGATE \$ 2,000,000 PRODUCTS - COMP/OP AGG \$ 2,000,000 Deductible \$ None
C	AUTOMOBILE LIABILITY <input type="checkbox"/> ANY AUTO <input type="checkbox"/> OWNED AUTOS ONLY <input checked="" type="checkbox"/> HIRED AUTOS ONLY <input type="checkbox"/> SCHEDULED AUTOS <input checked="" type="checkbox"/> NON-OWNED AUTOS ONLY			BA-4J373941	6/27/2017	6/27/2018	COMBINED SINGLE LIMIT (Ea accident) \$ 1,000,000 BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (Per accident) \$ \$
A	<input checked="" type="checkbox"/> UMBRELLA LIAB <input type="checkbox"/> EXCESS LIAB DED <input type="checkbox"/> RETENTION \$0			CUP-7E606764	6/27/2017	6/27/2018	EACH OCCURRENCE \$ 2,000,000 AGGREGATE \$ 2,000,000 Prod/Co-Ops \$ 2,000,000
A	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) If yes, describe under DESCRIPTION OF OPERATIONS below	<input type="checkbox"/> Y/N	N/A	UB-4288T923	6/27/2017	6/27/2018	<input checked="" type="checkbox"/> PER STATUTE <input type="checkbox"/> OTH-ER E.L. EACH ACCIDENT \$ 1,000,000 E.L. DISEASE - EA EMPLOYEE \$ 1,000,000 E.L. DISEASE - POLICY LIMIT \$ 1,000,000
B	Professional Liability Claims Made Form Knowledge Date: 4/8/2005			105263164	6/27/2017	6/27/2018	\$2,000,000 per Claim \$2,000,000 Aggregate \$10,000 Per Claim Deductible

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)

Certificate holder(s) are named as Additional Insureds as respects General Liability per endorsement CG D3 81 09/15 and as respects Hired and Non-Owned Automobile Liability per endorsement CA T4 37 02/16, but only where required by written contract with the Named Insured prior to an occurrence and subject to all policy terms, conditions and exclusions.
GL Primary/Non-contributory & Waiver per CG D3 81 09/15, Auto Waiver per CA T3 40 02/15; Work Comp Waiver per WC 99 03 76(A)

CERTIFICATE HOLDER**CANCELLATION**

City of Brea
its officers, officials, employees, and volunteers
1 Civic Center Circle
Brea CA 92821

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.

AUTHORIZED REPRESENTATIVE

Todd Holliday

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ACORD 25 (2016/03)

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THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

BLANKET ADDITIONAL INSURED (ARCHITECTS, ENGINEERS AND SURVEYORS)

This endorsement modifies insurance provided under the following:
COMMERCIAL GENERAL LIABILITY COVERAGE PART

1. The following is added to SECTION II – WHO IS AN INSURED:

Any person or organization that you agree in a "written contract requiring insurance" to include as an additional insured on this Coverage Part, but:

- a. Only with respect to liability for "bodily injury", "property damage" or "personal injury"; and
- b. If, and only to the extent that, the injury or damage is caused by acts or omissions of you or your subcontractor in the performance of "your work" to which the "written contract requiring insurance" applies, or in connection with premises owned by or rented to you.

The person or organization does not qualify as an additional insured:

- c. With respect to the independent acts or omissions of such person or organization; or
- d. For "bodily injury", "property damage" or "personal injury" for which such person or organization has assumed liability in a contract or agreement.

The insurance provided to such additional insured is limited as follows:

- e. This insurance does not apply on any basis to any person or organization for which coverage as an additional insured specifically is added by another endorsement to this Coverage Part.
- f. This insurance does not apply to the rendering of or failure to render any "professional services".
- g. In the event that the Limits of Insurance of the Coverage Part shown in the Declarations exceed the limits of liability required by the "written contract requiring insurance", the insurance provided to the additional insured shall be limited to the limits of liability required by that "written contract requiring insurance". This endorsement does not increase the limits of insurance described in Section III – Limits Of Insurance.

- h. This insurance does not apply to "bodily injury" or "property damage" caused by "your work" and included in the "products-completed operations hazard" unless the "written contract requiring insurance" specifically requires you to provide such coverage for that additional insured, and then the insurance provided to the additional insured applies only to such "bodily injury" or "property damage" that occurs before the end of the period of time for which the "written contract requiring insurance" requires you to provide such coverage or the end of the policy period, whichever is earlier.

2. The following is added to Paragraph 4.a. of SECTION IV – COMMERCIAL GENERAL LIABILITY CONDITIONS:

The insurance provided to the additional insured is excess over any valid and collectible other insurance, whether primary, excess, contingent or on any other basis, that is available to the additional insured for a loss we cover. However, if you specifically agree in the "written contract requiring insurance" that this insurance provided to the additional insured under this Coverage Part must apply on a primary basis or a primary and non-contributory basis, this insurance is primary to other insurance available to the additional insured which covers that person or organizations as a named insured for such loss, and we will not share with the other insurance, provided that:

- (1) The "bodily injury" or "property damage" for which coverage is sought occurs; and
- (2) The "personal injury" for which coverage is sought arises out of an offense committed;

after you have signed that "written contract requiring insurance". But this insurance provided to the additional insured still is excess over valid and collectible other insurance, whether primary, excess, contingent or on any other basis, that is available to the additional insured when that person or organization is an additional insured under any other insurance.

C 1007014149#

- We waive any right of recovery we may have against any person or organization because of payments we make for "bodily injury", "property damage" or "personal injury" arising out of "your work" performed by you, or on your behalf, done under a "written contract requiring insurance" with that person or organization. We waive this right only where you have agreed to do so as part of the "written contract requiring insurance" with such person or organization signed by you before, and in effect when, the "bodily injury" or "property damage" occurs, or the "personal injury" offense is committed.

- a. After you have signed that written contract;
- b. While that part of the written contract is in effect; and
- c. Before the end of the policy period.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

BLANKET ADDITIONAL INSURED

This endorsement modifies insurance provided under the following:

**BUSINESS AUTO COVERAGE FORM
MOTOR CARRIER COVERAGE FORM**

The following is added to Paragraph c. in A.1., **Who Is An Insured**, of **SECTION II – COVERED AUTOS LIABILITY COVERAGE** in the **BUSINESS AUTO COVERAGE FORM** and Paragraph e. in A.1., **Who Is An Insured**, of **SECTION II – COVERED AUTOS LIABILITY COVERAGE** in the **MOTOR CARRIER COVERAGE FORM**, whichever Coverage Form is part of your policy:

This includes any person or organization who you are required under a written contract or agreement

between you and that person or organization, that is signed by you before the "bodily injury" or "property damage" occurs and that is in effect during the policy period, to name as an additional insured for Covered Autos Liability Coverage, but only for damages to which this insurance applies and only to the extent of that person's or organization's liability for the conduct of another "insured".

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

BLANKET WAIVER OF SUBROGATION

This endorsement modifies insurance provided under the following:

AUTO DEALERS COVERAGE FORM
BUSINESS AUTO COVERAGE FORM
MOTOR CARRIER COVERAGE FORM

The following replaces Paragraph **A.5., Transfer of Rights Of Recovery Against Others To Us**, of the **CONDITIONS** Section:

5. Transfer Of Rights Of Recovery Against Others To Us

We waive any right of recovery we may have against any person or organization to the extent

required of you by a written contract executed prior to any "accident" or "loss", provided that the "accident" or "loss" arises out of the operations contemplated by such contract. The waiver applies only to the person or organization designated in such contract.



ONE TOWER SQUARE
HARTFORD, CT 06183

WORKERS COMPENSATION
AND
EMPLOYERS LIABILITY POLICY

ENDORSEMENT WC 99 03 76 (A) - 001

POLICY NUMBER:

**WAIVER OF OUR RIGHT TO RECOVER FROM OTHERS
ENDORSEMENT - CALIFORNIA
(BLANKET WAIVER)**

We have the right to recover our payments from anyone liable for an injury covered by this policy. We will not enforce our right against the person or organization named in the Schedule.

The additional premium for this endorsement shall be _____ % of the California workers' compensation premium.

Schedule

Person or Organization

Job Description

ANY PERSON OR ORGANIZATION FOR
WHICH THE INSURED HAS AGREED
BY WRITTEN CONTRACT EXECUTED
PRIOR TO LOSS TO FURNISH THIS
WAIVER

This endorsement changes the policy to which it is attached and is effective on the date issued unless otherwise stated.

(The information below is required only when this endorsement is issued subsequent to preparation of the policy.)

Endorsement Effective 6/27/2017

Policy No. UB-4288T923

Endorsement No.
Premium

Insured JM Diaz, Inc.

DBA: JMD
Insurance Company

Countersigned by _____

DATE OF ISSUE: 9/7/2017

ST ASSIGN:

Page 1 of 1



CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)

9/7/2017

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must have ADDITIONAL INSURED provisions or be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

PRODUCER Edgewood Partners Insurance Center (EPIC)
19000 MacArthur Blvd. PH Floor
Irvine, CA 92612

www.edgewoodins.com

INSURED
JM Diaz, Inc.
DBA: JMD
18645 E. Gale Ave., Ste #212
City of Industry CA 91748

CONTACT NAME:**PHONE**

(949) 263-0606

FAX

(A/C, No):

(949) 263-0906

E-MAIL**ADDRESS:****INSURER(S) AFFORDING COVERAGE****NAIC #****INSURER A:** Travelers Property Casualty Company of America

25674

INSURER B: Travelers Casualty and Surety Co America

31194

INSURER C: Travelers Indemnity Company of CT

25682

INSURER D:**INSURER E:****INSURER F:****COVERAGES****CERTIFICATE NUMBER:** 37616106**REVISION NUMBER:**

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	ADDL INSD	SUBR VWD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS
A	<input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS-MADE <input checked="" type="checkbox"/> OCCUR GEN'L AGGREGATE LIMIT APPLIES PER: <input type="checkbox"/> POLICY <input type="checkbox"/> PRO-JECT <input checked="" type="checkbox"/> LOC OTHER:			680-2J330994	6/27/2017	6/27/2018	EACH OCCURRENCE \$ 1,000,000 DAMAGE TO RENTED PREMISES (Ea occurrence) \$ 1,000,000 MED EXP (Any one person) \$ 5,000 PERSONAL & ADV INJURY \$ 1,000,000 GENERAL AGGREGATE \$ 2,000,000 PRODUCTS - COMP/OP AGG \$ 2,000,000 Deductible \$ None
C	AUTOMOBILE LIABILITY <input type="checkbox"/> ANY AUTO <input type="checkbox"/> OWNED AUTOS ONLY <input type="checkbox"/> SCHEDULED AUTOS <input checked="" type="checkbox"/> HIRED AUTOS ONLY <input checked="" type="checkbox"/> NON-OWNED AUTOS ONLY			BA-4J373941	6/27/2017	6/27/2018	COMBINED SINGLE LIMIT (Ea accident) \$ 1,000,000 BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (Per accident) \$ \$
A	<input checked="" type="checkbox"/> UMBRELLA LIAB <input checked="" type="checkbox"/> OCCUR <input type="checkbox"/> EXCESS LIAB <input type="checkbox"/> CLAIMS-MADE DED <input type="checkbox"/> RETENTION \$0			CUP-7E606764	6/27/2017	6/27/2018	EACH OCCURRENCE \$ 2,000,000 AGGREGATE \$ 2,000,000 Prod/Co-Ops \$ 2,000,000
A	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) <input type="checkbox"/> Y <input checked="" type="checkbox"/> N If yes, describe under DESCRIPTION OF OPERATIONS below		N/A	UB-4288T923	6/27/2017	6/27/2018	<input checked="" type="checkbox"/> PER STATUTE <input type="checkbox"/> OTH-ER E.L. EACH ACCIDENT \$ 1,000,000 E.L. DISEASE - EA EMPLOYEE \$ 1,000,000 E.L. DISEASE - POLICY LIMIT \$ 1,000,000
B	Professional Liability Claims Made Form Knowledge Date: 4/8/2005			105263164	6/27/2017	6/27/2018	\$2,000,000 per Claim \$2,000,000 Aggregate \$10,000 Per Claim Deductible

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)

Certificate holder(s) are named as Additional Insureds as respects General Liability per endorsement CG D3 81 09/15 and as respects Hired and Non-Owned Automobile Liability per endorsement CA T4 37 02/16, but only where required by written contract with the Named Insured prior to an occurrence and subject to all policy terms, conditions and exclusions.
GL Primary/Non-contributory & Waiver per CG D3 81 09/15, Auto Waiver per CA T3 40 02/15; Work Comp Waiver per WC 99 03 76(A)

CERTIFICATE HOLDER**CANCELLATION**

City of Brea
its officers, officials, employees, and volunteers
1 Civic Center Circle
Brea CA 92821

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.

AUTHORIZED REPRESENTATIVE

Todd Holliday

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ACORD 25 (2016/03)

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COMMERCIAL GENERAL LIABILITY

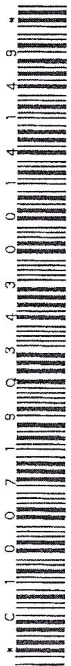
3. The following is added to Paragraph 8., **Transfer Of Rights Of Recovery Against Others To Us**, of SECTION IV – COMMERCIAL GENERAL LIABILITY CONDITIONS:

We waive any right of recovery we may have against any person or organization because of payments we make for "bodily injury", "property damage" or "personal injury" arising out of "your work" performed by you, or on your behalf, done under a "written contract requiring insurance" with that person or organization. We waive this right only where you have agreed to do so as part of the "written contract requiring insurance" with such person or organization signed by you before, and in effect when, the "bodily injury" or "property damage" occurs, or the "personal injury" offense is committed.

4. The following definition is added to the **DEFINITIONS** Section:

"Written contract requiring insurance" means that part of any written contract under which you are required to include a person or organization as an additional insured on this Coverage Part, provided that the "bodily injury" and "property damage" occurs and the "personal injury" is caused by an offense committed:

- a. After you have signed that written contract;
- b. While that part of the written contract is in effect; and
- c. Before the end of the policy period.



JM Diaz, Inc.
DBA: JMD
BA-4J373941
6/27/2017

COMMERCIAL AUTO

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

BLANKET WAIVER OF SUBROGATION

This endorsement modifies insurance provided under the following:

AUTO DEALERS COVERAGE FORM
BUSINESS AUTO COVERAGE FORM
MOTOR CARRIER COVERAGE FORM

The following replaces Paragraph **A.5., Transfer of Rights Of Recovery Against Others To Us**, of the **CONDITIONS** Section:

5. Transfer Of Rights Of Recovery Against Others To Us

We waive any right of recovery we may have against any person or organization to the extent

required of you by a written contract executed prior to any "accident" or "loss", provided that the "accident" or "loss" arises out of the operations contemplated by such contract. The waiver applies only to the person or organization designated in such contract.



Fee Proposal^{a-b}

La Habra - Brea Union Pacific Rail Line Bikeway Project from Palm Street to Brea Creek

City of Brea

Submitted by: JMD

September 12, 2017

TASK	DESCRIPTION	PIC/ PROJECT MANAGER	QA/QC MGR	SR CIVIL ENG	SR TRAFFIC ENG	SR DES ENG	ANALYST/ SR DESIGNER	DES/ CAD OPER	INTERN	ADMIN/ CLERICAL	TOTAL LABOR HOURS	DIRECT COSTS*	TOTAL COSTS	REMARKS
1	Conceptual Design Phase (5%)												\$74,726	
1.1	Project Administration, Meetings and Coordination (upto 4 meetings)	32	0	0	0	0	0	0	0	16	48	\$500	\$6,794	* Mileage/Postage/Reproduction
1.2	Right of Entry Agreement (up to 1 agreement)	10	0	0	0	0	8	0	0	8	26	\$11,800	\$14,641	* Rush Handling Fee and 1 Day of Flagging
1.3	Research, Data Collection and Utility Coordination	2	0	0	4	4	24	24	10	8	76	\$0	\$6,119	
1.4	Conceptual Grade Crossing Plan (Puente Street)	1	1	4	4	4	24	24	8	0	70	\$0	\$6,382	
1.5	Public Outreach (up to 1 meeting)	8	0	0	0	0	8	0	0	8	24	\$100	\$2,591	* Mileage/Postage/Reproduction
1.6	Hazardous Materials Assessment	2	0	0	0	0	0	0	0	0	2	\$32,154	\$32,504	*Ninyo & Moore
1.7	Hydraulic Analysis/Report	2	0	16	0	0	0	16	24	6	64	\$100	\$5,695	
2	Diagnostic Review												\$2,504	
2.1	Diagnostic Review Meeting	8	0	0	0	0	8	0	0	6	22	\$100	\$2,504	* Mileage/Postage/Reproduction
3	Environmental Documents												\$15,172	
3.1	Information Collection and Surveys	1	0	0	0	0	0	0	0	0	1	\$1,469	\$1,644	* Blodgett Baylosis Associates
3.2	Preparation of Project Description	1	0	0	0	0	0	0	0	0	1	\$1,102	\$1,277	* Blodgett Baylosis Associates
3.3	Environmental Analysis	1	0	0	0	0	0	0	0	0	1	\$4,498	\$4,673	* Blodgett Baylosis Associates
3.4	Mitigation Monitoring Program	1	0	0	0	0	0	0	0	0	1	\$3,228	\$3,403	* Blodgett Baylosis Associates
3.5	Compilation of Initial Study and Public Review	0.5	0	0	0	0	0	0	0	0	0.5	\$689	\$776	* Blodgett Baylosis Associates
3.6	Compilation of NEPA Document	1	0	0	0	0	0	0	0	0	1	\$3,224	\$3,399	* Blodgett Baylosis Associates
4	Right of Way Engineering*												\$15,275	
4.1	Right of Way Engineering and Acquisition Support	18	0	0	0	0	10	0	0	12	40	\$6,360	\$10,960	*Coast Surveying, Inc.
4.2	Plats and Legal Descriptions	1	0	0	0	0	0	0	0	0	1	\$4,140	\$4,315	*Coast Surveying, Inc.
5	Plans, Specifications, and Cost Estimates												\$0	
6	Bidding and Construction Support Services												\$0	
TOTAL ESTIMATED LABOR HOURS		96.5	3	22	22	8	92	84	44	76	447.5			
TOTAL ESTIMATED DESIGN COST													\$107,677	

Notes:

- a Rates are subject to an annual increase on January 1 without increasing the total budget.
b Assumes real estate acquisition with UPRR Real Estate (Omaha, NE).

feeproposal.xls

2. SCOPE OF SERVICES

The following is an outline of our anticipated scope of services including all tasks required to provide the City of Brea with conceptual design, environmental and right of way services needed for the Union Pacific Rail Line Bikeway Project.

Task 1 – Conceptual Design Phase

Task 1.1- Project Administration, Meetings and Coordination

This task includes project management and administration; meetings; quality control/quality assurance; agency, subconsultant and utility coordination; project permit coordination; scheduling; budgeting; progress reporting and invoicing. A detailed design schedule will be developed, maintained and updated for control of this phase of the project.

A kick-off meeting involving City staff and the JMD Team will be held to review the project requirements in more detail, discuss issues and establish procedures to be implemented for reviewing the project during the various development stages of the project.

Monthly progress reports and review meetings are proposed to allow all parties involved to examine project progress elements and to discuss problems, upcoming meetings, scheduling and workforce allocations, if necessary.

Periodic meetings will be conducted at monthly intervals, as appropriate, with City staff, utility companies and railroad entities, as appropriate, to review progress of the work, obtain additional input and direction, and coordinate preparation of the plans and specifications as the work progresses. JMD will prepare meeting agendas and minutes.

JMD will attend monthly PDT meetings, as needed, with the City, OCTA, Caltrans, CPUC, UPRR and other entities to coordinate project efforts and provide project permit status updates. This task assumes up to 4 meetings.

Task 1.2 – Right of Entry Agreement

JMD will prepare a Right of Entry (ROE) Agreement to permit access to the UPRR corridor for data collection purposes. Railroad Protective Liability Insurance (RPLI) will be required for all individuals entering railroad property. In addition, flagging protection will be required whenever individuals will be within 25 feet from the nearest track. Since this is a long lead task that typically requires a 45-day period by UPRR, this task will need to commence prior to the issuance of the Project Notice to Proceed, if possible. This task assumes a cost to provide one day of flagging for data collection purposes, as needed.

Task 1.3 – Research, Data Collection and Utility Coordination

JMD will assemble, sort and review existing available information covering the project area including “as-built” plans, railroad evaluation “val” maps, track charts, maps, studies and master plans; traffic data; existing right of way; City design standards, and easement and utility information in order to become familiar with the project, ascertain the completeness and accuracy of available information and determine additional information requirements. Field reviews and survey checks will be made as necessary to verify existing information.

The location and condition of existing utilities and other obstructions to construction will be reviewed and discussed with respective owners and recommendations made regarding deficiencies, relocations and/or replacements required. This work will be performed soon after the Notice to Proceed is issued to ensure owners are given preliminary notification of possible conflicts, which will provide them with additional time to plan and program the work. Locations of possible service points for irrigation and electrical connections for the bikeway as well as electrical service for new lighting will also be determined early to ensure adequate service can be provided without major extensions, which could delay

project completion. Potholing will be performed, if necessary. This task includes potholing at up to eight (8) locations.

Task 1.4 – Conceptual Grade Crossing Plan

JMD will develop a conceptual design for the grade crossing at Puente Street that complies with existing codes, standards, and guidelines and current best practices for safety and user experience. The standards and guidelines to be referenced include:

- Manual of Uniform Traffic Control Devices (MUTCD)
- Union Pacific Railroad Standards
- Union Pacific Railroad Track Charts
- California Public Utilities General Orders
- City of Brea standards

Other guides for consideration:

- AASHTO Guide to Bikeway Facilities
- NACTO Urban Bikeway Design Guide (authored by Alta)
- Complete Streets: Best Policy and Implementation Practices (APA)

Deliverables:

- Conceptual Grade Crossing Plan

Task 1.5 - Public Outreach

JMD will assist the City with the presentation of conceptual plans to the community. JMD will prepare a PowerPoint presentation and/or large scale conceptual plans for presentation to community groups. This task assumes presenting the conceptual plans for up to one community meeting.

Task 1.6 – Hazardous Materials Assessment

Recognizing the fact that railroad corridors are known for containing some degree of contamination, our hazardous materials specialist, N&M, will conduct a hazardous materials assessment (HMA) to determine the presence of hazardous materials within the project site. The proposed services for the HMA will be generally consistent with applicable

sections of the ASTM International (ASTM) 2013 guidance (Designation Number E1527-13) and the EPA Standards and Practices for All Appropriate Inquiries (AAI). However, because the ASTM and AAI standards were established to provide innocent landowner liability protection under the Comprehensive Environmental Response, Compensation, and Liability Act for the purchaser of a property, and because this project does not involve a purchase transaction, the applicability of the ASTM/AAI standards will be limited. The HMA will include the following tasks:

- A site visit to visually evaluate site characteristics for possible contaminated surface soil or surface water, improperly stored hazardous materials, possible sources of polychlorinated biphenyls, and possible indications of site contamination from activities at the site.
- A site vicinity reconnaissance to evaluate characteristics of adjacent properties for possible environmental influences on the site. Properties within and adjoining the project site will be visually evaluated from public rights-of-way only.
- Perform a review of a computerized database search of readily available government and regulatory agency environmental lists for the proposed Project and for properties located within approximately one eighth mile of the proposed Project. The objective of the database search will be to evaluate locations where possibly hazardous materials may have been used or stored and their possible effects on the proposed Project. On-site properties of possible concern will be further evaluated by interviewing property representatives if readily available regarding the current status of assessment and remedial actions that may have been conducted at these properties.
- Perform a review of the historical land use of the proposed Project to provide an overview of past uses that likely involved the use or storage of hazardous materials. Information used to review the proposed Project's history includes,

but is not necessarily limited to, readily available historical aerial photographs, Sanborn Fire Insurance Rate Maps, and historic United States Geological Survey Topographic Maps. N&M will attempt to note historical proposed Project area uses involving the use or storage of hazardous materials from the time when the proposed Project area was undeveloped.

- Develop preliminary mitigation alternatives for hazardous materials issues which may impact the Project.
- Prepare a stand-alone HMA report. The report will provide a discussion of findings, conclusions, and mitigation measures regarding the current environmental condition of the proposed Project and recommendations for supplemental assessment, as appropriate

It is important to note that the HMA is a screening-level study evaluating the current and past uses of the site and potential impacts from hazardous materials. The HMA does not include an evaluation of property title records, building permits, asbestos/lead based paint surveys, or other non-ASTM scope items. Depending on the results of the HMA, additional subsurface evaluation may be recommended for hazardous materials issues that are not and cannot be known at this time.

Assumptions:

N&M tasks are based on the following assumptions:

- The Client will provide available plans and topographic maps for the subject trail alignment and adjacent properties.
- N&M's subcontractor for drilling services will be subject to prevailing wage requirements.
- Borings will be backfilled with on-site soils and capped with concrete in paved areas.
- A flagman will be needed during N&M's field work within UPRR right-of-way

- The visual observations made by N&M for the HMA will be limited to the surface area of the site and contiguous properties.
- Subsurface explorations for environmental testing including soil sampling, surface and groundwater sampling, and chemical analyses are not included in this proposal.
- The HMA for the site will be conducted by N&M expressly and solely for the client and its assigns. The evaluations, findings, conclusions, and recommendations contained in the site assessment report will represent N&M's professional judgment and opinion. The report will be based solely on information gained from observation, personal interviews, and review of regulatory records. In the event any conditions differing from or additional to those described in the HMA are encountered at a later time, N&M reserves the right to review such conditions and to modify, as appropriate, the assessments and conclusions given in the site assessment report.
- Any use of, or reliance upon, the information, assessments, or conclusions contained in the HMA report for purposes other than environmental liability assessment shall be at the sole liability of the party undertaking such use.
- Government agency records will be requested using postal addresses or assessor's parcel number provided by the client. If during the course of the assessment, additional postal addresses applicable to the site which were not reported by the Client be discovered, additional budget will be requested in order to conduct agency research for those addresses.
- Reports will be provided in electronic format. If hard copies are required, they will be provided at an additional cost.

Task 1.7 – Hydraulic Analysis/Report

JMD will review all existing Hydrology and Hydraulic (H&H) data and calculations and revise and supply calculations, if necessary. Mapping needs required to complete the review and/or calculations will be provided from existing

sources (i.e., existing drainage studies, City base maps, City Drainage Master Plan, County maps, USGS Quad maps, etc.). Hydraulic calculations will be provided, where necessary, for existing and proposed inlets, culverts, and storm drains.

All calculations will be completed in conformance with the City and Orange County criteria and standards. JMD will review FEMA Flood Rate Insurance Maps (FIRM) and identify any potential floodplain impacts.

The report will outline the project description, impacted areas, method of study, recommendations, proposed erosion control measures, hydraulic calculations and exhibits. We will identify feasible structural Best Management Practices (BMP) measures and discuss these with the City for concurrence and subsequent incorporation into the drainage and erosion control designs.

Task 2 – Diagnostic Review

Task 2.1 – Diagnostic Review Meeting

JMD will schedule a diagnostic review meeting with the City, UPRR and CPUC to review each rail/highway interface location and obtain timely input by all railroad entities. Meeting minutes will be prepared by JMD to serve as the basis for the railroad coordination effort.

Task 3 – Environmental Documentation

JMD's environmental subconsultant, Blodgett Baylosis Associates (BBA), will perform critical environmental tasks necessary to obtain environmental clearance for the project. BBA will perform the following tasks:

Task 3.1 - Information Collection and Surveys

During this initial task of the work program, project team members will collect and review reports and other available and relevant documentation. In addition, field surveys will be undertaken to familiarize the team with the affected area. Key activities that will be completed during this task include the following:

- Team members will complete surveys of the trail alignment and the surrounding area. The surveys will document existing land uses and development both within the project area and in the surrounding area.
- BBA will also collect and review information related to the proposed improvements including the site plans.
- Environmental studies and relevant planning documents completed for other projects in the area will be reviewed.

Task 3.2 - Preparation of Project Description

This task involves the refinement of the project description that will be included in the Initial Study. The project description discussion will consist of the following:

- The affected area in a regional and local context will be described in detail.
- The existing conditions of the project area will be described. The existing land uses are an important factor when evaluating the potential impacts related to land use compatibility.
- The trail alignment's current use and any relevant background information leading up to the current proposal will be discussed.
- The physical and operational characteristics of the proposed project will be described.
- Discretionary actions and other approvals associated with the proposed project's implementation will be described.

Task 3.3 - Environmental Analysis

The environmental analysis will address impacts for a wide range of issue areas. The format of the analysis will be consistent with the recommended format identified in the most recent CEQA Guidelines. The following issue areas will be evaluated in the Initial Study:

- Aesthetics;
- Agricultural/Forestry Resources;
- Air Quality;

- Biological Resources;
- Cultural Resources;
- Geology and Soils;
- Greenhouse Gas Emissions;
- Hazards and Hazardous Materials;
- Hydrology and Water Quality;
- Land Use and Planning;
- Mineral Resources;
- Noise;
- Population and Housing;
- Public Services;
- Recreation;
- Transportation;
- Utilities; and,
- Mandatory Findings of Significance.

Task 3.4 - Mitigation Monitoring Program

The nature and extent of the potential mitigation required for the proposed project is not known at this time. Specific activities that will be completed during this task include the following:

- Preliminary mitigation measures will be prepared during this task in accordance with Section 21081.6 of the Public Resources Code. The mitigation will be structured in a manner to identify those measures that must be undertaken as part of the project's implementation.
- The measures identified in the Initial Study will make a distinction between those measures that are required under current regulations and ordinances, and those measures that are unique to the proposed project.
- The Initial Study will indicate the timing and oversight for each mitigation measure. Additionally, the party responsible for ensuring measure implementation will be identified.

Task 3.5 - Compilation of Initial Study and Public Review

The analysis completed in the previous tasks will be compiled into the Initial Study during this task. The key sections that will comprise the Initial Study include the following:

- The Introduction will describe the scope and purpose of the environmental review process that has been undertaken in conjunction with the proposed project.
- The Project Description will include a description of the project site's location (supported with graphics) from a regional and local perspective. A statement of the project objectives will follow this section. The section will then conclude with a detailed description of the proposed project.
- The Environmental Analysis section of the Initial Study will discuss each issue area analyzed in previous tasks. The format of this section will correspond to the following: Thresholds of Significance, Environmental Impacts, Cumulative Impacts, and Mitigation.
- The Findings will summarize the results of the analysis and document the mitigation measures identified previously.

Prior to formal circulation of the Initial Study, administrative draft copies will be submitted to City Staff for review and comment. The project team will incorporate City Staff comments into the documents prior to public circulation. Specific activities that will be completed during this concluding task include the following:

- The Initial Study will be printed and distributed as part of the formal circulation as required under the CEQA.
- A Mitigated Negative Declaration and a Notice of Intent to Adopt a Mitigated Negative Declaration will be prepared for inclusion into the Initial Study.
- The aforementioned notice will be filed at the Orange County Clerk's office in Fullerton as required under State law. BBA will assist staff in preparing a Fish and Game Fee Exemption Report. BBA will attend the required public hearing(s) before the City of Brea Planning Commission and City Council.

Task 3.6 - Compilation of NEPA Document

The environmental analysis will address the potential impacts for a wide range of issue areas required pursuant to the applicable Federal Transportation Agency (FTA) and Caltrans' NEPA requirements. The analysis will consider the potential impacts of three alternatives. The format of the analysis will be consistent with that used in the City's environmental review. The analysis completed in the previous tasks will be compiled into the EA in this task.

Task 4 – Right of Way Engineering

Task 4.1 – Right of Way Engineering and Acquisition Support

JMD will perform right of way engineering to determine right of way needs for the project. Such data will rely on JMD subconsultant's (Coast Surveying, Inc.) existing right of way data to establish an overall right of way needs plan that can support the environmental process.

JMD will coordinate with the City of Brea and UPRR to obtain right-of way information, including evaluation "val" maps from UPRR that will serve as the basis for future right of way acquisition negotiation.

The JMD Team will assist the City by initiating, during the design process, the real estate acquisition process with UPRR's Real Estate Department in Omaha, Nebraska.

Task 4.2 – Plats and Legal Descriptions

Our subconsultant, Coast Surveying, Inc., will prepare plats and legal descriptions for parcels to be acquired. It is assumed that right of way to be acquired for the bikeway will be UPRR right of way.

City of Brea

COUNCIL COMMUNICATION

TO: Honorable Mayor and City Council Members

FROM: Bill Gallardo, City Manager

DATE: 10/03/2017

SUBJECT: Treasurer's Report for the City of Brea for Period Ending August 31, 2017

RECOMMENDATION

Receive and file.

BACKGROUND/DISCUSSION

The Treasurer's Report contains information on the investment activities for the month of August 2017. Cash for day-to-day activities is deposited in the demand and interest-bearing checking accounts. The Local Agency Investment Fund (LAIF) is used for short term investment and functions like a savings account. The City's managed investment portfolio is for longer-term investments which are managed through Chandler Asset Management. Together, the short and long-term investment accounts represent the City's investment portfolio. Attachment A includes a Portfolio Summary, Holdings Report, Book Value Report and Compliance with Investment Policy Statement prepared by Chandler Asset Management for the invested funds. The book value is the cost, plus or minus amortization/accretion.

As of August 31, 2017, the total market value of the managed investment portfolio, including accrued interest, was \$59,592,100.51 as compared to \$59,402,359.44 at July 31, 2017. The weighted average investment yield for August 2017 was 1.64%, which was slightly higher from the prior month of 1.63%. The City's Local Agency Investment Fund (LAIF) had a total market value, including accrued interest of \$5,594,192.78 at August 31, 2017. This brings the total value of the City's investment portfolio as of August 31, 2017 to \$65,186,293.29, as compared to \$65,040,346.71 at July 31, 2017.

Restricted cash and investments are held in the post-employment benefits trust account administered by PARS (*PARS account*) and managed by High Mark Capital and the City's various bond reserve accounts which are managed by Chandler Asset Management. Attachment A includes a monthly statement from US Bank for the PARS account as well as a portfolio report from Chandler Asset Management for each bond reserve account that is invested. As of August 31, 2017, the market value of the PARS account, including short-term cash and accrued interest was \$6,966,092.72 as compared to \$6,943,198.79 from the prior month. All other restricted cash investments (bond reserve accounts), including short-term cash and accrued interest was \$7,299,580.23 in comparison to \$6,716,868.84 from the prior month. Furthermore, the City of Brea holds 2,106.5 shares of water common stock with Cal Domestic valued at \$6,692,116.02 and 687.85 shares of Class A preferred stock with Pellissier Co-Tenancy, valued at \$8,444,403.67 as of June 30, 2016.

All City investments are GASB rated No. 1, where the custodian (The Bank of New York Mellon Trust Company, N.A.) acts as an agent of the City, and is not a counter party to the investment transaction, and all securities are held in the name of the City of Brea. The custodial account at Bank of New York and account records with Chandler Asset Management have been reconciled to par value for the month. The City of Brea has sufficient cash flow to meet its expected expenditures for the next six months.

FISCAL IMPACT/SUMMARY

During the month of August, the total value of the City's investment portfolio increased by \$145,946.58. The increase is attributed to a combination of activities including receipt of property tax related revenues and debt service payments for Brea Downtown Community Facilities District (CFD), Brea Plaza CFD and Olinda Ranch CFD. The total value of the City's restricted cash and investment accounts overall increased by \$605,605.32. The City's PARS account increased by \$22,893.93 primarily due to investment activity and the City's bond reserve accounts increased by \$582,711.39 primarily due to the Brea Downtown CFD and Olinda Ranch CFD debt payments that are scheduled to be paid to the bond holders on September 1, 2017.

RESPECTFULLY SUBMITTED:

William Gallardo, City Manager

Prepared by: Alicia Brenner, Senior Management Analyst

Concurrence: Cindy Russell, Administrative Services Director

Attachments

Attachment A

City of Brea
Cash and Investment Information
August 31, 2017

			Cost Value	Market Value*
Demand and Interest-Bearing Checking Accounts	Citizen's Bank	\$	4,527,881.47	\$ 4,527,881.47
Local Agency Investment Fund	LAIF	\$	5,581,580.99	\$ 5,594,192.78
Managed Investment Portfolio - CHANDLER	Chandler	\$	59,269,592.42	\$ 59,592,100.51
PARS Post-Employment Benefits Trust**	US Bank	\$	6,365,132.51	\$ 6,966,092.72
<u>Fiscal Agent Cash & Investments**</u>				
2005 Olinda Ranch Public Improvements Bonds (CFD 1997-1)	Chandler/BNY	\$	811,853.49	\$ 814,871.73
2009 Water Revenue Bonds	Chandler/BNY	\$	1,913,664.01	\$ 1,907,473.28
2009 Brea Plaza Public Improvements CFD Bonds (CFD 2008-2)	Chandler/BNY	\$	830,740.33	\$ 836,248.55
2010 Water Revenue Bonds	Chandler/BNY	\$	1,350,512.63	\$ 1,346,339.80
2010 Lease Revenue Bonds	Chandler/BNY	\$	299,773.24	\$ 299,149.60
2011 Tax Allocation Bonds, Series B	Chandler/BNY	\$	1,713,264.26	\$ 1,713,264.26
2014 Downtown Brea Public Improvements CFD Bonds	Chandler/BNY	\$	382,148.72	\$ 382,148.72
2014 Water Revenue Bonds	Chandler/BNY	\$	84.29	\$ 84.29
Sub-total - Fiscal Agent Cash & Investments		\$	7,302,040.97	\$ 7,299,580.23
Report Grand Total			\$ 83,046,228.36	\$ 83,979,847.71

* Includes accrued interest on invested funds

** Reserve Fund

City of Brea
Cash and Investment Information
 August 31, 2017

Fiscal Agent Cash & Investments Detail		Cost Value	Market Value
10103	2005 Olinda Ranch Public Improvements Bonds (CFD 1997-1) - CHANDLER	\$ 451,309.90	\$ 454,328.14
	Short-Term Treasury Funds - BNY	\$ 360,543.59	\$ 360,543.59
	Sub-total	\$ 811,853.49	\$ 814,871.73
10073	2009 Water Revenue Bonds - CHANDLER	\$ 1,913,664.01	\$ 1,907,473.28
	Short-Term Treasury Funds - BNY	\$ -	\$ -
	Sub-total	\$ 1,913,664.01	\$ 1,907,473.28
10118	2009 Brea Plaza Public Improvements CFD Bonds (CFD 2008-2) - CHANDLER	\$ 830,740.33	\$ 836,248.55
	Short-Term Treasury Funds - BNY	\$ -	\$ -
	Sub-total	\$ 830,740.33	\$ 836,248.55
10128	2010 Water Revenue Bonds - CHANDLER	\$ 1,350,440.97	\$ 1,346,268.14
	Short-Term Treasury Funds - BNY	\$ 71.66	\$ 71.66
	Sub-total	\$ 1,350,512.63	\$ 1,346,339.80
10129	2010 Lease Revenue Bonds - CHANDLER	\$ 269,084.68	\$ 268,461.04
	Short-Term Treasury Funds - BNY	\$ 30,688.56	\$ 30,688.56
	Sub-total	\$ 299,773.24	\$ 299,149.60
	2011 Tax Allocation Bonds, Series B - CHANDLER	\$ -	\$ -
	Short-Term Treasury Funds - BNY	\$ 1,713,264.26	\$ 1,713,264.26
	Sub-total	\$ 1,713,264.26	\$ 1,713,264.26
	2014 Downtown Brea Public Improvements CFD Bonds - CHANDLER	\$ -	\$ -
	Short-Term Treasury Funds - BNY	\$ 382,148.72	\$ 382,148.72
	Sub-total	\$ 382,148.72	\$ 382,148.72
	2014 Water Revenue Bonds - CHANDLER	\$ -	\$ -
	Short-Term Treasury Funds - BNY	\$ 84.29	\$ 84.29
	Sub-total	\$ 84.29	\$ 84.29
Report Grand Total		\$ 7,302,040.97	\$ 7,299,580.23



PORTFOLIO CHARACTERISTICS

Average Duration	0.00
Average Coupon	1.09 %
Average Purchase YTM	1.09 %
Average Market YTM	1.09 %
Average S&P/Moody Rating	NR/NR
Average Final Maturity	0.00 yrs
Average Life	0.00 yrs

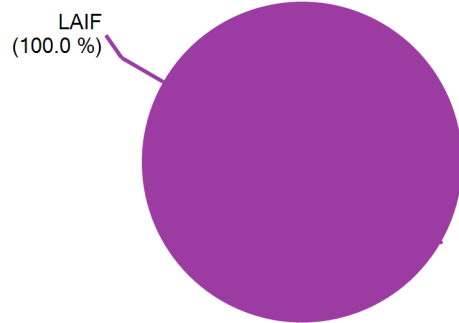
ACCOUNT SUMMARY

	Beg. Values as of 7/31/17	End Values as of 8/31/17
Market Value	5,631,581	5,581,581
Accrued Interest	6,406	12,612
Total Market Value	5,637,987	5,594,193
Income Earned	5,285	6,206
Cont/WD		-50,000
Par	5,631,581	5,581,581
Book Value	5,631,581	5,581,581
Cost Value	5,631,581	5,581,581

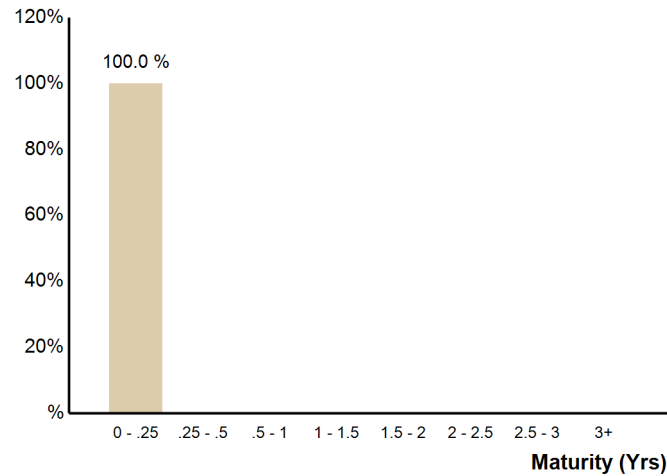
TOP ISSUERS

Issuer	% Portfolio
Local Agency Investment Fund	100.0 %
	100.0 %

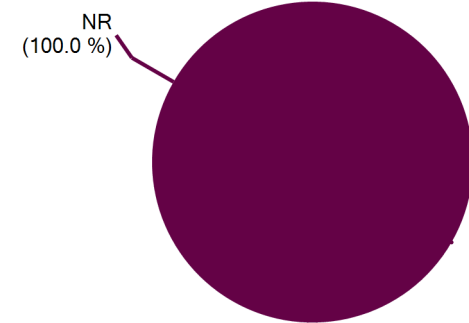
SECTOR ALLOCATION



MATURITY DISTRIBUTION



CREDIT QUALITY (S&P)



PERFORMANCE REVIEW

Total Rate of Return As of 8/31/2017	Current Month	Latest 3 Months	Year To Date	1 Yr	Annualized				Since 2/28/2012
					3 Yrs	5 Yrs	10 Yrs	2/28/2012	
City of Brea Laif	0.09 %	0.25 %	0.58 %	0.80 %	0.51 %	0.41 %	N/A	N/A	N/A



Holdings Report

As of 8/31/17

ATTACHMENT A

CUSIP	Security Description	Par Value/Units	Purchase Date Book Yield	Cost Value Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port. Gain/Loss	Moody/S&P Fitch	Maturity Duration
LAIF									
90LAIF\$00	Local Agency Investment Fund State Pool	5,581,580.99	Various 1.09 %	5,581,580.99 5,581,580.99	1.00 1.09 %	5,581,580.99 12,611.79	100.00 % 0.00	NR / NR NR	0.00 0.00
Total LAIF		5,581,580.99	1.09 %	5,581,580.99 5,581,580.99	1.09 %	5,581,580.99 12,611.79	100.00 % 0.00	NR / NR NR	0.00 0.00
TOTAL PORTFOLIO		5,581,580.99	1.09 %	5,581,580.99 5,581,580.99	1.09 %	5,581,580.99 12,611.79	100.00 % 0.00	NR / NR NR	0.00 0.00
TOTAL MARKET VALUE PLUS ACCRUED						5,594,192.78			



PORTFOLIO CHARACTERISTICS

Average Duration	2.47
Average Coupon	1.58 %
Average Purchase YTM	1.64 %
Average Market YTM	1.58 %
Average S&P/Moody Rating	AA/Aa1
Average Final Maturity	2.69 yrs
Average Life	2.53 yrs

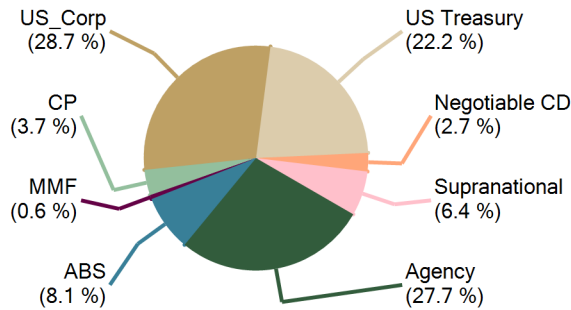
ACCOUNT SUMMARY

	Beg. Values as of 7/31/17	End Values as of 8/31/17
Market Value	59,181,321	59,390,540
Accrued Interest	221,038	201,561
Total Market Value	59,402,359	59,592,101
Income Earned	84,477	81,124
Cont/WD		0
Par	59,291,100	59,374,773
Book Value	59,167,176	59,269,592
Cost Value	59,112,399	59,212,312

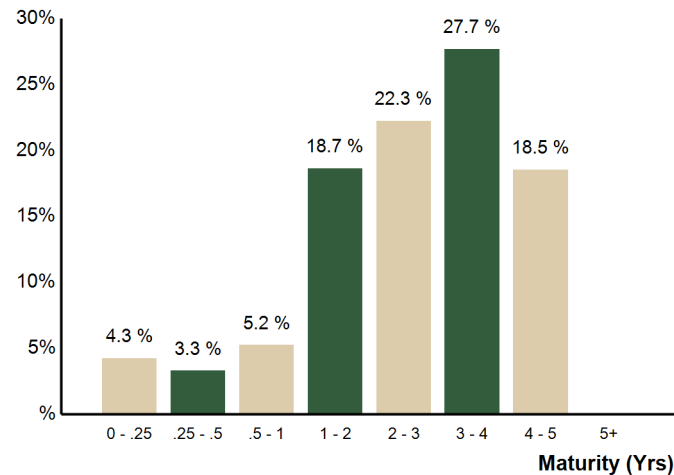
TOP ISSUERS

Issuer	% Portfolio
Government of United States	22.2 %
Federal National Mortgage Assoc	15.4 %
Federal Home Loan Mortgage Corp	8.4 %
Inter-American Dev Bank	4.0 %
Federal Home Loan Bank	3.9 %
Intl Bank Recon and Development	2.4 %
John Deere ABS	2.4 %
Bank of Tokyo-Mit UFJ	2.2 %
	60.8 %

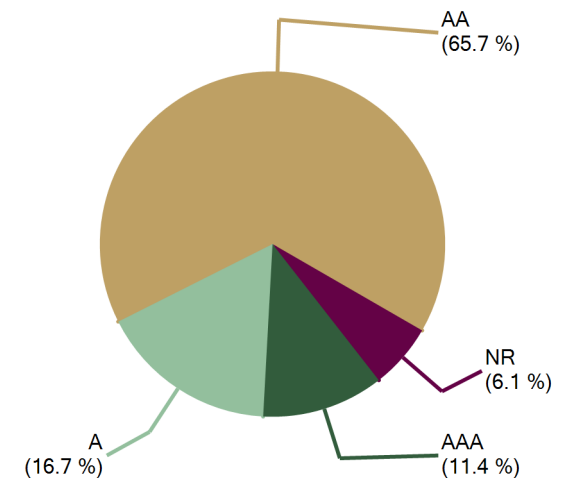
SECTOR ALLOCATION



MATURITY DISTRIBUTION



CREDIT QUALITY (S&P)



PERFORMANCE REVIEW

Total Rate of Return As of 8/31/2017	Current Month	Latest 3 Months	Year To Date	1 Yr	Annualized			4/30/1996	Since 4/30/1996
					3 Yrs	5 Yrs	10 Yrs		
City of Brea	0.32 %	0.55 %	1.63 %	0.84 %	1.50 %	1.17 %	2.69 %	4.00 %	130.82 %
BAML 1-5 Yr US Treasury/Agency Index*	0.34 %	0.47 %	1.38 %	0.46 %	1.25 %	0.92 %	2.48 %	3.62 %	113.44 %
BAML 1-5 Yr US Issuers Corp/Govt Rated AAA-A Index	0.34 %	0.51 %	1.51 %	0.61 %	1.37 %	1.06 %	2.56 %	N/A	N/A

*BAML 1-Yr US Treasury Bill Index to 9/30/01,



City of Brea
August 31, 2017

COMPLIANCE WITH INVESTMENT POLICY

Assets managed by Chandler Asset Management are in full compliance with State law and with the Client's investment policy

Category	Standard	Comment
Treasury Issues	No limitations	Complies
US Agencies	25% per issuer	Complies
Supranationals	"AA" rated by a NRSRO; 15% maximum; 5% max per issuer	Complies
Municipal Securities	5% max issuer	Complies
Banker's Acceptances	40% maximum; 5% max issuer; 180 days max maturity	Complies
Commercial Paper	A-1/P-1 by S&P and Moody's; 25% maximum; 5% max per issuer; 270 days max maturity	Complies
Certificates of Deposit(CDs)/ Time Deposits (TDs)	5% max issuer; FDIC Insured and/or Collateralized	Complies
Negotiable CDs	30% maximum; 5% max per issuer	Complies
Medium Term Notes	"A" rated or better by a NRSRO; 30% maximum; 5% max per issuer	Complies
Pass Through Securities, Asset- Backed Securities (ABS), CMOs	"AA" or higher by a NRSRO; "A" rated issuer by a NRSRO; 20% maximum (combined), 10% maximum (ABS); 5% max per issuer; CMOs must pass FFIEC test	Complies
Money Market Funds	Highest rating by two NRSROs; 20% maximum; 5% max per fund	Complies
LAIF	40%; <60%, with OCIP	Complies
OCIP	40%; <60%, with LAIF	Complies
Repurchase Agreements	5% max issuer; 1 year max maturity	Complies
Range notes	Prohibited	Complies
Interest-only strips	Prohibited	Complies
Zero interest accruals	Prohibited	Complies
Agency Callable notes	5% maximum	Complies
Max Per Issuer	5% per issuer for all non government issuers and agencies	Complies
Maximum Maturity	5 years	Complies



Reconciliation Summary

As of 8/31/2017

BOOK VALUE RECONCILIATION		
Beginning Book Value		\$59,167,176.31
<u>Acquisition</u>		
+ Security Purchases	\$2,155,601.34	
+ Money Market Fund Purchases	\$1,453,928.88	
+ Money Market Contributions	\$0.00	
+ Security Contributions	\$0.00	
+ Security Transfers	\$0.00	
Total Acquisitions		\$3,609,530.22
<u>Dispositions</u>		
- Security Sales	\$2,106,386.99	
- Money Market Fund Sales	\$1,143,759.37	
- MMF Withdrawals	\$0.00	
- Security Withdrawals	\$0.00	
- Security Transfers	\$0.00	
- Other Dispositions	\$0.00	
- Maturities	\$0.00	
- Calls	\$0.00	
- Principal Paydowns	\$261,496.58	
Total Dispositions		\$3,511,642.94
<u>Amortization/Accretion</u>		
+/- Net Accretion	\$2,714.71	
		\$2,714.71
<u>Gain/Loss on Dispositions</u>		
+/- Realized Gain/Loss	\$1,814.12	
		\$1,814.12
Ending Book Value		\$59,269,592.42

CASH TRANSACTION SUMMARY		
BEGINNING BALANCE		\$42,785.50
<u>Acquisition</u>		
Contributions	\$0.00	
Security Sale Proceeds	\$2,106,386.99	
Accrued Interest Received	\$9,661.10	
Interest Received	\$90,953.98	
Dividend Received	\$321.11	
Principal on Maturities	\$0.00	
Interest on Maturities	\$0.00	
Calls/Redemption (Principal)	\$0.00	
Interest from Calls/Redemption	\$0.00	
Principal Paydown	\$261,496.58	
Total Acquisitions	\$2,468,819.76	
<u>Disposition</u>		
Withdrawals	\$0.00	
Security Purchase	\$2,155,601.34	
Accrued Interest Paid	\$3,048.91	
Total Dispositions	\$2,158,650.25	
Ending Book Value		\$352,955.01

Holdings Report

As of 8/31/17

ATTACHMENT A

CUSIP	Security Description	Par Value/Units	Purchase Date Book Yield	Cost Value Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port. Gain/Loss	Moody/S&P Fitch	Maturity Duration
ABS									
43814NAB1	Honda Auto Receivables 2016-1 A2 1.01% Due 6/18/2018	30,599.77	02/16/2016 1.02 %	30,596.72 30,598.72	99.98 1.70 %	30,593.41 11.16	0.05 % (5.31)	NR / AAA AAA	0.80 0.03
89236WAC2	Toyota Auto Receivables Owner 2015-A 1.12% Due 2/15/2019	175,420.00	02/24/2015 1.13 %	175,393.47 175,415.89	99.93 1.39 %	175,291.39 87.32	0.29 % (124.50)	Aaa / AAA NR	1.46 0.27
47788NAB4	John Deere Owner Trust 2016-B A2 1.09% Due 2/15/2019	353,445.04	07/19/2016 1.10 %	353,423.48 353,432.75	99.93 1.41 %	353,187.00 171.22	0.59 % (245.75)	Aaa / NR AAA	1.46 0.23
43814RAB2	Honda Auto Receivables 2016-4 A2 1.04% Due 4/18/2019	620,249.47	10/18/2016 1.05 %	620,232.16 620,238.11	99.84 1.42 %	619,285.59 232.94	1.04 % (952.52)	NR / AAA AAA	1.63 0.41
65478WAB1	Nissan Auto Receivables Owner 2016-C A2A 1.07% Due 5/15/2019	255,067.87	08/02/2016 1.08 %	255,057.81 255,061.67	99.90 1.39 %	254,812.80 121.30	0.43 % (248.87)	Aaa / NR AAA	1.70 0.32
89231LAB3	Toyota Auto Receivables Owner 2016-D 1.06% Due 5/15/2019	403,036.06	10/04/2016 1.07 %	403,003.82 403,014.87	99.87 1.40 %	402,516.87 189.87	0.68 % (498.00)	Aaa / AAA NR	1.70 0.38
43814TAB8	Honda Auto Receivables 2017-1 A2 1.42% Due 7/22/2019	380,000.00	03/21/2017 1.43 %	379,990.92 379,992.61	99.97 1.49 %	379,879.92 149.89	0.64 % (112.69)	Aaa / NR AAA	1.89 0.51
161571HH0	Chase CHAIT Pool #2016-A7 1.06% Due 9/16/2019	815,000.00	09/06/2016 1.08 %	814,929.75 814,997.32	99.98 1.83 %	814,862.25 383.96	1.37 % (135.07)	Aaa / AAA AAA	2.04 0.02
89238MAB4	Toyota Auto Receivables Owner 2017-A 1.42% Due 9/16/2019	420,000.00	03/07/2017 1.43 %	419,959.47 419,967.00	99.97 1.47 %	419,889.53 265.07	0.71 % (77.47)	Aaa / AAA NR	2.04 0.61
47787XAB3	John Deere Owner Trust 2017-A A2 1.5% Due 10/15/2019	285,000.00	02/22/2017 1.50 %	284,998.86 284,999.08	99.99 1.52 %	284,968.94 190.00	0.48 % (30.14)	Aaa / NR AAA	2.12 0.68
654747AB0	Nissan Auto Receivables 2017-A A2A 1.47% Due 1/15/2020	275,000.00	03/21/2017 1.47 %	274,998.60 274,998.81	99.99 1.48 %	274,985.15 179.67	0.46 % (13.66)	Aaa / NR AAA	2.38 0.70
47788MAC4	John Deere Owner Trust 2016-A A3 1.36% Due 4/15/2020	485,000.00	02/23/2016 1.37 %	484,923.66 484,951.46	99.86 1.53 %	484,341.37 293.16	0.81 % (610.09)	Aaa / NR AAA	2.62 0.80
47788BAB0	John Deere Owner Trust 2017-B A2A 1.59% Due 4/15/2020	185,000.00	07/11/2017 1.60 %	184,983.92 184,984.64	100.03 1.56 %	185,058.46 351.35	0.31 % 73.82	Aaa / NR AAA	2.62 0.96
47788BAD6	John Deere Owner Trust 2017-B A3 1.82% Due 10/15/2021	130,000.00	07/11/2017 1.83 %	129,990.48 129,990.76	100.36 1.66 %	130,473.59 282.61	0.22 % 482.83	Aaa / NR AAA	4.13 2.16
Total ABS		4,812,818.21	1.25 %	4,812,483.12 4,812,643.69	1.53 %	4,810,146.27 2,909.52	8.08 % (2,497.42)	Aaa / AAA AAA	2.02 0.48
AGENCY									
3137EADK2	FHLMC Note 1.25% Due 8/1/2019	1,270,000.00	Various 1.81 %	1,237,124.88 1,257,036.85	99.76 1.38 %	1,266,988.83 1,322.92	2.13 % 9,951.98	Aaa / AA+ AAA	1.92 1.89
3137EADM8	FHLMC Note 1.25% Due 10/2/2019	1,250,000.00	05/26/2015 1.48 %	1,237,873.75 1,244,192.53	99.58 1.45 %	1,244,775.00 6,467.01	2.10 % 582.47	Aaa / AA+ AAA	2.09 2.04
3135G0A78	FNMA Note 1.625% Due 1/21/2020	1,250,000.00	Various 1.46 %	1,260,040.40 1,254,853.62	100.40 1.45 %	1,255,041.25 2,256.95	2.11 % 187.63	Aaa / AA+ AAA	2.39 2.33
3137EADR7	FHLMC Note 1.375% Due 5/1/2020	1,250,000.00	05/28/2015 1.52 %	1,241,437.50 1,245,368.92	99.82 1.44 %	1,247,792.50 5,729.17	2.10 % 2,423.58	Aaa / AA+ AAA	2.67 2.60

Holdings Report

As of 8/31/17

ATTACHMENT A

CUSIP	Security Description	Par Value/Units	Purchase Date Book Yield	Cost Value Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port. Gain/Loss	Moody/S&P Fitch	Maturity Duration
AGENCY									
3135G0D75	FNMA Note 1.5% Due 6/22/2020	1,030,000.00	Various 1.57 %	1,026,700.60 1,028,082.04	100.15 1.45 %	1,031,532.64 2,961.25	1.74 % 3,450.60	Aaa / AA+ AAA	2.81 2.73
3135G0F73	FNMA Note 1.5% Due 11/30/2020	1,225,000.00	12/16/2015 1.90 %	1,201,847.50 1,209,829.36	99.75 1.58 %	1,221,949.75 4,644.79	2.06 % 12,120.39	Aaa / AA+ AAA	3.25 3.15
3130A7CV5	FHLB Note 1.375% Due 2/18/2021	1,070,000.00	02/17/2016 1.46 %	1,065,677.20 1,067,004.56	99.40 1.55 %	1,063,605.68 531.28	1.79 % (3,398.88)	Aaa / AA+ AAA	3.47 3.37
3135G0J20	FNMA Note 1.375% Due 2/26/2021	1,275,000.00	Various 1.46 %	1,269,953.70 1,271,375.90	99.41 1.55 %	1,267,467.30 243.49	2.13 % (3,908.60)	Aaa / AA+ AAA	3.49 3.39
3135G0K69	FNMA Note 1.25% Due 5/6/2021	400,000.00	05/27/2016 1.48 %	395,724.00 396,811.40	98.87 1.57 %	395,464.80 1,597.22	0.67 % (1,346.60)	Aaa / AA+ AAA	3.68 3.57
3130A8QS5	FHLB Note 1.125% Due 7/14/2021	1,285,000.00	10/04/2016 1.33 %	1,273,126.60 1,275,375.87	98.09 1.64 %	1,260,450.08 1,887.34	2.12 % (14,925.79)	Aaa / AA+ AAA	3.87 3.76
3137EAEC9	FHLMC Note 1.125% Due 8/12/2021	1,250,000.00	08/30/2016 1.33 %	1,237,737.50 1,240,221.22	98.02 1.65 %	1,225,195.00 742.19	2.06 % (15,026.22)	Aaa / AA+ AAA	3.95 3.84
3135G0N82	FNMA Note 1.25% Due 8/17/2021	1,285,000.00	Various 1.29 %	1,282,305.71 1,282,811.75	98.51 1.64 %	1,265,802.10 624.65	2.13 % (17,009.65)	Aaa / AA+ AAA	3.96 3.84
3135G0S38	FNMA Note 2% Due 1/5/2022	1,350,000.00	04/25/2017 1.92 %	1,354,927.50 1,354,562.39	101.21 1.71 %	1,366,309.35 4,200.00	2.30 % 11,746.96	Aaa / AA+ AAA	4.35 4.14
3135G0T45	FNMA Note 1.875% Due 4/5/2022	1,315,000.00	06/19/2017 1.88 %	1,314,801.44 1,314,809.72	100.58 1.74 %	1,322,687.49 9,657.03	2.24 % 7,877.77	Aaa / AA+ AAA	4.60 4.35
Total Agency		16,505,000.00	1.57 %	16,399,278.28 16,442,336.13	1.56 %	16,435,061.77 42,865.29	27.65 % (7,274.36)	Aaa / AA+ AAA	3.32 3.21
COMMERCIAL PAPER									
21687AY31	Rabobank Nederland NV NY Discount CP 1.2% Due 11/3/2017	910,000.00	03/28/2017 1.22 %	903,387.33 903,387.33	99.27 1.22 %	903,387.33 4,701.67	1.52 % 0.00	P-1 / A-1 NR	0.18 0.17
06538BY80	Bank of Tokyo Mitsubishi NY Discount CP 1.33% Due 11/8/2017	1,285,000.00	07/07/2017 1.35 %	1,279,113.27 1,279,113.27	99.54 1.35 %	1,279,113.27 2,658.52	2.15 % 0.00	P-1 / A-1 NR	0.19 0.19
Total Commercial Paper		2,195,000.00	1.30 %	2,182,500.60 2,182,500.60	1.30 %	2,182,500.60 7,360.19	3.67 % 0.00	P-1 / A-1 NR	0.18 0.18
MONEY MARKET FUND FI									
316175884	Fidelity Institutional Money Market Fund 696	352,955.01	Various 0.64 %	352,955.01 352,955.01	1.00 0.64 %	352,955.01 0.00	0.59 % 0.00	Aaa / AAA AAA	0.00 0.00
Total Money Market Fund FI		352,955.01	0.64 %	352,955.01 352,955.01	0.64 %	352,955.01 0.00	0.59 % 0.00	Aaa / AAA AAA	0.00 0.00

Holdings Report

As of 8/31/17

ATTACHMENT A

CUSIP	Security Description	Par Value/Units	Purchase Date Book Yield	Cost Value Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port. Gain/Loss	Moody/S&P Fitch	Maturity Duration
NEGOTIABLE CD									
96121T3U0	Westpac Banking Corp Yankee CD 1.51% Due 7/20/2018	540,000.00	07/24/2017 1.51 %	539,998.65 539,998.79	100.00 1.51 %	539,998.79 951.30	0.91 % 0.00	P-1 / A-1+ F-1+	0.88 0.88
06417GXH6	Bank of Nova Scotia Yankee CD 1.57% Due 8/9/2018	1,040,000.00	08/08/2017 1.57 %	1,040,000.00 1,040,000.00	100.00 1.57 %	1,040,000.00 1,043.18	1.75 % 0.00	P-1 / A-1 NR	0.94 0.93
Total Negotiable CD		1,580,000.00	1.55 %	1,579,998.65 1,579,998.79	1.55 %	1,579,998.79 1,994.48	2.65 % 0.00	P-1 / A-1 F-1+	0.92 0.91
SUPRANATIONAL									
459058ER0	Intl. Bank Recon & Development Note 1% Due 10/5/2018	1,460,000.00	09/30/2015 1.06 %	1,457,518.00 1,459,094.77	99.59 1.38 %	1,453,959.98 5,921.11	2.45 % (5,134.79)	Aaa / AAA AAA	1.10 1.08
4581X0CX4	Inter-American Dev Bank Note 1.625% Due 5/12/2020	1,065,000.00	04/05/2017 1.70 %	1,062,475.95 1,062,794.26	100.17 1.56 %	1,066,784.94 6,682.14	1.80 % 3,990.68	Aaa / AAA AAA	2.70 2.61
4581X0CW6	Inter-American Dev Bank Note 2.125% Due 1/18/2022	1,275,000.00	01/10/2017 2.15 %	1,273,431.75 1,273,625.85	101.35 1.80 %	1,292,230.35 3,236.20	2.17 % 18,604.50	Aaa / NR AAA	4.39 4.16
Total Supranational		3,800,000.00	1.61 %	3,793,425.70 3,795,514.88	1.57 %	3,812,975.27 15,839.45	6.43 % 17,460.39	Aaa / AAA AAA	2.66 2.55
US CORPORATE									
458140AL4	Intel Corp Note 1.35% Due 12/15/2017	485,000.00	Various 1.27 %	486,565.96 485,106.72	100.00 1.36 %	484,981.08 1,382.25	0.82 % (125.64)	A1 / A+ A+	0.29 0.29
89236TCA1	Toyota Motor Credit Corp Note 1.45% Due 1/12/2018	780,000.00	Various 1.31 %	782,765.40 780,386.50	99.99 1.46 %	779,952.42 1,539.42	1.31 % (434.08)	Aa3 / AA- A	0.37 0.36
084670BH0	Berkshire Hathaway Note 1.55% Due 2/9/2018	700,000.00	09/18/2014 1.65 %	697,725.00 699,703.42	100.05 1.42 %	700,384.30 663.06	1.18 % 680.88	Aa2 / AA A+	0.44 0.44
166764AV2	Chevron Corp Note 1.365% Due 3/2/2018	700,000.00	02/24/2015 1.37 %	700,000.00 700,000.00	99.99 1.39 %	699,898.50 4,750.96	1.18 % (101.50)	Aa2 / AA- NR	0.50 0.50
037833AJ9	Apple Inc Note 1% Due 5/3/2018	810,000.00	Various 1.20 %	802,722.10 808,935.50	99.76 1.37 %	808,015.50 2,655.00	1.36 % (920.00)	Aa1 / AA+ NR	0.67 0.67
02665WAC5	American Honda Finance Note 2.125% Due 10/10/2018	800,000.00	Various 1.90 %	807,073.15 801,908.29	100.65 1.53 %	805,172.01 6,658.33	1.36 % 3,263.72	A1 / A+ NR	1.11 1.08
74005PBH6	Praxair Note 1.25% Due 11/7/2018	810,000.00	Various 1.67 %	797,684.40 806,151.04	99.68 1.52 %	807,404.76 3,206.25	1.36 % 1,253.72	A2 / A NR	1.19 1.17
24422ESF7	John Deere Capital Corp Note 1.95% Due 12/13/2018	430,000.00	12/10/2013 1.99 %	429,084.10 429,765.26	100.50 1.55 %	432,160.75 1,816.75	0.73 % 2,395.49	A2 / A A	1.28 1.26
36962G7G3	General Electric Capital Corp Note 2.3% Due 1/14/2019	800,000.00	Various 2.27 %	800,569.30 800,327.09	100.93 1.61 %	807,450.41 2,402.23	1.36 % 7,123.32	A1 / AA- AA-	1.37 1.34
17275RAR3	Cisco Systems Note 2.125% Due 3/1/2019	715,000.00	Various 2.04 %	717,853.05 715,855.24	100.82 1.57 %	720,833.69 7,596.88	1.22 % 4,978.45	A1 / AA- NR	1.50 1.46
91159HHH6	US Bancorp Callable Note Cont 3/25/2019 2.2% Due 4/25/2019	700,000.00	Various 2.08 %	703,858.75 701,273.14	100.85 1.65 %	705,917.80 5,390.00	1.19 % 4,644.66	A1 / A+ AA	1.65 1.53

Holdings Report

As of 8/31/17

ATTACHMENT A

CUSIP	Security Description	Par Value/Units	Purchase Date Book Yield	Cost Value Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port. Gain/Loss	Moody/S&P Fitch	Maturity Duration
US CORPORATE									
40434CAC9	HSBC USA Inc Note 2.25% Due 6/23/2019	800,000.00	06/20/2017 1.99 %	804,088.00 803,696.00	100.68 1.86 %	805,464.00 3,400.00	1.36 % 1,768.00	A2 / A AA-	1.81 1.76
06406HCW7	Bank of New York Callable Note Cont 8/11/2019 2.3% Due 9/11/2019	705,000.00	Various 2.29 %	705,272.60 705,106.76	101.00 1.77 %	712,030.97 7,657.08	1.21 % 6,924.21	A1 / A AA-	2.03 1.88
94974BGF1	Wells Fargo Corp Note 2.15% Due 1/30/2020	735,000.00	01/26/2015 2.17 %	734,204.40 734,615.51	100.53 1.93 %	738,874.92 1,360.77	1.24 % 4,259.41	A2 / A AA-	2.42 2.34
22160KAG0	Costco Wholesale Corp Note 1.75% Due 2/15/2020	465,000.00	02/05/2015 1.77 %	464,511.75 464,759.89	100.16 1.68 %	465,763.53 361.67	0.78 % 1,003.64	A1 / A+ A+	2.46 2.39
747525AD5	Qualcomm Inc Note 2.25% Due 5/20/2020	750,000.00	06/11/2015 2.49 %	741,693.75 745,422.33	101.03 1.86 %	757,702.50 4,734.38	1.28 % 12,280.17	A1 / A NR	2.72 2.61
437076BQ4	Home Depot Note 1.8% Due 6/5/2020	330,000.00	05/24/2017 1.82 %	329,808.60 329,823.97	100.47 1.63 %	331,537.14 1,419.00	0.56 % 1,713.17	A2 / A A	2.76 2.67
594918BG8	Microsoft Callable Note Cont. 10/03/20 2% Due 11/3/2020	325,000.00	10/29/2015 2.02 %	324,740.00 324,835.06	100.86 1.71 %	327,788.18 2,130.56	0.55 % 2,953.12	Aaa / AAA AA+	3.18 2.97
00440EAT4	ACE INA Holdings Inc Callable Note Cont 10/3/2020 2.3% Due 11/3/2020	800,000.00	02/06/2017 2.16 %	803,768.00 803,190.92	101.08 1.93 %	808,675.20 6,031.11	1.37 % 5,484.28	A3 / A A	3.18 2.95
30231GAV4	Exxon Mobil Corp Callable Note Cont 2/1/2021 2.222% Due 3/1/2021	875,000.00	Various 1.97 %	884,992.10 882,303.90	101.26 1.85 %	886,016.25 9,721.25	1.50 % 3,712.35	Aaa / AA+ NR	3.50 3.32
24422ESL4	John Deere Capital Corp Note 2.8% Due 3/4/2021	315,000.00	05/24/2017 2.12 %	322,663.95 322,139.63	102.53 2.05 %	322,962.89 4,336.50	0.55 % 823.26	A2 / A A	3.51 3.29
857477AV5	State Street Bank Note 1.95% Due 5/19/2021	440,000.00	05/16/2016 1.96 %	439,771.20 439,830.09	99.69 2.04 %	438,640.84 2,431.00	0.74 % (1,189.25)	A1 / A AA-	3.72 3.55
594918BP8	Microsoft Callable Note Cont 7/8/21 1.55% Due 8/8/2021	590,000.00	Various 1.57 %	589,298.90 589,448.26	98.60 1.92 %	581,722.89 584.27	0.98 % (7,725.37)	Aaa / AAA AA+	3.94 3.79
68389XBK0	Oracle Corp Callable Note Cont 8/01/21 1.9% Due 9/15/2021	804,000.00	11/29/2016 2.40 %	785,998.44 788,809.90	99.75 1.96 %	801,982.76 7,043.93	1.36 % 13,172.86	A1 / AA- A+	4.04 3.84
91159HHP8	US Bancorp Note 2.625% Due 1/24/2022	390,000.00	01/19/2017 2.66 %	389,329.20 389,410.02	101.93 2.16 %	397,537.53 1,052.19	0.67 % 8,127.51	A1 / A+ AA	4.40 4.13
69353RFE3	PNC Bank Callable Note Cont 6/28/2022 2.45% Due 7/28/2022	890,000.00	07/25/2017 2.45 %	889,919.90 889,921.44	100.70 2.30 %	896,199.74 1,998.79	1.51 % 6,278.30	A2 / A A+	4.91 4.52
Total US Corporate		16,944,000.00	1.95 %	16,935,962.00 16,942,725.88	1.73 %	17,025,070.56 92,323.63	28.72 % 82,344.68	A1 / A+ A+	2.20 2.09
US TREASURY									
912828R85	US Treasury Note 0.875% Due 6/15/2019	1,100,000.00	07/28/2016 0.82 %	1,101,722.44 1,101,068.54	99.22 1.32 %	1,091,449.70 2,051.23	1.83 % (9,618.84)	Aaa / AA+ AAA	1.79 1.76
912828J84	US Treasury Note 1.375% Due 3/31/2020	1,250,000.00	10/23/2015 1.35 %	1,251,224.89 1,250,713.13	99.98 1.38 %	1,249,805.00 7,231.90	2.11 % (908.13)	Aaa / AA+ AAA	2.58 2.51

Holdings Report

As of 8/31/17

ATTACHMENT A

CUSIP	Security Description	Par Value/Units	Purchase Date Book Yield	Cost Value Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port. Gain/Loss	Moody/S&P Fitch	Maturity Duration
US TREASURY									
912828VF4	US Treasury Note 1.375% Due 5/31/2020	650,000.00	Various 1.63 %	642,866.47 645,710.93	99.94 1.40 %	649,593.75 2,271.01	1.09 % 3,882.82	Aaa / AA+ AAA	2.75 2.68
912828L32	US Treasury Note 1.375% Due 8/31/2020	1,250,000.00	09/29/2015 1.37 %	1,250,394.81 1,250,240.58	99.79 1.45 %	1,247,412.50 47.48	2.09 % (2,828.08)	Aaa / AA+ AAA	3.00 2.93
912828L99	US Treasury Note 1.375% Due 10/31/2020	800,000.00	11/23/2015 1.71 %	787,471.43 791,967.26	99.68 1.48 %	797,406.40 3,706.52	1.34 % 5,439.14	Aaa / AA+ AAA	3.17 3.07
912828N89	US Treasury Note 1.375% Due 1/31/2021	1,300,000.00	03/09/2016 1.40 %	1,298,734.82 1,299,116.43	99.53 1.52 %	1,293,905.60 1,554.35	2.17 % (5,210.83)	Aaa / AA+ AAA	3.42 3.32
912828B90	US Treasury Note 2% Due 2/28/2021	1,250,000.00	04/26/2016 1.40 %	1,285,111.61 1,275,355.07	101.60 1.53 %	1,270,020.00 69.06	2.13 % (5,335.07)	Aaa / AA+ AAA	3.50 3.37
912828Q37	US Treasury Note 1.25% Due 3/31/2021	800,000.00	12/13/2016 1.81 %	781,471.43 784,555.59	98.98 1.54 %	791,844.00 4,207.65	1.34 % 7,288.41	Aaa / AA+ AAA	3.58 3.47
912828T34	US Treasury Note 1.125% Due 9/30/2021	1,300,000.00	11/09/2016 1.48 %	1,278,016.07 1,281,649.27	98.05 1.62 %	1,274,711.10 6,153.69	2.15 % (6,938.17)	Aaa / AA+ AAA	4.08 3.95
912828F96	US Treasury Note 2% Due 10/31/2021	1,025,000.00	01/27/2017 1.94 %	1,027,686.05 1,027,354.74	101.47 1.63 %	1,040,095.18 6,907.61	1.76 % 12,740.44	Aaa / AA+ AAA	4.17 3.96
912828J43	US Treasury Note 1.75% Due 2/28/2022	1,360,000.00	03/13/2017 2.14 %	1,335,407.68 1,337,716.18	100.36 1.67 %	1,364,834.80 65.75	2.29 % 27,118.62	Aaa / AA+ AAA	4.50 4.31
912828XG0	US Treasury Note 2.125% Due 6/30/2022	1,100,000.00	08/15/2017 1.82 %	1,115,601.34 1,115,469.72	101.89 1.72 %	1,120,753.70 4,001.70	1.89 % 5,283.98	Aaa / AA+ AAA	4.83 4.57
Total US Treasury		13,185,000.00	1.56 %	13,155,709.04 13,160,917.44	1.53 %	13,191,831.73 38,267.95	22.20 % 30,914.29	Aaa / AA+ AAA	3.49 3.37
TOTAL PORTFOLIO		59,374,773.22	1.64 %	59,212,312.40 59,269,592.42	1.58 %	59,390,540.00 201,560.51	100.00 % 120,947.58	Aa1 / AA AAA	2.69 2.47
TOTAL MARKET VALUE PLUS ACCRUED						59,592,100.51			



Book Value Report
As of 8/31/2017 12:00:00 AM

MIG	Book Value	12 Months or less	13 to 24 Months	25 to 60 Months	Total Holdings
ABS	\$4,812,643.69	\$3,557,677.79	\$379,992.61	\$874,973.29	\$4,812,643.69
Agency	\$16,442,336.13	\$0.00	\$1,257,036.85	\$15,185,299.28	\$16,442,336.13
Commercial Paper	\$2,182,500.60	\$2,182,500.60	\$0.00	\$0.00	\$2,182,500.60
Money Market Fund FI	\$352,955.01	\$352,955.01	\$0.00	\$0.00	\$352,955.01
Negotiable CD	\$1,579,998.79	\$1,579,998.79	\$0.00	\$0.00	\$1,579,998.79
Supranational	\$3,795,514.88	\$0.00	\$1,459,094.77	\$2,336,420.11	\$3,795,514.88
US Corporate	\$16,942,725.88	\$3,474,132.14	\$5,764,082.82	\$7,704,510.92	\$16,942,725.88
US Treasury	\$13,160,917.44	\$0.00	\$1,101,068.54	\$12,059,848.90	\$13,160,917.44
Total	\$59,269,592.42	\$11,147,264.33	\$9,961,275.59	\$38,161,052.50	\$59,269,592.42

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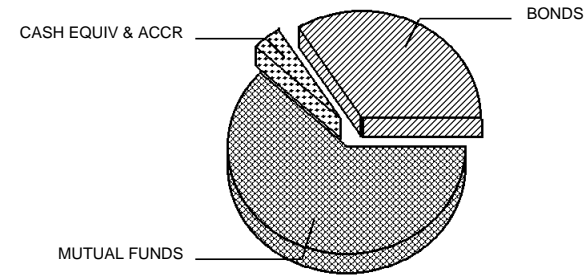
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 ACCOUNT 6746050800

Page 6 of 23
 Period from August 1, 2017 to August 31, 2017

ASSET SUMMARY

ASSETS	08/31/2017 MARKET	08/31/2017 BOOK VALUE	% OF MARKET
Cash And Equivalents	195,775.37	195,775.37	2.81
Corporate Issues	2,418,872.75	2,487,425.00	34.72
Mutual Funds-Equity	4,226,394.96	3,580,551.12	60.67
Mutual Funds-Fixed Income	101,001.03	101,381.02	1.45
Total Assets	6,942,044.11	6,365,132.51	99.65
Accrued Income	24,048.61	24,048.61	0.35
Grand Total	6,966,092.72	6,389,181.12	100.00

Estimated Annual Income **156,065.67**



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PARS/CITY OF BREA 115P
ACCOUNT 6746050800

Page 7 of 23
Period from August 1, 2017 to August 31, 2017

ASSET DETAIL

DESCRIPTION	SHARES/ FACE AMOUNT	MARKET PRICE/UNIT	BOOK VALUE	UNREALIZED GAIN (LOSS) SINCE INCEPTION/ CURRENT PERIOD	ENDING ACCRUAL	YIELD ON MARKET
Cash And Equivalents						
Money Markets						
First Am Govt Ob Fd Cl Z 31846V567 Asset Minor Code 1	195,418.640	195,418.64 1.0000	195,418.64	.00 .00	145.40	0.89
Total Money Markets	195,418.640	195,418.64	195,418.64	.00 .00	145.40	0.89
Cash						
Cash		356.73	356.73			
Total Cash	.000	356.73	356.73	.00 .00	.00	0.00
Total Cash And Equivalents	195,418.640	195,775.37	195,775.37	.00 .00	145.40	0.89
Corporate Issues						
Apple Inc 2.850% 2/23/23 Standard & Poors Rating: AA+ Moody's Rating: Aa1 037833BU3 Asset Minor Code 28	150,000.000	154,183.50 102.7890	158,403.00	- 4,219.50 376.50	95.00	2.77
Bank Ny Mellon Mtn 5.450% 5/15/19 Standard & Poors Rating: A Moody's Rating: A1 06406HBM0 Asset Minor Code 28	200,000.000	212,412.00 106.2060	223,052.00	- 10,640.00 - 346.00	3,209.44	5.13

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PARS/CITY OF BREA 115P
ACCOUNT 6746050800

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ASSET DETAIL (continued)

DESCRIPTION	SHARES/ FACE AMOUNT	MARKET PRICE/UNIT	BOOK VALUE	UNREALIZED GAIN (LOSS) SINCE INCEPTION/ CURRENT PERIOD	ENDING ACCRUAL	YIELD ON MARKET
Cisco Systems Inc 2.900% 3/04/21 Standard & Poors Rating: AA- Moody's Rating: A1 17275RAP7 Asset Minor Code 28	200,000.000	206,548.00 103.2740	207,884.00	- 1,336.00 172.00	2,851.67	2.81
Gen Elec Cap Crp Mtn 6.000% 8/07/19 Standard & Poors Rating: AA- Moody's Rating: A1 36962G4D3 Asset Minor Code 28	175,000.000	189,259.00 108.1480	200,947.25	- 11,688.25 - 661.50	700.00	5.55
Gen Elec Cap Crp Mtn 5.500% 1/08/20 Standard & Poors Rating: AA- Moody's Rating: A1 36962G4J0 Asset Minor Code 28	200,000.000	216,392.00 108.1960	228,930.00	- 12,538.00 - 1,368.00	1,619.44	5.08
General Elec Cap Mtn 3.100% 1/09/23 Standard & Poors Rating: AA- Moody's Rating: A1 36962G6S8 Asset Minor Code 28	100,000.000	104,571.00 104.5710	106,031.00	- 1,460.00 458.00	447.78	2.96
Intercontinental 3.750% 12/01/25 Standard & Poors Rating: A Moody's Rating: A2 45866FAD6 Asset Minor Code 28 Date Last Priced: 11/28/16	100,000.000	103,518.00 103.5180 @	104,231.00	- 713.00 .00	937.50	3.62
Kimberly Clark Corp 2.750% 2/15/26 Standard & Poors Rating: A Moody's Rating: A2 494368BU6 Asset Minor Code 28	100,000.000	100,730.00 100.7300	103,111.00	- 2,381.00 774.00	122.22	2.73

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ASSET DETAIL (continued)

DESCRIPTION	SHARES/ FACE AMOUNT	MARKET PRICE/UNIT	BOOK VALUE	UNREALIZED GAIN (LOSS) SINCE INCEPTION/ CURRENT PERIOD	ENDING ACCRUAL	YIELD ON MARKET
Medtronic Inc 3.125% 3/15/22 Standard & Poors Rating: A Moody's Rating: A3 585055AX4 Asset Minor Code 28	200,000.000	207,288.00 103.6440	208,046.00	- 758.00 .00	2,881.94	3.02
Mondelez Int 4.000% 2/01/24 Standard & Poors Rating: BBB Moody's Rating: Baa1 609207AB1 Asset Minor Code 28	100,000.000	107,588.00 107.5880	109,303.00	- 1,715.00 1,253.00	333.33	3.72
Pepsico Inc 2.750% 4/30/25 Standard & Poors Rating: A+ Moody's Rating: A1 713448CT3 Asset Minor Code 28	75,000.000	75,737.25 100.9830	73,932.75	1,804.50 761.25	693.23	2.72
Verizon 5.150% 9/15/23 Standard & Poors Rating: BBB+ Moody's Rating: Baa1 92343VBR4 Asset Minor Code 28	200,000.000	223,528.00 111.7640	230,048.00	- 6,520.00 1,012.00	4,749.44	4.61
Visa Inc 2.200% 12/14/20 Standard & Poors Rating: A+ Moody's Rating: A1 92826CAB8 Asset Minor Code 28	200,000.000	202,460.00 101.2300	204,764.00	- 2,304.00 380.00	941.11	2.17
Wells Fargo Mtn 3.300% 9/09/24 Standard & Poors Rating: A Moody's Rating: A2 94974BGA2 Asset Minor Code 28	100,000.000	102,500.00 102.5000	103,890.00	- 1,390.00 484.00	1,576.67	3.22
Xto Energy Inc 6.500% 12/15/18 Standard & Poors Rating: AA+ Moody's Rating: Aaa 98385XAT3 Asset Minor Code 28	200,000.000	212,158.00 106.0790	224,852.00	- 12,694.00 - 898.00	2,744.44	6.13

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ASSET DETAIL (continued)

DESCRIPTION	SHARES/ FACE AMOUNT	MARKET PRICE/UNIT	BOOK VALUE	UNREALIZED GAIN (LOSS) SINCE INCEPTION/ CURRENT PERIOD	ENDING ACCRUAL	YIELD ON MARKET
Total Corporate Issues	2,300,000.000	2,418,872.75	2,487,425.00	- 68,552.25 2,397.25	23,903.21	3.94
Mutual Funds						
Mutual Funds-Equity						
Columbia Contrarian Core Z 19765P406 Asset Minor Code 98	16,400.550	420,018.09 25.6100	344,680.12	75,337.97 1,804.06	.00	0.80
Dodge & Cox International Stock Fund 256206103 Asset Minor Code 98	5,132.686	231,586.79 45.1200	183,397.43	48,189.36 - 2,155.73	.00	1.89
Dodge & Cox Stock Fund 256219106 Asset Minor Code 98	1,767.098	342,993.72 194.1000	283,352.31	59,641.41 - 3,657.89	.00	1.27
Harbor Capital Appreciaton CI R 411512528 Asset Minor Code 98	2,579.557	184,825.26 71.6500	144,728.27	40,096.99 4,385.25	.00	0.14
Hartford Schroders Emerging Markets 41665H797 Asset Minor Code 98	19,095.905	298,469.00 15.6300	215,816.27	82,652.73 9,357.00	.00	0.74
Ishares Russell Mid Cap Etf 464287499 Asset Minor Code 94	1,618.000	311,772.42 192.6900	273,922.29	37,850.13 - 2,459.36	.00	1.55
Mfs Intl Growth Fd CI I 55273E848 Asset Minor Code 98	6,515.737	231,829.92 35.5800	188,883.55	42,946.37 2,345.66	.00	0.96
Nationwide Baillard Intl Equities R6 63868B815 Asset Minor Code 98	40,637.446	353,139.41 8.6900	300,476.35	52,663.06 4,063.75	.00	2.21

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ASSET DETAIL (continued)

DESCRIPTION	SHARES/ FACE AMOUNT	MARKET PRICE/UNIT	BOOK VALUE	UNREALIZED GAIN (LOSS) SINCE INCEPTION/ CURRENT PERIOD	ENDING ACCRUAL	YIELD ON MARKET
Price T Rowe Growth Stk Fd Inc 741479406 Asset Minor Code 98	2,685.876	180,087.99 67.0500	134,051.73	46,036.26 3,035.04	.00	0.19
T Rowe Price New Horizons Fund I 779562206 Asset Minor Code 98	6,015.880	317,217.35 52.7300	252,705.46	64,511.89 3,850.16	.00	0.00
Jp Undiscovered Mgrs Be Val Cl L 904504842 Asset Minor Code 98	4,632.440	301,896.11 65.1700	283,785.55	18,110.56 - 9,681.80	.00	0.98
Vanguard Growth & Income Adm Shs#593 921913208 Asset Minor Code 98	12,633.156	938,264.50 74.2700	863,107.08	75,157.42 5,179.60	.00	1.86
Vanguard Reit Index Fund Etf 922908553 Asset Minor Code 94	1,360.000	114,294.40 84.0400	111,644.71	2,649.69 - 299.20	.00	4.39
Total Mutual Funds-Equity	121,074.331	4,226,394.96	3,580,551.12	645,843.84 15,766.54	.00	1.30
Mutual Funds-Fixed Income						
Eaton Vance Float Rate High Income 277911541 Asset Minor Code 99	11,399.665	101,001.03 8.8600	101,381.02	- 379.99 - 455.99	.00	4.13
Total Mutual Funds-Fixed Income	11,399.665	101,001.03	101,381.02	- 379.99 - 455.99	.00	4.13
Total Mutual Funds	132,473.996	4,327,395.99	3,681,932.14	645,463.85 15,310.55	.00	1.37
Total Assets	2,627,892.636	6,942,044.11	6,365,132.51	576,911.60 17,707.80	24,048.61	2.25

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ASSET DETAIL (continued)

DESCRIPTION	SHARES/ FACE AMOUNT	MARKET PRICE/UNIT	BOOK VALUE	UNREALIZED GAIN (LOSS) SINCE INCEPTION/ CURRENT PERIOD	ENDING ACCRUAL	YIELD ON MARKET
Accrued Income	.000	24,048.61	24,048.61			
Grand Total	2,627,892.636	6,966,092.72	6,389,181.12			

ASSET DETAIL MESSAGES

Time of trade execution and trading party (if not disclosed) will be provided upon request.

Publicly traded assets are valued in accordance with market quotations or valuation methodologies from financial industry services believed by us to be reliable. Assets that are not publicly traded may be reflected at values from other external sources. Assets for which a current value is not available may be reflected at a previous value or as not valued, at par value, or at a nominal value. Values shown do not necessarily reflect prices at which assets could be bought or sold. Values are updated based on internal policy and may be updated less frequently than statement generation.

For further information, please contact your account manager or relationship manager.

@ No current price is available.



PORTFOLIO CHARACTERISTICS

Average Duration	2.97
Average Coupon	1.54 %
Average Purchase YTM	1.64 %
Average Market YTM	1.51 %
Average S&P/Moody Rating	AA+/Aaa
Average Final Maturity	3.07 yrs
Average Life	3.07 yrs

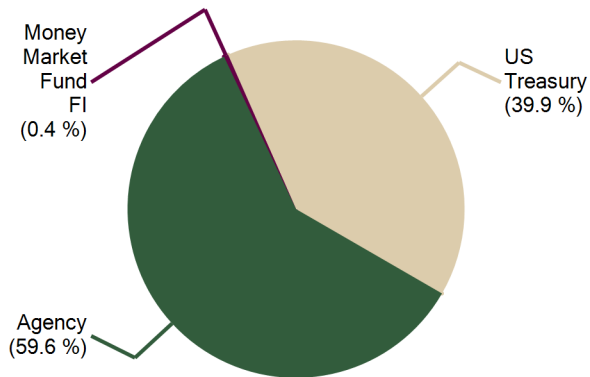
ACCOUNT SUMMARY

	Beg. Values as of 7/31/17	End Values as of 8/31/17
Market Value	450,746	452,638
Accrued Interest	1,905	1,690
Total Market Value	452,650	454,328
Income Earned	622	622
Cont/WD		0
Par	451,146	451,946
Book Value	450,473	451,310
Cost Value	449,005	449,805

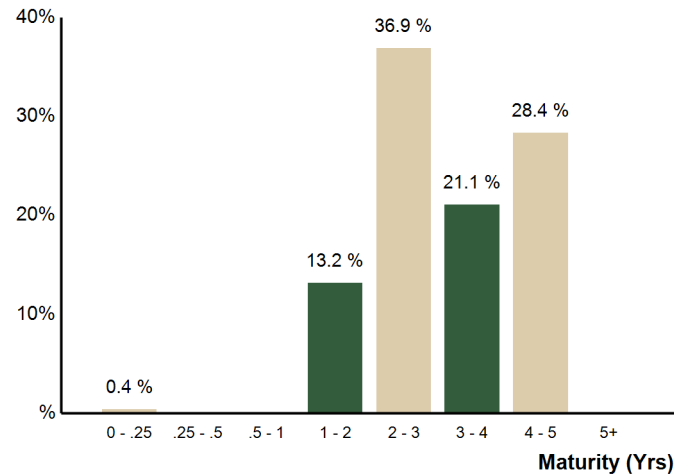
TOP ISSUERS

Issuer	% Portfolio
Government of United States	39.9 %
Federal National Mortgage Assoc	24.4 %
Federal Home Loan Mortgage Corp	18.7 %
Federal Home Loan Bank	16.6 %
AIM STIT-Treasury Portfolio	0.4 %
	100.0 %

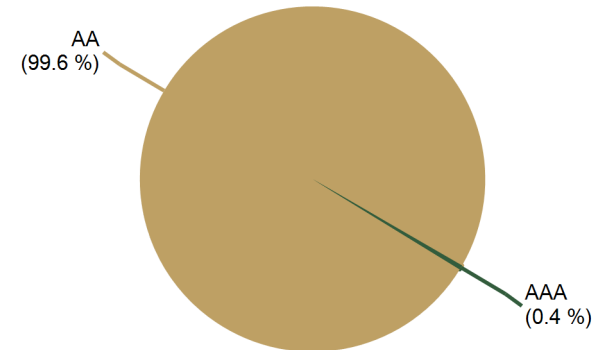
SECTOR ALLOCATION



MATURITY DISTRIBUTION



CREDIT QUALITY (S&P)



PERFORMANCE REVIEW

Total Rate of Return As of 8/31/2017	Current Month	Latest 3 Months	Year To Date	1 Yr	Annualized				Since 11/30/2009
					3 Yrs	5 Yrs	10 Yrs	11/30/2009	
Brea 05 CFD 97-1 Spec Tax Reserve Fund	0.37 %	0.56 %	1.67 %	0.58 %	1.77 %	1.26 %	N/A	2.18 %	18.19 %
BAML 3-Month US Treasury Bill Index	0.09 %	0.26 %	0.48 %	0.62 %	0.29 %	0.20 %	N/A	0.17 %	1.33 %



Reconciliation Summary

As of 8/31/2017

BOOK VALUE RECONCILIATION		
Beginning Book Value		\$450,473.14
<u>Acquisition</u>		
+ Security Purchases	\$0.00	
+ Money Market Fund Purchases	\$799.51	
+ Money Market Contributions	\$0.00	
+ Security Contributions	\$0.00	
+ Security Transfers	\$0.00	
Total Acquisitions		\$799.51
<u>Dispositions</u>		
- Security Sales	\$0.00	
- Money Market Fund Sales	\$0.00	
- MMF Withdrawals	\$0.00	
- Security Withdrawals	\$0.00	
- Security Transfers	\$0.00	
- Other Dispositions	\$0.00	
- Maturities	\$0.00	
- Calls	\$0.00	
- Principal Paydowns	\$0.00	
Total Dispositions		\$0.00
<u>Amortization/Accretion</u>		
+/- Net Accretion	\$37.25	
		\$37.25
<u>Gain/Loss on Dispositions</u>		
+/- Realized Gain/Loss	\$0.00	
		\$0.00
Ending Book Value		\$451,309.90

CASH TRANSACTION SUMMARY		
BEGINNING BALANCE		\$1,146.38
<u>Acquisition</u>		
Contributions	\$0.00	
Security Sale Proceeds	\$0.00	
Accrued Interest Received	\$0.00	
Interest Received	\$796.88	
Dividend Received	\$2.63	
Principal on Maturities	\$0.00	
Interest on Maturities	\$0.00	
Calls/Redemption (Principal)	\$0.00	
Interest from Calls/Redemption	\$0.00	
Principal Paydown	\$0.00	
Total Acquisitions	\$799.51	
<u>Disposition</u>		
Withdrawals	\$0.00	
Security Purchase	\$0.00	
Accrued Interest Paid	\$0.00	
Total Dispositions	\$0.00	
Ending Book Value		\$1,945.89



CUSIP	Security Description	Par Value/Units	Purchase Date Book Yield	Cost Value Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port. Gain/Loss	Moody/S&P Fitch	Maturity Duration
AGENCY									
3137EADK2	FHLMC Note 1.25% Due 8/1/2019	45,000.00	09/09/2014 1.84 %	43,771.05 44,519.02	99.76 1.38 %	44,893.31 46.88	9.89 % 374.29	Aaa / AA+ AAA	1.92 1.89
3135G0ZG1	FNMA Note 1.75% Due 9/12/2019	27,000.00	11/17/2014 1.77 %	26,972.73 26,988.51	100.61 1.44 %	27,165.62 221.81	6.03 % 177.11	Aaa / AA+ AAA	2.03 1.97
3137EADM8	FHLMC Note 1.25% Due 10/2/2019	40,000.00	03/25/2015 1.40 %	39,735.60 39,878.13	99.58 1.45 %	39,832.80 206.94	8.81 % (45.33)	Aaa / AA+ AAA	2.09 2.04
313383HU8	FHLB Note 1.75% Due 6/12/2020	40,000.00	06/26/2015 1.87 %	39,779.20 39,876.18	100.71 1.49 %	40,283.32 153.61	8.90 % 407.14	Aaa / AA+ NR	2.78 2.70
3130A7CV5	FHLB Note 1.375% Due 2/18/2021	35,000.00	03/11/2016 1.64 %	34,566.00 34,695.09	99.40 1.55 %	34,790.84 17.38	7.66 % 95.75	Aaa / AA+ AAA	3.47 3.37
3135G0Q89	FNMA Note 1.375% Due 10/7/2021	43,000.00	10/27/2016 1.50 %	42,738.13 42,782.81	98.76 1.69 %	42,467.45 236.50	9.40 % (315.36)	Aaa / AA+ AAA	4.10 3.94
3135G0S38	FNMA Note 2% Due 1/5/2022	40,000.00	04/24/2017 1.92 %	40,142.40 40,131.77	101.21 1.71 %	40,483.24 124.44	8.94 % 351.47	Aaa / AA+ AAA	4.35 4.14
Total Agency		270,000.00	1.70 %	267,705.11 268,871.51	1.53 %	269,916.58 1,007.56	59.63 % 1,045.07	Aaa / AA+ AAA	2.99 2.89
MONEY MARKET FUND FI									
825252109	Invesco Treasury MMFD Private Class	1,945.89	Various 0.60 %	1,945.89 1,945.89	1.00 0.60 %	1,945.89 0.00	0.43 % 0.00	Aaa / AAA AAA	0.00 0.00
Total Money Market Fund FI		1,945.89	0.60 %	1,945.89 1,945.89	0.60 %	1,945.89 0.00	0.43 % 0.00	Aaa / AAA AAA	0.00 0.00
US TREASURY									
912828SX9	US Treasury Note 1.125% Due 5/31/2019	15,000.00	06/17/2014 1.75 %	14,557.67 14,844.16	99.68 1.31 %	14,951.96 42.88	3.30 % 107.80	Aaa / AA+ AAA	1.75 1.72
912828UQ1	US Treasury Note 1.25% Due 2/29/2020	30,000.00	Various 1.46 %	29,709.47 29,850.41	99.69 1.38 %	29,907.42 1.04	6.58 % 57.01	Aaa / AA+ AAA	2.50 2.45
912828UV0	US Treasury Note 1.125% Due 3/31/2020	30,000.00	05/07/2015 1.57 %	29,379.01 29,673.02	99.35 1.38 %	29,805.48 142.01	6.59 % 132.46	Aaa / AA+ AAA	2.58 2.52
912828WC0	US Treasury Note 1.75% Due 10/31/2020	30,000.00	11/04/2015 1.63 %	30,166.51 30,105.65	100.83 1.48 %	30,249.60 176.90	6.70 % 143.95	Aaa / AA+ AAA	3.17 3.05
912828WN6	US Treasury Note 2% Due 5/31/2021	30,000.00	07/11/2016 1.01 %	31,406.35 31,078.41	101.56 1.57 %	30,468.75 152.46	6.74 % (609.66)	Aaa / AA+ AAA	3.75 3.59
912828G53	US Treasury Note 1.875% Due 11/30/2021	35,000.00	01/18/2017 1.89 %	34,974.14 34,977.42	101.02 1.63 %	35,356.83 166.75	7.82 % 379.41	Aaa / AA+ AAA	4.25 4.05



CUSIP	Security Description	Par Value/Units	Purchase Date Book Yield	Cost Value Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port. Gain/Loss	Moody/S&P Fitch	Maturity Duration
US TREASURY									
912828J43	US Treasury Note 1.75% Due 2/28/2022	10,000.00	04/24/2017 1.84 %	9,960.58 9,963.43	100.36 1.67 %	10,035.55 0.48	2.21 % 72.12	Aaa / AA+ AAA	4.50 4.31
Total US Treasury		180,000.00	1.56 %	180,153.73 180,492.50	1.49 %	180,775.59 682.52	39.94 % 283.09	Aaa / AA+ AAA	3.23 3.11
TOTAL PORTFOLIO		451,945.89	1.64 %	449,804.73 451,309.90	1.51 %	452,638.06 1,690.08	100.00 % 1,328.16	Aaa / AA+ AAA	3.07 2.97
TOTAL MARKET VALUE PLUS ACCRUED						454,328.14			



PORTFOLIO CHARACTERISTICS

Average Duration	2.93
Average Coupon	1.64 %
Average Purchase YTM	1.24 %
Average Market YTM	1.46 %
Average S&P/Moody Rating	AA+/Aaa
Average Final Maturity	3.04 yrs
Average Life	3.04 yrs

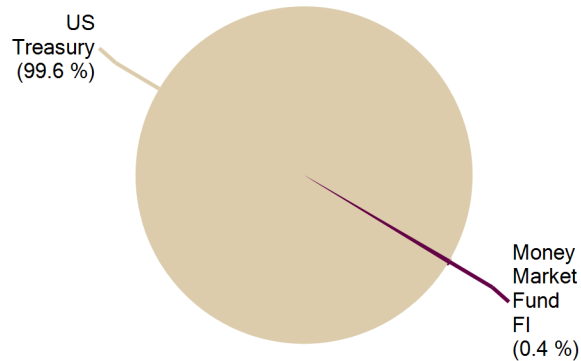
ACCOUNT SUMMARY

	Beg. Values as of 7/31/17	End Values as of 8/31/17
Market Value	1,892,978	1,901,571
Accrued Interest	7,223	5,902
Total Market Value	1,900,201	1,907,473
Income Earned	2,004	1,993
Cont/WD		0
Par	1,884,028	1,887,968
Book Value	1,910,350	1,913,664
Cost Value	1,915,124	1,919,063

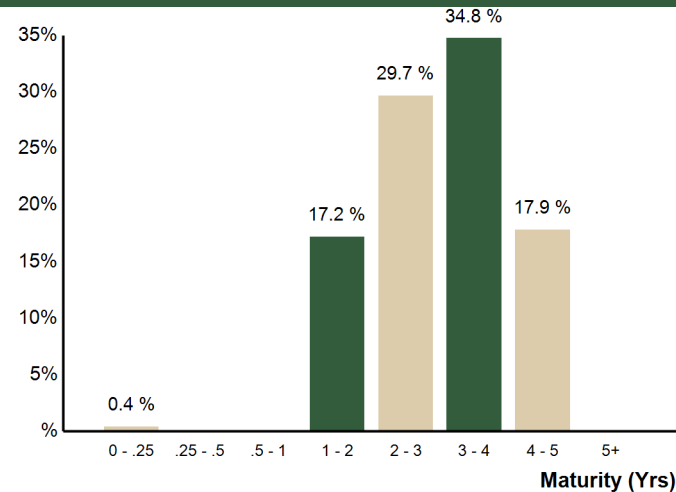
TOP ISSUERS

Issuer	% Portfolio
Government of United States	99.6 %
AIM STIT-Treasury Portfolio	0.4 %
	100.0 %

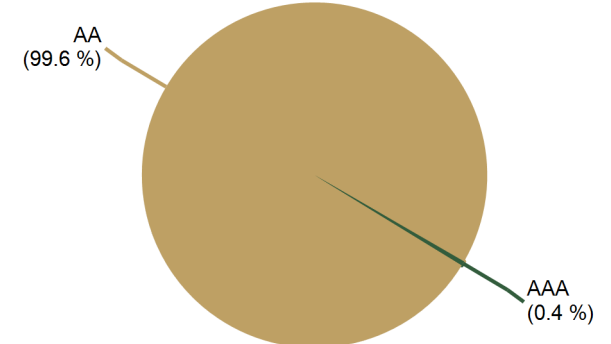
SECTOR ALLOCATION



MATURITY DISTRIBUTION



CREDIT QUALITY (S&P)



PERFORMANCE REVIEW

Total Rate of Return As of 8/31/2017	Current Month	Latest 3 Months	Year To Date	1 Yr	Annualized			6/30/2009	Since 6/30/2009
					3 Yrs	5 Yrs	10 Yrs		
Brea 2009 Water Revenue Bond Reserve Fund	0.38 %	0.51 %	1.65 %	0.23 %	1.64 %	1.19 %	N/A	2.50 %	22.31 %
BAML 3-Month US Treasury Bill Index	0.09 %	0.26 %	0.48 %	0.62 %	0.29 %	0.20 %	N/A	0.17 %	1.43 %



Reconciliation Summary

As of 8/31/2017

BOOK VALUE RECONCILIATION	
Beginning Book Value	\$1,910,349.56
<u>Acquisition</u>	
+ Security Purchases	\$0.00
+ Money Market Fund Purchases	\$3,939.09
+ Money Market Contributions	\$0.00
+ Security Contributions	\$0.00
+ Security Transfers	\$0.00
Total Acquisitions	\$3,939.09
<u>Dispositions</u>	
- Security Sales	\$0.00
- Money Market Fund Sales	\$0.00
- MMF Withdrawals	\$0.00
- Security Withdrawals	\$0.00
- Security Transfers	\$0.00
- Other Dispositions	\$0.00
- Maturities	\$0.00
- Calls	\$0.00
- Principal Paydowns	\$0.00
Total Dispositions	\$0.00
<u>Amortization/Accretion</u>	
+/- Net Accretion	(\$624.64)
	(\$624.64)
<u>Gain/Loss on Dispositions</u>	
+/- Realized Gain/Loss	\$0.00
	\$0.00
Ending Book Value	\$1,913,664.01

CASH TRANSACTION SUMMARY	
BEGINNING BALANCE	\$4,028.49
<u>Acquisition</u>	
Contributions	\$0.00
Security Sale Proceeds	\$0.00
Accrued Interest Received	\$0.00
Interest Received	\$3,937.50
Dividend Received	\$1.59
Principal on Maturities	\$0.00
Interest on Maturities	\$0.00
Calls/Redemption (Principal)	\$0.00
Interest from Calls/Redemption	\$0.00
Principal Paydown	\$0.00
Total Acquisitions	\$3,939.09
<u>Disposition</u>	
Withdrawals	\$0.00
Security Purchase	\$0.00
Accrued Interest Paid	\$0.00
Total Dispositions	\$0.00
Ending Book Value	\$7,967.58



CUSIP	Security Description	Par Value/Units	Purchase Date Book Yield	Cost Value Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port. Gain/Loss	Moody/S&P Fitch	Maturity Duration
MONEY MARKET FUND FI									
825252109	Invesco Treasury MMFD Private Class	7,967.58	Various 0.60 %	7,967.58 7,967.58	1.00 0.60 %	7,967.58 0.00	0.42 % 0.00	Aaa / AAA AAA	0.00 0.00
Total Money Market Fund FI		7,967.58	0.60 %	7,967.58 7,967.58	0.60 %	7,967.58 0.00	0.42 % 0.00	Aaa / AAA AAA	0.00 0.00
US TREASURY									
912828SX9	US Treasury Note 1.125% Due 5/31/2019	165,000.00	Various 1.30 %	163,146.84 164,529.38	99.68 1.31 %	164,471.51 471.67	8.65 % (57.87)	Aaa / AA+ AAA	1.75 1.72
912828TH3	US Treasury Note 0.875% Due 7/31/2019	165,000.00	08/24/2016 0.85 %	165,110.12 165,071.84	99.17 1.32 %	163,627.20 125.54	8.58 % (1,444.64)	Aaa / AA+ AAA	1.92 1.89
912828G61	US Treasury Note 1.5% Due 11/30/2019	165,000.00	08/24/2016 0.92 %	168,081.41 167,119.76	100.33 1.35 %	165,547.80 628.89	8.71 % (1,571.96)	Aaa / AA+ AAA	2.25 2.20
912828UQ1	US Treasury Note 1.25% Due 2/29/2020	135,000.00	Various 1.60 %	132,834.83 133,863.96	99.69 1.38 %	134,583.39 4.66	7.06 % 719.43	Aaa / AA+ AAA	2.50 2.45
912828UV0	US Treasury Note 1.125% Due 3/31/2020	100,000.00	05/07/2015 1.57 %	97,930.02 98,910.05	99.35 1.38 %	99,351.60 473.36	5.23 % 441.55	Aaa / AA+ AAA	2.58 2.52
912828XM7	US Treasury Note 1.625% Due 7/31/2020	165,000.00	08/24/2016 1.03 %	168,796.84 167,813.26	100.56 1.43 %	165,921.69 233.15	8.71 % (1,891.57)	Aaa / AA+ AAA	2.92 2.84
912828WC0	US Treasury Note 1.75% Due 10/31/2020	160,000.00	Various 1.46 %	161,991.55 161,432.17	100.83 1.48 %	161,331.20 943.48	8.51 % (100.97)	Aaa / AA+ AAA	3.17 3.05
912828A83	US Treasury Note 2.375% Due 12/31/2020	165,000.00	08/24/2016 1.08 %	174,062.66 171,941.01	102.82 1.50 %	169,653.50 670.87	8.93 % (2,287.51)	Aaa / AA+ AAA	3.34 3.19
912828B90	US Treasury Note 2% Due 2/28/2021	165,000.00	08/24/2016 1.10 %	171,516.76 170,045.74	101.60 1.53 %	167,642.64 9.12	8.79 % (2,403.10)	Aaa / AA+ AAA	3.50 3.37
912828WN6	US Treasury Note 2% Due 5/31/2021	160,000.00	Various 1.04 %	167,290.77 165,613.88	101.56 1.57 %	162,500.00 813.12	8.56 % (3,113.88)	Aaa / AA+ AAA	3.75 3.59
912828F21	US Treasury Note 2.125% Due 9/30/2021	170,000.00	10/27/2016 1.38 %	175,983.77 174,958.74	101.99 1.62 %	173,386.74 1,520.01	9.17 % (1,572.00)	Aaa / AA+ AAA	4.08 3.87
912828J43	US Treasury Note 1.75% Due 2/28/2022	165,000.00	04/24/2017 1.84 %	164,349.58 164,396.64	100.36 1.67 %	165,586.58 7.98	8.68 % 1,189.94	Aaa / AA+ AAA	4.50 4.31
Total US Treasury		1,880,000.00	1.24 %	1,911,095.15 1,905,696.43	1.47 %	1,893,603.85 5,901.85	99.58 % (12,092.58)	Aaa / AA+ AAA	3.05 2.94
TOTAL PORTFOLIO				1,919,062.73 1,913,664.01	1.46 %	1,901,571.43 5,901.85	100.00 % (12,092.58)	Aaa / AA+ AAA	3.04 2.93
TOTAL MARKET VALUE PLUS ACCRUED						1,907,473.28			



PORTFOLIO CHARACTERISTICS

Average Duration	3.00
Average Coupon	1.55 %
Average Purchase YTM	1.64 %
Average Market YTM	1.51 %
Average S&P/Moody Rating	AA+/Aaa
Average Final Maturity	3.11 yrs
Average Life	3.10 yrs

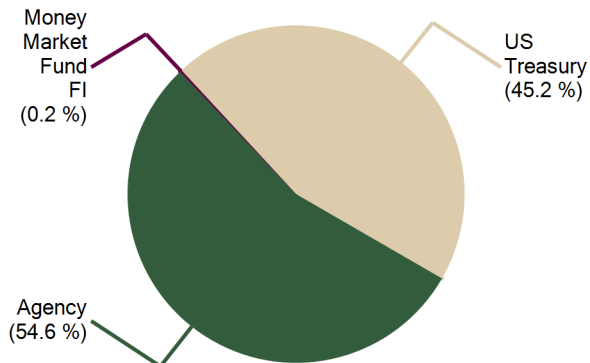
ACCOUNT SUMMARY

	Beg. Values as of 7/31/17	End Values as of 8/31/17
Market Value	829,499	833,108
Accrued Interest	3,615	3,140
Total Market Value	833,114	836,249
Income Earned	1,145	1,146
Cont/WD		0
Par	830,000	831,557
Book Value	829,120	830,740
Cost Value	826,393	827,951

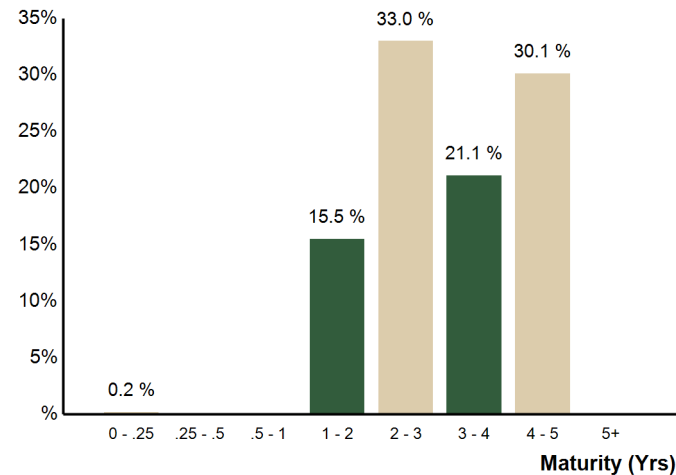
TOP ISSUERS

Issuer	% Portfolio
Government of United States	45.2 %
Federal National Mortgage Assoc	23.5 %
Federal Home Loan Bank	15.6 %
Federal Home Loan Mortgage Corp	15.5 %
AIM STIT-Treasury Portfolio	0.2 %
	100.0 %

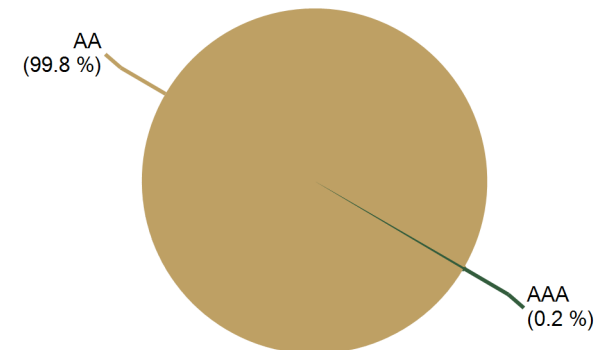
SECTOR ALLOCATION



MATURITY DISTRIBUTION



CREDIT QUALITY (S&P)



PERFORMANCE REVIEW

Total Rate of Return As of 8/31/2017	Current Month	Latest 3 Months	Year To Date	1 Yr	Annualized			2/28/2010	Since 2/28/2010
					3 Yrs	5 Yrs	10 Yrs		
Brea CFD No. 2008-2 Reserve Fund	0.38 %	0.56 %	1.67 %	0.58 %	1.76 %	1.26 %	N/A	2.25 %	18.13 %
BAML 3-Month US Treasury Bill Index	0.09 %	0.26 %	0.48 %	0.62 %	0.29 %	0.20 %	N/A	0.17 %	1.31 %



Reconciliation Summary

As of 8/31/2017

BOOK VALUE RECONCILIATION	
Beginning Book Value	\$829,119.94
<u>Acquisition</u>	
+ Security Purchases	\$0.00
+ Money Market Fund Purchases	\$1,557.43
+ Money Market Contributions	\$504.30
+ Security Contributions	\$0.00
+ Security Transfers	\$0.00
Total Acquisitions	\$2,061.73
<u>Dispositions</u>	
- Security Sales	\$0.00
- Money Market Fund Sales	\$0.00
- MMF Withdrawals	\$504.30
- Security Withdrawals	\$0.00
- Security Transfers	\$0.00
- Other Dispositions	\$0.00
- Maturities	\$0.00
- Calls	\$0.00
- Principal Paydowns	\$0.00
Total Dispositions	\$504.30
<u>Amortization/Accretion</u>	
+/- Net Accretion	\$62.96
	\$62.96
<u>Gain/Loss on Dispositions</u>	
+/- Realized Gain/Loss	\$0.00
	\$0.00
Ending Book Value	\$830,740.33

CASH TRANSACTION SUMMARY	
BEGINNING BALANCE	\$0.00
<u>Acquisition</u>	
Contributions	\$504.30
Security Sale Proceeds	\$0.00
Accrued Interest Received	\$0.00
Interest Received	\$1,553.13
Dividend Received	\$4.30
Principal on Maturities	\$0.00
Interest on Maturities	\$0.00
Calls/Redemption (Principal)	\$0.00
Interest from Calls/Redemption	\$0.00
Principal Paydown	\$0.00
Total Acquisitions	\$2,061.73
<u>Disposition</u>	
Withdrawals	\$504.30
Security Purchase	\$0.00
Accrued Interest Paid	\$0.00
Total Dispositions	\$504.30
Ending Book Value	\$1,557.43



CUSIP	Security Description	Par Value/Units	Purchase Date Book Yield	Cost Value Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port. Gain/Loss	Moody/S&P Fitch	Maturity Duration
AGENCY									
3137EADK2	FHLMC Note 1.25% Due 8/1/2019	80,000.00	09/09/2014 1.84 %	77,815.20 79,144.92	99.76 1.38 %	79,810.32 83.33	9.55 % 665.40	Aaa / AA+ AAA	1.92 1.89
3135G0ZG1	FNMA Note 1.75% Due 9/12/2019	45,000.00	11/17/2014 1.77 %	44,954.55 44,980.85	100.61 1.44 %	45,276.03 369.69	5.46 % 295.18	Aaa / AA+ AAA	2.03 1.97
3137EADM8	FHLMC Note 1.25% Due 10/2/2019	50,000.00	03/25/2015 1.40 %	49,669.50 49,847.66	99.58 1.45 %	49,791.00 258.68	5.99 % (56.66)	Aaa / AA+ AAA	2.09 2.04
313383HU8	FHLB Note 1.75% Due 6/12/2020	65,000.00	06/26/2015 1.87 %	64,641.20 64,798.79	100.71 1.49 %	65,460.40 249.62	7.86 % 661.61	Aaa / AA+ NR	2.78 2.70
3130A7CV5	FHLB Note 1.375% Due 2/18/2021	65,000.00	03/11/2016 1.64 %	64,194.00 64,433.74	99.40 1.55 %	64,611.56 32.27	7.73 % 177.82	Aaa / AA+ AAA	3.47 3.37
3135G0Q89	FNMA Note 1.375% Due 10/7/2021	80,000.00	10/27/2016 1.50 %	79,512.80 79,595.93	98.76 1.69 %	79,009.20 440.00	9.50 % (586.73)	Aaa / AA+ AAA	4.10 3.94
3135G0S38	FNMA Note 2% Due 1/5/2022	70,000.00	04/24/2017 1.92 %	70,249.20 70,230.60	101.21 1.71 %	70,845.67 217.78	8.50 % 615.07	Aaa / AA+ AAA	4.35 4.14
Total Agency		455,000.00	1.71 %	451,036.45 453,032.49	1.54 %	454,804.18 1,651.37	54.58 % 1,771.69	Aaa / AA+ AAA	3.05 2.95
MONEY MARKET FUND FI									
825252109	Invesco Treasury MMFD Private Class	1,557.43	Various 0.60 %	1,557.43 1,557.43	1.00 0.60 %	1,557.43 0.00	0.19 % 0.00	Aaa / AAA AAA	0.00 0.00
Total Money Market Fund FI		1,557.43	0.60 %	1,557.43 1,557.43	0.60 %	1,557.43 0.00	0.19 % 0.00	Aaa / AAA AAA	0.00 0.00
US TREASURY									
912828SX9	US Treasury Note 1.125% Due 5/31/2019	50,000.00	Various 1.66 %	48,788.64 49,556.62	99.68 1.31 %	49,839.86 142.93	5.98 % 283.24	Aaa / AA+ AAA	1.75 1.72
912828UQ1	US Treasury Note 1.25% Due 2/29/2020	55,000.00	Various 1.43 %	54,534.75 54,761.15	99.69 1.38 %	54,830.27 1.90	6.56 % 69.12	Aaa / AA+ AAA	2.50 2.45
912828UV0	US Treasury Note 1.125% Due 3/31/2020	60,000.00	05/07/2015 1.57 %	58,758.01 59,346.03	99.35 1.38 %	59,610.96 284.02	7.16 % 264.93	Aaa / AA+ AAA	2.58 2.52
912828WC0	US Treasury Note 1.75% Due 10/31/2020	50,000.00	11/04/2015 1.63 %	50,277.51 50,176.07	100.83 1.48 %	50,416.00 294.84	6.06 % 239.93	Aaa / AA+ AAA	3.17 3.05
912828WN6	US Treasury Note 2% Due 5/31/2021	60,000.00	07/11/2016 1.01 %	62,812.70 62,156.82	101.56 1.57 %	60,937.50 304.92	7.32 % (1,219.32)	Aaa / AA+ AAA	3.75 3.59
912828F21	US Treasury Note 2.125% Due 9/30/2021	30,000.00	01/18/2017 1.88 %	30,332.91 30,289.23	101.99 1.62 %	30,597.66 268.24	3.69 % 308.43	Aaa / AA+ AAA	4.08 3.87
912828G53	US Treasury Note 1.875% Due 11/30/2021	40,000.00	01/18/2017 1.89 %	39,970.45 39,974.19	101.02 1.63 %	40,407.80 190.57	4.85 % 433.61	Aaa / AA+ AAA	4.25 4.05



Holdings Report

As of 8/31/17

CUSIP	Security Description	Par Value/Units	Purchase Date Book Yield	Cost Value Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port. Gain/Loss	Moody/S&P Fitch	Maturity Duration
US TREASURY									
912828J43	US Treasury Note 1.75% Due 2/28/2022	30,000.00	04/24/2017 1.84 %	29,881.74 29,890.30	100.36 1.67 %	30,106.65 1.45	3.60 % 216.35	Aaa / AA+ AAA	4.50 4.31
Total US Treasury		375,000.00	1.56 %	375,356.71 376,150.41	1.48 %	376,746.70 1,488.87	45.23 % 596.29	Aaa / AA+ AAA	3.18 3.07
TOTAL PORTFOLIO		831,557.43	1.64 %	827,950.59 830,740.33	1.51 %	833,108.31 3,140.24	100.00 % 2,367.98	Aaa / AA+ AAA	3.11 3.00
TOTAL MARKET VALUE PLUS ACCRUED						836,248.55			



PORTFOLIO CHARACTERISTICS

Average Duration	2.89
Average Coupon	1.61 %
Average Purchase YTM	1.24 %
Average Market YTM	1.46 %
Average S&P/Moody Rating	AA+/Aaa
Average Final Maturity	2.99 yrs
Average Life	2.99 yrs

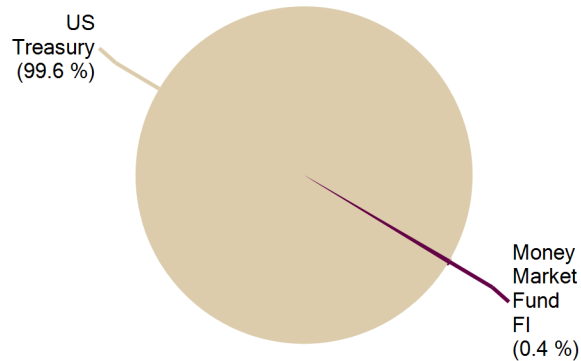
ACCOUNT SUMMARY

	Beg. Values as of 7/31/17	End Values as of 8/31/17
Market Value	1,336,203	1,342,202
Accrued Interest	5,066	4,066
Total Market Value	1,341,269	1,346,268
Income Earned	1,412	1,404
Cont/WD		0
Par	1,330,809	1,333,623
Book Value	1,348,037	1,350,441
Cost Value	1,351,045	1,353,858

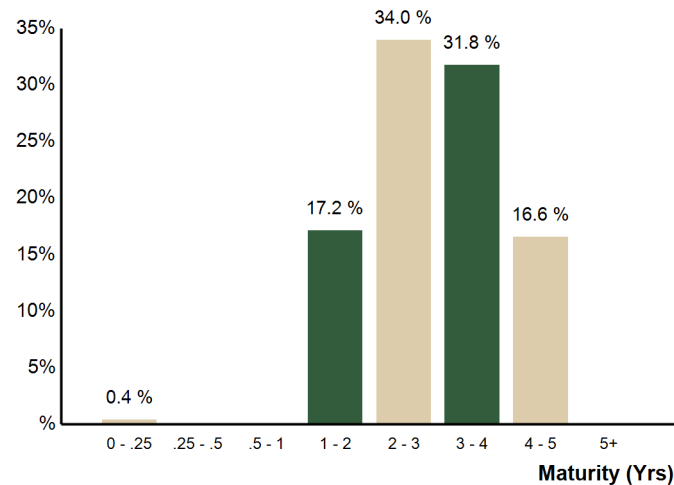
TOP ISSUERS

Issuer	% Portfolio
Government of United States	99.6 %
AIM STIT-Treasury Portfolio	0.4 %
	100.0 %

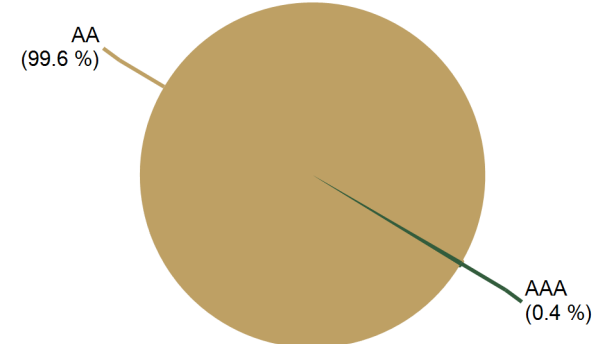
SECTOR ALLOCATION



MATURITY DISTRIBUTION



CREDIT QUALITY (S&P)



PERFORMANCE REVIEW

Total Rate of Return As of 8/31/2017	Current Month	Latest 3 Months	Year To Date	1 Yr	Annualized			5/31/2010	Since 5/31/2010
					3 Yrs	5 Yrs	10 Yrs		
Brea Water Revenue Bonds, Series B, Reserve Account	0.37 %	0.50 %	1.63 %	0.23 %	1.64 %	1.18 %	N/A	2.10 %	16.25 %
BAML 3-Month US Treasury Bill Index	0.09 %	0.26 %	0.48 %	0.62 %	0.29 %	0.20 %	N/A	0.18 %	1.28 %



Reconciliation Summary

As of 8/31/2017

BOOK VALUE RECONCILIATION	
Beginning Book Value	\$1,348,037.23
<u>Acquisition</u>	
+ Security Purchases	\$0.00
+ Money Market Fund Purchases	\$2,813.74
+ Money Market Contributions	\$0.00
+ Security Contributions	\$0.00
+ Security Transfers	\$0.00
Total Acquisitions	\$2,813.74
<u>Dispositions</u>	
- Security Sales	\$0.00
- Money Market Fund Sales	\$0.00
- MMF Withdrawals	\$0.00
- Security Withdrawals	\$0.00
- Security Transfers	\$0.00
- Other Dispositions	\$0.00
- Maturities	\$0.00
- Calls	\$0.00
- Principal Paydowns	\$0.00
Total Dispositions	\$0.00
<u>Amortization/Accretion</u>	
+/- Net Accretion	(\$410.00)
	(\$410.00)
<u>Gain/Loss on Dispositions</u>	
+/- Realized Gain/Loss	\$0.00
	\$0.00
Ending Book Value	\$1,350,440.97

CASH TRANSACTION SUMMARY	
BEGINNING BALANCE	\$2,809.13
<u>Acquisition</u>	
Contributions	\$0.00
Security Sale Proceeds	\$0.00
Accrued Interest Received	\$0.00
Interest Received	\$2,812.50
Dividend Received	\$1.24
Principal on Maturities	\$0.00
Interest on Maturities	\$0.00
Calls/Redemption (Principal)	\$0.00
Interest from Calls/Redemption	\$0.00
Principal Paydown	\$0.00
Total Acquisitions	\$2,813.74
<u>Disposition</u>	
Withdrawals	\$0.00
Security Purchase	\$0.00
Accrued Interest Paid	\$0.00
Total Dispositions	\$0.00
Ending Book Value	\$5,622.87



CUSIP	Security Description	Par Value/Units	Purchase Date Book Yield	Cost Value Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port. Gain/Loss	Moody/S&P Fitch	Maturity Duration
MONEY MARKET FUND FI									
825252109	Invesco Treasury MMFD Private Class	5,622.87	Various 0.60 %	5,622.87 5,622.87	1.00 0.60 %	5,622.87 0.00	0.42 % 0.00	Aaa / AAA AAA	0.00 0.00
Total Money Market Fund FI		5,622.87	0.60 %	5,622.87 5,622.87	0.60 %	5,622.87 0.00	0.42 % 0.00	Aaa / AAA AAA	0.00 0.00
US TREASURY									
912828SX9	US Treasury Note 1.125% Due 5/31/2019	117,000.00	Various 1.30 %	115,665.43 116,663.14	99.68 1.31 %	116,625.25 334.45	8.69 % (37.89)	Aaa / AA+ AAA	1.75 1.72
912828TH3	US Treasury Note 0.875% Due 7/31/2019	115,000.00	08/24/2016 0.85 %	115,076.75 115,050.07	99.17 1.32 %	114,043.20 87.50	8.48 % (1,006.87)	Aaa / AA+ AAA	1.92 1.89
912828G61	US Treasury Note 1.5% Due 11/30/2019	115,000.00	08/24/2016 0.92 %	117,147.65 116,477.41	100.33 1.35 %	115,381.80 438.32	8.60 % (1,095.61)	Aaa / AA+ AAA	2.25 2.20
912828UQ1	US Treasury Note 1.25% Due 2/29/2020	112,000.00	Various 1.40 %	111,138.03 111,586.99	99.69 1.38 %	111,654.37 3.86	8.29 % 67.38	Aaa / AA+ AAA	2.50 2.45
912828UV0	US Treasury Note 1.125% Due 3/31/2020	115,000.00	Various 1.47 %	113,111.52 114,024.33	99.35 1.38 %	114,254.34 544.36	8.53 % 230.01	Aaa / AA+ AAA	2.58 2.52
912828XM7	US Treasury Note 1.625% Due 7/31/2020	115,000.00	08/24/2016 1.03 %	117,646.28 116,960.75	100.56 1.43 %	115,642.39 162.50	8.60 % (1,318.36)	Aaa / AA+ AAA	2.92 2.84
912828WC0	US Treasury Note 1.75% Due 10/31/2020	88,000.00	11/04/2015 1.63 %	88,488.42 88,309.88	100.83 1.48 %	88,732.16 518.91	6.63 % 422.28	Aaa / AA+ AAA	3.17 3.05
912828A83	US Treasury Note 2.375% Due 12/31/2020	115,000.00	08/24/2016 1.08 %	121,316.40 119,837.67	102.82 1.50 %	118,243.35 467.58	8.82 % (1,594.32)	Aaa / AA+ AAA	3.34 3.19
912828B90	US Treasury Note 2% Due 2/28/2021	115,000.00	08/24/2016 1.10 %	119,541.99 118,516.73	101.60 1.53 %	116,841.84 6.35	8.68 % (1,674.89)	Aaa / AA+ AAA	3.50 3.37
912828WN6	US Treasury Note 2% Due 5/31/2021	101,000.00	Various 1.03 %	105,664.79 104,584.77	101.56 1.57 %	102,578.13 513.28	7.66 % (2,006.64)	Aaa / AA+ AAA	3.75 3.59
912828F21	US Treasury Note 2.125% Due 9/30/2021	110,000.00	10/27/2016 1.38 %	113,871.85 113,208.60	101.99 1.62 %	112,191.42 983.54	8.41 % (1,017.18)	Aaa / AA+ AAA	4.08 3.87
912828J43	US Treasury Note 1.75% Due 2/28/2022	110,000.00	04/24/2017 1.84 %	109,566.38 109,597.76	100.36 1.67 %	110,391.05 5.32	8.20 % 793.29	Aaa / AA+ AAA	4.50 4.31
Total US Treasury		1,328,000.00	1.24 %	1,348,235.49 1,344,818.10	1.46 %	1,336,579.30 4,065.97	99.58 % (8,238.80)	Aaa / AA+ AAA	3.01 2.90
TOTAL PORTFOLIO		1,333,622.87	1.24 %	1,353,858.36 1,350,440.97	1.46 %	1,342,202.17 4,065.97	100.00 % (8,238.80)	Aaa / AA+ AAA	2.99 2.89
TOTAL MARKET VALUE PLUS ACCRUED						1,346,268.14			



PORTFOLIO CHARACTERISTICS

Average Duration	2.87
Average Coupon	1.61 %
Average Purchase YTM	1.27 %
Average Market YTM	1.44 %
Average S&P/Moody Rating	AA+/Aaa
Average Final Maturity	2.98 yrs
Average Life	2.98 yrs

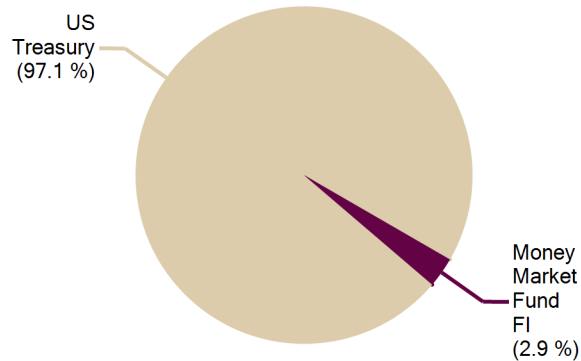
ACCOUNT SUMMARY

	Beg. Values as of 7/31/17	End Values as of 8/31/17
Market Value	266,439	267,644
Accrued Interest	1,013	817
Total Market Value	267,453	268,461
Income Earned	286	287
Cont/WD		0
Par	265,257	265,816
Book Value	268,601	269,085
Cost Value	269,013	269,571

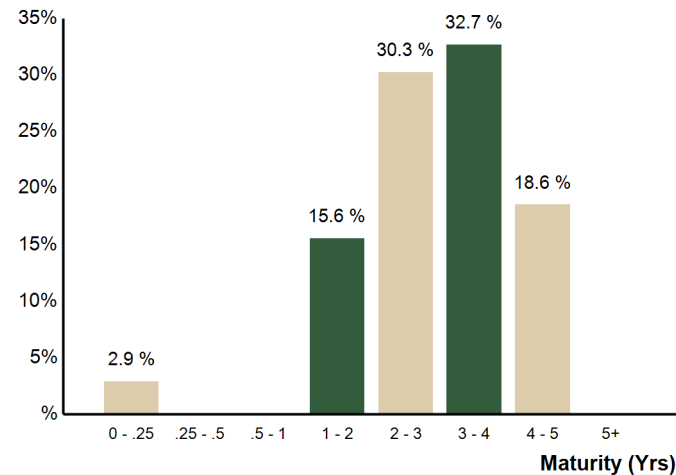
TOP ISSUERS

Issuer	% Portfolio
Government of United States	97.1 %
AIM STIT-Treasury Portfolio	2.9 %
	100.0 %

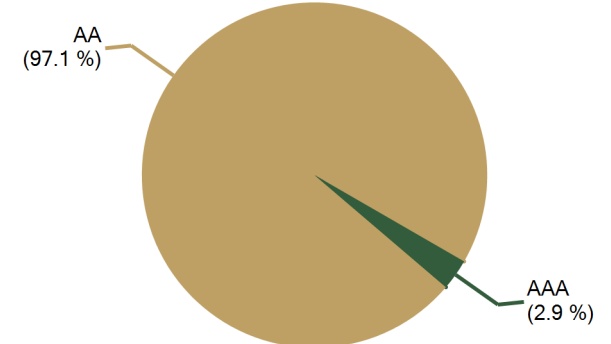
SECTOR ALLOCATION



MATURITY DISTRIBUTION



CREDIT QUALITY (S&P)



PERFORMANCE REVIEW

Total Rate of Return As of 8/31/2017	Current Month	Latest 3 Months	Year To Date	1 Yr	Annualized				Since 5/31/2010
					3 Yrs	5 Yrs	10 Yrs	5/31/2010	
Brea Lease Revenue Bonds, Reserve Account	0.38 %	0.50 %	1.64 %	0.22 %	1.65 %	1.19 %	N/A	2.12 %	16.42 %
BAML 3-Month US Treasury Bill Index	0.09 %	0.26 %	0.48 %	0.62 %	0.29 %	0.20 %	N/A	0.18 %	1.28 %



Reconciliation Summary

As of 8/31/2017

BOOK VALUE RECONCILIATION		
Beginning Book Value		\$268,601.48
<u>Acquisition</u>		
+ Security Purchases	\$0.00	
+ Money Market Fund Purchases	\$558.55	
+ Money Market Contributions	\$0.00	
+ Security Contributions	\$0.00	
+ Security Transfers	\$0.00	
Total Acquisitions		\$558.55
<u>Dispositions</u>		
- Security Sales	\$0.00	
- Money Market Fund Sales	\$0.00	
- MMF Withdrawals	\$0.00	
- Security Withdrawals	\$0.00	
- Security Transfers	\$0.00	
- Other Dispositions	\$0.00	
- Maturities	\$0.00	
- Calls	\$0.00	
- Principal Paydowns	\$0.00	
Total Dispositions		\$0.00
<u>Amortization/Accretion</u>		
+/- Net Accretion	(\$75.35)	
		(\$75.35)
<u>Gain/Loss on Dispositions</u>		
+/- Realized Gain/Loss	\$0.00	
		\$0.00
Ending Book Value		\$269,084.68

CASH TRANSACTION SUMMARY		
BEGINNING BALANCE		\$7,257.14
<u>Acquisition</u>		
Contributions	\$0.00	
Security Sale Proceeds	\$0.00	
Accrued Interest Received	\$0.00	
Interest Received	\$555.00	
Dividend Received	\$3.55	
Principal on Maturities	\$0.00	
Interest on Maturities	\$0.00	
Calls/Redemption (Principal)	\$0.00	
Interest from Calls/Redemption	\$0.00	
Principal Paydown	\$0.00	
Total Acquisitions	\$558.55	
<u>Disposition</u>		
Withdrawals	\$0.00	
Security Purchase	\$0.00	
Accrued Interest Paid	\$0.00	
Total Dispositions	\$0.00	
Ending Book Value		\$7,815.69



CUSIP	Security Description	Par Value/Units	Purchase Date Book Yield	Cost Value Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port. Gain/Loss	Moody/S&P Fitch	Maturity Duration
MONEY MARKET FUND FI									
825252109	Invesco Treasury MMFD Private Class	7,815.69	Various 0.60 %	7,815.69 7,815.69	1.00 0.60 %	7,815.69 0.00	2.91 % 0.00	Aaa / AAA AAA	0.00 0.00
Total Money Market Fund FI		7,815.69	0.60 %	7,815.69 7,815.69	0.60 %	7,815.69 0.00	2.91 % 0.00	Aaa / AAA AAA	0.00 0.00
US TREASURY									
912828SX9	US Treasury Note 1.125% Due 5/31/2019	20,000.00	06/17/2014 1.75 %	19,410.22 19,792.21	99.68 1.31 %	19,935.94 57.17	7.45 % 143.73	Aaa / AA+ AAA	1.75 1.72
912828TH3	US Treasury Note 0.875% Due 7/31/2019	22,000.00	08/24/2016 0.85 %	22,014.68 22,009.58	99.17 1.32 %	21,816.96 16.74	8.13 % (192.62)	Aaa / AA+ AAA	1.92 1.89
912828G61	US Treasury Note 1.5% Due 11/30/2019	22,000.00	08/24/2016 0.92 %	22,410.85 22,282.63	100.33 1.35 %	22,073.04 83.85	8.25 % (209.59)	Aaa / AA+ AAA	2.25 2.20
912828UQ1	US Treasury Note 1.25% Due 2/29/2020	20,000.00	Various 1.59 %	19,688.54 19,837.04	99.69 1.38 %	19,938.28 0.69	7.43 % 101.24	Aaa / AA+ AAA	2.50 2.45
912828UV0	US Treasury Note 1.125% Due 3/31/2020	17,000.00	05/07/2015 1.57 %	16,648.10 16,814.71	99.35 1.38 %	16,889.77 80.47	6.32 % 75.06	Aaa / AA+ AAA	2.58 2.52
912828XM7	US Treasury Note 1.625% Due 7/31/2020	22,000.00	08/24/2016 1.03 %	22,506.25 22,375.10	100.56 1.43 %	22,122.89 31.09	8.25 % (252.21)	Aaa / AA+ AAA	2.92 2.84
912828WC0	US Treasury Note 1.75% Due 10/31/2020	22,000.00	Various 1.45 %	22,276.59 22,199.09	100.83 1.48 %	22,183.04 129.73	8.31 % (16.05)	Aaa / AA+ AAA	3.17 3.05
912828A83	US Treasury Note 2.375% Due 12/31/2020	22,000.00	08/24/2016 1.08 %	23,208.35 22,925.46	102.82 1.50 %	22,620.47 89.45	8.46 % (304.99)	Aaa / AA+ AAA	3.34 3.19
912828B90	US Treasury Note 2% Due 2/28/2021	22,000.00	08/24/2016 1.10 %	22,868.90 22,672.76	101.60 1.53 %	22,352.35 1.22	8.33 % (320.41)	Aaa / AA+ AAA	3.50 3.37
912828WN6	US Treasury Note 2% Due 5/31/2021	20,000.00	07/11/2016 1.01 %	20,937.57 20,718.94	101.56 1.57 %	20,312.50 101.64	7.60 % (406.44)	Aaa / AA+ AAA	3.75 3.59
912828F21	US Treasury Note 2.125% Due 9/30/2021	25,000.00	10/27/2016 1.38 %	25,879.97 25,729.23	101.99 1.62 %	25,498.05 223.53	9.58 % (231.18)	Aaa / AA+ AAA	4.08 3.87
912828J43	US Treasury Note 1.75% Due 2/28/2022	24,000.00	04/24/2017 1.84 %	23,905.39 23,912.24	100.36 1.67 %	24,085.32 1.16	8.97 % 173.08	Aaa / AA+ AAA	4.50 4.31
Total US Treasury		258,000.00	1.29 %	261,755.41 261,268.99	1.47 %	259,828.61 816.74	97.09 % (1,440.38)	Aaa / AA+ AAA	3.07 2.96
TOTAL PORTFOLIO		265,815.69	1.27 %	269,571.10 269,084.68	1.44 %	267,644.30 816.74	100.00 % (1,440.38)	Aaa / AA+ AAA	2.98 2.87
TOTAL MARKET VALUE PLUS ACCRUED						268,461.04			

City of Brea

COUNCIL COMMUNICATION

FROM: Bill Gallardo, City Manager

DATE: 10/03/2017

SUBJECT: September 22 and 29, 2017 City Check Registers - Approve.

Attachments

9-22-17 City Check Register

9-29-17 City Check Register

City Check Register for: Sep 22, 2017

Check #	Vendor Name	Check Date	Vendor #	Budget Unit	Description	Amount
176037	ALCO TARGET CO	09/22/2017	25050	110212131	CARDBOARD SUPPLIES	\$173.43
ALCO TARGET CO						Total Check Amount: \$173.43
176038	ANTHONY ARIAS	09/22/2017	27077	110404542	TECH CREW:LIGHTING	\$50.00
ANTHONY ARIAS						Total Check Amount: \$50.00
176039	ARTSCENE	09/22/2017	5572	110404542	ARTSCENE LISTNG 17/18	\$525.00
ARTSCENE						Total Check Amount: \$525.00
176040	AT&T CALNET	09/22/2017	20391	110141471	9391011961 8/28	\$230.18
		09/22/2017	20391	110141471	9391011963 8/28	\$21.08
		09/22/2017	20391	110141471	9391011965 8/28	\$41.51
		09/22/2017	20391	110141471	9391011966 8/28	\$59.42
		09/22/2017	20391	110141471	9391011967 8/28	\$0.59
		09/22/2017	20391	110141471	9391011971 8/28	\$40.28
		09/22/2017	20391	110141471	9391011972 8/28	\$162.47
		09/22/2017	20391	110141471	9391011973 8/28	\$42.17
		09/22/2017	20391	110141471	9391011975 8/28	\$3,346.58
		09/22/2017	20391	110141471	9391011976 8/28	\$909.14
		09/22/2017	20391	110141471	9391011977 8/28	\$636.14
		09/22/2017	20391	110141471	9391011978 8/28	\$784.12
		09/22/2017	20391	110141471	9391011979 8/28	\$85.30
		09/22/2017	20391	110141471	9391023157 8/28	\$21.08
		09/22/2017	20391	110141471	9391023158 8/28	\$37.92
		09/22/2017	20391	110141471	9391023159 8/28	\$22.27
		09/22/2017	20391	110141471	9391032589 8/28	\$0.01
		09/22/2017	20391	110141471	9391052504 8/28	\$274.14
		09/22/2017	20391	110141471	9391052507 8/28	\$274.14
		09/22/2017	20391	110141471	9391057787 8/28	\$374.65
		09/22/2017	20391	110141471	9391060716 8/28	\$86.64
		09/22/2017	20391	420515131	9391011964 8/28	\$40.25
AT&T CALNET						Total Check Amount: \$7,490.08
176041	AT&T LONG DISTANCE	09/22/2017	1737	110141471	807752441 9/3-10/2/17	\$74.18
AT&T LONG DISTANCE						Total Check Amount: \$74.18
176042	LISA BARELA	09/22/2017	27079	110	SECURITY DEPOSIT RFND	\$1,000.00
LISA BARELA						Total Check Amount: \$1,000.00
176043	BOYS & GIRLS CLUBS	09/22/2017	26980	110212111	17/18 DONATION #2	\$4,549.29
BOYS & GIRLS CLUBS						Total Check Amount: \$4,549.29
176044	CALIFORNIA FORENSIC PHLEBOTOMY INC.	09/22/2017	4488	110212131	BLOOD TESTS AUG 2017	\$4,922.00
CALIFORNIA FORENSIC PHLEBOTOMY INC.						Total Check Amount: \$4,922.00
176045	CALIFORNIA MUNICIPAL STATISTICS INC	09/22/2017	10631	110141431	DEBT STATEMNT 6/30/17	\$500.00

City Check Register for: Sep 22, 2017

Check #	Vendor Name	Check Date	Vendor #	Budget Unit	Description	Amount
CALIFORNIA MUNICIPAL STATISTICS INC					Total Check Amount:	\$500.00
176046	CINTAS FAS	09/22/2017	24347	110404542	FIRST AID SUPPLIES	\$93.13
CINTAS FAS					Total Check Amount:	\$93.13
176047	CITY OF BREA	09/22/2017	13577	950000000	17/18 FIN/TREAS SVCS	\$52,732.00
CITY OF BREA					Total Check Amount:	\$52,732.00
176048	COUNTY OF ORANGE	09/22/2017	4799	110212122	FINGERPRINT ID SEPT17	\$1,608.00
COUNTY OF ORANGE					Total Check Amount:	\$1,608.00
176049	DEPARTMENT OF JUSTICE	09/22/2017	13406	110141481	FINGERPRNT APPS AUG17	\$620.00
DEPARTMENT OF JUSTICE					Total Check Amount:	\$620.00
176050	KELEE DICKINSON	09/22/2017	27085	420000000	CLOSED WATER ACCOUNT	\$217.18
KELEE DICKINSON					Total Check Amount:	\$217.18
176051	MICHAEL DILGER	09/22/2017	26660	420000000	CLOSED WATER ACCOUNT	\$91.98
MICHAEL DILGER					Total Check Amount:	\$91.98
176052	EDISON CO	09/22/2017	3343	110515121	ELECTRICITY AUG-SEP17	\$32,920.76
		09/22/2017	3343	110515141	ELECTRICITY AUG-SEP17	\$362.14
		09/22/2017	3343	490515151	ELECTRICITY AUG-SEP17	\$11,800.10
EDISON CO					Total Check Amount:	\$45,083.00
176053	EXECUTIVE ENVELOPE INCORPORATED	09/22/2017	1880	110212111	15 CS WINDOW ENV#10	\$1,217.04
EXECUTIVE ENVELOPE INCORPORATED					Total Check Amount:	\$1,217.04
176054	GLORIA C FLORES	09/22/2017	27084	110000000	CITATION REFUND	\$281.00
GLORIA C FLORES					Total Check Amount:	\$281.00
176055	FRANCHISE TAX BOARD	09/22/2017	13287	110	CD-9120-02824 091517	\$199.32
FRANCHISE TAX BOARD					Total Check Amount:	\$199.32
176056	FRONTIER COMMUNICATIONS	09/22/2017	26183	420515131	562 1821220 0828-0927	\$188.47
FRONTIER COMMUNICATIONS					Total Check Amount:	\$188.47
176057	FRONTIER COMMUNICATIONS	09/22/2017	26183	420515131	562 1821083 9/7-10/6	\$62.18
FRONTIER COMMUNICATIONS					Total Check Amount:	\$62.18
176058	THE GAS COMPANY	09/22/2017	3749	490515151	GAS AUG/SEP 2017	\$1,212.70
THE GAS COMPANY					Total Check Amount:	\$1,212.70
176059	HENRY B GEHL	09/22/2017	27080	110000000	CITATION REFUND	\$281.00
HENRY B GEHL					Total Check Amount:	\$281.00
176060	HDL COREN & CONE	09/22/2017	19972	110141431	16/17 CAFR SERVICES	\$745.00
HDL COREN & CONE					Total Check Amount:	\$745.00
176061	GARRY L HOBDAV	09/22/2017	25175	110404542	EMCEE:PARK CONCERTS	\$150.00
GARRY L HOBDAV					Total Check Amount:	\$150.00
176062	IN TIME SERVICES INC	09/22/2017	20876	951000000	ILJAOC ILINK ENHNCMNT	\$20,500.00
IN TIME SERVICES INC					Total Check Amount:	\$20,500.00
176063	IN TIME SERVICES INC	09/22/2017	20876	950000000	ILJAOC ISE OCT-DEC17	\$51,525.00
IN TIME SERVICES INC					Total Check Amount:	\$51,525.00

City Check Register for: Sep 22, 2017

Check #	Vendor Name	Check Date	Vendor #	Budget Unit	Description	Amount
176064	JAX AUTO	09/22/2017	20187	480515161	1020 SMOG INSPECTION	\$36.00
		09/22/2017	20187	480515161	1030 SMOG INSPECTION	\$36.00
		09/22/2017	20187	480515161	1131 SMOG INSPECTION	\$36.00
		09/22/2017	20187	480515161	1214 SMOG INSPECTION	\$36.00
		09/22/2017	20187	480515161	1218 SMOG INSPECTION	\$36.00
		09/22/2017	20187	480515161	1222 SMOG INSPECTION	\$36.00
		09/22/2017	20187	480515161	25001 SMOG INSPECTION	\$36.00
		09/22/2017	20187	480515161	25005 SMOG INSPECTION	\$36.00
		09/22/2017	20187	480515161	27014 SMOG INSPECTION	\$36.00
		09/22/2017	20187	480515161	28010 SMOG INSPECTION	\$54.00
JAX AUTO					Total Check Amount:	\$378.00
176065	LAUGHING BEAGLE DESIGN	09/22/2017	17663	110404311	SITE AWARENESS DESIGN	\$250.00
LAUGHING BEAGLE DESIGN					Total Check Amount:	\$250.00
176066	LIFE-ASSIST, INC.	09/22/2017	10530	110222222	MEDICAL SUPPLIES	\$3,892.31
LIFE-ASSIST, INC.					Total Check Amount:	\$3,892.31
176067	TAWNNI L. LOCKHART	09/22/2017	27082	110000000	CITATION REFUND	\$23.00
TAWNNI L. LOCKHART					Total Check Amount:	\$23.00
176068	PATRICIA ANN LONGO	09/22/2017	27083	110000000	CITATION REFUND	\$281.00
PATRICIA ANN LONGO					Total Check Amount:	\$281.00
176069	MARTIN & CHAPMAN CO.	09/22/2017	3533	110404311	MINUTE BOOK PAPER	\$111.08
MARTIN & CHAPMAN CO.					Total Check Amount:	\$111.08
176070	NETMOTION WIRELESS, INC.	09/22/2017	14613	110141471	NM MOBILITY MNT 17/18	\$8,225.00
NETMOTION WIRELESS, INC.					Total Check Amount:	\$8,225.00
176071	NETWORKFLEET INC.	09/22/2017	25293	480515161	GPS FEES AUG 2017	\$969.00
NETWORKFLEET INC.					Total Check Amount:	\$969.00
176072	NGOC QUI T NGUYEN	09/22/2017	27078	110	TEEN ZONE REFUND	\$145.00
NGOC QUI T NGUYEN					Total Check Amount:	\$145.00
176073	VAN NGUYEN	09/22/2017	27086	420000000	CLOSED WATER ACCOUNT	\$15.00
VAN NGUYEN					Total Check Amount:	\$15.00
176074	OFFICE DEPOT, INC	09/22/2017	4743	110111161	OFFICE SUPPLIES	\$21.68
		09/22/2017	4743	110212111	OFFICE SUPPLIES	\$514.25
		09/22/2017	4743	110212122	OFFICE SUPPLIES	\$26.43
		09/22/2017	4743	110323212	OFFICE SUPPLIES	\$29.44
		09/22/2017	4743	110404311	OFFICE SUPPLIES	\$57.62
		09/22/2017	4743	110515111	OFFICE SUPPLIES	\$19.11
		09/22/2017	4743	475141471	OFFICE SUPPLIES	\$271.64
OFFICE DEPOT, INC					Total Check Amount:	\$940.17
176075	OCCOG	09/22/2017	12810	110141413	FY 17/18 OCCOG DUES	\$5,832.75
OCCOG					Total Check Amount:	\$5,832.75

City Check Register for: Sep 22, 2017

Check #	Vendor Name	Check Date	Vendor #	Budget Unit	Description	Amount
176076	SAM'S CLUB DIRECT	09/22/2017	10123	110141441	MEMBERSHIP FEE 17/18	\$45.00
SAM'S CLUB DIRECT					Total Check Amount:	\$45.00
176077	JUDITH J SCHROEDER	09/22/2017	23693	110404541	WATRCLR FOR BEGINNERS	\$756.00
JUDITH J SCHROEDER					Total Check Amount:	\$756.00
176078	SERRANO STUCCO, INC.	09/22/2017	27075	290323215	CDBG 1253 DRFTWOOD PL	\$6,750.00
SERRANO STUCCO, INC.					Total Check Amount:	\$6,750.00
176079	SOUTHERN CALIFORNIA GAS COMPANY	09/22/2017	14556	470141483	CLAIM #30201700925625	\$7,500.00
SOUTHERN CALIFORNIA GAS COMPANY					Total Check Amount:	\$7,500.00
176080	ST JOSEPH HERITAGE HEALTHCARE	09/22/2017	10952	110141481	DMV PHYSICAL EXAM	\$35.00
		09/22/2017	10952	110141481	HR MED SVCS AUG 2017	\$2,480.00
ST JOSEPH HERITAGE HEALTHCARE					Total Check Amount:	\$2,515.00
176081	THE STANDARD INSURANCE COMPANY	09/22/2017	15689	110	643015 OPT INS SEPT17	\$1,898.65
THE STANDARD INSURANCE COMPANY					Total Check Amount:	\$1,898.65
176082	THE STANDARD INSURANCE COMPANY	09/22/2017	15689	110	643015 LIFE INS SEP17	\$4,453.05
THE STANDARD INSURANCE COMPANY					Total Check Amount:	\$4,453.05
176083	STATE FARM MUTUAL AUTOMOBILE INS CO	09/22/2017	23711	470141483	CLAIM#5031716 ESTACIO	\$1,003.06
STATE FARM MUTUAL AUTOMOBILE INS CO					Total Check Amount:	\$1,003.06
176084	TIME WARNER CABLE	09/22/2017	19304	110111143	CABLE CHGS 9/2-10/1	\$28.63
		09/22/2017	19304	110111151	CABLE CHGS 9/2-10/1	\$57.26
		09/22/2017	19304	110141411	CABLE CHGS 9/2-10/1	\$74.37
		09/22/2017	19304	110212111	CABLE CHGS 9/2-10/1	\$320.52
		09/22/2017	19304	110222211	CABLE CHGS 9/2-10/1	\$74.37
		09/22/2017	19304	110323212	CABLE CHGS 9/2-10/1	\$75.85
		09/22/2017	19304	110404211	CABLE 9/2-10/1 40955	\$95.33
		09/22/2017	19304	110404311	CABLE CHGS 9/2-10/1	\$18.56
		09/22/2017	19304	110404521	CABLE 9/2-10/1 15759	\$20.20
		09/22/2017	19304	420515131	CABLE 9/2-10/1 20981	\$110.83
		09/22/2017	19304	420515131	CABLE 9/2-10/1 49861	\$73.91
		09/22/2017	19304	490515151	CABLE CHGS 9/2-10/1	\$18.56
TIME WARNER CABLE					Total Check Amount:	\$968.39
176085	CAROL TORRES	09/22/2017	27081	110000000	CITATION REFUND	\$18.00
CAROL TORRES					Total Check Amount:	\$18.00
176086	JOSE LUIS GONZALEZ TORRES	09/22/2017	26908	110000000	CITATION REFUND	\$66.00
JOSE LUIS GONZALEZ TORRES					Total Check Amount:	\$66.00
176087	UNITED STATES POSTAL SERVICE	09/22/2017	19260	110404420	MAIL:NUTCRACKER BTQ17	\$1,057.49
UNITED STATES POSTAL SERVICE					Total Check Amount:	\$1,057.49
176088	VERIZON WIRELESS	09/22/2017	21122	110212121	9792087403 8/4-9/3/17	\$107.48
VERIZON WIRELESS					Total Check Amount:	\$107.48

City Check Register for: Sep 22, 2017

Check #	Vendor Name	Check Date	Vendor #	Budget Unit	Description	Amount
176089	VERIZON WIRELESS	09/22/2017	21122	110515171	9791727531 7/27-8/26	\$163.97
		09/22/2017	21122	420515131	9791727531 7/27-8/26	\$1,044.19
		09/22/2017	21122	430515123	9791727531 7/27-8/26	\$844.74
VERIZON WIRELESS					Total Check Amount:	\$2,052.90
176090	VERIZON WIRELESS	09/22/2017	21122	420515131	9791735005 7/27-8/26	\$38.01
VERIZON WIRELESS					Total Check Amount:	\$38.01
176091	VISIONS ENTERTAINMENT	09/22/2017	27076	110404312	35% RET:CNTL GALA DJ	\$453.25
VISIONS ENTERTAINMENT					Total Check Amount:	\$453.25
176092	WILDLIFE CORRIDOR CONSERV AUTHORITY	09/22/2017	2813	110141413	FY 17/18 CONTRIBUTION	\$500.00
WILDLIFE CORRIDOR CONSERV AUTHORITY					Total Check Amount:	\$500.00
176093	YORBA REGIONAL ANIMAL HOSPITAL	09/22/2017	18528	110212131	CHIEF:VACCINE/BOARDNG	\$212.00
YORBA REGIONAL ANIMAL HOSPITAL					Total Check Amount:	\$212.00
Check Subtotal						\$247,547.57
V25795	ACORN PAPER PRODUCTS, CO.	09/22/2017	26589	490515151	CM TO INV #1814693	(\$1,131.38)
		09/22/2017	26589	490515151	URETHANE FLOOR FINISH	\$1,893.12
ACORN PAPER PRODUCTS, CO.					Total Check Amount:	\$761.74
V25796	ADAMSON POLICE PRODUCTS	09/22/2017	4023	110212134	EXPLORER TETHER	\$32.27
		09/22/2017	4023	110212134	POLE ATTACHMENT	\$32.27
		09/22/2017	4023	110212134	VIDEO CAMERA BALL	\$3,017.00
ADAMSON POLICE PRODUCTS					Total Check Amount:	\$3,081.54
V25797	ADLERHORST INT'L INC	09/22/2017	2223	110212131	TRAINING:JARVIS/CHIEF	\$350.00
ADLERHORST INT'L INC					Total Check Amount:	\$350.00
V25798	ADMINISTRATIVE & PROF	09/22/2017	3344	110	DED:4010 APEA DUES	\$564.00
ADMINISTRATIVE & PROF					Total Check Amount:	\$564.00
V25799	AEGIS ITS, INC.	09/22/2017	23067	110515121	EXTRAORD SGNL MNT AUG	\$2,017.67
		09/22/2017	23067	110515121	MO SIGNAL MNT AUG17	\$2,838.00
		09/22/2017	23067	510707212	OVERHEAD SIGN REPL	\$1,896.00
AEGIS ITS, INC.					Total Check Amount:	\$6,751.67
V25800	ALLIANT INSURANCES SVCS	09/22/2017	13785	950000000	ILJAOC:17/18 LIAB INS	\$7,567.04
ALLIANT INSURANCES SVCS					Total Check Amount:	\$7,567.04
V25801	BAB STEERING HYDRAULICS INC.	09/22/2017	18365	480515161	23012 SPR/AIRBAG REPL	\$3,423.17
BAB STEERING HYDRAULICS INC.					Total Check Amount:	\$3,423.17
V25802	BEST LAWN MOWER SERVICE	09/22/2017	16230	480515161	CHAINSAW BAR & BLADE	\$129.77
		09/22/2017	16230	480515161	ECHO BACKPACK BLOWER	\$865.98
		09/22/2017	16230	480515161	POWER TRIM BELTS	\$149.32
BEST LAWN MOWER SERVICE					Total Check Amount:	\$1,145.07
V25803	BPSEA MEMORIAL FOUNDATION	09/22/2017	14990	110	DED:4050 MEMORIAL	\$239.50
BPSEA MEMORIAL FOUNDATION					Total Check Amount:	\$239.50

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Check #	Vendor Name	Check Date	Vendor #	Budget Unit	Description	Amount
V25804	BREA AUTO SERVICE	09/22/2017	12780	480515161	27003 A/C REPAIR	\$183.88
		09/22/2017	12780	480515161	964 A/C REPAIR	\$194.39
		09/22/2017	12780	480515161	997 A/C REPAIR	\$221.59
BREA AUTO SERVICE					Total Check Amount:	\$599.86
V25805	BREA CITY EMPLOYEES ASSOCIATION	09/22/2017	3236	110	DED:4005 BCEA DUES	\$640.00
BREA CITY EMPLOYEES ASSOCIATION					Total Check Amount:	\$640.00
V25806	BREA FIREFIGHTERS ASSOCIATION	09/22/2017	3237	110	DED:4016 ASSOC DUES	\$2,453.00
BREA FIREFIGHTERS ASSOCIATION					Total Check Amount:	\$2,453.00
V25807	BREA POLICE ASSOCIATION	09/22/2017	3769	110	DED:4030 BPA REG	\$3,600.00
BREA POLICE ASSOCIATION					Total Check Amount:	\$3,600.00
V25808	BREA POLICE ATHLETIC LEAGUE	09/22/2017	1068	110	DED:5010 B.P.A.L.	\$120.00
BREA POLICE ATHLETIC LEAGUE					Total Check Amount:	\$120.00
V25809	BREA POLICE MANAGEMENT ASSOCIATION	09/22/2017	21189	110	DED:4019 LDF DUES	\$14.50
		09/22/2017	21189	110	DED:4020 ASSOC DUES	\$227.50
BREA POLICE MANAGEMENT ASSOCIATION					Total Check Amount:	\$242.00
V25810	BROWN MOTOR WORKS, INC	09/22/2017	19934	480515161	1128 ENGINE REPAIR	\$498.56
BROWN MOTOR WORKS, INC					Total Check Amount:	\$498.56
V25811	CALIFORNIA DOMESTIC WATER CO	09/22/2017	3388	420515131	TOMLINSON ASSMNT 0817	\$4,324.00
CALIFORNIA DOMESTIC WATER CO					Total Check Amount:	\$4,324.00
V25812	CANON SOLUTIONS AMERICA, INC	09/22/2017	15260	110141441	PROP EVD MNT AUG-SEPT	\$600.00
		09/22/2017	15260	110141441	PROP EVD USG JUL-AUG	\$179.65
CANON SOLUTIONS AMERICA, INC					Total Check Amount:	\$779.65
V25813	ANDREW CATOR	09/22/2017	6646	460141474	MILEAGE:AUG 2017	\$220.96
ANDREW CATOR					Total Check Amount:	\$220.96
V25814	CELL BUSINESS EQUIPMENT	09/22/2017	23344	110141441	FREIGHT FOR TONERS	\$36.33
CELL BUSINESS EQUIPMENT					Total Check Amount:	\$36.33
V25815	CHANDLER ASSET MANAGEMENT, INC.	09/22/2017	4375	420141424	INV MGMT CITY AUG17	\$250.63
		09/22/2017	4375	630323219	INV MGMT SA AUG 2017	\$247.81
		09/22/2017	4375	875000000	INV MGMT CITY AUG17	\$59.51
		09/22/2017	4375	890000000	INV MGMT CITY AUG17	\$32.33
		09/22/2017	4375	930000000	INV MGMT CITY AUG17	\$4,241.75
CHANDLER ASSET MANAGEMENT, INC.					Total Check Amount:	\$4,832.03
V25816	CINTAS CORPORATION #640	09/22/2017	25884	110212131	UNIFORM SVC AUG 2017	\$106.50
		09/22/2017	25884	110515121	UNIFORM SVC AUG 2017	\$67.69
		09/22/2017	25884	110515125	UNIFORM SVC AUG 2017	\$101.58
		09/22/2017	25884	110515141	UNIFORM SVC AUG 2017	\$215.25
		09/22/2017	25884	110515143	UNIFORM SVC AUG 2017	\$31.10
		09/22/2017	25884	110515144	UNIFORM SVC AUG 2017	\$359.84
		09/22/2017	25884	360515145	UNIFORM SVC AUG 2017	\$16.19

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Check #	Vendor Name	Check Date	Vendor #	Budget Unit	Description	Amount
V25816	CINTAS CORPORATION #640	09/22/2017	25884	420515131	UNIFORM SVC AUG 2017	\$205.34
		09/22/2017	25884	430515123	UNIFORM SVC AUG 2017	\$85.40
		09/22/2017	25884	440515126	UNIFORM SVC AUG 2017	\$40.00
		09/22/2017	25884	480515161	UNIFORM SVC AUG 2017	\$240.29
		09/22/2017	25884	490515151	UNIFORM SVC AUG 2017	\$492.16
CINTAS CORPORATION #640					Total Check Amount:	\$1,961.34
V25817	DANIELS TIRE SERVICE	09/22/2017	3133	480515161	CAR AND TRUCK TIRES	\$2,253.02
DANIELS TIRE SERVICE					Total Check Amount:	\$2,253.02
V25818	DE LAGE LANDEN FINANCIAL SERVICES	09/22/2017	23311	110141441	DISPATCH PROP TAX	\$50.47
		09/22/2017	23311	110141441	FIRE STN #1 PROP TAX	\$22.73
		09/22/2017	23311	110141441	FIRE STN #2 PROP TAX	\$53.56
		09/22/2017	23311	110141441	FIRE STN #4 PROP TAX	\$22.75
		09/22/2017	23311	110141441	PROP TAX/ADM FEE	\$36.43
		09/22/2017	23311	110141441	SR CTR PROP TAX	\$50.47
DE LAGE LANDEN FINANCIAL SERVICES					Total Check Amount:	\$236.41
V25819	DAVID DICKINSON	09/22/2017	7926	110212131	POST MANAGEMNT COURSE	\$200.00
DAVID DICKINSON					Total Check Amount:	\$200.00
V25820	ENTERPRISE FM TRUST	09/22/2017	15895	110212121	LEASE CH TAHOE AUG17	\$697.97
ENTERPRISE FM TRUST					Total Check Amount:	\$697.97
V25821	FACTORY MOTOR PARTS COMPANY	09/22/2017	3504	480515161	BRAKE PAD KITS/SHOCKS	\$454.60
		09/22/2017	3504	480515161	BRKPAD KIT/WPR BLADES	\$193.25
FACTORY MOTOR PARTS COMPANY					Total Check Amount:	\$647.85
V25822	DANIEL FENSTERMAKER	09/22/2017	27087	510707903	FS #2 A/V UPGRD MATLS	\$191.49
DANIEL FENSTERMAKER					Total Check Amount:	\$191.49
V25823	FLEMING ENVIRONMENTAL, INC.	09/22/2017	18487	480515161	FUEL DISP #3 REPAIR	\$375.00
FLEMING ENVIRONMENTAL, INC.					Total Check Amount:	\$375.00
V25824	MARTHA H. GODLASKY	09/22/2017	26983	110404524	COUNSELING SVCS AUG17	\$390.00
MARTHA H. GODLASKY					Total Check Amount:	\$390.00
V25825	DON GOLDEN	09/22/2017	10729	110000000	INSP SVCS 9/1-9/14/17	\$7,754.96
		09/22/2017	10729	110323242	INSP SVCS 9/1-9/14/17	\$1,250.80
DON GOLDEN					Total Check Amount:	\$9,005.76
V25826	ROBERT HAEFNER	09/22/2017	14703	110212111	IN TIME UNIVRSTY TRNG	\$138.00
ROBERT HAEFNER					Total Check Amount:	\$138.00
V25827	HI STANDARD AUTOMOTIVE, LLC	09/22/2017	2226	480515161	954:REPLACE LIGHT BAR	\$579.33
HI STANDARD AUTOMOTIVE, LLC					Total Check Amount:	\$579.33
V25828	HUNTINGTON COURT REPORTS&TRANSCRIP.	09/22/2017	18131	110212122	TRNSCRPTN 8/16-8/31	\$656.64
HUNTINGTON COURT REPORTS&TRANSCRIP.					Total Check Amount:	\$656.64
V25829	IMPRESSIVE SCREENWORKS	09/22/2017	1815	110141411	EMPL SHIRTS/JACKETS	\$307.09

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Check #	Vendor Name	Check Date	Vendor #	Budget Unit	Description	Amount
V25829	IMPRESSIVE SCREENWORKS	09/22/2017	1815	460141474	EMPL SHIRT	\$43.10
IMPRESSIVE SCREENWORKS					Total Check Amount:	\$350.19
V25830	JACKSON'S AUTO SUPPLY	09/22/2017	1143	480515161	AUTO SUPPLIES	\$1,941.54
JACKSON'S AUTO SUPPLY					Total Check Amount:	\$1,941.54
V25831	MICHAEL JOHNSON	09/22/2017	26058	460141474	MILEAGE:AUG 2017	\$342.40
MICHAEL JOHNSON					Total Check Amount:	\$342.40
V25832	KEENAN & ASSOCIATES	09/22/2017	22439	470141483	2017 WORKERS' COMP 10	\$8,674.58
KEENAN & ASSOCIATES					Total Check Amount:	\$8,674.58
V25833	LEXIS NEXIS RISK SOLUTIONS INC.	09/22/2017	23778	231212141	17/18 DESKOFFICER	\$6,260.43
LEXIS NEXIS RISK SOLUTIONS INC.					Total Check Amount:	\$6,260.43
V25834	LONG BEACH BMW	09/22/2017	18120	480515161	BMW FLTRS/PADS/GASKET	\$2,123.45
		09/22/2017	18120	480515161	MOUNT REPAIR KIT	\$95.37
LONG BEACH BMW					Total Check Amount:	\$2,218.82
V25835	LOS ANGELES ENGINEERING, INC.	09/22/2017	26670	510707873	RECL PP#5 TO PO-68223	(\$141,313.74)
		09/22/2017	26670	510707873	TRACKS @BREA S6 AUG17	\$228,262.77
		09/22/2017	26670	510707873	TRACKS @BREA S6 JUL17	\$141,313.74
		09/22/2017	26670	510707873	TRCKS S6 PP6 AUG17 SP	(\$107,145.50)
LOS ANGELES ENGINEERING, INC.					Total Check Amount:	\$121,117.27
V25836	ELIZABETH LUSK	09/22/2017	16911	110212133	MILEAGE:AUG 2017	\$27.66
ELIZABETH LUSK					Total Check Amount:	\$27.66
V25837	MAKE IT "PERSONAL"	09/22/2017	19203	110212131	NAME PLATES	\$21.55
MAKE IT "PERSONAL"					Total Check Amount:	\$21.55
V25838	DALE MULLINS	09/22/2017	12794	110212111	IN TIME UNIVRSTY TRNG	\$138.00
DALE MULLINS					Total Check Amount:	\$138.00
V25839	STEVE T. MYERS CONSTRUCTION, INC.	09/22/2017	27074	290323215	CDBG 25 BLYSTONE CT	\$11,545.00
STEVE T. MYERS CONSTRUCTION, INC.					Total Check Amount:	\$11,545.00
V25840	NBS GOVERNMENT FINANCE GROUP	09/22/2017	26031	110222231	COST ALLOC PLAN AUG17	\$47.50
		09/22/2017	26031	110222231	USER FEE STUDY AUG17	\$37.50
		09/22/2017	26031	110323231	COST ALLOC PLAN AUG17	\$47.50
		09/22/2017	26031	110323231	USER FEE STUDY AUG17	\$37.50
		09/22/2017	26031	110323241	COST ALLOC PLAN AUG17	\$47.50
		09/22/2017	26031	110323241	USER FEE STUDY AUG17	\$37.50
		09/22/2017	26031	110515171	COST ALLOC PLAN AUG17	\$47.50
		09/22/2017	26031	110515171	USER FEE STUDY AUG17	\$37.50
NBS GOVERNMENT FINANCE GROUP					Total Check Amount:	\$340.00
V25841	NINYO & MOORE	09/22/2017	22134	510707318	LAMBERT/KRAEMER 8/25	\$4,496.00
NINYO & MOORE					Total Check Amount:	\$4,496.00
V25842	ONWARD ENGINEERING	09/22/2017	22106	110515171	INSP:MISC PERMTS 6/30	\$5,940.00
ONWARD ENGINEERING					Total Check Amount:	\$5,940.00

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Check #	Vendor Name	Check Date	Vendor #	Budget Unit	Description	Amount
V25843	ORANGE COUNTY UNITED WAY	09/22/2017	3451	110	DED:5005 UNITED WAY	\$47.40
ORANGE COUNTY UNITED WAY					Total Check Amount:	\$47.40
V25844	EDGAR PADILLA	09/22/2017	12386	110212132	SAFETY GLOVES	\$48.55
EDGAR PADILLA					Total Check Amount:	\$48.55
V25845	PETROLEUM MARKETING EQUIPMENT	09/22/2017	9282	480515161	VEEDER-ROOT MODULE	\$851.44
PETROLEUM MARKETING EQUIPMENT					Total Check Amount:	\$851.44
V25846	R DEPENDABLE CONST. INC	09/22/2017	23856	510707930	PD REMODEL RETENTION	\$21,230.00
R DEPENDABLE CONST. INC					Total Check Amount:	\$21,230.00
V25847	R.H.F. INC.	09/22/2017	5713	110212132	NHTSA/IACP TESTING	\$255.00
R.H.F. INC.					Total Check Amount:	\$255.00
V25848	RCS INVESTIGATIONS & CONSULTING LLC	09/22/2017	22534	110212111	BACKGROUND INVSTGN	\$3,300.00
RCS INVESTIGATIONS & CONSULTING LLC					Total Check Amount:	\$3,300.00
V25849	VINCENT SANCHEZ	09/22/2017	26162	460141474	MILEAGE:AUG 2017	\$547.84
VINCENT SANCHEZ					Total Check Amount:	\$547.84
V25850	SC FUELS	09/22/2017	16654	480515161	CLR CARB ULS 1783 GAL	\$4,550.65
		09/22/2017	16654	480515161	REG ETH 10% 4000 GAL	\$9,736.01
		09/22/2017	16654	480515161	REG ETH 10% 4261 GAL	\$10,521.47
SC FUELS					Total Check Amount:	\$24,808.13
V25851	SUPERION, LLC	09/22/2017	26879	420141421	WTR BILLING SFTW DEV	\$1,200.00
SUPERION, LLC					Total Check Amount:	\$1,200.00
V25852	TOTAL ADMINISTRATIVE SERVICE CORP.	09/22/2017	26017	110	DED:808B FSA DEPCAR	\$1,652.49
		09/22/2017	26017	110	DED:808C FSA UR MED	\$4,667.88
TOTAL ADMINISTRATIVE SERVICE CORP.					Total Check Amount:	\$6,320.37
V25853	TRANS UNION LLC	09/22/2017	8371	110141481	HR SVCS 7/26-8/25/17	\$50.84
TRANS UNION LLC					Total Check Amount:	\$50.84
V25854	UNITED ROTARY BRUSH CORPORATION	09/22/2017	16649	480515161	SWEEPER BROOMS (2)	\$200.42
		09/22/2017	16649	480515161	SWEEPER BROOMS (3)	\$300.62
UNITED ROTARY BRUSH CORPORATION					Total Check Amount:	\$501.04
V25855	VIRTUAL PROJECT MANAGER	09/22/2017	23508	510707310	SYST MGT SEPT 2017	\$72.00
		09/22/2017	23508	510707318	SYST MGT SEPT 2017	\$72.00
		09/22/2017	23508	510707873	SYST MGT SEPT 2017	\$212.00
		09/22/2017	23508	510707903	SYST MGT SEPT 2017	\$72.00
		09/22/2017	23508	510707929	SYST MGT SEPT 2017	\$72.00
VIRTUAL PROJECT MANAGER					Total Check Amount:	\$500.00
V25856	ZUMAR INDUSTRIES, INC.	09/22/2017	3802	110515125	DT PKG WAYFINDNG SGNS	\$1,508.55
		09/22/2017	3802	110515125	PS2 SPEC TRAIL SIGNS	\$131.76
		09/22/2017	3802	510707212	INTRSCTN SIGN UPGRADE	\$1,447.35
ZUMAR INDUSTRIES, INC.					Total Check Amount:	\$3,087.66

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Check #	Vendor Name	Check Date	Vendor #	Budget Unit	Description	Amount
Voucher Subtotal						\$285,724.64
TOTAL						\$533,272.21

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Check #	Vendor Name	Check Date	Vendor #	Budget Unit	Description	Amount
176094	AT&T	09/29/2017	22390	110141471	7149110022 2277 9/14	\$222.08
		09/29/2017	22390	110212133	7149907901 5259 9/14	\$201.41
AT&T					Total Check Amount:	\$423.49
176095	AT&T CALNET	09/29/2017	20391	110141471	9391011962 9/13	\$20.34
		09/29/2017	20391	110141471	9391011970 9/13	\$77.84
AT&T CALNET					Total Check Amount:	\$98.18
176096	BEN'S FOOTHILL FITNESS	09/29/2017	19459	110222223	TREADMILL SERVICE	\$996.89
BEN'S FOOTHILL FITNESS					Total Check Amount:	\$996.89
176097	WHITNEY BROWN	09/29/2017	27105	420000000	CLOSED WATER ACCOUNT	\$59.85
WHITNEY BROWN					Total Check Amount:	\$59.85
176098	CALIFORNIA DENTAL NETWORK INC.	09/29/2017	15634	110	DENTAL OCT 2017	\$236.00
		09/29/2017	15634	110141481	DENTAL ADM OCT 2017	\$10.00
CALIFORNIA DENTAL NETWORK INC.					Total Check Amount:	\$246.00
176099	CLA-VAL CO.	09/29/2017	15266	420515131	PUMP CONTROL VALVE	\$5,787.05
		09/29/2017	15266	420515131	REBUILD VALVE	\$5,728.59
CLA-VAL CO.					Total Check Amount:	\$11,515.64
176100	CLERK OF THE COURT	09/29/2017	26305	110	BAIL DEPOSIT DK18616	\$1,000.00
CLERK OF THE COURT					Total Check Amount:	\$1,000.00
176101	CMRTA	09/29/2017	15485	110141422	DIV III QTR3 MTG	\$25.00
CMRTA					Total Check Amount:	\$25.00
176102	COPWARE, INC.	09/29/2017	14266	110212111	LEGAL SOURCEBOOK	\$700.00
COPWARE, INC.					Total Check Amount:	\$700.00
176103	CORE & MAIN LP	09/29/2017	27049	110515144	PRSSURE REDUCNG VALVE	\$1,077.50
		09/29/2017	27049	420515131	PRSSURE REDUCNG VALVE	\$1,886.32
CORE & MAIN LP					Total Check Amount:	\$2,963.82
176104	CORELOGIC	09/29/2017	25542	280323215	REAL EST LISTNG AUG17	\$185.00
CORELOGIC					Total Check Amount:	\$185.00
176105	COUNTY OF ORANGE	09/29/2017	4799	110212122	OCATS/SWITCHER AUG17	\$653.00
COUNTY OF ORANGE					Total Check Amount:	\$653.00
176106	PROPERTY SPECIALIST, INC.	09/29/2017	26951	510707251	57/LAMBRT INT JUL-AUG	\$3,000.00
PROPERTY SPECIALIST, INC.					Total Check Amount:	\$3,000.00
176107	CRESTMONT MOBILE ESTATES	09/29/2017	1757	280323215	LFELNE WTR DISC JUL17	\$301.59
		09/29/2017	1757	280323215	LFLNWTRDISC JUL-JUN17	\$3,030.96
		09/29/2017	1757	280323215	LFLNWTRDISC MAY-JUN16	\$620.74
CRESTMONT MOBILE ESTATES					Total Check Amount:	\$3,953.29
176108	CROSSTOWN ELECTRICAL & DATA, INC.	09/29/2017	27094	510707709	BIRCH ST TSSP	\$560.00
CROSSTOWN ELECTRICAL & DATA, INC.					Total Check Amount:	\$560.00
176109	CYBERSOURCE CORPORATION	09/29/2017	25266	110404542	BOX OFFCE CC PROC AUG	\$20.00

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Check #	Vendor Name	Check Date	Vendor #	Budget Unit	Description	Amount
CYBERSOURCE CORPORATION					Total Check Amount:	\$20.00
176110	MATTHEW DICKERSON	09/29/2017	27101	110	EXHBT CONSGNMNT SALES	\$84.00
MATTHEW DICKERSON					Total Check Amount:	\$84.00
176111	DOTY BROTHERS EQUIPMENT, COMP.	09/29/2017	26695	510707442	INST/REPL GATE VALVES	\$23,660.14
DOTY BROTHERS EQUIPMENT, COMP.					Total Check Amount:	\$23,660.14
176112	EDISON CO	09/29/2017	3343	110515121	ELECTRICITY AUG/SEP17	\$4,906.39
EDISON CO					Total Check Amount:	\$4,906.39
176113	EDUTAINMENT ARTS	09/29/2017	20873	110404145	NUMBER SEASON CAMP	\$643.50
EDUTAINMENT ARTS					Total Check Amount:	\$643.50
176114	FC & MK TOMLINSON TRUST	09/29/2017	2550	420515131	LEASE-180SHARE CALDOM	\$62,681.40
FC & MK TOMLINSON TRUST					Total Check Amount:	\$62,681.40
176115	THE GAS COMPANY	09/29/2017	3749	490515151	GAS AUG/SEP 2017	\$85.80
THE GAS COMPANY					Total Check Amount:	\$85.80
176116	GOLDEN WEST COLLEGE	09/29/2017	9477	110212111	17/18 LEGAL UPD TRNG	\$750.00
GOLDEN WEST COLLEGE					Total Check Amount:	\$750.00
176117	SHILPA HARDAS	09/29/2017	26275	110	REFUND:BALLROOM DANCE	\$77.00
SHILPA HARDAS					Total Check Amount:	\$77.00
176118	MARK HENDRICKSON	09/29/2017	27100	110	EXHBT CONSGNMNT SALES	\$252.00
MARK HENDRICKSON					Total Check Amount:	\$252.00
176119	JAX BICYCLE CENTER	09/29/2017	25435	110212131	BIKE TEAM SAFETY EQPT	\$253.76
JAX BICYCLE CENTER					Total Check Amount:	\$253.76
176120	FELIX RAC JIMENEZ	09/29/2017	27072	470141483	CLM #5031702 11/10/16	\$286.53
FELIX RAC JIMENEZ					Total Check Amount:	\$286.53
176121	LIMA, JOANETTE PT/MS/CPE	09/29/2017	27093	470141483	ERGONOMIC EVALUATION	\$487.50
LIMA, JOANETTE PT/MS/CPE					Total Check Amount:	\$487.50
176122	MIRIAM KROMBACH	09/29/2017	27099	110	EXHBT CONSGNMNT SALES	\$105.00
MIRIAM KROMBACH					Total Check Amount:	\$105.00
176123	LIFE-ASSIST, INC.	09/29/2017	10530	110222222	MEDICAL SUPPLIES	\$37.60
LIFE-ASSIST, INC.					Total Check Amount:	\$37.60
176124	LIMBACH COMPANY LP	09/29/2017	21671	420515131	AC REPAIR @ TONER PMP	\$810.00
		09/29/2017	21671	490515151	HVAC REPAIR @ BCC	\$1,227.00
		09/29/2017	21671	490515151	INSTALL DBL DOORS AH 1-2	\$2,900.00
		09/29/2017	21671	490515151	REPAIR AC 1 @ BCC	\$847.63
		09/29/2017	21671	490515151	REPLACE AC #1 BCC	\$5,498.83
LIMBACH COMPANY LP					Total Check Amount:	\$11,283.46
176125	JEANNA MAIURI	09/29/2017	27104	420000000	CLOSED WATER ACCOUNT	\$123.58

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Check #	Vendor Name	Check Date	Vendor #	Budget Unit	Description	Amount
JEANNA MAIURI					Total Check Amount:	\$123.58
176126	RICHELLE MARFORI	09/29/2017	27091	110	RENTAL DEPOSIT REFUND	\$1,000.00
RICHELLE MARFORI					Total Check Amount:	\$1,000.00
176127	METRON-FARNIER, LLC	09/29/2017	27039	420515131	INFORMATION RECORDER	\$703.83
METRON-FARNIER, LLC					Total Check Amount:	\$703.83
176128	LEE MIDDLEMAN	09/29/2017	27098	110	EXHBT CONSGNMNT SALES	\$280.00
LEE MIDDLEMAN					Total Check Amount:	\$280.00
176129	TIFFANY MORRIS	09/29/2017	27102	420000000	CLOSED WATER ACCOUNT	\$26.14
TIFFANY MORRIS					Total Check Amount:	\$26.14
176130	MUNICIPAL EMERGENCY SERVICES	09/29/2017	26685	110222221	BOOTS	\$476.26
MUNICIPAL EMERGENCY SERVICES					Total Check Amount:	\$476.26
176131	NEOPOST USA INC	09/29/2017	20201	110141441	1" ROUND CLEAR TABS	\$289.85
NEOPOST USA INC					Total Check Amount:	\$289.85
176132	VAN NGUYEN	09/29/2017	27086	420000000	CLOSED WATER ACCOUNT	\$69.92
VAN NGUYEN					Total Check Amount:	\$69.92
176133	JANETTE OCHOA	09/29/2017	27103	420000000	CLOSED WATER ACCOUNT	\$45.78
JANETTE OCHOA					Total Check Amount:	\$45.78
176134	OFFICE DEPOT, INC	09/29/2017	4743	110222211	OFFICE SUPPLIES	\$153.06
		09/29/2017	4743	110222221	OFFICE SUPPLIES	\$16.35
		09/29/2017	4743	110323212	OFFICE SUPPLIES	\$93.04
OFFICE DEPOT, INC					Total Check Amount:	\$262.45
176135	PETTY CASH CUSTODIAN	09/29/2017	23851	110	PETTY CASH REPL 9/8	\$214.80
PETTY CASH CUSTODIAN					Total Check Amount:	\$214.80
176136	CHARLES PHOENIX	09/29/2017	15368	110	RETRO DISNEYLAND SHOW	\$3,576.95
CHARLES PHOENIX					Total Check Amount:	\$3,576.95
176137	PLUMBING WHOLESALE OUTLET, INC.	09/29/2017	18392	110515141	DRAIN CLEANERS/GLOVES	\$75.26
		09/29/2017	18392	490515151	HANDS-FREE VALVES	\$438.54
		09/29/2017	18392	490515151	WALL-MOUNT FAUCET FS2	\$88.90
PLUMBING WHOLESALE OUTLET, INC.					Total Check Amount:	\$602.70
176138	PRIME SYSTEMS INDUSTRIAL AUTOMATION	09/29/2017	27059	420515131	ELECTRICAL REPAIR	\$1,264.01
		09/29/2017	27059	420515131	PLC SVC:BERRY PUMPSTN	\$1,303.87
PRIME SYSTEMS INDUSTRIAL AUTOMATION					Total Check Amount:	\$2,567.88
176139	KELLY REYES	09/29/2017	27110	110000000	BUS LIC TAX REFUND	\$62.00
KELLY REYES					Total Check Amount:	\$62.00
176140	NATHANIEL RING	09/29/2017	27097	110	EXHBT CONSGNMNT SALES	\$35.00
NATHANIEL RING					Total Check Amount:	\$35.00
176141	SABER	09/29/2017	22628	110515121	MERCURY LN BRIDGE RPR	\$5,200.00
SABER					Total Check Amount:	\$5,200.00

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176142	SAGE ENVIRONMENTAL GROUP	09/29/2017	19604	360515146	SITE VISIT 8/1-8/11	\$165.00
SAGE ENVIRONMENTAL GROUP						Total Check Amount: \$165.00
176143	SOUTHWEST SCHOOL & OFFICE SUPPLY	09/29/2017	25945	490515151	JANITORIAL SUPPLIES	\$302.72
SOUTHWEST SCHOOL & OFFICE SUPPLY						Total Check Amount: \$302.72
176144	SPARKLETTS	09/29/2017	3001	110141441	5GAL WTR BOTTLS AUG17	\$526.80
		09/29/2017	3001	110141441	RENTAL AUG 2017	\$94.64
SPARKLETTS						Total Check Amount: \$621.44
176145	WILLIAM M. TOMLINSON	09/29/2017	12087	420515131	LEASE 8SH CALDOM WTR	\$2,785.84
WILLIAM M. TOMLINSON						Total Check Amount: \$2,785.84
176146	TURNOUT MAINTENANCE COMPANY, LLC	09/29/2017	19898	110222221	TURNOUT PANTS REPAIR	\$49.00
TURNOUT MAINTENANCE COMPANY, LLC						Total Check Amount: \$49.00
176147	U.S. BANK N.A.	09/29/2017	26621	510707903	ESCROW ACCT 133890061	\$73,308.20
U.S. BANK N.A.						Total Check Amount: \$73,308.20
176148	CHRISTOPHER UNGER	09/29/2017	27096	110	EXHBT CONSGNMNT SALES	\$140.00
CHRISTOPHER UNGER						Total Check Amount: \$140.00
176149	UNITED PARCEL SERVICE	09/29/2017	3174	110141441	SHIPPING CHGS AUG-SEP	\$154.84
UNITED PARCEL SERVICE						Total Check Amount: \$154.84
176150	VISIONS ENTERTAINMENT	09/29/2017	27076	110404312	FIN PYT:CNTNL GALA DJ	\$841.75
VISIONS ENTERTAINMENT						Total Check Amount: \$841.75
176151	TERRI WESTERGREN	09/29/2017	25602	110404521	ZUMBA GOLD	\$360.00
TERRI WESTERGREN						Total Check Amount: \$360.00
176152	WESTERN AUDIO VISUAL	09/29/2017	24433	110111152	17/18 AUDIO-VSUAL MNT	\$2,613.00
WESTERN AUDIO VISUAL						Total Check Amount: \$2,613.00
176153	MARDI WOOD	09/29/2017	27095	110	EXHBT CONSGNMNT SALES	\$455.00
MARDI WOOD						Total Check Amount: \$455.00
176154	WOODRUFF, SPRADLIN & SMART	09/29/2017	24094	950000000	ILJAOC LGL SVCS AUG17	\$1,900.00
WOODRUFF, SPRADLIN & SMART						Total Check Amount: \$1,900.00
176155	SUNG YANG	09/29/2017	18036	110404145	TAE KWON DO CLASS	\$100.00
SUNG YANG						Total Check Amount: \$100.00
176156	ZOLL	09/29/2017	21490	475141471	17/18 FIRE RMS MAINT	\$6,350.00
ZOLL						Total Check Amount: \$6,350.00
Check Subtotal						\$237,678.17
V25857	ABBA TERMITE & PEST CONTROL	09/29/2017	15614	110515125	BEE HIVE REMOVAL	\$245.00
ABBA TERMITE & PEST CONTROL						Total Check Amount: \$245.00
V25858	ADAMSON POLICE PRODUCTS	09/29/2017	4023	110212131	CUFFS & CUFF CUTTERS	\$215.50
		09/29/2017	4023	110212131	HOLSTER REPAIR KIT	\$63.88

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ADAMSON POLICE PRODUCTS					Total Check Amount:	\$279.38
V25859	ADLERHORST INT'L INC	09/29/2017	2223	110212131	TRAINING:JARVIS/CHEIF	\$350.00
ADLERHORST INT'L INC					Total Check Amount:	\$350.00
V25860	ALBERT GROVER & ASSOCIATES	09/29/2017	23588	510707709	BIRCH ST TSSP JUL17	\$10,660.00
ALBERT GROVER & ASSOCIATES					Total Check Amount:	\$10,660.00
V25861	ALLSTAR FIRE EQUIPMENT	09/29/2017	8353	110222221	TURNOUTS	\$4,339.76
ALLSTAR FIRE EQUIPMENT					Total Check Amount:	\$4,339.76
V25862	ARC DOCUMENT SOLUTIONS	09/29/2017	23645	510707873	PLANS:TRACKS@BREA S4	\$130.25
		09/29/2017	23645	510707873	TRACKS SIGNS PLAN COPIES	\$186.30
		09/29/2017	23645	510707873	TRKS SGNS PLAN COPIES	\$495.43
ARC DOCUMENT SOLUTIONS					Total Check Amount:	\$811.98
V25863	BASTANCHURY PLUMBING INC.	09/29/2017	18765	490515151	INSTALL SHOWER VALVE FS 1	\$680.00
BASTANCHURY PLUMBING INC.					Total Check Amount:	\$680.00
V25864	BAXTER'S FRAME WORKS & BADGE FRAME	09/29/2017	24424	110212131	VEHICLE NAME TAGS	\$30.17
BAXTER'S FRAME WORKS & BADGE FRAME					Total Check Amount:	\$30.17
V25865	JANET BIRCH	09/29/2017	25982	110404521	YOGA SR CTR	\$175.00
JANET BIRCH					Total Check Amount:	\$175.00
V25866	BREA DISPOSAL, INC	09/29/2017	3330	440515122	AUG 2017 RES TONNAGE	\$62,819.62
BREA DISPOSAL, INC					Total Check Amount:	\$62,819.62
V25867	CALIFORNIA RETROFIT, INC	09/29/2017	4447	110515125	LITE BULBS @ DT PS	\$363.66
		09/29/2017	4447	360515145	RR LIGHT BALLASTS	\$38.79
CALIFORNIA RETROFIT, INC					Total Check Amount:	\$402.45
V25868	CANON FINANCIAL SERVICES, INC.	09/29/2017	20648	110141441	13-COPIER LEASE OCT17	\$3,480.64
CANON FINANCIAL SERVICES, INC.					Total Check Amount:	\$3,480.64
V25869	CARL WARREN & CO	09/29/2017	4036	470141483	CWC 1956969	\$150.00
CARL WARREN & CO					Total Check Amount:	\$150.00
V25870	CIVILSOURCE INC	09/29/2017	22210	110000000	STAFF AUGMNTTN JUL17	\$1,250.00
		09/29/2017	22210	110515171	STAFF AUGMNTTN JUL17	\$350.00
		09/29/2017	22210	510707873	TRACKS @BREA S6 JUN17	\$21,112.00
CIVILSOURCE INC					Total Check Amount:	\$22,712.00
V25871	CLINICAL LABORATORY OF	09/29/2017	3390	420515131	WATER SAMPLING AUG17	\$1,338.00
CLINICAL LABORATORY OF					Total Check Amount:	\$1,338.00
V25872	COMLOCK SECURITY-GROUP	09/29/2017	13625	110515141	DEADBOLT	\$209.57
		09/29/2017	13625	490515151	LOCKS & KEYS	\$60.84
COMLOCK SECURITY-GROUP					Total Check Amount:	\$270.41
V25873	JEFFREY COVER	09/29/2017	25721	110212111	FIREARMS INSTR COURSE	\$271.62
JEFFREY COVER					Total Check Amount:	\$271.62

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V25874	LAUREN CRITTENDEN	09/29/2017	26135	110212111	COMM TRNG OFFCER TRNG	\$55.00
LAUREN CRITTENDEN					Total Check Amount:	\$55.00
V25875	DANIELS TIRE SERVICE	09/29/2017	3133	480515161	TRUCK TIRES	\$1,447.48
DANIELS TIRE SERVICE					Total Check Amount:	\$1,447.48
V25876	DAVID EVANS AND ASSOCIATES, INC.	09/29/2017	20981	510707873	TRACKS S2/3 5/28-6/24	\$3,209.74
		09/29/2017	20981	510707873	TRACKS S4 6/25-7/29	\$3,736.56
		09/29/2017	20981	510707873	TRACKS S4 7/30-8/26	\$750.00
		09/29/2017	20981	510707946	TRKS FSBLTY 7/30-8/26	\$6,409.87
DAVID EVANS AND ASSOCIATES, INC.					Total Check Amount:	\$14,106.17
V25877	DE LAGE LANDEN FINANCIAL SERVICES	09/29/2017	23311	110141441	FIRE STN #3 SEPT 2017	\$161.20
DE LAGE LANDEN FINANCIAL SERVICES					Total Check Amount:	\$161.20
V25878	DOG DEALERS, INC	09/29/2017	3573	110404145	DOG OBEDIENCE CLASS	\$294.00
DOG DEALERS, INC					Total Check Amount:	\$294.00
V25879	EEC ENVIRONMENTAL	09/29/2017	25778	110515111	PROF SVCS 7/29-8/25	\$236.25
EEC ENVIRONMENTAL					Total Check Amount:	\$236.25
V25880	EQUIPMENT DIRECT INC	09/29/2017	4522	110515141	RUBBER GLOVES	\$31.16
EQUIPMENT DIRECT INC					Total Check Amount:	\$31.16
V25881	EXTERMINETICS OF SO CALIF INC	09/29/2017	3298	490515151	ANTS:PD LOCKER ROOMS	\$125.00
		09/29/2017	3298	490515151	PEST CONTROL SERVICES	\$325.00
EXTERMINETICS OF SO CALIF INC					Total Check Amount:	\$450.00
V25882	FIREFIGHTERS SAFETY CENTER	09/29/2017	18485	110222221	BOOTS	\$852.03
FIREFIGHTERS SAFETY CENTER					Total Check Amount:	\$852.03
V25883	GALE SUPPLY COMPANY	09/29/2017	21090	490515151	JANITORIAL SUPPLIES	\$815.93
GALE SUPPLY COMPANY					Total Check Amount:	\$815.93
V25884	HAAKER EQUIPMENT CO.	09/29/2017	4297	490515151	SVC:WNSDR/CH SCRUBBER	\$1,798.93
HAAKER EQUIPMENT CO.					Total Check Amount:	\$1,798.93
V25885	HCI SYSTEMS INC	09/29/2017	25112	490515151	SVC FIRE ALARM PANEL	\$855.00
HCI SYSTEMS INC					Total Check Amount:	\$855.00
V25886	IMPERIAL SPRINKLER SUPPLY	09/29/2017	24260	110515144	IRRIGATION PARTS/PUMP	\$236.65
IMPERIAL SPRINKLER SUPPLY					Total Check Amount:	\$236.65
V25887	IMPRESSIVE SCREENWORKS	09/29/2017	1815	110404521	HEALTH FAIR SHIRTS	\$320.56
IMPRESSIVE SCREENWORKS					Total Check Amount:	\$320.56
V25888	INFRASTRUCTURE ENGINEERS	09/29/2017	22809	510707315	ALLEY REHAB AUG 2017	\$108.00
		09/29/2017	22809	510707316	ALLEY REHAB AUG 2017	\$182.00
		09/29/2017	22809	510707317	ALLEY REHAB AUG 2017	\$473.50
		09/29/2017	22809	510707461	CLFWOOD WTRLINE AUG17	\$376.50
INFRASTRUCTURE ENGINEERS					Total Check Amount:	\$1,140.00
V25889	INK LINK INC	09/29/2017	22423	110404523	BANNR:COSTUME	\$211.19

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EXCHNGE						
INK LINK INC						Total Check Amount: \$211.19
V25890	INTERGRAPH CORPORATION	09/29/2017	18430	475141471	SFTWARE MNT SEP-DEC17	\$34,313.36
INTERGRAPH CORPORATION						Total Check Amount: \$34,313.36
V25891	IPARQ	09/29/2017	21583	110323241	PERMIT FEES AUG 2017	\$713.65
		09/29/2017	21583	110323241	PERMIT FEES JULY 2017	\$684.70
		09/29/2017	21583	110323241	PERMIT FEES JUNE 2017	\$504.51
		09/29/2017	21583	110323241	PERMIT FEES MAY 2017	\$381.75
IPARQ						Total Check Amount: \$2,284.61
V25892	ITRON, INC.	09/29/2017	3773	420141421	HARDWARE MNT OCT-DEC	\$911.89
		09/29/2017	3773	420141421	SOFTWARE MNT OCT-DEC	\$956.47
ITRON, INC.						Total Check Amount: \$1,868.36
V25893	JAMISON ENGINEERING CONTRACTORS, INC	09/29/2017	15812	430515123	SEWER LFT STN MNT AUG	\$1,786.00
JAMISON ENGINEERING CONTRACTORS, INC						Total Check Amount: \$1,786.00
V25894	JAX AUTO	09/29/2017	20187	480515161	29034 SMOG INSPECTION	\$36.00
JAX AUTO						Total Check Amount: \$36.00
V25895	KEYSER MARSTON ASSOCIATES, INC.	09/29/2017	25482	110323213	MANLEY MIXD-USE AUG17	\$135.00
KEYSER MARSTON ASSOCIATES, INC.						Total Check Amount: \$135.00
V25896	MICHELLE KIM	09/29/2017	25823	110404214	KARATE CLASSES	\$545.50
MICHELLE KIM						Total Check Amount: \$545.50
V25897	KOURY GEOTECHNICAL SERVICES, INC.	09/29/2017	22200	510707873	BREA TRACKS SEGMENT 6	\$1,723.30
KOURY GEOTECHNICAL SERVICES, INC.						Total Check Amount: \$1,723.30
V25898	LAND CONCERN, LTD	09/29/2017	22942	343515112	EAGLE STATUE LS PLANS	\$500.00
		09/29/2017	22942	343515112	PLAN REVISIONS	\$750.00
LAND CONCERN, LTD						Total Check Amount: \$1,250.00
V25899	LINCOLN AQUATICS	09/29/2017	17902	110404422	POOL CHEMICALS	\$1,186.16
LINCOLN AQUATICS						Total Check Amount: \$1,186.16
V25900	SUSAN MARTIN	09/29/2017	23655	110404524	COUNSELING SUPV AUG17	\$2,450.00
SUSAN MARTIN						Total Check Amount: \$2,450.00
V25901	MCCARTHY BUILDING COMPANIES, INC.	09/29/2017	26304	510707903	DT SPRBLK PKG #14 AUG	\$1,392,855.80
MCCARTHY BUILDING COMPANIES, INC.						Total Check Amount: \$1,392,855.80
V25902	MUNICIPAL WATER DISTRICT	09/29/2017	3784	420515131	WATER DELIVERY AUG17	\$252,004.25
MUNICIPAL WATER DISTRICT						Total Check Amount: \$252,004.25
V25903	NICKEY PETROLEUM CO., INC.	09/29/2017	6667	420515131	OIL	\$1,208.31
NICKEY PETROLEUM CO., INC.						Total Check Amount: \$1,208.31
V25904	NINYO & MOORE	09/29/2017	22134	510707318	KRAEMER/LAMBERT 7/28	\$4,278.75
		09/29/2017	22134	510707929	SPEC INSP (TEXAS):LDM	\$3,595.00
NINYO & MOORE						Total Check Amount: \$7,873.75

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V25905	ORANGE COUNTY SANITATION DIST.	09/29/2017	14689	110	RES SEWER FEES AUG17	\$172,282.00
		09/29/2017	14689	110000000	5% COLL:RES SF AUG17	(\$8,614.10)
ORANGE COUNTY SANITATION DIST.					Total Check Amount:	\$163,667.90
V25906	PARACLETE FIRE AND SAFETY, INC.	09/29/2017	17760	110222221	EXTINGUISHER TEST	\$48.41
		09/29/2017	17760	490515151	FIRE EXT SVC 9/13/17	\$1,291.43
PARACLETE FIRE AND SAFETY, INC.					Total Check Amount:	\$1,339.84
V25907	PRINT & FINISHING SOLUTIONS	09/29/2017	21135	110141441	SUPPLIES	\$72.99
PRINT & FINISHING SOLUTIONS					Total Check Amount:	\$72.99
V25908	RAY-LITE INDUSTRIES, INC.	09/29/2017	19800	490515151	FLAG LIGHT @ CCC	\$45.79
RAY-LITE INDUSTRIES, INC.					Total Check Amount:	\$45.79
V25909	READWRITE EDUCATIONAL, INC.	09/29/2017	3444	110404145	MATH/READING CLASSES	\$450.00
READWRITE EDUCATIONAL, INC.					Total Check Amount:	\$450.00
V25910	ROI NETWORKS	09/29/2017	21018	475141471	17/18 PHONE SYST MNT	\$39,405.00
ROI NETWORKS					Total Check Amount:	\$39,405.00
V25911	RUSSELL SIGLER INC.	09/29/2017	21638	490515151	HVAC REPAIR	\$299.85
RUSSELL SIGLER INC.					Total Check Amount:	\$299.85
V25912	SIGN-A-RAMA	09/29/2017	12440	110515141	'PARK RULES' SIGNS	\$6,079.48
		09/29/2017	12440	110515141	'TRAIL RULES' SIGNS	\$1,840.45
SIGN-A-RAMA					Total Check Amount:	\$7,919.93
V25913	SMART & FINAL	09/29/2017	3269	110404429	ASP SUPPLIES	\$404.24
SMART & FINAL					Total Check Amount:	\$404.24
V25914	SO CAL LAND MAINTENANCE, INC.	09/29/2017	26009	110515141	PARKS MOWING AUG17	\$6,167.00
		09/29/2017	26009	110515141	PARKS MOWING JUL17	\$6,129.88
SO CAL LAND MAINTENANCE, INC.					Total Check Amount:	\$12,296.88
V25915	SO CALIFORNIA ACADEMY OF MUSIC	09/29/2017	19969	110404214	MUSIC CLASSES	\$1,123.50
SO CALIFORNIA ACADEMY OF MUSIC					Total Check Amount:	\$1,123.50
V25916	WHITNEY SOLENBERGER	09/29/2017	26744	110404215	YOGA:BECKMAN	\$138.00
WHITNEY SOLENBERGER					Total Check Amount:	\$138.00
V25917	SPECTRUM GAS PRODUCTS, INC.	09/29/2017	16060	110222222	OXYGEN	\$28.40
SPECTRUM GAS PRODUCTS, INC.					Total Check Amount:	\$28.40
V25918	STAPLES TECHNOLOGY SOLUTIONS	09/29/2017	22888	110404311	TONER	\$1,082.23
STAPLES TECHNOLOGY SOLUTIONS					Total Check Amount:	\$1,082.23
V25919	TECHNICOLOR PRINTING	09/29/2017	24354	110404223	ADULT SPORTS SHIRTS	\$487.03
		09/29/2017	24354	110404223	MINI SOCCER SHIRTS	\$150.85
		09/29/2017	24354	110404424	MIGHTY TIKES SHIRTS	\$1,152.65
TECHNICOLOR PRINTING					Total Check Amount:	\$1,790.53
V25920	TENNIS ANYONE ACADEMY	09/29/2017	12688	110404145	TENNIS CLASSES	\$2,445.50
TENNIS ANYONE ACADEMY					Total Check Amount:	\$2,445.50
V25921	TITAN WATER TECHNOLOGY, INC.	09/29/2017	25776	490515151	WATER TREATMENT SEP17	\$415.00

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TITAN WATER TECHNOLOGY, INC.					Total Check Amount:	\$415.00
V25922	TROPICAL PLAZA NURSERY, INC	09/29/2017	2062	110515141	FNDRS/WCREST/ARVISTA	\$1,942.65
		09/29/2017	2062	110515143	CITY LANDSCAPE AUG17	\$14,476.39
		09/29/2017	2062	110515143	IVY REMOVAL TRACKS S3	\$350.00
		09/29/2017	2062	110515143	TRCKS S5 LNDSCP AUG17	\$37.48
		09/29/2017	2062	341515112	DISTRICT 1 AUG 2017	\$1,746.34
		09/29/2017	2062	345515112	DISTRICT 5 AUG 2017	\$2,312.54
		09/29/2017	2062	346515112	DISTRICT 6 AUG 2017	\$6,257.03
		09/29/2017	2062	347515112	DISTRICT 7 AUG 2017	\$1,019.00
		09/29/2017	2062	880515113	GATEWAY CENTER AUG17	\$1,171.85
TROPICAL PLAZA NURSERY, INC					Total Check Amount:	\$29,313.28
V25923	TURBO DATA SYSTEMS, INC.	09/29/2017	1472	110212132	HH LEASE TPM AUG17	\$258.60
TURBO DATA SYSTEMS, INC.					Total Check Amount:	\$258.60
V25924	UNDERGROUND SERVICE ALERT/SC	09/29/2017	4537	420515131	UNDERGRND TKTS AUG17	\$196.45
UNDERGROUND SERVICE ALERT/SC					Total Check Amount:	\$196.45
V25925	VISTA PAINT CORPORATION	09/29/2017	4573	490515151	BREA FEST PAINT PROJECT	\$219.17
		09/29/2017	4573	490515151	PAINT BRUSHES	\$47.74
		09/29/2017	4573	490515151	PAINT HANDRAILS 2ND LVL	\$111.94
		09/29/2017	4573	490515151	PAINT PROJECT @ PH	\$29.30
VISTA PAINT CORPORATION					Total Check Amount:	\$408.15
V25926	VORTEX	09/29/2017	15007	490515151	HANDICAP DOOR REPAIR	\$399.00
VORTEX					Total Check Amount:	\$399.00
V25927	WALTERS WHOLESALE ELECTRIC	09/29/2017	1667	490515151	PARTS:ELECTRCL REPAIR	\$142.95
WALTERS WHOLESALE ELECTRIC					Total Check Amount:	\$142.95
V25928	WAXIE SANITARY SUPPLY	09/29/2017	3332	490515151	JANITORIAL SUPPLIES	\$0.00
		09/29/2017	3332	490515151	STD ROLLS	\$1,136.22
		09/29/2017	3332	490515151	TOWELS	\$1,942.94
WAXIE SANITARY SUPPLY					Total Check Amount:	\$3,079.16
V25929	WEBBY DANCE COMPANY	09/29/2017	25323	110404145	WEBBY DANCE/HIP HOP	\$337.50
WEBBY DANCE COMPANY					Total Check Amount:	\$337.50
V25930	WEST COAST ARBORISTS, INC.	09/29/2017	1556	110515121	TREE REMOVAL:ROSE DR	\$1,404.00
		09/29/2017	1556	110515142	TREE PLANTING/REMOVAL	\$1,263.90
		09/29/2017	1556	110515142	TREE REMOVALS/PLANTNG	\$12,123.73
		09/29/2017	1556	110515142	TREE TRIMMING	\$3,600.18
		09/29/2017	1556	110515142	TREE TRMG/XMASTR CARE	\$1,778.76
		09/29/2017	1556	341515112	TREE PLANTING/REMOVAL	\$126.39
		09/29/2017	1556	341515112	TREE REMOVALS/PLANTNG	\$126.39
		09/29/2017	1556	510707318	TREE REMOVALS:LAMBERT	\$2,033.60

City Check Register for: Sep 29, 2017

Check #	Vendor Name	Check Date	Vendor #	Budget Unit	Description	Amount
V25930	WEST COAST ARBORISTS, INC.	09/29/2017	1556	510707929	ARBORIST REPORT	\$533.36
		09/29/2017	1556	510707929	TREE REMOVALS	\$1,684.80
WEST COAST ARBORISTS, INC.					Total Check Amount:	\$24,675.11
V25932	WILLDAN ENGINEERING	09/29/2017	12445	110515171	CITY TFC ENG'G 8/25	\$9,987.60
		09/29/2017	12445	110515171	TFC ENG:BIRCH ST 7/26	\$278.40
		09/29/2017	12445	110515171	TFC ENG:LOC TSSP 8/26	\$208.80
		09/29/2017	12445	110515171	TFC ENG'G:HINES 8/26	\$417.60
		09/29/2017	12445	110515171	TFR CHGS TO PO-68201	(\$160.00)
		09/29/2017	12445	110515171	TFR CHGS TO PO-68218	(\$3,113.61)
		09/29/2017	12445	510515171	CITY TFC ENG'G 8/25	\$1,492.40
		09/29/2017	12445	510515171	TFC ENG:BIRCH ST 7/26	\$41.60
		09/29/2017	12445	510515171	TFC ENG:LOC TSSP 8/26	\$31.20
		09/29/2017	12445	510515171	TFC ENG'G:HINES 8/26	\$62.40
		09/29/2017	12445	510515171	TFR CHGS TO PO-68201	(\$1,480.00)
		09/29/2017	12445	510515171	TFR CHGS TO PO-68205	(\$2,768.50)
		09/29/2017	12445	510515171	TFR CHGS TO PO-68218	(\$429.39)
		09/29/2017	12445	510707219	MONTORNG:CRBN CYN APR	\$2,768.50
		09/29/2017	12445	510707318	LMBRT/KRMR INSP 8/25	\$5,788.00
		09/29/2017	12445	510707704	EMERG CMS DESIGN 5/26	\$3,303.00
		09/29/2017	12445	510707704	TFC ENG:EMRG CMS 6/30	\$240.00
		09/29/2017	12445	510707709	BIRCH ST TSSP 7/28	\$624.00
		09/29/2017	12445	510707709	LOCAL SGNAL SYNC 4/28	\$1,480.00
		09/29/2017	12445	510707709	LOCAL TSSP 3/31	\$160.00
		09/29/2017	12445	510707903	INSP:SPRBLK PKG 6/30	\$20,859.00
		09/29/2017	12445	510707903	INSP:SPRBLK PKG 7/28	\$17,965.00
WILLDAN ENGINEERING					Total Check Amount:	\$57,756.00
Voucher Subtotal						\$2,183,039.76

TOTAL \$2,420,717.93

City of Brea

COUNCIL COMMUNICATION

TO: Honorable Mayor and City Council Members

FROM: Bill Gallardo, City Manager

DATE: 10/03/2017

SUBJECT: Approve the Official Statement Relating to the Issuance and Sale of Tax Allocation Refunding Bonds to Refinance Outstanding 2003 and 2011 Bonds of the Former Brea Redevelopment Agency Relating to Project Area AB, and Approving Related Matters and Official Actions

RECOMMENDATION

Adopt the resolution.

BACKGROUND/DISCUSSION

Pursuant to Assembly Bill (AB) 1484, successor agencies are permitted to refinance debt obligations of the former redevelopment agencies. Conditions subject to refinancing of these debt obligations would be the reduction in the annual debt payments; that no new debt be created; and that the term of the refunding bonds shall be the same as that of the debt proposed to be refinanced. Staff has identified such an opportunity which is presented in this staff report. In December 2013, Staff had previously refinanced outstanding Tax Allocation Bonds (TABs) of the former Brea Redevelopment Agency secured by Project Area AB revenues. In November 2016, Staff had previously refinanced outstanding Tax Allocation Bonds of the former Brea Redevelopment Agency, secured by Project Area C revenues.

In July 2003, the Brea Redevelopment Agency issued \$120,497,866 in Project Area AB Tax Allocation Bonds. The proceeds were used to fund redevelopment projects and the 1993 TABs. Currently, the outstanding balance on the 2003 Tax Allocation Bonds available for refunding is \$16,475,000 (current interest bonds only). In June 2011, the Brea Redevelopment Agency issued \$18,839,323 in Project Area AB Tax Allocation Bonds Series A and \$10,295,000 Taxable Tax Allocation Housing Bonds Series B. The proceeds were used to fund Redevelopment Projects (Non-Housing and Housing) and refund the 2001 TABs. Currently, the outstanding balance on the 2011 Tax Allocation Bonds Series A and B available for refunding is \$28,512,260.

Assembly Bill (AB 1484) permits successor agencies to refund outstanding bonds and other obligations of a former redevelopment agency if such refunding results in savings which benefit the taxing entities. The Debt Service Savings Analysis was prepared on March 16, 2017 in order for the Successor Agency and the Oversight Board to consider the issuance of the bonds. For the purposes of consistency, these projections have been used throughout this process. Staff will provide an update based on current market conditions at the City Council meeting.

Based on Debt Service Savings Analysis dated March 16, 2017 the refinancing of the outstanding bonds will produce an average annual reduction in bond payments of \$1,475,914. The same reduction in annual bond payments frees up additional property tax revenues for distribution to affected taxing entities.

Bonds	Current Average Annual Debt Service	New Average Annual Debt Service	Total Average Annual Savings	Annual Distribution to the City
2003	\$1,682,114	\$1,522,214	\$159,900	\$19,779
2011	\$3,897,643	\$2,581,629	\$1,316,014	\$162,791
TOTAL	\$5,579,757	\$4,103,843	\$1,475,914	\$182,570

The first step in moving forward with the refunding bonds was accomplished by the Successor Agency adopting Resolution SA 2017-04 on April 4, 2017, and the Oversight Board adopting Resolution OB 2017-10 on April 14, 2017. These resolutions authorized the issuance of the refunding bonds and all the necessary actions relating to the proposed refinancing of the tax allocation bonds, including approval of the indenture of Trust, Bond Purchase Agreement, and the Escrow Agreement (available for review at the City Clerk's Office); hiring bond counsel and other professional services and directing City officials to execute related documents. The Oversight Board Resolution and the Successor Agency Resolution with all attachments were forwarded to the California Department of Finance (DOF) on April 14, 2017, and were approved on June 8, 2017.

The final step in the process requires the Successor Agency to adopt a resolution approving the Preliminary Official Statement (bond offering document) and authorizing the issuance of bonds. It is anticipated the bonds will be sold (priced) and closed by November 1, 2017.

COMMISSION/COMMITTEE RECOMMENDATION

The Finance Committee recommended approval at their meeting on March 28, 2017.

FISCAL IMPACT/SUMMARY

The Successor Agency has a total of \$44,987,260 in outstanding 2003 and 2011 Project Area AB Tax Allocation Bonds. Staff is recommending that the Successor Agency refinance the outstanding bonds in order to reduce the average annual bond payments by \$1,475,914, resulting in a corresponding average annual increase in property tax revenues to affected taxing entities. This will result in an average annual increase of approximately \$182,570 in property tax revenues to the City's General Fund. The majority (approximately 95%) of the increase in annual property taxes to the taxing entities, including the City's share occurs from 2023 through 2036.

These are estimated savings based on current market conditions and subject to change. Staff will be providing an update based on current market conditions at the City Council meeting.

RESPECTFULLY SUBMITTED:

Bill Gallardo, City Manager
Prepared by: Lee Squire, Financial Services Manager
Concurrence: Cindy Russell, Administrative Services Director

Attachments

Resolution SA 2017-11
Preliminary Official Statement

RESOLUTION NO. SA 2017-11

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF BREA, AS THE SUCCESSOR AGENCY TO THE BREA REDEVELOPMENT AGENCY, APPROVING THE OFFICIAL STATEMENT RELATING TO THE ISSUANCE AND SALE OF TAX ALLOCATION REFUNDING BONDS TO REFINANCE OUTSTANDING 2003 AND 2011 BONDS OF THE FORMER BREA REDEVELOPMENT AGENCY RELATING TO PROJECT AREA AB, AND APPROVING RELATED MATTERS AND OFFICIAL ACTIONS

WHEREAS, pursuant to Section 34172(a) of the California Health and Safety Code (the “Code”), the Brea Redevelopment Agency (the “Former Agency”) has been dissolved and no longer exists as a public body, corporate and politic, and pursuant to Section 34173 of the Code, the City Council of the City of Brea, adopted Resolution No. 2011-085 on September 6, 2011, and elected to serve as the successor entity to the Former Agency (the “Successor Agency”); and

WHEREAS, in order to provide financing and refinancing for Redevelopment Project Area AB, the Former Agency has previously issued the following bonds:

- (a) the Brea Redevelopment Agency 2003 Tax Allocation Bonds (Redevelopment Project AB) issued in the aggregate principal amount of \$120,497,865.90 (the “2003 Bonds”), issued in the form of current interest bonds and capital appreciation bonds,
- (b) the Brea Redevelopment Agency 2011 Tax Allocation Bonds, Series A (Redevelopment Project AB) in the aggregate principal amount of \$18,839,323.25 (the “2011 Series A Bonds”), and

(c) the Brea Redevelopment Agency 2011 Taxable Tax Allocation Housing Bonds, Series B (Redevelopment Project AB) in the aggregate principal amount of \$10,295,000 (the “2011 Series B Bonds”); and

WHEREAS, the Successor Agency has previously issued its \$96,620,000 aggregate principal amount of Successor Agency To The Brea Redevelopment Agency Redevelopment Project AB 2013 Tax Allocation Refunding Bonds, the proceeds of which have been applied to refund a portion of the 2003 Bonds, consisting of the 2003 Bonds which were issued as current interest bonds maturing on August 1 in each of the years 2014 through 2026, inclusive, which 2003 Bonds have been redeemed and are no longer outstanding; and

WHEREAS, as provided in Section 34177.5(a)(1) of the Code, the Successor Agency is authorized to issue its bonds for the purpose of refunding the outstanding 2003 Bonds which constitute current interest bonds, the outstanding 2011 Series A Bonds and the outstanding 2011 Series B Bonds (collectively, the “Prior Bonds”), in whole or in part, under Article 11 (commencing with Section 53580) of Chapter 3 of Part 1 of Division 2 of Title 5 of the Government Code (the “Refunding Bond Law”), provided that the total interest cost to maturity on the refunding bonds plus the principal amount of the refunding bonds does not exceed the total remaining interest cost to maturity on the Prior Bonds to be refunded plus the remaining principal of the Prior Bonds to be refunded (the “Minimum Savings Threshold”); and

WHEREAS, the Successor Agency has adopted its Resolution No. SA 2017-04 on April 4, 2017 (the “Authorizing Resolution”), authorizing the issuance of refunding bonds

in the aggregate principal amount of not to exceed \$55,000,000 (the “Refunding Bonds”) under the Refunding Bond Law for the purpose of refunding the Prior Bonds, subject to the Minimum Savings Threshold; and

WHEREAS, an oversight board (the “Oversight Board”) has been established for the Successor Agency pursuant to Section 34179 of the Code, and has previously adopted its Resolution No. OB 2017-10 on April 14, 2017, approving the issuance and sale of the Refunding Bonds, and such actions by the Oversight Board have been approved by the California Department of Finance; and

WHEREAS, as provided in the Authorizing Resolution, the Successor Agency wishes at this time to approve an Official Statement relating to the issuance and sale of the Refunding Bonds and such approval is not subject to further review by the Oversight Board or by the California Department of Finance;

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Brea, as the Successor Agency to the Brea Redevelopment Agency, as follows:

Section 1. Approval of Official Statement. The Successor Agency hereby approves the Preliminary Official Statement describing the Refunding Bonds, in substantially the form on file with the City Clerk, with such changes therein, deletions therefrom and additions thereto as shall be approved by the City Manager of the City, who is appointed the Executive Director of the Successor Agency (the “Executive Director”). Distribution of the Preliminary Official Statement by Stifel Nicolaus & Company, Incorporated, as underwriter of the Refunding Bonds (the “Underwriter”), is hereby approved. Prior to the distribution of the Preliminary Official Statement, the Executive Director is hereby authorized and directed, on behalf of the Successor Agency,

to deem the Preliminary Official Statement “final” within the meaning of Rule 15c2-12 under the Securities Exchange Act of 1934 (the “Rule”). The execution of the Final Official Statement, which shall include such changes and additions thereto deemed advisable by the Executive Director, and such information permitted to be excluded from the Preliminary Official Statement pursuant to the Rule, is hereby approved for delivery to the purchasers of the Refunding Bonds. The Executive Director is authorized and directed to execute and deliver the Final Official Statement for and on behalf of the Successor Agency, to deliver to the Underwriter a certificate with respect to the information set forth therein and to execute and deliver a Continuing Disclosure Certificate to the Underwriter substantially in the form appended to the final Official Statement.

Section 2. Debt Policy. Reference is hereby made to the Local Debt Policy approved pursuant to Resolution No. 2017-046, adopted by the City Council on June 6, 2017. The applicability of the Local Debt Policy to the Successor Agency is hereby affirmed.

Section 3. Official Actions. The officers of the City, acting as Successor Agency, are authorized and directed, for and in the name and on behalf of the Successor Agency, to do any and all things and take any and all actions, which they, or any of them, may deem necessary or advisable to consummate the lawful issuance, sale and delivery of the Refunding Bonds pursuant to this Resolution and the Authorizing Resolution. Whenever in this Resolution or the Authorizing Resolution any officer of the Successor Agency is directed to execute or countersign any document or take any action, such execution, countersigning or action may be taken on behalf of such officer by any person

designated by such officer to act on his or her behalf in the case such officer is absent or unavailable.

Section 4. Effective Date. This Resolution shall take effect from and after the date of its passage and adoption.

APPROVED AND ADOPTED this 3rd day of October 2017.

Glenn Parker, Mayor Pro Tem

ATTEST: _____
Lillian Harris-Neal, City Clerk

I, Lillian Harris-Neal, City Clerk of the City of Brea, do hereby certify that the foregoing Resolution was adopted at a regular meeting of the City Council of the City of Brea, as the Successor Agency to the Brea Redevelopment Agency, held on the 3rd day of October, 2017, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

Dated: _____

Lillian Harris-Neal, City Clerk

PRELIMINARY OFFICIAL STATEMENT DATED _____, 2017

NEW ISSUE – Book-Entry Only

Insured rating (insured bonds only): S&P: “_____”
Underlying, uninsured rating: S&P: “AA-”
See “CONCLUDING INFORMATION – Ratings.”

In the opinion of Jones Hall, A Professional Law Corporation, San Francisco, California, Bond Counsel, subject, however, to certain qualifications described herein, under existing law, the interest on the 2017A Bonds is excluded from gross income for federal income tax purposes and is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals and corporations; provided, however, that for the purposes of computing the alternative minimum tax imposed on certain corporations such interest is required to be taken into account in determining certain income and earnings. In the further opinion of Bond Counsel, interest on the 2017 Bonds is exempt from California personal income taxation. Interest on the 2017B Bonds is included in gross income for federal income tax purposes. See “CONCLUDING INFORMATION - Tax Matters.”

\$ _____ *
**SUCCESSOR AGENCY TO THE BREA
REDEVELOPMENT AGENCY
REDEVELOPMENT PROJECT AB
2017 TAX ALLOCATION REFUNDING BONDS
SERIES A (TAX-EXEMPT)**

\$ _____ *
**SUCCESSOR AGENCY TO THE BREA
REDEVELOPMENT AGENCY
REDEVELOPMENT PROJECT AB
2017 TAX ALLOCATION REFUNDING BONDS
SERIES B (FEDERALLY TAXABLE)**

Dated: Date of Delivery

Due: August 1, as shown on inside cover

The Successor Agency to the Brea Redevelopment Agency (the “Successor Agency”) will issue its Redevelopment Project AB 2017 Tax Allocation Refunding Bonds, Series A (the “2017A Bonds”) and Redevelopment Project AB 2017 Tax Allocation Refunding Bonds, Series B (the “2017B Bonds” and, together with the 2017A Bonds, the “2017 Bonds”), pursuant to an Indenture of Trust, dated as of November 1, 2017 (the “Indenture”), by and between the Successor Agency and The Bank of New York Mellon Trust Company, N.A., as trustee (the “Trustee”). Proceeds from the sale of the 2017 Bonds will be applied to: (i) refund certain bonds issued by the former Brea Redevelopment Agency (the “Former Agency”), (ii) pay the premium for a debt service reserve surety bond or a debt service reserve insurance policy and (iii) pay costs of issuance.

The 2017A Bonds will be comprised of current interest bonds (the “2017A Current Interest Bonds”) and convertible capital appreciation bonds (the “2017A Convertible CABs”). The 2017B Bonds will be comprised of current interest bonds only. Interest on the 2017A Current Interest Bonds and the 2017B Bonds (together, the “2017 Current Interest Bonds”) will be payable semiannually on February 1 and August 1 of each year, commencing February 1, 2018. The 2017A Convertible CABs will accrete in value from the date of delivery, compounded semiannually on February 1 and August 1 of each year, commencing on February 1, 2018 through August 1, 2023 (the “Conversion Date”). From and after such Conversion Date, the 2017A Convertible CABs will bear interest on the accreted value as of the Conversion Date (the “Conversion Value”), payable semiannually on February 1 and August 1 of each year, commencing February 1, 2024. The 2017 Current Interest Bonds will be issuable in integral multiples of \$5,000 principal amount, and the 2017A Convertible CABs will be issuable in integral multiples of \$5,000 Conversion Value.

The 2017 Bonds will be issued in fully registered form and, when issued, will be registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York (“DTC”). DTC will act as securities depository of the 2017 Bonds. Individual purchases of the 2017 Bonds may be made in book-entry form only in integral multiples of (i) \$5,000 principal amount for the 2017A Current Interest Bonds, (ii) \$5,000 Conversion Value for the 2017A Convertible CABs, or (iii) \$5,000 principal amount for the 2017B Bonds. Purchasers will not receive certificates representing their interest in the 2017 Bonds purchased. Principal of and interest on the 2017 Bonds will be paid directly to DTC by the Trustee. Principal of the 2017 Bonds is payable on the dates set forth on the inside cover of this Official Statement.

The 2017A Bonds and the 2017B Bonds will be subject to optional redemption and mandatory sinking fund redemption prior to their maturity as described in this Official Statement.*

The 2017 Bonds will be payable from and secured by Tax Revenues (as defined in the Indenture) derived from a project area of the Former Agency, known as Redevelopment Project AB, and moneys in certain funds pledged under the Indenture, as further described in this Official Statement. With respect to property tax revenues generated by the Project Area, the 2017 Bonds will be payable on a subordinate basis to pass-through obligations and certain payments under an owner participation agreement, and will rank on a parity with certain outstanding bonds issued by the Former Agency in 2003 and bonds issued by the Successor Agency in 2013.

The Successor Agency has applied for, and may obtain, municipal bond insurance with respect to the 2017 Bonds. If such insurance is obtained, the scheduled payment of principal of, and interest on, some or all of the 2017 Bonds when due, will be guaranteed under an insurance policy issued concurrently with the delivery of the 2017 Bonds. The Successor Agency’s decision regarding whether or not to purchase such insurance will be made at or about the time of the pricing of the 2017 Bonds and will be based upon, among other things, market conditions at the time of such pricing. No assurance can be given as to whether the Successor Agency will purchase such insurance.

The 2017 Bonds will not be a debt, liability or obligation of the City of Brea (the “City”), the State of California (the “State”), or any of its political subdivisions other than the Successor Agency. None of the City, the State nor any of its political subdivisions, other than the Successor Agency, will be liable for the 2017 Bonds. None of the members of the governing bodies or officers of the Successor Agency, the City nor any person executing the 2017 Bonds or the Indenture will be liable personally with respect to the 2017 Bonds. The obligations of the Successor

* Preliminary; subject to change.

Agency with respect to the 2017 Bonds will be payable solely from Tax Revenues and the funds pledged pursuant to the Indenture. The Successor Agency has no taxing power.

This cover page contains certain information for general reference only. It is not intended to be a summary of all factors relating to an investment in the 2017 Bonds. Investors are advised to read the entire Official Statement to obtain information essential to the making of an informed investment decision. Capitalized terms used and not defined on this cover page have the meanings set forth in this Official Statement. For a discussion of some of the risks associated with a purchase of the 2017 Bonds, see “RISK FACTORS.”

STIFEL

The 2017 Bonds are offered when, as and if issued and accepted by the Underwriter, subject to the approval as to their legality by Jones Hall, A Professional Law Corporation, San Francisco, California, Bond Counsel. Certain legal matters will also be passed upon for the Successor Agency by Richards, Watson & Gershon, A Professional Corporation, as Disclosure Counsel and Agency Counsel. Certain legal matters will be passed upon for the Underwriter by its counsel Stradling Yocca Carlson & Rauth, a Professional Corporation. It is anticipated that the 2017 Bonds will be available for delivery in book-entry form through the facilities of DTC on or about November __, 2017.

Dated: _____, 2017

MATURITY SCHEDULE

\$ _____ *

**SUCCESSOR AGENCY TO THE BREA REDEVELOPMENT AGENCY
REDEVELOPMENT PROJECT AB
2017 TAX ALLOCATION REFUNDING BONDS
SERIES A (TAX-EXEMPT)**

Current Interest Bonds

\$ _____ Serial Bonds

Maturity Date (August 1)	Principal Amount	Interest Rate	Yield	Price	CUSIP† (Base:)
-------------------------------------	-----------------------------	--------------------------	--------------	--------------	----------------------------

\$ _____ % Term Bond due August 1, 20__, Yield _____%; Price: _____; CUSIP†: _____
\$ _____ % Term Bond due August 1, 20__, Yield _____%; Price: _____; CUSIP†: _____

Convertible Capital Appreciation Bonds

Maturity Date (August 1)	Denominational Amount	Accretion Rate	Conversion Value	Interest Rate after Aug. 1, 2023 Conversion Date	Yield	CUSIP† (Base:)
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\$ _____ *

**SUCCESSOR AGENCY TO THE BREA REDEVELOPMENT AGENCY
REDEVELOPMENT PROJECT AB
2017 TAX ALLOCATION REFUNDING BONDS
SERIES B (FEDERALLY TAXABLE)**

\$ _____ Serial Bonds

Maturity Date (August 1)	Principal Amount	Interest Rate	Yield	Price	CUSIP† (Base:)
-------------------------------------	-----------------------------	--------------------------	--------------	--------------	----------------------------

\$ _____ % Term Bond due August 1, 20__, Yield _____%; Price: _____; CUSIP†: _____
\$ _____ % Term Bond due August 1, 20__, Yield _____%; Price: _____; CUSIP†: _____

* Preliminary; subject to change.

† CUSIP is a registered trademark of the American Bankers Association. CUSIP data in this Official Statement is provided by CUSIP Global Services, managed by S&P Capital IQ on behalf of the American Bankers Association. CUSIP © 2017 CUSIP Global Services. All rights reserved. This data is not intended to create a database and does not serve in any way as a substitute for CUSIP Global Services. CUSIP numbers are provided for convenience of reference only. Neither the Successor Agency nor the Underwriter take any responsibility for the accuracy of such numbers.

SUCCESSOR AGENCY TO THE BREA REDEVELOPMENT AGENCY
Orange County, California

CITY COUNCIL OF CITY OF BREA

Cecilia Hupp, *Mayor*
Glenn Parker, *Mayor Pro Tem*
Christine Marick, *Council Member*
Marty Simonoff, *Council Member*
Steven Vargas, *Council Member*

CITY STAFF

William Gallardo, *City Manager*
Richard J. Rios, *City Treasurer*
Lillian Harris-Neal, *City Clerk*
Cynthia Russell, *Administrative Services Director*
David Crabtree, *Community Development Director*
Lee Squire, *Financial Services Manager*
Faith Madrazo, *Revenue and Budget Manager*

SPECIAL SERVICES

Bond Counsel

Jones Hall,
A Professional Law Corporation
San Francisco, California

Disclosure Counsel

Richards, Watson & Gershon,
A Professional Corporation
Los Angeles, California

Trustee

The Bank of New York Mellon Trust Company, N.A.
Los Angeles, California

Municipal Advisor

Fieldman, Rolapp & Associates
Irvine, California

Fiscal Consultant

Keyser Marston Associates, Inc.
Los Angeles, California

Verification Agent

Causey Demgen & Moore P.C.
Denver, Colorado

GENERAL INFORMATION ABOUT THIS OFFICIAL STATEMENT

Use of Official Statement. This Official Statement is submitted in connection with the offer and sale of the 2017 Bonds and may not be reproduced or used, in whole or in part, for any other purpose. This Official Statement is not to be construed as a contract with the purchasers of the 2017 Bonds.

Estimates and Forecasts. Certain statements included or incorporated by reference in this Official Statement and in any continuing disclosure by the Successor Agency, any press release and in any oral statement made by or with the approval of an authorized officer of the City, acting as the Successor Agency, or any other entity described or referenced in this Official Statement, constitute “forward-looking statements.” Such statements are generally identifiable by the terminology used such as “plan,” “expect,” “anticipate,” “estimate,” “budget,” or other similar words and include, but are not limited to, statements under the captions “PROJECT AREA” and “TAX REVENUES AND DEBT SERVICE COVERAGE.” The achievement of certain results or other expectations contained in such forward-looking statements involves known and unknown risks, uncertainties and other factors which may cause actual results, performance or achievements described to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. While the Successor Agency has undertaken to provide certain on-going financial and other data pursuant to a Continuing Disclosure Certificate (see “CONCLUDING INFORMATION – Continuing Disclosure”), the Successor Agency does not plan to issue any updates or revisions to those forward-looking statements if or when their expectations or events, conditions or circumstances on which such statements are based change.

Preparation of this Official Statement. The information contained in this Official Statement has been obtained from sources that are believed to be reliable, but is not guaranteed as to accuracy or completeness of the information from such sources. Stifel, Nicolaus & Company, Incorporated (the “Underwriter”) has provided the following sentence for inclusion in this Official Statement: The Underwriter has reviewed the information in this Official Statement in accordance with, and as part of, its responsibilities to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Underwriter does not guarantee the accuracy or completeness of such information.

Limit of Offering. No dealer, broker, salesperson or other person has been authorized by the Successor Agency to give any information or to make any representations in connection with the offer or sale of the 2017 Bonds other than those contained in this Official Statement and if given or made, such other information or representation must not be relied upon as having been authorized by the Successor Agency or the Underwriter. This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of the 2017 Bonds by a person in any jurisdiction in which it is unlawful for such person to make such an offer, solicitation or sale.

Information as of Dated Date of Official Statement. The information and expressions of opinions in this Official Statement are subject to change without notice. Neither delivery of this Official Statement nor any sale of the 2017 Bonds shall, under any circumstances, create any implication that there has been no change in the affairs of the Successor Agency or any other entity described or referenced in this Official Statement since the dated date shown on the front cover. All summaries of the documents referred to in this Official Statement are made subject to the provisions of such documents and do not purport to be complete statements of any or all of such provisions.

Stabilization of Prices. In connection with this offering, the Underwriter may over-allot or effect transactions which stabilize or maintain the market price of the 2017 Bonds at a level above that which might otherwise prevail in the open market. Such stabilizing, if commenced, may be discontinued at any time. The Underwriter may offer and sell the 2017 Bonds to certain dealers and others at prices lower than the public offering prices set forth on the inside front cover and said public offering prices may be changed from time to time by the Underwriter.

No Incorporation of Websites. References to internet websites in this Official Statement are shown for reference and convenience only, and none of their content (including, but not limited to, the content of the City’s website and pages pertaining to the Successor Agency on the City’s website) is incorporated by reference. The Successor Agency makes no representation regarding the accuracy or completeness of information presented on such websites.

THE 2017 BONDS HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, IN RELIANCE UPON AN EXCEPTION FROM THE REGISTRATION REQUIREMENTS CONTAINED IN SUCH ACT. THE 2017 BONDS HAVE NOT BEEN REGISTERED OR QUALIFIED UNDER THE SECURITIES LAW OF ANY STATE.

[Insert Location Map and Project Area Map]

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**SUCCESSOR AGENCY TO THE BREA
REDEVELOPMENT AGENCY
REDEVELOPMENT PROJECT AB
2017 TAX ALLOCATION
REFUNDING BONDS
SERIES A (TAX-EXEMPT)**

\$ _____ *

**SUCCESSOR AGENCY TO THE BREA
REDEVELOPMENT AGENCY
REDEVELOPMENT PROJECT AB
2017 TAX ALLOCATION
REFUNDING BONDS
SERIES B (FEDERALLY TAXABLE)**

INTRODUCTION

This Introduction does not purport to be complete, and reference is made to the body of this Official Statement, appendices and the actual documents for more complete information with respect to matters concerning the 2017 Bonds. Potential investors are encouraged to read the entire Official Statement. Capitalized terms used and not defined in this Introduction shall have the meanings assigned to them elsewhere in this Official Statement. Capitalized terms used in this Official Statement and not defined herein shall have the meanings set forth in “APPENDIX D – SUMMARY OF CERTAIN PROVISIONS OF INDENTURE.”

General

This Official Statement, including the cover page, the inside front cover and appendices, is being provided in connection with the sale by the Successor Agency to the Brea Redevelopment Agency (the “Successor Agency”) of its Redevelopment Project AB, 2017 Tax Allocation Refunding Bonds, Series A (Tax-Exempt) in the aggregate initial principal amount of \$ _____ * (the “2017A Bonds”), and its Redevelopment Project AB, 2017 Tax Allocation Refunding Bonds, Series B (Federal Taxable) in the aggregate principal amount of \$ _____ * (the “2017B Bonds” and, together with the 2017A Bonds, the “2017 Bonds”). Proceeds from the sale of the 2017A Bonds, together with certain other available funds, will be applied to: (i) refund a portion of the outstanding 2003 Bonds (defined below), (ii) refund all of the outstanding 2011A Bonds (defined below), (iii) pay a portion of the premium for a debt service reserve surety bond or debt service reserve insurance policy (the “Reserve Policy”), and (iv) pay costs of issuance of the 2017A Bonds, including a portion of the premium for a bond insurance policy. Proceeds from the sale of the 2017B Bonds, together with certain other available funds, will be applied to: (i) refund all of the outstanding 2011B Bonds (defined below), (ii) pay a portion of the premium for the Reserve Policy, and (iii) pay other costs of issuance of the 2017B Bonds, including a portion of the bond insurance premium.

The Successor Agency is the successor entity to the former Brea Redevelopment Agency (the “Former Agency”). Before its dissolution, the Former Agency undertook to redevelop two project areas in the City of Brea (the “City”), one of which was the Redevelopment Project AB (the “Project Area”). The Former Agency was established pursuant to the Community Redevelopment Law (the “Redevelopment Law”) of the State of California (the “State”), constituting Part 1 of Division 24 (commencing with Section 33000) of the California Health and Safety Code. As further discussed below, the Former Agency was dissolved as of February 1, 2012, pursuant to legislation passed as part of the State’s 2011 Budget Act. The Successor Agency is authorized to issue bonds to refund debt of the Former Agency pursuant to Health and Safety Code Section 34177.5 and Article 11 (commencing with Section 53580) of Chapter 3 of Part 1 of Division 2 of Title 5 of the California Government Code (the “Refunding Bond Law”).

* Preliminary, subject to change.

In connection with the financing and refinancing of redevelopment projects, the Former Agency issued multiple series of bonds, including the following:

- (i) the 2003 Tax Allocation Bonds (Redevelopment Project AB) (the “2003 Bonds”), of which: (A) current interest bonds, in the principal amount of \$16,475,000, remain outstanding as of October 1, 2017 and will be refunded by the 2017A Bonds, and (B) non-callable capital appreciation bonds (consisting of \$7,715,000 in maturity value maturing on August 1, 2028, \$7,715,000 in maturity value maturing on August 1, 2029, and \$7,210,000 in maturity value maturing on August 1, 2030) will be unaffected by this refunding and will remain outstanding after the issuance of the 2017 Bonds);
- (ii) the 2011 Tax Allocation Bonds, Series A (Redevelopment Project AB) (the “2011A Bonds”), of which current interest bonds, in the principal amount \$4,315,000, and callable capital appreciation bonds of varying maturity (with an aggregate initial principal amount of \$14,357,260.05 at issuance) remain outstanding as of October 1, 2017 and will all be refunded by the 2017A Bonds; and
- (iii) the 2011 Taxable Tax Allocation Housing Bonds, Series B (Redevelopment Project AB) (the “2011B Bonds”), consisting of current interest bonds in the principal amount of \$9,840,000, remain outstanding as of October 1, 2017 and will all be refunded by the 2017B Bonds.

The 2017 Bonds will be payable from and secured by Tax Revenues (as defined in the Indenture; see below under “Security for 2017 Bonds” and “SECURITY AND SOURCES OF PAYMENT FOR 2017 BONDS”) derived from the Project Area and moneys in certain funds pledged for the 2017 Bonds under the Indenture, as further described in this Official Statement. In regards to the lien on the Tax Revenues, the 2017 Bonds will rank on parity with following:

- (i) the portion of the 2003 Bonds which will not be refunded by the 2017 Bonds, as described above (the “Remaining 2003 Bonds”), and
- (ii) the Successor Agency’s Redevelopment Project AB 2013 Tax Allocation Refunding Bonds, which were issued in the original principal amount of \$96,620,000 (of which \$67,750,000 in principal amount remains outstanding as of November 1, 2017) (the “2013 Bonds”).

The 2017 Bonds, the Remaining 2003 Bonds, the 2013 Bonds and any refunding bonds which may be later issued as permitted by the Indenture (see “SECURITY AND SOURCES OF PAYMENT FOR 2017 BONDS – Limitation on Additional Bonds”), are collectively referred to in this Official Statement as “Parity Debt.” With respect to property tax revenues generated by the Project Area, the 2017 Bonds will be payable on a subordinate basis to pass-through payments to taxing entities and certain payments under an owner participation agreement. See “SECURITY AND SOURCES OF PAYMENT FOR 2017 BONDS – Tax Sharing Agreements; Statutory Pass-through Payments.”

The 2017A Bonds will be comprised of current interest bonds (the “2017A Current Interest Bonds”) and convertible capital appreciation bonds (the “2017A Convertible CABs”). The 2017B Bonds will be comprised of current interest bonds only. Interest on the 2017A Current Interest Bonds and the 2017B Bonds (together, the “2017 Current Interest Bonds”) will be payable semiannually on February 1 and August 1 of each year, commencing February 1, 2018. The 2017A Convertible CABs will accrete in value from the date of delivery, compounded semiannually on February 1 and August 1 of each year, commencing on February 1, 2018 to August 1, 2023 (the “Conversion Date”). From and after the

Conversion Date, the 2017A Convertible CABs will bear interest on the accreted value as of the Conversion Date (the “Conversion Value”), payable semiannually on February 1 and August 1 of each year, commencing February 1, 2024. The 2017 Current Interest Bonds will be issuable in integral multiple of \$5,000 principal amount, and the 2017A Convertible CABs will be issuable in integral multiples of \$5,000 Conversion Value.

The 2017A Bonds and the 2017B Bonds will be subject to optional redemption and mandatory sinking fund redemption prior to maturity as described under the caption “2017 BONDS – Redemption.”*

The 2017 Bonds, when issued and delivered, will be registered in the name of Cede & Co., as nominee of the Depository Trust Company, New York, New York (“DTC”). DTC will act as the depository for the 2017 Bonds and all payments due on the 2017 Bonds will be made to Cede & Co. Ownership interests in the 2017 Bonds may be purchased only in book-entry form. **So long as the 2017 Bonds are registered in the name of Cede & Co., or any other nominee of DTC, references in this Official Statement to the registered owners, or just “Owners,” of the 2017 Bonds shall mean Cede & Co. or such other nominee of DTC, and shall not mean the beneficial owners of the 2017 Bonds.** See “2017 BONDS – Book-Entry Only System” and “APPENDIX G – DTC’S BOOK-ENTRY ONLY SYSTEM.”

The Successor Agency has applied for, and may obtain, municipal bond insurance with respect to the 2017 Bonds. If such insurance is obtained, the scheduled payment of principal of, and interest on, some or all of the 2017 Bonds when due, will be guaranteed under an insurance policy issued concurrently with the delivery of the 2017 Bonds. The Successor Agency’s decision regarding whether or not to purchase such insurance will be made at or about the time of the pricing of the 2017 Bonds and will be based upon, among other things, market conditions at the time of such pricing. No assurance can be given as to whether the Successor Agency will purchase such insurance.

City of Brea

The City encompasses approximately 11.2 square miles and is located at the northern end of Orange County, California (the “County”), just south of the Los Angeles County line. The City’s population was 44,214 as of January 1, 2017, according to State of California Department of Finance estimates. The City Council is composed of five members elected at large every two years to four-year alternating terms. The City Council appoints the City Manager, who is responsible for the day-to-day administration of City business and the coordination of all departments of the City. For further general information regarding the City, see “APPENDIX A – CITY OF BREA GENERAL INFORMATION.”

Dissolution of Former Agency; Establishment of Successor Agency

The Former Agency was activated pursuant to the Redevelopment Law with the adoption of Ordinance No. 465 by the City Council on April 13, 1970. The Former Agency was charged with the redevelopment undertakings with respect to two project areas: the Project Area and the significantly smaller Redevelopment Project C (which encompasses approximately 256 acres in the northern portion of the City and is significantly smaller than the Project Area).

In June 2011, as part of the State’s 2011 Budget Act, the State Legislature enacted Assembly Bill No. 26 of the First Extraordinary Session (“AB X1 26”). The California Supreme Court, by its decision in *California Redevelopment Association, et al. v. Ana Matosantos, et al.* 53 Cal. 4th 231 (2011) (the “CRA Lawsuit”), largely upheld AB X1 26, with modifications regarding certain deadlines that were

* Preliminary; subject to change.

delayed because of the CRA Lawsuit. The primary provisions of AB X1 26 are set forth in Part 1.8 (commencing with Section 34161) and Part 1.85 (commencing with Section 34170) of Division 24 of the California Health and Safety Code (as amended from time to time, the “Dissolution Act”). The Dissolution Act has been amended and supplemented several times since its original enactment, including significant amendments that became effective in June 2012 pursuant to Assembly Bill No. 1484 (“AB 1484”) and in September 2015, pursuant to Senate Bill No. 107 (“SB 107”).

The Dissolution Act provides for the establishment of a successor agency for each former redevelopment agency. Before the Former Agency’s dissolution, the City Council of the City adopted Resolution No. 2011-085 on September 6, 2011, and elected for the City to serve as the Successor Agency. As clarified by California Health and Safety Code Section 34173(g), the City and the Successor Agency are separate entities and are not merged as the result of the City’s election to serve as the Successor Agency.

The Successor Agency is tasked with winding down the Former Agency’s affairs. Upon the Former Agency’s dissolution, all of the Former Agency’s assets, properties, contracts, leases, books and records were transferred to the control of the Successor Agency by operation of law. The Successor Agency is required to continue to make payments for enforceable obligations (as defined under the Dissolution Act). The Successor Agency does not have any legal authority to participate in redevelopment activities, except to complete work related to enforceable obligations.

Even though the City has elected to serve as the Successor Agency, the Dissolution Act expressly provides that the City and the Successor Agency are separate public entities. None of the liabilities of the Former Agency are transferred to the City by virtue of the City’s election to serve as the Successor Agency. (Assets of the Former Agency were not transferred to the City by virtue of the City’s election to serve as the Successor Agency. However, see discussion under “SUCCESSOR AGENCY – Transfers to Housing Successor” regarding the transfer of certain housing assets to the City, in the City’s capacity as the housing successor pursuant to the Dissolution Act.) The 2017 Bonds will not be a debt, liability or obligation of the City, the State or any of its political subdivisions other than the Successor Agency.

Pursuant to the Dissolution Act, a seven-member Oversight Board of the Successor Agency (the “Oversight Board”) has been established, consisting of representatives from various local taxing agencies. Many of the Successor Agency’s actions are subject to the direction of, or prior approval by, the Oversight Board. For example, the establishment of each Recognized Obligation Payment Schedule (the “Recognized Obligation Payment Schedule” or the “ROPS”) described below must be first approved by the Oversight Board. With limited exceptions, resolutions adopted by the Oversight Board are subject to review by the California State Department of Finance (the “State Department of Finance” or the “DOF”) before becoming effective. Certain Successor Agency matters are also subject to review by the County Auditor-Controller and the State Controller. See “SUCCESSOR AGENCY.”

Security for 2017 Bonds

Tax Increment Pledge Before Dissolution Act

Before the enactment of AB X1 26, a redevelopment agency was authorized to pledge “tax increment” to repay indebtedness incurred to finance or refinance the redevelopment agency’s projects. The Redevelopment Law provided a method for financing projects based upon an allocation of taxes collected within each redevelopment project area. Under this method, the taxable value of a redevelopment project area (or a later added component area of a redevelopment project area) last equalized before the adoption of the redevelopment plan (or, as applicable, the plan amendment adding such component area) became the base year value. Except for any period during which the taxable value dropped below the base year level, the taxing agencies received the taxes produced by applying the then current tax rates to the base year roll. The redevelopment agency received taxes collected upon any increase in taxable value over the base year roll (except for any portion generated by rates levied to pay voter-approved bonded indebtedness on or after January 1, 1989 for the acquisition or improvement of real property, commonly known as “overrides”). The portion of such property taxes allocated to the redevelopment agency was referred to as “tax increment.”

Before dissolution, a redevelopment agency was generally required to establish a Low and Moderate Income Housing Fund (the “Housing Fund”) and deposit not less than 20 percent of the tax increment allocated to such redevelopment agency (the “Housing Set-Aside”) into the Housing Fund. The redevelopment agency used moneys deposited into the Housing Fund for authorized low and moderate income housing purposes. In this Official Statement, the portion of the tax increment received by the Former Agency that was not required to be deposited into the Housing Fund is referred to as the “80 Percent Portion.”

To the extent that proceeds of bonds issued by the Former Agency were used, in whole or in part, to finance or refinance low and moderate income housing projects, a proportionate amount of the debt service on such bonds could be payable from and were secured by a pledge of the Housing Set-Aside.

Administration of Property Taxes Allocable to Successor Agency Under Dissolution Act

Under the Dissolution Act, the flow of property tax revenues to the Successor Agency is significantly different from the flow of tax increment to the Former Agency. The Dissolution Act requires the County Auditor-Controller to establish a fund, known as the Redevelopment Property Tax Trust Fund (the “RPTTF”), for the Successor Agency. Each fiscal year, the County Auditor-Controller must determine the amount of property taxes (formerly, tax increment) that would have been allocated to the Former Agency had the Former Agency not been dissolved pursuant to the Dissolution Act and deposit such amount into the RPTTF.

The Dissolution Act currently requires that, except in the case where the DOF has approved a Last and Final Recognized Obligation Payment Schedule (the “LFROPS”; see “SECURITY AND SOURCES OF PAYMENT FOR 2017 BONDS – RPTTF Flow of Funds – *Last and Final ROPS*”), the Successor Agency must prepare a ROPS once a year (to be submitted to the DOF no later than February 1), listing the payments for enforceable obligations that the Successor Agency expects to make for the upcoming two six-month fiscal periods (*i.e.*, the period from July through December and the period from January through June; each, a “ROPS Payment Period”). The Successor Agency is permitted, however, to hold a reserve when required by the relevant bond indenture or when the next property tax allocation will be insufficient to pay bond debt service for the next payment due in the following half of the calendar year. The Successor Agency is authorized to make payments only pursuant to an enforceable obligation listed on a ROPS approved by the DOF.

As discussed in further detail under “SECURITY AND SOURCES OF PAYMENT FOR 2017 BONDS – RPTTF Flow of Funds,” the Dissolution Act establishes a specific flow of funds for moneys deposited in the RPTTF. Pursuant to this flow of funds, the Successor Agency receives disbursements from the RPTTF only twice each year on the following dates: (i) on each June 1 for the ROPS Payment Period from July 1 to December 31, and (ii) on each January 2 for the ROPS Payment Period from January 1 to June 30. The moneys received by the Successor Agency on each disbursement date are derived from property taxes collected during the period since the immediately prior disbursement (with allowances for a short period before each disbursement date because of the time needed for processing purposes). The Successor Agency must deposit all of the moneys received from each RPTTF disbursement into a fund called the Redevelopment Obligation Retirement Fund (the “Redevelopment Obligation Retirement Fund”), which is established and held by the Successor Agency.

The Dissolution Act does not require the County Auditor-Controller to segregate, within the RPTTF, the property tax revenues from each project area. The County Auditor-Controller makes no such distinction among the funds when making RPTTF disbursements to the Successor Agency. However, with respect to the property tax revenues deposited in the RPTTF, the County Auditor-Controller has made available to the Successor Agency sufficient information to ascertain the dollar amounts attributable to the Project Area and Redevelopment Project C, respectively. See “SUCCESSOR AGENCY – Other Project Area: Redevelopment Project C.” Pursuant to and the Indenture and the indenture for the 2013 Bonds, the Successor Agency will deposit into a separate special fund called the “Project AB Tax Revenue Fund,” all of the moneys received from the County Auditor Controller from RPTTF disbursements that represent property taxes derived from the Project Area. See “SECURITY AND SOURCES OF PAYMENT FOR 2017 BONDS – Allocation of Property Taxes (Determination of RPTTF Deposits) – RPTTF Aggregation of Property Tax Revenues from Project Areas.”

Elimination of Housing Set-Aside Under Dissolution Act

The Dissolution Act has eliminated the Housing Fund and the requirement to deposit the Housing Set-Aside into such fund. All of the property tax revenues (*i.e.*, including the 80 Percent Portion and the amounts that would have been the Housing Set-Aside) are deposited into the RPTTF. To the extent that a redevelopment agency (such as the Former Agency) had issued bonds with different liens – some secured by a pledge of the 80 Percent Portion and some secured by a pledge of the Housing Set-Aside, the Dissolution Act created some uncertainty, regarding the implication if insufficient property tax revenues are generated and deposited into the RPTTF to cover debt service on all of such obligations. However, due to the sufficiency of property tax revenues generated within the Project Area, such theoretical uncertainty has had no practical effect with respect to any Successor Agency bonds secured by the tax revenues of the Project Area. The pledge of Tax Revenues with respect to the 2017 Bonds and the other outstanding Parity Debt makes no distinction among moneys deposited into the RPTTF between the former 80 Percent Portion and the former Housing Set-Aside.

Pledge Under 2017 Bonds Indenture; Reserve Account

The Indenture will define Tax Revenues pledged to the 2017 Bonds to mean: amounts deposited from time to time in the RPTTF, which are derived from property tax revenues (formerly, tax increment) allocated with respect to the Project Area, less pass-through payments to the affected taxing entities and payments under a certain owner participation agreement (the “Brea Mall OPA,” see “Redevelopment Plan; SB 107 Effects on Plan Limits” and “SECURITY AND SOURCES OF PAYMENT FOR 2017 BONDS – Statutory Pass-through Payments; Tax Sharing Agreements – *Brea Mall OPA*”), but only to the extent that such payments are not subordinated to the 2017 Bonds. Amounts deposited into the RPTTF attributable to Redevelopment Project C are not pledged to the outstanding Parity Bonds and will not be pledged to the 2017 Bonds. See “SECURITY AND SOURCES OF PAYMENT FOR 2017

BONDS” and “APPENDIX D – SUMMARY OF CERTAIN PROVISIONS OF INDENTURE – Definitions.”

The Trustee will maintain a Reserve Account pursuant to the Indenture. Upon the issuance of the 2017 Bonds, the Reserve Requirement (defined below, see “SECURITY AND SOURCES OF PAYMENT FOR 2017 BONDS – Reserve Account”) will be \$ _____. Concurrently with the issuance of the 2017 Bonds, the Bond Insurer will issue the Reserve Policy in a face amount which will satisfy the Reserve Requirement. So long as the Reserve Policy remains in effect, the amount of the Reserve Requirement will not be decreased.

Under the Indenture, the Successor Agency will covenant to prepare and file ROPS in each Bond Year so as to enable the County Auditor-Controller to distribute from the RPTTF to the Successor Agency all Tax Revenues as will be required to enable the Successor Agency to pay timely principal of, and interest on, the 2017 Bonds and any outstanding Parity Debt coming due in such Bond Year, including any amounts due and owing to the Bond Insurer in respect of the Bond Insurance Policy or Reserve Policy, or required to replenish the Reserve Account and the respective reserve accounts established for any outstanding Parity Debt. In addition to the Remaining 2003 Bonds and the 2013 Bonds, the Indenture will permit issuance of additional Parity Debt for refunding purposes only.

The 2017 Bonds are not a debt, liability or obligation of the City, the State, or any of its political subdivisions other than the Successor Agency as described in this Official Statement. None of the City, the State, nor any of its political subdivisions, other than the Successor Agency, is liable for the 2017 Bonds. None of the members of the governing bodies or officers of the Successor Agency, the City, nor any person executing the 2017 Bonds or the Indenture is liable personally with respect to the 2017 Bonds. The obligations of the Successor Agency with respect to the 2017 Bonds are payable solely from Tax Revenues and the funds pledged pursuant to the Indenture. The Successor Agency has no taxing power.

Project Area

The Project Area encompasses approximately 2,177 acres and is comprised of four component areas (each, a “Component Area”): (i) “Redevelopment Project A,” an approximately 346-acre area located in the western portion of the City, (ii) “Redevelopment Project A Annex,” an approximately 790-acre area located in the eastern portion of the City, (iii) “Redevelopment Project B,” an approximately 91 acre area located at the intersection of the Orange Freeway (State Highway 57) and Imperial Highway (State Highway 90), and (iv) “Redevelopment Project AB Supplement,” an approximately 950-acre area, around the Brea Boulevard corridor between Lambert Road and the City’s southern border.

The assessed value of taxable property within the Project Area (including secured and unsecured values) for fiscal year 2017-18 totaled approximately \$4.33 billion. For fiscal year 2017-18, the top three land uses for parcels in the Project Area, based on assessed value, are commercial (approximately 31.44 percent of total assessed value), single family residential (approximately 25.65 percent of total assessed value) and industrial (approximately 21.91 percent of total assessed value). See “PROJECT AREA – Land Use of Project Area.”

Redevelopment Plan; SB 107 Effects on Plan Limits

The redevelopment plan for the Project Area, including various amendments since its original adoption in 1972, is referred to in this Official Statement as the “Redevelopment Plan.” Under prior law, a redevelopment plan (or plan amendment) adopted before 1994 was required to specify certain limits (commonly referred to as “Plan Limits”) with respect to the relevant project area (or component of the

project area). Such Plan Limits specify, among other matters, the maximum amount of dollars that the redevelopment agency may receive as tax increment with respect to such project area (or component area) (the “Annual TI Cap”). For reference, the table below sets forth some of Plan Limits for the Component Areas, the assessed value of each Component Area and the tax increment estimates if such annual tax increment limit did not exist:

Component Area	Last Day to Use Tax Increment to Repay Debt	FY 2017-18 Assessed Value⁽¹⁾	Annual Tax Increment Caps Under Redev. Plan	Estimated FY 2017-18 Gross Tax Increment If No Annual TI Cap⁽¹⁾
Redev. Project A	7/24/2025	\$738.40 million	\$14 million	\$7.40 million
Redev. Project B		\$455.72 million		\$4.67 million
Redev. Project A-Annex	5/18/2034	\$1,851.33 million		\$17.67 million
Redev. Project AB Supplement	12/20/2036	\$1,282.09 million	\$5 million	\$11.71 million
Total		\$4,327.54 million	\$19 million	\$41.45 million

(1) See table set forth in “Section 3.1 Current Year Assessed Values” and Tables 1-2, 1-3, 1-4 and 1-5 of the Fiscal Consultant Report in Appendix B.

SB 107, which was enacted in September 2015, contains provisions (the “SB 107 Plan Limits Provisions”) which generally provide that, solely for the purpose of paying enforceable obligations (as such term is defined by the Dissolution Act), such as the 2017 Bonds and the outstanding Parity Debt, the Successor Agency is no longer subject to the Plan Limits. In contrast, for all other purposes, including pass-through payments to taxing entities (which are now paid not by the Successor Agency but by the County Auditor-Controller directly from RPTTF disbursements), the County Auditor-Controller has confirmed that it will continue to recognize the Plan Limits. (See discussion under “SECURITY AND SOURCES OF PAYMENT FOR 2017 BONDS – Statutory Pass-through Payments; Tax Sharing Agreements – *Brea Mall OPA*,” regarding the effects of the SB 107 Plan Limits Provisions on the calculation of payments under the Brea Mall OPA and the Successor Agency’s execution of a 2017 amendment to the Brea Mall OPA.)

As a matter of practical implementation, the SB 107 Plan Limits Provisions would impact the dollar amount of property tax revenues to be deposited into the RPTTF only in a situation where, with the Plan Limits left in place, there would not be enough moneys in the RPTTF to make payments on outstanding enforceable obligations. Based on the current projections, the Successor Agency expects that the total payments for enforceable obligations, including the Brea Mall OPA payments and the debt service payments the 2017 Bonds and other outstanding bonds, will be below the Annual TI Cap each fiscal year. Therefore, the Successor Agency expects the County Auditor Controller will continue to make deposits into the RPTTF based on the Annual TI Cap: (i) \$19 million to and including fiscal year 2034-35, (ii) \$5 million thereafter in fiscal years 2035-36 and 2036-37. The final maturity date of the 2017 Bonds is August 1, 2036.

Continuing Disclosure

In connection with the sale of the 2017 Bonds, the Successor Agency will execute and deliver a Continuing Disclosure Certificate, covenanting to prepare and file an annual report and certain other notices with the Municipal Securities Rulemaking Board. See “CONCLUDING INFORMATION –

Continuing Disclosure” and “APPENDIX F – FORM OF CONTINUING DISCLOSURE CERTIFICATE.”

Other Information

There follows in this Official Statement brief descriptions of the 2017 Bonds, security for the 2017 Bonds, certain risk factors, the Indenture, the Successor Agency, the Project Area and certain other documents and information relevant to the issuance of the 2017 Bonds. All references to the 2017 Bonds, the Indenture, the Dissolution Act or other documents or law are qualified in their entirety by reference to such documents or law. Unless context clearly requires otherwise, capitalized terms used but not otherwise defined in this Official Statement have the meanings assigned to them in the Indenture. See “APPENDIX D – SUMMARY OF CERTAIN PROVISIONS OF INDENTURE.”

This Official Statement speaks only as of its date as set forth on the cover. The information and expressions of opinion in this Official Statement are subject to change without notice. Neither the delivery of this Official Statement nor any sale made with respect to the 2017 Bonds shall under any circumstances create any implication that there has been no change in the affairs of the Successor Agency since the date of this Official Statement.

Unless otherwise expressly noted, references to Internet websites in this Official Statement are shown for reference and convenience only, and none of their content (including, but not limited to, the content of the City’s website and pages pertaining to the Successor Agency on the City’s website) is incorporated by reference. The Successor Agency makes no representation regarding the accuracy or completeness of information presented on such websites.

PLAN OF REFUNDING

Refunding Escrows

The 2017A Bonds will be issued to refund: (i) all of the current interest bond portion of the outstanding 2003 Bonds (the “2003 CIBs”), and (ii) all of the outstanding 2011A Bonds. The 2017B Bonds will be issued to refund all of the outstanding 2011B Bonds. See “INTRODUCTION – General.” As the result of this refunding, the 2003 CIBs, the 2011A Bonds and the 2011B Bonds (collectively, the “Refunded Bonds”) will be redeemed on the following dates:

Refunded Bonds	Redemption Date
2003 CIBs	On or about 30 days after pricing date of the 2017 Bonds (the “2003 CIBs Redemption Date”)
2011A Bonds	August 1, 2021 (the “2011A Bonds Redemption Date”), which is the earliest date that the 2011A Bonds are subject to be optionally redeemed pursuant to their terms
2011B Bonds	August 1, 2021 (the “2011B Bonds Redemption Date”), which is the earliest date that the 2011B Bonds are subject to be optionally redeemed pursuant to their terms

The Successor Agency and The Bank of New York Mellon Trust Company, N.A., as the escrow agent and trustee with respect to the Refunded Bonds, will enter into an Escrow Agreement, dated as of November 1, 2017 (the “Escrow Agreement”). Under the Escrow Agreement, the Escrow Agent will establish a “Tax-Exempt Escrow Fund” and a “Taxable Escrow Fund” (together, the “Escrow Funds”). Moneys in the Escrow Funds will be held solely for the benefit of the holders of the Refunded Bonds being refunded and will not serve as security nor be available for payment on the 2017 Bonds.

A portion of the proceeds from the sale of the 2017A Bonds, together with certain moneys to be released from the funds previously established under the indentures relating to the 2003 Bonds and the 2011A Bonds, will be deposited into the Tax-Exempt Escrow Fund. A portion of the moneys deposited in the Tax-Exempt Escrow Fund will be invested in escrow securities (comprising of non-callable direct obligations of the United States of America, or other non-callable obligations the payment of principal and interest of which are unconditionally and fully guaranteed by the United States of America), with the remaining to be held uninvested in cash. The escrow securities will bear interest rates such that, upon their maturity, the principal and interest paid on the escrow securities, together with the uninvested cash in the Tax-Exempt Escrow Fund, will provide the Escrow Agent sufficient funds to pay: (i) on the 2003 CIBs Redemption Date, the redemption price of the 2003 CIBs to be redeemed; (ii) the scheduled payments of principal and interest with respect to the 2011A Bonds to and including the 2011A Bonds Redemption Date (*i.e.*, August 1, 2021), and (iii) on the 2011A Bonds Redemption Date, the redemption price of the 2011A Bonds to be redeemed.

A portion of the proceeds from the sale of the 2017B Bonds, together with certain moneys to be released from the funds previously established under the indenture relating to the 2011B Bonds, will be deposited into the Taxable Escrow Fund. A portion of the moneys deposited in the Taxable Escrow Fund will be invested in escrow securities (comprising of non-callable direct obligations of the United States of America, or other non-callable obligations the payment of principal and interest of which are unconditionally and fully guaranteed by the United States of America), with the remaining to be held uninvested in cash. The escrow securities will bear interest rates such that, upon their maturity, the

principal and interest paid on the escrow securities, together with the uninvested cash in the Taxable Escrow Fund, will provide the Escrow Agent sufficient funds to pay: (i) the scheduled payments of principal and interest with respect to the 2011B Bonds to and including the 2011B Bonds Redemption Date (*i.e.*, August 1, 2021), and (ii) on the 2011B Bonds Redemption Date, the redemption price of the 2011B Bonds to be redeemed.

Causey Demgen & Moore P.C., Denver, Colorado, certified public accountants (the “Verification Agent”), will verify the mathematical accuracy of certain computations included in the schedules provided on behalf of the Successor Agency relating to the computation of forecasted receipts of principal and interest earnings (if any) on the moneys and escrow securities deposited in the Escrow Fund and the forecasted payments of principal and interest in connection with the defeasance of the Refunded Bonds being refunded. The report of the Verification Agent will include the statement that the scope of its engagement was limited to verifying the mathematical accuracy of computations contained in the schedules provided to the Verification Agent and the Verification Agent has no obligation to update its report because of events occurring, or data or information coming to the Verification Agent’s attention, subsequent to the date of its report.

Sources and Uses of Funds

The following is a summary of the anticipated sources and uses of funds relating to the 2017 Bonds:

	2017A Bonds	2017B Bonds
<u>Sources:</u>		
Principal amount	\$ *	\$ *
Plus (less): [Net] original issue premium (discount)		
Plus: Release from funds related to refunded bonds		
Total Sources:		
<u>Uses:</u>		
Deposit into Tax-Exempt Escrow Fund		
Deposit into Taxable Escrow Fund		
Underwriter’s discount		
Costs of Issuance ⁽¹⁾		
Total Uses:		

(1) To pay fees and expenses of Bond Counsel, Disclosure Counsel, Trustee, Municipal Advisor, premium for bond insurance and debt service reserve insurance policy, rating fees, costs of posting and printing this Official Statement, and other costs of issuance.

* Preliminary; subject to change.

2017 BONDS

Description

The 2017 Bonds of each series will be issued as fully registered bonds, and will bear interest (or accrete in value) at the rates, and mature on August 1 of the years and in the amounts all as set forth on the inside front cover of this Official Statement. The 2017 Bonds will be dated their date of delivery.

The 2017 Bonds of each series will be initially delivered as one fully registered certificate for each maturity, unless the 2017 Bonds of such maturity and series bear different interest rates (or accretion rates), then one certificate for each interest rate or accretion rate among such maturity and series. The 2017 Bonds will be delivered by means of the book-entry system of DTC. *While the 2017 Bonds are held in DTC's book-entry only system, all payments of principal of, interest and premium (if any) on the 2017 Bonds will be made to Cede & Co., as the registered owner of the 2017 Bonds.* See "Book-Entry Only System" below and "APPENDIX G – DTC'S BOOK-ENTRY ONLY SYSTEM."

Interest on the 2017 Current Interest Bonds (*i.e.*, the 2017A Current Interest Bonds and the 2017B Bonds) will be payable semiannually on February 1 and August 1 of each year, commencing February 1, 2018 (each, an "Interest Payment Date"), and interest on such 2017 Bonds will be calculated on the basis of a 360-day year composed of twelve 30-day months. Each 2017 Current Interest Bond will bear interest from the Interest Payment Date immediately preceding the date of authentication of such 2017 Bond, unless: (i) such 2017 Bond is authenticated on or before an Interest Payment Date and after the close of business on the preceding Record Date (*i.e.*, the 15th calendar day of the month preceding such Interest Payment Date) in which event it will bear interest from such Interest Payment Date; (ii) such 2017 Bond is authenticated on or before the first Record Date, in which event interest on such 2017 Bond will be payable from the Closing Date; or (iii) interest on such 2017 Bond is in default as of the date of authentication, in which event interest thereon will be payable from the date to which interest has been paid in full, payable on each Interest Payment Date.

The 2017A Convertible CABs will accrete in value from the date of delivery, compounded semiannually on February 1 and August 1 of each year, commencing on February 1, 2018 to the Conversion Date (*i.e.*, August 1, 2023). From and after the Conversion Date, the 2017A Convertible CABs will bear interest on the Accreted Value thereof as of the Conversion Date (the "Conversion Value"). Interest on each of the 2017A Convertible CABs after the Conversion Date will be payable on a current basis, semiannually on February 1 and August 1 of each year, commencing February 1, 2024, in the same manner as the 2017 Current Interest Bonds.

Redemption

Optional Redemption – 2017A Bonds.* The 2017A Bonds maturing on or before August 1, 20__ will not be subject to redemption prior to maturity. The 2017A Bonds maturing on August 1, 20__ will be subject to redemption, at the option of the Successor Agency, in whole or in part among maturities on such basis as designated by the Successor Agency and by lot within a maturity, from any available source of funds, on August 1, 20__, and on any date thereafter, at a redemption price equal to ____ percent of the principal amount of the 2017A Bonds to be redeemed, together with accrued interest thereon to the redemption date, without premium.

Optional Redemption – 2017B Bonds.* The 2017B Bonds maturing on or before August 1, 20__ will not be subject to redemption prior to maturity. The 2017B Bonds maturing on August 1, 2028 will

* Preliminary; subject to change.

be subject to redemption, at the option of the Successor Agency, in whole or in part among maturities on such basis as designated by the Successor Agency and by lot within a maturity, from any available source of funds, on August 1, 20__, and on any date thereafter, at a redemption price equal to _____ percent of the principal amount of the 2017B Bonds to be redeemed, together with accrued interest thereon to the redemption date, without premium.

*Mandatory Sinking Fund Redemption – 2017A Current Interest Bonds.** The 2017A Current Interest Bonds maturing on August 1, 20__ and August 1, 20__ (the “2017A Term Bonds”) will be subject to redemption prior to their respective stated maturity date, without redemption premium, in part by lot, from mandatory sinking fund payments on each August 1, in the principal amounts as set forth in the following tables:

2017A Term Bonds Maturing on August 1, 20__

Sinking Fund Redemption Date (August 1)	Principal Amount to be Redeemed
_____	_____

(maturity)

2017A Term Bonds Maturing on August 1, 20__

Sinking Fund Redemption Date (August 1)	Principal Amount to be Redeemed
_____	_____

(maturity)

If some but not all of the 2017A Term Bonds of a maturity have been optionally redeemed, the total amount of all future sinking fund payments with respect to such 2017A Term Bonds will be reduced by the aggregate principal amount of such 2017A Term Bonds so optionally redeemed, to be allocated among such payments on a *pro rata* basis in integral multiples of \$5,000 as determined by the Successor Agency.

*Mandatory Sinking Fund Redemption – 2017B Bonds.** The 2017B Bonds maturing on August 1, 20__ and August 1, 20__ (the “2017B Term Bonds,” together with the 2017A Term Bonds, the “Term Bonds”), will be subject to redemption prior to their respective stated maturity dates, without redemption premium, in part by lot, from mandatory sinking fund payments on each August 1, in the principal amounts as set forth in the following tables:

* Preliminary; subject to change.

2017B Term Bonds Maturing on August 1, 20

Sinking Fund Redemption Date (August 1)	Principal Amount to be Redeemed
--	------------------------------------

(maturity)

2017B Term Bonds Maturing on August 1, 20

Sinking Fund Redemption Date (August 1)	Principal Amount to be Redeemed
--	------------------------------------

(maturity)

If some but not all of the 2017B Term Bonds of a maturity have been optionally redeemed, the total amount of all future sinking fund payments with respect to such 2017B Term Bonds will be reduced by the aggregate principal amount of such 2017A Term Bonds so optionally redeemed, to be allocated among such payments on a *pro rata* basis in integral multiples of \$5,000 as determined by the Successor Agency.

Purchase in Lieu of Redemption. In lieu of mandatory sinking fund redemption of the Term Bonds of a series, amounts on deposit in the Debt Service Fund (to the extent not required to be deposited by the Trustee in the Interest Account or the Principal Account for scheduled debt service payments during the current Bond Year) may also be used and withdrawn by the Successor Agency at any time for the purchase of such Term Bonds at a public or private sale as and when and at such prices (including brokerage and other charges and including accrued interest) as the Successor Agency may in its discretion determine. The par amount of any of such Term Bonds so purchased by the Successor Agency in any twelve-month period ending on June 15 in any year will be credited towards and will reduce the par amount of such Term Bonds required to be redeemed pursuant to a mandatory sinking fund redemption on the next succeeding August 1.

Notice of Redemption. The Trustee, on behalf of the Successor Agency, will send notice of any redemption to the respective Owners of any 2017 Bonds designated for redemption at their respective addresses appearing on the Registration Books, to the Securities Depositories and the Municipal Securities Rulemaking Board, at least 30 but not more than 60 days prior to the date fixed for redemption; provided, however, that neither failure to receive any such notice so sent nor any defect in such notice will affect the validity of the proceedings for the redemption of, or the cessation of the accrual of interest on, such 2017 Bonds.

Right to Rescission of Redemption. The Successor Agency will have the right to rescind any notice of the optional redemption of 2017 Bonds by written notice to the Trustee on or prior to the date fixed for redemption. Any notice of redemption will be cancelled and annulled if for any reason funds will not be or are not available on the date fixed for redemption for the payment in full of the 2017 Bonds then called for redemption, and such cancellation will not constitute an Event of Default under the Indenture. The Successor Agency and the Trustee will have no liability to the Owners or any other party related to or arising from such rescission of redemption. The Trustee will send notice of such rescission

of redemption to the 2017 Bond Owners in the same manner as the original notice of redemption was sent.

Selection of 2017 Bonds for Redemption. Whenever provision is made for the redemption of less than all of the 2017 Bonds of the same maturity and series, the Trustee will select the 2017 Bonds to be redeemed by lot in any manner which the Trustee in its sole discretion deems appropriate. For purposes of such selection, the 2017 Bonds of the same series will be deemed to be comprised of separate \$5,000 principal amount denominations or Conversion Values. Such separate denominations or Conversion Values will be treated as separate 2017 Bonds of such series which may be separately redeemed.

Partial Redemption of 2017 Bonds. If only a portion of any 2017 Bond is called for redemption, then upon surrender of such 2017 Bond, the Successor Agency will execute and the Trustee will authenticate and deliver to the Owner thereof, at the expense of the Successor Agency, a new 2017 Bond or Bonds of the same series and maturity, of authorized denominations in an aggregate principal amount equal to the unredeemed portion of the 2017 Bond to be redeemed.

Effect of Redemption. From and after the date fixed for redemption, if notice of redemption has been duly sent and funds available for the payment of the principal of and interest (and premium, if any) on the 2017 Bonds so called for redemption have been duly provided, such 2017 Bonds so called will cease to be entitled to any benefit under the Indenture other than the right to receive payment of the redemption price, and no interest will accrue on such 2017 Bonds from and after the redemption date specified in such notice.

Book-Entry Only System

The 2017 Bonds of each series, when issued, will be registered in the name of Cede & Co., as nominee of DTC. DTC will act as securities depository of the 2017 Bonds. Individual purchases of the 2017 Bonds may be made in book-entry form only in integral multiples of (i) \$5,000 principal amount for the 2017A Current Interest Bonds, (ii) \$5,000 Conversion Value for the 2017A CABs, or (iii) \$5,000 principal amount for the 2017B Bonds.

Purchasers will not receive certificates representing their interest in the 2017 Bonds purchased. Principal and interest will be paid to DTC, which will in turn remit such principal and interest to its participants for subsequent disbursement to the beneficial owners of the 2017 Bonds as described in this Official Statement. So long as DTC's book-entry system is in effect with respect to the 2017 Bonds, notices to Owners by the Successor Agency or the Trustee will be sent to DTC. Notices and communication by DTC to its participants, and then to the beneficial owners of the 2017 Bonds, will be governed by arrangements among them, subject to then effective statutory or regulatory requirements. So long as the 2017 Bonds are registered in the name of Cede & Co., or any other nominee of DTC, references in this Official Statement to the registered owners or use of the capitalized term "Owners" means Cede & Co. or such other nominee of DTC, and do not mean the beneficial owners of the 2017 Bonds. See "APPENDIX G – DTC'S BOOK-ENTRY ONLY SYSTEM."

In the event that such book-entry system is discontinued with respect to the 2017 Bonds, the Successor Agency will execute and deliver replacements in the form of registered certificates and, thereafter, the 2017 Bonds will be transferable and exchangeable on the terms and conditions provided in the Indenture.

Annual Debt Service Schedule

The annualized debt service schedule for the 2017 Bonds, without regard to any optional redemption, is shown in the following table.

Bond Year Ending (Aug. 1)	2017A Current Interest Bonds ⁽¹⁾			2017A Convertible CABs ⁽²⁾			2017B Bonds ⁽¹⁾			Aggregate Debt Service
	Principal	Interest	2017A Total	Principal	Interest	2017B Total	Principal	Interest	2017B Total	
2017										
2018										
2019										
2020										
2021										
2022										
2023										
2024										
2025										
2026										
2027										
2028										
2029										
2030										
2031										
2032										
2033										
2034										
2035										
2036										
Total										

(1) Interest on 2017 Current Interest Bonds payable semiannually on February 1 and August 1 of each year, commencing February 1, 2018.

(2) 2017A Convertible CABs initially accrete interest from the date of delivery, compounded semiannually on February 1 and August 1, commencing February 1, 2018, through August 1, 2023 Conversion Date. After Conversion Date, Interest payments on 2017A Convertible CABs payable semiannually on February 1 and August 1, commencing February 1, 2024.

AUTHORIZATION AND VALIDITY OF 2017 BONDS UNDER DISSOLUTION ACT

The Successor Agency will be issuing the 2017 Bonds pursuant to the authority given to it under California Health and Safety Code Section 34177.5 and the Refunding Bond Law.

Conditions to Issuance

Health and Safety Code Section 34177.5 authorizes the Successor Agency to issue bonds to refund outstanding bonded debt (the “Refunded Debt”) of the Former Agency under the Refunding Bond Law to: (a) provide savings to the Successor Agency, or (b) finance debt service spikes, including balloon maturities, with respect to the Refunded Debt. With respect to bonds issued to provide savings, such as the 2017 Bonds, the refunding must meet the following criteria:

- (i) The total interest cost to maturity on the refunding bonds plus the principal amount of the refunding bonds must not exceed the total remaining interest cost to maturity on the Refunded Debt plus the remaining principal of the Refunded Debt (the “Minimum Savings Threshold”); and
- (ii) The principal amount of the refunding bonds must not exceed the amount required to defease the Refunded Debt, to establish customary debt service reserves, and to pay related costs of issuance.

Approval by Oversight Board and Department of Finance

Before the issuance of refunding bonds under the Dissolution Act, the Successor Agency must obtain the approval of the Oversight Board, by resolution. Such Oversight Board resolution (as with all Oversight Board resolutions) does not become effective unless it has been approved, or deemed approved, by the State Department of Finance.

On April 4, 2017, the City Council of the City, acting as the Successor Agency, adopted Resolution No. SA 2017-04 (the “Successor Agency Resolution”), authorizing the issuance and sale of the 2017 Bonds to refund the Refunded Bonds; provided that the 2017 Bonds must bear interest at such rates and be sold at such a price so as to achieve the Minimum Savings Threshold. The Successor Agency Bond Resolution included a request by the Successor Agency to the Oversight Board for the Oversight Board to approve the issuance of the 2017 Bonds.

On April 14, 2017, the Oversight Board adopted Resolution No. OB 2017-10 (the “Oversight Board Bond Resolution”), approving the issuance of the 2017 Bonds, subject to the satisfaction of the Minimum Savings Threshold. The Oversight Board Bond Resolution was submitted to the DOF for review. On June 8, 2017, the DOF issued a letter (the “DOF Letter”) indicating the DOF’s approval of the Oversight Board Bond Resolution. The DOF Letter conditioned such approval on the understanding that the 2017 Bonds will meet the limitations in Health and Safety Code Section 34177.5. The Successor Agency, based on Bond Counsel’s opinion, believes that the issuance of the 2017 Bonds complies with the requirements of Health and Safety Code Section 34177.5.

Expiration of Challenge Period

The Dissolution Act also provides that, notwithstanding any other State law, an action to challenge the issuance of bonds under the Dissolution Act must be brought within 30 days after the date

on which the oversight board approves the resolution of the successor agency approving the issuance of the bonds. More than 30 days have expired between the adoption of the Oversight Board Bond Resolution and the date of this Official Statement. During this interim, the Successor Agency has received no notice of any action challenging the issuance of the 2017 Bonds.

Pursuant to Health and Safety Code Section 34177.5(f), once the DOF has given its approval to the Oversight Board Bond Resolution, the scheduled payments on the 2017 Bonds must be listed on the Successor Agency's ROPS (see "SECURITY AND SOURCES OF PAYMENT FOR 2017 BONDS – Recognized Obligation Payment Schedules") and will not be subject to further approval by the DOF or the State Controller. Furthermore, pursuant to Health and Safety Code Section 34177.5(f), once the 2017 Bonds are issued with the Oversight Board's approval, the Oversight Board will not be permitted to unilaterally approve any amendments to or early termination of the 2017 Bonds (*i.e.*, unilaterally terminate the Indenture or the 2017 Bonds in contradiction to the terms by which the 2017 Bonds were sold).

SECURITY AND SOURCES OF PAYMENT FOR 2017 BONDS

Pledge of Tax Revenues

The 2017 Bonds will not be a debt, liability or obligation of the City, the State, or any of its political subdivisions other than the Successor Agency as described in this Official Statement. None of the City, the State nor any of its political subdivisions other than the Successor Agency, will be liable for the 2017 Bonds. None of the members of the governing bodies or officers of the Successor Agency, the City, nor any person executing the 2017 Bonds or the Indenture will be liable personally with respect to the 2017 Bonds. The obligations of the Successor Agency with respect to the 2017 Bonds will be payable solely from Tax Revenues and the funds pledged pursuant to the Indenture. The Successor Agency has no taxing power. The 2017 Bonds will not constitute indebtedness in violation of any constitutional or statutory debt limit or restriction.

The primary source of the Successor Agency's payment of debt service on the 2017 Bonds will be moneys received by the Successor Agency from the County Auditor-Controller through disbursements of property tax revenues from the RPTTF. See "INTRODUCTION – Security for 2017 Bonds – Administration of Property Taxes Allocable to Successor Agency Under Dissolution Act." Each fiscal year, the County Auditor-Controller is required to determine the amount of property taxes – formerly known as tax increment – that would have been allocated to the Former Agency had the Former Agency not been dissolved and deposit such amount into the RPTTF. See "Allocation of Property Taxes (Determination of RPTTF Deposits)" below. The Successor Agency is required to deposit moneys received from each RPTTF disbursement into the Redevelopment Obligation Retirement Fund. Pursuant to the Indenture, the Successor Agency will then transfer the portion that is attributable to the Project Area into a separate special fund called the "Project AB Tax Revenue Fund." See "INTRODUCTION – Security for 2017 Bonds – Administration of Property Taxes Allocable to Successor Agency Under Dissolution Act").

The 2017 Bonds will be secured by a pledge of and lien on all of the Tax Revenues which are on deposit in the RPTTF, the Redevelopment Obligation Retirement Fund and the Project AB Tax Revenue Fund, until their release pursuant to the terms of the Indenture. "Tax Revenues" will be defined in the Indenture as:

“amounts required to be deposited from time to time in the Redevelopment Property Tax Trust Fund in accordance with Section 34183(a)(2) of the Redevelopment Law, which amounts are derived from property tax revenues (formerly, tax increment) allocated with respect to the Project Area under Article 6 of Chapter 6 (commencing with Section 33670) of the Redevelopment Law and Section 16 of Article XVI of the Constitution of the State of California and as provided in the Redevelopment Plan including (a) all payments, subventions and reimbursements (if any) to the Successor Agency specifically attributable to *ad valorem* taxes lost by reason of tax exemptions and tax rate limitations, but not including amounts of such taxes which are required to be paid under the Tax Sharing Agreements or the Tax Sharing Statutes, but only to the extent such amounts are not subordinated to the payment of debt service on the Bonds.”

See “Statutory Pass-through Payments; Tax Sharing Agreements” below. Such pledge and lien of Tax Revenues will be for the equal security of the 2017 Bonds and all outstanding Remaining 2003 Bonds, 2013 Bonds and any other Parity Debt (see “Limitation on Additional Bonds”). In addition, the 2017 Bonds will be secured by a first pledge of and lien upon all of the moneys in the Debt Service Fund, the Interest Account, the Principal Account, the Redemption Account and the Reserve Account (each of which will be established and held by the Trustee under the Indenture; see “Application of Tax Revenues under Indenture”). Except for the Tax Revenues and such moneys, no funds of the Successor Agency will be pledged to, or otherwise liable for, the payment of principal of or interest or redemption premium (if any) on the 2017 Bonds.

Any Tax Revenues received by the Successor Agency during a Bond Year and held in the Project AB Tax Revenue Fund, to the extent remaining after making the required transfers to the Interest Account, the Principal Account, the Redemption Account and the Reserve Account pursuant to the Indenture (and any transfers required for debt service payments or debt service reserve replenishment with respect to Parity Debt) will be released from the pledge and lien established under the Indenture; except that such a release will not occur unless: (a) the amount in the Reserve Account at the time of such release is at least equal to the Reserve Requirement, and (b) no amounts are then due and owing to the Bond Insurer in respect of the Bond Insurance Policy or the Reserve Policy.

See “Application of Tax Revenues Under Indenture” below regarding the requirement for the Successor Agency to transfer Tax Revenues to the Trustee for deposit into the funds and accounts maintained under the Indenture.

Allocation of Property Taxes (Determination of RPTTF Deposits)

Agency (RPTTF) Portion Generally

Each fiscal year, the County Auditor-Controller deposits into the RPTTF the amount of property taxes that would have been allocated to the Former Agency had the Former Agency not been dissolved – formerly known as tax increment, which is based on assessed values of the property in the Project Area on the last equalized roll as of August 20. Such allocation of taxes is determined pursuant to Article 6 of Chapter 6 of the Redevelopment Law (commencing with Section 33670 of the California Health and Safety Code), Section 16 of Article XVI of the California State Constitution and the Redevelopment Plan of the Project Area (see “INTRODUCTION – Project Area; Redevelopment Plan” and “PROJECT AREA – Redevelopment Plan; Annual TI Cap”).

In accordance with the provisions of the Redevelopment Law, the State Constitution and the Redevelopment Plan, taxes levied upon taxable property in each Component Area of the Project Area (see below, under “PROJECT AREA”) by or for the benefit of the State, the County, the City, any district or

other public corporation (collectively referred to as “taxing agencies” or “taxing entities”) for each fiscal year commencing after the effective date (the “Effective Date”) of the Original Redevelopment Plan or the ordinance adding the Component Area, as applicable, as follows:

1. *To taxing agencies:* That portion of the taxes which would be produced by the rate upon which the tax is levied each year by (or for) each of the taxing agencies upon the total sum of the assessed value of the taxable property in the Component Area, as shown upon the assessment roll used in connection with the taxation of such property by such taxing agency, last equalized prior to the Effective Date, are allocated to and, when collected, paid to the respective taxing agencies as taxes by or for such taxing agencies on all other property are paid (for the purpose of allocating taxes levied by or for any taxing agency or taxing agencies which did not include such territory on the Effective Date but to which such territory has been annexed or otherwise included after such Effective Date, the assessment roll of the County last equalized on the Effective Date is used in determining the assessed valuation of the taxable property in such territory on the Effective Date); and
2. *To Former Agency/Successor Agency (i.e., deposit into RPTTF under the Dissolution Act):* That portion of such levied taxes each year in excess of the amount provided in paragraph (1) above, are allocated to and, when collected, paid into a special fund of the Former Agency (or, now, to the RPTTF of the Successor Agency) to pay the principal of and interest on bonds, loans, moneys advanced to, or indebtedness (whether funded, refunded, assumed, or otherwise) incurred by the Former Agency (and the Successor Agency) to finance or refinance, in whole or in part, redevelopment of the Project Area; but excluding from the foregoing, the taxes which are attributable to a tax rate levy by a taxing agency for the purpose of producing revenues to repay bonded indebtedness approved by the voters of the taxing agency on or after January 1, 1989, or an increase in tax rate imposed for the benefit of a taxing agency the levy of which occurs after the tax year in which the ordinance approving the Component Area became effective, but only to the extent the taxing agency has elected in the manner required by law to receive such allocation, which is allocated to, and when collected, paid to such taxing agency (provided, the Dissolution Act contains provisions to the effect that certain overrides are now allocated to the levying entity, even if pursuant to the levy was pursuant to voter approval made before January 1, 1989, unless such overrides were pledged to the Former Agency’s bonds).

Before the Former Agency’s dissolution, the portion of property taxes described in paragraph numbered (2) constituted tax increment allocable to the Former Agency of which the Former Agency was authorized to make pledges to repay indebtedness incurred in carrying out the Redevelopment Plan, subject to the limitations set forth in the Redevelopment Plan. After the Former Agency’s dissolution, pursuant to the Dissolution Act, such property tax revenues are now deposited into the RPTTF. California Health and Safety Code Section 34172 clarifies that, for purposes of Section 16 of Article XVI of the State Constitution, the RPTTF is deemed to be a special fund of the Former Agency for payment of debt service on indebtedness of the Former Agency incurred to finance or refinance the redevelopment projects.

Elimination of Housing Set-Aside

As discussed under “INTRODUCTION – Security for 2017 Bonds – *Elimination of Housing Set-Aside Under Dissolution Act*,” the Former Agency used the Housing Set-Aside to pay debt service on a portion of its bonds which were issued to finance or refinance affordable housing projects. The Dissolution Act has eliminated the Housing Fund. None of the property tax revenues deposited in the RPTTF is designated as the Housing Set-Aside. The 2017 Bonds, upon their issuance, will be secured by a pledge all of the Tax Revenues which are allocable to the Project Area, without any distinction between the amounts that formerly would have constituted the 80 Percent Portion and the Housing Set-Aside.

Overrides

Generally, California State law limits the amount of *ad valorem* tax levied on real property to one percent of the full cash value of the property. See “PROPERTY TAXATION IN CALIFORNIA – Article XIII A of California Constitution.” However, there are State law provisions that allow a taxing agency to levy additional *ad valorem* taxes to raise revenues for certain purposes with voter approval. The property taxes generated from such levy by a taxing agency is commonly referred to as an “override.”

Before the dissolution of redevelopment agencies, property tax revenues derived from a redevelopment project area that fell within the description of paragraph numbered (2) under “*Agency (RPTTF) Portion Generally*” above, was considered tax increment (and, therefore, allocated to the redevelopment agency) – regardless whether any dollar out of such property tax revenues was attributable to an override levy, except in the case where the override was approved on or after January 1, 1989 or the levying taxing agency had made a special election pursuant to the authorizing statute.

Even though the Dissolution Act generally provides that the deposit into the RPTTF each year is to be based on the property taxes that would have been allocated to the Former Agency as tax increment had the Former Agency not been dissolved, there has been confusion regarding the treatment of overrides because of arguably conflicting language contained in the Dissolution Act.

With respect to the Project Area, a very small portion of the property tax revenues is attributable to an override levy. See “APPENDIX B – FISCAL CONSULTANT REPORT – 4.1. Tax Rates.” Pursuant to voter approval from a 1978 special election held in the City, the City levies an override to raise revenue in order to maintain a program for mobile intensive care paramedics services (the “Brea 1978 Paramedics Override”). The Successor Agency understands that the County Auditor-Controller has continued to include the property tax revenues attributable to the Brea 1978 Paramedics Override when determining the allocation of property tax revenues to the Successor Agency’s RPTTF. The tax rate attributable to the Brea 1978 Paramedics Override is \$0.045 per \$100 of full taxable value. However, see “INTRODUCTION – Redevelopment Plan; SB 107 Effect on Plan Limits” and Table 5 under “TAX REVENUES AND DEBT SERVICE COVERAGE – Projected Tax Revenues; Coverage Projections.” The amount of property tax revenues of the Project Area allocable to the RPTTF in any fiscal year is expected to continue to be based on the Annual TI Cap, well below the amount of such property tax revenues if the Annual TI Cap never existed (projected at over \$41 million, as compared to the Annual TI Cap of \$19 million, for fiscal year 2017-18). Therefore, any change by the County Auditor-Controller with respect to the treatment of the Brea 1978 Paramedics Override (*i.e.*, a redirection of all of such override to the City and an exclusion of the override from deposits into the Successor Agency’s RPTTF) will likely have no impact on the dollar amount of property tax revenues derived from the Project Area that will be deposited into the RPTTF.

RPTTF Aggregation of Property Tax Revenues from Project Areas

Under the Redevelopment Law, the Former Agency was not permitted to use tax increment revenues from one project area to repay indebtedness incurred for another project area. However, under the Dissolution Act, the County Auditor-Controller establishes only one RPTTF for the Successor Agency. The County Auditor-Controller is not required to establish separate accounts within the RPTTF for the two project areas of the Former Agency (*i.e.*, the Project Area and Redevelopment Project C, see “SUCCESSOR AGENCY – Other Project Area: Redevelopment Project C”). The flow of funds established under the Dissolution Act for disbursement of moneys from the RPTTF does not make a distinction between payment obligations relating to the respective project areas.

In theory, this aggregation of property tax revenues from the Project Area and Redevelopment Project C within the RPTTF poses a conflict with the pledge of tax revenues under the bond documents. The bonds issued by the Former Agency are secured solely by the property tax revenues of the related project area and are not cross-collateralized by the property tax revenues of the other project area. In a hypothetical scenario where property tax revenues from one project area become insufficient to pay enforceable obligations incurred for that project area, it is unclear how this conflict will be resolved, especially in light of the declaration in the Dissolution Act to preserve bond pledges.

Nonetheless, the Successor Agency does not expect this question – regarding the conflict posed by the aggregation of property tax revenues between the Project Area and Redevelopment Project C within the RPTTF – will be tested. The dollar amount of property tax revenues from Redevelopment Project C allocable to the RPTTF each fiscal year significantly exceeds the annual payment requirement for the outstanding debt related to Redevelopment Project C. With respect to the Project Area, assuming the absence of a significant decrease of assessed value or some other extraordinary circumstances, the theoretical conflict created by this aggregation of property tax revenues within the RPTTF is not expected to negatively impact debt service payments on the 2017 Bonds. See TABLE 5 under “TAX REVENUES AND DEBT SERVICE COVERAGE – Projected Tax Revenues; Coverage Projections.”

Furthermore, in spite of the aggregation of moneys by the County Auditor-Controller within the RPTTF, the Successor Agency has taken steps to give effect to the distinctive pledges with respect to the bonds issued for the Project Area and the bonds issued for Redevelopment Project C. For each RPTTF disbursement, the County Auditor-Controller has made available to the Successor Agency information to ascertain the dollar amount of the property tax revenues deposited into the RPTTF that are attributable to the Project Area and the amount that is attributable to Redevelopment Project C, respectively. The Successor Agency anticipates that similar information will be available for future RPTTF disbursements. As contemplated by the Indenture, the Successor Agency has established a separate special fund called the Project AB Tax Revenue Fund. The Successor Agency will deposit into such Project AB Tax Revenue Fund all of the moneys received from the County Auditor Controller from the RPTTF that represent property taxes derived from the Project Area and payable to obligations incurred in connection with the Project Area. The Successor Agency has created a similar separate fund to hold moneys received from the County Auditor Controller from the RPTTF that represent property taxes derived from Redevelopment Project C.

Statutory Pass-through Payments; Tax Sharing Agreements

Pursuant to the Indenture, Tax Revenues pledged to 2017 Bonds do not include each of the following, to the extent such amounts are not subordinated to the payment of debt service on the Bonds: (i) amounts that are required be paid to taxing agencies as pass-through payments under California Health and Safety Code Section 33607.5 and Section 33607.7 (the “AB 1290 Payments”), (ii) amounts that are required be paid pursuant to an Agreement, dated as of May 1, 1984 (the “County Tax Sharing

Agreement”), by and among the County, the Orange County Flood Control District and the Orange County Harbors, Beaches and Parks District (collectively, the “County Entities”), the Former Agency and the City, and (iii) amounts that are required be paid pursuant the Brea Mall OPA (see “*Brea Mall OPA*” below).

Stated another way, with respect to the pledge of and lien on property taxes from the Project Area that are deposited in the RPTTF, the 2017 Bonds (as well as other Parity Debt) rank junior to the Successor Agency’s obligations pursuant to the AB 1290 Payments, the County Tax Sharing Agreement and the Brea Mall OPA (except to the extent that a portion is expressly subordinated to the 2017 Bonds and other Parity Debt, as described below). See Tables 4 and 5 under “TAX REVENUES AND DEBT SERVICE COVERAGE – Projected Tax Revenues; Coverage Projections.”

Before its dissolution, the Former Agency was responsible for making the pass-through payments – including payments under the County Tax Sharing Agreement and the AB 1290 Payments – to the taxing agencies from the tax increment disbursed by the County Auditor-Controller. Under the Dissolution Act, the County Auditor-Controller makes these pass-through payments to the taxing agencies directly on or before each January 2 and June 1 from funds available in the RPTTF, before making disbursements to the Successor Agency on each January 2 and June 1 from the RPTTF. See “RPTTF Flow of Funds” below.

As discussed under “INTRODUCTION – Project Area; Redevelopment Plan,” under SB 107 (which was enacted in September 2015), the Successor Agency is generally no longer subject to the Plan Limits (including the Annual TI Cap) with respect to payment of “enforceable obligations,” as such term is defined in the Dissolution Act. The County Auditor-Controller has confirmed to the Successor Agency that, because pass-through payments are not the Successor Agency’s enforceable obligations administered through the ROPS process (see “Recognized Obligation Payment Schedules” below), the County Auditor-Controller continues to recognize the Plan Limits for pass-through payments to the taxing entities. (In contrast, SB 107 affected the payments under the Brea Mall OPA, which are enforceable obligations paid by the Successor Agency. See discussion below under “*Brea Mall OPA*.”)

AB 1290 Payments. California Health and Safety Code Section 33607.5 and Section 33607.7 were added to the Redevelopment Law by Assembly Bill 1290 (“AB 1290”), enacted by the State Legislature in 1994. Section 33607.7 has been further amended by SB 211, Chapter 741, Statutes 2001. AB 1290 prohibited redevelopment agencies from entering into any new pass-through agreements with taxing agencies. AB 1290 provided, instead, that taxing agencies receive an additional portion of tax increment revenues otherwise payable to the redevelopment agency (the “AB 1290 Payments”), upon the occurrence of certain triggering events. Because of amendments to the Redevelopment Plan adopted in 2003, AB 1290 Payments were triggered with respect to the tax increment of the Project Area. See “APPENDIX B – FISCAL CONSULTANT REPORT – 2.3 Statutory Pass Through.” As part of the RPTTF flow of funds established by the Dissolution Act, the taxing agencies continue to receive AB 1290 Payments in accordance with the applicable provisions of the Redevelopment Law, as those provisions read on January 1, 2011.

The Dissolution Act provides a procedure under which a successor agency may seek approval from taxing agencies to subordinate their AB 1290 Payments to refunding bonds issued by the Successor Agency under Health and Safety Code Section 34177.5, before the issuance of the refunding bonds. With respect to the 2017 Bonds, the Successor Agency has determined to not undertake any such subordination procedures in light of the sufficiency of the projected Tax Revenues for debt service coverage. See “TAX REVENUES AND DEBT SERVICE COVERAGE” and “APPENDIX B - FISCAL CONSULTANT REPORT.”

County Tax Sharing Agreement. Under the County Tax Sharing Agreement, the County Entities are entitled to certain annual pass-through payments, which are calculated based on a percentage of the amount of the property tax revenues derived from Redevelopment Project AB Supplement that would have been allocable to the Former Agency as tax increment (the “Gross Tax Revenues”).

Originally, the County Tax Sharing Agreement provided for annual pass-through payments to the County Entities that totaled 18.26 percent of the tax increment from Redevelopment Project AB Supplement. Later, the State Legislature mandated a shift of property tax revenues for fiscal year 1993-94 to fund schools and required the Former Agency to make a deposit into the County’s Educational Revenue Augmentation Fund (the “FY 1993-94 ERAF Shift”). The FY 1993-94 ERAF Shift effectively reduced the share of property taxes received by the Former Agency. Because of the FY 1993-97 ERAF Shift, the County adjusted the percentages pursuant to which the pass-through payments to the County Entities were calculated under the County Tax Sharing Agreement. Since the FY 1993-94 ERAF Shift, the County Auditor has calculated the pass-through payments under the County Tax Sharing Agreement each fiscal year based on these adjusted percentages, with the fiscal year 2015-16 percentage shares as follows:

County Taxing Entity	Percent of Redev. Project AB Supplement Gross Tax Revenues
Orange County General Fund	5.6329%
Orange County Flood Control District	1.8072
Orange County Library Fund	1.5235
Orange County Harbors, Beaches & Park District	1.3000
Total:	10.2636%

Furthermore, in light of the tax increment caps set forth in the Redevelopment Plan (which were reached before the Former Agency’s dissolution), the County has calculated the pass-through payments under the County Tax Sharing Agreement to be approximately \$513,000 each year. The projections by the Fiscal Consultant as shown in Tables 4 and 5 under “TAX REVENUES AND DEBT SERVICE COVERAGE” assume that the total payable to the County Entities under the County Tax Sharing Agreement will remain to be \$513,000 each fiscal year throughout the term of the 2017 Bonds. See “PROJECT AREA – Redevelopment Plan; Annual TI Cap,” “TAX REVENUES AND DEBT SERVICE COVERAGE” and “APPENDIX B – FISCAL CONSULTANT REPORT – 2.2 County Pass-Through Agreement (AB Supplement).”

Brea Mall OPA. The Former Agency and a private developer, Corporate Property Investors, executed an Owner Participation Agreement executed in 1988 (the “Original OPA”) in connection with the expansion and renovation of the development commonly known as the “Brea Mall.” The Brea Mall is located in Redevelopment Project B just west of State Highway 57 between Birch Street and State Highway 90. In 1995, the Former Agency and Corporate Property Investors entered into a First Amendment to Owner Participation Agreement. Subsequently, Simon Property Group, Inc. acquired Corporate Property Investors in 1998. The Retail Property Trust, a subsidiary of Simon Property Group, Inc., is the current the major owner and operator of the Brea Mall, and the successor to Corporate Property Investors with respect to the Brea Mall OPA.

Under the Original OPA, as amended by the First OPA Amendment, the Former Agency agreed to pay Corporate Property Investors or its assignee or successor with respect to the Brea Mall OPA and the Brea Mall (together, the “Mall Owner”), an annual amount (the “OPA Annual Payment”), beginning

in fiscal year 1989-90 through the end of fiscal year 2021-22, that is equal to the sum of (i) 80 percent of the “Net Property Tax Revenues generated by the Site” allocated and paid to the Former Agency (and now the Successor Agency), plus (ii) \$15,000. “Net Property Tax Revenues generated by the Site” refers to, generally, the tax increment revenue generated from the Brea Mall above the 1987-88 base year tax increment revenue (which was \$990,504), excluding increases due to any change in ownership. In fiscal year 2005-06, when the annual tax increment cap for the related portion of the Project Area was reached, the Annual OPA Payment was \$1,107,287. Between fiscal years 2005-06 and 2014-15, the Former Agency (before dissolution), and later the Successor Agency, paid and the Mall Owner accepted, \$1,107,287 for the OPA Annual Payment.

After SB 107 was enacted in September 2015, the Successor Agency’s obligation with respect to the OPA Annual Payment (which is an “enforceable obligation” within the meaning of the Dissolution Act) is no longer subject to the tax increment limit set forth in the Redevelopment Plan. As a result, the OPA Annual Payment increased to approximately \$1.507 million for fiscal year 2015-16, and approximately \$1.576 million for fiscal year 2016-17.

In August 2017, the Successor Agency and the Mall Owner executed the Second OPA Amendment, to provide for fixed payment amounts through the end of fiscal year 2021-22 (the “Fixed OPA Annual Payments”), and a one-time “true-up payment” (the “True-Up Payment”). The True-Up Payment is equal to the difference between the Fixed OPA Annual Payments and the amount that would have been paid under the OPA before the Second OPA Amendment, less \$10,000. The Fixed OPA Annual Payments schedule was established based on an assumed two percent assessed value growth each fiscal year and is set forth below:

Fiscal Year	Amount
2017-18	\$1,581,169
2018-19	1,626,662
2019-20	1,673,065
2020-21	1,720,395
2021-22	1,768,673
Total:	<u>\$8,369,964</u>

Under the Second OPA Amendment, the Fixed OPA Annual Payments continue to rank senior to the 2017 Bonds and the other Successor Agency Bonds, with respect to the lien on property tax revenues generated by a related portion of the Project Area. In contrast, the True-Up Payment is subordinated to the 2017 Bonds and other bonds of the Successor Agency.

See “PROJECT AREA – Redevelopment Plan; Annual TI Cap,” “TAX REVENUES AND DEBT SERVICE COVERAGE” and “APPENDIX B – FISCAL CONSULTANT REPORT – 2.4 Brea Mall Owner Participation Agreement (AB Merged Project).”

RPTTF Flow of Funds

The Dissolution Act establishes a specific flow of funds for the County Auditor-Controller’s administration of the RPTTF. Under Health and Safety Code Section 34183, the County Auditor-Controller, after deducting certain administrative costs due to the County, allocates moneys in the RPTTF as follows:

- (i) No later than each January 2 and June 1, subject to certain adjustments for subordinated pass-through payments as permitted under the Dissolution Act (as further described below), the County Auditor-Controller remits to each local agency and school entity, to the extent applicable, amounts required for pass-through payments that such taxing agency would have received under the relevant provisions of the Redevelopment Law, as those sections read on January 1, 2011 (see “Statutory Pass-through Payments; Tax Sharing Agreements – *AB 1290 Payments*”), or pursuant to any pass-through agreement between a redevelopment agency and a taxing entity that was entered into prior to January 1, 1994 (see “Statutory Pass-through Payments; Tax Sharing Agreements – *County Tax Sharing Agreement*”). The pass-through payments are computed as though the requirement to set aside funds for the Housing Fund was still in effect.
- (ii) On each January 2 and June 1, the County Auditor-Controller disburses to the Successor Agency the amount approved by the DOF (see “Recognized Obligation Payment Schedules” below) for payments listed on the Successor Agency’s ROPS for the applicable ROPS Payment Period (*i.e.*, the six month fiscal period commencing on January 1 or July 1), with debt service payments scheduled to be made for tax allocation bonds having the highest priority. The Successor Agency is permitted, however, to hold a reserve when required by the relevant bond indenture or when the next property tax allocation will be insufficient to pay bond debt service for the next payment due in the following half of the calendar year.
- (iii) On each January 2 and June 1, the County Auditor-Controller also disburses the administrative cost allowance (as defined in the Dissolution Act) to the Successor Agency.
- (iv) On each January 2 and June 1, any moneys remaining in the RPTTF (the “RPTTF Residual”) after the payments and transfers described in subparagraphs (i) through (iii), inclusive, are distributed to local agencies and school entities in accordance with the provisions of the Dissolution Act.

The Dissolution Act requires the County Auditor-Controller to provide to the Successor Agency estimates of the amount of property tax revenues to be allocated to the RPTTF in the upcoming six-month ROPS Payment Period no later than October 1 and April 1, respectively. If the Successor Agency determines that the amount to be allocated to the RPTTF and the other moneys available from funds previously transferred from the Former Agency and through asset sale or other operations) are insufficient to fund the payments required by subparagraphs (i) through (iii) above, then the Successor Agency may make a report (a “RPTTF Shortfall Report”) to the County Auditor-Controller, who will in turn notify the DOF and the State Controller. Upon verification and concurrence from the State Controller that there are insufficient funds to pay the required debt service, the County Auditor-Controller will make an adjustment to the upcoming disbursement from the RPTTF as follows:

- (a) First, the amount of the deficiency will be deducted from the RPTTF Residual described in subparagraph (iv) above,
- (b) Second, if the RPTTF Residual is exhausted, deductions will be made from amounts available for distribution as the Successor Agency’s administrative cost allowance described in subparagraph (iii) above,
- (c) Third, if a taxing agency had subordinated its pass-through payments under a pass-through agreement or pursuant to the provisions of the Redevelopment Law or the

Dissolution Act to debt service payments required for enforceable obligations, funds for servicing such bond debt will be deducted from such pass-through payments.

Based on the projections shown in Tables 4 and 5 under “TAX REVENUES AND DEBT SERVICE COVERAGE”, the Successor Agency does not anticipate the necessity of any RPTTF Shortfall Report while the 2017 Bonds are outstanding.

Recognized Obligation Payment Schedules

Listing of Enforceable Obligations and Sources of Funds

Starting with the ROPS which covers the period commencing July 1, 2017 until such time as an LFROPS has been approved by the DOF (see “*Last and Final ROPS*” below), the Successor Agency must prepare a ROPS once a year, listing the payments for enforceable obligations that the Successor Agency is expected to make for the upcoming two ROPS Payment Periods (*i.e.*, the six-month fiscal period commencing January 1 and July 1, respectively).

The Dissolution Act contains a specific definition for “enforceable obligations.” As defined in the Dissolution Act, “enforceable obligations” include, among other types of obligations, tax allocation bonds (including the required debt service, reserve set-asides, and any other payments required under the indenture or similar documents governing the issuance of the outstanding bonds) of the Former Agency or the Successor Agency.

The Dissolution Act provides that the ROPS must identify one of the following sources of funds for the payment of each listed enforceable obligation:

- (a) the Housing Fund (but see discussions under “SUCCESSOR AGENCY – Transfers to Housing Successor” and “– Due Diligence Reviews,” moneys that were on deposit in the Housing Fund, except for bond proceeds, have either been transferred to the housing successor or remitted to the County Auditor-Controller as the result of the due diligence reviews required by the Dissolution Act),
- (b) bond proceeds,
- (c) reserve balances (but see “SUCCESSOR AGENCY – Due Diligence Reviews”; regarding unobligated cash that was on deposit in the Former Agency’s accounts which would have been available for cash reserve but was, for the most part, remitted to the County Auditor-Controller as the result of the due diligence reviews),
- (d) Successor Agency’s administrative cost allowance (as defined in the Dissolution Act),
- (e) RPTTF (but only to the extent no other funding source is available or when payment from property tax revenues is required by an enforceable obligation or otherwise required under the Dissolution Act), or
- (f) other revenue sources, including rents, concessions, asset sale proceeds, interest earnings, and any other revenues derived from the Former Agency, as approved by the Oversight Board.

Pursuant to the Dissolution Act, the Successor Agency may only make those payments listed in the ROPS, as approved by the DOF. Generally, the Successor Agency may only make payments from the

source of funds identified in the ROPS. However, the Successor Agency may make payments for enforceable obligations from sources other than those listed in the ROPS, if the Successor Agency obtains the Oversight Board's prior approval (and, consequently, the DOF's approval because such Oversight Board actions are subject to the DOF's review).

Timing for ROPS Submission and Approval

The Successor Agency must submit the ROPS to the Oversight Board for approval. Until and unless a Last and Final ROPS has been approved (see "*Last and Final ROPS*" below), no later than each February 1, the Successor Agency must submit the Oversight Board-approved annual ROPS to the County Auditor-Controller, the DOF and the State Controller. For each annual ROPS, the Dissolution Act requires the DOF to make a determination on the enforceable obligations and the amounts and funding sources of the enforceable obligations no later than April 15. Within five business days of the DOF's determination, the Successor Agency may request additional review and an opportunity to meet and confer with the DOF on the disputed items. The DOF must notify the Successor Agency and the County Auditor-Controller regarding the outcome of its review at least 15 days before the upcoming June 1 RPTTF disbursement date (*i.e.*, May 15).

No later than October 1 of each year, the Successor Agency may submit one amendment to the annual ROPS previously approved by the DOF for the then current fiscal year. Such amendment may pertain only to a modification of the amount requested for an enforceable obligation for the second ROPS Payment Period of such ROPS (*i.e.*, the ROPS Payment Period from January 1 to June 30). The ROPS amendment is subject to the Oversight Board's, and subsequently the DOF's, approval. The DOF must notify the Successor Agency and the County Auditor-Controller regarding the outcome of the DOF's review at least 15 days before the upcoming January 2 RPTTF disbursement date (*i.e.*, December 18).

The Dissolution Act permits the County Auditor-Controller to review each submitted ROPS and object to the inclusion of any item that is not demonstrated to be an enforceable obligation and may object to the funding source proposed for any item. The County Auditor-Controller must provide notice of any such objection to the Successor Agency, the Oversight Board, and the DOF at least 60 days before the next RPTTF disbursement date (*i.e.*, November 2 and April 2, respectively). If the Oversight Board disputes the finding of the County Auditor-Controller, it may refer the matter to the DOF for a determination.

Penalties for Failure to Submit on a Timely Basis

The Dissolution Act imposes penalties for the Successor Agency's failure to submit a ROPS on a timely basis. If the Successor Agency fails to submit a ROPS by the prescribed deadlines, the City (as the entity that created the Former Agency) will be subject to a civil penalty equal to \$10,000 per day for every day the ROPS is not submitted to the DOF. Furthermore, the DOF, any affected taxing entity and any creditor of the Successor Agency will have standing to file and may request a writ of mandate to require the Successor Agency to immediately perform this duty; provided that any such filing should be made in the County of Sacramento, California. Additionally, the Successor Agency's maximum administrative cost will be reduced by 25 percent if the Successor Agency does not submit a ROPS within ten days of the deadline for the ROPS submission.

If the Successor Agency fails to submit to the DOF an Oversight Board-approved ROPS that complies with the requirements of the Dissolution Act within five business days of the date upon which the ROPS is to be used to determine the amount of property tax allocations, the DOF may determine if any amount should be withheld by the County Auditor-Controller for payments of enforceable obligations from distribution to taxing entities, pending approval of the ROPS. Upon notice by the DOF that a

portion of the withheld balances are in excess of the amount of enforceable obligations, the County Auditor-Controller will distribute the portion that represents the RPTTF Residual (see “RPTTF Flow of Funds” above) to the affected taxing entities. The County Auditor-Controller will distribute the withheld funds to the Successor Agency only in accordance with a ROPS approved by the DOF. The Dissolution Act states that the County Auditor-Controller lacks the authority to withhold any other amounts from the allocations provided for under the provisions of the Dissolution Act governing the disbursements of funds from the RPTTF.

To date, the Successor Agency has submitted all ROPS filings on a timely basis to the DOF.

Last and Final ROPS

The Dissolution Act permits the Successor Agency to submit a Last and Final ROPS or “LFROPS” to the Oversight Board and the DOF for approval at any time on or after January 1, 2017. Pursuant to the template provided by the DOF, the Successor Agency must list on the LFROPS the enforceable obligations, the amounts of the payments and the source of payments for each six month ROPS Payment Period up to the date of the last payment by the Successor Agency. Before filing an LFROPS, the Successor Agency must meet the following conditions:

- (i) the remaining debt is limited to administrative costs and payments pursuant to enforceable obligations with defined payment schedules,
- (ii) all remaining obligations have been previously listed on a ROPS and approved by the DOF, and
- (iii) the Successor Agency is not a party to any outstanding or unresolved litigation.

The DOF will have 100 days to review an LFROPS submitted for approval. If the DOF approves the LFROPS, the LFROPS will establish the maximum amount of RPTTF to be distributed to the Successor Agency for each remaining fiscal year until the approved obligations have been fully paid.

After the DOF approves an LFROPS, the LFROPS will become effective on the first day of the immediately next ROPS Payment Period (*i.e.*, the following January 1 or July 1, as applicable); provided, that if the LFROPS is approved less than 15 days before the date next RPTTF Disbursement Date (*i.e.*, the following January 2 or June 1), then the LFROPS will not become effective until the subsequent ROPS Payment Period. Upon the LFROPS taking effect, the Successor Agency will no longer have to submit any further annual ROPS. The County Auditor-Controller will make distributions from the RPTTF to the Successor Agency pursuant to the LFROPS until the aggregate amount of property tax allocated to the Successor Agency equals the total outstanding obligation approved in the LFROPS. Any revenues, interest and earnings of the Successor Agency not authorized for use pursuant to the DOF-approved LFROPS and all proceeds from the disposition of real property subsequent to the approval of the LFROPS will be remitted to the County Auditor-Controller for distribution to the affected taxing entities. After the DOF’s approval of the LFROPS, the Successor Agency may submit no more than two requests to amend the LFROPS. The Oversight Board must first approve each amendment request, and the DOF will then have 100 days to approve or deny the request.

After the effective date of a DOF-approved LFROPS, resolutions adopted by the Oversight Board will become effective without additional submission and approval by the DOF, with the exception of resolutions relating to refunding bonds, long range property management plans, amendments to the LFROPS or dissolution of the Successor Agency.

If a former redevelopment agency had issued bonds in 2011 (the year that the Dissolution Act was first enacted) to finance projects (other than for affordable housing purposes), the Dissolution Act provides an incentive for the filing of an LFROPS. The DOF has interpreted the Dissolution Act in a manner which severely restricts the use of proceeds from such 2011 bonds for purposes other than defeasance of bonds. However, if a successor agency files an LFROPS, the successor agency would be allowed to access a greater portion (though not all) of such 2011 bond proceeds for project purposes (as compared to only five percent of such proceeds, without an LFROPS). The 2011A Bonds were issued, in part, to finance non-housing projects. Most of the proceeds of the 2011A Bonds remain unspent as of the date of this Official Statement. In conjunction with the issuance of the 2017 Bonds, the Successor Agency will cause a portion of the unspent proceeds of the 2011A Bonds to be deposited into the Tax-Exempt Escrow Fund for the defeasance of the 2011A Bonds. See “PLAN OF REFUNDING.” The Successor Agency plans to file an LFROPS within the next 12 months in order to use as much of the 2011 bond proceeds as permitted by the Dissolution Act to complete the intended projects.

Application of Tax Revenues Under Indenture

Pursuant to the Indenture, all moneys received by the Successor Agency from the County Auditor-Controller from the RPTTF disbursements which represent Tax Revenues with respect the Project Area during each Bond Year (*i.e.*, from August 2 of each year to the following August 1) will be deposited into the Project AB Tax Revenue Fund. Such moneys will be subject to the pledge and lien established under the Indenture until the required transfers have been made to the Interest Account, the Principal Account, the Redemption Account and the Reserve Account for such Bond Year (defined above, see “Pledge of Tax Revenues” above). If the amounts on deposit in the Project Area AB Tax Revenue Fund will be at any time insufficient to enable the Successor Agency to make transfers as required under the Indenture to pay the principal of and interest on all outstanding Bonds and any Parity Debt in full when due, or to replenish the Reserve Account and the reserve accounts established for any outstanding Parity Debt, the Successor Agency will make such transfers on a *pro rata* basis, without preference or priority among all outstanding 2017 Bonds and Parity Debt.

The Trustee will establish and hold a Debt Service Fund. Pursuant to the Indenture, in addition to the transfers with respect to the payment of debt service for other Parity Debt, the Successor Agency will transfer to the Trustee, within five business days following receipt of Tax Revenues, such amounts necessary for deposits into the accounts of the Debt Service Fund as described below (in the following order of priority):

- (a) an amount required for deposit into the Interest Account for the payment of interest on the 2017 Bonds;
- (b) an amount required for deposit into the Principal Account for the payment of principal (including mandatory sinking fund redemption payments) of the 2017 Bonds;
- (c) upon Successor Agency’s receipt of the Trustee’s notice, an amount sufficient to restore the balance in the Reserve Account to the Reserve Requirement, including reimbursement of amounts due and owing to the Bond Insurer in respect of the Reserve Policy (see “Reserve Account” below); and
- (d) in connection with an optional redemption, an amounts required for deposit into the Redemption Account for the payment of principal of and redemption premium, if any, on the 2017 Bonds to be redeemed.

See “APPENDIX D – SUMMARY OF CERTAIN PROVISIONS OF INDENTURE – Deposit and Application of Tax Revenues.”

Under the Indenture, the Successor Agency will covenant to prepare and file the appropriate ROPS for each Bond Year so as to enable the County Auditor-Controller to distribute from the RPTTF to the Successor Agency all Tax Revenues as will be required to enable the Successor Agency to pay timely principal of, and interest on, the 2017 Bonds and any outstanding Parity Debt coming due in such Bond Year, including any amounts due and owing to the Bond Insurer in respect of the Bond Insurance Policy or Reserve Policy, or required to replenish the Reserve Account and the respective reserve accounts established for any outstanding Parity Debt. For each semiannual ROPS Payment Period ending June 30, the Successor Agency will covenant to include on the ROPS a request for the payment to the Successor Agency of an amount of Tax Revenues which is at least equal to the following:

- (i) 100 percent of the amount of principal of and interest on the 2017 Bonds and any outstanding Parity Debt coming due and payable during the current Bond Year;
- (ii) any amount then required to replenish the full amount of the Reserve Requirement in the Reserve Account and to replenish the amount in any reserve account established for any outstanding Parity Debt; and
- (iii) any amount then required to make payments due to the Bond Insurer in respect of the Bond Insurance Policy or the Reserve Policy.

For each semiannual ROPS Payment Period ending December 31, the Successor Agency will covenant to include on the ROPS a request for the payment to the Successor Agency of an amount of Tax Revenues which is at least equal to the following:

- (i) any remaining principal due on the 2017 Bonds and any outstanding Parity Debt coming due and payable on the next succeeding August 1 and not reserved or otherwise provided for in the period ending June 30; and
- (ii) reserves and amounts due to the Bond Insurer in respect of the Bond Insurance Policy or the Reserve Policy.

The foregoing actions will include, without limitation, placing on the periodic ROPS for approval by the Oversight Board and the State Department of Finance, to the extent required, the amounts to be held by the Successor Agency as a reserve until the next fiscal year, as contemplated by Section 34171(d)(1)(A) of the Redevelopment Law, that will be required to provide for the payment of principal of and interest on the 2017 Bonds.

Reserve Account

The Trustee will establish and maintain a Reserve Account within the Debt Service Fund. Under the Indenture, “Reserve Requirement” is defined as an amount equal to \$_____ (being the lesser of maximum annual debt service, ten percent of the par amount of the 2017 Bonds or 125 percent of average annual debt service, determined as of the Closing Date), or such lesser amount as may be permitted under the Tax Code (defined below, see “CONCLUDING INFORMATION – Tax Matters”); provided that so long as the Reserve Policy remains in effect the amount of the Reserve Requirement will not be decreased.

Concurrently with the issuance of the 2017 Bonds, the Bond Insurer will issue and deliver the Reserve Policy in a face amount equal to the Reserve Requirement. The Trustee will credit such amount to the Reserve Account.

Amounts in (or credited to) the Reserve Account will be used and withdrawn by the Trustee for the purpose of making transfers to the Interest Account and the Principal Account, in such order of priority, on any date which the principal of or interest on the 2017 Bonds becomes due and payable, in the event of any deficiency at any time in any of such accounts. So long as no Event of Default has occurred and is continuing under the Indenture, any amount in the Reserve Account in excess of the Reserve Requirement on or before the sixth Business Day preceding each Interest Payment Date will be withdrawn from the Reserve Account by the Trustee and deposited in the Interest Account.

See “APPENDIX D – SUMMARY OF CERTAIN PROVISIONS OF INDENTURE – Deposit and Application of Tax Revenues – *Debt Service Fund; Transfer of Amounts to Trustee* .”

Limitation on Additional Bonds

Pursuant to the Dissolution Act, the Successor Agency is not permitted to issue bonds other than for refunding purposes and only upon the satisfaction of the conditions and requirements set forth in California Health and Safety Code Section 34177.5.

The Indenture will also provide that the Successor Agency may issue and sell refunding bonds payable from and secured by Tax Revenues on a parity with Outstanding 2017 Bonds, if: (a) the aggregate amount of debt service on such refunding bonds is lower than the aggregate amount of debt service on the 2017 Bonds or Parity Debt being refunded and (b) the final maturity of any such refunding bonds does not exceed the final maturity of the 2017 Bonds or Parity Debt being refunded.

The Indenture will provide no limitation on the Successor Agency’s ability to issue additional debt that ranks subordinate to the 2017 Bonds with respect to the pledge of, and lien on, Tax Revenues.

PROJECT AREA

General Development in Project Area

Historically, the City was developed in two distinct phases. The first phase of development was centered around the Brea Boulevard corridor between Elm Street and Lambert Road. This area consists of older housing constructed between 1910 and 1930 for the employees of oil production companies and a “downtown” commercial area which served the needs of this residential base. The second phase of the development was stimulated by the construction of the 57 Freeway to the east of the downtown area. With the freeway construction, new markets were opened and the City aggressively pursued the development of high-quality residential areas, a regional shopping mall and several thousand acres of modern industrial, commercial and office developments.

The Project Area encompasses approximately 2,177 acres and is comprised of four Component Areas: (i) “Redevelopment Project A,” in the western portion of the City, (ii) “Redevelopment Project A Annex,” in the eastern portion of the City, (iii) “Redevelopment Project B,” at the intersection of the Orange Freeway (State Highway 57) and Imperial Highway (State Highway 90), and (iv) “Redevelopment Project AB Supplement” around the Brea Boulevard corridor between Lambert Road and the City’s southern border.

Redevelopment Project A. Redevelopment Project A is an approximately 346-acre industrial area located in the western portion of the City. Redevelopment Project A is bounded by the cities of Fullerton and La Habra on the west, Lambert Road on the north, Brea Canyon Channel on the east and Imperial Highway on the south. Major businesses within Redevelopment Project A include Mercury Insurance Group, and the Lambert Commerce Center.

Redevelopment Project B. Redevelopment Project B is an approximately 91.46 acre area located at the intersection of the Orange Freeway (State Highway 57) and Imperial Highway (State Highway 90). Major developments in this project area include the 1.2 million square-foot Brea Mall regional shopping center, the 229-room full service Embassy Suites Hotel, and the Brea Civic & Cultural Center.

Redevelopment Project A Annex. Redevelopment Project A Annex is an approximately 790-acre industrial area located in the eastern portion of the City. Redevelopment Project A Annex is bordered by Birch Street on the north, Rose Drive on the east, the City's border on the south and the Glenbrook neighborhood on the west. Major businesses within Redevelopment Project A Annex include Suzuki Motor Corporation, Beckman Coulter Inc., St. Jude Wellness Center, and Chase Suite Hotels, a 92-unit all-suites hotel.

Major developments within the Redevelopment Project A Annex also include a 100,000 square foot Fairway Center office complex, 350,000 square feet Brea Corporate Plaza and Brea Corporate Park office and industrial space, 600,000 square feet Brea Union Plaza Shopping Center anchored by Walmart and Home Depot, and Imperial Center East featuring a variety of retail shops and restaurants.

A major new residential and commercial development in Redevelopment Project A Annex is the 212-acre La Floresta community, which encompasses two sites and includes 1,100 dwelling units, 156,800 square feet of commercial space, an updated 18-hole golf course and numerous community amenities such as a perimeter trail, public gathering areas and linear park. So far, La Floresta has added more than \$230 million of assessed value to the Project Area and additional residential units are being developed.

Redevelopment Project AB Supplement. By the 1970's, because of the emphasis on the new development areas, the City's original housing areas and strip commercial centers began to experience deterioration. On December 20, 1983, these original housing areas and the downtown commercial district were incorporated into Redevelopment Project AB with the addition of approximately 950 acres known as the Redevelopment Project AB Supplement.

In an effort to revitalize the downtown core of the City, the Former Agency redeveloped approximately 65 acres of Downtown Brea located within the Redevelopment Project AB Supplement into a major mixed-use project, incorporating retail, entertainment, office and for-sale and for-rent residential components. Major developments that were completed by 2000 include, among others, the Birch Street redevelopment mixed use project in the City's original downtown core and the 96-unit Ash Street Cottage Homes. More recent projects that were completed after 2010 include, among others, The Downtown Collection (30 unit mixed-use project completed in 2012), Stone Valley Townhomes (22 two and three bedroom condos, all sold moderate income households in 2011) and Trailview Townhomes (13 market rate condos sold in 2016).

Land Use

Set forth below is a summary of the 2017-18 assessed value of property, categorized by land use, in the Project Area.

Table 1
SUCCESSOR AGENCY TO THE BREA REDEVELOPMENT AGENCY
Redevelopment Project AB
Land Use
Fiscal Year 2017-18

Land Use	No. of Parcels/ Record Count	Assessed Valuation	% of Total AV
Secured:			
Commercial	327	\$1,360,576,985	31.44%
Residential - Single family	2,772	1,110,062,091	25.65
Industrial	372	948,146,729	21.91
Condominium	783	369,359,109	8.54
Residential - Multi-family	131	161,707,059	3.74
Mobile homes	54	577,296	0.01
Public	89	--	0.00
Miscellaneous	72	113,373	0.00
Possessory Interest	12	41,497,904	0.96
Public utility	1	373,745	0.01
Unsecured	1,631	335,123,122	7.74
Total	6,244	\$4,327,537,413	100.00%

Source: Keyser Marston Associates, Inc.

Top Property Tax Assesseees

The following tables provide a summary of the top ten property tax assesseees with respect to the Project Area.

Table 2
BREA REDEVELOPMENT AGENCY
Redevelopment Project AB
Top Ten Property Tax Assesseees by Assessed Valuation
Fiscal Year 2017-18

Assessee	Component Area	Description	No. of Secured Parcels	Unsec. Record Count	Assessed Value	% of Total Assessed Value ⁽¹⁾	% of Total Incremental Value ⁽²⁾
Retail Property Trust ⁽³⁾	B	Regional Shopping Center (Brea Mall)	6	--	\$233,165,890 ⁽⁴⁾	5.39%	5.82%
ABS CA-O DC2 LLC/ New Albertsons Inc	A	Warehouse & Distribution Center	6	2	136,990,591 ⁽⁵⁾	3.17	3.42
CRE Brea Valencia LLC	A-Annex	Commercial Office	3	--	113,911,049 ⁽⁶⁾	2.63	2.84
Beckman Instruments Inc.	A-Annex	Commercial Office & Distribution Center	2	--	105,213,600 ⁽⁷⁾	2.43	2.63
Brea Union Plaza	A-Annex	Neighborhood Shopping Center	13	--	87,864,546 ⁽⁸⁾	2.03	2.19
Pulte Home Corp.	A-Annex	Residential	119		60,556,989	1.40	1.51
Pres JCR Corp Plaza/ Pres JCR Kraemer Office	A-Annex	Commercial Retail	4		55,600,000	1.28	1.39
ICE Holdings LLC	A-Annex	Commercial Retail	3	--	55,130,196	1.27	1.38
Evangelical Christian Credit Union	A	Commercial Office	2	1	53,349,473	1.23	1.33
LIT Industrial LP	A	Industrial	1	--	53,061,226 ⁽⁹⁾	1.23	1.32
Total			159	3	\$954,843,560	22.06%	23.83%

(1) Based on reported 2017-18 total assessed valuation (secured and unsecured): \$4,327,537,413.

(2) Based on reported incremental value (*i.e.*, 2017-18 assessed value less base year value): \$4,006,646,199.

(3) Consists of parcels of the Brea Mall, subject to the Brea Mall OPA. See "SECURITY AND SOURCE OF PAYMENT FOR 2017 BONDS – Statutory Pass-through Payments; Tax Sharing Agreements – *Brea Mall OPA*."

(4) Does not reflect pending appeal, contesting \$11,756,696 of fiscal year 2016-17 secured assessed value.

(5) Does not reflect pending appeal, contesting \$27,137,908 of fiscal year 2016-17 unsecured assessed value, \$36,368,331 of fiscal year 2015-16 unsecured assessed value, and \$718,713 of fiscal year 2011-12 unsecured assessed value.

(6) Does not reflect pending appeal, contesting \$111,677,500 of fiscal year 2016-17 secured assessed value.

(7) Does not reflect pending appeal, contesting \$32,676,157 of fiscal year 2016-17 assessed value, \$65,276,676 of fiscal year 2015-16 assessed value, and \$66,436,739 of fiscal year 2012-13 secured assessed value.

(8) Does not reflect pending appeal, contesting \$7,472,000 of fiscal year 2016-17 secured assessed value.

(9) Does not reflect pending appeal, contesting \$49,375,823 of fiscal year 2016-17 secured assessed value.

Source: Keyser Marston Associates, Inc.

Even though close to 24 percent of the incremental value is attributable to the top ten assessees, it cannot be said that these assessees contribute to an equivalent percentage of the property taxes deposited in the Successor Agency's RPTTF. Because of the Annual TI Cap, the dollar amount of property tax revenues of the Project Area allocated to the RPTTF for fiscal year 2017-18 is limited to \$19 million. If the Annual TI Cap did not exist, such allocation would have approximated \$40 million. See "INTRODUCTION – Redevelopment Plan; SB 107 Effects on Plan Limits" and Tables 4 and 5 under "TAX REVENUES AND DEBT SERVICE COVERAGE – Projected Tax Revenues; Coverage Projects." Because of the Annual TI Cap, the risk of having insufficient Tax Revenues for debt service on the 2017 Bonds is significantly lessened if one or more top property tax assessees fail to pay property taxes.

Redevelopment Plan; Annual TI Cap

Redevelopment Project A and Redevelopment Project B were originally two separate project areas. The original redevelopment plans for Redevelopment Project A and Redevelopment Project B were approved pursuant to Ordinance Nos. 502 and 503, respectively, each adopted by the City Council to the City on July 24, 1972. On May 19, 1981, the City Council adopted Ordinance No. 714, adding Redevelopment Project A Annex to Redevelopment Project A. On the same day, the City Council also adopted Ordinance No. 715, merging Redevelopment Project A (including the then newly added annex) and Redevelopment Project B to create Redevelopment Project AB. On December 20, 1983, the City Council adopted Ordinance No. 752, further adding Redevelopment Project AB Supplement. Since 1983, the redevelopment plan for the Project Area has been modified by several additional amendments. Such amendments include Ordinance No. 1063, adopted by the City Council on June 3, 2003, which eliminated the time limits for incurring debt repayable from tax increment of all four Component Areas (see "SECURITY AND SOURCE OF PAYMENT FOR 2017 BONDS – Statutory Pass-through Payments; Tax Sharing Agreements – *AB 1290 Payments*") and Ordinance Nos. 1149 and 1150, on March 1, 2011, which extended the effectiveness of the Redevelopment Plan and the time limit to repay indebtedness from tax increment with respect to each Component Area by three years in connection with the Former Agency's payments to Education Revenue Augmentation Funds for fiscal years 2003-04, 2004-05 and 2005-06 mandated by State law.

As discussed under "INTRODUCTION – Project Area; Redevelopment Plan," the Redevelopment Plan specified certain Plan Limits pursuant to prior law, including the Annual TI Cap (which is: (i) \$19 million to and including fiscal year 2033-34, and (ii) \$5 million thereafter). Pursuant to SB 107, the Successor Agency is generally no longer subject to the Plan Limits with respect to the payment of enforceable obligations. See discussions under "SECURITY AND SOURCES OF PAYMENT FOR 2017 BONDS – Statutory Pass-through Payments; Tax Sharing Agreements – *Brea Mall OPA*" regarding the effect of the SB 107 Plan Limit Provisions on certain payments under the Brea Mall OPA. Despite the effect on the calculation of the OPA Annual Payment, as a matter of practical implementation of the SB 107 Plan Limits Provisions, the County Auditor-Controller would deposit into the RPTTF an amount of property tax revenues derived from the Project Area above the Annual TI Cap *only* in a situation where there would not be insufficient moneys in the RPTTF to make payments on outstanding enforceable obligations. Based on the current projections, the Successor Agency expects that the total payments for enforceable obligations (including the Brea Mall OPA payments and the debt service payments on the 2017 Bonds and other outstanding bonds) each fiscal year will well below the Annual TI Cap.

TAX REVENUES AND DEBT SERVICE COVERAGE

The following section presents a summary of the historical and projected assessed valuation and property tax revenues with respect to the Project Area, based on information provided by the Fiscal Consultant. The Successor Agency believes the assumptions upon which the projections are based are reasonable. However, some assumptions may not materialize and unanticipated events and circumstances may occur. See “RISK FACTORS.” Some of the projections do not include an allowance for property tax appeals and related refunds or delinquencies by taxpayers. The actual amount of Tax Revenues available for debt service during the forecast period may vary from the projections and the variations may be material.

Historical Assessed Valuation and Property Tax Revenues

The Dissolution Act eliminated the term “tax increment” when referring to the portion of property tax revenues allocated and deposited into the RPTTF. However, at the same time, the Dissolution Act provides that the amount of deposit into the RPTTF each fiscal year is the amount of property taxes that would have been allocated to the Former Agency – *i.e.*, formerly, tax increment. See “SECURITY AND SOURCES OF PAYMENT FOR 2017 BONDS – Pledge of Tax Revenues.” For convenience, the tables below continue to use the term “tax increment” when referring to the portion of property tax revenues derived from the Project Area that is allocable to the RPTTF.

Generally, the amount of tax increment generated each year is based on the increase in the total assessed value of a redevelopment project area above its base year value. See “SECURITY AND SOURCES OF PAYMENT FOR 2017 BONDS – Allocation of Property Taxes (Determination of RPTTF Deposits) – Agency (RPTTF) Portion Generally.” Set forth below is a summary the assessed values and tax increment for fiscal years 2012-13 through 2016-17 for the entire Project Area.

Table 3
SUCCESSOR AGENCY TO THE BREA REDEVELOPMENT AGENCY
Redevelopment Project AB
Historical Assessed Values and
Tax Increment (Property Tax Allocable to RPTTF)
Fiscal Years 2012-13 to 2016-17

	2012-13	2013-14	2014-15	2015-16	2016-17
Secured ⁽¹⁾	\$2,999,276,441	\$3,090,217,230	\$3,259,569,631	\$3,458,139,979	\$3,708,564,581
Unsecured ⁽¹⁾	262,247,518	323,864,053	398,893,909	300,957,089	313,486,129
State assessed	1,153,469 ⁽²⁾	373,745	373,745	373,745	373,745
Total assessed value	\$3,262,677,428	\$3,414,455,028	\$3,658,837,285	\$3,759,470,813	\$4,022,424,455
Less: Base year value ⁽³⁾	(320,235,497)	(320,235,497)	(320,157,689)	(320,246,768)	(320,246,768)
Incremental value	\$2,942,441,931	\$3,094,219,531	\$3,338,679,596	\$3,439,224,045	\$3,702,177,687
Percent change from prior FY	0.52%	5.16%	7.90%	3.01%	7.65%
Gross tax increment if no Annual TI Cap:					
Gross tax increment ⁽⁴⁾	\$31,157,336	\$32,799,481	\$35,807,646	\$36,078,719	\$39,066,583
After Annual TI Cap:					
Gross tax increment ⁽⁵⁾	\$19,000,000	\$19,000,000	\$19,000,000	\$19,000,000	\$19,000,000

- (1) As reported by the Orange County Auditor-Controller in August of each fiscal year. No deductions for homeowner exemptions; net of all other exemptions.
- (2) Includes a one-time capture of prior year assessments identified by the State Board of Equalization.
- (3) Based on Orange County's practice: decreases in the base year value resulting from acquisitions of privately held properties by public entities; increases in the Base Year value resulting from dispositions of publicly held properties to private ownership. See "APPENDIX B – FISCAL CONSULTANT REPORT – 3.3. Historic Taxable Values."
- (4) Computed based on the actual rate applied by the County, which includes the basic one percent tax rate, plus 0.045 percent due to Brea 1978 Paramedics Override, plus unitary property tax. See "SECURITY AND SOURCES OF PAYMENT FOR 2017 BONDS – Allocation of Property Taxes (Determination of RPTTF Deposits) – Overrides." Does not include reductions for County administrative fees, supplemental taxes, prior year redemption payments, tax refunds and pass-through payments. See "APPENDIX B – FISCAL CONSULTANT REPORT – 4.1. Tax Rates."
- (5) See discussion under "PROJECT AREA – Redevelopment Plan; Annual TI Cap."

Source: Keyser Marston Associates, Inc., based on information provided by Orange County Assessor Office.

Teeter Plan

The County has implemented the Alternative Method of Distribution of Tax Levies and Collections and of Tax Sale Proceeds (the "Teeter Plan"), as provided for in Section 4701 et seq. of the California Revenue and Taxation Code. Pursuant to the Teeter Plan, the County apportions to the participating local agencies, including the Former Agency (and now Successor Agency), amounts equal to 100 percent of the property taxes levied from the secured roll regardless of the amount actually collected. The County retains all penalties and interest which are collected with delinquent taxes. The Teeter Plan does not apply to the taxes levied from the unsecured roll. The County may discontinue the Teeter Plan at any time. If the Teeter Plan is discontinued subsequent to its implementation, secured property taxes would be allocated to political subdivisions, including the Successor Agency, for which the County acts as the tax-levying or tax-collecting agency on an actual collections basis. The Fiscal Consultant reported

that, based on County records, during the five year span from fiscal years 2012-13 through 2016-17, the average property tax collection rate in the Project Area was 99.28 percent, representing an average property tax delinquency rate of 0.72 percent. This delinquency rate is attributable to the unsecured tax roll only (and not the secured roll in light of the Teeter Plan). See “APPENDIX B – FISCAL CONSULTANT REPORT – 4.3 Property Tax Delinquencies and Revenue Allocations.”

Assessed Value Appeals and Proposition 8 Adjustments

General. Pursuant to State law, property owners may apply for a reduction of their property tax assessment by filing a written appeal. After the applicant and the assessor have presented their arguments, the applicable local appeals board makes a final decision on the proper assessed value. The appeals board may rule in the assessor’s favor, rule in the applicant’s favor, or set its own opinion of the proper assessed value, which may be more or less than either the assessor’s opinion or the applicant’s opinion. Any reduction in the assessment ultimately granted applies to the year for which the application is made and may also affect the values in subsequent years. Refunds for taxpayer overpayment of property taxes may include refunds for overpayment of taxes in years after that which was appealed. Current year values may also be adjusted as a result of a successful appeal of prior year values. Any taxpayer payment of property taxes that is based on a value that is subsequently adjusted downward will require a refund for overpayment.

Appeals for reduction in the “base year” value of an assessment, if successful, reduce the assessment for the year in which the appeal is taken and prospectively thereafter. The base year is determined by the completion date of new construction or the date of change of ownership. Any base year appeal must be made within four years of the change of ownership or new construction date. A base year assessment appeal has significant future revenue impacts because a reduced base year assessment will then reduce the compounded value of the property prospectively. Except for the two percent inflation factor, the value of the property cannot be increased until a change of ownership occurs or additional improvements are added.

Section 51 of the Revenue and Taxation Code permits a reduction (a “Proposition 8 Adjustment”) in the assessed value if the full cash value of the property has been reduced by damage, destruction, depreciation, obsolescence, removal of property or other factors causing a decline in value. Reductions made under this code section may be initiated by the County Assessor or requested by the property owner. During the Great Recession (which began around 2007), the County Assessor’s Office initiated proactive reviews of single family homes, condominiums, townhomes, multifamily and commercial and industrial properties, which resulted in Proposition 8 Adjustments for many properties in the County.

After a roll reduction is granted under Section 51, the property is reviewed on an annual basis to determine its full cash value and the valuation is adjusted accordingly. This may result in further reductions or in value increases. Such increases must be in accordance with the full cash value of the property and may exceed the maximum annual inflationary growth rate allowed on other properties under Article XIII A of the State Constitution. Once the property has regained its prior value, adjusted for inflation, it once again is subject to the annual inflationary factor growth rate allowed under Article XIII A.

The taxable value of unitary property may be contested by utility companies and railroads to the State Board of Equalization. Generally, the impact of utility appeals is on the statewide value of a utility determined by the State Board of Equalization. As a result, the successful appeal of a utility may not impact the taxable value of a project area but could impact a project area’s allocation of unitary property tax revenues.

Any assessment appeal that is pending or which may be filed in the future, if successful, will result in a reduction of the assessed value of the subject property. A reduction of assessed valuation due to appeals, if significant, and the resulting property tax refunds could adversely impact the amount of Tax Revenues available to pay debt.

Impact on Project Area Based on Appeals. For its Report (see Appendix B), the Fiscal Consultant reviewed the status of assessment appeals with respect to properties in the Project Area based on the information available from the database of the Orange County Assessment Appeals Board (the “AAB”) as of August 9, 2017. The Fiscal Consultant then estimated the fiscal impact on the fiscal year 2017-18 assessed value of the Project Area, based on certain assumptions and historical patterns. From this review and analysis, the Fiscal Consultant estimated that, with respect to the properties in the Project Area, there will be: (i) approximately \$457,000 of tax refunds in fiscal year 2017-18, (ii) a reduction of the secured assessed value by approximately \$22,032,000 on the fiscal year 2017-18 tax roll, and (iii) a reduction of the unsecured assessed value by approximately \$2,791,000, on the fiscal year 2017-18 tax roll. See “APPENDIX B – FISCAL CONSULTANT REPORT – 5. Assessment Appeals” for more detailed discussions of the data reviewed and the assumptions and analysis used by the Fiscal Consultant in arriving at these estimates. The projections set forth in Tables 4 and 5 below and in the Fiscal Consultant Report in Appendix B reflect such estimated reductions, but do not include an allowance for other potential future appeals. In any event, because of the Annual TI Cap, the reductions due to the currently pending appeals are not expected to have any impact on the actual amount of Gross Tax Revenues to be received by the Successor Agency.

Projected Tax Revenues; Coverage Projections

Table 4 shows the projected assessed values for the Project Area and the projected Tax Revenues from fiscal years 2017-18 to 2022-23, as provided by the Fiscal Consultant. Table 5 shows the projected coverage between the Tax Revenues and total debt service for the 2017 Bonds. For Tables 4 and 5, the Fiscal Consultant has assumed secured assessed value for real properties in the Project Area will increase by two percent each fiscal year, compounded annually. The Fiscal Consultant has also assumed certain amount of tax refunds in fiscal year 2017-18 and reduction of secured and unsecured assessed value on the fiscal year 2017-18 tax roll. See “Assessed Value Appeals and Proposition 8 Adjustments – *Impact on Project Area Based on Appeals*” above.

While the Successor Agency believes that the assumptions used for the projected Tax Revenues and debt service coverages below are reasonable, the assessed values, and the Tax Revenues during the forecast period may vary from the projections and the variations may be material. Property value in the Project Area will be subject to the fluctuation of the real estate market throughout the term of the 2017 Bonds. There is no guarantee that assessed value of the Project Area will continue to increase, or that it will never drop below the 2017-18 level during the years before the final maturity of the 2017 Bonds. See “RISK FACTORS.”

Table 4
SUCCESSOR AGENCY TO BREDA REDEVELOPMENT AGENCY
Redevelopment Project AB
Projected Tax Revenues for Fiscal Years 2017-18 to 2022-23
(000's Omitted)
(Based on Two Percent Annual Increase of Secured Assessed Value)

	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23
Secured real property value ⁽¹⁾	\$3,918,335 ⁽²⁾	\$3,996,702	\$4,076,636	\$4,158,169	\$4,241,332	\$4,326,159
Unsecured value, State-assessed and secured personal property ⁽³⁾	384,379 ⁽⁴⁾	384,379	384,379	384,379	384,379	384,379
Total assessed value	\$4,302,714	\$4,381,081	\$4,461,015	\$4,542,548	\$4,625,711	\$4,710,538
Less: Base year value ⁽⁵⁾	(320,247)	(320,247)	(320,247)	(320,247)	(320,247)	(320,247)
Incremental value ⁽⁶⁾	\$3,981,823	\$4,060,190	\$4,140,124	\$4,221,657	\$4,304,820	\$4,389,647
Gross tax increment⁽⁷⁾	\$41,914	\$42,732	\$43,568	\$44,421	\$45,289	\$46,175
Less: Refunds due to Appeal ⁽⁸⁾	(457)	--	--	--	--	--
RPTTF Allocation, if no Annual TI Cap	\$41,457	\$42,732	\$43,568	\$44,421	\$45,289	\$45,289
Forfeiture based on Annual TI Cap						
RPTTF Allocation per Annual TI Cap ⁽⁹⁾	\$19,000	\$19,000	\$19,000	\$19,000	\$19,000	\$19,000
Less: County admin. fee ⁽¹⁰⁾	(289)	(289)	(289)	(289)	(289)	(289)
Less: AB 1290 Payments ⁽¹¹⁾	(93)	(93)	(93)	(93)	(93)	(93)
Less: County Tax Sharing Agreement ⁽¹²⁾	(513)	(513)	(513)	(513)	(513)	(513)
Less: Brea Mall OPA – Fixed OPA Annual Payment ⁽¹³⁾	(1,581)	(1,627)	(1,673)	(1,720)	(1,769)	--
Tax Revenues⁽⁶⁾	\$16,524	\$16,479	\$16,432	\$16,385	\$16,337	\$18,106

- (1) No deduction for home owner exemptions; net of all other exemptions. Assumes two percent annual growth after fiscal year 2017-18.
- (2) Includes an estimated \$22,032,000 reduction of the secured assessed value. See "Appeals of Assessed Values and Proposition 8 Adjustments – Impact on Project Area Based on Appeals" and "APPENDIX B – FISCAL CONSULTANT REPORT – 5. Assessment Appeals."
- (3) Includes unsecured assessed value, State assessed value and secured personal property value. Assumes no growth after fiscal year 2017-18.
- (4) Includes an estimated \$2,791,000 reduction of the unsecured assessed value. See "Appeals of Assessed Values and Proposition 8 Adjustments – Impact on Project Area Based on Appeals" and "APPENDIX B – FISCAL CONSULTANT REPORT – 5. Assessment Appeals."
- (5) Assumed to be unchanged beginning fiscal year 2017-18, but see "APPENDIX B – FISCAL CONSULTANT REPORT – 3.3. Historic Taxable Values."
- (6) May not equal total of dollar amounts shown in rows above because of rounding.
- (7) Computed based on the basic one percent tax rate, plus 0.045 percent due to Brea 1978 Paramedics Override, plus estimated unitary property tax of \$305,789. See "SECURITY AND SOURCES OF PAYMENT FOR 2017 BONDS – Allocation of Property Taxes (Determination of RPTTF Deposits) – Overrides."
- (8) See "Appeals of Assessed Values and Proposition 8 Adjustments – Impact on Project Area Based on Appeals."
- (9) Equals the Annual TI Cap. See discussion under "PROJECT AREA – Redevelopment Plan; Annual TI Cap."
- (10) Payable to the County pursuant to California Revenue and Taxation Code Section 95.3 and California Health and Safety Code Sections 34182 and 34183(a). See "PROPERTY TAXATION IN CALIFORNIA – Property Tax Collection Procedure."
- (11) See "SECURITY AND SOURCES OF PAYMENT FOR 2017 BONDS – Statutory Pass-Through Payments; Tax Sharing Agreements – AB 1290 Payments."
- (12) See "SECURITY AND SOURCES OF PAYMENT FOR 2017 BONDS – Statutory Pass-Through Payments; Tax Sharing Agreements – County Tax Sharing Agreement."
- (13) See "SECURITY AND SOURCES OF PAYMENT FOR 2017 BONDS – Statutory Pass-Through Payments; Tax Sharing Agreements – Brea Mall OPA." Final OPA Annual Payment occurs in fiscal year 2021-22.

Source: Keyser Marston Associates, Inc.

Table 5
SUCCESSOR AGENCY TO BREA REDEVELOPMENT AGENCY
Redevelopment Project AB
Estimated Debt Service Coverage –
Assuming Two Percent Secured Assessed Value Growth

Year⁽¹⁾	Tax Revenues Based on Annual TI Cap^{(2) (3)}	2003 Remaining Bonds Debt Service⁽⁴⁾	2013 Bonds Debt Service⁽⁴⁾	2017A Bonds Debt Service*⁽⁴⁾	2017B Bonds Debt Service*⁽⁴⁾	Total Debt Service*⁽⁴⁾	Debt Service Coverage *⁽⁵⁾	Tax Revenues Plus Tax Increment Forfeited Based on Annual TI Cap⁽⁶⁾	Coverage*⁽⁷⁾
2018	\$16,524,343		\$10,551,250					\$38,981,232	
2019	16,478,850		10,554,000					40,210,639	
2020	16,432,448		10,553,500					41,000,236	
2021	16,385,117		10,559,000					41,805,905	
2022	16,336,840		10,339,250					42,625,628	
2023 ⁽⁸⁾	18,105,512		8,464,500					45,280,301	
2024	18,105,512		7,567,000					46,185,301	
2025	18,105,512		7,569,000					47,108,301	
2026	18,105,512		7,569,250					48,048,301	
2027	18,105,512		-					49,007,301	
2028	18,105,512	\$7,715,000	-					49,986,301	
2029	18,105,512	7,715,000	-					50,984,301	
2030	18,105,512	7,210,000	-					52,003,301	
2031	18,105,512	-	-					53,041,301	
2032	18,105,512	-	-					54,101,301	
2033	18,105,512	-	-					55,182,301	
2034	18,105,512	-	-					56,284,301	
2035 ⁽⁹⁾	4,411,101	-	-					57,713,890	
2036	4,411,101	-	-					58,858,890	
2037	4,411,101	-	-					60,029,890	

* Preliminary; subject to change.

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- (1) Tax Revenues presented on a fiscal year (July 1 to June 30) basis. Debt Service presented based on corresponding Bond Year (August 2 to August 1), assuming no optional redemption prior to maturity
 - (2) As discussed under “INTRODUCTION – Redevelopment Plan; SB 107 Effects on Plan Limits” and “PROJECT AREA – Redevelopment Plan; Annual TI Cap,” SB 107 provides that the Successor Agency will no longer be limited by the Plan Limits, to the extent necessary to pay enforceable obligations, such as the 2017 Bonds. However, because of the anticipated sufficiency of tax increment revenues generated by the Project Area to cover payments for outstanding Successor Agency obligations, the RPTTF deposit each fiscal year is expected to be equal to the Annual TI Cap, which is: (i) \$19 million through 2033-34, and (ii) \$5 million thereafter.
 - (3) Equals gross tax increment (after application of the Annual TI Cap) less County administrative fees, AB 1290 Payments and Fixed OPA Annual Payments under the Brea Mall OPA. See “SECURITY AND SOURCES OF PAYMENT FOR 2017 BONDS – Statutory Pass-Through Payments; Tax Sharing Agreements.”
 - (4) Based on scheduled debt service for the corresponding Bond Year, assuming no optional redemption prior to maturity. See “Effect of Timing of RPTTF Disbursements.”
 - (5) Equals “Tax Revenues” divided by “Total Debt Service.”
 - (6) Equals “Tax Revenues Based on Annual TI Cap,” plus forfeited tax increment based on the Annual TI Cap (see column labeled “Forfeitures Over TI Cap” in Table 2 of the Fiscal Consultant Report set forth in Appendix B). Because SB 107 provides that the Successor Agency will no longer be limited by the Plan Limits (including the time limit to receive tax increment with respect to a Component Area and the Annual TI Cap) to the extent necessary to pay enforceable obligations, this column reflects the coverage that is theoretically available for debt service as necessary, even though the full amount will not be deposited into the RPTTF. See “INTRODUCTION – Redevelopment Plan; SB 107 Effects on Plan Limits.” For this column, it is assumed that the County administrative fee (see footnote 10 of Table 5) and the AB 1290 Payments will remain constant between fiscal years 2017-18 through 2033-34. It is assumed, however, that the County administrative fee and AB 1290 Payments will decrease starting in fiscal year 2034-35, because the expected RPTTF deposit decrease to \$5 million. See footnote 1 above.
 - (7) Equals “Revenues Plus Tax Increment Forfeited Based on Annual TI Cap” divided by “Total Debt Service.”
 - (8) Increase of Tax Revenues due to expiration of Successor Agency’s payment obligations to under the Brea Mall OPA.
 - (9) RPTTF deposit expected to be \$5 million only starting in fiscal year 2034-35, based on the Plan Limits. See footnote 1.

Source: Stifel, Nicolaus & Company, Incorporated, based on Tax Revenue projections provided by Keyser Marston Associates, Inc.

SUCCESSOR AGENCY

Former Agency

The Former Agency was activated with the adoption of Ordinance No. 465 by the City Council on April 13, 1970, and the City Council assumed the duties and responsibilities of the Former Agency. The City Manager served as the Former Agency's Executive Director, and many other staff members of the City also functioned as staff members of the Former Agency. However, the Former Agency was a separate public body. It exercised governmental functions in planning and carrying out redevelopment projects for two project areas: the Project Area and Redevelopment AB. See "PROJECT AREA" and "Other Project Area: Redevelopment Project C." The Former Agency was authorized to build public improvements, facilitate the development of on and off-site improvements for private development projects, acquire and re-sell property, and provide services of special benefit to its redevelopment project areas.

Establishment of Successor Agency

As described under "INTRODUCTION – Dissolution of Former Agency; Establishment of Successor Agency," pursuant to AB X1 26 (which was enacted as part of the State's 2011 Budget Act) and the California Supreme Court's decision in the CRA Lawsuit, the Former Agency was dissolved as of February 1, 2012, and the Successor Agency was constituted. Upon the Former Agency's dissolution, all of the Former Agency's assets, properties, contracts, leases, books and records were transferred to the control of the Successor Agency by operation of law.

The Successor Agency is tasked with winding down the affairs of the Former Agency. Many Successor Agency actions are subject to the prior approval, or the direction of the Oversight Board. See "Oversight Board" below. The Successor Agency is required to continue to make payments for enforceable obligations (as defined under the Dissolution Act) and to prepare ROPS at the times prescribed by the Dissolution Act, listing the payments for enforceable obligations that the Successor Agency is expected to make for each six-month ROPS Payment Period. See "SECURITY AND SOURCES OF PAYMENT FOR 2017 BONDS – Recognized Obligation Payment Schedules." California Health and Safety Code Section 34173(e) states that the liability of the Successor Agency, acting pursuant to the powers granted under the Dissolution Act, is limited to the extent of the total sum of property tax revenues it receives pursuant to the Dissolution Act and the value of assets transferred to it as the Successor Agency of the Former Agency.

The Successor Agency will continue to exist until all enforceable obligations have been paid. The Dissolution Act provides that the Successor Agency will submit to the Oversight Board a request to formally dissolve the Successor Agency after all of the enforceable obligations have been retired or paid, all real property has been disposed, and all outstanding litigation has been resolved. The Oversight Board must approve such request within 30 days. After the Oversight Board's approval, the request must be submitted to the DOF. The DOF will have 30 days to approve or deny such request. When the DOF has approved the request, the Successor Agency must take the final steps pursuant to the Dissolution Act within 100 days of the DOF notification to dissolve the Successor Agency. Such final steps include the disposition of any remaining assets and the transfer of all such disposition proceeds to the County Auditor-Controller for disbursement to the taxing entities.

Administration and Personnel

Pursuant to the Dissolution Act, the City Council of the City adopted Resolution No. 2011-085 on September 6, 2011, and elected for the City to serve as the Successor Agency. As such, the City Council

of the City acts as the governing board for the Successor Agency. As clarified by California Health and Safety Code Section 34173(g), the Successor Agency, the City and the Successor Agency are separate entities and are not merged as a result of the City's election to serve as the Successor Agency. Neither the assets nor the liabilities of the Former Agency are transferred to the City by virtue of the City's election to serve as the Successor Agency.

The members of the City Council and their terms of office are shown below:

<u>Council Member</u>	<u>Term Expires</u>
Cecilia Hupp (Chair)	November 2018
Glenn Parker (Vice Chair)	November 2018
Christine Marick	November 2020
Marty Simonoff	November 2020
Steven Vargas	November 2018

The City Manager and the Administrator Services Director of the City serve as the Executive Director and the Assistant Treasurer, respectively, of the Successor Agency. Other City Staff members, including but not limited to the Community Developer Director and the Financial Services Managers provide support to the Successor Agency functions. The City Attorney serves as the Successor Agency's General Counsel.

Other Project Area: Redevelopment Project C

The Former Agency was charged with the redevelopment undertakings with respect to two project areas: the Project Area and Redevelopment Project C. Redevelopment Project C, encompassing approximately 256 acres, is significantly smaller than the Project Area. There are bonds ("Project C Bonds"), the repayment of which are secured by a portion of the tax increment with respect to Redevelopment Project C. As of November 1, 2017, approximately \$12 million in aggregate principal amount of outstanding Redevelopment Project C Bonds remain outstanding (the "Project C Bonds").

Under the indentures for the Project C Bonds, the pledge made for the Project C Bonds relates solely to property tax revenues of Redevelopment Project C, and not of the Project Area. Similarly, under the Indenture, the 2017 Bonds are secured by property tax revenues derived from the Project Area. See, however, "SECURITY AND SOURCES OF PAYMENT FOR 2017 BONDS – Allocation of Property Taxes (Determination of RPTTF Deposits) – *RPTTF Aggregation of Property Tax Revenues from Project Areas.*"

Oversight Board

Pursuant to the Dissolution Act, a seven-member Oversight Board has been established. The Oversight Board has fiduciary responsibilities to the taxing agencies that benefit from distributions of the RPTTF Residual under the Dissolution Act (see "SECURITY AND SOURCES OF PAYMENT FOR 2017 BONDS – RPTTF Flow of Funds) and, at the same time, holders of enforceable obligations.

Members of the Oversight Board include one member appointed by the Orange Sanitation District (the largest special district by property tax share within the territorial jurisdiction of the Former Agency), one member appointed by the County Superintendent of Schools, one member appointed by the Chancellor of the California Community Colleges to represent the local community college districts, two members (with one being a member of the public) appointed by the County Board of Supervisors, one member appointed by the Mayor of the City and one member representing employees of the Former

Agency. The Dissolution Act provides that, starting July 1, 2018, the current Oversight Board will be replaced, such that there will be only one oversight board for all of the successor agencies in the County.

The Dissolution Act specifies that certain Successor Agency actions must first be approved by the Oversight Board, including among others:

- (i) The establishment of new repayment terms for outstanding loans where the terms have not been previously specified (subject to restrictions set forth in the Dissolution Act regarding the re-establishment of loan agreements between the Successor Agency and the City);
- (ii) The issuance of bonds or other indebtedness or the pledge or agreement for the pledge of property tax revenues (formerly tax increment) pursuant to California Health and Safety Code Section 34177.5(a) (see “AUTHORIZATION AND VALIDITY OF 2017 BONDS UNDER DISSOLUTION ACT”);
- (iii) Setting aside of amounts in reserves as required by indentures, trust indentures, or similar documents governing the issuance of outstanding bonds;
- (iv) Establishment of the ROPS (see “SECURITY AND SOURCES OF PAYMENT FOR 2017 BONDS – Recognized Obligation Payment Schedules”).

The Dissolution Act also specifies that the Oversight Board must direct the Successor Agency to take certain actions which, among others, include:

- (a) Dispose of all assets and properties of the Former Agency (see, however, “Disposition of Real Properties; Long Range Property Management Plan” below);
- (b) Cease performance in connection with and terminate all existing agreements that do not qualify as enforceable obligations;
- (c) Determine whether any contracts, agreements, or other arrangements between the Former Agency and any private parties should be terminated or renegotiated to reduce liabilities and increase net revenues to the taxing entities, and present proposed termination or amendment agreements to the Oversight Board for its approval, upon which the Oversight Board may approve any amendments to or early termination of those agreements, if it finds that amendments or early termination would be in the best interests of the taxing entities (but see “AUTHORIZATION AND VALIDITY OF 2017 BONDS UNDER DISSOLUTION ACT – Expiration of Challenge Period” regarding the prohibition on certain unilateral actions by the Oversight Board relating to the 2017 Bonds after the issuance of the 2017 Bonds).

All actions taken by the Oversight Board must be adopted by resolution. With limited exceptions, an Oversight Board resolution is not effective unless it has been approved, or deemed approved, by the DOF in accordance with the provisions of the Dissolution Act.

Transfers to Housing Successor

Pursuant to the Dissolution Act, the City Council adopted Resolution No. 2012-003, on January 17, 2012, electing for the City to become the “housing successor” and assumed the housing function of the Former Agency. Subsequently, the Successor Agency transferred to the City, as the housing successor, the assets identified in a Housing Asset List (which was reviewed by the DOF). Outstanding obligations which were payable from the Housing Set-Aside, as approved by the Oversight Board and the DOF pursuant to the ROPS, remain to be enforceable obligations of the Successor Agency payable from the RPTTF.

Due Diligence Reviews

Pursuant to the Dissolution Act, the Successor Agency was required to retain independent accountants to conduct two reviews, known as due diligence reviews (each, a “DDR”) – one for the Housing Fund and the other for all of the other funds and accounts (the “Other Funds”) – to determine the unobligated balance (the “Unobligated Balance”), if any, of the Housing Fund and the Other Funds, as of June 30, 2012. Legally restricted funds (including bond proceeds), value of assets that are not cash or cash equivalents (such as land and equipment) and amounts that are needed to satisfy obligations listed an approved ROPS were excluded from the Unobligated Balance.

Pursuant to the DDRs, as reviewed and modified by the DOF, the Successor Agency remitted \$4,060,059 of the Housing Fund Unobligated Balance and \$7,408,079 of the Non-Housing Funds Unobligated Balance to the County Auditor-Controller for distribution to the taxing agencies. Because the Successor Agency has made such remittances as required by the DOF, as well as certain other amounts previously required to be remitted pursuant to the Dissolution Act, the DOF issued a “Finding of Completion” to the Successor Agency on July 9, 2013. Upon receipt of such Finding of Completion, the Successor Agency is authorized to proceed with actions permitted under certain provisions of the Dissolution Act, such as the submission of a Long Range Property Management Plan (see below).

Real Property Disposition; Long Range Property Management Plan

Generally under Health and Safety Code Sections 34177(e) and 34181(a) of the Dissolution Act, the Successor Agency is required, at the direction of the Oversight Board, to dispose of the assets and properties of the Former Agency expeditiously and in a manner aimed at maximizing value (except that the Oversight Board may give other directions regarding the transfer of certain government use properties to a public jurisdiction as permitted by the Dissolution Act and regarding the transfer of properties that is required by enforceable obligations). Proceeds from asset sales that are no longer needed for approved development projects or to otherwise wind down the affairs of the Former Agency, each as determined by the Oversight Board, are to be transferred to the County Auditor-Controller for distribution to taxing agencies.

However, the requirements for such expeditious asset disposition were suspended and are superseded if the DOF approved a Long Range Property Management Plan for the Successor Agency before January 1, 2016. The Long Range Property Management Plan contains an inventory of the real property interests of the Former Agency and addresses the proposed use or disposition of each property interest under one of four categories: (i) retention for governmental use, (ii) retention for future development, (iii) disposition by sale, and (iv) fulfillment of an enforceable obligation. On December 29, 2015, the DOF issued a letter approving the Successor Agency’s Long Range Property Management Plan. The Successor Agency is undertaking steps to implement the property disposition contemplated under the Long Range Property Management Plan.

Audited Financial Statements

Before the enactment of the Dissolution Act, the Former Agency retained independent auditors to prepare a report of the Former Agency's audited financial statements for each fiscal year ended June 30, separate and apart from the report of City's audited financial statements.

The Dissolution Act provides that a post-audit of the financial transactions and records of the Successor Agency must be made at least annually by a certified public accountant. Starting with the reporting for fiscal year 2011-12, the City decided to not have separate financial statements prepared for the Former Agency or the Successor Agency. Instead, the financial transactions for the Successor Agency are reported as part of the City's audited financial statements. The accounting firm of Lance, Soll and Lunghard, LLP (the "Auditors") prepared the City's audited financial statements for fiscal year ended 2015-16 (the "FY 2015-16 City Audited Financials"). The FY 2015-16 City Audit Financials were incorporated in, and made a part of, the City's Comprehensive Annual Financial Report for Fiscal Year Ended June 30, 2016, a copy which is attached as Appendix C to this Official Statement. The Successor Agency has not requested nor obtained permission from the Auditors to include the FY 2015-16 City Audit Financials as part of Appendix C to this Official Statement. The Auditors have not performed any post-audit review of the financial condition or operations of the City or the Successor Agency for the purposes of this Official Statement.

The inclusion of the Successor Agency's financial transactions in the FY 2015-16 City Audit Financials is solely for convenience. As previously discussed in this Official Statement, the Dissolution expressly clarifies that the Successor Agency is a separate legal entity from the City. The assets and the liabilities of the Former Agency have been transferred to the Successor Agency. The assets and liabilities of the Successor Agency are not assets and liabilities of the City.

RISK FACTORS

Investment in the 2017 Bonds involves elements of risk. The following section describes certain specific risk factors affecting the payment and security of the 2017 Bonds. The following discussion of risks is not meant to be an exhaustive list of the risks associated with the purchase of the 2017 Bonds and the order of discussion of such risks does not necessarily reflect the relative importance of the various risks. Potential investors are advised to consider the following factors along with all other information in this Official Statement in evaluating the 2017 Bonds. There can be no assurance that other risk factors not discussed under this caption will not become material in the future.

Reduction in Taxable Value

The projected Tax Revenues shown in this Official Statement are based on certain assumptions. See “TAX REVENUES AND DEBT SERVICE COVERAGE – Projected Tax Revenues; Coverage Projections.” No assurances can be given that the assessed value of properties in the Project Area will never fall below the values estimated by the Fiscal Consultant for the projections shown in Tables 4 and 5 and the Fiscal Consultant Report (see Appendix B). However, assessed value of the Project Area would have to decrease by over 54 percent from the projected fiscal year 2017-18 assessed value in order for the property tax revenues of the Project Area allocable to the RPTTF (*i.e.*, formerly, tax increment) to fall below the fiscal year 2018-19 level (which is \$19 million based on the Annual TI Cap). See “INTRODUCTION – Redevelopment Plan; SB 107 Effects on Plan Limits” and “PROJECT AREA – Redevelopment Plan; Annual TI Cap.” Assessed value of the Project Area would have to decrease by [over ____] percent to fall below one times debt service coverage on all of the Parity Debt (based on “Tax Revenues Plus Forfeited Based on Annual TI Cap” as shown on the last column of Table 5).

Property values, and correspondingly assessed values, are impacted by many factors which are beyond the Successor Agency’s control. After multiple years of increases in home sales volume and prices, many cities throughout the State experienced a significant down-turn in the real estate market since fiscal year 2006-07. The market values of many properties that were bought within the few years before the real estate market down-turn fell, some below their purchase prices. In addition, during the residential housing boom before fiscal year 2006-07, lenders reportedly made mortgage loans to some borrowers whose credit profiles were such that, in prior times, these borrowers might not have qualified for the same loans. The credit market considerably tightened relative to the boom years. All of these factors led to an increase of risk of defaults and foreclosures when the housing boom ended. The median price for residences in the County has climbed significantly since 2012. The Successor Agency cannot give any assurances regarding the future fluctuation of residential property values or the health of the real estate market in the Project Area.

With respect to commercial properties, periodic improvement and reinvestment are generally required to maintain their value. The willingness of an owner to upgrade and maintain a commercial property, and in some circumstances make timely property tax payments, can be affected by the property’s vacancy rate and rental receipts. The Successor Agency is not aware of any significant vacancy with respect to available rental spaces in the commercial developments of the Project Area. However, the Successor Agency has not undertaken to assess the financial conditions of the current owners of the commercial or residential properties within the Project Area or make inquiries into the means by which such owners financed their properties. Property value and development growth in the Project Area will be subject to the fluctuation of the real estate market throughout the term of the 2017 Bonds.

In addition to the general real estate market fluctuation, a relocation out of the Project Area by one or more major property owners, the discovery of hazardous substances on a property within the

Project Area (see “Hazardous Substances” below) or the complete or partial destruction of property caused by, among other possibilities, an earthquake, flood or other natural disaster (see “Natural and Other Disasters” below or any other event which would permit a reassessment of property at lower values), could cause a reduction in the assessed value of properties in the Project Area. Future initiatives or legislation may be approved by the electorate or the legislature which would further limit the increase of assessed value of a property or reduce the tax rate applicable to the property and could cause a reduction in the Tax Revenues. See “PROPERTY TAXATION IN CALIFORNIA.” Property owners may also appeal to the County Assessor for a reduction of their assessed valuations or the County Assessor could order a blanket reduction in assessed valuations based on then current economic conditions. The projections set forth in Tables 4 and 5 and in the Fiscal Consultant Report in Appendix B already included an estimated reduction based on the appeals on record as of May 10, 2017. See “TAX REVENUES AND DEBT SERVICE COVERAGE – Assessed Value Appeals and Proposition 8 Adjustments.” However, the projections do not take into account any assessed value reduction or tax refund for other future appeals. A reduction of assessed valuation that causes a decline in Tax Revenues or the resulting property tax refunds could have an adverse effect on the Successor Agency’s ability to make timely repayments on the 2017 Bonds.

Natural and Other Disasters

The value of the property in the Project Area in the future can be adversely affected by a variety of additional factors, particularly those which may affect infrastructure and other public improvements and private improvements on the property and the continued habitability and enjoyment of such private improvements. Such additional factors include, without limitation, geologic conditions such as earthquakes, topographic conditions such as earth movements, landslides, fire storms and floods and climatic conditions such as droughts. In the event that one or more of such conditions occur, such occurrence could cause damages of varying seriousness to the land and improvements and property value in the Project Area could be diminished in the aftermath of such events. A substantial reduction of the value of such properties could affect the ability or willingness of the property owners to pay the property taxes.

The City, like most communities in California, is an area of unpredictable seismic activity, and therefore, is subject to potentially destructive earthquakes. Two major faults traverse through the City, the Whittier fault and the Elysian Park thrust fault. The Whittier fault cuts across the hills and through the eastern half of the City in a northwesterly direction. Several traces of the Whittier fault are still active. The Elysian Park thrust fault is buried approximately six to ten miles below the ground surface of the City. The San Andreas fault lies 33 miles from the City.

California is, from time to time, subject to spells of dry weather, even severe droughts. The most recent drought period lasted from 2011 to 2016, during which the State instituted mandatory water restrictions in 2015. Relief finally came with the wet 2016-17 season. Governor Brown declared the drought over in April 2017. Drought conditions in Southern California, combined with higher than average temperatures and Santa Ana winds, have created conditions that are from time to time conducive to wildfires. The northern edge of the City abutting the foothills is identified as an urban-open space interface area, which is subject to risk of wild fires. In these areas, additional conditions are imposed on developments to mitigate potential fire hazard. These conditions include: fuel modification plan to a depth of 170 feet surrounding the perimeter of developments, automatic fire sprinklers in all buildings, a minimum road width of 40 feet, hydrant spacing throughout the development, hydrant marker plan to ease visibility, restriction of cul-de-sac lengths, ignition resistant construction, and the proper selection of plant pallet.

According to the City's General Plan (last prepared in 2003), because of variable rainfall in the area, it is difficult to predict and plan for floods in and around the City. Any flood that occurs is expected to be short in duration, high in peak volume and high in velocity. Flood insurance rate maps prepared by the Federal Emergency Management Agency ("FEMA") show potential flood zones (100-year floodplain and 500 year floodplain) in the western portion of the City (between Puente Street and Brea Boulevard, which overlaps with a portion of the Project Area) and areas along Carbon Canyon Road and Carbon Canyon Regional Park (which are outside of the Project Area). Potential flood risks are also associated with the Orange County Reservoir and nearby Carbon Canyon Dam. However, according to FEMA, flooding in the City is considered lower than other parts of the County. This can be attributed to the flood control structures that have been established in and around the area.

Hazardous Substances

An additional environmental condition that may result in the reduction in the assessed value of property would be the discovery of a hazardous substance that would limit the beneficial use of taxable property within the Project Area. In general, the owners and operators of property may be required by law to remedy conditions of the property relating to releases or threatened releases of hazardous substances. The owner or operator may be required to remedy a hazardous substance condition at the property whether or not the owner or operator has anything to do with creating or handling the hazardous substance. The effect, therefore, should any of the property within the Project Area be affected by a hazardous substance, could be to reduce the marketability and value of the property by the costs of remedying the condition.

Property Tax Delinquencies

So long as the County's Teeter Plan remains in effect with respect to the Project Area, the amount of property tax revenues from the secured roll that is allocable to the Successor Agency's RPTTF is protected from risks relating to property tax delinquencies. See "TAX REVENUES AND DEBT SERVICE COVERAGE – Teeter Plan." However, the County is entitled, and under certain circumstances (such as a scenario where the delinquency rate within the jurisdiction of a participating local agency exceeds a threshold percentage) could be required, to terminate its Teeter Plan with respect to all or part of the local agencies, including the Successor Agency's RPTTF. A termination of the Teeter Plan, coupled with significant property tax delinquencies, could have an adverse effect on the amount of property tax revenues collected in the Project Area.

The payment of the property taxes and the ability of the County to foreclose on the lien of delinquent unpaid property tax may be limited or delayed by bankruptcy, insolvency or other laws generally affecting creditors' rights or by the laws of the State of California relating to judicial foreclosure. In addition, the prosecution of a foreclosure action could be delayed due to crowded local court calendars or delays in the legal process. Although bankruptcy proceedings would not cause the lien of the property tax to become extinguished, bankruptcy of a property owner could result in a delay in prosecuting superior court foreclosure proceedings. The federal bankruptcy laws provide for an automatic stay of foreclosure and sale of tax sale proceedings, thereby delaying such proceedings perhaps for an extended period. Further, should remedies be exercised under the federal bankruptcy laws, payment of the property tax may be subordinated to bankruptcy law priorities. Thus, certain claims may have priority over the property tax in a bankruptcy proceeding even though they would not outside of a bankruptcy proceeding. If the Teeter Plan is terminated in the future, the property tax revenues to be deposited into the RPTTF may be impacted, if the County's ability to collect property tax revenues is affected by such bankruptcy, insolvency or other proceedings generally affecting creditors' rights or judicial foreclosure proceedings.

Nonetheless, based on current assessed values, the delinquency rate will have to be extraordinarily high before any impact on the amount of property tax revenues allocable to the RPTTF. Because of the Annual TI Cap under the Redevelopment Plan, the amount of property tax revenues of the Project Area allocable to the RPTTF in any fiscal year (\$19 million for fiscal year 2017-18) is currently less than the amount that such property tax revenues if the Annual TI Cap did not exist (more than \$40 million for fiscal year 2017-18). See “INTRODUCTION – Redevelopment Plan; SB 107 Effects on Plan Limits.” Also see “APPENDIX B – FISCAL CONSULTANT REPORT – 4.3 Property Tax Delinquencies and Revenue Allocations.”

Successor Agency Powers and Resources Limited

The Successor Agency is created pursuant to the Dissolution Act to wind down the affairs of the Former Agency. Its powers are limited to those granted under the Dissolution Act. It has no power to levy and collect property taxes. It does not have any legal authority to participate in redevelopment activities, except to complete work related to enforceable obligations, as defined in the Dissolution Act. Many Successor Agency actions are subject to the review or the direction of the Oversight Board and the DOF, and in some cases, the County Auditor-Controller and the State Controller. California Health and Safety Code Section 34173(e) states that the liability of the Successor Agency, acting pursuant to the powers granted under the Dissolution Act, is limited to the extent of the total sum of property tax revenues it receives pursuant to the Dissolution Act and the value of assets transferred to it as a Successor Agency for the Former Agency. See “SUCCESSOR AGENCY.”

Before dissolution, the Former Agency retained funds on hand, accumulated from prior years that were available for use if short-term cash flow issues arose. In the event of a delay in the receipt of tax increment in any given year, the Former Agency could (though it was not obligated to) use such other available funds to make payments on the bonds when due. Under the Dissolution Act, the Successor Agency is required to seek prior approval from the Oversight Board (and, therefore, the DOF because most Oversight Board actions are subject to DOF’s review) in order to pay an enforceable obligation from a source of funds that is different from the one identified on the ROPS. As a result of procedures already completed under the Dissolution Act, such as the due diligence reviews (see “SUCCESSOR AGENCY – Due Diligence Reviews”), the Successor Agency virtually has no alternative resources available to make payment on enforceable obligations if there is a significant delay with respect to scheduled RPTTF disbursements or if the amount from RPTTF disbursements is not sufficient for the required payment on the enforceable obligations.

Even though the City has elected to serve as the Successor Agency, the Dissolution Act expressly clarifies that the City and the Successor Agency are separate public entities. The liabilities of the Former Agency are not transferred to the City by virtue of the City’s election to serve as the Successor Agency. The liabilities of the Successor Agency are not the liabilities of the City.

In any event, the pledge for the 2017 Bonds is limited to the property tax revenues of the Project Area allocated to the Successor Agency’s RPTTF and certain funds created under the Indenture, as provided in the Indenture. See “SECURITY AND SOURCES OF PAYMENT FOR 2017 BONDS.” No other funds are liable for the 2017 Bonds.

Recognized Obligation Payment Schedules

As discussed under “SECURITY AND SOURCE OF PAYMENT FOR 2017 BONDS – Recognized Obligation Payment Schedules,” the Successor Agency is required to prepare and submit the ROPS at the prescribed times to the Oversight Board and the DOF for review. The County Auditor-Controller is authorized to only distribute moneys to the Successor Agency from the RPTTF in

accordance with a ROPS approved by the DOF. The Successor Agency may only make payments that are listed in a DOF-approved ROPS. See “AUTHORIZATION AND VALIDITY OF 2017 BONDS UNDER DISSOLUTION ACT” regarding limitations pursuant Health and Safety Code Section 34177.5(f) with respect to the DOF’s review of scheduled payments for the 2017 Bonds included in future ROPS.

The Dissolution Act provides the ROPS must be submitted to the DOF at the times prescribed by the Dissolution Act. If the Successor Agency fails to submit to the DOF an Oversight Board-approved ROPS within five business days of the date upon which the ROPS is to be used to determine the amount of property tax allocations, the DOF may determine if the County Auditor-Controller should withhold any RPTTF amount for payments for enforceable obligations from distribution to taxing entities, pending DOF’s approval of the ROPS. If the Successor Agency indeed fails to submit to the DOF an Oversight Board-approved ROPS within five business days of the date upon which the ROPS is to be used to determine the amount of property tax allocations, and the DOF does not provide notice to the County Auditor-Controller to withhold funds, it is unclear whether the County Auditor-Controller will disburse all of the funds then in the RPTTF to the taxing agencies pursuant to the Dissolution Act provisions relating to RPTTF Residual. The Dissolution Act provides very limited authority to the County Auditor-Controller to withhold RPTTF funds from disbursements to taxing agencies.

The Successor Agency has covenanted in the Indenture to include debt service for the Outstanding 2017 Bonds on the appropriate ROPS, so as to enable the County Auditor-Controller to include, as part of the RPTTF, disbursements to the Successor Agency, the amount of Tax Revenues necessary to pay debt service for the Outstanding Bonds.

Future Implementation of Dissolution Act

The Successor Agency’s timely receipt of RPTTF disbursements to pay enforceable obligations, including the 2017 Bonds, is dependent upon the coordination with, and the implementation of, the Dissolution Act procedures by the DOF and the County Auditor-Controller. While each of the Successor Agency, the DOF, the County Auditor-Controller, and other affected parties coordinate to implement and fulfill the requirements of the Dissolution Act, the Successor Agency cannot give any assurances that future interpretation of specific provisions of the Dissolution Act or their implementation will not affect the timing and amount of RPTTF disbursements to the Successor Agency.

Numerous lawsuits have been filed pertaining to the DOF’s implementation of various provisions of the Dissolution Act. Many are still pending. A lawsuit (the “Syncora Lawsuit”) was filed by Syncora Guarantee Inc. and Syncora Capital Assurance Inc. (collectively, “Syncora”) on August 12, 2012, with the Superior Court of California in the County of Sacramento, *Case No. 34-2012-80001215*. Syncora is the municipal bond insurer for a number of bond insurance policies for outstanding bonds issued by former California redevelopment agencies. Syncora alleged that the Dissolution Act, and specifically the “Redistribution Provisions” (including California Health and Safety Code Sections 34172(d), 34174, 34177(d), 34183(a)(4), and 34188) violate the “contract clauses” of the United States and California Constitutions (U.S. Const. art. 1, § 10, cl.1; Cal. Const. art. 1, § 9) because they unconstitutionally impair the contracts among the former redevelopment agencies, bondholders and Syncora. The complaint also alleged that the Redistribution Provisions violate the “Takings Clauses” of the United States and California Constitutions (U.S. Const. amend. V; Cal Const. art. 1 § 19) because such provisions unconstitutionally take and appropriate bondholders’ and Syncora’s contractual right to critical security mechanisms without just compensation. The Syncora Lawsuit was brought as a petition for writ of mandate and complaint for declaratory relief, inverse condemnation and injunctive relief. On May 29, 2013, the Court entered a ruling. The Court (1) denied Syncora any form of relief requested in the Complaint and Petition on its impairment of contracts claims, on the ground that those claims were

premature, as no evidence was submitted by Syncora that any redevelopment agency bonds it insures are in default or that any redevelopment agency bonds are in default at all; and (2) held that Syncora's takings claims are not necessarily premature, that an evidentiary hearing should be conducted to address such claims, and that the parties should file status reports with the Court addressing certain issues in connection with such evidentiary hearing. On August 16, 2013, the parties filed with the Court a proposed stipulated judgment which dismisses Syncora's impairment of contract claims and takings claims without prejudice on grounds of prematurity. The stipulated judgment, as proposed by the parties, was entered on October 3, 2013.

The Successor Agency cannot predict the outcome of any pending or future lawsuit with respect to the interpretation, the implementation or the validity of any provision of the Dissolution Act, including the provisions under which the 2017 Bonds are issued. The Successor Agency believes that the federal and State Constitutions clauses regarding contract impairments and takings provide protection to the bondholders of the 2017 Bonds in the event of any lawsuit concerning provisions affecting the validity and payment on bonds issued under the Dissolution Act. However, the outcome of any such lawsuit is beyond the Successor Agency's control.

State Budget

Two of the key bills that comprise the Dissolution Act, AB X1 26 and AB 1484, were enacted by the State Legislature and signed by the Governor as trailer bills necessary to implement provisions of the State's budget acts for its fiscal years 2011-12 and 2012-13, respectively, with the intention to transfer cash assets held by redevelopment agencies to cities, counties, and special districts to fund core public services and with assets transferred to schools offsetting State general fund costs. Most of the provisions of SB 107 (containing the most recent significant amendments to the Dissolution Act) were also initially presented as part of AB 113, a trailer bill to the fiscal year 2015-16 State Budget, even though SB 107 was eventually enacted in September 2015, several months after the adoption of the State Budget. There can be no assurance that legislation affecting successor agencies or Tax Revenues will not be enacted to implement provisions in connection with the State budget needs or other reasons in the future.

The Successor Agency expects, but cannot guarantee, that the processes for the funding of enforceable obligations prescribed by any new legislative change in the Dissolution Act will not interfere with its administering of the Tax Revenues in accordance with the Indenture and will effectively result in adequate Tax Revenues for the timely payment of principal of and interest on the 2017 Bonds when due.

Information about the State budget and State spending is available at various State maintained websites. Text of the enacted State Budget for fiscal year 2017-18 and other documents related to the State budget may be found at the websites maintained by the State Department of Finance, www.dof.ca.gov and <http://www.ebudget.ca.gov/>. A nonpartisan analysis of the budget is posted by the Legislative Analyst's Office at www.lao.ca.gov. In addition, various State official statements, many of which contain a summary of the current and past State budgets may be found at the website of the State Treasurer, www.treasurer.ca.gov.

The full text of each State Assembly bill cited above and other bills pending before the State Senate or State Assembly may be obtained from the "Official California Legislative Information" website maintained by the Legislative Counsel of the State of California pursuant to State law, at the following web link: <http://leginfo.legislature.ca.gov/faces/billSearchClient.xhtml>.

None of the websites or webpages referenced above is in any way incorporated into this Official Statement. They are cited for informational purposes only. The Successor Agency makes no representation whatsoever as to the accuracy or completeness of any of the information on such websites.

Bankruptcy Risks; Enforceability of Remedies

The various legal opinions to be delivered concurrently with the delivery of the 2017 Bonds (including Bond Counsel's approving legal opinions) will be qualified as to the enforceability of the various legal instruments by bankruptcy, insolvency, reorganization, moratorium, or other similar laws affecting creditors' rights, by the application of equitable principles and by the exercise of judicial discretion in appropriate cases. The enforceability of the rights and remedies of the owners of the 2017 Bonds and the obligations of the Successor Agency may become subject to the following: the federal bankruptcy code and applicable bankruptcy, insolvency, reorganization, moratorium, or similar laws relating to or affecting the enforcement of creditors' rights generally, now or hereafter in effect; usual equitable principles which may limit the specific enforcement under state law of certain remedies; the exercise by the United States of America of the powers delegated to it by the federal Constitution; and the reasonable and necessary exercise, in certain exceptional situations of the police power inherent in the sovereignty of the State of California and its governmental bodies in the interest of servicing a significant and legitimate public purpose. Bankruptcy proceedings, or the exercise of powers by the federal or state government, if initiated, could subject the owners of the 2017 Bonds to judicial discretion and interpretation of their rights in bankruptcy or otherwise and, consequently, may entail risks of delay, limitation, or modification of their rights.

Secondary Market

There can be no guarantee that there will be a secondary market for the 2017 Bonds, or, if a secondary market exists, that such 2017 Bonds can be sold for any particular price. Occasionally, because of general market conditions or because of adverse history or economic prospects connected with a particular issue, secondary marketing practices in connection with a particular issue are suspended or terminated. Additionally, prices of issues for which a market is being made will depend upon the then prevailing circumstances. Such prices could be substantially different from the original purchase price.

Bond Insurance Policy; Reserve Policy

In the event the Successor Agency obtains a bond insurance policy for all or a portion of the bonds, and the bond insurer were to become insolvent, any claims arising under the bond insurance policy or the Reserve Policy are excluded from coverage by the California Insurance Guaranty Association, established pursuant to Article 14.2 (commencing with Section 1063) of Chapter 1 of Part 2 of Division 1 of the California Insurance Code.

In the past, rating agencies have downgraded or withdrawn the ratings on the claims-paying ability and financial strength of municipal bond insurers. Deterioration in the financial condition of the Bond Insurer could occur. The Successor Agency cannot guarantee the bond insurer's timely performance of its obligations under the bond Insurance policy or the Reserve Policy.

The bond insurer's financial strength and claims paying ability are predicated upon a number of factors which could change over time. No assurance is given that the long-term ratings of the bond insurer (and thus the insured rating of the 2017 Bonds) will not be subject to downgrade in the future. Any downgrade of the bond insurer's rating may adversely affect the market price of the 2017 Bonds or the marketability (liquidity) for the 2017 Bonds. See "CONCLUDING INFORMATION – Ratings.

Loss of Tax Exemption of 2017A Bonds

Compliance by Successor Agency. In order to maintain the exclusion of interest on the 2017 Bonds from gross income for federal income tax purposes, the Successor Agency has covenanted to

comply with the applicable requirements of Section 148 and certain other sections of the Internal Revenue Code of 1986, as amended, relative to arbitrage and avoidance of characterization as hedge bonds or private activity bonds, among other things. Interest on the 2017A Bonds could become includable in gross income for purposes of federal income taxation retroactive to the date of issuance of the 2017A Bonds as a result of acts or omissions of the Successor Agency in violation of these covenants. See “CONCLUDING INFORMATION – Tax Matters.”

Future Legislation or Court Decisions. Legislation affecting the tax exemption of interest on the 2017A Bonds may be considered by the United States Congress and the State legislature. Federal and state court proceedings and the outcome of such proceedings could also affect the tax exemption of interest on the 2017A Bonds. No assurance can be given that legislation enacted or proposed, or actions by a court, after the date of issuance of the 2017A Bonds will not have an adverse effect on the tax exemption of interest on the 2017A Bonds or the market value of the 2017A Bonds.

PROPERTY TAXATION IN CALIFORNIA

Property Tax Collection Procedure

In California, property which is subject to *ad valorem* taxes is classified as “secured” or “unsecured.” The secured classification includes property on which any property tax levied by a county becomes a lien on that property sufficient, in the opinion of the county assessor, to secure payment of the taxes. A tax levied on unsecured property does not become a lien against the unsecured property, but may become a lien on certain other property owned by the taxpayer. Every tax which becomes a lien on secured property has priority over all other liens on the secured property, regardless of the time of creation of the other liens.

Secured property and unsecured property are entered on separate parts of the assessment roll maintained by the county assessor. The method of collecting delinquent taxes is substantially different for the two classifications of property. The taxing authority has four ways of collecting unsecured personal property taxes in the case of delinquency: (i) initiating a civil action against the taxpayer, (ii) filing a certificate in the office of the county clerk specifying certain facts in order to obtain a judgment lien on certain property of the taxpayer, (iii) filing a certificate of delinquency for record in the county recorder’s office to obtain a lien on certain property of the taxpayer, and (iv) seizing and selling the personal property, improvements or possessory interests belonging or assessed to the assessee. The exclusive means of enforcing the payment of delinquent taxes with respect to property on the secured roll is the sale of the property securing the taxes for the amount of taxes which are delinquent.

A ten percent penalty is added to delinquent taxes which have been levied with respect to property on the secured roll. In addition, on or about June 30 of the fiscal year, property on the secured roll on which taxes are delinquent is declared to be in default by operation of law and declaration of the tax collector. Such property may thereafter be redeemed by payment of the delinquent taxes and a delinquency penalty, plus a redemption penalty of 1.5 percent per month to the time of redemption. If taxes are unpaid for a period of five years or more, the property is subject to sale by the county tax collector.

The valuation of property is determined as of the January 1 lien date each year and equal installments of taxes levied upon secured property become delinquent on the following December 10 and April 10. Unsecured property taxes become delinquent if not paid by August 31.

A bill enacted in 1983, Senate Bill 813 (Statutes of 1983, Chapter 498), provides for the supplemental assessment and taxation of property upon the occurrence of a change in ownership or

completion of new construction. Previously, statutes enabled the assessment of such changes only as of the next January 1 tax lien date following the change and thus delayed the realization of increased property taxes from the new assessments for up to 16 months. As enacted, Chapter 498 provides increased revenue to redevelopment agencies, to the extent that supplemental assessments of new construction or changes of ownership occur within the boundaries of redevelopment projects subsequent to the January 1 lien date. To the extent such supplemental assessments occur within the Project Area, Agency revenues may increase.

In 1990, the State Legislature enacted Senate Bill 2557 (Statutes of 1990, Chapter 466) (“SB 2557”) which allows counties to charge for the cost of assessing, collecting and allocating property tax revenues to local government jurisdictions on a prorated basis. California courts have upheld the inclusion of redevelopment agencies as a local government agency which must share the cost of property tax administration. The 1992 enactment of Senate Bill 1559 (Chapter 697) and the decision of the California Court of Appeal in *Arcadia Redevelopment Agency v. Ikemoto* have clarified that redevelopment agencies, such as the Former Agency, are to share in the cost of property tax administration charged by most California counties, including the County. The Dissolution Act provides that before disbursement of moneys from the RPTTF to the Successor Agency, the County Auditor-Controller is entitled to make a deduction for the purposes of the County administrative costs under Section 95.3 of the Revenue and Tax Code.

Unitary Property

Assembly Bill 454 (Statutes of 1987, Chapter 921) (“AB 454”) provides the method of reporting and allocating property tax revenues generated from most State-assessed unitary properties (consisting mostly of the properties of public utilities, and inter-county pipelines, flumes, canals, ditches and aqueducts). Under AB 454, the State reports to each county auditor-controller only the county-wide unitary taxable value of each utility, without an indication of the distribution of the value among tax rate areas. AB 454 provides two formulas for auditor-controllers to use in order to determine the allocation of unitary property taxes generated by the county-wide unitary value, which are: (i) for revenue generated from the one percent tax rate, each jurisdiction is to receive up to 102 percent of its prior year unitary property tax increment revenue; however, if county-wide revenues generated from unitary properties are greater than 102 percent of prior year revenues, each jurisdiction receives a percentage share of the excess unitary revenues equal to the percentage of each jurisdiction’s share of secured property taxes; (ii) for revenue generated from the application of the debt service tax rate to county-wide unitary taxable value, each jurisdiction is to receive a percentage share of revenue based on the jurisdiction’s annual debt service requirements and the percentage of property taxes received by each jurisdiction from unitary property taxes.

The provisions of AB 454 apply to all State-assessed property, except railroads and non-unitary properties, the valuation of which will continue to be allocated to individual tax rate areas. AB 454 allows, generally, valuation growth or decline of State-assessed unitary property to be shared by all jurisdictions within a county.

Effective January 1, 2007, ABX 2670 changed the method of assessing unitary railroad property. Before ABX 2670, the assessed value of unitary railroad property was allocated to individual tax rate areas within a county where the property is located. ABX 2670 has converted this method of assessment for railroad property to the countywide system. The new method involves establishing a single countywide tax rate area within each county to which the assessed value of specified unitary property of a regulated railroad company would be allocated. Revenues derived from the tax on this value are allocated among local entities in the county pursuant to a specified formula. ABX 2670 also requires, with respect to a “qualified facility” as defined in Revenue and Taxation Code Section 100.11, that 80 percent of the

value of the facility and the revenues derived from taxing this value be allocated on a countywide basis, while the remaining 20 percent of this value and resulting revenues be allocated exclusively to the local tax rate areas in the county in which the property is located.

Article XIII A of California Constitution

California voters, on June 6, 1978, approved an amendment (commonly known as both Proposition 13 and the Jarvis-Gann Initiative) to the California Constitution. This amendment, which added Article XIII A to the California Constitution, among other things, affects the valuation of real property for the purpose of taxation in that it defines the “full cash value” of property to mean “the county assessor’s valuation of real property as shown on the 1975-76 tax bill under ‘full cash value’ or, thereafter, the appraised value of real property when purchased, newly constructed, or a change in ownership has occurred after the 1975 assessment.” The full cash value may be adjusted annually to reflect inflation at a rate not to exceed two percent per year, or any reduction in the consumer price index or comparable local data, or any reduction in the event of declining property value caused by damage, destruction or other factors. The amendment further limits the amount of any *ad valorem* tax on real property to one percent of the full cash value except that additional taxes may be levied to pay debt service on indebtedness approved by the voters prior to July 1, 1978. In addition, an amendment to Article XIII A was adopted in October 1986 by initiative which exempts from the one percent limitation any taxes levied to pay bonded indebtedness approved by two-thirds (55 percent in certain instances) of the votes cast by voters for the acquisition or improvement of real property.

On September 22, 1978, the California Supreme Court upheld Proposition 13 over challenges on several state and federal constitutional grounds (*Amador Valley Joint Union School District v. State Board of Equalization*). The Court reserved certain constitutional issues and the validity of legislation implementing the amendment for future determination in proper cases.

In subsequent elections, the voters of the State approved various measures which further amended Article XIII A. One such amendment generally provides that the purchase or transfer of (i) real property between spouses or (ii) the principal residence and the first \$1,000,000 of the full cash value of other real property between parents and children, does not constitute a “purchase” or “change of ownership” triggering reassessment under Article XIII A. This amendment has reduced local property tax revenues. Other amendments permitted the Legislature to authorize the transfer of a property’s assessed value to a replacement property under certain conditions, such as for residences of persons over 55 years old, for residences of severely disabled homeowners and for contaminated property. Other amendments have excluded certain improvements from the definition of “new construction,” such as seismic retrofitting improvements or improvements utilizing earthquake hazard mitigation technologies.

Challenges to Article XIII A. California trial and appellate courts have upheld the constitutionality of Article XIII A’s assessment rules in three significant cases. The United States Supreme Court, in an appeal to one of these cases, upheld the constitutionality of Article XIII A’s tax assessment system. The Successor Agency cannot predict whether there will be any future challenges to California’s present system of property tax assessment and cannot evaluate the ultimate effect on the Successor Agency’s receipt of Tax Revenues should a future decision hold unconstitutional the method of assessing property.

Implementing Legislation. Legislation enacted by the California Legislature to implement Article XIII A provides that all taxable property is shown at full assessed value as described above. In conformity with this procedure, all taxable property value included in this Official Statement (except as noted) is shown at 100 percent of assessed value and all general tax rates reflect the \$1 per \$100 of taxable value. Tax rates for voter approved bonded indebtedness and pension liability are also applied to 100 percent of assessed value.

Future assessed valuation growth allowed under Article XIII A (new construction, change of ownership, two percent annual value growth) is allocated on the basis of “situs” among the jurisdictions that serve the tax rate area within which the growth occurs, except for certain utility and railroad property assessed by the State Board of Equalization, which is allocated by a different method than the one discussed in this Official Statement.

Article XIII B of California Constitution

On November 6, 1979, California voters approved Proposition 4, which added Article XIII B to the California Constitution which has been subsequently amended several times. The principal effect of Article XIII B is to limit the annual appropriations of the State and any city, county, school district, authority or other political subdivision of the State to the level of appropriations for the prior fiscal year, as adjusted for changes in the cost of living, population and services rendered by the government entity. The base year for establishing such appropriation limit is fiscal year 1986-87 and the limit is to be adjusted annually to reflect changes in population, cost of living and certain increases in the cost of services provided by these public agencies.

Appropriations subject to Article XIII B include generally the proceeds of taxes levied by the State or other entity of local government, exclusive of certain State subventions, refunds of taxes, benefit payments from retirement, unemployment insurance and disability insurance funds.

Effective September 30, 1980, the California Legislature added Section 33678 to the Health and Safety Code, which provides that the allocation of taxes to a redevelopment agency for the purpose of paying principal of, or interest on, loans, advances, or indebtedness, will not be deemed the receipt by the redevelopment agency of proceeds of taxes levied by or on behalf of the redevelopment agency within the meaning of Article XIII B or any statutory provision enacted in implementation thereof. The constitutionality of Section 33678 has been upheld by the Second and Fourth District Courts of Appeal in two decisions: *Bell Community Redevelopment Agency v. Woosely* and *Brown v. Community Redevelopment Agency of the City of Santa Ana*, which cases were not accepted for review by the California Supreme Court.

Proposition 87

Under prior State law, if a taxing entity increased its tax rate to obtain revenues to repay voter approved general obligation bonds, any redevelopment project area which included property affected by the tax rate increase would realize a proportionate increase in tax increment.

Proposition 87, approved by the voters of the State on November 8, 1988, requires that all revenues produced by a tax rate increase (approved by the voters on or after January 1, 1989) go directly to the taxing entity which increases the tax rate to repay the general obligation bonded indebtedness. As a result, with respect to tax rate increases approved on or after January 1, 1989, to repay voter approved general obligation debt, redevelopment agencies no longer receive an increase in tax increment.

Articles XIII C and XIII D of California Constitution

On November 5, 1996, California voters approved Proposition 218 - Voter Approval for Local Government Taxes - Limitation on Fees, Assessments, and Charges - Initiative Constitutional Amendment. Proposition 218 added Articles XIII C and XIII D to the State Constitution, imposing certain voter requirements and other limitations on the imposition of new or increased taxes, assessments and property-related fees and charges. On November 2, 2010, California voters approved Proposition 26, the “Supermajority Vote to Pass New Taxes and Fees Act.” Proposition 26 amended Article XIII C of the

California Constitution by adding an expansive definition for the term “tax,” which previously was not defined under the California Constitution. Tax Revenues securing the 2017 Bonds are derived from property taxes which are outside the scope of taxes, assessments and property-related fees and charges which are limited by Proposition 218 and outside of the scope of taxes which are limited by Proposition 26.

Future Initiatives

Article XIII A, Article XIII B, Article XIII C and Article XIII D and certain other propositions affecting property tax levies were each adopted as measures which qualified for the ballot pursuant to California’s initiative process. From time to time other initiative measures could be adopted, further affecting Tax Revenues available for allocation to the RPTTF and to the Successor Agency for payment on the 2017 Bonds.

CONCLUDING INFORMATION

Absence of Litigation

There is no litigation pending and notice of which has been received by the Successor Agency or, to the Successor Agency’s knowledge, threatened in any way to restrain or enjoin the issuance, execution or delivery of the 2017 Bonds, to contest the validity of the 2017 Bonds, the Indenture, the Escrow Agreement or any proceedings of the Successor Agency with respect thereto. To the knowledge of the Successor Agency, there are no lawsuits or claims pending against the Successor Agency which will materially impair the Successor Agency’s ability to pay principal of and interest on the 2017 Bonds when due.

Certain Legal Matters

All of the legal proceedings in connection with the authorization and issuance of the 2017 Bonds are subject to the approval of Jones Hall, A Professional Law Corporation, Bond Counsel. Bond Counsel’s final approving opinions with respect to the 2017 Bonds will be substantially in the form set forth in Appendix E of this Official Statement. Richards, Watson & Gershon, A Professional Corporation, serves as Disclosure Counsel to the Successor Agency in connection with the issuance of the 2017 Bonds. Certain legal matters will also be passed upon for the Successor Agency by Richards, Watson & Gershon, A Professional Corporation, as General Counsel to the Successor Agency. Certain legal matters will be passed upon for Stifel, Nicolaus & Company, as Underwriter, by Stradling Yocca Carlson & Rauth, a Professional Corporation, as Underwriter’s Counsel. Payment of the fee of Underwriter’s Counsel is contingent upon the issuance of the 2017 Bonds.

Municipal Advisor

The Successor Agency has retained Fieldman, Rolapp & Associates, Irvine, California, as municipal advisor (the “Municipal Advisor”) in connection with the issuance of the 2017 Bonds. The Municipal Advisor has not undertaken to make an independent verification or to assume responsibility for the accuracy, completeness, or fairness of the information contained in this Official Statement. The Municipal Advisor is an independent advisory firm and is not engaged in the business of underwriting, trading or distributing municipal or other securities public or otherwise.

Tax Matters

General. In the opinion of Jones Hall, A Professional Law Corporation, San Francisco, California, Bond Counsel, subject, however to the qualifications set forth below, under existing law, the interest on the 2017A Bonds is excluded from gross income for federal income tax purposes and such interest is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals and corporations, provided, however, that, for the purpose of computing the alternative minimum tax imposed on corporations (as defined for federal income tax purposes), such interest is taken into account in determining certain income and earnings. The opinions set forth in this paragraph are subject to the condition that the Successor Agency complies with all requirements of the Internal Revenue Code of 1986 (the “Tax Code”) that must be satisfied subsequent to the issuance of the 2017A Bonds in order that such interest be, or continue to be, excluded from gross income for federal income tax purposes. The Successor Agency has covenanted to comply with each such requirement. Failure to comply with certain of such requirements may cause the inclusion of such interest in gross income for federal income tax purposes to be retroactive to the date of issuance of the 2017A Bonds. Bond Counsel expresses no opinion regarding other federal or state tax consequences arising with respect to the 2017A Bonds, including any federal tax consequences arising with the ownership, sale or disposition of the 2017A Bonds, or the amount, accrual or receipt of interest on the 2017A Bonds.

Interest on the 2017B Bonds is not excluded from gross income for federal income tax purposes.

California Tax Status. In the opinion of Bond Counsel, interest on the 2017A Bonds and the 2017B Bonds is exempt from California personal income taxes.

Tax Treatment of Original Issue Discount and Premium. If the initial offering price to the public (excluding bond houses and brokers) at which a 2017 Bond is sold is less than the amount payable at maturity thereof, then such difference constitutes “original issue discount” for purposes of federal income taxes and State of California personal income taxes. If the initial offering price to the public (excluding bond houses and brokers) at which each Bond is sold is greater than the amount payable at maturity thereof, then such difference constitutes “original issue premium” for purposes of federal income taxes and State of California personal income taxes. De minimis original issue discount is disregarded.

Under the Tax Code, original issue discount on a 2017 Bond is treated as interest excluded from federal gross income and exempt from State of California personal income taxes to the extent properly allocable to each owner thereof subject to the limitations described in the first paragraph of this section. The original issue discount accrues over the term to maturity of a 2017 Bond on the basis of a constant interest rate compounded on each interest or principal payment date (with straightline interpolations between compounding dates). The amount of original issue discount accruing during each period on a 2017 Bond is added to the adjusted basis of such 2017 Bond to determine taxable gain upon disposition (including sale, redemption, or payment on maturity) of such 2017 Bond. The Tax Code contains certain provisions relating to the accrual of original issue discount in the case of purchasers of the 2017 Bonds who purchase the 2017 Bonds after the initial offering of a substantial amount of such maturity. Owners of such 2017 Bonds should consult their own tax advisors with respect to the tax consequences of ownership of the 2017 Bonds with original issue discount, including the treatment of purchasers who do not purchase in the original offering, the allowance of a deduction for any loss on a sale or other disposition, and the treatment of accrued original issue discount on such 2017 Bonds under federal individual and corporate alternative minimum taxes.

Under the Tax Code, original issue premium on a 2017 Bond is amortized on an annual basis over the term of such 2017 Bond (said term being the shorter of the 2017 Bond’s maturity date or its call date).

The amount of original issue premium amortized each year reduces the adjusted basis of the owner of the 2017 Bond for purposes of determining taxable gain or loss upon disposition. The amount of original issue premium on a 2017 Bond is amortized each year over the term to maturity of the 2017 Bond on the basis of a constant interest rate compounded on each interest or principal payment date (with straight-line interpolations between compounding dates). Amortized bond premium is not deductible for federal income tax purposes. Owners of 2017 Bonds which are sold with original issue premium, including purchasers who do not purchase in the original offering, should consult their own tax advisors with respect to State of California personal income tax and federal income tax consequences of owning such 2017 Bonds.

Form of Bond Counsel Opinions. At the time of issuance of the 2017 Bonds, Bond Counsel expects to deliver a separate opinion for the 2017A Bonds and the 2017B Bonds in substantially the respective forms set forth in Appendix E.

Other Tax Considerations. Owners of the 2017 Bonds should also be aware that the ownership or disposition of, or the accrual or receipt of interest on, the 2017 Bonds may have federal or state tax consequences other than as described above. Bond Counsel expresses no opinion regarding any federal or state tax consequences arising with respect to the 2017 Bonds other than as expressly described above.

To ensure compliance with the requirements imposed by the Internal Revenue Service, purchasers and Owners of the 2017 Bonds should be aware that any federal income tax advice contained in this Official Statement (including the Appendices hereto) is not intended or written to be used, and cannot be used, for the purpose of (i) avoiding penalties under the Tax Code, or (ii) promoting, marketing, or recommending to another party any transaction or matter addressed in this Official Statement.

Continuing Disclosure

The Successor Agency has undertaken for the benefit of holders and beneficial owners of the 2017 Bonds to provide certain financial information relating to the Successor Agency and other data relating to the Project Area not later than eight months after the close of each fiscal year, commencing with the report for the 2016-17 fiscal year (the “Annual Report”), and to provide notices of the occurrence of certain enumerated events. The Annual Report and notices will be filed by the Successor Agency or The Bank of New York Mellon Trust Company, N.A., as the Dissemination Agent on behalf of the Successor Agency, with the Municipal Securities Rulemaking Board (“MSRB”). The specific nature of the information to be contained in the Annual Report or the notices of events is set forth in “APPENDIX F – FORM OF CONTINUING DISCLOSURE CERTIFICATE.” This undertaking has been made in order to assist the Underwriter in complying with Rule 15c2-12(b)(5) (the “Rule”) promulgated by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as amended.

A failure by the Successor Agency to comply with the provisions of the Continuing Disclosure Certificate is not an event of default under the Indenture (although the holders and beneficial owners of the 2017 Bonds do have remedies at law and in equity). However, a failure to comply with the provisions of the Continuing Disclosure Certificate must be reported in accordance with the Rule and must be considered by any broker, dealer or municipal securities dealer before recommending the purchase or sale of the 2017 Bonds. Therefore, a failure by the Successor Agency to comply with the provisions of the Continuing Disclosure Certificate may adversely affect the marketability of the 2017 Bonds on the secondary market.

In preparation for issuance of the 2017 Bonds, an independent examination of the Successor Agency’s continuing disclosure filings during the prior five year period was conducted (the “Examination”). The Examination found that during the past five years, in a few instances, there were

tables (or information required to be in the tables) in the annual reports that were missing, but for which remedial filings were made in October 2016 (prior to the issuance of certain Project C Bonds). Additionally, audited financial statements for fiscal year 2016 were not available by the filing deadline but were provided when they became available.

Ratings

Standard & Poor's Global ("S&P") has assigned an underlying rating of "AA-" to the 2017 Bonds without giving effect to the Bond Insurance Policy. In addition, S&P is expected to assign a rating of "___" to the 2017 Insured Bonds conditioned on the issuance by the Bond Insurer of the Bond Insurance Policy at the time of delivery of the 2017 Insured Bonds. See "BOND INSURANCE." Each of S&P's ratings reflects only the views of such organization and any explanation of the significance of such rating may be obtained from S&P. There is no assurance that such rating will continue for any given period of time or that such rating will not be revised downward, suspended or withdrawn entirely, if in S&P's judgment, circumstances so warrant. Other than as described in the Continuing Disclosure Certificate, the Successor Agency takes no responsibility regarding either to bring to the attention of the Owners of the 2017 Bonds any revision, suspension or withdrawal of such ratings or to oppose any such revision or withdrawal. Any such downward, suspension, revision or withdrawal of the ratings may have an adverse effect on the market price of the 2017 Bonds.

Underwriting

Pursuant to a bond purchase agreement (the "Purchase Agreement"), Stifel, Nicolaus & Company, Incorporated (the "Underwriter") has agreed, subject to certain conditions, to purchase the 2017A Bonds at a purchase price of \$_____ (which is equal to the principal amount of the 2017A Bonds, [plus/minus a net original issue [premium/discount] of \$_____, and less an Underwriter's discount of \$_____) and the 2017B Bonds at a purchase price of \$_____ (which is equal to the principal amount of the 2017B Bonds, [plus/minus a net original issue [premium/discount] of \$_____, and less an Underwriter's discount of \$_____). The Purchase Agreement provides that the Underwriter will purchase all of the 2017 Bonds if any are purchased. The obligation of the Underwriter to make such purchase is subject to certain terms and conditions set forth in the Purchase Agreement. The Underwriter intends to offer the 2017 Bonds to the public initially at the prices set forth on the inside cover of this Official Statement, which prices may subsequently change without any requirement of prior notice.

Miscellaneous

All summaries of the Dissolution Act, the Redevelopment Law, Indenture, the Escrow Agreement, the Redevelopment Plan and other applicable legislation, agreements and other documents are made subject to the provisions of such documents respectively and do not purport to be complete statements of any or all of such provisions. Reference is hereby made to such documents on file with the Successor Agency for further information in connection therewith.

This Official Statement does not constitute a contract with the purchasers of the 2017 Bonds. Any statements made in this Official Statement involving matters of opinion or estimates, whether or not expressly stated, are set forth as such and not as representations of fact, and no representation is made that any of the estimates will be realized.

The execution and delivery of this Official Statement have been duly authorized by the Successor Agency.

**SUCCESSOR AGENCY TO THE
BREA REDEVELOPMENT AGENCY**

By: _____
Executive Director

APPENDIX A

CITY OF BREA GENERAL INFORMATION

The following information concerning the City of Brea (the “City”) and surrounding areas is included for informational purposes only. The information set forth in this Appendix has been obtained from sources that the City believes is reliable, but does not guarantee as to the accuracy or completeness. The 2017 Bonds are special obligations of the Successor Agency payable from Tax Revenues pursuant to the Indenture. The 2017 Bonds are not a debt of the City, the State of California or any of its political subdivisions (other than the Successor Agency).

Geography

The City encompasses 11.2 square miles and is located at the northern end of Orange County (the “County”), just south of the Los Angeles County line. It is approximately 25 miles southeast of downtown Los Angeles, 15 miles north of Santa Ana, the County Seat, and 22 miles inland of the Pacific Ocean. Neighboring communities include Fullerton, Placentia, La Habra and Yorba Linda.

Municipal Government

The City, a general law city, was incorporated in 1917, the eighth city in the County. The City has a Council-Manager form of municipal government. The City Council appoints the City Manager who is responsible for the day-to-day administration of City business and the coordination of all departments of the City. The City Council is composed of five members elected every two years at large to four-year alternating terms. The Mayor is selected by the City Council from among its members. As of April 30, 2017, the City had approximately 293 full-time employees.

Population

The following table shows the estimated population growth for the City, the County and the State of California for the years shown.

**City of Brea
City, County and State Population Growth⁽¹⁾
Calendar Years 2000, 2010 and 2013-17**

Calendar Year	City of Brea	% Change from Prior Period	County of Orange	% Change from Prior Period	State of California	% Change from Prior Period
2000	35,176	--	2,831,799	--	33,721,583	--
2010	39,259	11.61%	3,008,855	6.25%	37,223,900	10.39%
2013	41,492	5.69	3,102,606	3.12	38,238,492	2.73
2014	42,473	2.36	3,127,083	0.79	38,572,211	0.87
2015	43,292	1.93	3,152,376	0.81	38,915,880	0.89
2016	43,606	0.73	3,172,152	0.63	39,189,035	0.70
2017	44,214	1.39	3,194,024	0.69	39,523,613	0.85

(1) As of January 1 of each year, with 2010 census benchmark.

Source: State of California Department of Finance.

City's Taxable Valuation

Below is a summary of the City's taxable valuation for the fiscal years set forth below. These figures are presented for historical comparison, with reference only to the time frame of the years shown.

City of Brea Assessed Values of All Taxable Property Fiscal Years 2011-12 through 2015-16

Fiscal Year	Residential Property	Commercial Property	Industrial Property	Other Property ⁽¹⁾	Total Taxable Assessed Value ⁽²⁾	Percent Change
2011-12	\$3,637,044,394	\$1,543,677,299	\$1,077,624,463	\$723,537,802	\$6,981,883,958	-0.51%
2012-13	3,805,741,803	1,544,954,532	1,145,495,173	682,982,424	7,179,173,932	2.83
2013-14	3,927,143,843	1,569,625,782	1,112,039,475	839,411,616	7,448,220,716	3.75
2014-15	4,377,268,712	1,580,151,775	1,167,513,932	826,734,462	7,951,668,881	6.76
2015-16	4,945,219,822	1,670,210,797	1,168,849,914	740,725,273	8,525,005,806	7.21

(1) Other property includes recreational, institutional, vacant, and miscellaneous property.

(2) Tax-exempt property is excluded from the total taxable assessed value.

Source: City of Brea Comprehensive Annual Financial Reports, for years ended June 30, 2016; based on information from Orange County Assessor.

Construction Activity

The table below shows the number of construction permits issued in the City and the related values for the years shown.

City of Brea Construction Permits Calendar Years 2012-2016

Calendar Year	No. of Permits Issued	Percent Change	Estimated Valuation	Percent Change
2012	1,432	1.49%	\$80,508,094	62.81%
2013	1,768	23.46	74,193,160	-7.84
2014	2,189	23.81	101,885,541	37.32
2015	2,486	13.57	166,698,338	63.61
2016	2,117	-14.84	126,779,527	-23.95

Source: City of Brea Development Services Department.

The fluctuation in building permits issued often reflects large scale tract development which is cyclical and, given the City's size (approximately 11 square miles), occurs intermittently.

Employment

According to the State of California Employment Development Department, the July 2017 preliminary, estimated unemployment rates for the City, the County and the State were 4.0 percent, 4.2 percent and 5.4 percent, respectively. The following table shows certain employment statistics for the City and the County for calendar years 2012 through 2016.

**City of Brea
City, County and State Employment Statistics
Calendar Years 2012 through 2016⁽¹⁾**

Year	City			County	State
	Labor Force	Employed	Unemployment Rate	Unemployment Rate	Unemployment Rate
2011	21,000	19,200	8.7%	9.1%	11.7%
2012	21,300	19,700	7.6	7.9	10.4
2013	21,500	20,200	6.3	6.6	8.9
2014	21,800	20,600	5.3	5.5	7.5
2015	22,000	21,100	4.3	4.5	6.2
2016	22,200	21,300	3.9	4.0	5.4

(1) Not seasonally adjusted. March 2016 benchmark.

Source: State of California, Employment Development Department.

The following table lists the major employers within the City and their estimated number of employees.

**City of Brea
Top Ten Employers
as of June 30, 2016**

Company	Product or Service	Estimated No. of Employees
Bank of America	financial services	1,500
Mercury Insurance Group	insurance services	1,399
Beckmans Coulter, Inc.	manufacturing - biomedical instruments	1,200
Brea Olinda Unified School District	public agency	879
Kirkhill - TA Company	manufacturing - aircraft parts	709
Veterinary Pet Insurance Co.	insurance services	460
Albertson's, Inc.	retail – grocer	438
Bristol Industries	manufacturing - aircraft parts	400
Nordstrom Department Stores	retail	352
Peterson Brothers Construction	construction	300

Source: City of Brea Comprehensive Annual Financial Report for fiscal year ended June 30, 2016.

Median Household Income

The following table shows the annual per capita personal income for the County, the State and the United States for the years shown.

Orange County, California and the United States Median Household Income Calendar Years 2011 through 2015

Year	City	County	State	U.S.
2011	\$81,278	\$75,762	\$61,632	\$52,762
2012	82,055	75,566	61,400	53,046
2013	79,124	75,422	61,094	53,046
2014	81,857	75,998	61,489	53,482
2015	83,717	76,509	61,818	53,889

Source: U.S. Census Bureau, 2011-2015 American Community Survey 5-Year Estimates
(in 2015 Inflation-Adjusted Dollars).

Commercial Activity

The following table summarizes the annual volume of taxable transactions within the City for the calendar years shown.

City of Brea Taxable Transactions Calendar Years 2011 through 2015 (in Thousands of Dollars)

	2011	2012	2013	2014	2015 ⁽¹⁾
Retail and food services					
Motor vehicle and parts dealers	\$25,799	\$27,932	\$45,182	\$59,035	\$67,309
Home furnishings and appliances	49,616	51,740	59,143	58,504	57,973
Bldg matrl and garden equip and supplies	114,063	106,278	113,833	109,130	120,608
Food and beverage stores	39,974	41,187	43,479	44,995	46,580
Gasoline stations	97,613	102,184	101,912	95,707	81,127
Clothing and clothing accessories stores	273,813	287,305	293,004	290,140	296,032
General merchandise stores	206,210	203,886	204,457	204,562	204,043
Food services & drinking places	177,864	196,966	205,803	211,174	226,712
Other retail group	141,643	148,812	151,942	154,233	153,322
Subtotal⁽²⁾	\$1,126,594	\$1,166,290	\$1,218,754	\$1,227,480	\$1,253,706
All Other Outlets	445,635	469,349	487,873	488,917	534,145
All Outlets⁽²⁾	<u>\$1,572,228</u>	<u>\$1,635,639</u>	<u>\$1,706,627</u>	<u>\$1,716,397</u>	<u>\$1,787,851</u>

(1) Beginning in 2015, the outlet counts show the number of outlets that were active during the reporting period. Retailers that operate part-time are now tabulated with store retailers. Industry-level data for 2015 are not comparable to that of prior years.

(2) Detail may not compute to total due to rounding.

Source: Compiled from data published by State of California Board of Equalization.

Transportation

The City is well served by area transportation routes. The Orange Freeway (State Highway 57), a major north-south corridor, crosses centrally through the City. The City is also within minutes of the Pomona Freeway (State Route 60), the Riverside Freeway (State Route 91) and the Santa Ana Freeway (Interstate 5). The City is close to several airports: Orange County Airport (17 miles from the City), Ontario Airport (25 miles from the City) and LAX (48 miles from the City). An Amtrak/Metrolink station located approximately five miles from the City provides passenger rail access. The Orange County Transportation Authority operates a regional bus system with routes that serves the City and other areas throughout the County.

Public Utilities

Electrical service is provided by Southern California Edison. Southern California Gas provides natural gas.

Water services are provided by the City's Water Department. The City's drinking water is a 50-50 blend of surface water imported by the Metropolitan Water District of Southern California and ground water imported from California Domestic Water Company in Whittier. Metropolitan's imported water sources are the Colorado River and the State Water Project, which draws water from the San Francisco-San Joaquin Bay Delta. California Domestic water originates from the San Gabriel Basin.

Sewer services are provided by the City's Maintenance Services Department, which maintains over 108 miles of sewer main lines. The sewer distribution system flows into Orange County Sanitation District trunk system until it is treated at their secondary treatment facility in Fountain Valley. Trash collection services are provided by the City through Brea Disposal, a private contractor.

Education

The City's students are served by the Brea Olinda Unified School District presided over by a separately elected board. The system includes six elementary schools, one junior high school, one high school and one alternative high school. Brea-Olinda High School has a professional performing arts center and complete athletic facilities. The City also has several private pre-schools, two Christian schools and a Roman Catholic school serving grades K-8. Colleges, universities and a number of technical and vocational schools are located in and around Brea. California State University, Fullerton College, Pacific Christian College, Hope University, an optometry school and a law school are located in nearby Fullerton, and the University of California at Irvine, Chapman College, and Cal Poly Pomona are within easy freeway access.

Community Facilities

St. Jude Medical Center in Fullerton and Placentia-Linda Hospital in Placentia are full-service hospitals that are located within five miles of the City.

The City maintains parks and recreation facilities within its boundaries. The Brea Community Services Department coordinates park activities and the City owns Brea Creek Golf Course, operated by the Chapman Investment Company in partnership with Billy Casper Golf.

The City has senior and family resource center operated by the City with participation by charitable, non-profit corporations.

Public Safety

Law enforcement services are provided by the Brea Police Department which provides full services to the City. Fire services are provided by the Brea Fire Services Department, which has three fire stations and one annex located throughout the City.

Street and highway maintenance is provided for under the supervision of the City's Maintenance Services Department.

Building inspection and code enforcement services are provided by the City.

APPENDIX B

FISCAL CONSULTANT REPORT

APPENDIX C

**CITY OF BREA COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR FISCAL YEAR ENDED JUNE 30, 2016**

APPENDIX D

SUMMARY OF CERTAIN PROVISIONS OF INDENTURE

APPENDIX E

FORM OF BOND COUNSEL OPINIONS

Upon issuance and delivery of the 2017A Bonds, Jones Hall, A Professional Law Corporation, Bond Counsel, proposes to render its final approving opinion in substantially the following form:

[Delivery Date]

Successor Agency to the Brea Redevelopment Agency
Number One Civic Center Circle
Brea, California 92821

OPINION: \$_____ Successor Agency to the Brea Redevelopment Agency,
Redevelopment Project AB 2017 Tax Allocation Refunding Bonds,
Series A (Tax-Exempt)

Members of the Successor Agency:

We have acted as bond counsel to the Successor Agency to the Brea Redevelopment Agency (the “Successor Agency”) in connection with the issuance by the Successor Agency of its \$_____ aggregate principal amount of Successor Agency To The Brea Redevelopment Agency, Redevelopment Project AB 2017 Tax Allocation Refunding Bonds, Series A (Tax-Exempt) (the “Series A Bonds”), under the provisions of Article 11 (commencing with Section 53580) of Chapter 3 of Part 1 of Division 2 of Title 5 of the Government Code (the “Bond Law”), and under an Indenture of Trust, dated as of November 1, 2017 (the “Indenture”), between the Successor Agency and The Bank of New York Mellon Trust Company, N.A., as trustee (the “Trustee”). We have examined the law and such certified proceedings and other papers as we deem necessary to render this opinion.

As to questions of fact material to our opinion, we have relied upon representations of the Successor Agency contained in the Indenture and in the certified proceedings and certifications of public officials and others furnished to us, without undertaking to verify the same by independent investigation.

Based upon the foregoing, we are of the opinion, under existing law, as follows:

1. The Successor Agency is a public body corporate and politic duly organized and validly existing under the laws of the State of California, with the full power to enter into the Indenture, perform the agreements on its part contained therein and issue the Series A Bonds.
2. The Indenture has been duly approved by the Successor Agency and constitutes the valid and binding obligation of the Successor Agency enforceable against the Successor Agency in accordance with its terms.
3. Under the Bond Law, the Indenture establishes a valid lien on the funds pledged thereby for the security of the Series A Bonds.
4. The Series A Bonds have been duly authorized, executed and delivered by the Successor Agency and are valid and binding special obligations of the Successor Agency, payable solely from the sources provided therefor in the Indenture.

5. The interest on the Series A Bonds is excluded from gross income for federal income tax purposes and is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals and corporations; it should be noted, however, that, for the purpose of computing the alternative minimum tax imposed on corporations (as defined for federal income tax purposes), such interest is taken into account in determining certain income and earnings. The opinions set forth in the preceding sentence are subject to the condition that the Successor Agency comply with all requirements of the Internal Revenue Code of 1986 that must be satisfied subsequent to the issuance of the Series A Bonds in order that interest thereon be, or continue to be, excluded from gross income for federal income tax purposes. The Successor Agency has covenanted in the Indenture to comply with each such requirement. Failure to comply with certain of such requirements may cause the inclusion of interest on the Series A Bonds in gross income for federal income tax purposes to be retroactive to the date of issuance of the Series A Bonds. We express no opinion regarding other federal tax consequences arising with respect to the ownership, sale or disposition of the Series A Bonds, or the amount, accrual or receipt of interest on the Series A Bonds.

6. Interest on the Series A Bonds is exempt from personal income taxation imposed by the State of California.

The rights of the owners of the Series A Bonds and the enforceability of the Series A Bonds may be subject to bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights heretofore or hereafter enacted and may also be subject to the exercise of judicial discretion in appropriate cases.

Respectfully submitted,

A Professional Law Corporation

Upon issuance and delivery of the 2017B Bonds, Jones Hall, A Professional Law Corporation, Bond Counsel, proposes to render its final approving opinion in substantially the following form:

[Delivery Date]

Successor Agency to the Brea Redevelopment Agency
Number One Civic Center Circle
Brea, California 92821

OPINION: \$_____ Successor Agency To The Brea Redevelopment Agency,
Redevelopment Project AB 2017 Tax Allocation Refunding Bonds,
Series B (Federally Taxable)

Members of the Successor Agency:

We have acted as bond counsel to the Successor Agency to the Brea Redevelopment Agency (the “Successor Agency”) in connection with the issuance by the Successor Agency of its \$_____ aggregate principal amount of Successor Agency to the Brea Redevelopment Agency, AB 2017 Tax Allocation Refunding Bonds, Series B (Federally Taxable) (the “Series B Bonds”), under the provisions of Article 11 (commencing with Section 53580) of Chapter 3 of Part 1 of Division 2 of Title 5 of the Government Code (the “Bond Law”), and under an Indenture of Trust dated as of November 1, 2017 (the “Indenture”), between the Successor Agency and The Bank of New York Mellon Trust Company, N.A., as trustee (the “Trustee”). We have examined the law and such certified proceedings and other papers as we deem necessary to render this opinion.

As to questions of fact material to our opinion, we have relied upon representations of the Successor Agency contained in the Indenture and in the certified proceedings and certifications of public officials and others furnished to us, without undertaking to verify the same by independent investigation.

Based upon the foregoing, we are of the opinion, under existing law, as follows:

1. The Successor Agency is a public body corporate and politic duly organized and validly existing under the laws of the State of California, with the full power to enter into the Indenture, perform the agreements on its part contained therein and issue the Series B Bonds.
2. The Indenture has been duly approved by the Successor Agency and constitutes the valid and binding obligation of the Successor Agency enforceable against the Successor Agency in accordance with its terms.
3. Under the Bond Law, the Indenture establishes a valid lien on the funds pledged thereby for the security of the Series B Bonds.
4. The Series B Bonds have been duly authorized, executed and delivered by the Successor Agency and are valid and binding special obligations of the Successor Agency, payable solely from the sources provided therefor in the Indenture.
5. Interest on the Series B Bonds is exempt from personal income taxation imposed by the State of California.

The rights of the owners of the Series B Bonds and the enforceability of the Series B Bonds may be subject to bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights heretofore or hereafter enacted and may also be subject to the exercise of judicial discretion in appropriate cases.

The rights of the owners of the Series B Bonds and the enforceability of the Series B Bonds may be subject to bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights heretofore or hereafter enacted and may also be subject to the exercise of judicial discretion in appropriate cases.

Respectfully submitted,

A Professional Law Corporation

APPENDIX F

FORM OF CONTINUING DISCLOSURE CERTIFICATE

APPENDIX G

DTC'S BOOK-ENTRY ONLY SYSTEM

The information in this Appendix concerning DTC and DTC's book-entry system has been obtained from sources that the Successor Agency believes to be reliable, but the Successor Agency does not take any responsibility for the accuracy thereof. The Successor Agency gives no assurances that (i) DTC, the Direct and Indirect Participants or others will distribute payments of principal, premium (if any) or interest with respect to the 2017 Bonds paid to DTC or its nominee as the registered owner, to the Beneficial Owners, (ii) such entities will distribute redemption notices or other notices, to the Beneficial Owners, or (iii) an error or delay relating thereto will not occur.

The Depository Trust Company ("DTC"), New York, New York, will act as securities depository for the 2017 Bonds. The 2017 Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered certificate will be issued for each maturity of the 2017 Bonds, each in the aggregate principal amount of such maturity, and will be deposited with DTC.

DTC, the world's largest depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has a Standard & Poor's rating: AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com.

Purchases of 2017 Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the 2017 Bonds on DTC's records. The ownership interest of each actual purchaser of each 2017 Bond ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the 2017 Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in the 2017 Bonds, except in the event that use of the book-entry system for the 2017 Bonds is discontinued.

To facilitate subsequent transfers, all 2017 Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of 2017 Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the 2017 Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such 2017 Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time.

Redemption notices shall be sent to DTC. If less than all of the 2017 Bonds within a maturity are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to the 2017 Bonds unless authorized by a Direct Participant in accordance with DTC's MMD Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the Successor Agency as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the 2017 Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Principal, premium (if any) and interest payments on the 2017 Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the Successor Agency or the Trustee, on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, the Successor Agency or the Trustee, subject to any statutory or regulatory requirements as may be in effect from time to time. Principal, premium (if any) and interest payments with respect to the 2017 Bonds to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Successor Agency or the Trustee, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as depository with respect to the 2017 Bonds at any time by giving reasonable notice to the Successor Agency or the Trustee. Under such circumstances, in the event that a successor depository is not obtained, 2017 Bond certificates are required to be printed and delivered.

The Successor Agency may decide to discontinue use of the system of book-entry transfers through DTC (or a successor securities depository). In that event, 2017 Bond certificates will be printed and delivered in accordance with the provisions of the Indenture.

APPENDIX H

SPECIMEN MUNICIPAL BOND INSURANCE POLICY

City of Brea

COUNCIL COMMUNICATION

TO: Honorable Mayor and City Council Members

FROM: Bill Gallardo, City Manager

DATE: 10/03/2017

SUBJECT: Treasurer's Report for the Successor Agency to the Brea Redevelopment Agency for
Period Ending August 31, 2017

RECOMMENDATION

Receive and file.

BACKGROUND/DISCUSSION

The Treasurer's Report contains information on the investment activities for the month of August 2017. Funds received by the Successor Agency are typically spent within 3-6 months; therefore are not invested long-term. The Successor Agency's Local Agency Investment Fund (LAIF) is used for short-term investments and functions like a savings account until funds are required to meet expenditures needs. Attachment A includes a Portfolio Summary and Holdings Report prepared by Chandler Asset Management for the funds invested by the City. As of August 31, 2017, the market value, including accrued interest on the Successor Agency's Local Agency Investment Fund (LAIF), was \$1,114,065.60 in comparison to \$1,111,881.56 at July 31, 2017. The Successor Agency to the Brea Redevelopment Agency has sufficient cash flow to meet its expected expenditures for the next six months.

The Successor Agency also has restricted (fiscal agent) cash and investment accounts related to its various bond reserve accounts which are managed by Chandler Asset Management. Attachment A includes a portfolio report from Chandler Asset Management for each bond reserve account that is invested. As of August 31, 2017, the market value of these funds, including short-term cash and accrued interest was \$17,405,373.94 as compared to \$27,360,538.59 as of July 31, 2017.

FISCAL IMPACT/SUMMARY

During the month of August, the total value of the Successor Agency to the Brea Redevelopment Agency's investment portfolio increased by \$2,184.04 due to investment activity. The total value of the restricted cash and investments decreased by \$9,955,164.65 due to debt service payments paid to the bond holders on August 1, 2017 for the 2003 Tax Allocation Bonds, 2011 Series A and B Tax Allocation Bonds and the 2013 Tax Allocation Bonds.

RESPECTFULLY SUBMITTED:

William Gallardo, City Manager

Prepared by: Alicia Brenner, Senior Management Analyst

Concurrence: Cindy Russell, Administrative Services Director

Attachments

Attachment A

Successor Agency to the Brea Redevelopment Agency
Cash and Investment Information
August 31, 2017

		Cost Value	Market Value*
Demand and Interest-Bearing Checking Accounts	Citizen's Bank	\$ 701,412.13	\$ 701,412.13
Local Agency Investment Fund	LAIF	\$ 1,111,881.56	\$ 1,114,065.60
<u>Fiscal Agent Cash & Investments</u>			
2003 Tax Allocation Bonds	Chandler/BNY	\$ 889.22	\$ 889.22
2004 Brea Public Financing Authority Lease Revenue Bond	Chandler/BNY	\$ 27,105.81	\$ 27,105.81
2011 Tax Allocation Bonds, Series A	Chandler/BNY	\$ 14,673,368.44	\$ 14,682,794.94
2011 Tax Allocation Bonds, Series B	Chandler/BNY	\$ 1,053,780.76	\$ 1,059,825.06
2013 Tax Allocation Bonds	Chandler/BNY	\$ 19,670.77	\$ 19,670.77
2016 Tax Allocation Refunding Bonds, Series A & B	Chandler/BNY	\$ 1,615,088.14	\$ 1,615,088.14
Sub-total - Fiscal Agent Cash & Investments		\$ 17,389,903.14	\$ 17,405,373.94
Grand Total		\$ 19,203,196.83	\$ 19,220,851.67

* Includes accrued interest on invested funds

Successor Agency to the Brea Redevelopment Agency
Cash and Investment Information
August 31, 2017

Fiscal Agent Cash & Investments Detail		Cost Value	Market Value
	2003 Tax Allocation Bonds - CHANDLER	\$ -	\$ -
	Short-Term Treasury Funds - BNY	\$ 889.22	\$ 889.22
	Sub-total	\$ 889.22	\$ 889.22
	2004 Brea Public Financing Authority Lease Revenue Bond - CHANDLER	\$ -	\$ -
	Short-Term Treasury Funds - BNY	\$ 27,105.81	\$ 27,105.81
	Sub-total	\$ 27,105.81	\$ 27,105.81
10156	2011 Tax Allocation Bonds, Series A - CHANDLER	\$ 1,925,592.55	\$ 1,934,831.26
	Short-Term Treasury Funds - BNY	\$ 12,747,775.89	\$ 12,747,963.68
	Sub-total	\$ 14,673,368.44	\$ 14,682,794.94
10157	2011 Tax Allocation Bonds, Series B - CHANDLER	\$ 1,037,155.57	\$ 1,043,199.87
	Short-Term Treasury Funds - BNY	\$ 16,625.19	\$ 16,625.19
	Sub-total	\$ 1,053,780.76	\$ 1,059,825.06
	2013 Tax Allocation Bonds - CHANDLER	\$ -	\$ -
	Short-Term Treasury Funds - BNY	\$ 19,670.77	\$ 19,670.77
	Sub-total	\$ 19,670.77	\$ 19,670.77
	2016 Tax Allocation Refunding Bonds, Series A & B - CHANDLER	\$ -	\$ -
	Short-Term Treasury Funds - BNY	\$ 1,615,088.14	\$ 1,615,088.14
	Sub-total	\$ 1,615,088.14	\$ 1,615,088.14
Report Grand Total		\$ 17,389,903.14	\$ 17,405,373.94



PORTFOLIO CHARACTERISTICS

Average Duration	0.00
Average Coupon	1.09 %
Average Purchase YTM	1.09 %
Average Market YTM	1.09 %
Average S&P/Moody Rating	NR/NR
Average Final Maturity	0.00 yrs
Average Life	0.00 yrs

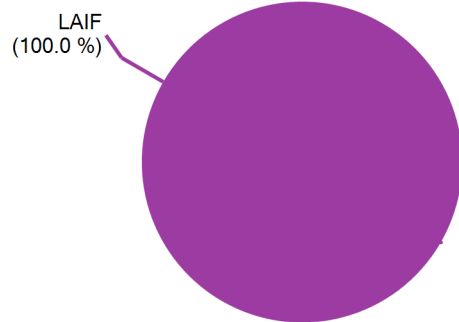
ACCOUNT SUMMARY

	Beg. Values as of 7/31/17	End Values as of 8/31/17
Market Value	1,111,882	1,111,882
Accrued Interest	1,160	2,184
Total Market Value	1,113,041	1,114,066
Income Earned	1,057	1,024
Cont/WD		0
Par	1,111,882	1,111,882
Book Value	1,111,882	1,111,882
Cost Value	1,111,882	1,111,882

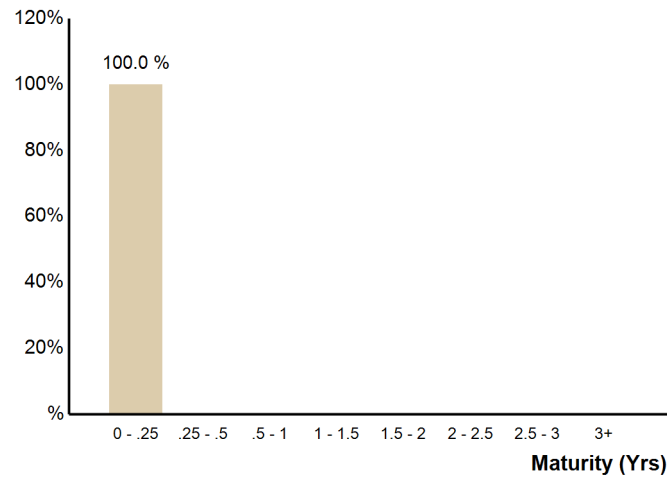
TOP ISSUERS

Issuer	% Portfolio
Local Agency Investment Fund	100.0 %
	100.0 %

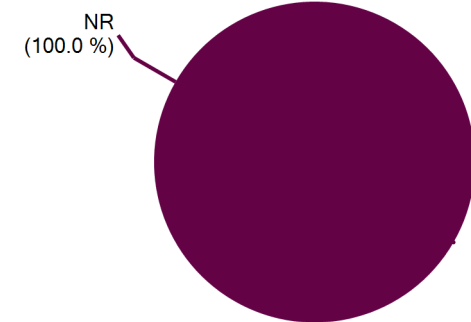
SECTOR ALLOCATION



MATURITY DISTRIBUTION



CREDIT QUALITY (S&P)





CUSIP	Security Description	Par Value/Units	Purchase Date Book Yield	Cost Value Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port. Gain/Loss	Moody/S&P Fitch	Maturity Duration
LAIF									
90LAIF\$00	Local Agency Investment Fund State Pool	1,111,881.56	Various 1.09 %	1,111,881.56 1,111,881.56	1.00 1.09 %	1,111,881.56 2,184.04	100.00 % 0.00	NR / NR NR	0.00 0.00
Total LAIF		1,111,881.56	1.09 %	1,111,881.56 1,111,881.56	1.09 %	1,111,881.56 2,184.04	100.00 % 0.00	NR / NR NR	0.00 0.00
TOTAL PORTFOLIO		1,111,881.56	1.09 %	1,111,881.56 1,111,881.56	1.09 %	1,111,881.56 2,184.04	100.00 % 0.00	NR / NR NR	0.00 0.00
TOTAL MARKET VALUE PLUS ACCRUED						1,114,065.60			



PORTFOLIO CHARACTERISTICS

Average Duration	2.59
Average Coupon	1.45 %
Average Purchase YTM	1.58 %
Average Market YTM	1.46 %
Average S&P/Moody Rating	AA+/Aaa
Average Final Maturity	2.66 yrs
Average Life	2.66 yrs

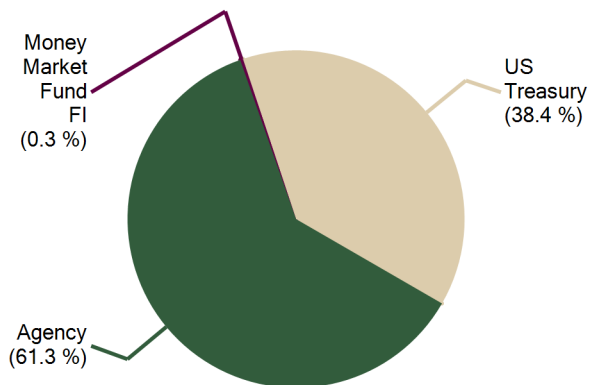
ACCOUNT SUMMARY

	Beg. Values as of 7/31/17	End Values as of 8/31/17
Market Value	1,920,477	1,928,371
Accrued Interest	8,871	6,461
Total Market Value	1,929,348	1,934,831
Income Earned	2,548	2,545
Cont/WD		0
Par	1,925,703	1,930,456
Book Value	1,920,637	1,925,593
Cost Value	1,914,073	1,918,826

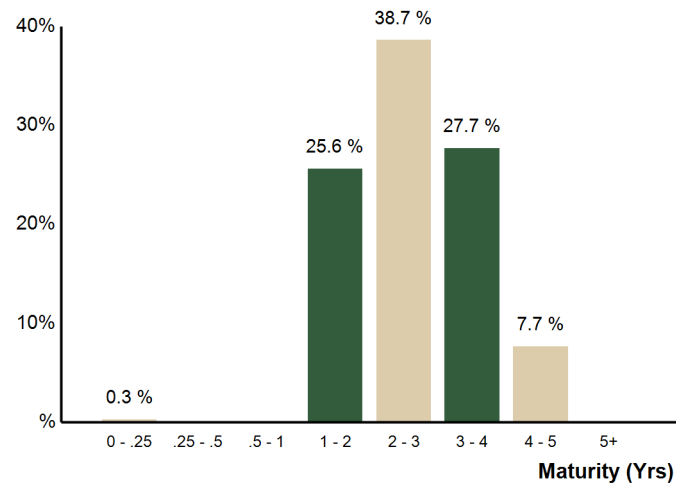
TOP ISSUERS

Issuer	% Portfolio
Government of United States	38.4 %
Federal National Mortgage Assoc	24.4 %
Federal Home Loan Bank	20.8 %
Federal Home Loan Mortgage Corp	16.0 %
AIM STIT-Treasury Portfolio	0.3 %
	100.0 %

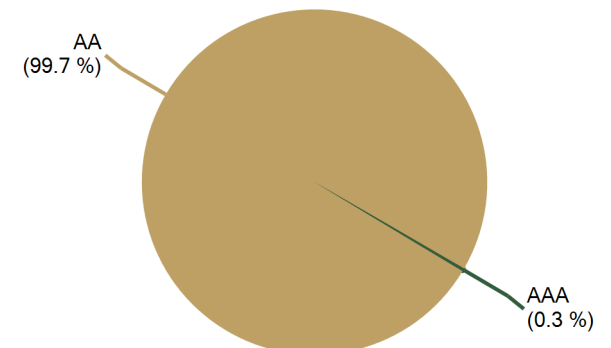
SECTOR ALLOCATION



MATURITY DISTRIBUTION



CREDIT QUALITY (S&P)



PERFORMANCE REVIEW

Total Rate of Return As of 8/31/2017	Current Month	Latest 3 Months	Year To Date	1 Yr	Annualized			7/31/2011	Since 7/31/2011
					3 Yrs	5 Yrs	10 Yrs		
2011A TABS, Successor Agency to the Brea Redevelopm	0.28 %	0.46 %	1.50 %	0.28 %	1.69 %	1.25 %	N/A	1.65 %	10.46 %
BAML 3-Month US Treasury Bill Index	0.09 %	0.26 %	0.48 %	0.62 %	0.29 %	0.20 %	N/A	0.18 %	1.11 %



Reconciliation Summary

As of 8/31/2017

BOOK VALUE RECONCILIATION		
Beginning Book Value		\$1,920,636.53
<u>Acquisition</u>		
+ Security Purchases	\$0.00	
+ Money Market Fund Purchases	\$4,752.40	
+ Money Market Contributions	\$0.00	
+ Security Contributions	\$0.00	
+ Security Transfers	\$0.00	
Total Acquisitions		\$4,752.40
<u>Dispositions</u>		
- Security Sales	\$0.00	
- Money Market Fund Sales	\$0.00	
- MMF Withdrawals	\$0.00	
- Security Withdrawals	\$0.00	
- Security Transfers	\$0.00	
- Other Dispositions	\$0.00	
- Maturities	\$0.00	
- Calls	\$0.00	
- Principal Paydowns	\$0.00	
Total Dispositions		\$0.00
<u>Amortization/Accretion</u>		
+/- Net Accretion	\$203.62	
		\$203.62
<u>Gain/Loss on Dispositions</u>		
+/- Realized Gain/Loss	\$0.00	
		\$0.00
Ending Book Value		\$1,925,592.55

CASH TRANSACTION SUMMARY		
BEGINNING BALANCE		\$703.13
<u>Acquisition</u>		
Contributions	\$0.00	
Security Sale Proceeds	\$0.00	
Accrued Interest Received	\$0.00	
Interest Received	\$4,750.00	
Dividend Received	\$2.40	
Principal on Maturities	\$0.00	
Interest on Maturities	\$0.00	
Calls/Redemption (Principal)	\$0.00	
Interest from Calls/Redemption	\$0.00	
Principal Paydown	\$0.00	
Total Acquisitions	\$4,752.40	
<u>Disposition</u>		
Withdrawals	\$0.00	
Security Purchase	\$0.00	
Accrued Interest Paid	\$0.00	
Total Dispositions	\$0.00	
Ending Book Value		\$5,455.53



Holdings Report

As of 8/31/17

CUSIP	Security Description	Par Value/Units	Purchase Date Book Yield	Cost Value Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port. Gain/Loss	Moody/S&P Fitch	Maturity Duration
AGENCY									
3135G0ZA4	FNMA Note 1.875% Due 2/19/2019	170,000.00	03/18/2014 1.69 %	171,509.60 170,450.03	100.76 1.35 %	171,288.43 106.25	8.86 % 838.40	Aaa / AA+ AAA	1.47 1.44
3137EADK2	FHLMC Note 1.25% Due 8/1/2019	175,000.00	09/09/2014 1.84 %	170,220.75 173,129.51	99.76 1.38 %	174,585.08 182.29	9.03 % 1,455.57	Aaa / AA+ AAA	1.92 1.89
3135G0ZG1	FNMA Note 1.75% Due 9/12/2019	150,000.00	11/17/2014 1.77 %	149,848.50 149,936.18	100.61 1.44 %	150,920.10 1,232.29	7.86 % 983.92	Aaa / AA+ AAA	2.03 1.97
3137EADM8	FHLMC Note 1.25% Due 10/2/2019	135,000.00	03/25/2015 1.40 %	134,107.65 134,588.69	99.58 1.45 %	134,435.70 698.44	6.98 % (152.99)	Aaa / AA+ AAA	2.09 2.04
313383HU8	FHLB Note 1.75% Due 6/12/2020	130,000.00	06/26/2015 1.87 %	129,282.40 129,597.59	100.71 1.49 %	130,920.79 499.24	6.79 % 1,323.20	Aaa / AA+ NR	2.78 2.70
3130A7CV5	FHLB Note 1.375% Due 2/18/2021	150,000.00	03/11/2016 1.64 %	148,140.00 148,693.25	99.40 1.55 %	149,103.60 74.48	7.71 % 410.35	Aaa / AA+ AAA	3.47 3.37
3130A8QS5	FHLB Note 1.125% Due 7/14/2021	125,000.00	10/27/2016 1.41 %	123,377.50 123,668.04	98.09 1.64 %	122,611.88 183.59	6.35 % (1,056.16)	Aaa / AA+ AAA	3.87 3.76
3135G0Q89	FNMA Note 1.375% Due 10/7/2021	150,000.00	10/27/2016 1.50 %	149,086.50 149,242.38	98.76 1.69 %	148,142.25 825.00	7.70 % (1,100.13)	Aaa / AA+ AAA	4.10 3.94
Total Agency		1,185,000.00	1.65 %	1,175,572.90 1,179,305.67	1.49 %	1,182,007.83 3,801.58	61.29 % 2,702.16	Aaa / AA+ AAA	2.66 2.58
MONEY MARKET FUND FI									
825252109	Invesco Treasury MMFD Private Class	5,455.53	Various 0.60 %	5,455.53 5,455.53	1.00 0.60 %	5,455.53 0.00	0.28 % 0.00	Aaa / AAA AAA	0.00 0.00
Total Money Market Fund FI		5,455.53	0.60 %	5,455.53 5,455.53	0.60 %	5,455.53 0.00	0.28 % 0.00	Aaa / AAA AAA	0.00 0.00
US TREASURY									
912828SX9	US Treasury Note 1.125% Due 5/31/2019	150,000.00	Various 1.64 %	146,388.78 148,713.85	99.68 1.31 %	149,519.55 428.79	7.75 % 805.70	Aaa / AA+ AAA	1.75 1.72
912828UQ1	US Treasury Note 1.25% Due 2/29/2020	165,000.00	Various 1.42 %	163,694.10 164,330.67	99.69 1.38 %	164,490.81 5.70	8.50 % 160.14	Aaa / AA+ AAA	2.50 2.45
912828UV0	US Treasury Note 1.125% Due 3/31/2020	165,000.00	05/07/2015 1.57 %	161,584.54 163,201.59	99.35 1.38 %	163,930.14 781.05	8.51 % 728.55	Aaa / AA+ AAA	2.58 2.52
912828WC0	US Treasury Note 1.75% Due 10/31/2020	150,000.00	Various 1.61 %	150,973.16 150,631.06	100.83 1.48 %	151,248.00 884.51	7.86 % 616.94	Aaa / AA+ AAA	3.17 3.05



Holdings Report

As of 8/31/17

CUSIP	Security Description	Par Value/Units	Purchase Date Book Yield	Cost Value Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port. Gain/Loss	Moody/S&P Fitch	Maturity Duration
US TREASURY									
912828WN6	US Treasury Note 2% Due 5/31/2021	110,000.00	07/11/2016 1.01 %	115,156.62 113,954.18	101.56 1.57 %	111,718.75 559.02	5.80 % (2,235.43)	Aaa / AA+ AAA	3.75 3.59
Total US Treasury		740,000.00	1.47 %	737,797.20 740,831.35	1.41 %	740,907.25 2,659.07	38.43 % 75.90	Aaa / AA+ AAA	2.69 2.61
TOTAL PORTFOLIO		1,930,455.53	1.58 %	1,918,825.63 1,925,592.55	1.46 %	1,928,370.61 6,460.65	100.00 % 2,778.06	Aaa / AA+ AAA	2.66 2.59
TOTAL MARKET VALUE PLUS ACCRUED						1,934,831.26			



PORTFOLIO CHARACTERISTICS

Average Duration	2.58
Average Coupon	1.46 %
Average Purchase YTM	1.61 %
Average Market YTM	1.46 %
Average S&P/Moody Rating	AA+/Aaa
Average Final Maturity	2.66 yrs
Average Life	2.66 yrs

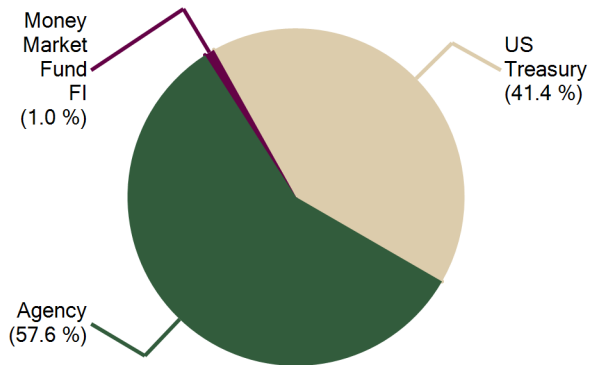
ACCOUNT SUMMARY

	Beg. Values as of 7/31/17	End Values as of 8/31/17
Market Value	1,035,422	1,039,811
Accrued Interest	4,708	3,389
Total Market Value	1,040,130	1,043,200
Income Earned	1,392	1,393
Cont/WD		0
Par	1,037,557	1,040,145
Book Value	1,034,444	1,037,156
Cost Value	1,030,466	1,033,054

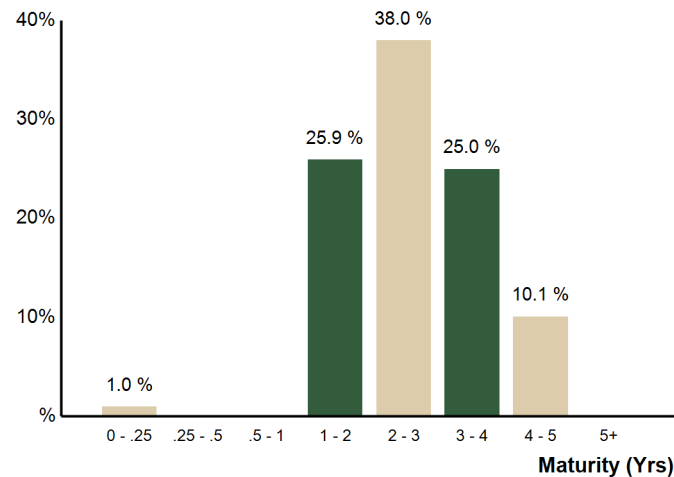
TOP ISSUERS

Issuer	% Portfolio
Government of United States	41.4 %
Federal National Mortgage Assoc	20.7 %
Federal Home Loan Bank	20.6 %
Federal Home Loan Mortgage Corp	16.3 %
Fidelity Govt. Money Market Fun	1.0 %
	100.0 %

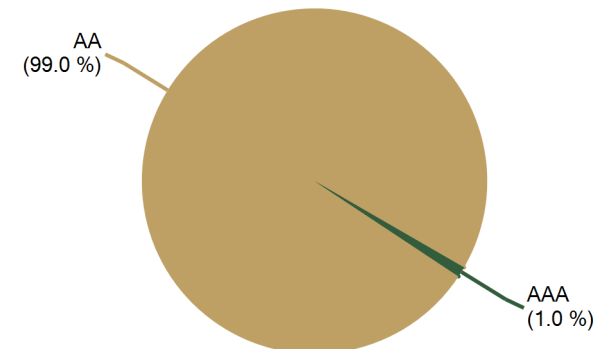
SECTOR ALLOCATION



MATURITY DISTRIBUTION



CREDIT QUALITY (S&P)



PERFORMANCE REVIEW

Total Rate of Return As of 8/31/2017	Current Month	Latest 3 Months	Year To Date	1 Yr	Annualized			7/31/2011	Since 7/31/2011
					3 Yrs	5 Yrs	10 Yrs		
Brea 2011B TABS Reserve Account, Successor Agency	0.30 %	0.46 %	1.51 %	0.37 %	1.72 %	1.26 %	N/A	1.63 %	10.37 %
BAML 3-Month US Treasury Bill Index	0.09 %	0.26 %	0.48 %	0.62 %	0.29 %	0.20 %	N/A	0.18 %	1.11 %



Reconciliation Summary

As of 8/31/2017

BOOK VALUE RECONCILIATION		
Beginning Book Value		\$1,034,443.85
<u>Acquisition</u>		
+ Security Purchases	\$0.00	
+ Money Market Fund Purchases	\$2,588.04	
+ Money Market Contributions	\$0.00	
+ Security Contributions	\$0.00	
+ Security Transfers	\$0.00	
Total Acquisitions		\$2,588.04
<u>Dispositions</u>		
- Security Sales	\$0.00	
- Money Market Fund Sales	\$0.00	
- MMF Withdrawals	\$0.00	
- Security Withdrawals	\$0.00	
- Security Transfers	\$0.00	
- Other Dispositions	\$0.00	
- Maturities	\$0.00	
- Calls	\$0.00	
- Principal Paydowns	\$0.00	
Total Dispositions		\$0.00
<u>Amortization/Accretion</u>		
+/- Net Accretion	\$123.68	
		\$123.68
<u>Gain/Loss on Dispositions</u>		
+/- Realized Gain/Loss	\$0.00	
		\$0.00
Ending Book Value		\$1,037,155.57

CASH TRANSACTION SUMMARY		
BEGINNING BALANCE		\$7,557.23
<u>Acquisition</u>		
Contributions	\$0.00	
Security Sale Proceeds	\$0.00	
Accrued Interest Received	\$0.00	
Interest Received	\$2,584.38	
Dividend Received	\$3.66	
Principal on Maturities	\$0.00	
Interest on Maturities	\$0.00	
Calls/Redemption (Principal)	\$0.00	
Interest from Calls/Redemption	\$0.00	
Principal Paydown	\$0.00	
Total Acquisitions	\$2,588.04	
<u>Disposition</u>		
Withdrawals	\$0.00	
Security Purchase	\$0.00	
Accrued Interest Paid	\$0.00	
Total Dispositions	\$0.00	
Ending Book Value		\$10,145.27



CUSIP	Security Description	Par Value/Units	Purchase Date Book Yield	Cost Value Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port. Gain/Loss	Moody/S&P Fitch	Maturity Duration
AGENCY									
3135G0ZA4	FNMA Note 1.875% Due 2/19/2019	90,000.00	03/18/2014 1.69 %	90,799.20 90,238.25	100.76 1.35 %	90,682.11 56.25	8.70 % 443.86	Aaa / AA+ AAA	1.47 1.44
3137EADK2	FHLMC Note 1.25% Due 8/1/2019	95,000.00	09/09/2014 1.84 %	92,405.55 93,984.59	99.76 1.38 %	94,774.76 98.96	9.09 % 790.17	Aaa / AA+ AAA	1.92 1.89
3135G0ZG1	FNMA Note 1.75% Due 9/12/2019	65,000.00	11/17/2014 1.77 %	64,934.35 64,972.34	100.61 1.44 %	65,398.71 533.99	6.32 % 426.37	Aaa / AA+ AAA	2.03 1.97
3137EADM8	FHLMC Note 1.25% Due 10/2/2019	75,000.00	03/25/2015 1.40 %	74,504.25 74,771.49	99.58 1.45 %	74,686.50 388.02	7.20 % (84.99)	Aaa / AA+ AAA	2.09 2.04
313383HU8	FHLB Note 1.75% Due 6/12/2020	80,000.00	06/26/2015 1.87 %	79,558.40 79,752.36	100.71 1.49 %	80,566.64 307.22	7.75 % 814.28	Aaa / AA+ NR	2.78 2.70
3130A7CV5	FHLB Note 1.375% Due 2/18/2021	85,000.00	03/11/2016 1.64 %	83,946.00 84,259.51	99.40 1.55 %	84,492.04 42.20	8.10 % 232.53	Aaa / AA+ AAA	3.47 3.37
3130A8QS5	FHLB Note 1.125% Due 7/14/2021	50,000.00	10/27/2016 1.41 %	49,351.00 49,467.22	98.09 1.64 %	49,044.75 73.44	4.71 % (422.47)	Aaa / AA+ AAA	3.87 3.76
3135G0Q89	FNMA Note 1.375% Due 10/7/2021	60,000.00	10/27/2016 1.50 %	59,634.60 59,696.95	98.76 1.69 %	59,256.90 330.00	5.71 % (440.05)	Aaa / AA+ AAA	4.10 3.94
Total Agency		600,000.00	1.66 %	595,133.35 597,142.71	1.48 %	598,902.41 1,830.08	57.59 % 1,759.70	Aaa / AA+ AAA	2.60 2.52
MONEY MARKET FUND FI									
316175108	Fidelity Institutional Govt Money Market Fund	10,145.27	Various 0.89 %	10,145.27 10,145.27	1.00 0.89 %	10,145.27 0.00	0.97 % 0.00	Aaa / AAA NR	0.00 0.00
Total Money Market Fund FI		10,145.27	0.89 %	10,145.27 10,145.27	0.89 %	10,145.27 0.00	0.97 % 0.00	Aaa / AAA NR	0.00 0.00
US TREASURY									
912828SX9	US Treasury Note 1.125% Due 5/31/2019	85,000.00	06/17/2014 1.75 %	82,493.45 84,116.88	99.68 1.31 %	84,727.75 242.98	8.15 % 610.87	Aaa / AA+ AAA	1.75 1.72
912828UQ1	US Treasury Note 1.25% Due 2/29/2020	90,000.00	Various 1.41 %	89,314.17 89,644.74	99.69 1.38 %	89,722.26 3.11	8.60 % 77.52	Aaa / AA+ AAA	2.50 2.45
912828UV0	US Treasury Note 1.125% Due 3/31/2020	85,000.00	05/07/2015 1.57 %	83,240.52 84,073.54	99.35 1.38 %	84,448.86 402.36	8.13 % 375.32	Aaa / AA+ AAA	2.58 2.52
912828WC0	US Treasury Note 1.75% Due 10/31/2020	75,000.00	11/04/2015 1.63 %	75,416.27 75,264.11	100.83 1.48 %	75,624.00 442.26	7.29 % 359.89	Aaa / AA+ AAA	3.17 3.05
912828WN6	US Treasury Note 2% Due 5/31/2021	50,000.00	07/11/2016 1.01 %	52,343.92 51,797.36	101.56 1.57 %	50,781.25 254.10	4.89 % (1,016.11)	Aaa / AA+ AAA	3.75 3.59



CUSIP	Security Description	Par Value/Units	Purchase Date Book Yield	Cost Value Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port. Gain/Loss	Moody/S&P Fitch	Maturity Duration
US TREASURY									
912828G53	US Treasury Note 1.875% Due 11/30/2021	45,000.00	01/18/2017 1.89 %	44,966.75 44,970.96	101.02 1.63 %	45,458.78 214.40	4.38 % 487.82	Aaa / AA+ AAA	4.25 4.05
Total US Treasury		430,000.00	1.55 %	427,775.08 429,867.59	1.43 %	430,762.90 1,559.21	41.44 % 895.31	Aaa / AA+ AAA	2.82 2.73
TOTAL PORTFOLIO		1,040,145.27	1.61 %	1,033,053.70 1,037,155.57	1.46 %	1,039,810.58 3,389.29	100.00 % 2,655.01	Aaa / AA+ AAA	2.66 2.58
TOTAL MARKET VALUE PLUS ACCRUED						1,043,199.87			