

CITY of LAGUNA WOODS CITY COUNCIL AGENDA

Adjourned Regular Meeting
Wednesday, June 23, 2021
2:00 p.m.

Laguna Woods City Hall
24264 El Toro Road
Laguna Woods, California 92637

Shari L. Horne
Mayor

Carol Moore
Mayor Pro Tem

Cynthia Conners
Councilmember



Noel Hatch
Councilmember

Ed H. Tao
Councilmember

Welcome to a meeting of the Laguna Woods City Council!

This meeting may be recorded, televised, and made publicly available.

Public Comments: Persons wishing to address the City Council are requested to complete and submit a speaker card to City staff. Speaker cards are available near the entrance to the meeting location. Persons wishing to address the City Council on an item appearing on this agenda will be called upon at the appropriate time during the item's consideration. Persons wishing to address the City Council on an item *not* appearing on the agenda will be called upon during the "Public Comments" item. Persons who do not wish to submit a Speaker Card, or who wish to remain anonymous, may indicate their desire to speak from the floor. Speakers are requested, but not required, to identify themselves.

Americans with Disabilities Act (ADA): It is the intention of the City to comply with the ADA. If you need assistance to participate in this meeting, please contact either the City Clerk's Office at (949) 639-0500/TTY (949) 639-0535 or the California Relay Service at (800) 735-2929/TTY (800) 735-2922. The City requests at least two business days' notice in order to effectively facilitate the provision of reasonable accommodations.

REGULAR MEETING SCHEDULE

The Laguna Woods City Council meets regularly on the third Wednesday of each month at 2 p.m.

AGENDA POSTING AND AVAILABILITY

Regular and Adjourned Regular Meetings: Pursuant to California Government Code Section 54954.2 of the Ralph M. Brown Act, the City of Laguna Woods posts agendas at Laguna Woods City Hall, 24264 El Toro Road, Laguna Woods, California 92637; on the City’s website (www.cityoflagunawoods.org); and, at other locations designated by Resolution No. 17-30, at least 72 hours in advance of regular and adjourned regular meetings. Agendas and agenda materials are available at Laguna Woods City Hall during normal business hours and on the City’s website. Printed copies of agendas and agenda materials are provided at no charge in advance of meetings. After meetings have occurred, a per page fee is charged for printed copies.

Special and Emergency Meetings: Agenda posting and availability for special and emergency meetings is conducted pursuant to all applicable provisions of California Government Code (Ralph M. Brown Act).

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FOR ADDITIONAL INFORMATION

For additional information, please contact the City Clerk’s Office at (949) 639-0500/TTY (949) 639-0535, cityhall@cityoflagunawoods.org, or 24264 El Toro Road, Laguna Woods, California 92637.

AFFIDAVIT OF POSTING

STATE OF CALIFORNIA)
COUNTY OF ORANGE) ss.
CITY OF LAGUNA WOODS)

I, Yolie Trippy, City Clerk, City of Laguna Woods, hereby certify under penalty of perjury that this agenda was posted at Laguna Woods City Hall, 24264 El Toro Road, Laguna Woods, California 92637; on the City’s website (www.cityoflagunawoods.org); and, at other locations designated by Resolution No. 17-30, pursuant to California Government Code Section 54954.2 of the Ralph M. Brown Act.



YOLIE TRIPPY, CMC, City Clerk

6-18-21

Date

NOVEL CORONAVIRUS (COVID-19) NOTICE

Please exercise caution when attending City Council meetings. If you attend this meeting, please abide by all applicable state and local public health orders.

OPTIONS FOR PUBLIC COMMENTS

1. Attend the meeting in-person.

2. Submit public comments in writing. Written public comments may be submitted via email (cityhall@cityoflagunawoods.org) or by mail (Laguna Woods City Hall, 24264 El Toro Road, Laguna Woods, CA 92637), provided that they are received by the City prior to 2:00 p.m. on the day of the meeting. Written public comments may be read or summarized to the City Council at the meeting, and parties submitting comments should be aware that their email addresses and any information submitted may be disclosed or become a matter of public record. No party should expect privacy of such information.

3. Make public comments by telephone. Dial (312) 626-6799. When prompted enter the following meeting ID: 971 9096 6276 followed by pound (#) and the following meeting passcode: 607048 followed by pound (#). When an item you wish to comment on is discussed, press *9 on your phone to raise your hand. When it is your turn, you will be unmuted and able to speak. Please note that your telephone number will be visible to the City. No party should expect privacy of such information.

4. Make oral public comments by computer.

- Visit www.zoom.us
- Click on “Join a Meeting” toward the top right of the webpage
- Enter the following meeting ID: 971 9096 6276
- Open the Zoom application following the on-screen prompts
- Enter the following meeting password: 607048
- Enter a name and email address as required by Zoom

When an item you wish to comment on is discussed, click on “Raise Hand.” When it is your turn, you will be unmuted and able to speak. Please note that information you enter into Zoom will be visible to the City. No party should expect privacy of such information.

I. CALL TO ORDER

II. ROLL CALL

III. PLEDGE OF ALLEGIANCE

IV. PRESENTATIONS AND CEREMONIAL MATTERS

4.1 Orange County Mosquito and Vector Control District Presentation

Recommendation: Receive and file.

V. PUBLIC COMMENTS

About Public Comments: This is the time and place for members of the public to address the City Council on items *not* appearing on this agenda. Pursuant to state law, the City Council is unable to take action on such items, but may engage in brief discussion, provide direction to City staff, or schedule items for consideration at future meetings.

VI. CONSENT CALENDAR

About the Consent Calendar: All items listed on the Consent Calendar are considered routine and will be enacted by one vote. There will be no separate discussion of these items unless a member of the City Council, City staff, or the public requests that specific items be removed from the Consent Calendar for separate discussion and consideration of action.

6.1 City Attorney Services

Recommendation:

1. Waive the provisions set forth in Laguna Woods Municipal Code Section 3.06.080(c) related to competitive bidding.

AND

2. Approve a legal representation letter extending and amending the agreement with Rutan & Tucker, LLP for legal services as City Attorney and authorize the Mayor to execute the legal representation letter.

6.2 Hazardous Waste Handling Services

Recommendation: Approve an agreement with WM Curbside, LLC for hazardous waste handling services and authorize the Mayor to execute the agreement, subject to approval as to form by the City Attorney.

VII. PUBLIC HEARINGS

VIII. CITY COUNCIL BUSINESS

8.1 Fiscal Years 2021-23 Budget and Work Plan & Fiscal Years 2021-32 Capital Improvement Program

Recommendation: Adopt resolutions entitled:

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LAGUNA WOODS, CALIFORNIA, ADOPTING THE FISCAL YEARS 2021-23 BUDGET AND WORK PLAN FOR FISCAL YEAR 2021-22 COMMENCING JULY 1, 2021 AND ENDING JUNE 30, 2022, AND FISCAL YEAR 2022-23 COMMENCING JULY 1, 2022 AND ENDING JUNE 30, 2023

AND

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LAGUNA WOODS, CALIFORNIA, ADOPTING A NEW 11-YEAR CAPITAL IMPROVEMENT PROGRAM FOR FISCAL YEARS 2021-22 THROUGH 2031-32, IN CONFORMANCE WITH MEASURE M2 (OC GO) REQUIREMENTS AND APPLICABLE CITY POLICIES AND DISCRETION

AND

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LAGUNA WOODS, CALIFORNIA, ADOPTING THE ANNUAL APPROPRIATIONS LIMIT (GANN LIMIT) FOR FISCAL YEAR 2021-22 COMMENCING JULY 1, 2021 AND ENDING JUNE 30, 2022, IN ACCORDANCE WITH ARTICLE XIII B OF THE CALIFORNIA STATE CONSTITUTION

8.2 City Council Meeting Schedule

Recommendation: Schedule an adjourned regular City Council meeting to occur prior to July 21, 2021 at Laguna Woods City Hall, 24264 El Toro Road, Laguna Woods, CA 92637.

IX. CITY COUNCIL REPORTS AND COMMENTS

About City Council Comments and Reports: This is the time and place for members of the City Council to provide reports on meetings attended including, but not limited to, meetings of regional boards and entities to which they have been appointed to represent the City and meetings attended at the expense of the City pursuant to California Government Code Section 53232.3. Members of the City Council may also make other comments and announcements.

- 9.1 Coastal Greenbelt Authority
Councilmember Conners; Alternate: Councilmember Tao
- 9.2 Orange County Fire Authority
Councilmember Hatch
- 9.3 Orange County Library Advisory Board
Mayor Pro Tem Moore; Alternate: Councilmember Tao
- 9.4 Orange County Mosquito and Vector Control District
Mayor Horne
- 9.5 San Joaquin Hills Transportation Corridor Agency
Councilmember Conners; Alternate: Mayor Pro Tem Moore
- 9.6 South Orange County Watershed Management Area
Mayor Pro Tem Moore; Alternate: Councilmember Hatch
- 9.7 Other Comments and Reports

X. CLOSED SESSION

Prior to convening in closed session, the City Council will hear public comments on items appearing on the closed session agenda.

- 10.1 The City Council will meet in closed session under the authority of California Government Code Section 54957(b)(1) to consider the

following: Public Employee Performance Evaluation – City Manager.

- 10.2 The City Council will meet in closed session under the authority of California Government Code Section 54957.6 to conference with its designated representative (David B. Cosgrove, City Attorney) regarding the salary, salary schedule, and compensation paid in the form of fringe benefits of its City Manager.

XI. CLOSED SESSION REPORT

XII. CITY COUNCIL BUSINESS (CONTINUED)

12.1 Employee Compensation

Recommendation: Adopt a resolution entitled:

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LAGUNA WOODS, CALIFORNIA, AMENDING RESOLUTION NO. 21-19 TO MODIFY THE COMPENSATION SCHEDULE FOR THE CITY MANAGER

XIII. ADJOURNMENT

Next Regular Meeting: Wednesday, July 21, 2021 at 2 p.m.
Laguna Woods City Hall
24264 El Toro Road, Laguna Woods, California 92637

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4.1
ORANGE COUNTY MOSQUITO AND VECTOR
CONTROL DISTRICT PRESENTATION
(NO REPORT)

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6.0
CONSENT CALENDAR SUMMARY

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City of Laguna Woods

Agenda Report

TO: Honorable Mayor and City Councilmembers
FROM: Christopher Macon, City Manager
FOR: June 23, 2021 Adjourned Regular Meeting
SUBJECT: Consent Calendar Summary

Recommendation

Approve all proposed actions on the June 23, 2021 Consent Calendar by single motion and City Council action.

Background

All items listed on the Consent Calendar are considered routine and will be enacted by one vote. There will be no separate discussion of these items unless a member of the City Council, staff, or the public requests that specific items be removed from the Consent Calendar for separate discussion and consideration of action.

Summary

The June 23, 2021 Consent Calendar contains the following items:

- 6.1 [1] Waiver of the provisions set forth in Laguna Woods Municipal Code Section 3.06.080(c) related to competitive bidding. The City's procurement regulations generally require competitive bidding when the estimated cost of services is \$25,000 or more over the term of the agreement, but allow for the waiver of those provisions at the discretion of the City Council.

AND

- [2] Approval of a legal representation letter extending and amending the

agreement with Rutan & Tucker, LLP for legal services as City Attorney and authorization for the Mayor to execute the legal representation letter. The proposed legal representation letter provides for continuity in City Attorney services through June 30, 2023, with David B. Cosgrove continuing to serve as City Attorney and Alisha Patterson continuing to serve as Assistant City Attorney. Rates would increase effective July 1, 2021 and be subject to review on or before May 31, 2022 for the period between July 1, 2022 and June 30, 2023. Rutan & Tucker, LLP has provided legal services as City Attorney to the City since April 1, 2011.

- 6.2 Approval of an agreement with WM Curbside, LLC for hazardous waste handling services and authorization for the Mayor to execute the agreement, subject to approval as to form by the City Attorney. The Request for Proposals (“RFP”) for hazardous waste handling services was released on April 1, 2021 with proposals due by April 23, 2021. Only one proposal was received (WM Curbside). After reviewing the proposal, staff recommends that the City Council award the agreement to WM Curbside. WM Curbside has provided hazardous waste handling services to the City since November 21, 2001 (as Curbside, Inc. prior to assignment of the agreement to WM Curbside). WM Curbside provides or has provided similar services for the cities of Arcadia, Calabasas, Laguna Beach, and Manhattan Beach, as well as EDCO (serving the cities of La Mirada and La Palma).

6.1
CITY ATTORNEY SERVICES

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June 15, 2021

Honorable Mayor
and Members of the City Council
City of Laguna Woods
24264 El Toro Road
Laguna Woods, CA 92637

Re: Legal Representation Letter

Honorable Mayor and City Council:

The existing term of Rutan and Tucker, LLP's ("we," "us," or "our" below) agreement for providing legal services to the City of Laguna Woods expires on June 30, 2021. This letter sets forth the agreement regarding basic terms to extend the engagement, and the arrangement for fees and costs that will apply to the engagement.

1. *Client; Scope of Representation.* The client in this matter is the City of Laguna Woods (sometimes collectively referred to as "you" below). We will be engaged to provide general City Attorney legal services and advice through June 30, 2023. We propose to continue the existing staffing of David B. Cosgrove as City Attorney, and Alisha Patterson as Assistant City Attorney. You may limit or expand the scope of our representation from time to time, provided that we must agree to any substantial expansion or limitation of the representation. The firm will perform these services, will take reasonable steps to keep you informed of progress, respond to your inquiries, and will consult with you as necessary.

2. *Duties of Client.* You agree to timely provide us such information, assistance and cooperation as is necessary for us to effectively perform our services and to timely pay our bills for fees, costs and expenses as further described herein.

3. *General Terms; Fees and Expenses.* To assist you in understanding our billing practices and other general terms, we enclose a copy of our current Policy on Professional Fees and General Terms of Engagement (the "General Terms"). The General Terms are incorporated in this letter. The General Terms describe the ranges of hourly rates for our attorneys and paraprofessionals and our policies regarding reimbursement of costs and expenses. Please specifically note that the hourly rate for all of the services we will be providing beginning July 1, 2021, and continuing through June 30, 2022, shall be Three Hundred Dollars \$300.00 per hour, for all hours up to twenty (20) in a single month, and Three Hundred Twenty-Five Dollars (\$325.00) for all hours above twenty (20) in a single month. Litigation and special projects are Three Hundred Twenty-Five Dollars (\$325.00) per hour, and third party reimbursable matters are

Honorable Mayor
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Four Hundred Twenty-Five Dollars (\$425.00) per hour. Bond financing will be based upon an hourly rate, as may be negotiated. You understand and acknowledge these are negotiated rates, and are not set by law. On or before May 31, 2022, you and Rutan & Tucker will meet and confer regarding potential adjustment to billable hour rates to be in effect from July 1, 2022, until the end of the term of this agreement. In the absence of agreement regarding an adjustment, the rates specified herein shall continue in effect.

4. *No Guarantees.* We agree to use our best efforts in representing you, but cannot make representations or guarantees as to the ultimate outcome of any matter, the efficacy of any experts or consultants that may be retained in any matter you refer to us, or as to the ultimate expenses that you may incur. All our statements on such matters are statements of opinion only based upon the information known at the time. We do maintain errors and omissions insurance coverage applicable to the services to be rendered.

5. *Term of Engagement.* In accordance with the General Terms, either of us may terminate the engagement at any time for any reason by written notice, subject on our part to applicable Rules of Professional Conduct.

6. *Binding Arbitration.* We appreciate the opportunity to serve as your attorneys and anticipate a continued productive, harmonious relationship. If you become dissatisfied for any reason with the services we have performed, the fees charged, or any other aspect of the attorney-client relationship, we encourage you to bring that to our attention immediately. Similarly, if we perceive a problem with the representation, we will discuss it with you. Most such problems can be rectified by communication and discussion. Although in our experience disputes of any type are rare, a dispute conceivably could arise between us which cannot be resolved by discussion or negotiation. We believe such attorney-client disputes are most satisfactorily resolved through binding arbitration rather than by litigation in court.

Arbitration is, as you know, a process by which both parties to a dispute agree to submit the matter to a retired judge or other arbitrator who has expertise in the area and to abide by the arbitrator's decision, instead of litigating in court. In arbitration, there is no right to a trial by jury and the arbitrator's legal and factual determinations are generally not subject to appellate review. Arbitration rules of evidence and procedure are often less formal and rigid than in a court trial. Arbitration often results in a decision much more quickly than proceedings in court, and the attorneys' fees and other costs incurred by both sides are often substantially less.

Honorable Mayor
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Both the United States and California Supreme Courts have endorsed arbitration as an accepted and favored method of resolving disputes, because it is economical and expeditious. Arbitration is also less acrimonious and more confidential than traditional litigation and is, therefore, particularly suited to resolution of disputes between attorneys and their clients.

Your agreement to arbitrate disputes is not a condition of our agreeing to represent you, and if you do not wish to agree to arbitrate, then you should advise me before signing the copy of this letter, so we can delete this section of the agreement. You are encouraged to discuss the advisability of arbitration with independent counsel.

By signing this agreement, you agree that if any dispute arises out of or relating to this agreement, our relationship, or the services performed by us (including but not limited to any disputes regarding our fees and expenses and any failure by you to pay such fees and expenses in accordance with this agreement, claims of professional negligence, breach of contract or fiduciary duty, fraud or any claim based upon a statute), such dispute shall be resolved by submission to final and binding arbitration in Orange County, California, before a retired judge or justice of the California Superior Court or a higher court. Please be advised that by agreeing to binding arbitration, you are waiving any right to a jury trial on any such dispute. If you and we are unable to agree on a retired judge or justice, each party will name one retired judge or justice and the two named persons will select a neutral judge or justice who will act as the sole arbitrator. Should you elect to have any fee dispute arbitrated pursuant to non-binding arbitration under statutory or case law, (including your rights to request mandatory fee arbitration under the rules of the Orange County Bar Association) then such non-binding arbitration shall determine only the issue of the amount of fees properly chargeable to you. Any other claims or disputes between us, including claims for professional negligence, shall remain subject to binding arbitration pursuant to this agreement. In the event of such an arbitration, the parties shall be entitled to take discovery in accordance with the provisions of the California Code of Civil Procedure, but either party may request that the arbitrator limit the amount or scope of such discovery, and in determining whether to do so, the arbitrator shall balance the need for the discovery against the parties' mutual desire to resolve disputes expeditiously and inexpensively.

7. *Conflicts in this Matter.* We cannot, without appropriate consents, represent any party if there is a conflict of interest with any of our other clients. In order to avoid conflicts of interest among our clients, we maintain an index of relevant names. We have not discovered any conflict which requires further action before extending our existing arrangement for the provision of City Attorney services. Please inform us at once if you learn in the future of persons or entities who may be involved in actions adverse to the City so we can make a conflict of interest search with respect to them.

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8. Conflicts Waiver. In undertaking this representation, our objective is to represent you to the best of our ability without forfeiting the continuing representation of our other clients. Rutan & Tucker LLP is a large law firm which has represented, and continues to represent, many different corporate and individual clients with various interests in numerous industries. It is possible that, during the time we are representing your interests in this matter, you may become involved in transactions and/or disputes in which your interests are adverse to those of one of the firm's present or future clients. Therefore, as a specific condition to our undertaking your representation, you understand and agree that this firm may continue to represent or may undertake in the future to represent existing or new clients in any matter that is not substantially related to our work for you even if the interests of such clients in those other matters are directly adverse to your interests. We agree, however, that your prospective consent to conflicting representation contained in the preceding sentence shall not apply in any instance where, as a result of our representation of you, we have obtained proprietary or other confidential information of a nonpublic nature, that, if known to such other client, could be used in any such other matter by such client to your material disadvantage.

Please be aware that you have the right to obtain the advice of independent counsel regarding the terms of this agreement, and you are encouraged to do so.

This letter and the attached General Terms constitute the entire agreement between you and Rutan & Tucker, LLP with respect to our engagement. No prior oral or written understanding shall be of any force or effect with respect to these matters. This agreement may not be modified, except by a document in writing executed by both parties. A waiver of any party of any breach of any of the conditions, terms or time requirements under this letter shall not be construed as a waiver of any succeeding breach. This letter may be executed in multiple counterparts, each of which shall be deemed an original. By executing below, you represent to us that the person whose signature appears on your behalf

Please review this letter and the General Terms attached hereto carefully. If the terms and conditions of our representation and the billing arrangements under this agreement meet with your approval, please sign the enclosed copy of this letter and return it to me. Please call the undersigned if you have any questions.

Honorable Mayor
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Once again, thank you for the opportunity to continue to work with the City of Laguna Woods.

Very truly yours,

RUTAN & TUCKER, LLP



David B. Cosgrove

DBC:mrs

**ACCEPTED AND AGREED:
CITY OF LAGUNA WOODS**

Shari L. Horne, Mayor
City of Laguna Woods

POLICY ON PROFESSIONAL FEES
AND
GENERAL TERMS OF ENGAGEMENT

Professional Fees and Billing Procedures.

Experience has shown that the attorney-client relationship works best when there is a mutual understanding about fees and payment terms. The following is intended to explain briefly our present billing policies and procedures. These policies and procedures are subject to change. We encourage you to discuss with us at any time any questions you might have concerning these policies and procedures.

Unless otherwise agreed in writing by you and us, our professional fees will be based on the hourly rates of the attorneys and paraprofessionals working on your matter(s). Our hourly rates for attorneys and paraprofessionals are adjusted from time to time and generally as of January 1st of each year. Adjustments in billing rates will be reflected in the invoice for legal services which constitutes our written notice to you. The current hourly billing rates for attorneys and paraprofessionals at the firm for 2021 are as follows: (i) partners range from \$390.00 to \$1,050.00 per hour, (ii) associates range from \$290.00 to \$515.00 per hour and (iii) paralegals, law clerks, legal interns, legal assistants, document clerks and other paraprofessionals range from \$75.00 to \$330.00.

Rutan & Tucker, LLP bills its clients for costs advanced on a client's behalf, such as filing fees, transcript and deposition fees, reasonable travel expenses, and expert witness fees. The firm also charges for certain costs and expenses incurred on behalf of clients such as long-distance telephone calls, facsimile and telecopier transmissions, copying, scanning, printing, postage, mileage, messengers, and computerized research. Notwithstanding the foregoing, we may forward to you large disbursement invoices for your direct payment to the supplier.

We make every effort to include disbursements in the statement for the month in which the disbursements are incurred. Some disbursements, however, may not be available to us until the following months, in which case a subsequent statement may be rendered to you for these additional charges, or an estimated amount may be included in the initial billing and an adjustment made when the actual disbursement information is available.

In the absence of other arrangements, our billing statements ordinarily will be rendered to you on a monthly basis.

Our billing statements are due and payable upon receipt. We ask and expect payment of our statements on a current basis, as delayed payment adds to our overall costs of providing services. Unless you notify us of any objection to any such billing statement (specifically describing the basis for such objection), within thirty (30) days after the date we send the billing statement to you, we will presume that you have no objection to the amounts set forth in the billing statement. If any statement remains unpaid for more than thirty (30) days after the date the

statement is sent by this firm, interest may be added at the rate of 10% per annum on the unpaid balance.

Unless specifically agreed in writing, we cannot make any guarantee as to the amount which you will incur for attorneys' fees and costs in any matter, as those figures will wholly depend on the time and effort required to be devoted to such matter. Any estimates of anticipated fees and costs, whether for budgeting purposes or otherwise, are, due to the uncertainties involved, necessarily only an approximation of potential fees and costs. Unless specifically agreed in writing, such estimates are not a maximum or minimum quotation and are not binding. The actual fees and costs will be determined in accordance with the policies described above.

General Terms.

We have been engaged to represent the person(s), company(ies) or organization(s) agreed to in writing by this firm. Unless agreed to in writing, we are not representing any of their respective members, shareholders, affiliates, subsidiaries, parent companies, joint ventures, officers, directors, partners, principals, investors, or employees. Accordingly, we can take on matters that may be adverse to these related parties or their legal interests, unless precluded by reason of the Rules of Professional Conduct.

Either of us may terminate the engagement at any time for any reason by written notice, subject on our part to applicable Rules of Professional Conduct. If we terminate the engagement, we will take such steps as are reasonably practicable to protect your interests in the matter(s) for which we have been engaged. If you so request, we will use reasonable efforts to suggest to you possible successor counsel and provide it with whatever documents you have provided to us, but will retain materials that we have generated, as noted below.

Unless previously terminated, our representation of you in any matter will terminate upon our sending to you our final invoice for services rendered for such matter. Upon the termination of such representation, our own lawyer work product documents, notes and files (the "Work Product Files") pertaining to your matter will be retained by the firm. Your documents, property and files that are not Work Product Files (the "Client Files") will be, at your request, returned to you upon the termination of such representation. Both the Client Files (unless otherwise returned to you at your request) and the Work Product Files will be transferred to the person responsible for administering our records retention program. For various reasons, including the minimization of unnecessary storage expenses, we reserve the right to destroy or otherwise dispose of any such documents, property, files or other materials retained by us within a reasonable time after the termination of the engagement. Specifically, it is our current policy to store your Client Files for a period of five (5) years and at the conclusion of such five (5) year period we will make an attempt to contact you as to the disposition of your Client Files, but if we are unable to locate you, we reserve the right to destroy such Client Files.

In the performance of our services, you may disclose personal information about individuals to us, including personal information we collect on your behalf. In doing so, you acknowledge that such disclosure is pursuant to a business purpose and not for commercial purposes. In performing our services, we shall not: (a) sell personal information; (b) retain, use or disclose the personal information for any purpose other than for the performance of its services;

(c) retain, use, or disclose personal information for commercial purposes; or (d) retain, use, or disclose personal information outside of our direct business relationship. We certify that we understand these restrictions and will comply with them. Notwithstanding the foregoing, we may have legal and/or ethical obligations which may mandate the processing (including the collection, use, disclosure, deletion, or retention) of personal information disclosed to us by you. Rutan & Tucker, LLP shall not be liable for the processing of personal information that is, or is reasonably believed to be, necessary for: (v) compliance with a federal, state, or local law; (w) compliance with a civil, criminal, or regulatory inquiry, investigation, subpoena, or summons by federal, state, or local authority; (x) cooperation with law enforcement agencies concerning conduct or activity that it believes may violate a federal, state, or local law; (y) the exercising or defending of legal claims; (z) compliance with our ethical duties. Moreover, the processing restrictions placed upon us in this paragraph shall not apply where compliance with such restriction(s) would violate an evidentiary privilege under California (or other states') law, and shall not prevent us from providing personal information of an individual to a person covered by an evidentiary privilege under California (or other states') law as part of a privileged communication. For purposes of this section, "personal information" means information that identified, relates to, describes, is reasonably capable of being associated with, or could reasonably be linked, directly or indirectly, with a particular individual or household. Personal information does not include publicly available information, de-identified information, or aggregate consumer information.

You are engaging the firm to provide legal services in connection with specific matter(s). After completion, changes may occur in the applicable laws or regulations that could have an impact upon your future rights and liabilities. Unless you actually engage us after these matters have been completed to provide additional advice on issues arising from these matters, this firm has no continuing obligation to advise you with respect to future legal developments. In particular, please be advised that this firm does not undertake to perform further actions on your behalf in connection with renewal of perfection of liens, filing of UCC continuation statements, and the like in connection with any loan related matter. Further, we do not offer the service of annuity/maintenance fee payments with respect to patent prosecution.

We have made no representations, promises or guarantees to you regarding the outcome of your matter. Any comments about the outcome of your matter at any time during the performance of services do not constitute promises, guarantees, or assurances, as to the outcome of your matter.

Unless otherwise agreed in a signed writing, the firm shall have no responsibility to investigate or evaluate whether insurance is available for any matter covered by this engagement or to tender any matter covered by this engagement to any insurance carrier.

If we are required to respond to a subpoena of our records relating to services we have performed for you, or testify by deposition or otherwise concerning such services, then we will take reasonable steps to consult with you as to whether you wish to supply the information demanded or assert objections to the extent you may properly do so. You agree to pay us for our time and costs incurred in responding to any such demand, in accordance with the provisions of this letter, including, but not limited to, time and expense incurred in search and photocopying costs, reviewing documents, appearing at depositions or hearings, and otherwise litigating issues raised by the request.

In order to maximize efficiency, please be advised that attorneys and paraprofessionals at this firm routinely use the following communications methods to the fullest extent possible: e mail, document transfer by computer, mobile telephones, and facsimile transfers.

Although not required in California, some states require that a law firm disclose the existence of errors and omissions insurance coverage applicable to the services to be rendered. Rutan & Tucker, LLP hereby confirms the existence of such insurance coverage for the purposes of complying with such a requirement.

Duty to Preserve Relevant Evidence in the Event of Litigation or Disputes.

If you are currently involved in a dispute which has resulted or is likely to result in litigation, or if you become involved in such a dispute at a later date, please be aware that you have a legal obligation to preserve “documents and data” potentially relevant to any such dispute. In addition to the obvious fact that we may need the evidence to help prove or defend your case, the primary reason we need to tell you about this obligation is because, if you do not take such steps, you could suffer severe sanctions in any litigation (or arbitration) that might arise. Those sanctions could include, among others, direct and substantial monetary sanctions, “issue sanctions”, resulting in a directed finding against you on certain issues in the case, or even possibly a directed judgment against you, resulting in loss of the entire case.

Compliance with the obligation to preserve all potentially relevant evidence may not be as easy as it sounds. Preservation obligations include, for example, the obligation to suspend normal document destruction routines and otherwise protect against inadvertent deletion of evidence, especially electronic evidence. You need to notify and work with all of your employees and managerial personnel who might possess any such evidence, and consider all of the places where such evidence might be located, such as, e.g., home computers, laptop computers, cell phones, backup devices, and a wide range of other electronic devices and physical locations outside your normal offices and outside your network. You also need to evaluate the extent to which any of your agents, outside professionals, or consultants may have evidence which should be preserved. Furthermore, all of this needs to be documented.

We ask that you coordinate with our professional staff to ensure that proper steps have been taken to preserve all potentially relevant evidence, including electronic evidence whenever litigation, or a dispute which may lead to litigation, arises. To the extent that you have qualified and sophisticated in-house personnel experienced with document preservation activities, such coordination may simply consist of providing us with the documentation reflecting the steps taken and review of that documentation and the processes reflected. To the extent you do not have such in-house capabilities, our staff can help lead you through the process. In either event, it is very important for us to confirm the steps that have been taken so that we can later both establish your compliance with the obligation to preserve potentially relevant evidence and also utilize the documentation to coordinate the efficient identification, retrieval, and production of evidence for the presentation of your case.

Please let me know if you have any questions and, in any event, please let me know who within your organization would be best to coordinate these efforts so that I can put them in touch with our staff.

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6.2 HAZARDOUS WASTE HANDLING SERVICES

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**AGREEMENT FOR CONSULTANT SERVICES
BETWEEN THE
CITY OF LAGUNA WOODS
AND
WM CURBSIDE, LLC
FOR HAZARDOUS WASTE HANDLING SERVICES**

This Agreement (“Agreement”) is entered into to be effective as of the 1st day of July 2021 (“Effective Date”), by and between the City of Laguna Woods (“City”) and WM Curbside, LLC, a Delaware limited liability company (“Contractor”) (collectively, the “Parties”) to provide: (1) Household Hazardous Waste Door-to-Door Collection services to individuals residing in City Limits on an on-call basis, (2) Medication Waste Drop Box Collection services at City Premises on a regularly scheduled basis, (3) Sharps Waste Drop Box Collection services at City Premises on a regularly scheduled basis, and (4) Non-Vehicle Battery Waste Drop Box Collection services at City Premises on a regularly scheduled basis.

**SECTION 1
DEFINITIONS**

Whenever any term used in this Agreement has been defined by the California Public Resources Code, the definition of such term set forth therein shall apply unless the term is otherwise defined in this Agreement.

1.1 Affiliate

“Affiliate” means a business in which Contractor owns a direct or indirect ownership interest, a business (including corporations, limited and general partnerships and sole proprietorships) which has a direct or indirect ownership interest in Contractor and/or a business which is also owned, controlled or managed by any business or individual which has a direct or indirect ownership interest in Contractor. For purposes of determining whether an indirect ownership interest exists, the constructive ownership provisions of Section 318(a) of the Internal Revenue Code of 1986, as in effect on the date of this Agreement, shall apply; provided, however, that (i) “ten percent (10%)” shall be substituted for “fifty percent (50%)” in Section 318(a)(2)(C) and in Section 318(a)(3)(C) thereof; and (ii) Section 318(a)(5)(C) shall be disregarded. For purposes of determining ownership under this paragraph and constructive or indirect ownership under Section 318(a), ownership interest of less than ten percent (10%) shall be disregarded and percentage interests shall be determined on the basis of the percentage of voting interest or value which the ownership interest represents, whichever is greater.

1.2 Annual Recovered Organic Waste Product Procurement Target

“Annual Recovered Organic Waste Product Procurement Target” means the amount of Organic Waste in the form of a Recovered Organic Waste Product that the City is required to procure annually under 14 CCR Section 18993.1.

1.3 Applicable Laws

“Applicable Laws” shall mean all federal, state, county, and local laws, regulations, rules,

orders, judgments, decrees, permits, approvals, or other requirements of any governmental agency having jurisdiction over an aspect of this Agreement that are in force on the Effective Date, and as may be enacted, issued or amended thereafter.

1.4 City

“City” shall mean the City of Laguna Woods, a municipal corporation, located in Orange County, California.

1.5 City Council

“City Council” shall mean the City Council of City.

1.6 City Limits

“City Limits” shall mean the territorial boundaries of the City together with all amendments and changes thereto, which boundaries are depicted on maps, incorporated herein by reference, that are kept on file in the office of the City Clerk of the City of Laguna Woods, and which are from time to time amended to reflect changes.

1.7 City Manager

“City Manager” shall mean the City Manager of the City of Laguna Woods or his/her/their designee.

1.8 City Premises

“City Premises” shall mean any Premises owned or operated by the City, including without limitation, City Hall.

1.9 Collect/Collection/Collecting

“Collect,” “Collection,” or “Collecting” shall mean to take physical possession of, transport, and remove Waste from a Premises.

1.10 Collection Vehicles

“Collection Vehicles” shall have the meaning ascribed in Section 7.1 of this Agreement.

1.11 Contractor

“Contractor” shall mean WM Curbside, LLC or any party permitted pursuant to the terms hereof permitted to become the successor or assignee thereof.

1.12 Customer

“Customer” or “Customers” shall mean any Person receiving Waste Handling Services from Contractor within City Limits.

1.13 Dwelling Unit

“Dwelling Unit” shall mean one or more rooms designed for occupancy by one family for living and sleeping purposes and containing kitchen facilities or an area designed for the preparation of food for use solely by one family.

1.14 Effective Date

“Effective Date” shall mean the 1st day of July 2021.

1.15 Environmental Laws

“Environmental Laws” means all federal and state statutes, county, local and City ordinances concerning public health, safety and the environment including, by way of example and not limitation, the Comprehensive Environmental Response, Compensation and Liability Act of 1980, 42 USC § 9601 et seq.; the Resource Conservation and Recovery Act, 42 USC § 6901 et seq.; the Federal Clean Water Act, 33 USC § 1251 et seq.; the Federal Clean Air Act, 42 USC § 7401 et seq.; the Toxic Substances Control Act, 15 USC § 2601 et seq.; the Occupational Safety and Health Act, 29 USC § 651 et seq.; the California Hazardous Waste Control Act, California Health and Safety Code § 25100 et seq.; the Carpenter-Presley-Tanner Hazardous Substance Account Act, California Health and Safety Code § 25300 et seq.; the Porter-Cologne Water Quality Control Act, California Water Code § 13000 et seq.; the Safe Drinking Water and Toxic Enforcement Act, California Health and Safety Code § 25249.5 et seq.; as currently in force or as hereafter amended, and all rules and regulations promulgated thereunder, and the Municipal Code, as may be amended from time to time.

1.16 Force Majeure

“Force Majeure” shall mean any of the following: riots, wars, sabotage, civil disturbances, insurrections, pandemics, epidemics, the threat of pandemic or epidemic, strikes or other labor disturbances lasting five (5) days or less, explosion, natural disasters such as floods, earthquakes, landslides, and fires, emergencies declared at a federal, state or local level, or “other catastrophic events” which are beyond the reasonable control of Contractor. The term “other catastrophic events” does not include: (i) the financial inability of Contractor to perform; (ii) failure of Contractor to obtain any necessary permits or licenses from other governmental agencies; (iii) the failure to obtain the right, or the loss of the right, to use the facilities of any public utility where such failure is due in substantial part to the acts or omissions of Contractor; or, (iv) strikes or other labor disturbances lasting longer than five (5) days.

1.17 Hazardous Contaminant

“Hazardous Contaminant” shall have the meaning ascribed in Section 17.2(D) of this Agreement.

1.18 Household Hazardous Waste

“Household Hazardous Waste” shall have the meaning set forth in California Health and Safety Code § 25218.1(e), as amended from time to time or replaced by a successor statute, and,

at a minimum, include the materials specified in Exhibit B.

1.19 Household Hazardous Waste Door-to-Door Collection

“Household Hazardous Waste Door-to-Door Collection” shall have the meaning ascribed in Section 2.1 of this Agreement and shall also include the meaning set forth in California Health and Safety Code § 25218.1(c), as amended from time to time or replaced by a successor statute.

1.20 Medication Waste

“Medication Waste” shall have the meaning set forth in California Health and Safety Code § 117690(b)(3), as amended from time to time or replaced by a successor statute, but the term “Medical Waste” shall not include “trace chemotherapy waste” (as that term is defined in California Health and Safety Code § 117690(b)(5)) or any substance that is illegal under State or Federal law, including without limitation, medical marijuana.

1.21 Medication Waste Drop Box Collection

“Medication Waste Drop Box Collection” shall have the meaning ascribed in Section 2.3 of this Agreement.

1.22 Multi-Family Dwelling

“Multi-Family Dwelling” means any building or lot containing more than one Dwelling Unit. Unless otherwise determined as set forth above, any Premises upon which four (4) or more Dwelling Units exists shall be deemed to be a Multi-Family Dwelling. Any ambiguity as to whether a Customer’s Premises qualifies for purposes of this Agreement as a Single Family Dwelling or Multi-Family Dwelling shall be resolved by the City Manager whose decision shall be final.

1.23 Municipal Code

“Municipal Code” shall mean City’s Municipal Code (“Laguna Woods Municipal Code”).

1.24 Non-Vehicle Battery Waste

“Non-Vehicle Battery Waste” shall mean household batteries (*e.g.*, A, AA, AAA, and so on), but shall not include vehicle batteries.

1.25 Non-Vehicle Battery Waste Drop Box Collection

“Non-Vehicle Battery Waste Drop Box Collection” shall have the meaning ascribed in Section 2.4 of this Agreement.

1.26 Organic Waste

“Organic Waste” shall mean solid wastes containing material originated from living organisms and their metabolic waste products including, but not limited to, food, yard trimmings, organic textiles and carpets, lumber, wood, paper products, printing and writing paper, manure,

biosolids, digestate, and sludges, or as otherwise defined in 14 CCR Section 18982(a)(46). Biosolids and digestate are as defined in 14 CCR Section 18982(a)(4) and 14 CCR Section 18982(a)(16.5), respectively.

1.27 Person

“Person” shall mean any individual, firm, association, organization, partnership, corporation, business trust, joint venture, the United States, the State of California, the County of Orange, towns, cities, and special purpose districts.

1.28 Premises

“Premises” shall mean any land, building, and/or structure within the City Limits where Waste is generated or accumulated.

1.29 Recovered Organic Waste Product

“Recovered Organic Waste Product” means products made from California, landfill-diverted recovered organic waste processed at a permitted or otherwise authorized operation or facility.

1.30 Renewable Gas

“Renewable Gas” shall mean gas derived from Organic Waste that has been diverted from a landfill and processed at an in-vessel digestion facility that is permitted or otherwise authorized by 14 CCR to recover Organic Waste, or as otherwise defined in 14 CCR Section 18982(a)(62).

1.31 Residential Premises

“Residential Premises” shall mean all Premises upon which Dwelling Units exist and includes Multi-Family Dwellings. Notwithstanding any provision to the contrary herein, in the Municipal Code, or otherwise, for purposes of this Agreement and to the extent permitted by law, Premises upon which assisted living facilities, community care facilities (and other similar types of facilities), hotels, and motels are operated shall be not deemed to be Residential Premises.

1.32 Sharps Waste

“Sharps Waste” shall have the meaning set forth in California Health and Safety Code § 117690(b)(4), as amended from time to time or replaced by a successor statute.

1.33 Sharps Waste Drop Box Collection

“Sharps Waste Drop Box Collection” shall have the meaning ascribed in Section 2.4 of this Agreement.

1.34 Single Family Dwelling

“Single Family Dwelling” means a building or lot containing one Dwelling Unit, and for purposes of this Agreement includes buildings and lots with more than one Dwelling Unit where

such Dwelling Units are determined by the City to be reasonably able to receive individualized Solid Waste Collection service by the automated process utilizing Carts contemplated herein.

1.35 Term

“Term” shall have the meaning ascribed in Section 4 of this Agreement.

1.36 Waste

“Waste” shall mean Household Hazardous Waste, Sharps Waste, Medication Waste and Non-Vehicle Battery Waste.

1.37 Waste Handling Services

“Waste Handling Services” shall mean any and all services described in Section 2 of this Agreement.

SECTION 2 SCOPE OF SERVICES

2.1 Household Hazardous Waste Door-to-Door Collection

(A) Contractor shall provide Household Hazardous Waste Door-to-Door Collection services to individuals residing in City Limits on an on-call basis. Household Hazardous Waste Door-to-Door Collection services shall include Contractor collecting the requested Household Hazardous Waste from outside of a Customer’s Dwelling Unit. In order to receive such service, Customers shall provide Contractor with notice by telephone of the number and type of Household Hazardous Waste to be collected. Contractor shall respond to Customer’s call for service within a reasonable time not to exceed one (1) business day thereafter and provide Customer with the service date and instructions for preparing Household Hazardous Waste for Collection. Within two (2) business days from the date of Customer’s call for service, Contractor shall mail all materials and containers necessary for the Household Hazardous Waste to be collected to the Customer. Customer shall assemble and package Household Hazardous Waste as instructed by Contractor. On the service date provided to Customer during Customer’s call for service, Contractor shall collect the packaged Household Hazardous Waste from outside of Customer’s Dwelling Unit.

(B) Contractor shall collect all Household Hazardous Waste on two regularly scheduled days per month, with up to 15 individual collections per day, and on additional dates, as necessary, subject to authorization of the additional dates from the City Manager.

(C) Contractor shall not knowingly collect Household Hazardous Waste that consists solely of Sharps Waste. Contractor shall refer Customers expressing an interest in such collection to the City’s Sharps Waste Drop Box Collection services, if offered, or sharps waste collection centers. Contractor shall maintain information on such services in a form and manner that is readily accessible to its Customer service personnel.

(D) Contractor shall not knowingly collect Medication Waste with Household Hazardous Waste. Contractor shall refer Customers expressing an interest in such collection to

City's Medication Waste Drop Box Collection services, if offered, or medication waste collection centers. Contractor shall maintain information on such service in a form and manner that is readily accessible to its Customer service personnel.

(E) Contractor shall produce, keep current, and provide public information specifically outlining its Household Hazardous Waste Door-to-Door Collection service, which shall include, but not be limited to, a program overview flyer approved by the City Manager.

(F) Contractor may limit the number and/or volume of Waste eligible for Collection at any single time, subject to authorization from the City Manager.

(G) Contractor shall provide a self-addressed postcard approved by City, with postage pre-paid, to all individuals utilizing Household Hazardous Waste Door-to-Door Collection services for the primary purpose of inviting comments on the quality of Contractor's services. Postcards shall be self-addressed with City's mailing address.

2.2 Medication Waste Drop Box Collection

Contractor shall provide Medication Waste Drop Box Collection services at City Premises on an ongoing basis. Medication Waste Drop Box Collection services shall include Contractor placing a sturdy, durable, secure, and locking drop box for the collection of Medication Waste in locations requested by City and removing and collecting Medication Waste from the same on a schedule to be determined by City, and as requested by City for additional service. Contractor shall respond to City's call for additional service within a reasonable time not to exceed one (1) business day thereafter. Contractor's collection shall occur within three (3) business days from the date of City's call for additional service. City and Contractor will agree to a regular collection schedule for the following calendar year, provided in writing by Contractor to City, at least thirty (30) days prior to the start of the new calendar year.

2.3 Sharps Waste Drop Box Collection

Contractor shall provide Sharps Waste Drop Box Collection services at City Premises on an ongoing basis. Sharps Waste Drop Box Collection services shall include Contractor placing a sturdy, durable, secure, and locking drop box for the collection of Sharps Waste in locations requested by City and removing and collecting Sharps Waste from the same on a schedule to be determined by City, and as requested by City for additional service. For purposes of this service only, Sharps Waste may be placed in the drop box in any rigid and needle puncture-resistant container (*e.g.*, laundry detergent bottles, soda bottles, and medical sharps containers). Contractor shall respond to City's call for additional service within a reasonable time not to exceed one (1) business day thereafter. Contractor's collection shall occur within three (3) business days from the date of City's call for additional service. City and Contractor will agree to a regular collection schedule for the following calendar year, provided in writing by Contractor to City, at least thirty (30) days prior to the start of the new calendar year.

2.4 Non-Vehicle Battery Waste Drop Box Collection

Contractor shall provide Non-Vehicle Battery Waste Drop Box Collection services at City Premises on an ongoing basis. Non-Vehicle Battery Waste Drop Box Collection services shall

include Contractor placing a sturdy and durable drop box for the collection of Non-Vehicle Battery Waste in locations requested by City and removing and collecting Non-Vehicle Battery Waste from the same on a schedule to be determined by City, and as requested by City for additional service. Contractor shall respond to City's call for additional service within a reasonable time not to exceed one (1) business day thereafter. Contractor's collection shall occur within three (3) business days from the date of City's call for additional service. City and Contractor will agree to a regular collection schedule for the following calendar year, provided in writing by Contractor to City, at least thirty (30) days prior to the start of the new calendar year.

2.5 RESERVED

SECTION 3 ACCEPTANCE; WAIVER

Contractor agrees to be bound by and comply with all the requirements of this Agreement. Contractor waives any right Contractor may waive under Applicable Laws regarding Contractor's right to challenge the terms of this Agreement under federal, state, or local law, or administrative regulation.

SECTION 4 TERM

Subject to the provisions of Section 12.1 ("Termination") of this Agreement, the Term of this Agreement is effective for a period beginning on July 1, 2021 and ending at 11:59 p.m. on June 30, 2024. Such term may be extended upon written agreement of both Parties to this Agreement through a maximum of 11:59 p.m. on June 30, 2026.

SECTION 5 CONDITIONS TO EFFECTIVENESS OF AGREEMENT

The satisfaction of each and all of the conditions set out below, each of which may be waived in whole or in part by City in writing, is a condition precedent to the effectiveness of this Agreement, and a condition of Contractor's continued right to the benefits conveyed herein:

5.1 Accuracy of Representation

All representations and warranties made by Contractor and set forth in this Agreement shall be accurate, true, and correct on and as of the Effective Date of this Agreement.

5.2 Absence of Litigation

There shall be no litigation pending in any court challenging the award of this Agreement to Contractor or the execution of this Agreement or seeking to restrain or enjoin its performance.

5.3 Effectiveness of City Council Action

The City Council's action approving this Agreement shall have become effective pursuant to California law.

SECTION 6
WASTE HANDLING SERVICES PROVIDED BY CONTRACTOR

6.1 Equipment

Contractor shall furnish all labor, supervision, materials, supplies, and equipment necessary to provide for all services required by the terms of this Agreement.

6.2 Performance Standards

Contractor shall perform Waste Handling Services as required hereunder in a workmanlike manner consistent with good housekeeping standards and all relevant provisions of Applicable Laws.

6.3 Noise and Disruption

Contractor shall perform Waste Handling Services as required hereunder in such a manner as to minimize noise and other disruptive impacts including, without limitation, those upon traffic.

6.4 Collection Times

Contractor shall not commence Waste Handling Services for any Residential Customer until 8:00 a.m., nor shall such activities occur after 5:00 p.m. No Waste Handling Services shall occur on Sundays at Residential Premises, or on Saturdays or Sundays at City Premises, except in exceptional circumstances for which specific approval is given by the City Manager. Waste Handling Services shall not occur on any Premises on the following holidays: New Year's Day, Memorial Day, the Fourth of July, Labor Day, Thanksgiving Day, and Christmas Day, except in exceptional circumstances for which specific approval is given by the City Manager.

6.5 Drop Box Waste Handling Services

For the drop box Waste Handling Services provided pursuant to Sections 2.2 (Medication Waste), 2.3 (Sharps Waste) and 2.4 (Non-Vehicle Battery Waste) of this Agreement, Contractor shall comply with each of the following requirements.

(A) Contractor shall, upon City's request, repair or replace as necessary all drop boxes for City as requested by City. Drop box repair (which includes, but is not limited to, the replacement of drop box keys) shall be provided within seventy-two (72) hours of notification by City at a charge specified in Exhibit A. Drop box replacement shall be provided within fourteen (14) business days of notification by City at a charge specified in Exhibit A. Contractor shall immediately provide City notification of any delays resulting in drop box replacement past the 14-business day period. Notwithstanding the foregoing, Contractor shall not be required to replace any drop box if the drop box is damaged beyond ordinary wear and tear.

(B) Contractor shall clearly label all drop boxes in letters not less than three inches high on its exterior with the type of waste being collected (e.g., "Medication Waste," "Sharps Waste" or "Non-Vehicle Batteries"). Medication and Sharps Waste Drop Box shall be labeled in accordance with (g)(1)(A)2 of California Code of Regulations, Title 8, Section 5193. All drop

boxes shall be further identified with Contractor's name and phone number on its exterior so as to be visible and legible when the drop box is placed for use.

(C) All drop boxes for Medication Waste and Sharps Waste shall have locking lids.

(D) City shall have the right to independently purchase containers other than those provided by Contractor pursuant to Section 2.4 of this Agreement for use as Non-Vehicle Battery Waste Drop Boxes, subject to Contractor's consent to service such Drop Boxes, which consent shall not be unreasonably withheld. In such instances, the provisions of this Section 6.5 shall not apply.

SECTION 7 MINIMUM STANDARDS FOR CONTRACTOR'S WASTE HANDLING SERVICE COLLECTION VEHICLES

7.1 General

Contractor shall provide vehicles for the Waste Handling Services ("Collection Vehicles") that are sufficient in number and capacity to efficiently perform the work required by this Agreement in strict accordance with its terms.

7.2 Air Quality/Fuel Requirements

(A) Contractor's Collection Vehicles shall comply with all rules and regulations of the South Coast Air Quality Management District, the Air Resource Board, and any other regulatory body that may be in effect during the Term of this Agreement, as well as other federal, state and local laws and regulations that may be enacted during the Term of this Agreement. Contractor's Collection Vehicles shall meet or exceed such air quality standards as may be adopted by the forgoing regulatory bodies during the Term of this Agreement. Contractor's Collection Vehicles shall comply with the requirements in the South Coast Air Quality Management District's Rule 1193.

(B) This subsection (B) is applicable not applicable.

Contractor's Collection Vehicles shall be fueled with Renewable Gas derived from Organic Waste that has been diverted from a landfill and processed at an in-vessel digestion facility that is permitted or authorized by 14 CCR to recover Organic Waste, to the degree that such Renewable Gas is available. Contractor shall maintain records pertaining to the Renewable Gas procured and used for Collection Vehicles under this Agreement and submit such records to City on a schedule to be determined by City. Records submitted to City shall include, but not be limited to, the following: (1) description of the Collection Vehicles using Renewable Gas; (2) description of when and where the Renewable Gas was used; (3) quantity of Renewable Gas solely used for Collection Vehicles for each month of the term of this Agreement; (4) type and source of the Renewable Gas, including the name, physical location, and contact information for each entity, operation, or facility from which the Renewable Gas was procured; and, (4) invoices or other records demonstrating procurement of the Renewable Gas.

(C) This subsection (C) is applicable not applicable.

Contractor's Collection Vehicles shall be fueled with alternative fuels, meaning that engine(s) shall use compressed or liquefied natural gas, liquefied petroleum gas (propane), methanol, electricity, or fuel cells. For the purpose of this section, hybrid-electric and dual-fuel technologies that use diesel fuel are not considered to be alternative fuels.

(D) This subsection (D) is applicable not applicable.

Contractor's Collection Vehicles shall be fueled with low-sulfur diesel, meaning diesel fuel that has a maximum sulfur content of 15 parts per million.

7.3 Specific Requirements

Each Collection Vehicle utilized by Contractor in the performance of this Agreement shall meet the following minimum standards:

(A) Each Collection Vehicle shall be registered with the California Department of Motor Vehicles.

(B) Contractor's name, local or toll free telephone number, and a vehicle number shall be visibly printed or painted in letters not less than five (5) inches in height so as to be legible on both sides of each Collection Vehicle. Any other information or signage printed, painted, or displayed on Contractor's Collection Vehicles, when such Vehicles are providing Collection services within City Limits, shall be subject to approval by City.

(C) Each Collection Vehicle shall be maintained in a clean and sanitary condition both inside and out.

(D) Each Collection Vehicle shall be equipped with appropriate safety equipment, including any new safety related technologies that become standard in the waste industry. Each Collection Vehicle shall carry an operable fire extinguisher and shall be equipped with a communication device sufficient to allow the driver to communicate directly with Contractor's dispatcher and/or main office.

(E) Each Collection Vehicle shall be kept in good repair and working order and shall be inspected regularly by Contractor to ensure it meets the requirements of the California Vehicle Code and the California Highway Patrol. Contractor shall inspect each Collection Vehicle prior to using it for Waste Handling Services to ensure that all equipment is operating properly. Collection Vehicles which are not operating properly shall be removed from service until repaired and operating properly. Contractor shall perform all scheduled maintenance functions upon Collection Vehicles in accordance with the manufacturer's specifications and schedule. Contractor shall repair, or arrange for the repair of, all of its Collection Vehicles and equipment for which repairs are needed because of accident, breakdown or any other cause so as to maintain all equipment in a safe and operable condition. Contractor shall keep accurate records of all Collection Vehicle maintenance and repair, recorded according to date and mileage, including signed verifications that repairs and maintenance has been properly performed, and shall make such records available to City upon request.

(F) Contractor shall utilize Collection Vehicles of a size, weight, nature, and type so as

to not be unreasonably intrusive on the community with respect to noise, emissions, maneuverability, safety, and other factors and to avoid or minimize pavement damage and wear and tear of the street or adjacent properties, as approved by the City Manager.

(G) Contractor shall not load Collection Vehicles in excess of the manufacturer's recommendations or limitations imposed by state or local laws or regulations.

(H) Noise levels of equipment used for Collection shall not exceed 75db (seventy-five decibels) when measured at a distance of twenty-five (25) feet from the vehicle, five (5) feet from the ground; provided, however, in the event there is any conflict with this section and the noises levels permitted under the City's Municipal Code, as such may be amended from time to time, the provisions in the City's Municipal Code shall apply. Contractor shall submit to City, upon City's request, a certificate of Collection Vehicle noise level testing, by an independent testing entity, for any Collection Vehicle. Nothing in this Agreement shall be construed as granting Contractor any rights or waivers to violate any Applicable Laws.

7.4 Costs of Operation and Damages

Contractor shall be responsible for any costs incurred in connection with ensuring all Collection Vehicles comply with all Applicable Laws, including without limitation any such laws and regulations that may now exist or hereinafter be adopted relating to noise, fuels, emission standards, or weight limits.

7.5 City Inspection

City may cause or require any Collection Vehicle used in performance of this Agreement to be inspected and tested at any time and in such manner as may be appropriate to determine that the vehicle is being maintained in compliance with the provisions of this Agreement.

7.6 Correction of Defects and Removal of Vehicles from Use within City

Contractor agrees to immediately remove from service, and replace or repair, to the City's satisfaction, any Collection Vehicle which City determines to be of unsightly appearance, unsafe, unsanitary, leaking, out of compliance with any law or regulation or this Agreement, or otherwise in an unsatisfactory operating condition; and any such vehicle shall not be returned to service until the City Manager gives his written consent for its return.

SECTION 8 CONTRACTOR'S WASTE HANDLING SERVICE PERSONNEL

8.1 Uniforms

Each of Contractor's Collection employees shall wear a clean uniform bearing Contractor's name. Uniforms must be well maintained and in good condition.

8.2 Identification of Employees

Contractor shall provide identification badges, cards or similar devices, for all of its

employees, and all authorized subcontractors, who may make personal contact with residents of the City. City may require Contractor to notify City yearly, or more frequently if determined necessary by City, of the form of said identification.

8.3 Employee List

Contractor shall provide a list of current employees and authorized subcontractors to City upon request.

8.4 Driver's License

Each employee operating a vehicle as part of his or her duties shall, at all times, carry a valid operator's license for the type of vehicle he/she/they are operating.

8.5 Screening of Field Employees

Contractor shall make reasonable efforts to determine if its employees working in the field (i.e., drivers of Collection Vehicles, and employees otherwise involved in Waste Handling Services) have been convicted of a felony, and shall identify any such employees known to it to City. City shall have the ability to require that any employee so identified by Contractor not work in the field within City.

8.6 Discontinued Use of Unsatisfactory Employees

No employee shall continue to have any involvement whatsoever with regard to any work in anyway relating to or arising from this Agreement if City gives notice to Contractor that such employee is determined by City to be discourteous, disorderly, inefficient, unable to communicate effectively with Customers, or otherwise objectionable (provided the term "otherwise objectionable" shall not permit City to "ban" an employee for reasons that violate public policy; and, further, City shall give a reason for requesting the "ban" of any employee from engaging in work related to this Agreement).

8.7 Training and Legal Compliance

Contractor shall provide operating and safety training that meets minimum OSHA standards for all personnel, and shall comply with all laws and regulations applicable to its employees and personnel. Contractor shall periodically train employees on all the specific requirements of this Agreement applicable to the employee's effective performance of his or her duties.

8.8 Customer Service

8.8.1 Office Hours

Contractor shall maintain an office for communication with the public that at a minimum will be open from 8:00 a.m. to 5:00 p.m. Monday through Friday, holidays excepted ("Office Hours"). At least one responsible and qualified representative of Contractor, capable of communicating in English and Spanish, shall be present and available by telephone during Office

Hours, for personal communication with the public and City personnel regarding calls for Waste Handling Services, complaints, Customer service inquiries, etc. and a similarly qualified person shall be available for communication with the public by phone during any other times when Waste Handling Services are occurring.

8.8.2 Telephone Customer Service Requirements

8.8.2.1 Toll Free Number

Contractor shall maintain a toll free telephone number that rings at an office at all times during Office Hours. Both English and Spanish speaking personnel shall be available during Office Hours to assist Customers and City personnel with telephonic inquiries. Contractor shall have the ability (through the use of outside resources or otherwise) to communicate with Customers who only speak Spanish, Korean, Mandarin Chinese, or Tagalog to ensure their inquiries, questions, complaints and other matters are dealt with in a reasonably timely fashion. All such personnel shall be polite and responsive, and shall be sufficiently knowledgeable, and have the authority to respond and/or advise Customers seeking assistance. Contractor's telephone system shall be adequate to handle the volume of calls typically experienced on the busiest days. Contractor shall provide City with a twenty-four (24)-hour emergency telephone number to a live person, not voice-mail.

8.8.2.2 Call Responsiveness

Contractor shall make reasonable attempts to answer all phone calls within five (5) rings. If a call has been placed on hold for three (3) minutes, the caller will either be switched to a message center which shall be responsible to obtain the caller's address and phone number, or a Customer service representative will obtain the Customer's address and a number at which the call can be returned. Contractor shall make at least three attempts within the next twenty-four (24) hour period to return the call, with the first such attempt not more than one (1) hour after the caller leaves the message. If Contractor is unsuccessful in contacting the Customer after following this procedure, it shall send a letter to the caller indicating its efforts.

8.8.3 Complaint Documentation

All service complaints shall be directed to Contractor. Contractor shall log all complaints received and said log shall include the date and time the complaint was received, the name, address and telephone number of the complaining party, a description of the complaint, the name of the employee recording the complaint and the action taken by Contractor to respond to and remedy the complaint. All written Customer complaints and inquiries shall be date-stamped when received. All complaints shall be initially responded to within one (1) business day (Monday through Friday) of receipt. Contractor shall log action taken to respond to and remedy the complaint. Daily logs of complaints shall be retained for a minimum of twenty-four (24) months. All Customer service records and logs kept by Contractor shall be available to City upon request. City shall, at any time during regular Office Hours, have access to Contractor's Customer service department for purposes that may include monitoring the quality of Customer service or researching Customer complaints. Contractor shall provide to City on a monthly basis, a complaint log, in a form satisfactory to the City, that includes all of the complaints logged pursuant to this

Section 8.8.3, the complainant and the resolution.

SECTION 9 CONTRACTOR'S COMPENSATION AND METHOD OF PAYMENT

9.1 Compensation

Contractor shall provide services pursuant to this Agreement at rates it sets, charges to, and collects from City; provided, however, Contractor's rates shall not exceed those set forth in the attached Exhibit A, which sets out the maximum rates that may be charged by Contractor for the various different service options that may occur hereunder, as such maximum rates may be adjusted from time to time pursuant to the terms hereof. Contractor shall provide City with itemized bills, detailing charges for all services, as well as the period of service to which the bill applies.

Contractor shall perform work only as requested by City. This Agreement does not state, convey, imply or infer a specific, minimum or expected amount of work or compensation for as needed services or reimbursables. Compensation for services shall not exceed the rates or amounts specified in Exhibit A.

9.2 Billing Practices

No later than the 15th of each month Contractor shall furnish to City an original invoice for all work performed and expenses incurred during the preceding month for collection in Residential Premises. Invoices shall be prepared and provided in a manner that adequately presents the services rendered in an easy to understand and verifiable format. The format of Contractor's bills must be approved by City prior to the commencement of Waste Handling Services under this Agreement. City reserves the right to require changes to the invoice format during the Term of this Agreement.

9.3 Non-Waiver

Payment to Contractor for work performed pursuant to this Agreement shall not be deemed to waive any defects in work performed by Contractor, nor to constitute any waiver of any type of relief or remedy, legal or equitable, arising out of any breach or nonperformance of any aspect of the Agreement by Contractor.

SECTION 10 INSURANCE COVERAGE

Contractor shall procure and maintain during the entire Term of this Agreement the following types of insurance, and shall maintain the following minimum levels of coverage, which shall apply to any claims which may arise from or in connection with Contractor's performance hereunder or the actions or inactions of any of Contractor's officers, agents, representatives, employees, or subcontractors in connection with Contractor's performance. The insurance requirements hereunder in no way limit Contractor's various defense and indemnification obligations, or any other obligations as set forth herein.

10.1 Minimum Scope of Insurance

Coverage shall be at least as broad as:

1. The most recent editions of Insurance Services Office Commercial General Liability coverage (“occurrence” form CG 00 01).
2. The most recent editions of Insurance Services Office form number CA 00 01 1001 covering Automobile Liability, code 1 “any auto”.
3. Workers’ Compensation insurance as required by the Labor Code of the State of California and Employers Liability insurance.

10.2 Minimum Limits of Insurance

Contractor shall maintain in force for the Term of this Agreement limits no less than:

10.2.1 Commercial General Liability

Two Million Dollars (\$2,000,000.00) limit per occurrence for bodily injury, personal injury and property damage and Four Million Dollars (\$4,000,000.00) limit aggregate. Such limits can be achieved through a combination of primary and excess liability policies.

10.2.2 Automobile Liability

For any owned, non-owned or hired vehicle used in connection with the performance of this Agreement with a combined single limit of Two Million Dollars (\$2,000,000.00) combined limit per accident for bodily injury and property damage. Such limits can be achieved through a combination of primary and excess liability policies.

10.2.3 Workers’ Compensation and Employers Liability

Workers’ compensation statutory limits as required by the Labor Code of the State of California and Employers Liability limits of One Million Dollars (\$1,000,000.00) per accident.

10.2.4 RESERVED

10.2.5 Pollution and Environmental Liability

Covering the contractor’s operations to include onsite and offsite coverage for bodily injury (including death and mental anguish), property damage, defense costs and cleanup costs with minimum limits of Two Million Dollars (\$2,000,000) per loss and Five Million Dollars (\$5,000,000) total all losses. The policy shall contain no endorsements or provisions limiting contractual liability or coverage for cross liability of claims or suits by one insured against another. If coverage is written on a claims-made basis, the retroactive date shall precede the effective date of the initial Agreement and continuous coverage will be maintained or an extended reporting period will be exercised for a period of at least three (3) years from termination or expiration of this Agreement. Contractor shall maintain either an endorsement to its general liability policy, or

a separate policy of insurance covering environmental pollution and contamination.

10.3 Deductibles and Self-Insured Retentions

All deductibles or self-insured retentions (i) shall be for the account of Contractor and paid entirely by Contractor without contribution from City, and (ii) shall be declared to City. If, in the reasonable opinion of the City, Contractor does not have sufficient financial resources to protect the City from exposure with respect to any deductibles or self-insured retentions Contractor shall procure a bond guaranteeing payment of losses and related investigations, claim administration and defense expenses.

10.4 Other Insurance Provisions

The policies are to contain, or be endorsed to contain, the following provisions:

10.4.1 General Liability, Auto Liability, and Pollution and Environmental Liability

City and its elected and appointed officials, officers, employees, agents and volunteers shall be named as additional insureds in connection with liability arising out of activities performed by or on behalf of Contractor; Premises owned, leased or used by Contractor. The coverage shall contain no special limitations on the scope of protection afforded to City or its elected and appointed officials, officers, employees, agents and volunteers. As respects the liabilities assumed by Contractor under this Agreement, Contractor's insurance coverage shall be the primary insurance for the City and its elected and appointed officials, officers, employees, agents and volunteers in connection with the above enumerated categories. Any insurance or self-insurance maintained by City or its elected and appointed officials, officers, employees, agents and volunteers shall be in excess of Contractor's insurance and shall not contribute with it. Any failure to comply with the reporting provisions of the policies shall not affect coverage provided to City or its elected and appointed officials, officers, employees, agents and volunteers. Coverage shall state that Contractor's insurance shall apply separately to each insured against whom a claim is made or suit is brought, except with respect to the limits of the insurer's liability.

10.4.2 General Liability, Auto Liability, Pollution and Environmental Liability, and Workers' Compensation and Employers Liability Coverage

The insurer shall agree to waive all rights of subrogation against City and its elected and appointed officials, officers, employees, agents and volunteers for losses arising from work performed by Contractor for City. A Waiver of Subrogation Endorsement must be issued to City by the insurer.

10.4.3 All Coverages

Each insurance policy required by this clause shall be endorsed to state that coverage shall not be canceled by either party, except after thirty (30) days' prior written notice has been given to City. Additionally, Contractor agrees that it will not suspend, void or reduce in coverage or limits of each insurance policy required by this clause without notice to the City.

Contractor shall provide written notice to City within ten (10) business days if: (1) any of

the required insurance policies are terminated; or (2) the deductible or self-insured retention are increased. In the event any of said policies of insurance are cancelled, Contractor shall, prior to the cancellation date, submit new evidence of insurance in conformance with this Section 10 to the City Manager.

10.5 Acceptability of Insurers

The insurance policies required by this Section shall be issued by an insurance company or companies authorized to do business in the State of California and with a rating in the most recent edition of Best's Insurance Reports of size category VII or larger and a rating classification of A or better, unless otherwise approved by the City Manager.

10.6 Verification of Coverage

Contractor shall furnish City with certificates of insurance and with original endorsements affecting coverage required by this Article. The certificates and endorsements for each insurance policy are to be signed by a Person authorized by that insurer to bind coverage on its behalf. The certificates and endorsements are to be on forms provided by or acceptable to City and are to be received and approved by City before work commences.

10.7 Loss or Reduction in Insurance

In the event that Contractor fails to retain or maintain insurance with the scope and amounts of coverage required hereunder, City shall have the right, but not the obligation to terminate this Agreement.

SECTION 11 ASSIGNMENT, SUBLETTING, AND TRANSFER; REQUIREMENTS AND LIMITATIONS

11.1 General

Contractor shall not assign any portion of or all of its rights, nor delegate, subcontract or otherwise transfer any portion of or all of its obligations under this Agreement (collectively referred to as an "Assignment") to any other Person without the prior approval by the City Council. The City Council has unfettered discretion to approve or deny such an Assignment. The City Council's exercise of its unfettered discretion may include City Council review and approval of any Assignment terms, including, but not limited to, insurance obligations, indemnification language, bonding requirements, and any and all other terms the City Council may in its unfettered discretion require. Any such Assignment made without the approval by the City Council shall be void and the attempted Assignment shall constitute a material breach of this Agreement.

11.2 Assignment to be Broadly Interpreted

For purposes of this Section, the term "Assignment" shall be given the broadest possible interpretation, and shall include, but not be limited to: (i) a sale, exchange or other transfer of substantially all of Contractor's assets dedicated to service under this Agreement to a third party; (ii) a sale, exchange or other transfer of any membership interest of Contractor to a third party;

(iii) any dissolution, reorganization, consolidation, merger, re-capitalization, stock issuance or re-issuance, voting trust, pooling agreement, escrow arrangement, liquidation or other transaction which results in a change of ownership or control of Contractor; (iv) any assignment by operation of law, including those resulting from mergers or acquisitions by or of Contractor or any of its Affiliates, insolvency or bankruptcy, making assignment for the benefit of creditors, writ of attachment for an execution being levied against this Agreement, appointment of a receiver taking possession of Contractor's property, or transfer occurring in the event of a probate proceeding; (v) any combination of the foregoing (whether or not in related or contemporaneous transactions) which has the effect of any such transfer or change of ownership, or change of control of Contractor; and (vi) Contractor's subcontracting of only a portion of its rights and obligations under this Agreement (*e.g.*, the Household Hazardous Waste Door-to-Door Collection service).

11.3 Nature of Agreement – Personal to Contractor

Contractor acknowledges that this Agreement involves rendering a vital service to City's residents, and that City has selected Contractor to perform the services specified herein based on (1) Contractor's experience, skill and reputation for conducting its Solid Waste Handling Services in a safe, effective and responsible fashion, at all times in keeping with applicable Environmental Laws, regulations and best Solid Waste management practices, and (2) Contractor's financial resources to maintain the required equipment and to support its indemnity obligations to City under this Agreement. City has relied on each of these factors, among others, in choosing Contractor to perform the services to be rendered by Contractor under this Agreement.

11.4 Procedure for Consideration of Assignment

If Contractor requests City's consideration of and consent to an Assignment, the City Council may deny, approve or conditionally approve such request in its sole and absolute discretion. Under no circumstances shall City be obliged to consider any proposed Assignment if Contractor is in default at any time during the period of consideration. Should the City consent to any Assignment request, such Assignment shall not take effect until all conditions relating to the City's approval have been met.

SECTION 12

CITY'S REMEDIES; DEFAULT, TERMINATION AND LIQUIDATED DAMAGES

12.1 Termination

(A) City may terminate this Agreement, with or without cause, at any time by giving thirty (30) days written notice of termination to Contractor. In the event such notice is given, City may require Contractor to cease immediately all work in progress.

(B) Contractor may terminate this Agreement at any time upon sixty (60) days written notice of termination to City. In the event such notice is given, City may require Contractor to cease immediately all work in progress.

(C) If Contractor fails to perform any material obligation under this Agreement, then, in addition to any other remedies, City may terminate this Agreement immediately upon written notice.

(D) Upon termination of this Agreement by either Contractor or City, all property belonging exclusively to City which is in Contractor's possession shall be returned to City immediately upon demand by City, notwithstanding any billing disputes that may then exist under this Agreement. Contractor shall furnish to City a final invoice for work performed and expenses incurred by Contractor, prepared as set forth in Section 9 of this Agreement. This final invoice shall be reviewed and paid in the same manner as set forth in Section 9 of this Agreement.

12.2 Liquidated Damages

12.2.1 General

The City finds, and Contractor agrees, that as of the time of the execution of this Agreement, it is impractical, if not impossible, to reasonably ascertain the extent of damages which shall be incurred by City as a result of a breach by Contractor of certain specific obligations under this Agreement. The factors relating to the impracticability of ascertaining damages include, but are not limited to, the fact that: (i) substantial damage results to members of the public who are denied services or denied quality or reliable service; (ii) such breaches cause inconvenience, anxiety, frustration, and deprivation of the benefits of the Agreement to individual members of the general public for whose benefit this Agreement exists, in subjective ways and in varying degrees of intensity which are incapable of measurement in precise monetary terms; (iii) that the services that are the subject of this Agreement might be available at substantially lower costs than alternative services and the monetary loss resulting from denial of services or denial of quality or reliable services is impossible to calculate in precise monetary terms; and (iv) the termination of this Agreement for such specific breaches, and other remedies are, at best, a means of future correction and not remedies which make the public whole for past breaches.

12.2.2 Service Performance Standards; Liquidated Damages for Failure to Meet Standards

The parties further acknowledge that consistent, reliable Waste Handling Service is of utmost importance to City and that City has considered and relied on Contractor's representations as to its quality of service commitment in entering this Agreement with it. The parties further recognize that some quantified standards of performance are necessary and appropriate to ensure consistent and reliable service and performance. The parties further recognize that if Contractor fails to achieve the performance standards, or fails to submit required documents in a timely manner, City and its residents will suffer damages and that it is and will be impractical and extremely difficult to ascertain and determine the exact amount of damages which City will suffer. Therefore, without prejudice to City's right to treat such breaches as an event of default, the parties agree that the following liquidated damage amounts represent a reasonable estimate of the amount of such damages for such specific breaches, considering all of the circumstances existing on the date of this Agreement, including the relationship of the sums to the range of harm to City that reasonably could be anticipated and the anticipation that proof of actual damages would be costly or impractical. In placing their initials at the places provided, each party specifically confirms the accuracy of the statements made above and the fact that each party has had ample opportunity to consult with legal counsel and obtain an explanation of the liquidated damage provisions at the time that the Agreement was made.

Contractor
Initial Here _____

City
Initial Here _____

12.2.3 Calculations for Liquidated Damages

Contractor agrees to pay (as liquidated damages and not as a penalty) the amounts set forth below for each type of action warranting such damages:

(A) For each failure to process Customer complaints to City as required herein, which exceeds five (5) such occurrences annually: \$100.00.

12.2.4 Process for Assessment of Liquidated Damages

(A) City may determine the occurrence of events giving rise to liquidated damages through the observation of its own employees or representative or through an investigation of Customer complaints. It is the desire of the parties to work together to avoid the imposition of liquidated damages and accordingly City will endeavor to timely communicate to Contractor any information that it receives which might give rise the imposition of liquidated damages in order to facilitate Contractor's ability to correct any deficiency, or prevent the recurrence of any conduct for which liquidated damages might eventually be imposed.

(B) Prior to assessing liquidated damages, City shall give Contractor notice of its intention to do so. The notice will include a brief description of the incident(s)/non-performance. Contractor may review (and make copies at its own expense) all information in the possession of City relating to incident(s)/non-performance. Contractor may, within ten (10) days after receiving the notice, request a meeting with the City Manager. Contractor may present evidence in writing and through testimony of its employees and others relevant to the incident(s)/non-performance. The City Manager will provide Contractor with a written explanation of his or her determination on each incident(s)/non-performance prior to authorizing the assessment of liquidated damages. The decision of City Manager shall be final.

(C) City may assess liquidated damages for each calendar day or event, as appropriate, that Contractor is determined to be liable in accordance with this Agreement.

12.2.5 Timing of Payment

Contractor shall pay any liquidated damages assessed by City within ten (10) days after they are assessed. If they are not paid within the ten (10) day period, City may find Contractor in default and exercise its right to immediately terminate this Agreement as set forth herein.

SECTION 13 CITY'S ADDITIONAL REMEDIES

In addition to any other remedies set forth herein, City shall be entitled to any or all of the following rights and remedies in the event of a breach of this Agreement by Contractor:

(A) The right to license others to perform the services otherwise to be performed by Contractor hereunder, or to perform such services itself; and

(B) The right to obtain damages and/or injunctive relief. Both parties recognize and agree that in the event of a breach of this Agreement by Contractor, City will suffer irreparable injury

and incalculable damages sufficient to support injunctive relief, to specifically enforce the provisions of this Agreement, and to enjoin the breach hereof.

SECTION 14 PRIVACY

(A) All information gained or work product produced by Contractor in performance of this Agreement shall be considered confidential, unless such information is in the public domain or already known to Contractor. Contractor shall not release or disclose any such information or work product to persons or entities other than City without prior written authorization from the City Manager, except as may be required by law.

(B) Contractor, its officers, employees, agents or subcontractors, shall not, without prior written authorization from the City Manager or unless requested by the City Attorney of City, voluntarily provide declarations, letters of support, testimony at depositions, response to interrogatories or other information concerning the work performed under this Agreement. Response to a subpoena or court order shall not be considered "voluntary" provided Contractor gives City notice of such court order or subpoena.

(C) If Contractor, or any officer, employee, agent or subcontractor of Contractor, provides any information or work product in violation of this Agreement, then City shall have the right to reimbursement and indemnity from Contractor for any damages, costs and fees, including attorneys' fees, caused by or incurred as a result of Contractor's conduct.

(D) Contractor shall promptly notify City should Contractor, its officers, officials, employees, agents or subcontractors be served with any summons, complaint, subpoena, notice of deposition, request for documents, interrogatories, request for admissions or other discovery request, court order or subpoena from any party regarding this Agreement or the work performed thereunder. City retains the right, but has no obligation, to be present at any deposition, hearing or similar proceeding. Contractor agrees to cooperate fully with City and to provide City with the opportunity to review any response to discovery requests provided by Contractor. However, this right to review any such response does not imply or mean the right by City to control, direct, or rewrite said response.

SECTION 15 REPORTS

The parties acknowledge that City may require reporting at various intervals by which information important to City can be compiled and analyzed. Throughout the Term of this Agreement the parties agree to work together to address City's needs with respect to the format of and information to be contained in reports prepared by Contractor.

At a minimum, Contractor shall report the following to City on a monthly basis, within thirty (30) days of the end of each month: Waste collected by Contractor, sorted by type of Waste in measurements broken down at a level acceptable to City, as well as by Customer and collection address; and, the facilities where all Waste collected was processed or disposed.

Contractor shall submit Form 303 Household Hazardous Waste Collection Information

(Form 303), on behalf of the City, to CalRecycle for Fiscal Year 2021-22 and for each preceding fiscal year throughout the Term of the Agreement. Contractor shall provide City with a copy of the annual Form 303 submitted to CalRecycle and proof of submission within thirty (30) days of submittal to CalRecycle. Should Contractor no longer be able to submit Form 303 to CalRecycle on behalf of the City, Contractor shall notify the City at least thirty (30) days prior to the end of the current fiscal year.

SECTION 16 IDENTIFICATION OF CONTRACTOR

Contractor has agreed to use the name WM Curbside, LLC or Waste Management to identify itself to the public as the specific organization that shall provide all services under this Agreement. Unless otherwise approved in writing by City, this name shall be used for all correspondence, Billing statements, directory listings, references, signs, Collection Vehicles, and drop boxes.

SECTION 17 INDEMNIFICATION

17.1 General

(A) Contractor hereby agrees to and shall indemnify and hold harmless City, its elected and appointed officials, officers, employees, agents, and volunteers (collectively the “Indemnities”) from and against any and all loss, liability, penalty, forfeiture, claim, demand, action, proceeding or suit in law or equity of any and every kind and description (including, but not limited to, injury to and death of any Person and damage to property, or for contribution or indemnity claimed by third parties) arising out of, resulting from, and/or in any way connected with Contractor’s performance of this Agreement including: (1) the negligence or willful misconduct of Contractor, its officers, employees, agents, and/or subcontractors in performing services under this Agreement; (2) the failure of Contractor, its officers, employees, agents, and/or subcontractors to comply in all respects with the provisions of this Agreement, all Applicable Laws (including, without limitation, the Environmental Laws), ordinances and regulations, and/or applicable permits and licenses; (3) the acts of Contractor, its officers, employees, agents, and/or subcontractors in performing services under this Agreement for which strict liability is imposed by law (including, without limitation, the Environmental Laws); and (4) any challenge to the award of, or any provisions of this Agreement (including any claim that the application of any provision hereof violates any provision of the California Constitution). The foregoing indemnity and hold harmless provisions shall apply regardless of whether such loss, liability, penalty, forfeiture, claim, demand, action, proceeding, suit, injury, death or damage is also caused in part by any of Indemnities’ negligence, but shall not extend to matters resulting from Indemnities’ sole negligence, or willful misconduct. Contractor further agrees to and shall, upon demand of City, at Contractor’s sole cost and expense, defend (with attorneys acceptable to City) Indemnities against any claims, actions, suits in law or equity or other proceedings, whether judicial, quasi-judicial or administrative in nature, arising or resulting from any of the aforementioned events, and to reimburse City for any and all reasonable costs and expenses City incurs in providing any such defense, either before, during or after the time Contractor elects to provide such defense, including any and all costs incurred in overseeing any defense to be provided herein by Contractor.

(B) Contractor, upon demand of City, made by and through the City Attorney, shall protect City and appear in and defend Indemnities, in any claims or actions by third parties, whether judicial, administrative or otherwise, including, but not limited to disputes and litigation over the scope of the rights granted herein, conflicts between the rights granted herein and rights asserted by other Persons, or the limits of City's authority with respect to the grant of licenses, or agreements, exclusive or otherwise, asserting rights under the Dormant Commerce Clause or any other federal or state laws to provide Collection services in the City.

(C) The provisions of this Section shall not terminate or expire, shall be given the broadest possible interpretation, and shall survive the expiration or earlier termination of this Agreement.

17.2 Hazardous Substances Indemnification

(A) Without regard to any insurance coverage or requirements, and without limiting the above general indemnification obligation in any way, Contractor specifically agrees to and shall, to the maximum extent permitted by law, defend (with counsel acceptable to City) reimburse, indemnify, and hold City, its elected and appointed officials, officers, employees, agents, and volunteers (hereinafter "Indemnified Parties") harmless from and against any and all claims, actions, liabilities, damages, demands, judgments, losses, costs, liens, expenses, suits, actions, attorneys' fees, consultant fees, penalties and any and all other losses, damages, fees and expenses of whatever kind or nature ("Claims") (including but not limited to response costs, investigative costs, assessment costs, monitoring costs, treatment costs, cleanup costs, removal costs, remediation costs, and similar costs, damages and expenses) that arise out of or are alleged to arise out of or in any way relate to any action, inaction or omission of Contractor that:

(1) results in any demand, claim, notice, order, or lawsuit, asserting that any Indemnified Party is liable, responsible or in any way obligated to investigate, assess, monitor, study, test, treat, remove, remediate, or otherwise cleanup, any Hazardous Contaminant (as defined herein); or

(2) relates to material collected, transported, recycled, processed, treated or disposed of by Contractor.

(B) Contractor's obligations pursuant to this Section shall apply, without limitation, to:

(1) any Claims brought pursuant to or based on the provisions of the Environmental Laws, including without limitation the Comprehensive Environmental Response, Compensation and Liability Act ("CERCLA"), 42 U.S.C. § 9601 et seq., the Resource Conservation and Recovery Act ("RCRA"), 42 U.S.C. § 6901 et seq., the Carpenter-Presley-Tanner Hazardous Substances Account Act (California Health & Safety Code Sections 25300 et seq.), the California Hazardous Waste Control Laws (California Health and Safety Code Sections 25100 et seq.), the California Porter-Cologne Act (California Water Code Section 13000 et seq.), and any and all amendments and regulations thereto, and any other federal, state, regional or local environmental statutory or regulatory provision;

(2) any Claims based on or arising out of or alleged to be arising out of the ownership, use, lease, sale, design, construction, maintenance or operation by Contractor of any facility;

(3) any Claims based on or arising out of or alleged to be arising out of the marketing, sale, distribution, storage, transportation, disposal, processing or use of any materials recovered by Contractor; and

(4) any Claims based on or arising out of or alleged to be arising out of any breach of any express or implied warranty, representation or covenant arising out of or in connection with this Agreement.

(C) The foregoing indemnity and defense obligations shall apply irrespective of the negligence or willful misconduct of Contractor or any Affiliate of Contractor.

(D) For purposes of this Agreement, the term “Hazardous Contaminant” shall mean any “hazardous material,” as that term is defined under California Health & Safety Code Section 25501(n); any “hazardous substance,” as that term is defined herein or under California Health & Safety Code Sections 25281(h), 25501(n), 25501.1 and under Title 42, Section 9601(14) of the United States Code; any “hazardous waste,” as that term is defined herein and under Title 42, Section 6903(5) of the United States Code and under California Health & Safety Code Section 25501(n); any chemical which the Governor has identified as a chemical known to the State to cause cancer or reproductive toxicity pursuant to California Health & Safety Code Section 25249.8; any crude oil or refined or unrefined petroleum product or any fraction or derivative thereof; and any asbestos or asbestos-containing material. The term “Hazardous Contaminant” shall also include any and all amendments to the above-referenced statutory and regulatory provisions made before or after the date of execution of this Agreement.

(E) The provisions of this Section shall not terminate or expire, shall be given the broadest possible interpretation, and shall survive the expiration or earlier termination of this Agreement.

(F) With regard to any claim covered by this provision arising from the delivery of Waste to the Orange County landfill system pursuant to the terms of the County Agreement, the indemnity provisions hereof are intended to be supplemental to any indemnification obligations owed to the City by the County of Orange pursuant to the County Agreement.

SECTION 18 CONTRACTOR’S BOOKS AND RECORDS; AUDITS

18.1 Maintenance and Inspection of Records

(A) Contractor shall maintain any and all documents and records demonstrating or relating to Contractor's and any of Contractor's subcontractors' performance of services pursuant to this Agreement. Contractor shall maintain any and all drafts of studies or planning documents, correspondence, notices, ledgers, books of account, invoices, vouchers, canceled checks, or other documents or records evidencing or relating to work, services, expenditures and disbursements charged to City pursuant to this Agreement. Any and all such documents or records shall be maintained in accordance with generally accepted accounting principles and shall be sufficiently complete and detailed so as to permit an accurate evaluation of the services provided by Contractor pursuant to this Agreement. Any and all such documents or records shall be maintained for five (5) years from the end of the term of this Agreement and to the extent required by laws relating to audits of public agencies and their expenditures.

(B) Any and all records or documents required to be maintained pursuant to this section shall be made available for inspection, audit and copying, at any time during regular business hours, upon written request by City, Federal government, State of California, or their designated representatives. Copies of such documents or records shall be provided directly to the requesting party for inspection, audit and copying when it is practical to do so; otherwise, unless an alternative is mutually agreed upon, such documents and records shall be made available at Contractor's address indicated for receipt of notices in this Agreement.

(C) Where City has reason to believe that any of the documents or records required to be maintained pursuant to this section may be lost or discarded due to dissolution or termination of Contractor's business, City may, by written request, require that custody of such documents or records be given to the requesting party and that such documents and records be maintained by the requesting party. Access to such documents and records shall be granted to City, as well as to its successors in interest and authorized representatives.

(D) Contractor shall prepare and submit to City reports concerning the performance of the work in this Agreement as City shall require.

SECTION 19 TRANSITION OBLIGATIONS

At the end of the Term of this Agreement, or in the event this Agreement is terminated for cause prior to the end of the Term, Contractor shall cooperate fully with City and any subsequent waste handling enterprise it designates to assure a smooth transition of any or all Waste Handling Services. Contractor's cooperation shall include, but not be limited to, providing operating and billing records needed to service all premises covered by this Agreement. The failure to cooperate with City following termination shall be conclusively presumed to be grounds for specific performance of this covenant and/or other equitable relief necessary to enforce this covenant.

Contractor shall provide any new waste handling enterprise with all keys, security codes and remote controls used to access locations where drop boxes are located. Contractor shall be responsible for coordinating transfer immediately after its final collection activities, so as to not disrupt services, including coordinating with the new waste handling enterprise on the removal of Contractor's drop boxes and the delivery of the new waste handling enterprise's drop boxes. Contractor shall provide means of access to the new waste handling enterprise at least one (1) full business day prior to its first day of collection, and within sufficient time so as to not impede in any way the new waste handling enterprise from easily servicing all Containers.

SECTION 20 GENERAL PROVISIONS

20.1 Not An Exclusive Franchise Agreement/Not An Exclusive Contract

This Agreement is not an exclusive franchise agreement. Contractor understands and acknowledges that this Agreement does not confer any exclusive franchise, contract, right, or privilege to collect, transport, and dispose of Waste generated or accumulated within City Limits.

20.2 Force Majeure

City may, in its discretion, terminate this Agreement in the event it determines it is reasonable or necessary to do so due to the occurrence of a Force Majeure event as defined herein. Likewise, Contractor shall not be in default under this Agreement in the event that its ability to provide Waste Handling Services, in compliance with its obligation to do so hereunder, is interrupted because of such an event.

20.3 Independent Contractor

Contractor is an independent contractor and not an officer, agent, servant, or employee of City. Contractor is solely responsible for the acts and omissions of its officers, agents, employees, and subcontractors, if any. Nothing in this Agreement shall be construed as creating a partnership or joint venture between City and Contractor. Neither Contractor nor its officers, employees, agents, or subcontractors shall obtain any rights to retirement or other benefits which accrue to City employees.

20.4 Pavement Damage

Contractor shall be responsible for the cost of repair of any extraordinary damage to the public streets and streets, whether or not paved, located within the City resulting from providing the services required hereunder.

20.5 Property Damage

Any physical damage caused by the negligent or willful acts or omissions of employees, agents, or subcontractors of Contractor to private or public property shall be promptly repaired or replaced at Contractor's expense.

20.6 Right of Entry

Contractor shall not have the right, until Contractor receives permission from the property owner, to enter or drive on any private street, court, place, easement, or other private property for the purpose of providing Solid Waste Handling Services pursuant to this Agreement.

20.7 Law to Govern; Venue

The laws of the State of California shall govern this Agreement. In the event of litigation between the parties, venue in state trial courts shall lie exclusively in the County of Orange and venue in federal trial courts shall lie exclusively in the District of California in which City is located.

20.8 Amendment

No amendment to or modification of this Agreement shall be valid unless made in writing and approved by the Contractor and by the City Council or City Manager. The parties agree that this requirement for written modifications cannot be waived and that any attempted waiver shall be void.

20.9 Notices

All notices required or permitted to be given under this Agreement shall be in writing and shall be personally delivered or sent by United States certified mail, postage prepaid, return receipt requested, and addressed as follows:

To City: City of Laguna Woods
Attn: City Manager
24264 El Toro Road
Laguna Woods, CA 92637

To Contractor: WM Curbside, LLC
ATTN: Reggie Pestano
10633 Ruchti Road
South Gate, CA 90280

With a courtesy
copy to: USA Waste of California, Inc.
ATTN: Senior Legal Counsel
9081 Tujunga Avenue
Sun Valley, CA 91352

or to such other address as either party may from time to time designate by notice to the other given in accordance with this Section. Notice shall be deemed given on the date served if served personally between the hours of 8:00 a.m. to 5:00 p.m. on any regular business day for City's business offices. If mailed, notice shall be deemed given three (3) business days from the date such notice is deposited in the United States mail in the manner proscribed above.

20.10 Savings Clause

If any non-material provision of this Agreement is for any reason held to be invalid or unenforceable, the invalidity or unenforceability of such provision shall not affect the validity and enforceability of any of the remaining provisions of this Agreement.

20.11 Exhibits Incorporated

Exhibit A is attached to and incorporated in this Agreement by reference.

Exhibit B is attached to and incorporated in this Agreement by reference.

20.12 Joint Drafting

This Agreement shall be interpreted as if it were drafted jointly by the parties to the Agreement.

20.13 Attorneys' Fees and Litigation Costs

In the event either party brings any action or proceeding to enforce or interpret the terms or provisions of this Agreement, the prevailing party in any such action or proceeding shall be entitled to recover its reasonable attorneys' fees and other litigation costs and expenses, including without limitation expert witness fees, consultant fees and costs. Without limiting its scope in any

way, this provision is expressly intended to, and shall, apply to fees and costs incurred in any appeal.

20.14 City's Authorized Agent

Notwithstanding anything contained herein to the contrary, and excepting amendments hereto and such actions set forth herein specifically calling for City Council action or approval, the City Manager is designated as the City's authorized agent to take any action with regard to any matter, or enforce any right, set forth herein requiring action by the City.

20.15 Integrated Agreement

This Agreement contains the entire integrated agreement and understanding concerning the subject matter herein and supersedes and replaces any prior negotiations, promises, proposals, and agreements between the Parties, whether written or oral. The Parties acknowledges this document has been executed with the consent and upon the advice of counsel. Each of the Parties acknowledges that no party or agent or attorney of any other party has made any promise, representation, or warranty, express or implied, not contained in this Agreement, to induce the other party to execute this instrument.

20.16 Section Headings

The section headings in this Agreement are for convenience of reference only and are not intended to be used in the construction of this Agreement nor to alter or affect any of its provisions.

20.17 Compliance with Law

(A) In providing the services required under this Agreement, Contractor shall at all times, at its sole cost, comply with all Applicable Laws, including the laws and regulations of the United States, the State of California, the provisions of the Municipal Code, and any federal, state, regional or local administrative and regulatory agencies, now in force and as they may be enacted, issued or amended.

(B) Contractor shall keep itself informed of and comply with all applicable federal, state and local laws, statutes, codes, ordinances, regulations and rules in effect during the Term of this Agreement, including but not limited to regulations and rules pertaining to any grant awards or third-party funding with which this Agreement is funded in whole or in part. Contractor shall obtain any and all licenses, permits and authorizations necessary to perform the services set forth in this Agreement. Neither City, its elected and appointed officials, officers, employees, agents, or volunteers, shall be liable, at law or in equity, as a result of any failure of Contractor to comply with this Section.

(C) Contractor shall not be debarred, suspended, or otherwise excluded from or ineligible for participation in federal assistance programs, or from receiving Federal contracts, subcontracts, or financial or nonfinancial assistance or benefits, under Executive Order 12549, "Debarment and Suspension" (24 CFR 85.35) or other Federal laws, statutes, codes, ordinances, regulations or rules, at any time during the Term of this Agreement.

20.18 Nondiscrimination

Contractor shall not discriminate, in any way, against any person on the basis of race, religion, creed, color, national origin, ancestry, physical or mental disability, medical condition, pregnancy, childbirth or related medical conditions, veteran status, sexual orientation, gender identity or expression, genetic information, marital status, military or veteran status, sex, age over 40 years, or any other basis protected by applicable federal, state, or local law, including association with individuals with one or more of these protected characteristics or perception that an individual has one or more of these protected characteristics in connection with or related to the performance of this Agreement.

20.19 Unauthorized Aliens

Contractor shall comply with all of the provisions of the Federal Immigration and Nationality Act, 8 U.S.C.A. §§ 1101, et seq., as amended from time to time or replaced by a successor statute, and in connection therewith, shall not employ unauthorized aliens as defined therein. The term "unauthorized aliens" means and includes "undocumented foreign nationals" as defined in the proposed Federal Correcting Hurtful and Alienating Names in Government Expression (CHANGE) Act (H.R. 3785, introduced October 21, 2015). Should Contractor so employ such unauthorized aliens for the performance of work and/or services covered by this Agreement, and should the any liability or sanctions be imposed against City for such use of unauthorized aliens, Contractor shall reimburse City for the cost of all such liabilities or sanctions imposed, together with any and all costs, including attorneys' fees, incurred by City.

20.20 No Third-Party Beneficiaries

Except as otherwise provided for in this Agreement, nothing in this Agreement, whether expressed or implied, is intended to confer any rights on any persons other than the parties to the Agreement and their representatives, successors, and permitted assigns.

[SIGNATURES ON NEXT PAGE]

“City”

CITY OF LAGUNA WOODS

Dated: _____

By: _____

Shari L. Horne, Mayor

ATTEST:

By: _____

Yolie Trippy, CMC, City Clerk

APPROVED AS TO FORM:

By: _____

David B. Cosgrove, City Attorney

“Contractor”

WM CURBSIDE, LLC

Dated: _____

By: _____

Doug Corcoran, Vice President

EXHIBIT A
**MAXIMUM RATE SCHEDULE FOR HOUSEHOLD HAZARDOUS WASTE
HANDLING SERVICES**

Rates during the Term of this Agreement shall be:

SERVICE	RATE	MINIMUM CHARGE
Household Hazardous Waste Door-to-Door Collection	\$170 per collection	\$1,020 per collection day (equivalent of six collections)
No Household Hazardous Waste collected (waste was not out and ready for collection) for each scheduled Household Hazardous Waste Door-to-Door Collection	\$40 per stop for routes with more than six stops	N/A
Medication Waste Drop Box Collection	\$150 per collection and \$4.75 per pound of Medication Waste collected	N/A
Sharps Waste Drop Box Collection	\$200 for the first drop box per collection and \$140 for each additional drop box per collection (the Sharps Waste collected from each drop box shall weigh a maximum of 50 pounds)	N/A
Non-Vehicle Battery Waste Drop Box Collection	\$2 per pound of Non-Vehicle Battery collected	\$100 per collection
Provision of Drop Boxes to City	No Charge	N/A
Compressed Gas Cylinders	\$50 per 1-liter propane cylinder collected after the first 80 collected each fiscal year \$50 per fire extinguisher collected after the first 50 collected each fiscal year \$1250 per 5-gallon/BBQ propane cylinder collected after the first 30 collected each fiscal year	N/A

Contractor's rates contained in the table above shall increase on July 1 of each calendar year (beginning on July 1, 2022) in the amount of any increase in the Bureau of Labor Statistics' Los Angeles-Long Beach-Anaheim Consumer Price Index for All Urban Consumers (CPI-U), between May of the then-current and previous years.

EXHIBIT B
HOUSEHOLD HAZARDOUS WASTE ACCEPTABLE MATERIALS

“Household Hazardous Waste” shall have the meaning set forth in California Health and Safety Code § 25218.1(e), as amended from time to time or replaced by a successor statute, and, at a minimum, include the following materials:

Automotive Products: Antifreeze, brake fluid, cleaner, motor oil, oil filter, polish, wax, hydraulic fluid, transmission fluid, gasoline, diesel fuel, oily rags – *excludes tires*

Flammable and Combustible Materials: Kerosene, solvent, certain cleaners – *excludes ammunition, explosives, and roadside flares*

Fluorescent Tubes and Compact Fluorescent Lamps (CFLs)

Garden Chemicals: Insect spray, weed killer, herbicide, fertilizer, insecticides, pesticides

Household Cleaners: Ammonia, cleaning compounds, floor stripper, drain cleaner, tile/shower cleaner, rust remover, carpet/upholstery cleaner

Mercury Containing Items: Thermostat, thermometer, switches – *excludes liquid mercury*

Miscellaneous Household Materials: Batteries, hobby glue, smoke detectors, fire extinguishers, pressurized cylinders (five gallons or less) – *excludes asbestos*

Paint Products: Latex paint, oil-based paint, thinner, artist’s paint, stripper, spray paint, wood preservative, stain, caulk, sealer

Sharps Waste as defined in this Agreement

Swimming Pool Chemicals: Pool acid, stabilizer, chlorine: tablets or liquid

Golf Cart, Golf Car, and Vehicle Batteries

City reserves the right to remove or exclude – either temporarily or otherwise – any material from the definition of “Household Hazardous Waste” set forth in this Exhibit B with at least 30 calendar days’ written notice to Contractor.

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8.1

**FISCAL YEARS 2021-23 BUDGET AND WORK
PLAN & FISCAL YEARS 2021-32 CAPITAL
IMPROVEMENT PROGRAM**

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City of Laguna Woods

Agenda Report

TO: Honorable Mayor and City Councilmembers

FROM: Christopher Macon, City Manager

FOR: June 23, 2021 Adjourned Regular Meeting

SUBJECT: Fiscal Years 2021-23 Budget and Work Plan & Fiscal Years 2021-32 Capital Improvement Program

Recommendation

Adopt resolutions entitled:

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LAGUNA WOODS, CALIFORNIA, ADOPTING THE FISCAL YEARS 2021-23 BUDGET AND WORK PLAN FOR FISCAL YEAR 2021-22 COMMENCING JULY 1, 2021 AND ENDING JUNE 30, 2022, AND FISCAL YEAR 2022-23 COMMENCING JULY 1, 2022 AND ENDING JUNE 30, 2023

AND

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LAGUNA WOODS, CALIFORNIA, ADOPTING A NEW 11-YEAR CAPITAL IMPROVEMENT PROGRAM FOR FISCAL YEARS 2021-22 THROUGH 2031-32, IN CONFORMANCE WITH MEASURE M2 (OC GO) REQUIREMENTS AND APPLICABLE CITY POLICIES AND DISCRETION

AND

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LAGUNA WOODS, CALIFORNIA, ADOPTING THE ANNUAL

APPROPRIATIONS LIMIT (GANN LIMIT) FOR FISCAL YEAR 2021-22
COMMENCING JULY 1, 2021 AND ENDING JUNE 30, 2022, IN
ACCORDANCE WITH ARTICLE XIIIB OF THE CALIFORNIA STATE
CONSTITUTION

Background

The proposed Fiscal Years 2021-23 Budget & Work Plan (Attachment A) outlines a scope of work and financial plan for the City to undertake during the fiscal years spanning the period of July 1, 2021 through June 30, 2023. The Fiscal Years 2021-32 Capital Improvement Program is incorporated therein.

City Council meetings were held on April 7, May 19, June 2, and June 16, 2021 to discuss and provide direction to staff on the development of the Fiscal Years 2021-23 Budget and Work Plan & Fiscal Years 2021-32 Capital Improvement Program. Each meeting included an opportunity for public input.

Discussion

Today's meeting is an opportunity for City Council action, as well as public input, on the proposed Fiscal Years 2021-23 Budget & Work Plan (Attachment A) and implementing resolutions (attachments B, C, and D).

The proposed budget and work plan adoption resolution (Attachment B) includes the establishment of three assigned reserves. The annual target for the Paid Leave Contingency Reserve is calculated based on projected accrued paid leave balances at the end of each fiscal year (June 30), in accordance with the City's paid leave policies and obligations. Once fiscal-year-end calculations are available to finalize such calculations, the City Council will be asked to adjust the annual targets for assigned reserves, accordingly.

Attachments: A – Proposed Fiscal Years 2021-23 Budget & Work Plan
B – Proposed Budget and Work Plan Adoption Resolution
C – Proposed Capital Improvement Program Adoption Resolution
 Exhibit A – Fiscal Years 2021-32 Capital Improvement Program
D – Proposed Annual Appropriations Limit Adoption Resolution
 Exhibit A – Annual Appropriations Limit Fiscal Year 2021-22 Calculation

RESOLUTION NO. 21-XX

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LAGUNA WOODS, CALIFORNIA, ADOPTING THE FISCAL YEARS 2021-23 BUDGET AND WORK PLAN FOR FISCAL YEAR 2021-22 COMMENCING JULY 1, 2021 AND ENDING JUNE 30, 2022, AND FISCAL YEAR 2022-23 COMMENCING JULY 1, 2022 AND ENDING JUNE 30, 2023

WHEREAS, publicly noticed City Council meetings were held on April 7, 2021, May 19, 2021, June 2, 2021, June 16, 2021, and June 23, 2021, to discuss and provide direction to staff on the development of the Fiscal Years 2021-23 Budget & Work Plan and allow opportunities for public input; and

WHEREAS, the City Manager presented the proposed Fiscal Years 2021-23 Budget & Work Plan to the City Council on June 23, 2021.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF LAGUNA WOODS, DOES HEREBY RESOLVE, DECLARE, DETERMINE AND ORDER AS FOLLOWS:

SECTION 1. The Fiscal Years 2021-23 Budget & Work Plan for the City is hereby adopted for the period of July 1, 2021 through June 30, 2023, as presented at the City Council meeting on June 23, 2021 and described herein.

SECTION 2. The budget appropriations authorized, on a fund level, are:

	<i>Fiscal Year 2021-22</i>	<i>Fiscal Year 2022-23</i>
General Fund	\$6,432,593 (includes transfers to Capital Projects Fund of \$301,296)	\$6,633,681 (includes transfers to Capital Projects Fund of \$265,591)
Capital Projects Fund	\$301,296	\$265,591
Fuel Tax	\$375,514	\$361,360
Road Maintenance & Rehabilitation Program	\$270,600	\$309,800
Measure M2 (OC Go)	\$240,850	\$251,366
Coastal Area Road Improvement and Traffic Signals (CARITS)	-	-
Service Authority for Abandoned Vehicles	-	-

Continued from page 1	<i>Fiscal Year 2021-22</i>	<i>Fiscal Year 2022-23</i>
Supplemental Law Enforcement Services	\$158,100	\$158,100
Mobile Source Reduction	-	\$92,500
PEG/Cable Television	-	-
Senior Mobility	\$119,000	\$131,000
Community Development Block Grant (CDBG)	\$350,000	\$150,000
Federal Grants	\$1,895,829	\$1,895,828
State of California Grants	\$16,000	\$193,952
Laguna Woods Civic Support Fund	\$24,408	\$24,408
TOTAL	\$9,882,894	\$10,201,995

SECTION 3. The General Fund assigned reserves authorized are:

	<i>Fiscal Year 2021-22</i>	<i>Fiscal Year 2022-23</i>
Paid Leave Contingency Reserve	\$98,376	\$98,376
Self-Insurance Contingency Reserve	\$50,000	\$50,000
General Fund Contingency Reserve	\$2,980,524	\$3,057,874
TOTAL	\$3,128,900	\$3,206,250

Assigned reserves shall be maintained, administered, and expended in accordance with Administrative Policy 2.9.

SECTION 4. The authorized City personnel positions for fiscal years 2021-22 and 2022-23 are:

Full-time

- (1) ACCOUNTANT or SENIOR ACCOUNTANT
 - (1) ACCOUNTING CLERK
 - (1) ADMINISTRATIVE COORDINATOR
 - (1) ADMINISTRATIVE SERVICES DIRECTOR/CITY TREASURER
 - (1) CITY MANAGER
 - (1) DEPUTY CITY CLERK or CITY CLERK
 - (3) MANAGEMENT ANALYST or SENIOR MANAGEMENT ANALYST
- TOTAL: 9 FULL-TIME EQUIVALENTS**

SECTION 5. From the effective date of said budget, the total amount as stated therein for the operating budget shall be, and is, appropriated subject to expenditure pursuant to all applicable ordinances of the City of Laguna Woods and statutes of the State of California. The operating budget may be reallocated by the City Manager providing there is no change in the total appropriations within any fund as authorized by the City Council.

SECTION 6. The City Manager is authorized to make budget adjustments within adopted fund-level appropriations, and may also reduce adopted fund-level appropriations, based on economic conditions or the needs of the City. Increases in adopted-fund level appropriations require City Council approval.

SECTION 7. The City Manager may decrease revenue estimates to reflect economic change during the fiscal year and may reduce expenditure appropriations as a method of fiscal control.

SECTION 8. At the close of Fiscal Year 2021-22, all appropriations shall lapse, except that unexpended appropriations shall be encumbered as necessary to underwrite the expense of outstanding purchase commitments. Unexpended appropriations for capital improvements projects and non-operating projects shall be automatically carried over to Fiscal Year 2022-23, unless the project is completed.

SECTION 9. At the close of Fiscal Year 2022-23, all appropriations shall lapse, except that unexpended appropriations shall be encumbered as necessary to underwrite the expense of outstanding purchase commitments. Unexpended appropriations for capital improvements projects and non-operating projects shall be automatically carried over to Fiscal Year 2023-24, unless the project is completed.

SECTION 10. The City Clerk shall certify to the passage of this resolution.

PASSED, APPROVED AND ADOPTED on this XX day of XX 2021.

SHARI L. HORNE, Mayor

ATTEST:

YOLIE TRIPPY, CMC, City Clerk

STATE OF CALIFORNIA)
COUNTY OF ORANGE) ss.
CITY OF LAGUNA WOODS)

I, YOLIE TRIPPY, City Clerk of the City of Laguna Woods, do HEREBY CERTIFY that the foregoing **Resolution No. 21-XX** was duly adopted by the City Council of the City of Laguna Woods at an adjourned regular meeting thereof, held on the XX day of XX 2021, by the following vote:

AYES: COUNCILMEMBERS:
NOES: COUNCILMEMBERS:
ABSENT: COUNCILMEMBERS:

YOLIE TRIPPY, CMC, City Clerk

RESOLUTION NO. 21-XX

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LAGUNA WOODS, CALIFORNIA, ADOPTING A NEW 11-YEAR CAPITAL IMPROVEMENT PROGRAM FOR FISCAL YEARS 2021-22 THROUGH 2031-32, IN CONFORMANCE WITH MEASURE M2 (OC GO) REQUIREMENTS AND APPLICABLE CITY POLICIES AND DISCRETION

WHEREAS, the City of Laguna Woods (“City”) seeks to maintain its eligibility to receive apportionments of Measure M2 (OC Go) sales tax revenues that can be used to fund transportation-related projects and programs; and

WHEREAS, a prerequisite of such eligibility is the City’s annual filing of a Measure M2 (OC Go) eligibility package for review and approval by the Orange County Transportation Authority; and

WHEREAS, a required component of the Measure M2 (OC Go) eligibility package is an adopted seven-year Capital Improvement Program that includes, at a minimum, all programs and projects which are needed to meet and maintain adopted levels of service and performance standards, in addition to all projects and programs proposed to receive Measure M2 (OC Go) funding; and

WHEREAS, the Capital Improvement Program, for the purpose of Measure M2 (OC Go) eligibility, is recognized as a program and project finance and planning tool to assist the City in the long-term development and funding of transportation-related programs and projects, and not a budget commitment beyond the fiscal year(s) for which budgets have been adopted by the City Council; and

WHEREAS, the City updates the Capital Improvement Program annually to include adjustments to funding and project schedules; and

WHEREAS, the City has identified the development and adoption of an 11-year Capital Improvement Program that includes both transportation and non-transportation-related programs and projects as a prudent action to assist with long-term financial planning; and

WHEREAS, the Fiscal Year 2021-22 expenditures identified in the Capital Improvement Program are consistent with the City’s adopted Fiscal Year 2021-22 Budget; and

WHEREAS, the Fiscal Year 2022-23 expenditures identified in the Capital Improvement Program are consistent with the City’s adopted Fiscal Year 2022-23 Budget.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF LAGUNA WOODS, DOES HEREBY RESOLVE, DECLARE, DETERMINE AND ORDER AS FOLLOWS:

SECTION 1. The City’s 11-Year Capital Improvement Program for Fiscal Years 2021-22 through 2031-32 is adopted in conformance with Measure M2 (OC Go) requirements and applicable City policies and discretion, as attached hereto as Exhibit A and incorporated herein by reference. Exhibit A replaces and supersedes all previous capital improvement programs adopted by the City Council for all or a portion of fiscal years 2021-22 through 2031-32.

SECTION 2. The City Clerk shall certify to the passage of this resolution.

PASSED, APPROVED AND ADOPTED on this XX day of XX 2021.

SHARI L. HORNE, Mayor

ATTEST:

YOLIE TRIPPY, CMC, City Clerk

STATE OF CALIFORNIA)
COUNTY OF ORANGE) ss.
CITY OF LAGUNA WOODS)

I, YOLIE TRIPPY, City Clerk of the City of Laguna Woods, do HEREBY CERTIFY that the foregoing **Resolution No. 21-XX** was duly adopted by the City Council of the City of Laguna Woods at an adjourned regular meeting thereof, held on the XX day of XX 2021, by the following vote:

AYES: COUNCILMEMBERS:
NOES: COUNCILMEMBERS:
ABSENT: COUNCILMEMBERS:

YOLIE TRIPPY, CMC, City Clerk

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ITEM 8.1 - Exhibit A to Attachment C

CITY OF LAGUNA WOODS Fiscal Years 2021-32 Capital Improvement Program Funding Plan				
Project Title	Estimated Project Cost	Fiscal Year	Projected Funding	Funding Source
FUNDED AND PARTIALLY FUNDED PROJECTS				
City Hall Refurbishment and Safety Project: Phase 3	250,000	2021-22	20,000	Capital Projects Fund
		2022-23	230,000	Capital Projects Fund
			250,000	
City Hall/Public Library Project	1,170,280	2019-20	400,000	Capital Projects Fund
		2020-21	20,280	Capital Projects Fund
		2020-21	500,000	State of California Grants Fund
		2021-22	250,000	Capital Projects Fund
			1,170,280	
Ridge Route Drive Landscape Project <i>(Partially funded only; construction costs will be calculated following the completion of design documents)</i>	40,000	2021-22	20,000	Capital Projects Fund
		2021-22	20,000	Fuel Tax Fund
			40,000	
Pavement Management Plan Project (Southbound Moulton Parkway between Via Campo Verde and Calle Cortez)	270,600	2021-22	270,600	Road Maintenance & Rehabilitation Program Fund
			270,600	
Americans with Disabilities Act (ADA) Pedestrian Accessibility Improvement Project: Phase 5	350,000	2021-22	350,000	Community Development Block Grant (CDBG) Fund
			350,000	
City-maintained Catch Basins Full Capture Systems Retrofit Project	42,937	2020-21	31,641	Measure M2 (OC Go) Fund
			11,296	Capital Projects Fund
		2021-22	42,937	
Pavement Management Plan Project (Southbound Moulton Parkway between Calle Cortez and South City Limit)	309,800	2022-23	309,800	Road Maintenance & Rehabilitation Program Fund
			309,800	
City Hall Electric Vehicle Charging Infrastructure Project	92,500	2022-23	92,500	Mobile Source Reduction Fund
			92,500	
Americans with Disabilities Act (ADA) Pedestrian Accessibility Improvement Project: Phase 6	150,000	2022-23	150,000	Community Development Block Grant (CDBG) Fund
			150,000	
Woods End Wilderness Preserve Trail Drainage and Improvement Project	213,543	2022-23	35,591	Capital Projects Fund
			177,952	State of California Grants Fund
		213,543		
PLANNED PROJECTS				
Pavement Management Plan Project (Northbound Moulton Parkway between Calle Cortez and South City Limit)	309,800	2023-24	309,800	Road Maintenance & Rehabilitation Program Fund
			309,800	
Pavement Management Plan Project (Northbound Moulton Parkway between Calle Cortez and Via Campo Verde)	270,600	2024-25	270,600	Road Maintenance & Rehabilitation Program Fund
			270,600	
Pavement Management Plan Project (Westbound El Toro Road between Calle Corta and West City Limit)	244,200	2025-26	244,200	Road Maintenance & Rehabilitation Program Fund
			244,200	
Pavement Management Plan Project (Eastbound El Toro Road between West City Limit and Calle Corta)	253,100	2026-27	253,100	Road Maintenance & Rehabilitation Program Fund
			253,100	
Pavement Management Plan Project (Westbound El Toro Road between Moulton Parkway and Calle Sonora)	240,900	2027-28	240,900	Road Maintenance & Rehabilitation Program Fund
			240,900	
Pavement Management Plan Project (Westbound El Toro Road between Calle Sonora and Canyon Wren)	238,200	2028-29	238,200	Road Maintenance & Rehabilitation Program Fund
			238,200	
Pavement Management Plan Project (Westbound El Toro Road between Canyon Wren and Tanager)	320,800	2029-30	320,800	Road Maintenance & Rehabilitation Program Fund
			320,800	
Pavement Management Plan Project (Placeholder for project per forthcoming Fiscal Years 2022-23 Pavement Management Plan)	TBD	2030-31	TBD	Road Maintenance & Rehabilitation Program Fund
			TBD	
Pavement Management Plan Project (Placeholder for project per forthcoming Fiscal Years 2022-23 Pavement Management Plan)	TBD	2031-32	TBD	Road Maintenance & Rehabilitation Program Fund
			TBD	
Americans with Disabilities Act (ADA) Pedestrian Accessibility Improvement Project: Phase 7	150,000	2023-24	150,000	Community Development Block Grant (CDBG) Fund
			150,000	
Americans with Disabilities Act (ADA) Pedestrian Accessibility Improvement Project: Phase 8	150,000	2024-25	150,000	Community Development Block Grant (CDBG) Fund
			150,000	

ITEM 8.1 - Exhibit A to Attachment C

CITY OF LAGUNA WOODS				
Fiscal Years 2021-32 Capital Improvement Program				
Funding Plan				
Project Title	Estimated Project Cost	Fiscal Year	Projected Funding	Funding Source
Americans with Disabilities Act (ADA) Pedestrian Accessibility Improvement Project: Phase 9	150,000	2025-26	150,000	Community Development Block Grant (CDBG) Fund
			150,000	
Americans with Disabilities Act (ADA) Pedestrian Accessibility Improvement Project: Phase 10	150,000	2026-27	150,000	Community Development Block Grant (CDBG) Fund
			150,000	
Americans with Disabilities Act (ADA) Pedestrian Accessibility Improvement Project: Phase 11	150,000	2027-28	150,000	Community Development Block Grant (CDBG) Fund
			150,000	
Americans with Disabilities Act (ADA) Pedestrian Accessibility Improvement Project: Phase 12	150,000	2028-29	150,000	Community Development Block Grant (CDBG) Fund
			150,000	
Americans with Disabilities Act (ADA) Pedestrian Accessibility Improvement Project: Phase 13	150,000	2029-30	150,000	Community Development Block Grant (CDBG) Fund
			150,000	
Americans with Disabilities Act (ADA) Pedestrian Accessibility Improvement Project: Phase 14	150,000	2030-31	150,000	Community Development Block Grant (CDBG) Fund
			150,000	
Americans with Disabilities Act (ADA) Pedestrian Accessibility Improvement Project: Phase 15	150,000	2031-32	150,000	Community Development Block Grant (CDBG) Fund
			150,000	
<u>UNFUNDED PROJECTS</u>				
El Toro Road Localized Flooding Relief Project	605,000 - 1,003,000	Unscheduled	605,000 - 1,003,000	Not Yet Identified
City Hall Refurbishment and Safety Project: Phase 4	Not Yet Known	Unscheduled	Not Yet Known	Not Yet Identified
City Centre Park Lighting Improvement Project	115,000	Unscheduled	115,000	Not Yet Identified
City Hall Emergency Backup Generator Project	280,000	Unscheduled	280,000	Not Yet Identified
Water Efficient Median Improvement Project (Santa Maria Avenue between Via Visa and Moulton Parkway)	250,000	Unscheduled	250,000	Fuel Tax Fund
<u>TRANSPORTATION-RELATED OPERATIONS & MAINTENANCE</u>				
<i>The following information is included at the direction of the Orange County Transportation Authority. Operations and maintenance expenses are not capital improvement projects.</i>				
	<i>Fiscal Year 2021-22</i>	<i>Fiscal Year 2022-23</i>	<i>Fiscal Year 2023-24</i>	
	<i>Budget</i>	<i>Budget</i>	<i>Estimate</i>	
Measure M2 (OC Go) Fair Share Expenditures				
Street Lighting - Public Right of Way	29,832	31,026	31,957	
Contract - Traffic Engineering	161,040	167,482	172,506	
Contract - Traffic Signal Maintenance	49,328	52,208	53,774	
Allowable Overhead Costs	650	650	750	
	<u>240,850</u>	<u>251,366</u>	<u>258,987</u>	
	<i>Fiscal Year 2024-25</i>	<i>Fiscal Year 2025-26</i>	<i>Fiscal Year 2026-27</i>	
	<i>Estimate</i>	<i>Estimate</i>	<i>Estimate</i>	
Measure M2 (OC Go) Fair Share Expenditures				
Street Lighting - Public Right of Way	32,915	33,903	34,920	
Contract - Traffic Engineering	177,682	183,012	188,502	
Contract - Traffic Signal Maintenance	55,387	57,049	58,761	
Allowable Overhead Costs	750	750	750	
	<u>266,735</u>	<u>274,714</u>	<u>282,933</u>	
	<i>Fiscal Year 2027-28</i>			
	<i>Estimate</i>			
Measure M2 (OC Go) Fair Share Expenditures				
Street Lighting - Public Right of Way	35,968			
Contract - Traffic Engineering	194,158			
Contract - Traffic Signal Maintenance	60,523			
Allowable Overhead Costs	750			
	<u>291,399</u>			

RESOLUTION NO. 21-XX

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LAGUNA WOODS, CALIFORNIA, ADOPTING THE ANNUAL APPROPRIATIONS LIMIT (GANN LIMIT) FOR FISCAL YEAR 2021-22 COMMENCING JULY 1, 2021 AND ENDING JUNE 30, 2022, IN ACCORDANCE WITH ARTICLE XIII B OF THE CALIFORNIA STATE CONSTITUTION

WHEREAS, Article XIII B of the California State Constitution restricts the appropriations growth rate for cities and other local jurisdictions; and

WHEREAS, annual appropriations limits established pursuant to Article XIII B (sometimes referred to as “Gann Limits”) are required to be modified on an annual basis for changes in population and inflation according to calculation methods established by California’s Proposition 111 (1990); and

WHEREAS, in November 2002, Laguna Woods voters established a base annual appropriations limit for the City of \$4,165,544; and

WHEREAS, the City has complied with the provisions of Article XIII B in determining an appropriations limit for Fiscal Year 2021-22; and

WHEREAS, the City has complied with California Government Code Section 7910 by making documentation regarding its determination available for public review at least 15 days prior to adoption.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF LAGUNA WOODS, DOES HEREBY RESOLVE, DECLARE, DETERMINE AND ORDER AS FOLLOWS:

SECTION 1. That the adjustment factors for the annual appropriations limit for Fiscal Year 2021-22 calculation shall be the annual percentage change in Orange County population and the annual percentage change in California per capita personal income, with sources as identified on Exhibit A attached hereto and incorporated herein by reference.

SECTION 2. That the annual appropriations limit for Fiscal Year 2021-22 shall be \$11,790,222, as calculated in Exhibit A attached hereto and incorporated herein by reference.

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

PASSED, APPROVED AND ADOPTED on this XX day of XX 2021.

SHARI L. HORNE, Mayor

ATTEST:

YOLIE TRIPPY, CMC, City Clerk

STATE OF CALIFORNIA)
COUNTY OF ORANGE) ss.
CITY OF LAGUNA WOODS)

I, YOLIE TRIPPY, City Clerk of the City of Laguna Woods, do HEREBY CERTIFY that the foregoing **Resolution No. 20-XX** was duly adopted by the City Council of the City of Laguna Woods at an adjourned regular meeting thereof, held on the XX day of XX 2021, by the following vote:

AYES: COUNCILMEMBERS:
NOES: COUNCILMEMBERS:
ABSENT: COUNCILMEMBERS:

YOLIE TRIPPY, CMC, City Clerk

**CITY OF LAGUNA WOODS
ANNUAL APPROPRIATIONS LIMIT
Fiscal Year 2021-22 Calculation**

Calculation of Appropriations Limit:

Appropriations Limit for Fiscal Year 2020-21	\$11,245,742
Adjustment Factors:	
Population Change (County of Orange)*	0.9916
Cost of Living (Per Capita Personal Income)*	<u>x 1.0573</u>
Appropriations Limit for Fiscal Year 2021-22	<u>\$11,790,222</u>
Appropriations Subject to Limitation for Fiscal Year 2021-22	\$4,366,055

* State of California, Department of Finance, *Price and Population Information*. May 2021.
Factors are rounded to four decimal places for presentation purposes.

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8.2
CITY COUNCIL MEETING SCHEDULE
(NO REPORT)

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12.1
EMPLOYEE COMPENSATION

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City of Laguna Woods Agenda Report

TO: Honorable Mayor and City Councilmembers
FROM: David B. Cosgrove, City Attorney
FOR: June 23, 2021 Adjourned Regular Meeting
SUBJECT: Employee Compensation

Recommendation

Adopt a resolution entitled:

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LAGUNA WOODS, CALIFORNIA, AMENDING RESOLUTION NO. 21-19 TO MODIFY THE COMPENSATION SCHEDULE FOR THE CITY MANAGER

Background

At the City Council's request, this matter was deferred from the meeting on June 16, 2021 to the meeting on June 23, 2021.

Discussion

Today's meeting is an opportunity for City Council action, as well as public input, on the following proposed modification of the compensation schedule for the City Manager (Attachment A) which, if adopted, would be effective July 1, 2021:

- Increase the City Manager's base salary from \$187,445.40 to \$192,525.94 (approximately 2.71%), in accordance with the Consumer Price Index (CPI)-based methodology set forth in the City Manager's employment agreement. Due to the impacts of COVID-19, the City Council previously accepted the City Manager's waiver of the CPI-based salary increase that would have

otherwise taken effect on July 1, 2020. As a result, the City Manager's base salary has remained unchanged since July 1, 2019.

Fiscal Impact

The proposed modification could be accommodated in the draft Fiscal Years 2021-23 General Fund operating budget (refer to Item 8.1 on today's agenda).

Attachment: A – Proposed Resolution

RESOLUTION NO. 21-XX

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LAGUNA WOODS, CALIFORNIA, AMENDING RESOLUTION NO. 21-19 TO MODIFY THE COMPENSATION SCHEDULE FOR THE CITY MANAGER

THE CITY COUNCIL OF THE CITY OF LAGUNA WOODS, CALIFORNIA, DOES HEREBY RESOLVE, DECLARE, DETERMINE AND ORDER AS FOLLOWS:

SECTION 1. Effective July 1, 2021, Section 2 of Resolution No. 21-19 is hereby amended to modify the compensation schedule for the City Manager to read as follows:

Exempt Full-Time Employees (Annual Equivalent)

City Manager	\$192,525.94
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SECTION 2. The City Clerk shall certify to the passage of this resolution.

PASSED, APPROVED AND ADOPTED on this XX day of XX 2021.

SHARI L. HORNE, Mayor

ATTEST:

YOLIE TRIPPY, CMC, City Clerk

STATE OF CALIFORNIA)
COUNTY OF ORANGE) ss.
CITY OF LAGUNA WOODS)

I, YOLIE TRIPPY, City Clerk of the City of Laguna Woods, do HEREBY CERTIFY that the foregoing **Resolution No. 21-XX** was duly adopted by the City Council of the City of Laguna Woods at an adjourned regular meeting thereof, held on the XX day of XX 2021, by the following vote:

AYES: COUNCILMEMBERS:
NOES: COUNCILMEMBERS:
ABSENT: COUNCILMEMBERS:

YOLIE TRIPPY, CMC, City Clerk